



**SOURCE PHYSICAL MARKETS PLC**

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

**SECURED PRECIOUS METALS-LINKED CERTIFICATES PROGRAMME**

This Base Prospectus has been prepared for the purpose of giving information with regard to the issue of secured, limited recourse certificates ("**Certificates**") by Source Physical Markets plc (the "**Issuer**") under the Secured Precious Metals-Linked Certificates Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. The aggregate number of Certificates outstanding under the Programme will not at any time exceed 1,000,000,000, *provided that* the Issuer may increase such limit from time to time (subject to compliance with the relevant Transaction Documents) (the "**Programme Limit**").

Each Series of Certificates issued by the Issuer under this Programme will be linked to a single precious metal, being gold, silver, platinum or palladium (each a "**Precious Metal**"). As further described herein, in respect of each Series, Security will be created over the Underlying Precious Metal held by the Custodian in the name of the Issuer, in favour of the Trustee for the Trustee itself and on trust for the other Secured Creditors (including the Certificateholders of such Series).

Unless previously redeemed or cancelled, each Certificate of a Series will be redeemed at the relevant Cash Amount on the date specified in the Final Terms relating to each Tranche of that Series of Certificates (the "**Final Maturity Date**"). The Certificates of any Series are subject to redemption in whole at any time in certain situations, which include certain tax and value added tax related events, the resignation or termination of the appointment of any specified key service providers in respect of such Series of Certificates (being the Trustee, the Custodian and the Portfolio Administrator), such Certificates ceasing to be accepted for clearance through CREST or the aggregate number of outstanding Certificates of the particular Series falling below a specified level. The Certificates of any Series may also be redeemed at the option of the Issuer at any time and for any reason, in whole but not in part. In addition, the holder of a Certificate may, by the exercise of the relevant option, require the Issuer to redeem such Certificate at the relevant Cash Amount or, if certain conditions for physical settlement are satisfied, by delivery of an amount of the Underlying Precious Metal equal to the Delivery Amount on certain designated dates and in accordance with the prescribed methods for delivery. See "*Terms and Conditions of the Certificates—Redemption, Purchase and Cancellation*".

A specified pool of the relevant Precious Metal relating to a Series of Certificates (the "**Underlying Precious Metal**") and the cash balances on the Issuer's cash account in respect of that Series of Certificates will be available as collateral for the obligations of the Issuer to the holders of those Certificates and all other obligations of the Issuer attributable to that Series of Certificates. If the amounts received from the Underlying Precious Metal (whether or not any security granted in respect thereof has been enforced) are insufficient to make payment of all amounts due to the holders of the Certificates of such Series (after meeting all the expenses, liabilities (including tax, value added tax and indemnity payments) and remuneration of the Trustee, any Receiver, the Registrar, the Custodian and any other

person that ranks in priority to the holders of the Certificates of such Series) no other assets of the Issuer will be available to meet that shortfall and all further claims of the holders of the Certificates of such Series will be extinguished.

Payments on the Certificates will be made in US dollars without deduction for or on account of taxes imposed or levied by Ireland to the extent described under *"Terms and Conditions of the Certificates-Taxation"* unless the withholding is required by law.

This Base Prospectus replaces and supersedes the Base Prospectus of the Issuer in relation to the Programme dated 1 April 2016.

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Certificates which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area.

Application has been made to The Irish Stock Exchange plc. (the "**Irish Stock Exchange**") for certain Series of Certificates to be admitted to the Official List (the "**Irish Official List**") and trading on its regulated market. Application will be made for certain Certificates to be admitted to listing on the Official List maintained by the UK Listing Authority for the purposes of Part VI of the Financial Services and Markets Act 2000 and the Financial Services Act 2012 (the "**London Official List**") and trading on the regulated market of the London Stock Exchange plc (the "**London Stock Exchange**"). Application will also be made for certain Certificates to be admitted to listing on the main segment of the SIX Swiss Exchange ("**SIX**"). Application has also been made for certain Certificates to be listed for trading on the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the "**Frankfurt Stock Exchange**"). Application will also be made for certain Certificates to be admitted to listing on the Borsa Italiana ETFplus market of the Borsa Italiana S.p.A (the "**Italian Stock Exchange**"). Application will also be made for certain Certificates to be admitted to listing on Euronext in Amsterdam. There can be no assurance that admission to trading on the above named markets will be approved.

The Issuer will request the Central Bank to notify the approval of the Base Prospectus in accordance with Article 18 of the Prospectus Directive to the competent authorities in each of the following jurisdictions:

- Austria;
- Belgium;
- Denmark;
- Finland;
- France;
- Germany;
- Italy;
- Luxembourg;

- The Netherlands;
- Norway;
- Portugal;
- Spain;
- Sweden; and
- the United Kingdom,

by providing them with a note of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuer may request the Central Bank to provide competent authorities in other Member States of the European Economic Area with such notes whether for the purposes of making a public offer in such Member States or for admission to trading of the Certificates or certain Series of the Certificates on a regulated market therein or both.

The Final Terms in respect of each Tranche of any Series will specify whether or not such Certificates will be admitted to listing and trading on any stock exchange. In Switzerland, certain Certificates may be traded on SIX and settled through SIX SIS SA, and in Germany certain Certificates may be traded on the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and cleared and settled through Clearstream Banking Aktiengesellschaft ("**Clearstream Germany**") and in Italy certain Certificates may be traded on the Borsa Italiana ETFplus market of the Italian Stock Exchange (*Borsa Italiana S.p.A.*) and in the Netherlands certain Certificates may be listed on Euronext in Amsterdam.

The Certificates have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to United States tax law requirements. The Certificates are being offered outside the United States (as described in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Certificates will be held in uncertificated form in accordance with 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 1086 of the Irish Companies Act 2014 having force within Ireland as are applicable to Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) ("**CREST**") and/or the CREST relevant system from time to time in force (the "**Regulations**"). Application will be made for the Certificates to be accepted for clearance through CREST.

Investing in Certificates issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under a particular Series of Certificates are discussed under "*Risk Factors*" below.

*Arranger*

**Source UK Services Limited**

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

Where information has been indicated to have been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Each Tranche (as defined herein) of Certificates will be issued on the terms set out herein under "*Terms and Conditions of the Certificates*" (the "**Conditions**") as completed by the relevant Final Terms. Any references in this Base Prospectus to "Final Terms" shall be construed as a reference to final terms for the purposes of Article 5(4) of the Prospectus Directive. This Base Prospectus must be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Certificates, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to each of the Authorised Participants that this Base Prospectus contains all information which is (in the context of the Programme, the issue and the offering and sale of any Series of Certificates) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and the offering and sale of any Series of Certificates) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Authorised Participant.

In this Base Prospectus and in relation to any Tranche, references to the "relevant Authorised Participant" are to whichever of the Authorised Participants enters into an agreement for the issue of the Certificates of such Tranche, as described in "*Subscription and Sale*" below and references to the "relevant Final Terms" are to the Final Terms relating to such Tranche.

Neither the Authorised Participants nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Certificate shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any

time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Authorised Participants to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Certificates and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Certificates, see "*Subscription and Sale*".

In particular, no Certificates have been and no Certificates will be registered under the Securities Act. Subject to certain exceptions, Certificates may not be offered or sold within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Certificates and should not be considered as a recommendation by the Issuer or the Authorised Participants or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Certificates. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate number of Certificates outstanding at any one time under the Programme will not exceed 1,000,000,000, *provided that* the Issuer may increase such limit from time to time (subject to compliance with the relevant Transaction Documents).

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**US\$**", "**US dollars**" or "**dollars**" are to United States dollars.

The Issuer has consented to the use of the Base Prospectus, and has accepted responsibility for the content of the Base Prospectus, with respect to subsequent resale or final placement by way of public offer of the Certificates by any financial intermediary in any of Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom, which is an investment firm within the meaning of the Markets in Financial Instruments Directive ("**MiFID**") and which is authorised in accordance with MiFID in any member state. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the date of the Base Prospectus unless such consent is withdrawn prior to that date by notice published on the website of the Portfolio Adviser ([www.sourceetf.com](http://www.sourceetf.com)). Other than the right of the Issuer to withdraw the consent, no other conditions are attached to the consent described in this paragraph.

**In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made. Any financial intermediary using this Base Prospectus for the purposes of the offering must state on its website that it uses this Base Prospectus in accordance with the consent given and the conditions attached thereto.**

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

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## SUMMARY OF PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A-E (A.1-E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

### Section A – Introduction and warnings

<i>Element</i>	<i>Description of Element</i>	<i>Disclosure requirement</i>
A.1	Standard Warning	This summary should be read as an introduction to this Base Prospectus. Any decision to invest in the Certificates should be based on consideration of this Base Prospectus as a whole by the investor. Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Certificates.
A.2	Disclosure of consent for use of the Base Prospectus for subsequent resale or final placement of securities by financial intermediaries	<p>The Issuer has consented to the use of the Base Prospectus, and has accepted responsibility for the content of the Base Prospectus, with respect to subsequent resale or final placement by way of public offer of the Certificates by any financial intermediary in any of Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom which is an investment firm within the meaning of MiFID and which is authorised in accordance with MiFID in any member state. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the date of the Base Prospectus unless such consent is withdrawn prior to that date by notice published on the website of the Portfolio Adviser (<a href="http://www.sourceetf.com">www.sourceetf.com</a>). Other than the right of the Issuer to withdraw the consent, no other conditions are attached to the consent described in this paragraph.</p> <p><b>In the event of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.</b></p>

### Section B – Issuer

<i>Element</i>	<i>Description of Element</i>	<i>Disclosure requirement</i>
B.1	Legal and Commercial Name of the Issuer	Source Physical Markets Public Limited Company (the " <b>Issuer</b> ").
B.2	Domicile /Legal Form /Legislation /Country of Incorporation	The Issuer is a public limited liability company incorporated in Ireland under the Irish Companies Acts 1963 to 2009 (which have been repealed and replaced by the Irish Companies Act 2014) with registered number 471344.
B.16	Control of Issuer	All the issued shares of the Issuer are held to the order of Deutsche International Finance (Ireland) Limited (the " <b>Share Trustee</b> ") under the terms of a declaration of

trust dated 12 June 2009 under which the Share Trustee holds them on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares in the Issuer.

B.17	Credit ratings	Not applicable – The Issuer has not been assigned a credit rating and the Certificates will not be rated.
B.20	Special Purpose Vehicle	The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities.
B.21	Principal activities and global overview of parties	The Issuer is a special purpose vehicle whose sole business is the issue of asset backed securities. The Issuer has established a programme (the " <b>Programme</b> "), described in the Base Prospectus, under which it can, from time to time, issue series (each, a " <b>Series</b> ") of secured exchange traded certificates linked to one of gold, silver, platinum or palladium (each a " <b>Precious Metal</b> ") (the " <b>Certificates</b> "). Each Series of Certificates will be separate (or "ring-fenced") from each other Series of Certificates.

A number of other parties have roles in connection with the Programme:

*Arranger and Portfolio Advisor:* Source UK Services Limited, a private limited company established in England, will act as the arranger (the "**Arranger**") and the portfolio advisor (the "**Portfolio Advisor**") in respect of the Programme. As Arranger, Source UK Services Limited has arranged the establishment of the Programme for the Issuer and as Portfolio Advisor, Source UK Services Limited is principally responsible for providing certain advisory services

*Trustee:* Deutsche Trustee Company Limited will act as trustee in respect of each Series of Certificates (the "**Trustee**"). The Trustee acts as trustee for the Certificateholders of each Series of Certificates and also as security trustee (holding the benefit of the security granted by the Issuer over certain of its assets in respect of a Series on trust for the Certificateholders and other transaction parties in respect of that Series).

*Portfolio Administrator and Account Bank:* Wells Fargo Bank, N.A., will act as portfolio administrator (the "**Portfolio Administrator**") and account bank (the "**Account Bank**") in respect of each Series of Certificates. As Portfolio Administrator it will make various non-discretionary determinations that affect the Certificates of a Series, including but not limited to, determining the Per Certificate Entitlement for a Series and the Cash Amount payable or the Delivery Amount deliverable on a redemption of Certificates. As Account Bank it will conduct certain money management functions for the Issuer in relation to all Series of Certificates.

*Principal Paying Agent:* Deutsche Bank AG, London Branch will act as principal paying agent (the "**Principal Paying Agent**") in respect of each Series of Certificates. As principal paying agent it will make certain payments in respect of the Certificates.

*Custodian:* JPMorgan Chase Bank, National Association will act as custodian (the "**Custodian**") in respect of each Series of Certificates. As Custodian, it will hold in custody at its London vault premises, on behalf of the Issuer, a quantity of the relevant Precious Metal relating to such Series.

*Registrar:* Computershare Investor Services (Ireland) Limited will act as registrar (the "**Registrar**") in respect of each Series of Certificates. As Registrar, it will provide registrar and CREST transfer agency services to the Issuer in connection with the Certificates.

*Precious Metals Counterparty:* JPMorgan Chase Bank, N.A. will act as the precious metals counterparty (the "**Precious Metals Counterparty**") to the Issuer in respect of the purchase and sale of Precious Metals.



*Authorised Participants:* Each entity appointed as an authorised participant under the Programme (each an "**Authorised Participant**") is authorised to subscribe for the Certificates of a Series in respect of which they are acting as Authorised Participants in consideration of cash payment, physical delivery of the relevant Precious Metal or a combination of both. A Series of Certificates may have different Authorised Participants to the other Series, and the Authorised Participants for a particular Series will be specified in the Final Terms for that Series.

B.22 No Financial Statements Not applicable – as the Issuer has commenced operations and prepared financial statements since incorporation.

B.23 Key historical financial information

		<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
Cash and cash equivalents	9	234,445	235,953
Other receivables	10	3,166,931	1,587,220
Financial assets designated at fair value through profit or loss	12	1,798,284,838	1,919,987,722
<b>Total assets</b>		<b>1,801,686,214</b>	<b>1,921,810,895</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Other payables	14	3,804,071	2,262,047
Financial liabilities designated at fair value through profit or loss	13	1,797,824,006	1,919,491,086
<b>Total liabilities</b>		<b>1,801,628,077</b>	<b>1,921,753,133</b>
<b>Shareholders' Funds-Equity</b>			
Share capital	15	55,512	55,512
Revenue reserves		2,625	2,250
<b>Total equity</b>		<b>58,137</b>	<b>57,762</b>
<b>Total liabilities and equity</b>		<b>1,801,686,214</b>	<b>1,921,810,895</b>

B.24 Material adverse change Not Applicable - There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

B.25 Description of underlying assets The underlying assets for a Series of Certificates is the specified pool of a particular Precious Metal recorded in the relevant custody accounts of the Issuer with the Custodian from time to time. On any date, such pool is expected to comprise an

amount of the relevant Precious Metal no less than the aggregate of the Per Certificate Entitlement to such Precious Metal for all outstanding Certificates of such Series.

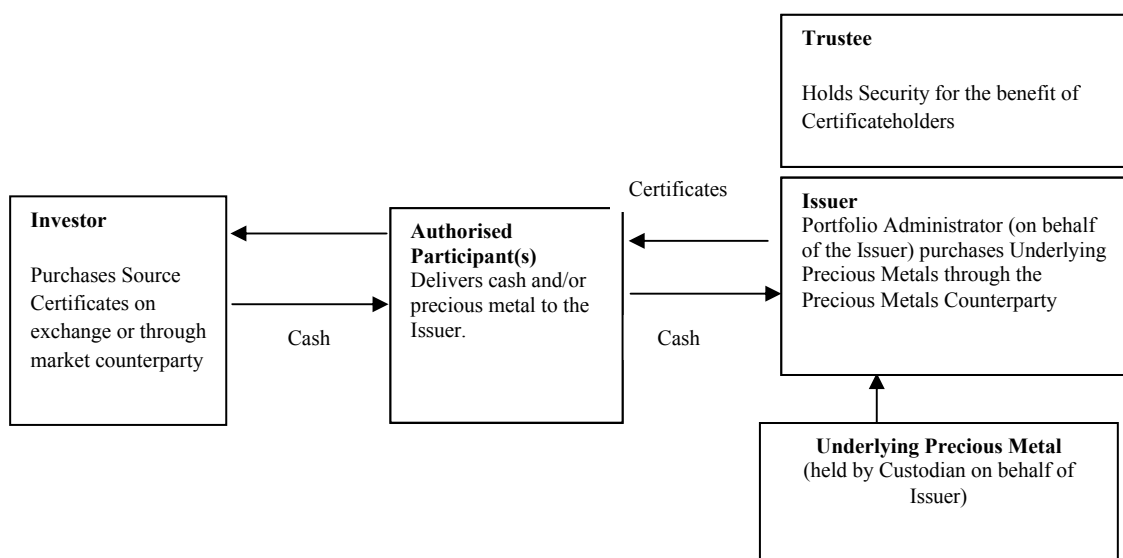
**"Per Certificate Entitlement"** means the per Certificate entitlement to the underlying Precious Metal specified in the Final Terms (the **"Initial Per Certificate Entitlement"**) which is thereafter reduced by the Reduction Percentage.

**"Reduction Percentage"** means the percentage rate by which the Initial Per Certificate Entitlement will reduce on a daily basis on the assumption that the daily rate will be the per annum rate specified in the Final Terms divided by 365 and applied accordingly.

The assets backing any issue have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Certificates.

B.26	Investment management	Not applicable - there is no active management of the assets of the Issuer.
B.27	Further issuances backed by same pool of assets	Not applicable – the Issuer will not issue further securities backed by the same pool of assets.
B.28	Structure of the transaction	<p>The Issuer may from time to time issue Series of Certificates under the Programme. Only an Authorised Participant may subscribe for the Certificates.</p> <p>The issue price of the Certificates of a Series will be determined by the Issuer and the relevant Authorised Participants at the time of issue in accordance with prevailing market conditions and will be specified in the relevant Final Terms.</p> <p>The value of the Certificates of a Series will be affected by movements in the price of the Underlying Precious Metal as measured in US dollars. On redemption a Certificateholder is entitled to receive (a) the Cash Amount (as defined below) or (b) a transfer of the Delivery Amount (as defined below) (provided certain conditions are satisfied). See C.9 below.</p>

A diagrammatic representation of the principal aspects of the structure as currently in place appears below:



B.29	Description of the flow of funds	Save to the extent that the Authorised Participant has subscribed for the issue of Certificates in whole or in part by the physical delivery of the relevant Precious Metal in respect of the Series (the <b>"Underlying Precious Metal"</b> ), the net proceeds from each issue of Certificates will be used (a) to purchase the Underlying Precious Metal and (b)
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to pay any listing fees incurred in connection with the listing of the Certificates.

The Certificates will not bear interest.

On redemption, a Certificateholder will, in respect of a Certificate, receive on a date on or before the third business day following the relevant Eligible Redemption Valuation Date (being any business day) (in each case the "**Settlement Date**"):

1. an amount in US dollars determined by the Portfolio Administrator equal to the amount of received by the Issuer in respect of the sale of the relevant amount of the Underlying Precious Metal in respect of such Certificates less all expenses, fees and charges incurred or to be incurred by the Issuer in respect of such redemption, subject to a minimum of US\$0.01 (the "**Cash Amount**");

or, if requested by the Certificateholder and certain conditions being fulfilled,

2. an amount of the Underlying Precious Metal determined by the Portfolio Administrator equal to:
  1. the aggregate Per Certificate Entitlement to the Underlying Precious Metal at the relevant Eligible Redemption Valuation Date; less
  2. an amount of the Underlying Precious Metal equal in value (as determined by the Portfolio Administrator by reference to prevailing market conditions) to all expenses, fees and charges incurred or to be incurred in connection with such redemption,

(the "**Delivery Amount**").

B.30	Originators of securitised assets	Not applicable – there are no originators of the Precious Metals
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## Section C – Securities

<i>Element</i>	<i>Description of Element</i>	<i>Disclosure requirement</i>
C.1	Type and class of securities being offered and/or admitted to trading.	<p>The Issuer may issue secured exchange traded Precious Metal linked certificates. Each Series may be issued in tranches (each a "<b>Tranche</b>") on the same or different issue dates.</p> <p><b>Issue specific summary:</b></p> <p><i>Underlying Precious Metal:</i></p> <p><i>ISIN:</i></p>
C.2	Currency	US dollars
C.5	Restrictions on free transferability	The distribution of this Base Prospectus and the offering or sale of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Authorised Participants to inform themselves about and to observe any such restrictions. The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the " <b>Securities Act</b> "). Subject to certain exceptions, Certificates may not be offered, sold or delivered within the United States or to U.S. persons.
C.8	Rights attached to the securities	<i>Payment of redemption amount</i>

Each Certificate gives the holder the right to receive the applicable payment (or in certain circumstances, the delivery of an amount of the Underlying Precious Metal) on its redemption, as described in C.9.

#### *Status and Security*

The Certificates constitute secured, limited recourse obligations of the Issuer. The Certificates will at all times rank without preference or priority *pari passu* amongst themselves.

The Certificates of each Series will be secured pursuant to the security deed entered into by the Trustee and the Issuer in respect of such Series (each a "**Security Deed**") in favour of the Trustee for itself and for the other parties listed and entitles to payment in the Payment Priorities (the "**Secured Creditors**"), as follows:

- (a) a first fixed charge over all of the Issuer's rights, title and interest in and to the Underlying Precious Metal from time to time standing to the credit of the unallocated account of the Issuer with the Custodian, in which the Custodian holds the Underlying Precious Metal on an unallocated basis (the "**Secured Unallocated Account**") and all rights and sums derived therefrom from time to time;
- (b) a first fixed charge over all of the Issuer's rights, title and interest in and to the Underlying Precious Metal from time to time standing to the credit of the unallocated account of the Issuer with the Custodian, in which the Custodian holds the Underlying Precious Metal to which the Certificates are linked, on an allocated basis (the "**Secured Allocated Account**") and all rights and sums derived therefrom from time to time; and
- (c) an assignment by way of security of the Issuer's rights, title and interest in and to each of the transaction documents relating to the Programme to the extent that they relate to the Certificates and any sums payable thereunder including the Issuer's rights to any sums held by any other party thereto to meet payments due in respect of the Certificates, but only to the extent that the same relates to the Certificates.

In addition, the Certificates of each Series will be secured by a security agreement (the "**Security Agreement**") between the Issuer and the Trustee which creates in favour of the Trustee, a New York law governed security interest over the cash account maintained by the Account Bank in respect of the relevant Series of Certificates (the "**Issuer Cash Account**").

(collectively, the "**Security**").

#### *Order of Priorities*

The Claims of the holders of Certificates and the other Secured Creditors in respect of the Certificates of a Series will rank in accordance with the following order of priorities (the "**Payment Priorities**"):

- (i) first, in payment or satisfaction of any taxes and statutory fees owing by the Issuer to any tax authority;
- (ii) second, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by and any indemnity payments owed by the Issuer to the Trustee or any receiver in preparing and executing the trusts created by the Trust Deed and Security Deed relating the relevant Series (including any amounts representing or otherwise in respect of VAT, the costs of realising any Security and the Trustee's remuneration);
- (iii) third, in payment or satisfaction *pari passu* and rateably of all amounts due and unpaid (including any amounts representing or otherwise in respect of VAT)

by the Issuer to the Paying Agents, the Registrar, the Custodian, the Precious Metals Counterparty, Account Bank and the Portfolio Administrator in respect of the Certificates;

- (iv) fourth, in payment or satisfaction *pari passu* and rateably of all amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to the Portfolio Adviser;
- (v) fifth, in payment or satisfaction *pari passu* and rateably of all amounts then due and unpaid (including any amounts representing or otherwise in respect of VAT) in respect of the Certificates to the Certificateholders;
- (vii) sixth, in payment or satisfaction *pari passu* and rateably of all other amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to any other transaction party in respect of the Certificates; and
- (viii) seventh, in payment of any balance to the Issuer.

#### *Limited Recourse*

In respect of any Series of Certificates, the Certificateholders shall have recourse only to the property of the Issuer which is subject to the Security (the "**Secured Property**") in respect of such Series of Certificates. If the net proceeds of the realisation of the Secured Property are not sufficient to make all payments due in respect of the Certificates and due to each other creditor relating to the Certificates, no other assets of the Issuer will be available to meet such shortfall, the claims of the Certificateholders and any other creditors relating to the Certificates in respect of any such shortfall shall be extinguished. No party will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall.

#### *Events of Default*

If any of the following events ("**Certificate Events of Default**") occurs, the Trustee shall, if so directed and may, at its discretion, give notice to the Issuer that the Certificates are, and they shall immediately become, due and payable:

1. the Issuer fails to pay any amounts due in respect of the Certificates or deliver any Underlying Precious Metal due in respect of the Certificates within 5 business days of the due date for payment or delivery, other than as contemplated by the conditions of the Certificates;
2. the Issuer defaults in the performance or observance of any of its other obligations under the Certificates or any of the other documents relating to the issue of the Certificates or any of the covenants of the Issuer contained in the trust deed between the Issuer, the Trustee and the Portfolio Adviser which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee;
3. an insolvency event occurs in relation to the Issuer; or
4. it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Certificates or any of the other documents relating to the issue of the Certificates.

#### *Withholding Tax*

All payments in respect of Certificates will be made free and clear of withholding taxes of the Issuer's jurisdiction, unless the withholding is required by law. In that event, the Issuer, the Trustee, the paying agent(s) or any other agent of the Issuer (as the case may be) shall make such payments after such tax deduction and shall account to the relevant authorities for the amount so withheld or deducted.

Neither the Issuer, the Trustee, the paying agent(s) nor any other agent of the Issuer will be obliged to pay any additional amounts to the Certificateholders as a result of any such tax deduction.

#### *Governing law*

The Certificates, the Trust Deed and the Registrar Agreement will be governed by Irish law. All other transaction documents relating to the Programme will be governed by English law.

C.9

In addition to the rights attached to the securities set out in C.8 above:

Interest

Not Applicable - No interest shall accrue and be payable on the Certificates.

Redemption

#### *Final Redemption*

All Certificates of a given Series that have not been previously redeemed or purchased or cancelled will be redeemed on the date specified in the Final Terms relating to that Series as the final maturity date (the "**Final Maturity Date**") by payment of the relevant Cash Amount (as defined above) in respect of such Certificates.

#### *Certificateholder Optional Redemption*

The Issuer shall at the option of a Certificateholder, redeem some or all of the Certificate held by such Certificateholder in respect of any Eligible Redemption Valuation Date by payment of the relevant Cash Amount on the relevant Settlement Date ("**Cash Settlement**"), unless it is specified in the redemption notice:

1. that the Certificateholder is electing for settlement by the transfer of the Delivery Amount of the relevant Underlying Precious Metal ("**Physical Delivery**");
2. the number and account name of an unallocated account in London with a member of the LBMA or the LPPM where the relevant Delivery Amount should be delivered; and
3. contains a representation and warranty from the Certificateholder that (a) it is not a UCITS fund; and (b) the request for Physical Settlement and acceptance of the Delivery Amount is in accordance with all laws and regulations applicable to the Certificateholder.

#### *Automatic Redemption for CREST Reasons*

If on any date notice is received by or on behalf of the Issuer that a Certificateholder has or will cease to have an account with CREST, any Certificates held by such Certificateholder shall be automatically redeemed as if such Certificateholder had delivery a redemption notice on such date (or if that date is not an Eligible Redemption Valuation Date, the next Eligible Redemption Valuation Date) and Cash Settlement shall apply to such redemption.

#### *Optional Redemption in whole*

The Issuer may redeem all (but not some only) of the Certificates in respect of any Eligible Redemption Valuation Date by payment of the relevant Cash Amount in the relevant Settlement Date, provided the Issuer has given not less than 60 days' notice of its intention to redeem all of the Certificates on such Eligible Redemption Valuation Date to the Trustee, the Certificateholders, other parties to the transaction documents relating to the Programme and any stock exchange on which the Certificates are listed.

### *Mandatory Redemption*

The Issuer shall instruct the Portfolio Administrator to sell all of the Secured Property and apply the sales proceeds (less all expenses, fees and charges) in accordance with the Payment Priorities and redeem each outstanding Certificate, in the event of:

1. changes in tax law which may result in withholding to be applied to payments made by the Issuer in respect of the Certificates, the cost of the Issuer complying with its obligations in respect of the Programme being material increased or result in an increased VAT cost to the Issuer;
2. the resignation or termination of the appointment of the Trustee, Custodian or Portfolio Administrator and a successor is not appointed within the prescribed timeframe;
3. the Certificates cease to be, or notice is received that the Certificates will cease to be held in uncertificated form and accepted for clearance through CREST; or
4. if at any time the Portfolio Administrator determines and notifies the Issuer that the aggregate number of Certificates outstanding on any day after the first anniversary of the issue date of the first Tranche of Certificates is less than 1,000,000.

**Trustee:** The Trustee in respect of each Series of Certificates shall be Deutsche Trust Company Limited.

C.10	Derivative component of interest	Not applicable – the Certificates do not bear interest at a prescribed rate.
C.11	Admission to Trading	<p>Application has been made to The Irish Stock Exchange plc for the Certificates to be admitted to the Official List and trading on its regulated market.</p> <p>Application has been made to the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) for certain Certificates to be admitted to the official list of the Frankfurt Stock Exchange and to be admitted to listing and trading on the Regulated Market (General Standard) (<i>Regulierter Markt General Standard</i>) of the Frankfurt Stock Exchange.</p> <p>Application will be made for certain Certificates to be admitted to the Official List maintained by the UK Listing Authority for the purpose of Part VI of the Financial Services and Markets Act 2000 and the Financial Services Act 2012 and trading on the regulated market of the London Stock Exchange plc.</p> <p>Application will also be made for certain Certificates to be admitted to listing on the main segment of the SIX Swiss Exchange.</p> <p>Application will also be made for certain Certificates to be admitted to listing on the Borsa Italiana ETFplus market of the Italian Stock Exchange (<i>Borsa Italiana S.p.A.</i>).</p> <p>Application will also be made for certain Certificates to be admitted to listing on Euronext in Amsterdam.</p>
C.12	Minimum denomination	The Certificates are being treated by the Issuer for the purposes of Annexes V and VII of Commission Regulation No. 809/2004 of 29 April 2004, as amended as having a minimum denomination of less than €100,000.

C.15	Value of the investment is affected by the value of the underlying instruments	<p>The issue price of the Certificates of a Series will be determined by the Issuer and the relevant Authorised Participants at the time of issue in accordance with prevailing market conditions and will be specified in the relevant Final Terms.</p> <p>On redemption, a Certificateholder will, in respect of a Certificate, receive on the relevant Settlement Date (a) the Cash Amount; or (b) the Delivery Amount as determined in accordance with the Conditions from time to time.</p> <p><b>Issue Specific Summary</b></p> <p><i>Issue Price:</i>        [            ]</p>
C.16	Expiration/ Maturity date	<p>The maturity date of each Tranche of a Series of Certificates will be specified in the relevant Final Terms.</p> <p><b>Issue Specific Summary:</b></p> <p><i>Maturity Date:</i>    [            ]</p>
C.17	Settlement	<p>The Certificates will be held in uncertificated form in accordance with 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 1086 of the Irish Companies Act 2014 having force within Ireland as are applicable to Euroclear UK &amp; Ireland Limited (formerly known as CRESTCo Limited) ("<b>CREST</b>") and/or the CREST relevant system from time to time in force (the "<b>Regulations</b>").</p> <p>The Issuer will apply for the Certificates to be accepted for clearance through CREST. The Certificates are participating securities for the purposes of the Regulations.</p>
C.18	Description of return	<p>On redemption, a Certificateholder will, in respect of a Certificate, receive on a date on the relevant Settlement Date:</p> <ol style="list-style-type: none"> <li>1. an amount in US dollars determined by the Portfolio Administrator equal to the amount of received by the Issuer in respect of the sale of the relevant Underlying Precious Metal in respect of such Certificates less all expenses, fees and charges incurred or to be incurred by the Issuer in respect of such redemption, subject to a minimum of US\$0.01; or</li> <li>2. an amount of the Underlying Precious Metal determined by the Portfolio Administrator equal to: <ol style="list-style-type: none"> <li>1. the aggregate Per Certificate Entitlement to the Underlying Precious Metal at the relevant Eligible Redemption Valuation Date; less</li> <li>2. an amount of the Underlying Precious Metal equal in value (as determined by the Portfolio Administrator by reference to prevailing market conditions) to all expenses, fees and charges incurred or to be incurred in connection with such redemption.</li> </ol> </li> </ol>
C.19	Final price / exercise price	<p>On redemption at maturity, a Certificateholder will, in respect of a Certificate, receive on the Final Maturity Date an amount in US dollars determined by the Portfolio Administrator equal to the amount of received by the Issuer in respect of the sale of the relevant Underlying Precious Metal in respect of such Certificates less all expenses, fees and charges incurred or to be incurred by the Issuer in respect of such redemption, subject to a minimum of US\$0.01.</p>
C.20	Type of underlying and where information on underlying can be found	<p>Information on the past and the future performance and volatility of (i) gold prices can be found at Reuters Screen page "XAUUSDPM" or Bloomberg ticker "GOLDLNPM", (ii) silver prices can be found at Bloomberg ticker "SLVRLN", (iii) platinum prices can be found at Bloomberg ticker "PLTMLNPM" and (iv) palladium prices can be found at Bloomberg ticker "PLDMLNPM".</p>



## Section D – Risks

<i>Element</i>	<i>Description of Element</i>	<i>Disclosure requirement</i>
D.2	Key risks specific to the Issuer	<p>The Issuer has been established as a special purpose vehicle for the purpose of establishing the Programme and issuing multiple series of asset backed securities, holding the Underlying Precious Metal for each Series, through the Custodian, and entering into, and performing its obligations under, agreements related to the foregoing. The Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Certificates or entry into other obligations from time to time and any Secured Property and any other assets on which Certificates or other obligations are secured.</p> <p>The Issuer is an Irish company. Under Irish law, upon an insolvency of an Irish company, 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.</p>
D.3	Key risks specific to the Certificates	<p>The Certificates of each Series are secured, limited recourse obligations of the Issuer. The ability of the Issuer to meet its obligations under the Certificates will be dependent on the payment of all sums due from and delivery of all amounts of the Underlying Precious Metal deliverable by the Precious Metals Counterparty under the Precious Metals Sale and Purchase Agreement and any other service providers to the Issuer in respect of the Certificates making the relevant payments and/or deliveries to the Issuer.</p> <p>The value of the Certificates may fall in value as rapidly as it may rise and investors may not get back the amount invested and risk losing all of their investment. The value of the Certificates may be affected by a number of factors, including changes in the value of the Underlying Precious Metal and volatility of the price of the relevant Precious Metal and changes in foreign exchange rates and economic, financial and political events that are difficult to predict.</p> <p>The past performance of the relevant Precious Metal should not be taken as an indication of the future performance of that Precious Metal during the term of any Series of Certificates linked to such Precious Metal.</p> <p>The Certificates issued under the Programme will not be guaranteed by any entity and no person other than the Issuer will be obliged to make payments on the Certificates of any Series</p> <p>In certain circumstances, an early redemption of the Certificates may be imposed on investors which may result in the Certificates being redeemed earlier than desired.</p> <p>Any Underlying Precious Metal will be held by the Custodian at its London vault premises. Access to any Underlying Precious Metal held by the Custodian and/or a sub-custodian could be restricted by natural events (such as earthquakes or flooding) or human actions (such as wars or terrorist attacks).</p> <p>There is a risk that the Underlying Precious Metal for a Series of Certificates could be lost, stolen or damaged and the Issuer would not be able to satisfy its obligations in respect of the Certificates.</p> <p>Neither the Trustee nor the Custodian independently confirms the fineness, weight of the Underlying Precious Metal for a Series of Certificates. The Underlying Precious Metal may be different from the reported fineness or weight required by the standard of The London Bullion Market Association or The London Platinum and Palladium Market, as appropriate, for quantities of the relevant Precious Metal delivered in settlement of a trade in such Precious Metal, in which case the value of the Certificates of each Series linked to such Underlying Precious Metal might decrease.</p> <p>In the case of the insolvency of the Custodian, a liquidator may seek to freeze access</p>

to the Underlying Precious Metals held in all of the accounts maintained by the Custodian. Although the Issuer would be able to claim ownership of properly allocated Underlying Precious Metals, the Issuer could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay redemptions and settlement of Certificates.

If the Issuer is unable to sell the relevant amount of the Underlying Precious Metal in connection with the redemption of any Certificate of a Series, or fails to receive the sale proceeds thereof, calculation and payment of the Cash Amount will be delayed until such time as the Issuer is able to sell the Underlying Precious Metal and receives the sale proceeds in respect thereof.

The Certificates aim to track the relevant Underlying Precious metal as closely as possible; however "tracking error" may occur from time to time such that price at which Certificates of any Series trade on the Irish Stock Exchange or any other exchange to which the Certificates may be admitted may not reflect accurately the price of the Underlying Precious Metal represented by such Series of Certificates.

The Authorised Participants and/or their affiliates actively trade in commodities markets. These activities could give rise to conflicts of interest which are adverse to the interests of the Certificateholders and could adversely effect the market value of the Certificates.

D.6.

In addition to the risks set out in D.3 above:

An investment in Certificates involves a significant degree of risk and an investor may lose the value of their entire investment or part of it.

## Section E – Offer

<i>Element</i>	<i>Description of Element</i>	<i>Disclosure requirement</i>
E.2b	Reasons for the offer and use of proceeds	Not applicable - the reasons for the offer and use of proceeds are not different from making profit and/or hedging.
E.3	Terms and conditions of the offer	<p>Offers and sales of the Certificates to an investor by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between such Authorised Participant and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Arranger will be a party to any such arrangements with investors (except where the Arranger itself offers Certificates to an investor) and, accordingly, this Base Prospectus and any Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Authorised Participant or the Arranger, as applicable. Investors should however note the following:</p> <p><b>Amount of the offer:</b> The number of Certificates subject to the offer will be determined on the basis of the demand for the Certificates and prevailing market conditions and be published, provided that the aggregate number of all Certificates of any and all Series outstanding from time to time shall not in any event exceed 1,000,000,000 (the "<b>Programme Limit</b>").</p> <p><b>Offer Price:</b> The offer price per Certificate will be equal to the Issue Price specified in the Final Terms, subject to any applicable fees and commissions of the person offering such Certificate.</p> <p><b>Offer Period:</b> Certificates may be offered to an investor at any time between the Issue Date of the first Tranche of a Series of Certificates and the Maturity Date of such Series.</p>

### *Issue Specific Summary*

*Issue Date:* [                      ]

E.4	Material interests in the offer	<p>Source UK Services Limited which is acting as Portfolio Adviser and Arranger in respect of the Programme has a relationship with certain Authorised Participants under the Programme and may have a relationship with future Authorised Participants appointed to the Programme. Such relationships may therefore potentially give rise to conflicts of interest which are adverse to the interests of the Certificateholders.</p> <p>The Authorised Participants and/or their affiliates actively trade in commodities markets. These activities could give rise to conflicts of interest which are adverse to the interests of the Certificateholders and could adversely affect the market value of the Certificates.</p>
E.7	Expenses chargeable to Investors	<p>In connection with the redemption of any Certificate at the option of a Certificateholder, a redemption notice fee of up to US\$500.00 will be payable by the relevant Certificateholder.</p> <p>The Cash Amount payable or the Delivery Amount deliverable, as applicable, in respect of any redemption is calculated net of all expenses, fees and charges incurred or to be incurred in connection therewith.</p> <p>From time to time, in respect of Certificates of any particular Series, a portion of the Underlying Precious Metal equal to the aggregate of the daily amounts by which the Per Certificate Entitlement to such Underlying Precious Metal has been reduced by the Reduction Percentage over the relevant period (the "<b>Combined Fees</b>" for such Series) will be withdrawn from the relevant Secured Custody Accounts and sold on behalf of the Issuer and the proceeds thereof, in the normal course, paid to the Portfolio Adviser in consideration for its services as Portfolio Adviser and also its agreement to pay the fees and expenses due to the other service providers in connection with the Programme (but not including any indemnities granted in favour of the other service providers).</p>

## RISK FACTORS

*Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Certificates" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Certificates. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Certificates are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Certificates, but the inability of the Issuer to pay amounts due on the Certificates or perform other obligations on or in connection with the Certificates may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Before making an investment decision with respect to the Certificates, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and/or tax advisers and carefully review the risks entailed by an investment in the Certificates and consider such an investment decision in the light of the prospective investor's personal circumstances.*

### ***The Issuer is a Special Purpose Vehicle***

The Issuer has been established as a special purpose vehicle for the purpose of establishing the Programme and issuing multiple series of asset backed securities, holding the Underlying Precious Metal for each Series, through the Custodian, and entering into, and performing its obligations under, agreements related to the foregoing, and this is the sole business of the Issuer (the "**Business**"). The Issuer has covenanted to the Trustee in the Trust Deed that for as long as any of the Certificates remain outstanding, the Issuer shall not, without the consent of the Trustee, (i) incur any other indebtedness for borrowed money or engage in any business, other than the Business and the performance of any act incidental to or necessary in connection with the Business, (ii) subject to (i) above, dispose of any of the Secured Property or any part thereof or interest therein, (iii) declare any dividends, (iv) have any Subsidiaries or employees, (v) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), (vi) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions of the Certificates and the Trust Deed), (vii) issue any shares (other than such shares as were in issue on 10 June 2009), (viii) enter into any securities lending transactions, (ix) enter into any lending transaction with respect to the Secured Property, (x) amend its organisational documents or (xi) engage in any dissolution, liquidation, consolidation or asset sale (other than as provided in the relevant documents relating to the Certificates); *provided that* for the avoidance of doubt, nothing shall prevent the Issuer from engaging an administrator, accountants, statutory auditors and/or legal, banking or other advisers, and *provided further that* nothing in the Transaction Documents shall prevent the Issuer from entering into any agreement, document or transaction, or doing any other act or thing in relation to the issuance of Series of Certificates or other instruments under the Programme from time to time that are linked to and

secured by, *inter alia*, encumbrances over assets other than a Precious Metal. As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Certificates or entry into other obligations from time to time and any Secured Property and any other assets on which Certificates or other obligations are secured.

In addition, the Issuer has covenanted to the Trustee in the Trust Deed that it shall not sell or otherwise dispose of any Underlying Precious Metal in respect of any Series otherwise than in accordance with the terms of the Transaction Documents for that Series.

***No Regulation of the Issuer by any Regulatory Authority***

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of that jurisdiction's laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Certificates.

Any investment in the Certificates does not have the status of a bank deposit and is not within the scope of any deposit protection scheme or any client money protection scheme.

***Alternative Investment Fund Managers Directive***

The Alternative Investment Fund Managers Directive ("AIFMD") became effective on 22 July 2013. The AIFMD provides, among other things, that all alternative investment funds ("AIFs") must have a designated AIFM with responsibility for portfolio and risk management. The AIFMD does not apply to "securitisation special purpose entities" (the "SSPE Exemption"). A number of national regulators have issued policy statements in relation to the implementation of the AIFMD in their jurisdictions in connection with the application of the SSPE Exemption, including the Financial Conduct Authority (the "FCA") in the United Kingdom and the Central Bank in Ireland. However in providing such guidance, the regulators have referred to the possibility that the European Securities and Markets Authority will, in due course, provide additional guidance on the types of structures which will be considered AIFs and the meaning of the SSPE Exemption under the AIFMD.

If the AIFMD were to apply to the Issuer this would entail several consequences for the Issuer, notably:

- (a) the Issuer would have to be licensed as an AIFM or appoint a duly licensed AIFM (the "Issuer AIFM");
- (b) the Issuer AIFM would have to implement procedures in order to identify, prevent, manage, monitor and disclose conflict of interests;
- (c) adequate risk management systems would need to be implemented by the Issuer AIFM to identify, measure, manage and monitor appropriately all risks relevant to the Issuer's investment strategy and to which the Issuer is or can be exposed (including appropriate stress testing procedures);
- (d) valuation procedures would need to be designed at the Issuer level;
- (e) a depositary would have to be appointed in relation to the Issuer's assets; and

- (f) the Issuer and the Issuer AIFM would be subject to certain reporting and disclosure obligations.

### ***Centre of Main Interest***

As the Issuer has its registered office in Ireland there is a rebuttable presumption that its centre of main interest ("**COMI**") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ 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". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, 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 in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

### ***Preferred creditors under Irish law***

The Issuer is an Irish company. Under Irish law, upon an insolvency of an Irish company, 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 Irish courts (see "*Examinership*" below).

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 in certain circumstances.

### ***Examinership***

Examinership is a court procedure available under the Irish Companies Act 2014, as amended to facilitate the survival of Irish companies in financial difficulties.

As the Issuer is an Irish company, 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 his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will compile 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 Irish High Court or Circuit Court (as applicable) when at least one class of creditors has voted in favour of the proposals and the Irish High 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.

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 represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Certificateholders. The Trustee would also be entitled to argue at the relevant court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Certificateholders, especially if such proposals included a writing down of the value of amounts due by the Issuer to the Certificateholders. The primary risks to the holders of Certificates if an examiner were to be appointed to the Issuer are as follows:

- (a) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Certificateholders as secured by the Trust Documents;
- (b) the potential for the examiner to seek to set aside any negative pledge in the Certificates 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
- (c) 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 Irish High 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 the Certificateholders.

***The Certificates may not be a suitable investment for all investors***

Each potential investor in the Certificates must determine the suitability of that investment in light of its own circumstances and should consult with their legal, business, tax advisers and such other advisers as they deem appropriate to determine the consequences of an investment in the Certificates and to arrive at their own evaluations of the investment.

In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;

- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates;
- (d) understand thoroughly the terms of the Certificates and be familiar with the behaviour of the market of the Underlying Precious Metal relating to a particular Series of Certificates and any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

### ***Investment Risks***

The price at which a Certificateholder will be able to redeem or sell Certificates at any time prior to maturity may be substantially less than the price they paid if, at such time and in addition to any other factors, the value of the Underlying Precious Metal is below, equal to or not sufficiently above (taking into account the daily accrual of fees which reduce the Per Certificate Entitlement to the Underlying Precious Metal) the value of the Underlying Precious Metal at the date of purchase.

The value of the Certificates may fall in value as rapidly as it may rise and investors may not get back the amount invested and risk losing all of their investment. The value of the Certificates may be affected by a number of factors, including changes in the value of the Underlying Precious Metal and volatility of the price of the relevant Precious Metal and changes in foreign exchange rates and economic, financial and political events that are difficult to predict. The past performance of the relevant Precious Metal should not be taken as an indication of the future performance of that Precious Metal during the term of any Series of Certificates linked to such Precious Metal.

### ***Limited Recourse***

All amounts due from the Issuer to the Secured Creditors (including the Certificateholders) in relation to any given Series under the Transaction Documents or the Conditions in relation to such Series and the other Secured Obligations shall be equal to the lesser of the principal amount of such obligations and the actual amount received or recovered by or for the account of the Issuer in respect of the Secured Property applicable to that Series net of any sums which the Issuer certifies to the Trustee that it is or may be obliged by law to pay to any person in priority to the Certificateholders or other Secured Creditors in accordance with Condition 5 (*Security and Payment Priorities*). Accordingly, all payments to be made by the Issuer under the Transaction Documents or the Conditions in respect of any Secured Obligations for any given Series may only be satisfied by recourse to the sums received or recovered by or on behalf of the Issuer or the Trustee in respect of the Secured Property for such Series (net as aforesaid) (the "**Available Amount**"). The Secured Creditors (including the Certificateholders) shall look solely to the Available Amount for payments to be made by the Issuer, the obligation of the Issuer to make payments will be limited to the Available Amount (which shall be applied in accordance with the applicable Payments Priorities) and the Secured Creditors (including the Certificateholders) will have no further recourse to the Issuer in respect thereof. In the event that the amount due and payable by the Issuer to the Secured Creditors (including the Certificateholders) exceeds the Available Amount, the right of any person to claim payment of any amount exceeding the Available Amount shall be extinguished and none



of the Secured Creditors (including the Certificateholders) may take any further action to recover such amounts.

***No guarantee***

The Certificates issued under the Programme will not be guaranteed by any entity and no person other than the Issuer will be obliged to make payments on the Certificates of any Series. For the avoidance of doubt, the Certificates will not be obligations of, or guaranteed by, any of the Arranger, any Authorised Participant, any party to a Transaction Document (other than the Issuer) or any affiliate or company associated with any such party.

***Certificateholders have no proprietary interest in the Underlying Precious Metal***

Certificateholders have no proprietary interest in the Underlying Precious Metal other than the Security Interests created by the Issuer in favour of the Trustee for itself and as trustee for the other Secured Creditors.

***Relationship of Source UK Services Limited with Certain Authorised Participants***

As of the date of this Base Prospectus, Source UK Services Limited is a subsidiary of Source Holdings Limited. Certain group companies of certain Authorised Participants hold the ultimate beneficial interest in the majority of shares in Source Holdings Limited. Such Authorised Participants, or their respective group companies or affiliates, also have representatives on the board of Source Holdings Limited. Source UK Services Limited may have similar relationships with other Authorised Participants in the future.

Investors should note therefore that Source UK Services Limited which will be acting as Portfolio Adviser and Arranger in respect of the Certificates has a relationship with certain Authorised Participants and may have a relationship with future Authorised Participants. As part of its role as Portfolio Adviser, Source UK Services Limited will be responsible for advising the Issuer if the Portfolio Adviser becomes aware of the occurrence or existence of a Settlement Disruption Event in connection with any redemption of Certificates and notifying the Portfolio Administrator (and thereafter liaising with the Portfolio Administrator to the extent necessary) if it becomes aware of the occurrence or existence of a Market Disruption Event on any Business Day. The relationship of Source UK Services Limited with certain Authorised Participants may therefore potentially give rise to conflicts of interest which are adverse to the interests of the Certificateholders.

***Other Business Activities of Authorised Participants***

The Authorised Participants and/or their affiliates may be active traders in commodities markets, including in the physical markets for commodities, in the futures markets and the over-the-counter markets, including trading of commodity swaps, options and other derivatives. These trading activities may present a conflict between the interests of holders of the Certificates and the interests which the Authorised Participants and their affiliates may have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the value of one or more of the Precious Metals, could be adverse to the interests of the Certificateholders. The Authorised Participants and their respective affiliates may also issue or underwrite additional securities or trade other products the return on which is linked to the value of one or more of the Precious Metals or other similar strategies. An increased level of investment in these products may negatively affect the value of the relevant Precious

Metal(s) and therefore the amount payable on the relevant Certificates on the stated maturity date or any prior redemption date, as applicable, and the market value of such Certificates.

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

***Failure by the Portfolio Adviser to pay, on behalf of the Issuer, fees and expenses due to other service providers could result in an Event of Default under the Certificates***

In respect of Certificates of any particular Series, a portion of the relevant Underlying Precious Metal equal to the Combined Fees relating to such Series will be withdrawn from time to time from the Secured Custody Accounts and will be sold under the Precious Metals Sale and Purchase Agreement. There is no fixed date in respect of such sales. The timing of such sales may be determined taking into account any recommendation of the Portfolio Adviser (with the consent of the Trustee). No representation is made as to the impact of such variable timing of sales on the value of the Certificates or the return to investors. The proceeds in respect of such sale will in the normal course be paid to the Portfolio Adviser in consideration for its services as Portfolio Adviser and also its agreement to pay to the Issuer or to its order, the fees and expenses due to the other service providers in respect of the Programme (but not including any indemnities granted in favour of the other service providers). A failure by the Portfolio Adviser to pay these fees and expenses on behalf of the Issuer in respect of any Series would, after any applicable grace period, result in an Event of Default under the Certificates of such Series.

***Certificateholders will be exposed to, amongst other risks, the credit risk of the Issuer, the Precious Metals Counterparty, the Paying Agents, the Custodian, the Portfolio Adviser, the Portfolio Administrator, the Account Bank and other service providers***

The Certificates of each Series constitute secured, limited recourse obligations of the Issuer and of no other person. The ability of the Issuer to meet its obligations under the Certificates of a Series and the Transaction Documents relating thereto will be dependent, where applicable, upon payment of all sums due from and delivery of all amounts of the Underlying Precious Metal deliverable by the Precious Metals Counterparty under the Precious Metals Sale and Purchase Agreement, upon the Principal Paying Agent, the other Paying Agents, the Custodian, the Portfolio Adviser, the Portfolio Administrator, the Account Bank and any other service providers to the Issuer in respect of the Certificates making the relevant payments and/or deliveries to, or on behalf of, the Issuer and upon all parties to the Transaction Documents (other than the Issuer) performing their respective obligations thereunder.

***Portfolio Administrator under the Certificates - conflicts of interest***

Wells Fargo Bank, N.A. ("**Wells Fargo**") and its affiliates may act in a number of capacities in respect of Certificates including, without limitation, Portfolio Administrator and Account Bank. Wells Fargo and its affiliates acting in such capacities in connection with such Certificates shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Wells Fargo and its affiliates in their various capacities in connection with the Certificates may enter into business dealings,

from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

In addition, Wells Fargo and any of its affiliates may hold positions in respect of any of the Certificates and in any Precious Metal.

In its role as Portfolio Administrator in respect of Certificates of any Series, Wells Fargo will, in accordance with the provisions of the Portfolio Administration and Advisory Agreement, make various non-discretionary determinations that affect the Certificates of such Series, including determining, among other things, the Per Certificate Entitlement to the Underlying Precious Metal and the Cash Amount payable, or the Delivery Amount deliverable, on any redemption of Certificates. The value of the Certificates of any Series could be adversely affected by such determinations, for example, as a result of changes to the Per Certificate Entitlement to the Underlying Precious Metal. In its calculations the Portfolio Administrator will depend upon timely and accurate provision of information and certain constituent values of the Per Certificate Entitlement to the Underlying Precious Metal calculation which are provided to the Portfolio Administrator by various parties. Any consequent variation in the value of the Per Certificate Entitlement to the Underlying Precious Metal could result in a change to the value of the Certificates.

#### ***Tracking Error and Liquidity Risk***

At any time, the price at which the Certificates of any Series trade on the Irish Stock Exchange or on any other exchange to which they may be admitted from time to time may not reflect accurately the price of the Underlying Precious Metal represented by such Series of Certificates. The procedures set out in this document for the issue and redemption of Certificates will help limit this difference (or "tracking error"). However, this risk cannot be fully eliminated since the market price will be, in part, a function of supply and demand amongst investors wishing to buy and sell Certificates.

#### ***There may not be an active trading market for the Certificates***

The Certificates are securities which might not be widely distributed and for which there is currently no active trading market. If Certificates are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities and general economic conditions. The market for trading of Certificates of one Series may differ from the market, if any, of any other Series of Certificates and the performance of one Series of Certificates may not be indicative of how any other Series of Certificates will perform.

Although (i) an application has been made to The Irish Stock Exchange plc. for Certificates to be admitted to the Official List and trading on its regulated market; (ii) application will be made for certain Certificates to be admitted to listing on the Official List maintained by the UK Listing Authority for the purposes of Part VI of the Financial Services and Markets Act 2000 and the Financial Services Act 2012 and trading on the regulated market of the London Stock Exchange plc; (iii) application will also be made for certain Certificates to be admitted to listing on the main segment of the SIX Swiss Exchange; (iv) an application has been made for certain Certificates to be listed for trading on the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*); (v) application will also be made for certain Certificates to be admitted to listing on the Borsa Italiana ETFplus market of the Italian Stock Exchange (*Borsa Italiana S.p.A.*) and (vi) application will also be made for certain Certificates to be admitted to listing on Euronext in

Amsterdam, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Certificates of any Series.

If a market does develop, it may not be very liquid and may be discontinued at any time. Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield or return comparable to similar investments that have a developed secondary market. Certificates are especially sensitive to commodity, currency or market risks and are designed for specific investment objectives or strategies. The Certificates will generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Certificates. If a market does develop, the price at which Certificates are traded on such market may not accurately reflect the price of the Underlying Precious Metal represented by such Certificates.

***The Certificates may be redeemed prior to the Final Maturity Date at any time at the option of the Issuer (irrespective of the then current price of the Underlying Precious Metal)***

The Issuer may, at its option, redeem the Certificates of any Series in whole prior to their Final Maturity Date at any time, provided the relevant period of notice is given to the relevant Certificateholders in accordance with the Conditions. This optional redemption right of the Issuer is likely to limit the market value of the Certificates.

The Issuer may exercise this option irrespective of the then current price of the Underlying Precious Metal of the relevant Series of Certificates. Consequently, the Certificates of any Series may be redeemed at a time when the price of the Underlying Precious Metal is low, thus the Cash Amount payable in respect of each Certificate on such redemption may be low, and investors may suffer a substantial loss on their investment.

***Certificates may be mandatorily redeemed prior to the Final Maturity Date in certain circumstances (irrespective of the then current price of the Underlying Precious Metal relating to each affected Series)***

On the occurrence of certain events set out in Condition 7.11 (*Mandatory Redemption*) (including, for example, certain tax or VAT related events, the resignation or termination of appointment of the Trustee, the Custodian or the Portfolio Administrator, without replacement thereof in respect of a Series, the aggregate number of outstanding Certificates of that particular Series falling below a specified level or the Certificates of that particular Series ceasing to be accepted for clearance through CREST), as further described in the Conditions, the Certificates of such Series will be redeemed in whole prior to their Final Maturity Date. The Portfolio Adviser will (on the instructions of the Issuer) arrange for, and administer the sale of, all of the Secured Property relating to such Series and, upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give the relevant amount of notice of the date on which the relevant Certificates shall be redeemed and the net sale proceeds thereof (having deducted all costs, expenses and liabilities) incurred in connection with such sale shall be applied in accordance with the Payments Priorities. In these circumstances, the amount payable in respect of each Certificate on such redemption may be significantly less than expected and investors may suffer a substantial loss on their investment.

Such redemption would occur irrespective of the then current price of the Underlying Precious Metal. Consequently, the affected Certificates may be redeemed at a time when the price of the Underlying

Precious Metal is low, thus the amounts payable in respect of each relevant Certificate on such redemption may be low, and investors may suffer a substantial loss on their investment.

***Certificates may be accelerated following the occurrence of an Event of Default and the delivery of an Enforcement Notice by the Trustee (irrespective of the then current price of the Underlying Precious Metal relating to the affected Series)***

Following the occurrence of an Event of Default and the delivery of an Enforcement Notice by the Trustee in respect of any Series, the Certificates of such Series will be accelerated and the Security relating to such Series will become enforceable.

Such acceleration would occur irrespective of the then current price of the Underlying Precious Metal. Consequently, the affected Certificates may be accelerated at a time when the price of the Underlying Precious Metal is low, thus the amount payable in respect of each relevant Certificate on such redemption may be low, and investors may suffer a substantial loss on their investment.

***Modifications, Waivers and Consents***

The Trustee may at any time and from time to time, without the consent or sanction of the Certificateholders or any other Secured Creditors, concur with the Issuer and any other relevant parties in making:

- (a) any modification to the Conditions of a Series of Certificates and the Trust Documents relating thereto (other than in respect of a Reserved Matter or any provisions of such Trust Documents referred to in the definition of a Reserved Matter), such Certificates or the other Transaction Documents in relation to which its consent is required which, in the opinion of the Trustee, it may be proper to make and will not be materially prejudicial to the interests of Certificateholders of the relevant Series; or
- (b) any modification to the Conditions of a Series of Certificates, the Trust Documents relating thereto, such Certificates or any other Transaction Documents in order to reflect changes in the Regulations or in the applicable law and practice relating to the holding or transfer of such Certificates in uncertificated registered form where such modifications are certified by the Issuer as being: (a) made to reflect such changes; and (b) not materially prejudicial to the interests of the Certificateholders of the relevant Series; or
- (c) any modification to the Conditions of a Series of Certificates, the Trust Documents relating thereto, such Certificates or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error.

The Trustee may, without the consent of the Certificateholders or any other Secured Creditor of the relevant Series concur with the Issuer or any other relevant parties in authorising or waiving any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Certificates or any of the other Transaction Documents (including an Event of Default or Potential Event of Default) (other than a proposed breach, breach, Event of Default or Potential Event of Default relating to a Reserved Matter) if, in the opinion of the Trustee, the interests of Certificateholders of the relevant Series will not be materially prejudiced by such waiver.

### ***Risks in relation to CREST***

The Certificates will be held in uncertificated form in accordance with the Regulations and application will be made by the Issuer to have the Certificates accepted for clearance through CREST. As such, investors will have to rely on the CREST procedures for transfer, payment and communication with the Issuer.

If a holder of any Certificate(s) ceases or will cease to have an account with CREST, such Certificate(s) will automatically be redeemed in accordance with Condition 7.9 (*Automatic redemption of a holder's holding of Certificates for CREST reasons*) as if such holder had requested redemption, and Cash Settlement shall apply to such redemption. In the circumstance above, such redemption would occur irrespective of the then current price of the Underlying Precious Metal for such Certificates. Consequently, the affected Certificates may be redeemed at a time when the price of the Precious Metal is low, thus the amount payable in respect of each relevant Certificate on such redemption may be low, and investors may suffer a substantial loss on their investment.

If at any time Certificates cease to be held in uncertificated form and accepted for clearance through CREST, or notice is received by or on behalf of the Issuer that the Certificates will cease to be held in uncertificated form and accepted for clearance through CREST, all of those Certificates will be subject to mandatory redemption. See "*The Certificates may be mandatorily redeemed prior to the Final Maturity Date in certain circumstances (irrespective of the then current price of the Precious Metal relating to each affected Series)*" above.

### ***Taxation***

Each Certificateholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Certificates. The Issuer will not pay any additional amounts to Certificateholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Certificates by the Issuer or any Paying Agent or any other person or suffered by the Issuer in respect of the Underlying Precious Metal or any disposal thereof or any tax, assessment or charge suffered by the Issuer.

This Base Prospectus is not intended to provide the basis of any evaluation of the taxation issues relevant to an investment in the Certificates. No information in relation to taxation is provided by the Issuer in this Base Prospectus, except the limited information in relation to taxation in Ireland, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden and the United Kingdom in the section entitled "*Taxation*" below. Each prospective investor must consider any relevant taxation matters based on its own independent review and such professional advice as it deems appropriate.

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "*IGA*"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information in respect of its "account" holders. The IGA further provides for the automatic reporting and exchange of information between the Irish tax authorities and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Issuer is treated as an FFI and provided the Issuer complies with the requirements of the

IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the Issuer will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Issuer will be able to satisfy these obligations. If the Issuer becomes subject to a withholding tax as a result of the FATCA regime, the value of the Certificates held by all Certificateholders may be materially affected.

All prospective investors and Certificateholders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the Issuer.

### ***Legal Opinions***

Whilst legal opinions relating to the issue of a Series of Certificates and the security taken in respect thereof have been or will be obtained with respect to the laws of England and Wales and Ireland, no such opinions have been or will be obtained with respect to any other applicable laws, any of which laws, depending upon the circumstances, may affect, amongst other things, the value, validity, legal and binding effect of the security granted in relation to a Series of Certificates over the Underlying Precious Metal and the other Secured Property and the effectiveness and ranking of the security for the Certificates of that Series.

### ***Exchange Rate Risks and Exchange Controls***

All payments due in respect of the Certificates will be made in US dollars and the Precious Metals, as assets, are generally priced and traded in US dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than US dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the US dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the US dollar would decrease (1) the Investor's Currency-equivalent yield (if any) on the Certificates held by such Investor, (2) the Investor's Currency-equivalent value of the amount payable on the Certificates held by such Investor and (3) the Investor's Currency-equivalent market value of the Certificates held by such Investor. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less than expected or zero. Where the Issuer pays fees or expenses in a currency other than US Dollars, the Issuer will normally use US dollars to purchase an amount of such currency necessary to pay the relevant expenses. The Issuer may incur additional fees and expenses in relation to any such purchase.

### ***Redemption at the option of a Certificateholder – there may be delays in effecting settlement***

The Conditions of the Certificates contain provisions allowing for a holder of any Certificate(s) to request the redemption of such Certificate(s) prior to their Final Maturity Date by the delivery of a Redemption Notice in accordance with the Conditions. There is a minimum time lag of one Business Days following delivery of a Redemption Notice until the Cash Amount, if Cash Settlement applies, is due to be paid to such holder or the Delivery Amount if Physical Settlement applies, is due to be delivered to the relevant unallocated account in London with a member of the LBMA or the LPPM, as appropriate, designated by such holder. However, such delay could be significantly longer, particularly in the case of a delay arising

from, as described below, the existence of a Market Disruption Event or a Settlement Disruption Event at any relevant time. The amount of the Cash Amount or the Delivery Amount, as applicable, could decrease or increase from what it would have been but for such delay.

The Certificates are subject to provisions concerning the delivery of a Redemption Notice. If such a Redemption Notice is received after, if Cash Settlement is to apply, 11.00 a.m. London time in respect of silver and 12.00 p.m. (noon) London time in respect of gold, platinum and palladium or, if Physical Settlement is to apply, 4.30 p.m. London time it will be deemed to be duly delivered on the next following Business Day. Such deemed delay may increase or decrease the amount of the Cash Amount or the Delivery Amount as applicable, from what it would have been but for such deemed delivery.

The failure to deliver any certifications or notices required by the Conditions could result in the loss or inability to receive payments or deliveries otherwise due under the Certificates.

Prospective purchasers should review the Conditions to ascertain how such provisions apply to the Certificates.

***The value of the Certificates of a particular Series is linked to the price of the Underlying Precious Metal***

The Certificates are securities which on redemption entitle the holder to receive (a) a cash payment which is linked to the value of an amount of the Underlying Precious Metal reflecting the Per Certificate Entitlement to such Underlying Precious Metal at the relevant time or (b) a transfer of the relevant amount of Underlying Precious Metal if the conditions for Physical Settlement are satisfied. Any Series of Certificates therefore carries risks linked to the value of the Underlying Precious Metal relating to such Series in the same way that a direct investment in such Precious Metal would, and investors should be aware that substantially all of their investment may be lost.

***The value of the Certificates of a particular Series is linked to the price of the Underlying Precious Metal and may be influenced by unpredictable factors***

The value of the Certificates of a particular Series will be affected by movements in the price of the Precious Metal relating to such Series, as measured in US dollars. The value of the Certificates of a particular Series may fluctuate widely and be affected by factors beyond the Issuer's control including:

- (a) the market price or value of the Precious Metal relating to such Series;
- (b) the volatility (frequency and magnitude of changes in price) of the Precious Metal relating to such Series;
- (c) global or regional political conditions and economic, financial and political, regulatory or judicial events that affect markets generally and which may affect the market price of the Precious Metal relating to such Series;
- (d) investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;
- (e) the value of the US dollar relative to other currencies;
- (f) global supply and demand of the Precious Metal relating to such Series, which is influenced by factors such as mine production and net forward selling activities by producers of the such



Precious Metal, central bank purchases and sales, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;

- (g) periods of shortage in the supply of the Precious Metal relating to such Series may cause the relevant markets for such Precious Metal to suffer increased levels of volatility or market disruption. Whilst this can be the case for all Precious Metals, it is particularly so for platinum and palladium. Such increased levels of volatility or market disruption may have a number of consequences, including causing the market price of such Precious Metal to increase or for the bid offer spread for such Precious Metal to widen (reflecting, among other things, changes in the futures market for such Precious Metal caused by such increased volatility or market disruption); and
- (h) changes in interest rates and factors affecting the exchange(s) or quotation system(s) on which the Precious Metal relating to such Series may be traded.

Some or all of these factors will influence the price investors will receive if an investor sells or redeems Certificates. For example, investors may have to sell or redeem certain Certificates at a substantial loss if the market price or value of the Underlying Precious Metal is at, below, or not sufficiently above the initial market price or value.

#### ***Agreements between central banks in Europe***

Certain central banks have a significant history of entering into gold agreements with each other. Such agreements are intended to stabilise the gold market and limit the aggregate amount of gold which the collective signatories are allowed to sell during certain time periods. However, there can be no guarantee that any existing gold agreements will remain in place or be renewed upon expiry or that future agreements will be entered into on similar terms. Any change in such arrangements or failure to renew existing arrangements may lead to substantial sales of gold on the open market, a decrease in the market price of gold and therefore a decrease in the value of the Certificates linked to gold (and possibly Certificates linked to other Precious Metals).

#### ***Custody of Underlying Precious Metal***

Except as described below, any Underlying Precious Metal will be held by the Custodian at its London vault premises. Access to any Underlying Precious Metal held by the Custodian and/or a sub-custodian could be restricted by natural events (such as earthquakes or flooding) or human actions (such as wars or terrorist attacks).

The Custodian has no obligation to insure any Underlying Precious Metal credited to any Secured Unallocated Account against any risks. The Custodian will, in the Secured Allocated Accounts Agreement, agree to insure any Underlying Precious Metal standing to the credit of each Secured Allocated Account against any risk (including the risk of loss, damage, destruction or mis-delivery), however such insurance will be on such terms and conditions as the Custodian considers appropriate and the Issuer will be responsible for all costs, fees and expenses (including any relevant Taxes) in relation thereto. Neither the Issuer nor the Trustee is responsible for ensuring that adequate insurance arrangements have been made, or for insuring any Underlying Precious Metal held by the Custodian for the Issuer, and shall not be required to make any enquiries regarding such matters.

Accordingly, there is a risk that the Underlying Precious Metal for a Series of Certificates could be lost, stolen or damaged and the Issuer would not be able to satisfy its obligations in respect of the Certificates.

***The Custodian's records may be inaccurate due to human or information technology errors***

The quantity of Precious Metal held by the Custodian on behalf of the Issuer in respect of a Series of Certificates is recorded in the account balances of the Secured Allocated Account and the Secured Unallocated Account for that Series of Certificates. Such account balances are maintained by the Custodian's employees on the Custodian's computer systems. In the event that there are computer system failures or human errors in making the relevant entries for the purposes of such account balances, it may be difficult and time-consuming to determine the accuracy of the entries, especially following an insolvency of the Custodian.

***The Custodian may appoint sub-custodians***

The Custodian may, from time to time, appoint one or more sub-custodians to perform its duties in respect of the custody and safekeeping of the Precious Metals. In accordance with the Secured Allocated Accounts Agreement, *provided that* the Custodian uses reasonable care in the selection of such sub-custodians and does not act negligently or in bad faith in making such appointment, the Custodian shall not be liable for any act or omission, or for the solvency, of any sub-custodian it appoints. Should any act or omission, or any change in the solvency, of any sub-custodian result in a loss to Certificateholders, the Custodian shall not be liable to Certificateholders for such loss. Any sub-custodian appointed by the Custodian will hold Precious Metal in its vault premises within the United Kingdom; *provided that*, in respect of platinum and palladium, Precious Metal may from time to time be held at the sub-custodian's vault in Switzerland.

***The Issuer may not have adequate sources of recovery if the Underlying Precious Metal is lost, damaged, stolen or destroyed and recovery in respect of a Series of Certificates may be limited, even in the event of fraud, to the market value of the Underlying Precious Metal at the time the fraud is discovered***

Certificateholders' recourse against the Issuer or the Custodian (under and English law) is limited. The Issuer does not insure any Underlying Precious Metal. The Custodian maintains insurance with regard to its business and with respect to the Underlying Precious Metal standing to the credit of the Secured Allocated Accounts on such terms and conditions as it considers appropriate and the Issuer is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, the Custodian might not maintain adequate insurance or any insurance with respect to the Underlying Precious Metals held by the Custodian on behalf of the Issuer in the Secured Unallocated Accounts. In addition, the Custodian and the Issuer do not require any direct or indirect sub-custodians to be insured or bonded with respect to their custodial activities or in respect of the Underlying Precious Metals held by them on behalf of the Issuer. Consequently, a loss may be suffered with respect to the Underlying Precious Metals which is not covered by insurance and for which no person is liable in damages.

The liability of the Custodian in respect of the Certificates of any Series will be limited under the Secured Custody Agreements. In accordance with those terms, the Custodian will only be liable for losses that are the result of its own negligence, fraud or wilful default in the performance of its custodial duties. Any such liability is further limited to the market value of any Underlying Precious Metals held in the Secured

Allocated Accounts with the Custodian or credited to the Secured Unallocated Accounts with the Custodian, as the case may be, at the time of such negligence, fraud or wilful default.

In addition, the Custodian will not be liable in respect of the Certificates of any Series for any delay in performance or any non-performance of any of its obligations under the terms by reason of any cause beyond its reasonable control, including acts of God, war or terrorism. As a result, the recourse of the Issuer or the investor, under English law, is limited. Furthermore, under English common law, no Custodian nor any sub-custodian will be liable for any delay in the performance or any non-performance of its custodial obligations by reason of any cause beyond its reasonable control.

Under the Secured Custody Agreements, except for the Custodian's obligation to make commercially reasonable efforts to obtain delivery of the relevant Underlying Precious Metal from any sub-custodians, the Custodian will not be liable in contract, tort or otherwise for any loss, damage or expense arising directly or indirectly from an act or omission, or insolvency, of any sub-custodian any further delegate of such sub-custodian unless the appointment of that sub-custodian was made by the Custodian negligently or in bad faith. There are expected to be no written contractual arrangements between sub-custodians that hold the Underlying Precious Metal and the Issuer or the Custodian, because traditionally such arrangements are based on the rules of the LBMA or the LPPM as appropriate, and on the customs and practices of the London Bullion Market or the LPPM, as appropriate. In the event of a legal dispute with respect to or arising from such arrangements, it may be difficult to define such customs and practice. The rules of the LBMA and the LPPM, as appropriate, may be subject to change outside the control of the Issuer. Under English law, neither the Issuer nor the Custodian would have a supportable breach of contract claim against a sub-custodian for losses relating to the safekeeping of Underlying Precious Metal. If the Underlying Precious Metal is lost or damaged while in the custody of a sub-custodian, the Issuer might not be able to recover damages from the Custodian or the sub-custodian.

If the Underlying Precious Metal is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Issuer, the responsible party might not have the financial resources sufficient to satisfy the Issuer's claim. For example, as to a particular event of loss, the only source of recovery for the Issuer might be limited to the Custodian or one or more sub-custodians or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Issuer.

The Certificateholders do not have a right under the Secured Custody Agreements to assert a claim of the Issuer against the Custodian or any sub-custodian; such claims may only be asserted by the Issuer (subject to any assignment of the Issuer's rights under the Secured Custody Agreements to the Trustee for itself and as trustee for the Secured Creditors under the Security Deed).

***Any Underlying Precious Metal held in connection with any Series of Certificates might not meet the fineness, weight required by the standards of the LBMA or LPPM, therefore the Underlying Precious Metal might be worth less than expected thereby reducing the value of the Certificates of such Series***

Neither the Trustee nor the Custodian independently confirms the fineness, weight of the Underlying Precious Metal for a Series of Certificates. The Underlying Precious Metal may be different from the reported fineness or weight required by the standard of the LBMA or LPPM, as appropriate, for quantities of the relevant Precious Metal delivered in settlement of a trade in such Precious Metal, in which case the value of the Certificates of each Series linked to such Underlying Precious Metal might decrease.

***Underlying Precious Metals held in the Secured Unallocated Account of the Issuer with the Custodian will not be segregated from the Custodian's assets. If the Custodian becomes insolvent, its assets may not be adequate to satisfy a claim by the Issuer. In addition, in the event of the Custodian's insolvency, there may be a delay and costs incurred in identifying the Underlying Precious Metal held in the Secured Allocated Accounts of the Issuer with the Custodian***

Some or all of the Underlying Precious Metals will be held for a time in the Secured Unallocated Accounts in connection with the following: (a) the initial issue of a Series of Certificates and deposit of the Underlying Precious Metal, pending transfer to the relevant Secured Allocated Account; (b) the withdrawal of the Underlying Precious Metal in connection with accrued fees and expenses; and (c) any redemption of Certificates. During those times, the Issuer will have no proprietary rights to any specific quantities of any Precious Metal held by the Custodian and will be an unsecured creditor of the Custodian with respect to the amount of the Precious Metal held in the relevant Secured Unallocated Account in respect of a particular Series. The Secured Unallocated Accounts Agreement will contain a standing instruction to the Custodian to the effect that, by the close of business (London time) on each Business Day, the Custodian will transfer to each Secured Allocated Account the amount of each Underlying Precious Metal standing to the credit of each Secured Unallocated Account such that the amount of each Underlying Precious Metal that remains standing to the credit of the relevant Secured Unallocated Account after any transfers on that day does not exceed 430 fine troy ounces, in respect of gold, 1,000 troy ounces in respect of silver, 100 troy ounces in respect of platinum or 100 troy ounces in respect of palladium. In addition, if the Custodian fails to allocate the Underlying Precious Metal in a timely manner, in the proper amounts, or if a sub-custodian fails to so segregate Underlying Precious Metal held by it on behalf of the Issuer, unallocated Precious Metal will not be segregated from the Custodian's assets, and the Issuer will be an unsecured creditor of the Custodian with respect to the amount so held in the event of the insolvency of the Custodian. In the event the Custodian becomes insolvent, the Custodian's assets might not be adequate to satisfy a claim by the Issuer for the amount of Underlying Precious Metal held in the relevant Secured Unallocated Account.

In the case of the insolvency of the Custodian, a liquidator may seek to freeze access to the Underlying Precious Metals held in all of the accounts maintained by the Custodian, including the Secured Allocated Accounts. Although the Issuer would be able to claim ownership of properly allocated Underlying Precious Metals, the Issuer could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay redemptions and settlement of Certificates.

***The Per Certificate Entitlement to each Underlying Precious Metal reduces on a daily basis***

The Issuer does not generate any income other than the Issuer Profit Amount.

From time to time in respect of Certificates of any particular Series, an amount of the Underlying Precious Metal equal to the Combined Fees will be withdrawn from the relevant Secured Custody Account and sold by or on behalf of the Issuer and the proceeds thereof, in the normal course, paid to the Portfolio Adviser in consideration for its services as Portfolio Adviser in relation to that Series and also its agreement to pay to the Issuer or to its order, the fees and expenses due to the other service providers in respect of the Programme (but not including any indemnities granted in favour of the other service providers).

The accrual and payment of the Combined Fees will be reflected in the Initial Per Certificate Entitlement for each Precious Metal, which will reduce on a daily basis at the Reduction Percentage specified in the

relevant Final Terms. Assuming a constant price of the relevant Precious Metal from the date of issue of each Series of Certificates linked to such Precious Metal, the value of the Certificates of such Series would therefore gradually decline as the Per Certificate Entitlement to such Precious Metal in respect of the Series declines.

#### ***Suspension of Certificateholder Optional Redemptions***

Certificateholder Optional Redemptions in respect of a Series of Certificates shall be suspended: (i) from the occurrence of any event or events in respect of that Series of Certificates which may result in a Mandatory Redemption, for as long as such Mandatory Redemption may still occur; and (ii) from the occurrence of an Event of Default or a Potential Event of Default in respect of that Series of Certificates, for as long as such Event of Default or Potential Event of Default is continuing.

#### ***Redemption where Cash Settlement applies***

In respect of the redemption of any Certificate where Cash Settlement applies, the Issuer will fund payment of the relevant Cash Amount by selling an amount of the Underlying Precious Metal equal to the Per Certificate Entitlement to such Underlying Precious Metal as at the Valuation Date for such redemption. The Cash Amount will be an amount equal to the sale proceeds less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred in connection with such redemption (to the extent not covered by the relevant proportion of any applicable Redemption Notice Fee), subject to a minimum of US\$0.01 per Certificate. The Cash Amount may therefore be as low as US\$0.01 and investors could suffer a significant loss on their investment.

If the Issuer (or any party acting on behalf of the Issuer) is unable to sell the relevant amount of the Underlying Precious Metal in connection with the redemption of any Certificate of a Series, or fails to receive the sale proceeds thereof, calculation and payment of the Cash Amount will be delayed until such time as the Issuer (or any party acting on behalf of the Issuer) is able to sell the Underlying Precious Metal and receives the sale proceeds in respect thereof. The holder of any such Certificate will not receive any interest or similar payment in respect of such delay. The Cash Amount payable in respect of such delayed settlement may be more or less than that which would have been payable on the original date for payment.

#### ***Redemption where Physical Settlement applies***

In order for Physical Settlement, rather than Cash Settlement, to apply in respect of any Certificateholder Optional Redemption, the relevant Certificateholder must either (i) have an unallocated account in London with a member of the LBMA or LPPM, as appropriate, or (ii) have appointed a person with an unallocated account in London with a member of the LBMA or LPPM, as appropriate, to act as its agent in respect of such settlement. No assurance is given regarding the availability or suitability of such a person to act as agent of a Certificateholder in respect of Physical Settlement.

In the Redemption Notice such Certificateholder must, in addition to specifying that Physical Settlement should apply and specifying the number and account name of an unallocated account in London with a member of the LBMA or LPPM, as appropriate, where the relevant Delivery Amount should be delivered, represent and warrant that:

- (a) it is not a UCITS Fund; and

- (b) the request for Physical Settlement and the acceptance of the delivery of the relevant Delivery Amount is and will be in accordance with all laws and regulations applicable to it.

Also, see "*Settlement Disruption Events*" below.

#### ***The Delivery Amount***

The Delivery Amount will be an amount of the Underlying Precious Metal determined by the Portfolio Administrator equal to the relevant Per Certificate Entitlement to the Underlying Precious Metal as at the relevant Valuation Date less an amount of Underlying Precious Metal equal in value (as calculated by the Portfolio Administrator using the relevant Reference Price as at the relevant Valuation Date) to all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such redemption (to the extent not covered by the relevant proportion of any applicable Redemption Notice Fee), rounded to the Rounding Amount.

Also, see "*Settlement Disruption Events*" below.

#### ***Settlement Disruption Events***

In respect of a redemption of Certificates of any Series, the Portfolio Adviser will advise the Issuer if the Portfolio Adviser becomes aware that a Settlement Disruption Event has occurred or exists and has prevented a sale of the Underlying Precious Metal (in connection with Cash Settlement) or delivery of a Delivery Amount (in connection with Physical Settlement) on the original day that but for such Settlement Disruption Event would have been the Sale Date or Settlement Date (each an "**Original Settlement Date**"), in which case the Sale Date or Settlement Date (as the case may be) will be the first succeeding day on which the relevant sale and/or delivery can take place unless a Settlement Disruption Event prevents the relevant sale and/or delivery on each of the ten Business Days immediately following the relevant Original Settlement Date. In that case, (a) if the relevant sale and/or delivery can be effected in any other commercially reasonable manner, then the Sale Date or Settlement Date, as applicable, will be that tenth Business Day with sale and/or delivery being effected in such manner, and (b) if such sale or/delivery cannot be effected in any other commercially reasonable manner, then the Sale Date or Settlement Date, as applicable, will be postponed until sale and/or delivery can be effected in another commercially reasonable manner.

#### ***Market Disruption Events***

If the Portfolio Adviser becomes aware that a Market Disruption Event has occurred or exists on any relevant date for determining the Reference Price, it shall notify the Portfolio Administrator and the Reference Price shall be the price determined by the Portfolio Administrator taking into consideration the latest available relevant Reference Price as of a date on which no Market Disruption Event existed and any other information which the Portfolio Administrator deems relevant. This determination could have an effect on the value of the Certificates.

#### ***No active management of the Underlying Precious Metals***

Quantities of Underlying Precious Metals will be withdrawn from the Secured Custody Accounts relating to a Series of Certificates and, in connection with new issues of Certificates in such Series, added to such Secured Custody Accounts (thereby decreasing or increasing the amount of the Underlying Precious

Metal, as applicable) only in certain specified circumstances set out in the Conditions and/or the Transaction Documents.

No attempt will be made to buy or sell any Precious Metals to protect against or to take advantage of fluctuations in the price of the Precious Metals.

***Change of law and jurisdiction***

The Conditions of the Certificates and the terms of the Trust Deed and the Registrar Agreement are based on Irish law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Irish law or administrative practice after the date of this Base Prospectus.

The terms of the Transaction Documents (other than the Trust Deed and the Registrar Agreement) are expressed to be governed by English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The audited annual financial statements of the Issuer for the periods ending 31 December 2014 ([http://www.rns-pdf.londonstockexchange.com/rns/8757L\\_-2015-4-30.pdf](http://www.rns-pdf.londonstockexchange.com/rns/8757L_-2015-4-30.pdf)) and 31 December 2015 ([https://www.rns-pdf.londonstockexchange.com/rns/4663W\\_-2016-4-27.pdf](https://www.rns-pdf.londonstockexchange.com/rns/4663W_-2016-4-27.pdf)) and the interim financial statements of the Issuer for the six month period ended 30 June 2016 ([https://www.rns-pdf.londonstockexchange.com/rns/3009I\\_-2016-8-26.pdf](https://www.rns-pdf.londonstockexchange.com/rns/3009I_-2016-8-26.pdf)) which have previously been published, have been filed with the Irish Stock Exchange and the Central Bank of Ireland and shall be deemed to be incorporated into, and to form part of, this Base Prospectus.

The Issuer will, at its registered office and at the specified offices of the Paying Agents, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.



## OVERVIEW OF THE GOLD, SILVER, PLATINUM AND PALLADIUM MARKETS

### Market overview

Gold is a physical asset that is accumulated, rather than consumed. As a result, virtually all the gold that has ever been mined still exists today. Gold has two unique characteristics which differentiate it from other commodities: (a) it is generally very liquid because above-ground stocks are much greater than mining company supplies; and (b) it is virtually indestructible and viewed by many around the world as a store of value.

Demand for gold is driven primarily by demand for jewellery, which is used for adornment and, in much of the developing world, also as an investment. Retail investment, especially in exchange traded funds and related products, and industrial applications represent increasingly important components of overall demand.

Similar to gold, silver is also recognised as a store of value, but demand for silver is driven primarily by industrial applications due to its unique properties which include its strength, malleability and ductility, and electrical and thermal conductivity. Other uses for silver include jewellery and photography.

The following tables set forth a summary of the world supply and demand for gold from 2009 to 2016, and silver from 2008 to 2015:

<b>GOLD</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>(Figures in tonnes)</b>								
<b>Supply</b>								
Mine production .....	2,584	2,709	2,836	2,864	3,051	3,140	3,186	3,236
Net producer hedging.....	-252	-108	11	-40	-39	104	-21	-26.3
Total mine supply .....	2,332	2,600	2,847	2,824	3,011	3,244	3,165	3,209
Official sector sales.....	30	-77	-	-	-	-	-	-
Recycled gold .....	1,672	1,641	1,669	1,591	1,262	1,170	1,093	1,308.5
<b>Total Supply .....</b>	<b>4,034</b>	<b>4,164</b>	<b>4,515</b>	<b>4,415</b>	<b>4,273</b>	<b>4,414</b>	<b>4,258</b>	<b>4,570.8</b>
<b>Demand</b>								
Fabrication .....								
Jewellery .....	1,760	2,017	1,972	1,951	2,385	2,512	2,455	2,041
Technology .....	373	466	453	407	408	346	331	322.5
Sub-total above fabrication .....	2,134	2,483	2,425	2,358	2,793	2,858	2,786	2,364
Total bar & coin demand .....	743	1,200	1,515	1,289	1,765	1,000	1,012	1,029
ETF's & Similar .....	617	368	185	279	-880	-185	-133	532
Official sector purchases .....	-	-	457	535	409	584	588	384
<b>Gold Demand .....</b>	<b>3,493</b>	<b>4,051</b>	<b>4,582</b>	<b>4,470</b>	<b>4,088</b>	<b>4,257</b>	<b>4,253</b>	<b>4,309</b>
OTC Investment & Stock flows .....	541	113	-67	55.2	186	157	5	
<b>Total Demand .....</b>	<b>4,034</b>	<b>4,164</b>	<b>4,515</b>	<b>4,415</b>	<b>4,273</b>	<b>4,414</b>	<b>4,258</b>	<b>4,309</b>

*World Gold Council, Gold Demand Trends Full year 2016*

<b>SILVER</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>(Figures in tonnes)</b>								
<b>Supply</b>								
Mine Production .....	684	716	751	757	792.3	819.6	877.5	886.7
Net Government Sales .....	31	16	44	12	7.4	7.9	-	
Old Silver Scrap .....	201	200	229	258	252.6	191.8	168.5	146.1
Producer Hedging .....	-	-	50	12			15.8	7.8

Implied Net Disinvestment .....	-	-	-	-	-	-34.3	-	
<b>Total Supply .....</b>	<b>915</b>	<b>931.7</b>	<b>1,075</b>	<b>1,040</b>	<b>1,005.3</b>	<b>985.1</b>	<b>1,061.8</b>	<b>1,040.6</b>
<b>Demand</b>								
<b>Fabrication .....</b>								
Industrial Appliances .....	493	405	500	488	589.1	586.6	549.3	542
Photography .....	101	79	72	66	54.4	50.4	45.6	46.7
Jewellery .....	159	160	167	186	181.4	198.8	215.2	226.5
Silverware .....	57	59	51	48	44.6	50.0	60.7	62.9
Coins & Medals .....	65	79	99	118	139.3	245.6	196.0	292.3
<b>Total Fabrication .....</b>	<b>875</b>	<b>782</b>	<b>890</b>	<b>907</b>	<b>954.4</b>	<b>1,081</b>	<b>1,066.7</b>	<b>1,170.4</b>
Producer De-Hedging .....	9	17	-	-	62.2	8.8	-8.9	0.3
Implied Net Investment .....	31	132	185	132	55.1	1.6	1.4	
<b>Total demand .....</b>	<b>915</b>	<b>931.7</b>	<b>1,075</b>	<b>1,039</b>	<b>1,072</b>	<b>1,091</b>	<b>1,059.2</b>	<b>1,170.70</b>

Data: The Silver Institute, World Silver Survey 2016

Whilst gold and silver have been mined for thousands of years, platinum and palladium have a much shorter history. Demand for platinum and palladium is driven primarily by production levels of auto catalysts. The production of catalytic converters accounts for a significant portion of total demand for both platinum and palladium. Other uses for both platinum and palladium include jewellery and industrial applications. South Africa is the world's leading platinum producer and second largest palladium producer, while Russia is the leading palladium producer. Together, South Africa and Russia supply over 80 per cent of the world's platinum and palladium.

The following tables set forth a summary of the world supply and demand for platinum and palladium from 2010 to November 2016:

<b>PLATINUM</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Nov 2016 YTD</b>
(Figures in '000 oz)							
<b>Supply</b>							
South Africa .....	4,635	4,860	4,090	4,120	3,547	4,295	4347
Russia .....	825	835	800	780	709	699	652
North America .....	200	350	310	315			
Zimbabwe .....	280	340	340	400			
Others .....	110	100	110	125	870	847	1,008
<b>Total Supply</b>	<b>6,050</b>	<b>6,485</b>	<b>5,650</b>	<b>6,740</b>	<b>5,126</b>	<b>5,841</b>	<b>6,007</b>
<b>Demand</b>							
Autocatalyst .....	3,075	3,155	3,190	3,125	3,270	3,468	3,318
Chemical .....	440	470	450	540			
Electrical .....	230	230	165	205			
Glass .....	385	515	160	235			
Investment .....	655	460	455	765	273	367	487
Jewellery .....	2,420	2,475	2,780	2,740	2,894	2,648	2572
Medical & Biomedical .....	230	230	235	235			
Petroleum .....	170	210	250	155			
Other .....	300	320	390	420	1,764	1,818	1,954
<b>Total gross demand .....</b>	<b>7,905</b>	<b>8,095</b>	<b>8,030</b>	<b>8,420</b>	<b>8,201</b>	<b>8,301</b>	<b>8,331</b>

Data: Johnson Matthey, PGM Market Report November 2016, Forecast of Platinum Supply & Demand in 2016

<b>PALLADIUM</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Nov 2016 YTD</b>
(Figures in '000 oz)							
<b>Supply</b>							
South Africa.....	2,640	2,560	2,320	2,350	2,127	2,547	2,571
Russia .....					2,614	2,603	2,487
Primary .....	2,720	2,705	2,630	2,600			
Stock Sales.....	1,000	775	260	100			
North America .....	590	900	895	930			
Zimbabwe .....	220	265	265	310			
Others .....	185	155	160	140	1,363	1,300	1,427
<b>Total supply</b> .....	<b>7,355</b>	<b>7,360</b>	<b>6,570</b>	<b>6,430</b>	<b>6,104</b>	<b>6,450</b>	<b>6,485</b>
<b>Demand</b>							
Autocatalyst.....	5,580	6,155	6,705	6,970	7,433	7,495	7,840
Chemical.....	370	440	530	530			
Dental .....	595	540	530	510			
Electrical.....	1,410	1,375	1,190	1,055			
Investment .....	1,095	-565	470	75	931	-400	-357
Jewellery.....	595	505	445	390	274	242	215
Other .....	90	110	100	100	2,033	2,057	1,987
<b>Total gross demand</b> .....	<b>9,735</b>	<b>8,560</b>	<b>9,970</b>	<b>9,630</b>	<b>10,671</b>	<b>9,394</b>	<b>9,685</b>

Data: Johnson Matthey, PGM Market Report November 2016, Forecast of Palladium Supply & Demand in 2016

### Operation of the precious metals markets

Precious metals including gold, silver, platinum and palladium generally trade in the over the counter ("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 (NYMEX), the Chicago Board of Trade (CBOT), and the Tokyo Commodity Exchange (TOCOM).

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.

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 London Bullion Market Association ("LBMA") and/or the London Platinum and Palladium Market ("LPPM").

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.

### The London Bullion Market Association (LBMA)

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.

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. The trading unit for gold is one fine troy ounce ("fine" meaning pure metal, i.e. the actual gold content based on 100 per cent. purity). According to the LBMA, Good Delivery Rules for a gold bar specify (a) a minimum fineness of 99.5 per cent, and (b) a weight of approximately 400 fine troy ounces or 12.5 kilograms (bars are permitted to be between 350 and 430 fine troy ounces). The conversion factors used by the LBMA between troy ounces and metric are: one troy ounce equals 31.1034768 grammes and one kilogramme equals 32.1507465 troy ounces. The trading unit for silver is troy ounces. According to the LBMA, Good Delivery Rules for a silver bar specify (a) a minimum fineness of 99.9 per cent, and (b) a weight of between 750 and 1,100 troy ounces.

### **The London Platinum and Palladium Market (LPPM)**

The LPPM is a trade association that acts as the co-ordinator for activities conducted on behalf of its members and other participants in the London market. It acts as the principal point of contact between the market and regulators / other official bodies such as HM Revenue and Customs. It ensures the continued evolution and health of a marketplace for platinum and palladium in which all participants can operate with confidence. A primary function of the LPPM is its involvement in the promotion of refining standards by maintenance of the LPPM good delivery list.

The LPPM sets the good delivery rules for a platinum or palladium plate or ingot. It must have a minimum fineness of 99.95 percent and a weight of between 1 kilogram (32.151 troy ounces) and 6 kilograms (192.904 troy ounces). The weight of the plate or ingot if in grams must be expressed to one decimal place and if in troy ounces to three decimal places. The trading unit for platinum and palladium is troy ounces.

### **Allocated accounts**

This is an account where the account holder has full title to the metal in the account, with the dealer holding it on the account holder's behalf as a custodian. The metal is stored in a vault owned and managed by a recognised bullion dealer or depository. Specific bars, plates or ingots, which are numbered and identified by hallmark, weight and fineness, are allocated to each particular account holder, who pays the custodian for storage and in certain cases insurance. The metal dealer or depository that owns the vault where the metal is stored may not trade, lease or lend the bars, plates or ingots except on the specific instructions of the account holder.

### **Unallocated accounts**

This is an account where specific bars are not set aside and the account holder has a general entitlement to the metal. It is the most convenient, cheapest and most commonly used method of holding metal. 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 account holder to specific bars, plates or ingots of metal, but are backed by the general stock of the bullion dealer with whom the account is held. The account holder is an unsecured creditor. Account holders are exposed to the creditworthiness of the bank or dealer providing the service in the same way as they would be with any other kind of account. Should the account holder wish to receive actual metal, this is done by "allocating" specific bars, plates or ingots.

### **Trading location**

The majority of gold and silver is traded in London on a "loco London basis" meaning that it is a quotation made by dealers based on US dollars per troy ounce (or fine troy ounce in the case of gold). Settlement and delivery is two good business days in London after the day of the deal. Delivery of the metal can either be by physical delivery or through the clearing systems to an unallocated account.

The majority of platinum and palladium is traded in either London on a "loco London basis" or in Zurich on a "loco Zurich basis" meaning that it is a quotation made by dealers based on US dollars per troy ounce. Settlement and delivery is two good business days in London/Zurich after the day of the deal. Delivery of the metal can either be by physical delivery or through the clearing systems to an unallocated account.

### **The LBMA reference prices**

Reference prices for gold, silver, platinum and palladium are each determined by electronic auctions that take place in London. These prices are used internationally as the pricing mechanism for a variety of precious metal transactions and products.

The LBMA Gold Price auction takes place twice daily, at 10:30 a.m. (the “LBMA Gold Price AM”) and at 3:00 p.m. (the “LBMA Gold Price PM”). The electronic auction process was introduced in March 2015, replacing the historic telephone-based London gold fixing method. ICE Benchmark Administration, an independent specialist benchmark administrator, now provides the price platform and methodology as well as the overall administration and governance for the LBMA Gold Price. These are fully transparent benchmarks and widely accepted as the basis for pricing spot transactions.

The LBMA Silver price is determined by an electronic auction process, similar to that which is used in determining the LBMA Gold price but is conducted once daily, at 12:00 p.m. London time. The electronic auction replaced the historic London Silver fix in August 2014. The auction is operated by the Chicago Mercantile Exchange (“the CME”) and administered by Thomson Reuters.

The LBMA Platinum and LBMA Palladium prices are both determined by an electronic auction process, which is conducted twice daily, at 9:45 a.m. and 2:00 p.m. London time. These auctions replaced the PGM fixes in December 2014. The auctions are independently administered by the London Metals Exchange.

Prices are published on the LBMA website ([www.lbma.org.uk](http://www.lbma.org.uk)) shortly after the end of the relevant auction process. The LBMA Gold Price is published with a 30 minute delay, the LBMA Silver Price with a 15 minute delay, and the LBMA Platinum and LBMA Palladium Prices are both published with a delay until midnight.

### **Clearing**

Some members of the London bullion market offer clearing services. Those members may store physical bullion in their own vaults and/or use third party storage facilities. The clearing members of the LBMA use the unallocated accounts they maintain between each other for the settlement of mutual trades as well as third party transfers. These transfers are conducted on behalf of clients and other members of the London bullion market in settlement of their own loco London bullion activities. This system is designed to avoid the security risks and costs that would be involved in the physical movement of gold.

### **Documentation**

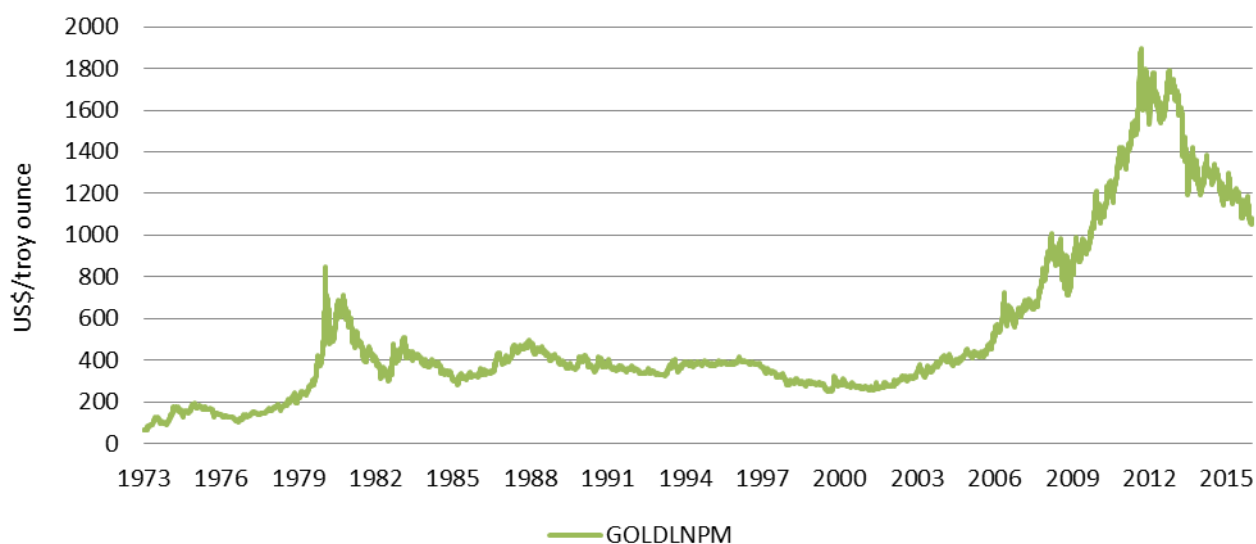
The LBMA and LPPM have developed and introduced a number of standard agreements which cover the terms and conditions for dealing in spot, forward, options and derivatives transactions in the OTC precious metals markets. In all dealings in metal the Issuer will, to the extent possible, use the standard LBMA and LPPM documentation, amended as required in connection with the Certificates and the Programme.

## The gold price

As movements in the price of gold are expected to directly affect the value of the Certificates, investors should review the recent movements in the price of gold. Investors should be aware that past movements in the gold price are not indicators of future movements.

The following chart provides historical background on the price of gold. The chart illustrates movements in the price of gold in US dollars per fine troy ounce over the period from 1 January 1973 to 31 December 2015, and is based on the LBMA Gold Price PM.

The following chart provides historical background on the price of gold. The chart illustrates movements in the price of gold in US dollars per fine troy ounce over the period from 1 January 1973 to 31 December 2015, and is based on the LBMA Gold Price PM.

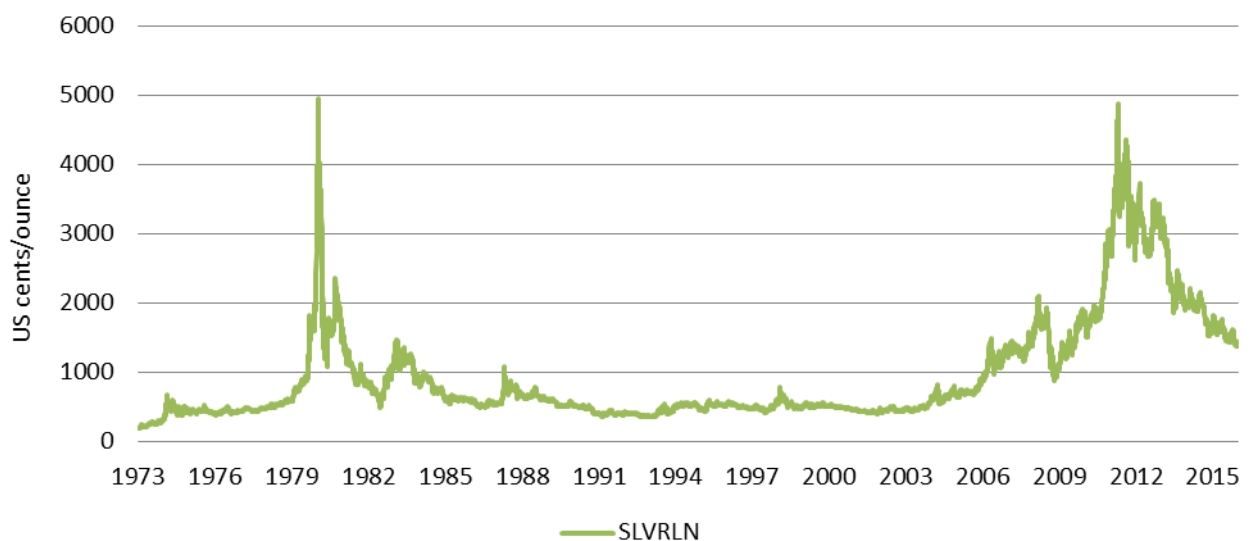


Source: Bloomberg as of 31/12/2015

### The silver price

As movements in the price of silver are expected to directly affect the value of the Certificates, investors should review the recent movements in the price of silver. Investors should be aware that past movements in the silver price are not indicators of future movements.

The following chart provides historical background on the price of silver. The chart illustrates movements in the price of silver in US dollars per troy ounce over the period from 1 January 1973 to 31 December 2015, and is based on the LBMA Silver Price.

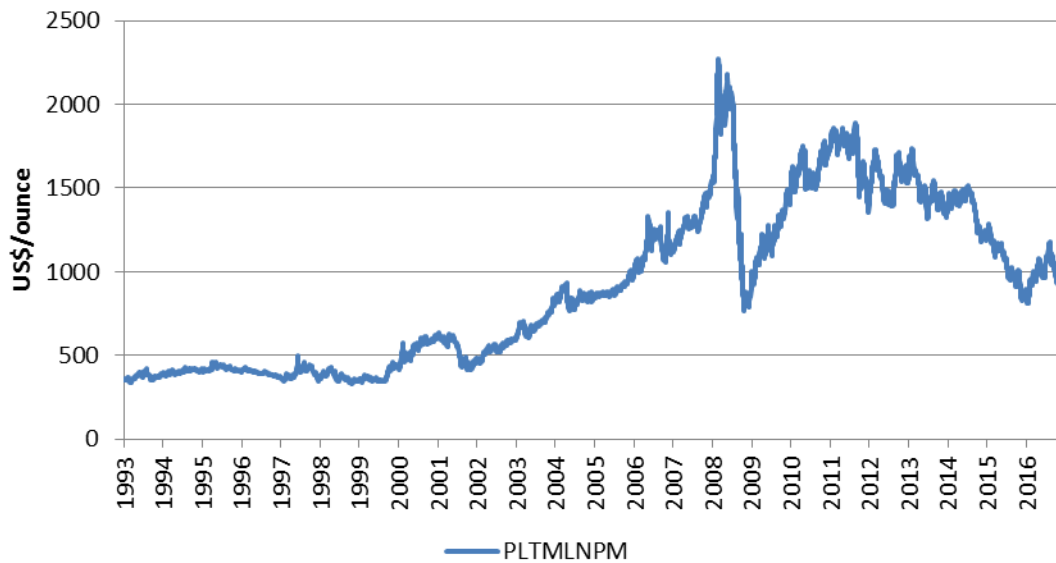


Source: Bloomberg as of 31/12/2015

### The platinum price

As movements in the price of platinum are expected to directly affect the value of the Certificates, investors should review the recent movements in the price of platinum. Investors should be aware that past movements in the platinum price are not indicators of future movements.

The following chart provides historical background on the price of platinum. The chart illustrates movements in the price of platinum in US dollars per troy ounce over the period from 1 January 1993 to 31 December 2015 and is based on the LBMA Platinum Price PM.



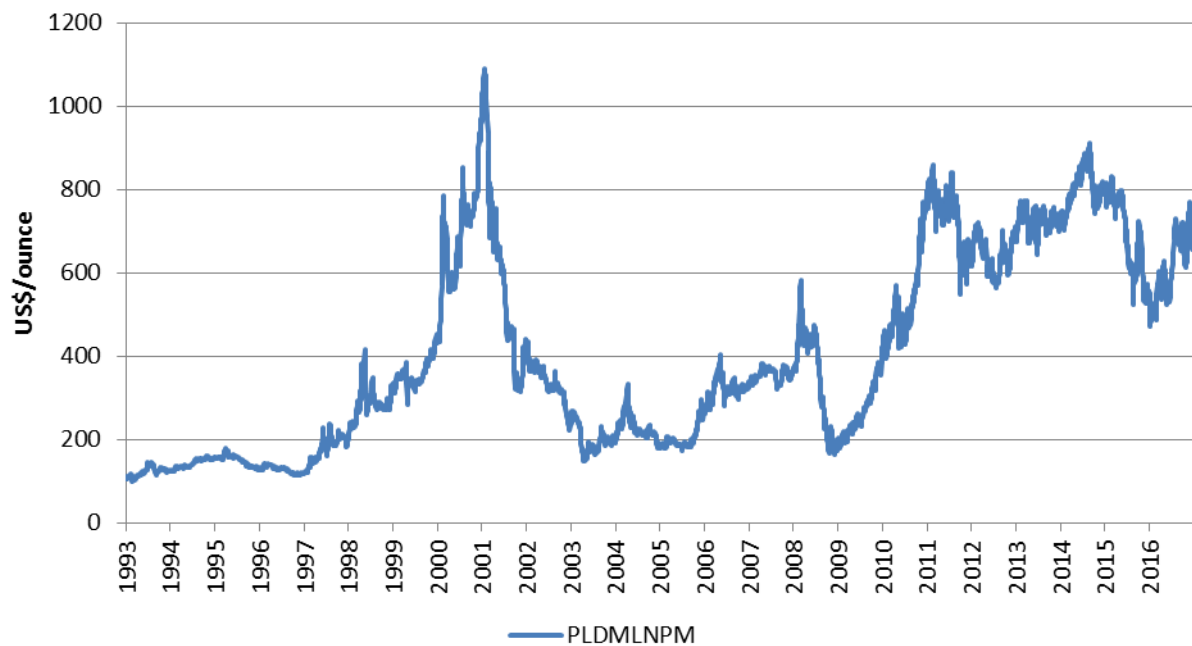
Source: Bloomberg, as of 31/12/2016



### The palladium price

As movements in the price of palladium are expected to directly affect the value of the Certificates, investors should review the recent movements in the price of palladium. Investors should be aware that past movements in the palladium price are not indicators of future movements.

The following chart provides historical background on the price of palladium. The chart illustrates movements in the price of palladium in US dollars per troy ounce over the period from 1 January 1993 to 31 December 2015, and is based on the LBMA Palladium Price PM.



Source: Bloomberg as of 31/12/2016

## FORM OF THE CERTIFICATES

### Form of Certificates

Certificates will be in uncertificated registered form comprising Certificates which are uncertificated units of a security in accordance with the Regulations.

Certificates will be credited to the subscribers' accounts with CREST on the issue date thereof upon certification as to non-U.S. beneficial ownership.

Certificates in uncertificated registered form will not be exchangeable for Certificates in definitive registered form.

In accordance with the Regulations, title to the Certificates is recorded on the relevant Operator register of corporate securities.

Each person who is for the time being shown in the Record (as defined under "*Terms and Conditions of the Certificates*") as the holder of a particular number of Certificates shall be treated by the Issuer, the Registrar and the Trustee as the holder of such number of Certificates for all purposes (and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly).

### Process for listing and clearing Certificates in Germany

#### *Admission to the Frankfurt Stock Exchange*

The Issuer and M.M. Warburg & Co KGaA (the "**Bank**") of Hamburg, Federal Republic of Germany has filed an application for listing of the Series #1 (Gold) Certificates for trading on the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Settlement and delivery of such Certificates on the Frankfurt Stock Exchange will be capable of being effected through transfer of co-ownership rights in a Global Bearer Certificate, as described in more detail below.

#### *Settlement and Delivery on the Frankfurt Stock Exchange*

For the purpose of good delivery of the relevant Certificates to be listed on the Frankfurt Stock Exchange, such Certificates shall be cleared through Clearstream Germany. Pursuant to the terms of the Clearstream Agreement, Clearstream Germany agreed to issue in respect of the Series #1 (Gold) Certificates a global bearer certificate (the "**Global Bearer Certificate**") in the German language created under German law.

The relevant number of Series #1 (Gold) Certificates will be registered in the name of Vidacos Nominees Limited, London, England (the "**Nominee**") in the register of the relevant Operator and credited to a separate safe custody account of Clearstream Germany with Citibank N.A., London, England (the "**Frankfurt Custodian**"). The safe custody account (the "**Safe Custody Account**") will be designated

“Clearstream Banking Aktiengesellschaft (Clearstream) - Special Safe Custody Account for Global Bearer Certificate – Series #1 (Gold)”.

The Global Bearer Certificate will have the following German ISIN Code: DE000A1MECS1.

In accordance with the conditions governing the Global Bearer Certificate:

- (i) any registered holder of Series #1 (Gold) Certificates will be entitled, at his expense, to have his Certificates delivered to the Frankfurt Custodian for crediting to the Safe Custody Account against a corresponding co-ownership share in the Global Bearer Certificate; and
- (ii) each co-owner of the Global Bearer Certificate will be entitled, at his expense, to demand at any time that Clearstream Germany arrange for the registration of the co-owner or a third party designated by him, in the register of the relevant Operator of the number of Certificates corresponding to his co-ownership share or any portion thereof in the Global Bearer Certificate.

If the number of Certificates represented by the Global Bearer Certificate changes, Clearstream Germany has agreed to amend the Global Bearer Certificate accordingly.

Cash payments in respect of the Certificates represented by the Global Bearer Certificate will be credited to Clearstream Germany's cash account with the Frankfurt Custodian and paid by Clearstream Germany to the respective co-owners.

All rights and any fractional rights relating to the Certificates in the Safe Custody Account will be held by Clearstream Germany at the Bank's disposal. Upon the request of the Bank, Clearstream Germany will give instructions to the Frankfurt Custodian for the exercise, purchase or sale of subscription rights, other rights or fractional rights. In case of any flow of cash amounts resulting out of such transactions, Clearstream Germany will without delay inform the Bank by fax of the net proceeds or the net costs, respectively, and the related value date. The net proceeds or the net costs, respectively, must be credited or debited to the Bank's cash account with Clearstream Germany or as otherwise agreed between Clearstream Germany and the Bank.

Nothing in the foregoing purports to create additional rights in respect of the Certificates and/or amend the Conditions.

In order to effect the clearing through Clearstream Germany, the Issuer has entered into a clearing and settlement agreement dated 8 March 2012 between the Issuer, the Bank and Clearstream Germany (the "**Clearstream Agreement**").

#### *Supply and Inspection of Documents in Germany*

For the duration of the Programme or so long as any Certificates remain outstanding, copies of this Base Prospectus (or any replacement prospectus), the German translation of the summary thereto, any supplemental prospectus, and all financial information as well as the contracts required to be disclosed by the Issuer pursuant to the applicable rules will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Bank, and a copy of the documents referred above may be requested by contacting the Bank.

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following is the text of the terms and conditions of the Certificates of each Tranche, as completed by the Final Terms applicable to that Tranche.*

### 1. Introduction

- 1.1 Source Physical Markets plc (the "**Issuer**") has established a Secured Precious Metals-Linked Certificates Programme (the "**Programme**") for the issuance of secured, limited recourse certificates (the "**Certificates**"). The aggregate number of Certificates outstanding at any one time under the Programme will not exceed the Programme Limit.
- 1.2 Certificates will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Certificates issued on different issue dates. Each Tranche will be the subject of a Final Terms (the "**Final Terms**"). Each Certificate of such Tranche will have identical terms or terms which are identical except that the Issue Date, the Issue Price and the Initial Per Certificate Entitlement for such Tranche may be, as of the respective Issue Dates of such Tranches, different. Should any Series of Certificates be issued in one or more Tranches, the Initial Per Certificate Entitlement for each Tranche shall be the Per Certificate Entitlement for the Initial Tranche and any subsequent Tranche forming part of the Series as at the Issue Date of such further Tranche. The terms and conditions applicable to any particular Tranche of Certificates are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- 1.3 The Certificates will be constituted by, subject to and have the benefit of the terms of the Trust Deed.
- 1.4 In connection with the Certificates, the Issuer entered into each of the following agreements:
  - 1.4.1 the Trust Deed, under which, amongst other things, the Trustee is appointed by the Issuer as trustee in respect of the Certificates;
  - 1.4.2 the Secured Unallocated Accounts Agreement and the Secured Allocated Accounts Agreement under which, amongst other things, the Custodian is appointed by the Issuer to carry out certain custody services in connection with the Underlying Precious Metals;
  - 1.4.3 the Agency Agreement, under which, amongst other things, the Principal Paying Agent is appointed by the Issuer as principal paying agent in respect of the Certificates;
  - 1.4.4 the Authorised Participant Agreement under which, amongst other things, the Authorised Participants are appointed by the Issuer as authorised participants in respect of the Certificates;
  - 1.4.5 the Registrar Agreement, under which, amongst other things, the Registrar is appointed by the Issuer as registrar in respect of the Certificates;
  - 1.4.6 the Portfolio Administration and Advisory Agreement, under which, amongst other things, the Portfolio Administrator is appointed by the Issuer to carry out certain calculations and determinations in respect of the Certificates and the Portfolio Adviser is appointed by the Issuer to make determinations or provide advice in certain circumstances in respect of the Certificates;

- 1.4.7 the Account Bank Agreement, under which, amongst other things, the Account Bank is appointed by the Issuer to establish and maintain an Issuer Cash Account per Series of Certificates;
  - 1.4.8 the Precious Metals Sale and Purchase Agreement, under which, amongst other things, the Issuer appoints the Precious Metals Counterparty as its counterparty in relation to:
    - (a) the sale of Underlying Precious Metals in connection with the Combined Fees and/or redemptions of Certificates linked to Precious Metals (such sale to be settled by the book-entry transfer on an unallocated basis of the relevant amount of Precious Metals from the relevant Secured Unallocated Accounts to the relevant unallocated accounts in London with a member of the LBMA or LPPM, as appropriate, specified by the Precious Metals Counterparty, against payment of the relevant price to the Issuer by credit of the same to the Issuer Cash Account or as otherwise directed by the Issuer); and
    - (b) the purchase of each Precious Metal (as collateral for the Series of Certificates linked to such Precious Metal) in connection with any subscription(s) for such Certificates of such Series made in cash (such purchase to be settled by the book-entry transfer on an unallocated basis of the relevant amount of such Precious Metal from the relevant unallocated account in London with a member of the LBMA or LPPM, as appropriate, specified by the Precious Metals Counterparty to the relevant Secured Unallocated Account, against payment of the relevant price to the Precious Metals Counterparty by the Issuer out of the Cash Balances on the relevant Issuer Cash Account);
  - 1.4.9 the Fees and Expenses Agreement, under which, amongst other things, arrangements are put in place in relation to the fees and expenses of the Issuer in connection with the Programme and the Certificates;
  - 1.4.10 the Proposals and Advice Agreement, under which, amongst other things, certain proposals may be made, and advice provided, to the Issuer in connection with the Programme and the Certificates; and
  - 1.4.11 the Master Definitions Deed, under which, amongst other things, the parties thereto agree to certain defined terms and principles of construction and interpretation.
- 1.5 Upon the issue of the first Tranche of the relevant Series of Certificates, the Issuer entered into the following agreements:
- 1.5.1 a Security Deed relating to that Series of Certificates, under which, amongst other things, the Issuer grants certain Security Interests over the Underlying Precious Metal in favour of the Trustee for itself and as trustee for and on behalf of the Secured Creditors in respect of that Series, including, without limitation, a first fixed charge over all of the Issuer's rights, title, interest and benefit in and to the Underlying Precious Metal relating to that Series of Certificates and all rights and sums derived therefrom; and
  - 1.5.2 a Subscription Agreement relating to that Series of Certificates, under which the Authorised Participants agreed to subscribe for the Certificates of that Series.

In addition, in respect of each Series of Certificates, the Issuer entered into a Security Agreement and an Account Control Agreement under which the Issuer created New York law governed security over the relevant Issuer Cash Account.

- 1.6 Certain provisions of these Conditions are summaries of the Trust Documents, the Agency Agreement, the Authorised Participant Agreement, the Subscription Agreement, the Registrar Agreement, the Secured Custody Agreements, the Precious Metals Sale and Purchase Agreement and the Portfolio Administration and Advisory Agreement and are subject to their detailed provisions. The Certificateholders are bound by the terms of the Trust Documents, and are deemed to have notice of all the provisions of the Trust Documents, the Agency Agreement, the Authorised Participant Agreement, the Subscription Agreement, the Registrar Agreement, the Secured Custody Agreements, the Precious Metals Sale and Purchase Agreement and the Portfolio Administration and Advisory Agreement.
- 1.7 Copies of the Trust Documents, the Agency Agreement, the Authorised Participant Agreement, the Registrar Agreement, the Secured Custody Agreements, the Precious Metals Sale and Purchase Agreement and the Portfolio Administration and Advisory Agreement are available for inspection by Certificateholders during normal business hours at the principal office for the time being of the Trustee (being at the date hereof Winchester House, 1 Great Winchester Street, London EC2N 2DB), the Specified Offices of the Registrar and each of the Paying Agents (the Specified Offices of which are set out below) and the office for the time being of the Portfolio Adviser (being at the date hereof 110 Cannon Street, London EC2R 7HJ).
- 1.8 All subsequent references in these Conditions to "**Certificates**" are, unless otherwise stated, to the Tranche of Certificates which are the subject of the relevant Final Terms and subsequent references in these Conditions to "**Certificateholders**" or "**holders of the Certificates**" are, unless otherwise stated, to the "**Certificateholders**" or the "**holders of the Certificates**" which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing and copies may be obtained from, in each case during normal business hours, the registered office for the time being of the Issuer (being at the date hereof 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland), the principal office for the time being of the Trustee (being at the date hereof Winchester House, 1 Great Winchester Street, London EC2N 2DB), the Specified Offices of the Registrar and each of the Paying Agents (the Specified Offices of which are set out below) and the office for the time being of the Portfolio Adviser (being at the date hereof 110 Cannon Street, London EC2R 7HJ).

## 2. Definitions

- 2.1 In these Conditions the following defined terms have the meanings set out below:

"**Account Bank**" means Wells Fargo Bank, N.A. in its capacity as account bank in accordance with the terms of the Account Bank Agreement, or any successor or additional account bank appointed from time to time in connection with the Certificates;

"**Account Bank Agreement**" means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 and 14 April 2013 between the Issuer, the Account Bank, the Portfolio Administrator and the Trustee;

"**Account Control Agreement**" means, in relation to a Series of Certificates, the Deposit Account Control Agreement dated the 4 April 2013 between the Issuer, the Trustee and the Account Bank, relating to the Issuer Cash Account in respect of such Series of Certificates;

"**Agency Agreement**" means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 and 4 April 2013 between the Issuer, the Principal Paying Agent, the Paying Agents named therein and the Trustee;

"**Arranger**" means Source UK Services Limited in its capacity as arranger in respect of the Programme;

"**Authorised Participants**" means each entity appointed as an authorised participant under the Programme or any other person or persons identified as such in the relevant Final Terms and being a person who:

- (a) is a securities house or other market professional approved by the Issuer (in its absolute discretion);
- (b) is an Authorised Person, an Exempt Person or an Overseas Person; and
- (c) is not a UCITS Fund;

**"Authorised Participant Agreement"** means the agreement so named, amending and restating all of the Original Authorised Participant Agreements, dated 11 April 2011 between the Issuer, the Arranger and the authorised participants named therein, and any other agreements so named between the Issuer, the Arranger and the Authorised Participant named therein and entered into in relation to the Programme;

**"Authorised Person"** means a person authorised by the FCA for the purposes of FSMA;

**"Breach of Duty"** means in relation to any person, a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person;

**"Business Day"** means, in respect of a Series of Certificates, each day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in London and which is also a scheduled trading day (meaning a day on which such markets are ordinarily open) in the London Bullion Market, in respect of Certificates linked to Gold or Silver or the London Platinum & Palladium Market, in respect of Certificates linked to Platinum or Palladium;

**"Cash Amount"** means, in respect of a redemption of any Certificate where Cash Settlement applies, an amount in US dollars determined by the Portfolio Administrator equal to the relevant Per Certificate Sale Proceeds for that Certificate, provided that the Cash Amount shall not be less than the Minimum Principal Amount;

**"Cash Settlement"** means, in respect of a redemption of any Certificate, settlement by payment of the relevant US dollar amount in accordance with Condition 7 (*Redemption, Purchase and Cancellation*) and Condition 9 (*Payments*);

**"Certificateholder"** and **"holder of Certificates"** has the meaning given in Condition 3.2 (*Form, Title and Transfer*);

**"Certificateholder Optional Redemption"** has the meaning given in Condition 7.2 (*Redemption prior to the Final Maturity Date at the option of Certificateholders*);

**"Clearstream Agreement"** means the agreement entered into between the Issuer, Clearstream Germany and M.M. Warburg & Co KGaA on or about 9 March 2012;

**"Clearstream Germany"** means Clearstream Banking Aktiengesellschaft;

**"Combined Fees"** means, on any Combined Fees Calculation Date:

- (a) if the Certificates are linked to Gold, an amount of Gold (rounded to the Rounding Amount);
- (b) if the Certificates are linked to Silver, an amount of Silver (rounded to the Rounding Amount);
- (c) if the Certificates are linked to Platinum, an amount of Platinum (rounded to the Rounding Amount); or
- (d) if the Certificates are linked to Palladium, an amount of Palladium (rounded to the Rounding Amount),

as determined by the Portfolio Administrator equal to the aggregate of the Daily Fee Accrual for the Combined Fees Calculation Period;

**"Combined Fees Calculation Date"** means each Business Day selected as such by the Issuer (taking into account any recommendation by the Portfolio Adviser) and with the agreement of the Trustee; provided that the last Combined Fees Calculation Date shall be the earlier to occur of (a) the date of the delivery of an Enforcement Notice by the Trustee and (b) the Valuation Date in respect of a redemption of the Certificates in whole in accordance with the Conditions;

**"Combined Fees Calculation Period"** means, in respect of any Combined Fees Calculation Date, the period from and including the immediately preceding Combined Fees Calculation Date or, in respect of the first Combined Fees Calculation Date to occur after the Initial Issue Date, the Initial Issue Date, to and excluding such Combined Fees Calculation Date;

**"Conditions"** means, in relation to the Certificates, these terms and conditions of the Certificates, as may from time to time be modified and as supplemented to the extent described in the Final Terms and any reference to a particular numbered Condition shall be construed accordingly;

**"CREST"** means the system of paperless settlement trades and the holding of uncertificated securities administered by Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) incorporated in England and Wales under number 2878738 and whose registered office is at 33 Cannon Street, London EC4M 5SB or any successor thereto;

**"Custodian"** means JPMorgan Chase Bank, N.A. in its capacity as custodian in accordance with the terms of the Secured Custody Agreements, or any successor or additional custodian appointed from time to time in connection with the Certificates under the Secured Custody Agreements;

**"Cut-Off Time"** means, in respect of a redemption of any Certificate:

- (a) if Cash Settlement applies, 12 p.m. (London time); or
- (b) if Physical Settlement applies, 4.30 p.m. (London time);

**"Daily Fee Accrual"** means, on each Business Day:

- (a) if the Certificates are linked to Gold, an amount of Gold (rounded to the Rounding Amount);
- (b) if the Certificates are linked to Silver, an amount of Silver (rounded to the Rounding Amount);
- (c) if the Certificates are linked to Platinum, an amount of Platinum (rounded to the Rounding Amount); or
- (d) if the Certificates are linked to Palladium, an amount of Palladium (rounded to the Rounding Amount),

as determined by the Portfolio Administrator equal to the amount of the Underlying Precious Metal by which the Per Certificate Entitlement to such Underlying Precious Metal has reduced since the immediately preceding Business Day multiplied by the number of Certificates outstanding in the Series as at such Business Day;

**"Delivery Amount"** means, in respect of a redemption of any Certificate where Physical Settlement applies, an amount of the Underlying Precious Metal determined by the Portfolio Administrator equal to:

- (a) the aggregate Per Certificate Entitlement to the Underlying Precious Metal as at the relevant Valuation Date; *less*
- (b) an amount of the Underlying Precious Metal equal in value (calculated by the Portfolio Administrator using the relevant Reference Price as at the relevant Valuation Date) to all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such redemption (to the extent not covered by the relevant proportion of any applicable Redemption Notice Fee),

rounded down to the nearest whole multiple of the Rounding Amount;

**"Eligible Redemption Valuation Date"** means each Business Day;



**"Enforcement Notice"** means a notice delivered by the Trustee to the Issuer in accordance with Condition 11 (*Events of Default*) which declares the Certificates to be immediately due and payable;

**"Event of Default"** means any one of the events specified in Condition 11 (*Events of Default*);

**"Exempt Person"** means a person who, in entering into and performing its obligations under an Authorised Participant Agreement, is acting in the course of a business comprising a regulated activity in relation to which it is exempt from the need to be an Authorised Person as a result of a provision of FSMA or associated secondary legislation;

**"Existing Gold Certificates"** means all Certificates existing on the Update Signing Date and which are constituted pursuant to the Original Deed;

**"Extraordinary Resolution"** means a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Certificateholders by a majority of not less than three quarters of the votes cast;

**"FCA"** means the Financial Conduct Authority of the United Kingdom;

**"Fees and Expenses Agreement"** means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 between the Issuer, the Trustee and the Portfolio Adviser;

**"Final Discharge Date"** means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Obligations and/or all other moneys and other liabilities due or owing by the Issuer have been paid or discharged in full;

**"Final Maturity Date"** means the final maturity date specified in the Final Terms;

**"FSMA"** means the Financial Services and Markets Act 2000 (as amended) of the United Kingdom;

**"Gold"** means, if the Certificates are linked to gold, gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect;

**"Gold Reference Price"** means, if the Certificates are linked to Gold, on any day, that day's p.m. Gold fixing price per fine troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. dollars, as calculated and administered by ICE Benchmark Administration, an independent service provider, and published by the LBMA on its website at [www.lbma.org.uk](http://www.lbma.org.uk) and displayed on Reuters Screen page "XAUUSDPM" or Bloomberg ticker "GOLDLNPM" that displays prices effective on that relevant day; provided, however, that if the Portfolio Adviser becomes aware that a Market Disruption Event has occurred or exists on such day, the Portfolio Adviser will notify the Issuer and the Portfolio Administrator and the Gold Reference Price shall be the price determined by the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) taking into consideration the latest available Gold Reference Price as of a date on which no Market Disruption Event existed and any other information which the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) deems relevant;

**"Gold Sale and Purchase Agreement"** means the agreement so named dated 29 June 2009 between, amongst others, the Issuer and JPMorgan Chase Bank, N.A. as gold counterparty;

**"Initial Issue Date"** means the Issue Date in respect of the first Tranche of the Certificates if issued in more than one Tranche to be issued under the Programme;

**"Initial Per Certificate Entitlement"** means the initial per certificate entitlement with respect to the Underlying Precious Metal, as specified in the Final Terms;

**"Initial Tranche"** means, in respect of a particular Series of Certificates, the first Tranche of Certificates of that Series to be issued under the Programme;

**"Insolvency Event"** in respect of a company means:

- (a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period or permitted deferral), or suspends making payments on any of its debts; or
- (b) the value of the assets of such company is less than the amount of its liabilities, taking into account its contingent and prospective liabilities; or
- (c) a moratorium is declared in respect of any indebtedness of such company; or

- (d) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business; or
- (e) any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company; or
  - (ii) an encumbrancer (excluding, in relation to the Issuer, the Trustee or any Receiver) taking possession of the whole or any part of the undertaking or assets of such company; or
  - (iii) the making of an arrangement, composition, or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally other than in connection with any refinancing in the ordinary course of business; or
  - (iv) any distress, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver); or
  - (v) the winding-up, liquidation, examinership or discontinuance of the Issuer; or
- (f) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (e) above, in any jurisdiction;

**"Insolvency Official"** means, in relation to a company, a liquidator, (except, in the case of the Issuer, a liquidator appointed for the purpose of a solvent merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the Certificateholders) provisional liquidator, examiner, administrator, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction;

**"Issue Date"** means the date specified as such in the Final Terms;

**"Issue Price"** means the price specified as such in the Final Terms;

**"Issuer Cash Account"** means, in respect of a Series of Certificates, the cash account being maintained by the Account Bank for the Issuer in respect of such Series of Certificates under the terms of the Account Bank Agreement;

**"Issuer Covenants"** means the covenants of the Issuer set out in Schedule 4 to the Trust Deed;

**"Issuer Jurisdiction"** means Ireland or such other jurisdiction in which the Issuer or any Issuer substitute (as contemplated by Condition 18 (*Substitution of Issuer*)) is incorporated and/or subject to taxation;

**"Issuer Profit Account"** means the cash account in the name of the Issuer into which the Issuer deposits or procures the deposit of any Issuer Profit Amount;

**"Issuer Profit Amount"** means the profit amount of US\$500 per annum payable by the Portfolio Adviser to the Issuer in connection with the Certificates, accruing quarterly and payable annually on the last Business Day of June in each year commencing on the last Business Day of June 2011;

**"LBMA"** means The London Bullion Market Association, being the London-based trade association that represents the over-the-counter market for gold and silver in London, or its successor;

**"Liabilities"** means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and any Taxes and penalties incurred by that person, together with any VAT charged or chargeable, or otherwise incurred by that person, in respect of any of the sums referred to in this definition;

**"LME"** means the London Metal Exchange Limited or its successor;

**"London Bullion Market"** means the bullion market (being the market for wholesale trading of gold and silver) in London;

**"LPPM"** means The London Platinum and Palladium Market, being a trade association, the purpose of which is to promote the professional trading in London of both platinum and palladium, or its successor;

**"Mandatory Redemption"** means a redemption of all Certificates pursuant to Condition 7.11 (*Mandatory Redemption*);

**"Market Disruption Event"** means, in the determination of the Portfolio Adviser, any of the following:

- (a) (A) the failure of the Price Source to announce or publish the relevant Reference Price (or the information necessary for determining such Reference Price) or (B) the temporary or permanent discontinuance or unavailability of the Price Source ("**Price Source Disruption**");
- (b) the material suspension of, or the material limitation imposed on, trading in the Precious Metal to which the Certificates are linked on the relevant exchange or principal trading market which is material in relation to the Certificates ("**Trading Disruption**"); or
- (c) (A) the disappearance of, or of trading in, the Precious Metal to which the Certificates are linked or (B) the disappearance or permanent discontinuance or unavailability of the relevant Reference Price, notwithstanding the availability of the Price Source or the status of trading in such Precious Metal ("**Disappearance of Reference Price**");

**"Master Definitions Deed"** means the deed so named dated 29 June 2009 as amended and restated on 11 April 2011 and 4 April 2013 and further amended and restated on or about the Update Signing Date between, amongst others, the Issuer and the Trustee;

**"Meeting"** means a meeting of Certificateholders (whether originally convened or resumed following an adjournment);

**"Minimum Principal Amount"** means, in respect of each Certificate, US\$0.01;

**"Net Proceeds"** has the meaning given to it in Condition 7.11 (*Mandatory Redemption*);

**"Notices Condition"** means Condition 20 (*Notices*);

**"Obligations"** means all of the obligations of the Issuer created by or arising under the Certificates and the Transaction Documents;

**"Operator"** has the meaning given in Condition 3 (*Form, Title and Transfer*);

**"Operator register of corporate securities"** has the meaning given in Condition 3 (*Form, Title and Transfer*);

**"Original Authorised Participant Agreements"** means each authorised participant agreement between the Issuer, the Arranger and the authorised participant named therein dated on or about the Issue Date of the Existing Gold Certificates;

**"Original Deed"** means the trust deed dated 29 June 2009 between the Issuer, the Trustee and the Portfolio Adviser in relation to the Secured Gold-Linked Certificates Programme of the Issuer;

**"Original Settlement Date"** has the meaning given in Condition 7.7 (*Settlement Disruption*);

**"outstanding"** means, in relation to the Certificates, all the Certificates other than:

- (a) those which have been redeemed in full and cancelled in accordance with the Conditions;
- (b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Certificateholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;
- (c) those which have been purchased and surrendered for cancellation as provided in Condition 7 (*Redemption, Purchase and Cancellation*) and notice of the cancellation of which has been given to the Trustee;
- (d) those in respect of which the Issuer has assigned to the relevant Certificateholder the Issuer's claim and all related rights in respect of the relevant amount of the Underlying Precious Metal in accordance with Condition 7.8 (*Failure to sell Underlying Precious Metal*);
- (e) for the purposes of calculating any Daily Fee Accrual only (and for no other purpose), those which are the subject of redemption in accordance with Condition 7 (*Redemption, Purchase and Cancellation*) and in respect of which the relevant Valuation Date has occurred; or
- (f) those which have become void under Condition 16 (*Prescription*);

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Certificateholders;
- (ii) the determination of how many and which Certificates are for the time being outstanding for the purposes of Clause 9 (*Waiver*), Clause 10 (*Modifications*), Clause 14 (*Proceedings and Actions by the Trustee*), Clause 24 (*Appointment of Trustees*) and Clause 25 (*Notice of a New Trustee*) of the Trust Deed and Condition 11 (*Events of Default*), Condition 12 (*Enforcement*) and Condition 14 (*Meetings of Certificateholders*) and the Provisions for Meetings of Certificateholders; and
- (iii) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Certificateholders or any of them,

those Certificates (if any) which are for the time being held by or for the benefit of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**"Overseas Person"** means a person whose activities are not subject to the prohibition in section 19 of FSMA by virtue of its not carrying on such activities in the United Kingdom and whose head office is situated outside the United Kingdom;

**"Palladium"** means, if the Certificates are linked to palladium, palladium bars or ingots or unallocated palladium complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect;

**"Palladium Reference Price"** means, if the Certificates are linked to Palladium, in respect of any day, that day's p.m. Palladium fixing price per troy ounce of Palladium for delivery in London through a member of the LPPM authorised to effect such delivery, stated in US dollars, as calculated and administered by the LME and published by the LME on its website at [www.lme.com](http://www.lme.com) and currently displayed on Bloomberg ticker "PLDMLNPM" that displays prices effective on that relevant day;

provided, however, that if the Portfolio Adviser becomes aware that a Market Disruption Event has occurred or exists on such day, the Portfolio Adviser will notify the Issuer and the Portfolio Administrator and the Palladium Reference Price shall be the price determined by the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) taking into consideration the latest available Palladium Reference Price as of a date on which no Market Disruption Event existed and any other information which the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) deems relevant;

**"participating securities"** has the meaning given in Condition 3 (*Form, Title and Transfer*);

**"Paying Agents"** means the paying agents named in the Agency Agreement together with any successor or additional paying agents appointed from time to time in connection with the Certificates under the Agency Agreement;

**"Payment Day"** has the meaning given in Condition 9.3 (*Payments on Payment Days*);

**"Payments Priorities"** means, in relation to the Certificates, the provisions relating to the order of priority of payments following the delivery of an Enforcement Notice in relation to the Certificates by the Trustee or in connection with a Mandatory Redemption, set out in the Trust Deed and as described in Condition 5 (*Security and Payments Priorities*);

**"Per Certificate Entitlement"** means the Initial Per Certificate Entitlement specified in the Final Terms to the Underlying Precious Metal which is thereafter reduced by the Reduction Percentage;

**"Per Certificate Sale Proceeds"** means, in respect of a redemption of any Certificate, the amount of the relevant Sale Proceeds referable to one Certificate;

**"Physical Settlement"** means, in respect of a redemption of any Certificate to which Physical Settlement applies, settlement by the transfer of the relevant amount of the Underlying Precious Metal, in accordance with Condition 7 (*Redemption, Purchase and Cancellation*);

**"Physical Settlement Differential Amount"** has the meaning given to it in Condition 7.6 (*Physical Settlement delivery obligation*);

**"Platinum"** means, if the Certificates are linked to platinum, platinum bar or ingots or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect;

**"Platinum Reference Price"** means, if the Certificates are linked to Platinum, in respect of any day, that day's p.m. Platinum fixing price per troy ounce of Platinum for delivery in London through a member of the LPPM authorised to effect such delivery, stated in US dollars, as calculated and administered by the LME and published by the LME on its website at [www.lme.com](http://www.lme.com) and currently displayed on Bloomberg ticker "PLTMLNPM" that displays prices effective on that relevant day; provided, however, that if the Portfolio Adviser becomes aware that a Market Disruption Event has occurred or exists on such day, the Portfolio Adviser will notify the Issuer and the Portfolio Administrator and the Platinum Reference Price shall be the price determined by the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) taking into consideration the latest available Platinum Reference Price as of a date on which no Market Disruption Event existed and any other information which the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) deems relevant;

**"Portfolio Administration and Advisory Agreement"** means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 and 4 April 2013 between the Issuer, the Portfolio Administrator, the Portfolio Adviser and the Trustee;

**"Portfolio Administrator"** means Wells Fargo Bank, N.A. in its capacity as portfolio administrator in accordance with the terms of the Portfolio Administration and Advisory Agreement, or any successor or additional portfolio administrator appointed from time to time in connection with the Certificates under the Portfolio Administration and Advisory Agreement;

**"Portfolio Adviser"** means Source UK Services Limited in its capacity as Portfolio Adviser in accordance with the terms of the Portfolio Administration and Advisory Agreement, or any successor or additional portfolio adviser appointed from time to time in connection with the Certificates under the Portfolio Administration and Advisory Agreement;

**"Potential Event of Default"** means any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

**"Precious Metals"** means Gold, Silver, Platinum and/or Palladium, as the context requires, and **"Precious Metal"** shall mean any one of them, as the context requires;

**"Precious Metals Counterparty"** means JPMorgan Chase Bank, N.A. in its capacity as precious metals counterparty in accordance with the terms of the Precious Metals Sale and Purchase Agreement, or any successor or additional precious metals counterparty appointed from time to time in connection with the Certificates under the Precious Metals Sale and Purchase Agreement;

**"Precious Metals Sale and Purchase Agreement"** means the agreement so named, amending and restating the Gold Sale and Purchase Agreement, dated 11 April 2011 as amended and restated on 4 April 2013 between, amongst others, the Issuer and the Precious Metals Counterparty;

**"Price Source"** means the publication (or such other origin of reference, including an exchange or principal trading market) containing (or reporting) the Reference Price (or process from which the Reference Price is calculated) as specified in the definition of Reference Price herein;

**"Principal Paying Agent"** means Deutsche Bank AG, London Branch in its capacity as principal paying agent in accordance with the terms of the Agency Agreement, or any successor or additional principal paying agent appointed from time to time in connection with the Certificates under the Agency Agreement;

**"Programme Limit"** means 1,000,000,000 in aggregate of all Certificates of any and all Series outstanding from time to time, provided that the Issuer may increase such limit from time to time (subject to compliance with the relevant Transaction Documents);

**"Proposals and Advice Agreement"** means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 between the Issuer and the Proposer;

**"Proposer"** means Source UK Services Limited in its capacity as proposer in accordance with the terms of the Proposals and Advice Agreement;

**"Provisions for Meetings of Certificateholders"** means the provisions contained in Schedule 2 to the Trust Deed;

**"Receiver"** means any receiver, manager, receiver or manager or administrative receiver appointed in respect of the Issuer by the Trustee in accordance with the Security Deed;

**"Record"** has the meaning given in Condition 3 (*Form, Title and Transfer*);

**"Redemption Notice"** has the meaning given in Condition 7.2 (*Redemption prior to the Final Maturity Date at the option of Certificateholders*);

**"Redemption Notice Fee"** means, in respect of any Certificateholder Optional Redemption, a fee of up to US\$500; the applicable level of such fee in respect of any Business Day will be confirmed by the Portfolio Administrator on request;

**"Reduction Percentage"** means the percentage specified in the Final Terms by which the Initial Per Certificate Entitlement will reduce on a daily basis on the assumption that the daily rate will be the per annum rate divided by 365 and applied accordingly;

**"Reference Price"** means, if the Certificates are linked to Gold, the Gold Reference Price, if the Certificates are linked to Silver, the Silver Reference Price, if the Certificates are linked to Platinum, the Platinum Reference Price or if the Certificates are linked to Palladium, the Palladium Reference Price;

**"Registrar"** means Computershare Investor Services (Ireland) Limited or such other person as may be appointed by the Issuer from time to time as registrar in respect of the Certificates;

**"Registrar Agreement"** means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 and 4 April 2013 between, amongst others, the Issuer, the Trustee and the Registrar;

**"Regulations"** means the Irish Companies Act, 1990 (Uncertificated Securities) Regulations 1996 (SI No 68 of 1996), as amended by the Irish Companies Act, 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (SI No 693 of 2005), and such other regulations made under section 239 of the 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;

**"Relevant Date"** means, in respect of any payment in relation to any Certificate, whichever is the later of:

- (a) the date on which the payment in question first becomes due; and

- (b) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Certificateholders in accordance with the Notices Condition;

**"Relevant Parties"** means the Trustee, the other Transaction Parties, the competent authority or stock exchange on which the Certificates are listed, if any (if required by such competent authority or stock exchange) and, in accordance with the Notices Condition, the Certificateholders;

**"Required Paying Agent"** means any Paying Agent (which may be the Principal Paying Agent) which is the sole remaining Paying Agent with its Specified Office in any city where a stock exchange on which the Certificates are listed requires there to be a Paying Agent;

**"Reserved Matter"** means any proposal:

- (a) to change any date fixed for payment or delivery in respect of the Certificates, to reduce the amounts due on any date in respect of the Certificates or to alter the method of calculating the amounts due in respect of the Certificates on redemption or maturity;
- (b) (except in accordance with Condition 18 (*Substitution of Issuer*) and the Trust Deed) to effect the exchange, conversion or substitution of the Certificates for, or the conversion of such Certificates into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Certificates are payable;
- (d) to alter the Payments Priorities in respect of the Certificates;
- (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (f) to amend this definition;

**"Rounding Amount"** means,

- (a) if the Certificates are linked to Gold, the nearest 0.001 fine troy ounce; or
- (b) if the Certificates are linked to Silver, Platinum or Palladium the nearest 0.001 troy ounce;

**"Sale Date"** means, in respect of a redemption of any Certificate, the relevant Valuation Date, subject to Condition 7.7 (*Settlement Disruption*);

**"Sale Price"** means, in respect of a redemption of any Certificate, the Reference Price as at the relevant Valuation Date;

**"Sale Proceeds"** means, if Cash Settlement applies to the Certificates, an amount in US dollars determined by the Portfolio Administrator equal to:

- (a) the proceeds actually received by the Issuer (or the Portfolio Administrator or any other agent on behalf of the Issuer) and credited to the Issuer Cash Account in respect of the sale of the relevant amount of the Underlying Precious Metal in connection with such redemption, as described in Condition 7.5 (*Cash Settlement payment obligation*); less
- (b) all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale or redemption (to the extent not covered by any applicable Redemption Notice Fee);

**"Secured Allocated Account"** means the allocated account of the Issuer with the Custodian in which the Custodian holds the Precious Metal to which the Certificates are linked, on an allocated basis;

**"Secured Allocated Accounts Agreement"** means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 and 4 April 2013 between the Issuer, the Trustee, the Portfolio Administrator and the Custodian;

**"Secured Creditors"** means the Trustee in its own capacity and as trustee on behalf of those persons listed as entitled to payment in the Payments Priorities;

**"Secured Custody Accounts"** means the Secured Unallocated Account and the Secured Allocated Account held with the Custodian in respect of the Certificates;

**"Secured Custody Agreements"** means the Secured Allocated Accounts Agreement and the Secured Unallocated Accounts Agreement;

**"Secured Obligations"** means, in respect of the Certificates, all monies, debts and liabilities which are or have been or may become due, owing or incurred, actually or contingently, by the Issuer to the Secured Creditors in relation to the Certificates of such Series;

**"Secured Property"** means all the property of the Issuer which is subject to the Security, as described in Condition 5 (*Security and Payments Priorities*);

**"Secured Unallocated Account"** means the unallocated account of the Issuer with the Custodian in which the Custodian holds the Underlying Precious Metal, on an unallocated basis in connection with the Certificates;

**"Secured Unallocated Accounts Agreement"** means the agreement so named dated 29 June 2009 as amended and restated on 11 April 2011 and 4 April 2013 between the Issuer, the Trustee, the Portfolio Administrator and the Custodian;

**"Security"** means, in relation to the Certificates, the security granted pursuant to the Trust Deed and the Security Documents in favour of the Trustee for itself and on behalf of the other Secured Creditors and any additional security granted by the Issuer to the Trustee over any asset from time to time pursuant to Condition 5 (*Security and Payments Priorities*);

**"Security Agreement"** means, in relation to a Series of Certificates, the Security Over Cash Agreement dated the 4 April 2013 between the Issuer and the Trustee;

**"Security Deed"** means the deed so named dated on or about the date of the issuance of the first Tranche of Certificates with which Certificates of the relevant Tranche create a single Series, between the Issuer and the Trustee;

**"Security Documents"** means, in relation to a Series of Certificates, the Security Deed, the Security Agreement and the Account Control Agreement, each in relation to that Series of Certificates;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Settlement Date"** means:

- (a) in respect of a redemption of any Certificate in accordance with Condition 7.1 (*Final Redemption*), the Final Maturity Date;
- (b) in respect of a redemption of any Certificate in accordance with Condition 7.2 (*Redemption Prior to the Final Maturity Date at the option of Certificateholders*), on or before the 3<sup>rd</sup> Business Day following the relevant Eligible Redemption Valuation Date, such Settlement Date to be designated as such at the discretion of the Issuer or the Portfolio Administrator on behalf of the Issuer; and
- (c) in respect of a redemption of any Certificate in accordance with Condition 7.10 (*Optional Redemption in whole*), on or before the 3<sup>rd</sup> Business Day following the relevant Eligible Redemption Valuation Date, such Settlement Date to be designated as such at the discretion of the Issuer or the Portfolio Administrator on behalf of the Issuer,

in each case subject to Condition 7.7 (*Settlement Disruption*);

**"Settlement Disruption Event"** has the meaning given in Condition 7.7 (*Settlement Disruption*);



**"Silver"** means, if the Certificates are linked to silver, silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect;

**"Silver Reference Price"** means, if the Certificates are linked to Silver, in respect of any day, that day's p.m. Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in US cents, as calculated and administered by independent service provider(s), pursuant to an agreement with the LBMA, and published by the LBMA on its website at [www.lbma.org.uk](http://www.lbma.org.uk) and currently displayed on the Bloomberg ticker "SLVRN" that displays prices effective on that relevant day; provided, however, that if the Portfolio Adviser becomes aware that a Market Disruption Event has occurred or exists on such day, the Portfolio Adviser will notify the Issuer and the Portfolio Administrator and the Silver Reference Price shall be the price determined by the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) taking into consideration the latest available Silver Reference Price as of a date on which no Market Disruption Event existed and any other information which the Portfolio Administrator (in consultation with the Portfolio Adviser if necessary) deems relevant;

**"Specified Office"** means, in relation to any Paying Agent, the Portfolio Administrator or the Registrar, the office specified in Condition 17.5 or such other office as it may specify in accordance with the provisions of the Agency Agreement, the Portfolio Administration and Advisory Agreement or the Registrar Agreement (as applicable);

**"Subscription Agreement"** means, in respect of a Series of Certificates, the subscription agreement entered into by one or more Authorised Participants, in respect of such Series of Certificates;

**"Substituted Obligor"** means a single purpose company incorporated in any jurisdiction;

**"Successor Trustee"** means an entity appointed in accordance with the Trust Deed to act as successor trustee;

**"Tax"** shall be construed so as to include:

- (a) any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority; and
- (b) unless specified otherwise, VAT or amounts which represent or are otherwise in respect of VAT,

and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

**"Tax Authority"** means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;

**"Tax Deduction"** means any deduction or withholding on account of Tax;

**"Transaction Documents"** means the Trust Deed, the Security Documents relating to the Series of which the Certificates form part, the Agency Agreement, the Authorised Participant Agreement, the Secured Custody Agreements, the Registrar Agreement, the Account Bank Agreement, the Portfolio Administration and Advisory Agreement, the Precious Metals Sale and Purchase Agreement, the Master Definitions Deed, the Fees and Expenses Agreement and the Subscription Agreement entered into in respect of the Certificates, the Clearstream Agreement if relevant to the Certificates, and any other document entered into by the Issuer with any additional agent in respect of the Certificates or with any service provider or third party in respect of the Certificates, irrespective of whether such service provider or third party is providing services to the Issuer or not;

**"Transaction Party"** means any person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them;

**"Trust Deed"** means the deed so named dated 29 June 2009 as amended and restated on 11 April 2011 and 4 April 2013 and further amended and restated on or about the Update Signing Date between the Issuer, the Trustee and the Portfolio Adviser;

**"Trust Documents"** means the Trust Deed and the Security Documents relating to the Series of which the Certificates form part and, unless the context requires otherwise, includes any deed or other document

executed in accordance with the provisions of the Trust Deed or, as applicable, the Security Documents and expressed to be supplemental to the Trust Deed or the Security Documents, as applicable;

**"Trustee"** means Deutsche Trustee Company Limited in its capacity as trustee under the Trust Deed;

**"UCITS Fund"** means a collective investment scheme which in accordance with the UCITS directive (Council Directive No. 85/611/EEC) as amended is an undertaking for collective investment in transferable securities subject to that directive and includes a UCITS Scheme;

**"Uncertificated"**, **"uncertificated"**, **"Uncertificated Form"** or **"uncertificated form"** in relation to the Certificates, means recorded on the Record as being held in uncertificated form, title to which, by virtue of the Regulations is to be transferred by CREST;

**"Underlying Precious Metal"** means, in respect of the Certificates, the Precious Metal recorded and identified in the Secured Allocated Account and the Secured Unallocated Account in connection with the Certificates from time to time;

**"Update Signing Date"** means on or about 1 April 2015;

**"US dollars"** and **"US\$"** each mean the lawful currency of the United States of America;

**"Valuation Date"** means:

- (a) in respect of a redemption of any Certificate in accordance with Condition 7.1 (*Final Redemption*), the 3<sup>rd</sup> Business Day prior to the Final Maturity Date;
- (b) in respect of a redemption of any Certificate in accordance with Condition 7.2 (*Redemption prior to the Final Maturity Date at the option of Certificateholders*), the Eligible Redemption Valuation Date on which such Certificate and the relevant Redemption Notice are delivered or deemed to have been delivered in accordance with that Condition;
- (c) in respect of a redemption of the Certificates in accordance with Condition 7.10 (*Optional Redemption in whole*), the Eligible Redemption Valuation Date specified by the Issuer in the relevant notice to Certificateholders; and
- (d) in respect of a redemption of the Certificates in accordance with Condition 7.11 (*Mandatory Redemption*), the Eligible Redemption Valuation Date specified by the Issuer in the relevant notice to Certificateholders;

**"VAT"** means:

- (a) any tax imposed in compliance with the council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to (i) the United Kingdom, value added tax imposed by VATA and legislation and regulations supplemental thereto and (ii) Ireland, the Irish Value Added Tax Consolidation Act 2010 and legislation and regulations supplemental thereto); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a), or elsewhere;

**"VATA"** means the Value Added Tax Act 1994; and

**"Written Resolution"** means a resolution in writing signed by or on behalf of all holders of the Certificates for the time being outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for the Meetings of Certificateholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Certificates.

2.2 **Interpretation:** Any reference in the Conditions to:

- (a) **"continuing"**, in respect of an Event of Default, shall be construed as a reference to an Event of Default which has not been waived in accordance with the terms of the Conditions or, as the case may be, the relevant Transaction Document;
  - (b) **"including"** shall be construed as a reference to **"including without limitation"**, so that any list of items or matters appearing after the word **"including"** shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word **"including"**;
  - (c) **"indebtedness"** shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (d) a **"law"** shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;
  - (e) a **"person"** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
  - (f) **"redeem"** and **"pay"** shall each include both of the others and **"redeemed"**, **"redeemable"** and **"redemption"** and **"paid"**, **"payable"** and **"payment"** shall be construed accordingly;
  - (g) a reference to any person defined as a **"Transaction Party"** in the Conditions shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests; and
  - (h) a **"successor"** of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.
- 2.3 **Transaction Documents and other agreements:** Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, supplemented or replaced.
- 2.4 **Statutes and Treaties:** Any reference to a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.
- 2.5 **Schedules:** Any Schedule of, or Appendix to a Transaction Document forms part of such Transaction Document and shall have the same force and effect as if the provisions of such Schedule or Appendix were set out in the body of such Transaction Document. Any reference to a Transaction Document shall include any such Schedule or Appendix.
- 2.6 **Headings:** Condition headings are for ease of reference only.
- 2.7 **Sections:** Except as otherwise specified in the Condition, reference in the Conditions to:

- 2.7.1 a "**Section**" or "**Clause**" in relation to any Transaction Document shall be construed as a reference to a Section or Clause of such Transaction Document;
- 2.7.2 a "**Part**" shall be construed as a reference to a Part of such Transaction Document;
- 2.7.3 a "**Schedule**" shall be construed as a reference to a Schedule of such Transaction Document; and
- 2.7.4 a "**Paragraph**" shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document.

## 2.8 **Number**

In these Conditions and any Transaction Document, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

## 3. **Form, Title and Transfer**

- 3.1 *Form:* The Certificates shall be issued in uncertificated registered form in accordance with the Regulations. The Certificates are participating securities for the purposes of the Regulations.
- 3.2 *Title:* Title to the Certificates is recorded on the relevant Operator register of corporate securities. The Registrar on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the Certificates and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Certificates or, in the case of a joint holding, the person first named in the Record, shall be treated by the Issuer, the Registrar, the Trustee and each Paying Agent as the holder of such number of Certificates for all purposes (and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall, subject to Condition 1.8 above, be construed accordingly), and (ii) none of the Issuer, the Registrar the Trustee or any Paying Agent shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Certificates.
- 3.3 *Transfer:* Title to Certificates will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Certificates (including transfers of Certificates) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.
- 3.4 No provisions of these Conditions as supplemented by the relevant Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Certificates in uncertificated form, (II) the transfer of title to Certificates by means of a relevant system or (III) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the relevant Final Terms, so long as the Certificates are participating securities, (A) the Operator register of corporate securities relating to the Certificates shall be maintained at all times in Ireland, (B) the Certificates may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the relevant Final Terms in relation to any Certificate shall remain applicable notwithstanding that they are not endorsed on any certificate for such Certificate.

3.5 As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Regulations and the relevant Operator (as such term is used in the Regulations) is CREST or any additional or alternative operator from time to time approved by the Issuer, the Trustee and the Registrar in relation to the Certificates and in accordance with the Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Certificates in accordance with the Notices Condition.

3.6 Certificates in definitive registered form will not be issued, either initially or in exchange for a Certificate in uncertificated registered form.

#### 4. **Status and Ranking**

4.1 **Status:** The Certificates constitute secured, limited recourse obligations of the Issuer, secured in the manner described in Condition 5 (*Security and Payments Priorities*) and recourse in respect of which is limited in the manner described in Condition 13 (*Limited Recourse, Proceedings, Non-Petition, Remedies*).

4.2 **Ranking:** The Certificates will at all times rank without preference or priority *pari passu* amongst themselves.

4.3 **Sole Obligations:** The Certificates are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.

#### 5. **Security and Payments Priorities**

5.1 **Security:** The Certificates are secured by the Security.

5.1.1 In the Security Deed, the Issuer with full title guarantee and as continuing security for the Secured Obligations creates in favour of the Trustee for itself and as trustee for the Secured Creditors the following Security Interests:

- (1) a first fixed charge over all of the Issuer's rights, title and interest in and to the Underlying Precious Metal from time to time standing to the credit of the Secured Unallocated Account and all rights and sums derived therefrom from time to time;
- (2) a first fixed charge over all of the Issuer's rights, title and interest in and to the Underlying Precious Metal from time to time standing to the credit of the Secured Allocated Account and all rights and sums derived therefrom from time to time; and
- (3) an assignment by way of security of the Issuer's rights, title and interest in and to each of the Transaction Documents to the extent they relate to the Certificates and any sums payable thereunder including the Issuer's rights to any sums held by any other party thereto to meet payments due in respect of the Certificates, but only to the extent the same relates to the Certificates.

5.1.2 In the Security Agreement and the Account Control Agreement, the Issuer creates in favour of the Trustee for itself and as trustee for the Secured Creditors a New York law governed security interest over the Issuer Cash Account relating to that Series of Certificates.

- 5.2 Certificateholders will have no proprietary interest in the Underlying Precious Metal other than the Security Interests created by the Issuer in favour of the Trustee for itself and as trustee for the Secured Creditors as described in Conditions 5.1 above.
- 5.3 The Custodian will hold the Underlying Precious Metal on behalf of the Issuer in accordance with the Secured Custody Agreements and subject to the Security Interests referred to above. The Issuer reserves the right at any time to change the Custodian (with the prior written consent of the Trustee and delivery to the Trustee of such documents as the Trustee may request in connection therewith which may include a legal opinion). Notice of such change shall be given to the Certificateholders in accordance with the Notices Condition.
- 5.4 ***Payments Priorities:*** Following the delivery of an Enforcement Notice by the Trustee or in connection with a Mandatory Redemption, all monies received by or on behalf of the Trustee or the Issuer, as the case may be, in connection with the Certificates shall be applied in the manner specified in the Trust Deed, which shall be, to the extent such amounts relate to the Certificates:
- 5.4.1 first, in payment or satisfaction of any Taxes and statutory fees which the Issuer is liable or will be liable to pay to any Tax Authority;
  - 5.4.2 second, in payment or satisfaction of the fees, costs, charges, expenses and Liabilities properly incurred by and any indemnity payments owed by the Issuer to the Trustee or any Receiver in preparing and executing the trusts created by the Trust Documents (including any amounts representing or otherwise in respect of VAT, the costs of realising any Security and the Trustee's remuneration);
  - 5.4.3 third, in payment or satisfaction *pari passu* and rateably of all amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to the Paying Agents, the Registrar, the Custodian, the Precious Metals Counterparty, the Account Bank and the Portfolio Administrator in respect of the Certificates;
  - 5.4.4 fourth, in payment or satisfaction of all amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to the Portfolio Adviser in respect of the Certificates;
  - 5.4.5 fifth, in payment or satisfaction *pari passu* and rateably of all amounts then due and unpaid (if any) in respect of the Certificates to the Certificateholders;
  - 5.4.6 sixth, in payment or satisfaction *pari passu* and rateably of all other amounts due and unpaid (including any amounts representing or otherwise in respect of VAT) by the Issuer to any other Transaction Party in respect of the Certificates; and
  - 5.4.7 seventh, in payment of any balance to the Issuer.
- 5.5 ***Enforceability:*** The Security will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with Condition 11 (*Events of Default*) and subject to the matters referred to in Condition 12 (*Enforcement*).

## 6. **Issuer Covenants**

The Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed), dispose of assets or change the nature of its business. So long as any Certificates of any Series remain outstanding, the Issuer shall comply with the Issuer Covenants.

7. **Redemption, Purchase and Cancellation**

7.1 **Final Redemption:** Unless previously redeemed or purchased and cancelled as provided in this Condition, the Issuer shall redeem each outstanding Certificate on the Final Maturity Date by payment of the relevant Cash Amount on the Settlement Date, subject as provided in Condition 9 (*Payments*).

7.2 **Redemption prior to the Final Maturity Date at the option of Certificateholders:** The Issuer shall, at the option of the holder of any Certificate, redeem such Certificate in respect of an Eligible Redemption Valuation Date as follows:

- 7.2.1 if Cash Settlement is applicable, by payment of the relevant Cash Amount on the relevant Settlement Date in accordance with Condition 7.5 (*Cash Settlement payment obligation*) and Condition 9 (*Payments*);
- 7.2.2 if Physical Settlement is applicable, by transfer of the relevant Delivery Amount on the relevant Settlement Date in accordance with Condition 7.6 (*Physical Settlement delivery obligation*),

(each a "**Certificateholder Optional Redemption**"), **provided however that** all Certificateholder Optional Redemptions shall be suspended: (i) from the occurrence of any event or events which may result in a Mandatory Redemption, for as long as such Mandatory Redemption may still occur; or (2) from the occurrence of an Event of Default or a Potential Event of Default, for as long as such Event of Default or Potential Event of Default is continuing.

In order to exercise the option contained in this Condition 7.2, the holder of the relevant Certificate(s) must, before the relevant Cut-Off Time on the desired Eligible Redemption Valuation Date:

- (a) deliver to the Issuer such Certificates as are being redeemed by depositing them into an appropriate CREST account in the name of the Portfolio Administrator (on behalf of the Issuer) and giving correct delivery free of payment instructions in CREST; and
- (b) pay to the Issuer an amount in US dollars equal to the applicable Redemption Notice Fee as directed by the Portfolio Administrator; and
- (c) deliver or send by authenticated SWIFT message (or such other method acceptable to CREST) (confirmed in writing) a duly completed redemption notice specifying, amongst other things, such holder's CREST identification number (in the form obtainable from the Portfolio Administrator, a "**Redemption Notice**") to the Portfolio Administrator.

Any Redemption Notice and Certificate(s) delivered, and Redemption Notice Fee paid, on a day which is not an Eligible Redemption Valuation Date or after the relevant Cut-Off Time on any Eligible Redemption Valuation Date shall be deemed to have been delivered or paid (as applicable) on the next following Eligible Redemption Valuation Date. Any Redemption Notice, once delivered, is irrevocable. No Certificates, once so delivered and accompanied by a duly completed Redemption Notice in accordance with this Condition 7.2, may be withdrawn; provided, however, that if, prior to the relevant Settlement Date, the Certificate(s) so deposited become immediately due and payable or if, on the relevant Settlement Date payment of the Cash Amount or delivery of the Delivery Amount (in the manner prescribed in the Conditions is improperly withheld or refused by the Issuer or any of its agents, such Certificates shall, without prejudice to the exercise of the Certificateholder Optional Redemption, be returned to the relevant Certificateholder via CREST in accordance with the Regulations.

7.3 ***Applicability of Cash Settlement or Physical Settlement to Certificateholder Optional Redemption:*** In respect of any Certificateholder Optional Redemption, Cash Settlement will apply unless the relevant Redemption Notice:

- 7.3.1 specifies that the holder of the relevant Certificate(s) is electing for Physical Settlement to apply;
- 7.3.2 specifies the number and account name of an unallocated account in London with a member of the LBMA or LPPM, as appropriate, where the relevant Delivery Amount should be delivered; and
- 7.3.3 contains a representation and warranty from the holder of the relevant Certificate(s) to the effect that: (a) such holder is not a UCITS Fund; and (b) the request for Physical Settlement and the acceptance of the delivery of the relevant Delivery Amount is and will be in accordance with all laws and regulations applicable to such holder,

in which case Physical Settlement will apply.

7.4 ***Failure to properly complete and deliver a Redemption Notice:***

- 7.4.1 Failure to properly complete and deliver a Redemption Notice or otherwise comply with the requirements of Condition 7.2 shall result in such notice being treated as null and void by the Issuer with the consequence set out in Condition 7.4.2 below. Any determination as to whether such notice has been properly completed and delivered and compliance with the other requirements of Condition 7.2 shall be made by the Portfolio Administrator and shall be conclusive and binding on the Issuer and the Certificateholder.
- 7.4.2 In the event that any Redemption Notice is determined to be null and void, if the relevant Certificateholder still wishes to elect for redemption of the relevant Certificates it must submit a new, duly completed, Redemption Notice in accordance with Condition 7.2 (and, for the avoidance of doubt, the relevant Valuation Date in respect of such redemption will be the Eligible Redemption Valuation Date on which such new, duly completed, Redemption Notice is delivered or deemed to have been delivered in accordance with Condition 7.2) and comply with the other requirements of Condition 7.2 (to the extent not already complied with), provided however that if such new, duly completed, Redemption Notice is not received within 5 Business Days, the Certificates delivered to the Issuer in accordance with Condition 7.2 shall be returned to the relevant Certificateholder via CREST in accordance with the Regulations.
- 7.4.3 The Portfolio Administrator shall promptly on the Business Day following receipt of a Redemption Notice send a copy thereof to the Issuer, the Registrar, the Principal Paying Agent and such other persons as the Issuer may specify.

7.5 ***Cash Settlement payment obligation:***

- 7.5.1 In respect of a redemption of any Certificate(s) where Cash Settlement applies, on or about the relevant Valuation Date, the Portfolio Administrator (acting on behalf of the Issuer) will arrange for the sale of an amount of the Underlying Precious Metal equal to the aggregate Per Certificate Entitlement to the Underlying Precious Metal (calculated as at the relevant Valuation Date) of the relevant Certificate(s) at the relevant Sale Price on the relevant Sale Date to the Precious Metals Counterparty in accordance with the terms of the Precious Metals Sale and Purchase Agreement, provided, however, that neither the Issuer nor the Portfolio Administrator makes any representation or warranty



as to the price at which the relevant portion of Underlying Precious Metal will be sold and, therefore, the amount of Sale Proceeds.

- 7.5.2 The Issuer shall discharge its obligation to pay the Cash Amount in respect of each Certificate by paying such Cash Amount to the relevant Certificateholder on the relevant Settlement Date in accordance with Condition 9 (*Payments*).

7.6 ***Physical Settlement delivery obligation:***

- 7.6.1 In respect of a redemption of any Certificate(s) where Physical Settlement applies, on or about the relevant Valuation Date, the Portfolio Administrator (acting on behalf of the Issuer) will arrange for the sale of an amount of the Underlying Precious Metal equal to:

- (a) the aggregate Per Certificate Entitlement to the Underlying Precious Metal (calculated as at the relevant Valuation Date) of the relevant Certificate(s) *less*
- (b) the Delivery Amount at the relevant Sale Price on the relevant Sale Date to the Precious Metals Counterparty in accordance with the terms of the Precious Metals Sale and Purchase Agreement (the "**Physical Settlement Differential Amount**"),

provided, however, that if the Physical Settlement Differential Amount is less than zero, the Issuer shall have no obligation to deliver the Physical Settlement Differential Amount to any Certificateholder(s).

- 7.6.2 If Physical Settlement applies, the Issuer shall (i) discharge its obligation to deliver the Delivery Amount in respect of such Certificate by crediting, or procuring the credit of, the same on the relevant Settlement Date to the unallocated account in London with a member of the LBMA or LPPM, as appropriate, specified by the relevant Certificateholder in the relevant Redemption Notice and (ii) discharge its obligation to pay the Physical Settlement Differential Amount to the relevant Certificateholder on the relevant Settlement Date in accordance with Condition 9 (*Payments*).

- 7.6.3 neither the Issuer nor the Portfolio Administrator makes any representation or warranty as to the price at which the relevant portion of Underlying Precious Metal will be sold and, therefore, the amount of the Physical Settlement Differential Amount.

7.7 ***Settlement Disruption:***

- 7.7.1 In respect of a redemption of any of the Certificates, if the Portfolio Adviser becomes aware that a Settlement Disruption Event has occurred or exists and which has prevented the sale of Underlying Precious Metal or the delivery of a Delivery Amount on the original day that but for such Settlement Disruption Event would have been the Sale Date or Settlement Date (each an "**Original Settlement Date**"), then the Portfolio Adviser will advise the Issuer of the same and the Sale Date or Settlement Date (as the case may be) will be the first succeeding day on which the relevant sale and/or delivery can take place unless a Settlement Disruption Event prevents settlement on each of the 10 Business Days immediately following the relevant Original Settlement Date. In that case, (a) if the relevant sale and/or delivery can be effected in a commercially reasonable manner, then the Sale Date or Settlement Date, as applicable, will be that 10<sup>th</sup> Business Day with sale and/or delivery being effected in such manner, and (b) if the relevant sale and/or delivery cannot be effected on or by that 10<sup>th</sup> Business Day in a commercially reasonable manner, then the Sale Date or Settlement Date, as applicable,

will be postponed until the sale and/or delivery can be effected in a commercially reasonable manner.

7.7.2 For the purposes hereof:

**"Settlement Disruption Event"** means, as determined by the Portfolio Adviser, an event (other than an event contemplated in Condition 7.8 (*Failure to sell Underlying Precious Metal*) below) which is beyond the control of the Issuer and as a result of which the Issuer (or the Portfolio Administrator or any other agent on the Issuer's behalf) is unable to effect a relevant sale or delivery.

7.8 ***Failure to sell Underlying Precious Metal:*** In respect of a redemption of any Certificate where Cash Settlement applies, if the Issuer (or the Portfolio Administrator or any other agent) does not receive the relevant Sale Proceeds in full in respect of the relevant Sale Date due to the negligence or wilful misconduct of any person, the Issuer shall (to the extent practicable) assign, without recourse or warranty, to the redeeming Certificateholder the Issuer's claim and all related rights to the portion of the Underlying Precious Metal being sold to generate the Sale Proceeds in satisfaction of all claims of such Certificateholder in respect of the relevant Certificates and, upon such assignment, the Certificateholder shall have no such further claims against the Issuer or the Secured Property in respect of the Certificates and the non-payment by the Issuer of any amounts due to such Certificateholder shall not constitute an Event of Default under Condition 11 (*Events of Default*). The Issuer shall have no obligation under this Condition 7.8 to make any assignment unless and until the relevant Certificateholder pays, or undertakes to pay, all of the costs and expenses (including any Taxes) of the Issuer or any of its agents or the Trustee in connection with such assignment. Under the Security Documents, the Trustee is deemed to consent to an assignment as described in this Condition 7.8 and to authorise the release of the Issuer's claim and all related rights to such Underlying Precious Metal from the Security to the extent necessary to effect such assignment. None of the Issuer, any of its agents, or the Trustee makes any representation or warranty as to the existence or quality of a claim of the Issuer and related rights, or as to the effectiveness or quality of any assignment thereof.

7.9 ***Automatic redemption of a holder's holding of Certificates for CREST reasons:*** If on any date (the "**Relevant Date**") notice is received by or on behalf of the Issuer that the holder of any Certificate(s) has, or will cease to have, an account with CREST, such Certificate(s) will automatically be redeemed in accordance with Condition 7.2 (*Redemption prior to the Final Maturity Date at the option of Certificateholders*) as if such holder had delivered such Certificate(s) and a valid Redemption Notice on the Relevant Date or, if the Relevant Date is not an Eligible Redemption Valuation Date, the next following Eligible Redemption Valuation Date and Cash Settlement shall apply to such redemption.

7.10 ***Optional Redemption in whole:*** The Issuer may redeem all (but not some only) of the Certificates in respect of any Eligible Redemption Valuation Date by payment of the relevant Cash Amount on the relevant Settlement Date, subject to Condition 7.5 (*Cash Settlement payment obligation*) and Condition 9 (*Payments*) on the Issuer giving not less than 60 days' notice to the Trustee, the other Transaction Parties, the competent authority or stock exchange on which the Certificates are listed, if any (if required by such competent authority or stock exchange) and, in accordance with the Notices Condition, the Certificateholders of its intention to redeem all of the Certificates specifying the relevant Eligible Redemption Valuation Date.

7.11 ***Mandatory Redemption:***

7.11.1 ***Redemption for taxation and other reasons:*** If, in relation to the Certificates, the Issuer satisfies the Trustee that:

- (a) by virtue of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law), in connection with any payment due in respect of the Certificates a Tax Deduction would be required to be made as described in Condition 10 (*Taxation*); or
- (b) the cost to it of complying with its obligations under or in connection with the Transaction Documents or meeting its operating or administrative expenses would be materially increased; or
- (c) in relation to any supply which will be made by or to the Issuer for VAT purposes arising from or otherwise in connection with any transfer of the relevant Precious Metal, VAT will be chargeable at a positive rate on that supply in any jurisdiction, and such VAT is payable by the Issuer to the relevant Tax Authority in that jurisdiction, or an amount in respect of such VAT is payable by the Issuer to the person liable to account for or pay such VAT to the relevant Tax Authority in that jurisdiction, other than (1) where the supply which will be made by the Issuer is a supply arising from or otherwise in connection with a sale of such Precious Metal and the recipient of such supply (not being the Issuer) has agreed to make, before or at the same time as such supply, a payment to the Issuer of an amount in addition to the agreed purchase price equal to the amount of VAT chargeable on such supply and there are no reasonable grounds for the Issuer to believe that such person will not comply with such agreement or (2) where the supply which will be made by the Issuer is delivery of the Delivery Amount upon Physical Settlement and the deduction of an amount of the Precious Metal to satisfy Taxes in order to establish the Delivery Amount is sufficient to meet, amongst other applicable Taxes, the amount chargeable to VAT,

then, unless in the case of (a) or (b) there is a substitution of a Substituted Obligor in place of the Issuer in accordance with Condition 18 (*Substitution of Issuer*), the Issuer shall forthwith give notice thereof to the Relevant Parties. Thereupon, the Portfolio Adviser will (acting on the instructions of the Issuer) arrange for, and administer the sale of, all of the Secured Property. Upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give not more than 30 nor less than 15 days' notice to the Relevant Parties (which notice shall be irrevocable) of the date on which the Certificates shall be redeemed and: (x) the proceeds actually received by or on behalf of the Issuer and credited to the Issuer Cash Account in respect of such sale, less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale (the "**Net Proceeds**") shall be applied in accordance with the Payments Priorities; and (y) the Issuer shall redeem each outstanding Certificate on such date by payment of an amount in US dollars equal to the Cash Amount that would have been determined if the Certificates were being redeemed with a Valuation Date as specified in such notice or, if less, an amount in US dollars equal to that part (if any) of the Net Proceeds still available to Certificateholders after being applied in accordance with the Payments Priorities divided by the number of Certificates outstanding.

Prior to publication of any notice of redemption under this Condition 7.11.1, the Issuer shall deliver to the Trustee a certificate signed by a director of the Issuer demonstrating that the conditions precedent to the obligations of the Issuer so to redeem have occurred and, in the case of a redemption of Certificates under this Condition 7.11.1, an opinion (in form and substance satisfactory to the Trustee) of legal advisers of recognised standing to the Issuer (previously approved by the Trustee) in the relevant jurisdiction to

the effect that the relevant circumstances have occurred. The Trustee may rely on the aforementioned certificate and/or opinion without further enquiry and without liability therefor.

Notwithstanding the foregoing, if any of the taxes referred to in paragraph (a) of this Condition 7.11.1 arise:

- (i) owing to the connection of any Certificateholder, or any third party having a beneficial interest in the Certificates with the Issuer Jurisdiction otherwise than by reason only of the holding of any Certificate or receiving amounts due in respect of such Certificate; or
- (ii) by reason of the failure by the relevant Certificateholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax,

then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Certificateholder or any third party having a beneficial interest in the Certificates, and shall not redeem the Certificates but this shall not affect the rights of the other Certificateholders hereunder. Any such deduction shall not constitute an Event of Default under Condition 11 (*Events of Default*).

7.11.2 ***Resignation of Service Provider:*** If the Trustee, the Custodian or the Portfolio Administrator resigns or its appointment is terminated and a successor Trustee, Custodian, Portfolio Administrator (as applicable) has not been appointed in accordance with the provisions of the Trust Deed and the relevant Transaction Document prior to the later to occur of: (a) the expiry of the relevant notice period for such resignation or termination (as applicable) or, if no notice period is applicable, the effective date of such resignation or termination; and (b) the date falling 90 calendar days following the date on which the notice to resign or terminate (as applicable) is given, in each case, in accordance with the provisions of the Trust Deed and the relevant Transaction Document(s), then the Issuer shall forthwith give notice thereof to the Relevant Parties. Thereupon, the Portfolio Adviser will (acting on the instructions of the Issuer) arrange for, and administer the sale of, all of the Secured Property. Upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give not more than 30 nor less than 15 days' notice (unless otherwise agreed by the Trustee) to the Relevant Parties (which notice shall be irrevocable) of the date on which the Certificates shall be redeemed and: (x) the proceeds actually received by or on behalf of the Issuer and credited to the Issuer Cash Account in respect of such sale, less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale (the "**Net Proceeds**") shall be applied in accordance with the Payments Priorities; and (y) the Issuer shall redeem each outstanding Certificate on such date by payment of an amount in US dollars equal to the Cash Amount that would have been determined if the Certificates were being redeemed with a Valuation Date as specified in such notice or, if less, an amount in US dollars equal to that part (if any) of the Net Proceeds still available to Certificateholders after being applied in accordance with the Payments Priorities divided by the number of Certificates outstanding.

7.11.3 ***Certificates cease to be held in uncertificated form and accepted for clearance through CREST:*** If at any time the Certificates cease to be held in uncertificated form and accepted for clearance through CREST, or notice is received by or on behalf of the

Issuer that the Certificates will cease to be held in uncertificated form and accepted for clearance through CREST, the Issuer shall forthwith give notice thereof to the Relevant Parties. Thereupon, the Portfolio Adviser will (acting on the instructions of the Issuer) arrange for, and administer the sale of, all of the Secured Property. Upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give not more than 90 nor less than 30 days' notice (unless otherwise agreed by the Trustee) to the Relevant Parties (which notice shall be irrevocable) of the date on which the Certificates shall be redeemed and: (x) the proceeds actually received by or on behalf of the Issuer and credited to the Issuer Cash Account in respect of such sale, less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale (the "**Net Proceeds**") shall be applied in accordance with the Payments Priorities; and (y) the Issuer shall redeem each outstanding Certificate on such date by payment of an amount in US dollars equal to the Cash Amount that would have been determined if the Certificates were being redeemed with a relevant Valuation Date as specified in such notice or, if less, an amount in US dollars equal to that part (if any) of the Net Proceeds still available to Certificateholders after being applied in accordance with the Payments Priorities divided by the number of Certificates outstanding.

- 7.11.4 **Clean-up call:** If at any time the Portfolio Administrator determines and notifies the Issuer that the aggregate number of Certificates outstanding on any day after the first anniversary of the Initial Issue Date is less than 1,000,000, the Issuer may give notice thereof to the Relevant Parties. Thereupon, the Portfolio Adviser (acting on the instructions of the Issuer) will arrange for, and administer the sale of, all of the Secured Property. Upon receipt of the sale proceeds thereof by or on behalf of the Issuer, the Issuer shall give not more than 90 nor less than 30 days' notice (unless otherwise agreed by the Trustee) to the Relevant Parties (which notice shall be irrevocable) of the date on which the Certificates shall be redeemed and: (x) the proceeds actually received by or on behalf of the Issuer and credited to the Issuer Cash Account in respect of such sale, less all expenses, fees and charges (including, without limitation, any Taxes) incurred or to be incurred by or on behalf of the Issuer in connection with such sale (the "**Net Proceeds**") shall be applied in accordance with the Payments Priorities; and (y) the Issuer shall redeem each outstanding Certificate on such date by payment of an amount in US dollars equal to the Cash Amount that would have been determined if the Certificates were being redeemed with a relevant Valuation Date as specified in such notice or, if less, an amount in US dollars equal to that part (if any) of the Net Proceeds still available to Certificateholders after being applied in accordance with the Payments Priorities divided by the number of Certificates outstanding.
- 7.12 **No Physical Settlement:** Cash Settlement shall apply and no Physical Settlement shall be available:
- 7.12.1 in respect of any Certificates redeemed in accordance with Conditions 7.9 (*Automatic redemption of a holder's holding of Certificates for CREST reasons*), 7.10 (*Optional Redemption in whole*) or 7.11 (*Mandatory Redemption*) above; or
- 7.12.2 in circumstances where Physical Settlement of Certificates would be contrary to any applicable laws or regulations which would apply to the Physical Settlement of any such Certificates.
- 7.13 **Notice irrevocable:** Any such notice as is referred to in Condition 7.10 (*Optional Redemption in whole*) or Condition 7.11 (*Mandatory Redemption*) shall be irrevocable and, upon the expiration

of such notice, the Issuer shall be bound to redeem the Certificates to which such notice relates in accordance with such Conditions.

- 7.14 **Purchase and cancellation:** The Issuer may at any time purchase Certificates in the open market or otherwise and at any price.
- 7.15 **Cancellation:** All Certificates so redeemed or purchased by the Issuer shall be cancelled and may not be reissued and resold.
- 7.16 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Conditions, whether by the Portfolio Administrator (acting on behalf of the Issuer), the Portfolio Adviser (acting on behalf of the Issuer), any Paying Agent or the Trustee shall (in the absence of any manifest error) be binding (as relevant) on the Issuer and all Certificateholders and no liability shall attach to the Portfolio Administrator, the Portfolio Adviser, any Paying Agent or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under the Conditions.
- 7.17 **Selection of the Underlying Precious Metal on Redemption:** In the event that the Certificates are redeemed in part and not in whole, the Issuer or the Portfolio Adviser on behalf of the Issuer may select any portion of the Underlying Precious Metal, (i) in the case of Certificates where Cash Settlement applies, to be sold to realise the Cash Amount or (ii) if Physical Settlement applies, to be delivered as the Delivery Amount pursuant to Condition 7.6 (*Physical Settlement delivery obligation*). For the avoidance of doubt, in no circumstances will the Certificateholders have the right to select any portion of the Underlying Precious Metal to be the subject of either the Cash Amount or the Delivery Amount.

## 8. Calculations

- 8.1 **Calculation of Per Certificate Entitlement:** On or in advance of each Business Day, the Portfolio Administrator shall calculate the Per Certificate Entitlement to the Underlying Precious Metal in respect of such Business Day and such Per Certificate Entitlement shall be available for viewing, as soon as reasonably practicable, on [www.sourceetf.com](http://www.sourceetf.com) or at such other location as is notified to Certificateholders in accordance with the Notices Condition from time to time.
- 8.2 **Daily Fee Accrual and Combined Fees:** On (or as soon as reasonably practicable after) each Business Day, the Portfolio Administrator shall calculate the Daily Fee Accrual in respect of such Business Day and on (or as soon as reasonably practicable after) each Combined Fees Calculation Date, the Portfolio Administrator shall calculate the Combined Fees in respect of the relevant Combined Fees Calculation Period. On or shortly after each Combined Fees Calculation Date falling prior to the delivery of an Enforcement Notice by the Trustee, the Portfolio Administrator shall arrange for the sale of an amount of the Underlying Precious Metal equal to the relevant Combined Fees to the Precious Metals Counterparty under the terms of the Precious Metals Sale and Purchase Agreement and, to settle such trade, shall instruct the Custodian to de-allocate such amount of Underlying Precious Metal from the Secured Allocated Account to the Secured Unallocated Account and thereafter effect a book-entry transfer of such amount of the Underlying Precious Metal on an unallocated basis to the unallocated account in London of a member of the LBMA or LPPM, as appropriate, specified by the Precious Metals Counterparty, against payment of the purchase price to the Issuer Cash Account or as otherwise directed by the Issuer (the "**Combined Fees Payment Proceeds**").

The Combined Fees Payment Proceeds will in the normal course be paid by the Issuer to the Portfolio Adviser in consideration for its services as Portfolio Adviser and also its agreement to

pay to the Issuer or to its order the fees and expenses due to the other service providers in respect of the Programme (but not including any indemnities granted in favour of the other service providers).

- 8.3 ***Trustee to determine amounts in case of Issuer default:*** If the Issuer does not at any time for any reason calculate (or cause the Portfolio Administrator to calculate) the Per Certificate Entitlement to the Underlying Precious Metal for any Business Day in accordance with this Condition, such entitlement may be calculated by the Trustee, or the Trustee may appoint an agent to calculate such entitlement at the expense of the Issuer, (in either case without any liability accruing to the Trustee as a result) in accordance with this Condition (based on information supplied to it by the Issuer or any other Transaction Party) and each such calculation shall be deemed to have been made by the Issuer.

## 9. **Payments**

- 9.1 ***Payments:*** All payments on the Certificates shall be made in US dollars. The Issuer, or the Principal Paying Agent on behalf of the Issuer, shall pay or cause to be paid all payments in respect of the Certificates to the relevant Certificateholder's cash memorandum account (as shown in the records of the Operator) for value on the relevant payment date, such payment to be made in accordance with the rules of the Operator.
- 9.2 ***Payments subject to fiscal laws:*** All payments in respect of the Certificates are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Certificateholders in respect of such payments (save as otherwise described in these Conditions).
- 9.3 ***Payments on Payment Days:*** If the date for payment of any amount in respect of any Certificate is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to interest or other payment in respect of such delay. In this paragraph, "**Payment Day**" means any day on which banks are open for general business (including dealings in foreign currencies) in New York, Dublin and London.

## 10. **Taxation**

- 10.1 ***Payments free of Tax:*** All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, any Taxes imposed, levied, collected, withheld or assessed by the Issuer Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless by virtue of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law) the Issuer, the Trustee or the Paying Agents (as the case may be) are required by law to make any Tax Deduction. In that event, the Issuer, the Trustee or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.
- 10.2 ***No payment of additional amounts:*** Neither the Issuer, the Trustee nor the Paying Agents will be obliged to pay any additional amounts to the Certificateholders as a result of any such Tax Deduction.
- 10.3 ***Taxing Jurisdiction:*** If the Issuer becomes subject at any time to any taxing jurisdiction other than the Issuer Jurisdiction, references in these Conditions to the Issuer Jurisdiction shall be construed as references to the Issuer Jurisdiction and/or such other jurisdiction.

- 10.4 ***Tax Deduction not Event of Default:*** Notwithstanding that the Trustee, the Issuer or the Paying Agents are required to make a Tax Deduction this shall not constitute an Event of Default.

11. **Events of Default**

- 11.1 ***Events of Default:*** Subject to the other provisions of this Condition, each of the following events shall be treated as an "Event of Default" in relation to the Certificates:

11.1.1 *Non-payment:* the Issuer fails to pay any amounts due in respect of the Certificates or deliver any Underlying Precious Metal due in respect of the Certificates within 5 Business Days of the due date for payment or delivery thereof, other than as contemplated in Condition 7.8 (*Failure to sell Underlying Precious Metal*); or

11.1.2 *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Certificates or any Transaction Document or in respect of the Issuer Covenants and such default (a) is, in the opinion of the Trustee, incapable of remedy or (b) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice of such default to the Issuer; or

11.1.3 *Insolvency Event:* an Insolvency Event occurs in relation to the Issuer; or

11.1.4 *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Certificates or the Transaction Documents.

- 11.2 ***Delivery of Enforcement Notice:*** If an Event of Default occurs in relation to the Certificates and is continuing, the Trustee may at its discretion and shall:

11.2.1 if so requested in writing by the holders of at least 25 per cent. of the number of the Certificates outstanding; or

11.2.2 if so directed by an Extraordinary Resolution of the Certificateholders;

deliver an Enforcement Notice to the Issuer.

- 11.3 ***Conditions to delivery of Enforcement Notice:*** Notwithstanding Condition 11.2 (*Delivery of Enforcement Notice*) the Trustee shall not be obliged to deliver an Enforcement Notice unless:

11.3.1 in the case of the occurrence of any of the events mentioned in Condition 11.1.2 (*Breach of other obligations*), the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of Certificateholders; and

11.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

- 11.4 ***Consequences of delivery of Enforcement Notice:*** Upon the delivery of an Enforcement Notice, each of the Certificates shall become immediately due and payable without further action or formality at an amount in US dollars equal to the Cash Amount that would have been determined if the Certificates were being redeemed where Cash Settlement applies with a relevant Valuation Date as of the Business Day immediately following the date of delivery of such Enforcement Notice.



12. **Enforcement**

12.1 ***Proceedings***: The Trustee may at its discretion and without further notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed and under the other Transaction Documents, but it shall not be bound to do so unless:

12.1.1 so requested in writing by the holders of at least 25 per cent. of the number of the Certificates outstanding; or

12.1.2 so directed by an Extraordinary Resolution of the Certificateholders;

and in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.2 ***Directions to the Trustee***: If the Trustee shall take any action described in Condition 12.1 (*Proceedings*) it may take such action without having regard to the effect of such action on individual Certificateholders or any other Secured Creditor.

12.3 ***Third Party Rights***: No person shall have any right to enforce any Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

13. **Limited Recourse, Proceedings, Non-Petition, Remedies**

13.1 ***Limited Recourse***: All amounts due from the Issuer to the Secured Creditors (including the Certificateholders) under the Transaction Documents or the Conditions in relation to the Certificates and the other Secured Obligations shall be equal to the lesser of the principal amount of such obligations and the actual amount received or recovered by or for the account of the Issuer in respect of the Secured Property net of any sums which the Issuer certifies to the Trustee that it is or may be obliged by law to pay to any person in priority to the Certificateholders or other Secured Creditors in accordance with Condition 5 (*Security and Payment Priorities*). Accordingly, all payments to be made by the Issuer under the Transaction Documents or the Conditions in respect of any Secured Obligations for any given Series may only be satisfied by recourse to the sums received or recovered by or on behalf of the Issuer or the Trustee in respect of the Secured Property for such Series (net as aforesaid) (the "**Available Amount**"). The Secured Creditors in respect of a particular Series (including the Certificateholders) shall look solely to the Available Amount for payments to be made by the Issuer, the obligation of the Issuer to make payments will be limited to the Available Amount (which shall be applied in accordance with the applicable Payments Priorities) and the Secured Creditors for such Series (including the Certificateholders) will have no further recourse to the Issuer in respect thereof. In the event that the amount due and payable by the Issuer to the Secured Creditors for such Series (including the Certificateholders) exceeds the Available Amount, the right of any person to claim payment of any amount exceeding the Available Amount shall be extinguished and none of the Secured Creditors (including the Certificateholders) may take any further action to recover such amounts.

13.2 ***Proceedings***: Only the Trustee may pursue the remedies available under general law or under these provisions to enforce the provisions of the Certificates or the Trust Documents. No Certificateholder or other Secured Creditor is entitled to proceed directly against the Issuer or any assets of the Issuer to enforce their rights in relation to or under the Certificates or the Transaction Documents unless the Trustee, having become bound as aforesaid fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the Trustee shall not be bound to take any action to enforce the Security or pursue the remedies available under general law or under these provisions or otherwise take any action unless it is indemnified and/or secured to its satisfaction and has been requested to do so by the holders of the Certificates.

13.3 **Non-Petition:** No Certificateholder or other Secured Creditor may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, examination, re-organisation, arrangement, insolvency or liquidation proceedings (except for the appointment of a receiver and manager pursuant to the terms of the Trust Documents) or other proceeding under any similar law for so long as any Certificates are outstanding or until one year plus one day has elapsed since the last day on which the Certificates were outstanding, without prejudice to any enforcement or realisation of the Security, save lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer. The only remedy of the Trustee against the Issuer after the occurrence of an Event of Default under Condition 11 (*Events of Default*) is to enforce the Security for the Certificates created by and pursuant to the provisions of the applicable Trust Documents. No Certificateholder or other Secured Creditor shall have any recourse to any director, officer or employee of the Issuer or any of their respective affiliates or any of their respective assets.

13.4 **Remedies:** The only remedy of the Trustee against the Issuer after any of the Certificates have become due and payable pursuant to Condition 11 (*Events of Default*) is to enforce the Security pursuant to the provisions of the Trust Documents.

#### 14. **Meetings of Certificateholders**

14.1 **Convening:** The Trust Deed contains "**Provisions for Meetings of Certificateholders**" for convening meetings of Certificateholders to consider matters relating to the Certificates, including the modification of any provision of these Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution.

14.2 **Request from Certificateholders:** A meeting of holders of the Certificates may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured to its satisfaction) upon the request in writing of Certificateholders holding not less than ten per cent. of the number of outstanding Certificates.

14.3 **Quorum:** The quorum at any meeting convened to vote on:

14.3.1 an Extraordinary Resolution, other than regarding a Reserved Matter, will be two or more persons holding or representing a majority of the aggregate number of outstanding Certificates or, at any adjourned meeting, two or more persons being or representing Certificateholders, whatever the aggregate number of outstanding Certificates so held or represented; and

14.3.2 an Extraordinary Resolution relating to a Reserved Matter will be two or more persons holding or representing in the aggregate 75 per cent. of the number of outstanding Certificates or, at any adjourned meeting, two or more persons holding or representing not less than in the aggregate 33 1/3 per cent. of the number of outstanding Certificates.

14.4 **Resolutions in writing:** A Written Resolution shall take effect as if it were an Extraordinary Resolution.

#### 15. **Modification and Waiver**

15.1 **Modification:** The Trustee may at any time and from time to time, without the consent or sanction of the Certificateholders or any other Secured Creditors, concur with the Issuer and any other relevant parties in making:

15.1.1 any modification to these Conditions and the Trust Documents (other than in respect of a Reserved Matter or any provisions of the Trust Documents referred to in the definition

of a Reserved Matter), the Certificates or the other Transaction Documents in relation to which its consent is required which, in the opinion of the Trustee, it may be proper to make and will not be materially prejudicial to the interests of Certificateholders; or

- 15.1.2 any modification to the provisions of these Conditions, the Trust Documents, the Certificates or any other Transaction Documents in order to reflect changes in the Regulations or in the applicable law and practice relating to the holding or transfer of Certificates in uncertificated registered form where such modifications are certified by the Issuer as being: (a) made to reflect such changes; and (b) not materially prejudicial to the interests of the Certificateholders; or
  - 15.1.3 any modification to these Conditions, the Trust Documents, the Certificates or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature, is made to correct a manifest error.
- 15.2 **Waiver:** In addition, the Trustee may, without the consent of the Certificateholders or any other Secured Creditor concur with the Issuer or any other relevant parties in authorising or waiving any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Certificates or any of the other Transaction Documents (including an Event of Default or Potential Event of Default) if, in the opinion of the Trustee, the interests of Certificateholders will not be materially prejudiced by such waiver.
- 15.3 **Restriction on power to waive:** The Trustee shall not exercise any powers conferred upon it by Condition 15.2 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the Certificateholders or of a request or direction in writing made by the holders of not less than 25 per cent. of the aggregate number of the Certificates outstanding, but so that no such direction or request shall: (a) affect any authorisation, waiver or determination previously given or made; or (b) authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the Certificateholders have, by Extraordinary Resolution, so authorised its exercise.
- 15.4 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents, as soon as practicable after it has been made.
- 15.5 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Condition 15.1 (*Modification*) or Condition 15.2 (*Waiver*) shall be binding on the Certificateholders and the other Secured Creditors.
16. **Prescription**
- 16.1 Claims for amounts due on redemption shall become void unless the relevant Certificates are presented for payment within ten years of the appropriate Relevant Date.
17. **Trustee, Portfolio Administrator, Registrar and Paying Agents**
- 17.1 **Trustee's right to Indemnity:** Under the Transaction Documents, the Trustee is entitled to be indemnified in respect of the Certificates and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the holders of the Certificates. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

- 17.2 ***Trustee not responsible for loss or for monitoring:*** The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of the Secured Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of any person on behalf of the Trustee. The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.
- 17.3 ***Regard to Certificateholders:*** In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of holders of the Certificates as a class and will not be responsible for any consequence for individual Certificateholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.
- 17.4 ***Portfolio Administrator, Registrar and Paying Agents solely agents of Issuer:*** In acting under the Portfolio Administration and Advisory Agreement, the Registrar Agreement and/or the Agency Agreement, as the case may be, in connection with the Certificates, the Portfolio Administrator, the Registrar and the Paying Agents respectively act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders.
- 17.5 ***Portfolio Administrator, Registrar and Paying Agents:*** The Specified Offices of the Portfolio Administrator, the Registrar, and the Paying Agents are set out below.
- 17.5.1 The Portfolio Administrator is Wells Fargo Bank, N.A. and its Specified Office is 9062 Old Annapolis Road, Columbia, Maryland 21045, USA.
- 17.5.2 The Registrar is Computershare Investor Services (Ireland) Limited and its Specified Office is Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.
- 17.5.3 The Principal Paying Agent and Paying Agent is Deutsche Bank AG, London Branch and its Specified Office is Winchester House, 1 Great Winchester Street, London EC2N 2DB.

Subject to Condition 17.6 below, the Issuer reserves the right (with the prior written approval of the Trustee) to vary or terminate the appointment of the Portfolio Administrator, the Registrar or any Paying Agent (having given the requisite period of notice) and to appoint a successor portfolio administrator, registrar or principal paying agent and additional or successor paying agents at any time. Notice of any change in the Portfolio Administrator, the Registrar or any Paying Agent, or in any of their Specified Offices, shall promptly be given to the Certificateholders in accordance with the Notices Condition.

- 17.6 ***Maintenance of Registrar and Paying Agents:*** The Issuer shall at all times maintain:
- (a) a registrar in Ireland;
  - (b) a paying agent and a principal paying agent in London;
  - (c) for so long as the Certificates are listed on any stock exchange or admitted to trading by any other relevant authority, a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
  - (d) a paying agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27

November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

18. **Substitution of Issuer**

18.1 ***Substitution of Issuer:*** The Trustee may, without the consent of the Certificateholders or any other Secured Creditor, subject to:

18.1.1 the consent of the Issuer; and

18.1.2 such further conditions as are specified in the Trust Deed,

agree to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Certificates and the Secured Obligations.

18.2 ***Notice of Substitution of Issuer:*** Not later than fourteen days after any substitution of the Issuer in accordance with this Condition, the Substituted Obligor shall cause notice of such substitution to be given to the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents.

18.3 ***Change of Law:*** In the case of a substitution pursuant to this Condition, the Trustee may in its absolute discretion agree, without the consent of the Certificateholders or the other Secured Creditors to a change of the law governing the Certificates and/or any of the Transaction Documents provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Certificates.

18.4 ***No indemnity:*** No Certificateholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Certificateholders.

19. **Further Certificates**

19.1 ***Right to issue further Certificates:*** The Issuer may, from time to time, without the consent of the holders of the Certificates or the other Secured Creditors and in accordance with the Trust Deed, create and issue further Certificates having the same terms and conditions as the Certificates in all respects (or in all respects except for the Issue Date and the Issue Price) including the benefit of the Security so as to be consolidated and form a single series with the Certificates.

20. **Notices**

20.1 ***Valid Notices:*** All notices to Certificateholders regarding the Certificates will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the Certificateholders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Certificates are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

20.2 ***Other Methods:*** The Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Certificates are then listed and provided that notice of such other method is given to the Certificateholders in such manner as the Trustee shall require.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), and (c) all amounts of the Precious Metal to which the Certificates are linked used in or resulting from such calculations will be rounded down to the relevant Rounding Amount.

22. **Governing Law and Jurisdiction**

22.1 **Governing law:** The Certificates, the Trust Deed and the Registrar Agreement and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, Irish law. The Transaction Documents (other than the Trust Deed and the Registrar Agreement) and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law.

22.2 **Jurisdiction:** The Irish courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Certificates, and accordingly any legal proceedings arising out of or in connection with the Certificates ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the grounds of venue or that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Certificateholders and the Trustee 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 one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Certificates will be in the following form, duly completed to reflect the particular terms of the relevant Certificates and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**Final Terms dated •**

SOURCE PHYSICAL MARKETS PLC

**Issue of [insert number of Certificates comprised in the Tranche] Secured [Insert Precious Metals]-  
Linked Certificates due [insert Final Maturity Date]**

**under the**

**Secured Precious Metals-Linked Certificates Programme**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Certificates in any Member State of the European Economic Area which has implemented the Directive 2003/71/EC, as amended (the "**Prospectus Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Certificates. Accordingly any person making or intending to make an offer of the Certificates may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Authorised Participant has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 30 March 2017 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Certificates described herein [for the purposes of Article 5(4) of the Prospectus Directive]<sup>1</sup>. These Final Terms contain the final terms of the Tranche of Certificates described herein and must be read in conjunction with such Base Prospectus [as so supplemented].

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<sup>1</sup> To be deleted in respect of Certificates only being admitted to trading on the SIX Swiss Exchange

Full information on the Issuer and the offer of the Tranche of Certificates described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at [www.ise.ie](http://www.ise.ie) and [www.sourceetf.com](http://www.sourceetf.com) [and] during normal business hours at [address] [and copies may be obtained from [address]]. A summary of the individual issue is annexed to these Final Terms.

*[When completing any final terms or 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 the Prospectus under Article 16 of the Prospectus Directive].*

1. Issuer: Source Physical Markets plc
2. Issue Date: [•]
3. Final Maturity Date: [•]
4. Underlying Precious Metal: [Gold] [Silver] [Platinum] [Palladium]
5. Initial Per Certificate Entitlement to Underlying Precious Metal as at the Issue Date: [[•] fine troy ounces gold [[•] troy ounces of [silver]][platinum]][palladium]
6. Reduction Percentage: [•] per cent. per annum
7. Rounding Amount: The nearest [•] [fine troy ounce] [troy ounce]
8. Issue Price: [•]
9. Settlement (Condition 7): Cash Settlement or Physical Settlement
10. (a) Names and addresses of Authorised Participants: [give names and addresses]
- (b) Date of Subscription Agreement: [ ]
11. Total commission and concession: [ ]
12. Non-exempt Offer: [Not Applicable] [An offer of the Certificates may be made by the Authorised Participants [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) -which must be jurisdictions where the Prospectus and any supplements have been passported] (**Public Offer Jurisdictions**) during the period from [specify date] until



[specify date] (Offer Period).]

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and public offer in the Public Offer Jurisdictions and] admission to trading on the [regulated market of the Irish Stock Exchange/regulated market of the London Stock Exchange/main segment of the SIX Swiss Exchange/Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)/Borsa Italiana ETFplus market of the Italian Stock Exchange (*Borsa Italiana S.p.A.*)/Euronext in Amsterdam] of the Certificates described herein pursuant to the Secured Precious Metals-Linked Certificates Programme of Source Physical Markets plc.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Source Physical Markets plc:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (a) Listing [Ireland/London/Switzerland/Frankfurt/Italy/the Netherlands]
- (b) Admission to trading [Application will be made by the Issuer (or on its behalf) for the Certificates to be admitted to trading on [the regulated market of the Irish Stock Exchange/the regulated market of the London Stock Exchange/the main segment of the SIX Swiss Exchange/the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)]/the Borsa Italiana ETFplus market of the Italian Stock Exchange (*Borsa Italiana S.p.A.*)/Euronext in Amsterdam].]

[This Tranche of Certificates is fungible with the Certificates of the same Series already in issue which have been admitted to trading on [the regulated market of the Irish Stock Exchange/the regulated market of the London Stock Exchange/the main segment of the SIX Swiss Exchange/the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)]/the Borsa Italiana ETFplus market of the Italian Stock Exchange (*Borsa Italiana S.p.A.*)/Euronext in Amsterdam].]

### 3. EXPENSES OF THE OFFER

Estimate of total expenses related to admission to trading:: [ ]

### 4. OPERATIONAL INFORMATION

ISIN Code: [ ]

Delivery:

Delivery [against/free of] payment

## **ANNEX**

### **ISSUE SPECIFIC SUMMARY**

*(Issue Specific Summary of the Certificates to be inserted if (i) the Certificates are to be listed on a regulated market in the European Economic Area ("EEA"); or (ii) the Certificates are to be the subject of an offer to the public in a member state of the EEA)*

## **USE OF PROCEEDS**

The net proceeds from the issue of the Certificates will be used by the Issuer to collateralise, or to acquire collateral for, the Certificates (as described further in the section "*Description of the Transaction Documents*" below).

## OVERVIEW OF THE TRANSACTION DOCUMENTS

*The following is an overview of the material terms of the following documents entered into by the Issuer, as they relate to the Certificates: the Trust Deed, the Security Deed, the Portfolio Administration and Advisory Agreement, the Agency Agreement, the Registrar Agreement, the Secured Unallocated Accounts Agreement, the Secured Allocated Accounts Agreement, the Authorised Participants Agreement, the Account Bank Agreement, the Precious Metals Purchase and Sale Agreement, the Fees and Expenses Agreement and the Master Definitions Deed (together, the "**Transaction Documents**").*

*This overview is a summary of the Transaction Documents, which prevail to the extent of any inconsistency with this overview. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Conditions.*

### **The Trust Deed**

Pursuant to the Trust Deed, the Issuer has appointed the Trustee, and the Trustee has agreed to act, as trustee in relation to each Series of Certificates. Under the terms of the Trust Deed, the Trustee may retire at any time on giving not less than 60 calendar days prior notice in writing to the Issuer. The Certificateholders of a particular Series will have the power to remove the Trustee, exercisable by Extraordinary Resolution in respect of that Series. However, the retirement or removal of the Trustee shall not become effective until a successor trustee has been appointed in accordance with the provisions of the Trust Deed.

All monies received by the Trustee in respect of the Secured Property for a Series shall be held by the Trustee on trust for the benefit of itself and the other Secured Creditors in respect of each Series of Certificates separately, in accordance with the Conditions.

Under the terms of the Trust Deed the Issuer may, without the consent of the Certificateholders of the relevant Series and the other Secured Creditors in respect of such Series (but subject to certain restrictions), issue further Tranches of Certificates of the same Series having the same terms and conditions as previous Tranches of Certificates of such Series already in issue in all respects (except for the Issue Date, the Issue Price and the Initial Per Certificate Entitlement in respect thereof) and including the benefit of the Security, so as to be consolidated and form a single Series with the Certificates of such Series already in issue. The aggregate number of Certificates outstanding at any one time under the Programme will not exceed the Programme Limit.

As is more particularly described in the Trust Deed but subject to the terms thereof, the Trustee shall (if directed by the Certificateholders of a particular Series) or otherwise in its discretion may (in either case subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction against any loss, liability, cost, claim, action, demand or expense which may be incurred or made against it in connection therewith), institute such proceedings against the Issuer as it may think fit to enforce the rights of the Certificateholders and other Secured Creditors of such Series against the Issuer, whether the same arise under general law, the Trust Deed, the Certificates or otherwise.

Under the terms of the Trust Deed, the Trustee will, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Trust Deed or Security Deed applicable to the relevant Series, the other Transaction Documents or the Certificates, except where expressly provided otherwise, have regard to the interests of both the Certificateholders and the other Secured Creditors of such Series, but if, in the Trustee's sole opinion, there is a conflict between their interests, it will have regard solely to the interests

of such Certificateholders and no other Secured Creditor will have any claim against the Trustee for so doing. When exercising its powers, authorities, duties and discretions, the Trustee will have regard to the interests of the Certificateholders of the relevant Series as a class and will not have regard for the interests of an individual Certificateholder.

Under the terms of the Trust Deed if, with respect to the exercise by the Trustee of any of its powers, trusts, authorities, duties or discretions vested in it by any relevant Trust Document, the other Transaction Documents or the Certificates, two or more Series of Certificates are relevant to such exercise and, in the Trustee's sole opinion, there is a conflict between the interests of Certificateholders of such different Series, it will have regard solely to the interests of the Certificateholders of such Series which has the greatest number of Certificates outstanding at the relevant time and no Certificateholder of any other Series shall have any claim against the Trustee for so doing.

After the Security in respect of a particular Series is enforced by the Trustee, all moneys received by or on behalf of the Trustee or any Receiver appointed under the provisions of the Trust Deed or Security Deed applicable to that Series, in connection with the realisation or enforcement of the Security constituted shall be applied in respect of such Series in accordance with the priority of payments as set out in the Trust Deed and Condition 5.5 (*Payments Priorities*).

#### ***Replacement of Service Providers***

The Trust Deed contains provisions in relation to the appointment of any successor Portfolio Administrator, Custodian, Account Bank, Principal Paying Agent and Paying Agent (where such Paying Agent is the sole remaining Paying Agent with its office in any city where a listing authority, stock exchange and/or quotation system on which any Certificates are admitted to listing, trading and/or quotation requires there to be a Paying Agent, such agent being a "**Required Paying Agent**") (each a "**Service Provider**"). If a Service Provider notifies the Issuer that it will resign its appointment or the Issuer delivers a written notice to a Service Provider that the appointment of the Service Provider will be revoked or terminated or such Service Provider's appointment under the Portfolio Administration and Advisory Agreement, Secured Custody Agreements, the Account Bank Agreement or Agency Agreement (each a "**Relevant Service Provider Agreement**") is terminated for any reason, the Portfolio Adviser may (but shall not be obliged to) identify a successor Service Provider, which meets the criteria specified therein and which will agree to be appointed by the Issuer on substantially the same terms as the Relevant Service Provider Agreement.

The successor Service Provider identified by the Portfolio Adviser in accordance with the Trust Deed shall be appointed by the Issuer only if it is willing to enter into an agreement with the parties to the Relevant Service Provider Agreement (other than the departing Service Provider), which provides for the successor Service Provider to be remunerated at such a rate as is agreed by the Issuer (having regard to the advice of the Portfolio Adviser) and is otherwise on substantially the same terms as those of the Relevant Service Provider Agreement; *provided that* if different remuneration is agreed with the successor Service Provider than is specified in the Relevant Service Provider Agreement, the new Relevant Service Provider Agreement will specify the remuneration agreed with the successor Service Provider, and the Issuer (and the Portfolio Adviser) shall make any necessary amendments to the Fees and Expenses Agreement so that such fees are covered by the terms of the Fees and Expenses Agreement.

The Trust Deed will be governed by and construed in accordance with Irish law.

## **Security Deed**

A Security Deed will be entered into in respect of each Series of Certificates at the time that the first Tranche of Certificates of such Series is issued. Pursuant to the Security Deed applicable to a Series of Certificates and for the benefit of that Series of Certificates only, the Issuer will create the following Security Interests with full title guarantee and as continuing security for the Secured Obligations in favour of the Trustee for the Trustee itself and on trust for the Secured Creditors:

- (a) a first fixed charge over all of the Issuer's rights, title and interest in and to any Underlying Precious Metal to which such Series of Certificates are linked, from time to time, standing to the credit of the Secured Unallocated Account in respect of such Series and all rights and sums derived therefrom from time to time;
- (b) a first fixed charge over all of the Issuer's rights, title and interest in and to any Underlying Precious Metal to which such Series of Certificates are linked, from time to time, standing to the credit of the Secured Allocated Account in respect of such Series and all rights and sums derived therefrom from time to time; and
- (c) an assignment by way of security of the Issuer's rights, title and interest in and to each of the Transaction Documents to the extent they relate to the Certificates of such Series and any sums payable thereunder including the Issuer's rights to any sums held by any other party thereto to meet payments due in respect of the Certificates of such Series, but only to the extent the same related to the Certificates of such Series.

Upon the Trustee being satisfied as to the irrevocable and unconditional payment or discharge of the Secured Obligations, the Trustee will, at the request and cost of the Issuer, release, discharge or reassign the Secured Property to the Issuer.

At any time following an Event of Default in respect of any particular Series that is continuing, the Trustee shall (if directed by the Holders of the Certificates of such Series) or otherwise in its discretion may (in either case subject to the Trustee having been indemnified and/or secured to its satisfaction against any loss, liability, cost, claim, action, demand or expense which may be incurred or made against it in connection therewith), accelerate the relevant Series of Certificates by delivering an Enforcement Notice. To enforce the Security in respect of any particular Series over the relevant Secured Property the Trustee may, at its discretion, take possession of all or part of that Secured Property or sell, call in, collect and convert into money all or part of that Secured Property in such manner and on such terms as it shall think fit and exercise any other right, power or discretion under the Trust Deed or relevant Security Deed or at law available to it.

Each Security Deed will be governed by and be construed in accordance with English law.



## **Security Agreement and the Account Control Agreement**

Each Series of Certificates will also be secured by a Security Agreement and Account Control Agreement, each relating to that Series. Under such Security Agreement the Issuer grants a New York law governed Security Interest in favour of the Trustee (for the Trustee itself and on trust for the Secured Creditors) as security for the Secured Obligations over all the Issuer's rights, title and interest in and to the Issuer Cash Account relating to the relevant Series and any amounts from time to time standing to the credit of such Issuer Cash Account.

The Trustee may, upon the delivery of an Enforcement Notice, among other things, deliver an access termination notice to the Account Bank in respect of the relevant Issuer Cash Account and demand and receive all and any monies standing to the credit of such Issuer Cash Account.

In the Account Control Agreement relating to an Issuer Cash Account for a Series of Certificates, the Account Bank, among other things, undertakes to comply with certain instructions of the Trustee in respect of the Issuer Cash Account and the Account Bank and the Issuer agree that following the delivery of an access termination notice by the Trustee, the Issuer will no longer be entitled to give instructions with regard to the Issuer Cash Account.

Each Security Agreement and Account Control Agreement will be governed by New York law.

## **Portfolio Administration and Advisory Agreement**

Pursuant to the Portfolio Administration and Advisory Agreement, the Portfolio Administrator and the Portfolio Adviser have agreed to act as portfolio administrator and portfolio adviser, respectively, for the Issuer. The Portfolio Administration and Advisory Agreement sets out the authority and duties of the Portfolio Administrator and the Portfolio Adviser and the indemnities provided by and to them. It also specifies certain limitations of liability, representations and warranties and terms relating to fees and expenses of the Portfolio Administrator and the Portfolio Adviser.

Pursuant to the provisions of the Portfolio Administration and Advisory Agreement the Portfolio Administrator will make various non-discretionary determinations that affect the Certificates of a Series including, without limitation, determining the Per Certificate Entitlement relating to a particular Series and the Cash Amount payable or Delivery Amount deliverable on any redemption of such Certificates. The Portfolio Administrator will also be responsible for: the administration of the cash flows into and out of the Issuer Cash Accounts; the deliveries of the Precious Metals into, out of and between the Secured Custody Accounts; requesting the Precious Metals Counterparty to sell or purchase Precious Metal under the Precious Metals Sale and Purchase Agreement; and the administration of certain aspects of Certificateholder Optional Redemption. The Portfolio Adviser will provide certain advisory services and other duties expressly set out in the Portfolio Administration and Advisory Agreement including determining whether a Market Disruption Event or a Settlement Disruption Event occurs or exists at any relevant time and the identification of successor Service Providers in accordance with the Trust Deed.

Each of the Portfolio Administrator and Portfolio Adviser (each a "**Relevant Portfolio Party**") may resign their appointment under the Portfolio Administration and Advisory Agreement upon 60 calendar days' prior written notice to the Issuer and copied to the Trustee and the other Relevant Portfolio Party.

Each Relevant Portfolio Party may be removed immediately on written notice by the Issuer, with a copy of such notice to the other parties to the Portfolio Administration and Advisory Agreement.

Following the resignation or removal of a Relevant Portfolio Party, the Issuer may be obliged to make certain payments to the outgoing Relevant Portfolio Party. Notwithstanding any of the foregoing and subject to certain conditions (including those set out in the following paragraph), no termination of the appointment of, or resignation of, a Relevant Portfolio Party shall be effective until such time as a successor to such Relevant Portfolio Party has agreed in writing to assume all of such Relevant Portfolio Party's duties and obligations under the Portfolio Administration and Advisory Agreement.

Upon any removal or resignation of a Relevant Portfolio Party, the Issuer, acting upon the advice of the Portfolio Adviser (in the case of the resignation or termination of the Portfolio Administrator only), shall use all reasonable endeavours to appoint a successor to such Relevant Portfolio Party in accordance with the Portfolio Administration and Advisory Agreement and, to the extent such Relevant Portfolio Party is the Portfolio Administrator, the Trust Deed, but if the Issuer fails to do so before the expiry of the relevant notice period such Relevant Portfolio Party may, but shall not be obliged to, appoint its own successor.

The Portfolio Administration and Advisory Agreement will be governed by and be construed in accordance with English law.

#### **Agency Agreement**

Pursuant to the Agency Agreement, the Principal Paying Agent (and any Paying Agents appointed thereunder from time to time) will make certain payments in respect of the Certificates and the Issuer has agreed to pay certain fees and expenses of the Paying Agents. The Issuer has also agreed to indemnify the Paying Agents against certain liabilities incurred in connection with acting as agents of the Issuer in relation to the Certificates.

Under the Agency Agreement, any Paying Agent may resign its appointment upon not less than 60 calendar days' notice to the Issuer and the Trustee. The Issuer may (without the consent of any other party) revoke its appointment of any Paying Agent immediately upon notice to such Paying Agent. The appointment of any Paying Agent shall automatically terminate following an insolvency event with respect to such Paying Agent or if it becomes unlawful for such Paying Agent to perform any of its obligations under the Agency Agreement. However, retirement, revocation or automatic termination of the appointment of the Principal Paying Agent or any Required Paying Agent shall take effect only once a successor has been appointed in accordance with the provisions of the Agency Agreement and the Trust Deed.

The Agency Agreement will be governed by and construed in accordance with English law.

#### **Registrar Agreement**

Pursuant to the Registrar Agreement, the Registrar shall provide registrar and CREST transfer agency services to the Issuer in connection with the Certificates. The Issuer has agreed to pay certain fees and expenses of the Registrar for the provision of these services. The Issuer has also agreed to indemnify the Registrar against certain liabilities incurred in connection with acting as registrar in relation to the Certificates.

The Registrar Agreement may be terminated on notice in circumstances including: where one party is in material breach of a term of the Registrar Agreement (or, if such breach is capable of being remedied, if it is not remedied within 21 calendar days of receiving notice from another party requesting remedy); where an Insolvency Event occurs in relation to a party; or where a party ceases to have the appropriate authorisations to permit it lawfully to perform its obligations envisaged by the Registrar Agreement.

The Registrar Agreement will be governed by and construed in accordance with Irish law.

#### **Secured Unallocated Accounts Agreement and Secured Allocated Accounts Agreement**

Pursuant to the Secured Unallocated Accounts Agreement and the Secured Allocated Accounts Agreement (together the "**Secured Custody Agreements**") between the Issuer, the Custodian, the Trustee and the Portfolio Administrator, a Secured Unallocated Account and a Secured Allocated Account will be established and maintained in respect of each Series of Certificates to hold the Precious Metal to which the Certificates of such Series are linked.

(a) *Establishment of Secured Custody Accounts:*

"**Secured Custody Accounts**" means the Secured Allocated Account and Secured Unallocated Account of a particular Series, or the Secured Allocated Accounts and Secured Unallocated Accounts of all Series, as the context requires.

The Custodian will, on or about the time of the issuance of the first Tranche of Certificate in relation to a particular Series, open and maintain a Secured Allocated Account and a Secured Unallocated Account in respect of that Series in the name of the Issuer (as mortgagor to the Trustee for itself and on behalf of the Certificateholders of that Series). The Secured Custody Accounts for each Series shall evidence and record the Underlying Precious Metal, to which Certificates of such Series are linked, held by the Custodian as well as the withdrawals from and deposits to those accounts. The Secured Custody Accounts holding gold will be denominated in fine troy ounces. Each of the other Secured Custody Accounts will be denominated in troy ounces.

(b) *Reporting and corrections:*

The Custodian will provide reports to the Portfolio Administrator by the close of each Business Day on which there has been a change to the balance of such account identifying withdrawals from and deposits to a Secured Custody Account for each Series and such additional reports as may be agreed from time to time. Following the occurrence of an Event of Default in respect of any Series of Certificates, the Custodian will provide to the Trustee such reports relating to that Series of Certificates. The Custodian retains the right to reverse recording errors with retrospective effect.

(c) *Instructions:*

Instructions relating to intended deposits and withdrawals of Underlying Precious Metals to and from a Secured Custody Account must be delivered by the Portfolio Administrator in accordance with the provisions of the Secured Custody Agreements. The Custodian may amend the procedure

for deposits of Underlying Precious Metal to, or withdrawals from, a Secured Custody Account or impose additional procedures as it considers appropriate in certain circumstances. It is intended that in order to withdraw Underlying Precious Metal from a Secured Allocated Account, such Underlying Precious Metal will first be "de-allocated" by being transferred to the Secured Unallocated Account applicable to the same Series of Certificates as the Secured Allocated Account. The Issuer and the Custodian have agreed that, prior to the delivery of an Enforcement Notice in relation to a Series of Certificates, the Portfolio Administrator shall have the right to give instructions to the Custodian for the withdrawal of Underlying Precious Metal from the Secured Allocated Account or Secured Unallocated Account in relation to that Series of Certificates, whether by way of de-allocation or by way of collection or delivery, credit or debit.

(d) *Unclear instructions:*

If, in the Custodian's opinion, any instructions are unclear or ambiguous, the Custodian shall use reasonable endeavours to obtain clarification of those instructions from the Portfolio Administrator and, failing that, the Custodian may in its absolute discretion and without any liability on its part, act upon what the Custodian believes in good faith such instructions to be or refuse to take any action or execute such instructions until any ambiguity or conflict has been resolved to the Custodian's satisfaction.

(e) *Segregation of Underlying Precious Metals credited to the Secured Allocated Accounts:*

The Custodian will segregate the Underlying Precious Metal credited to each Secured Allocated Account from any other such Precious Metals which it holds for its own account or for its other clients by entering appropriate entries in its books and records, and will require any sub-custodians it appoints to so segregate the Underlying Precious Metals in the same manner. The Custodian will identify in its books the Issuer (as mortgagor to the Trustee for itself and on behalf of the Certificateholders of a particular Series) as the person for whom the Underlying Precious Metal credited to the Secured Allocated Account in relation to that Series is held. Unless otherwise agreed between the Issuer and the Custodian, Underlying Precious Metals will be held at the Custodian's London vault premises or, by or for any sub-custodian permitted in accordance with the terms of the Secured Allocated Accounts Agreement.

(f) *Sub-custodians:*

The Custodian has the right, under the terms of the Secured Allocated Accounts Agreement, to appoint sub-custodians. The Secured Allocated Accounts Agreement requires the Custodian to use reasonable care in the appointment of any sub-custodian. The Custodian will make commercially reasonable efforts to obtain delivery of Underlying Precious Metals from sub-custodians, but will not be liable in contract, tort or otherwise for any loss, damage or expense arising directly or indirectly from any act or omission, or insolvency, of any sub-custodian or any further delegate of such sub-custodian unless the appointment of that sub-custodian was made by the Custodian negligently or in bad faith.

(g) *Fees and expenses:*

The Issuer will pay the Custodian such fees as the Custodian from time to time agrees with the Issuer. The Custodian reserves the right to amend the fee structure from time to time and, under the terms of the Secured Custody Agreements, will notify the Issuer and the Portfolio Administrator in writing no less than 90 days before such changes become effective. The Issuer must reimburse the Custodian on demand for all reasonable costs, charges and expenses (including any relevant taxes, duties and legal fees) incurred by the Custodian in connection with the performance of its duties and obligations under the Secured Custody Agreements or otherwise in connection with the Secured Custody Accounts. Unless otherwise agreed with the Custodian, no interest or other amount will be paid by the Custodian on any credit balance on the Secured Custody Accounts. If the Issuer fails to pay the Custodian any amount when it is due, the Custodian reserves the right to charge the Issuer interest (both before and after any judgement) on any such unpaid amount calculated at 1 per cent. above the daily overnight London interbank offered rate (LIBOR) for the currency in which the amount is due. Such interest will accrue on a daily basis, on a compound basis with monthly resets, and will be due and payable by the Issuer as a separate debt.

(h) *VAT:*

All sums payable under the Secured Custody Agreements by the Issuer to the Custodian shall be deemed to be exclusive of VAT.

(i) *Scope of responsibility - general:*

The Custodian will use reasonable care in the performance of its duties under the Secured Custody Agreements. The Custodian will only be responsible for any loss or damage to an Underlying Precious Metal suffered as a direct result of any negligence, fraud or wilful default on its part in the performance of its duties. With respect to each Series of Certificates, the Custodian's liability will not exceed the aggregate market value of the amount of Underlying Precious Metal to which that Series is linked standing to the credit of the Secured Custody Account of that Series at the time of such negligence, fraud or wilful default. The Custodian is under no duty or obligation to make or take, or require any sub-custodian to make or take, any special arrangements or precautions beyond those required by any applicable rules of the LBMA, the LPPM or any other applicable regulatory authority.

(j) *Scope of responsibility - insurance:*

In the Secured Unallocated Accounts Agreement there is no obligation on the Custodian to insure any Precious Metal standing to the credit of any Secured Unallocated Account. However, in the Secured Allocated Accounts Agreement the Custodian has agreed to insure the Underlying Precious Metal standing to the credit of each Secured Allocated Account for the Issuer against any risk (including the risk of loss, damage, destruction or mis-delivery) on such terms and conditions as the Custodian considers appropriate and the Issuer will be responsible for all costs, fees and expenses (including any relevant Taxes) in relation to the insurance policy.

(k) *Scope of responsibility - Force Majeure:*

The Custodian shall not be liable for any delay in performance, or for the non-performance of any of its obligations under the Secured Custody Agreements by reason of any cause beyond the Custodian's reasonable control. This includes any breakdown, malfunction or failure of, or in connection with, any communication, computer, transmission, clearing or settlement facilities, industrial action, acts and regulations of any governmental or supra national bodies or authorities, or the rules of any relevant regulatory or self-regulatory organisation.

(l) *Scope of responsibility - indemnity from Issuer:*

The Issuer shall indemnify and keep indemnified the Custodian on demand (on an after tax basis) against all costs and expenses, damages, liabilities and losses which the Custodian may suffer or incur, directly or indirectly in connection with the Secured Custody Agreements except to the extent that such sums are due directly to the Custodian's negligence, wilful default or fraud.

(m) *Resignation:*

The Custodian may resign its appointment under the Secured Custody Agreements at any time after the 1<sup>st</sup> anniversary of the Update Signing Date by giving not less than 90 calendar days written notice to the other parties, *provided that*: (a) if such resignation would otherwise take effect less than 30 days before or after the Final Discharge Date or other date for redemption of the last outstanding Series of Certificates, it shall not take effect until the thirtieth day following such date; and (b) such resignation shall not take effect until a successor has been duly appointed in accordance with the provisions of the Secured Custody Agreements and the Trust Deed.

(n) *Revocation:*

The Issuer may revoke the Custodian's appointment immediately upon written notice, which revocation shall take effect once a successor has been duly appointed in accordance with the provisions of the Secured Custody Agreements and the Trust Deed.

(o) *Automatic termination:*

The appointment of the Custodian shall automatically terminate following an insolvency event with respect to the Custodian or if it becomes unlawful for the Custodian to perform any of its obligations under the Secured Custody Agreements, in which case the Issuer shall forthwith appoint a successor in accordance with the provisions of the Secured Custody Agreements and the Trust Deed.

The Secured Custody Agreements are governed by and will be construed in accordance with English law.

## **Authorised Participant Agreement**

Pursuant to an Authorised Participant Agreement, an authorised participant may be appointed as an Authorised Participant in relation to a particular Series of Certificates. The Final Terms relating to each Tranche of Certificates will specify which Authorised Participant(s) are appointed in respect of such Tranche. The Authorised Participant Agreement deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to subscribing for Certificates.

Upon the terms and subject to the conditions set out in the Authorised Participant Agreement, and upon having entered into a Subscription Agreement in relation to a Series, an Authorised Participant may agree with the Issuer to subscribe for any Certificates of a Series either by:

- (a) payment of cash, which will be used by the Portfolio Administrator (acting on behalf of the Issuer) to purchase the Precious Metal to which such Series is linked from the Precious Metals Counterparty under the terms of the Precious Metals Sale and Purchase Agreement, which will be transferred to the Secured Unallocated Account of such Series and thereafter to the Secured Allocated Account of such Series maintained by the Custodian for the Issuer; or
- (b) by the transfer of the Precious Metal to which such Series is linked to the Secured Unallocated Account of such Series maintained by the Custodian for the Issuer which will then, on or about the date of issue of such Certificates, be transferred to the Secured Allocated Account of such Series maintained by the Custodian for the Issuer, together with an amount of cash in respect of any applicable subscription fees; or
- (c) a combination of the above.

Additional Authorised Participants may accede to the Authorised Participant Agreement in respect of the Certificates, *provided that* at least 30 calendar days' notice will be provided to the Portfolio Administrator of any such accession.

Upon the issue of each Series of Certificates, a Subscription Agreement, substantially in the form attached to the Authorised Participant Agreement, will be entered into between the Issuer and the Authorised Person subscribing for the Certificates.

Pursuant to the Authorised Participant Agreement, the Authorised Participants will agree to provide to the Issuer the contact details to be used from time to time for any notices or other communications to such Authorised Participant under any Transaction Document.

The appointment of an Authorised Participant may be terminated: (i) upon such Authorised Participant giving at least 30 calendar days' written notice of such termination to the Issuer or (ii) upon the Issuer giving at least 30 calendar days' written notice of such termination to such Authorised Participant.

The Issuer has agreed in the Authorised Participant Agreement to indemnify each Authorised Participant against certain liabilities in connection with the offer and sale of the Certificates and each Authorised Participant has agreed to indemnify the Issuer against certain liabilities in connection with the performance of its duties as Authorised Participant.

The Authorised Participant Agreement will be governed by and construed in accordance with English law.

### **Account Bank Agreement**

Pursuant to the Account Bank Agreement, the Account Bank will agree to establish and maintain an Issuer Cash Account for each Series of Certificates subject to the security created pursuant to the Security Deed relating to that Series of Certificates.

The Account Bank may resign its appointment on not less than 30 calendar days' written notice. The Issuer may (having regard to the advice of the Portfolio Adviser) revoke the Account Bank's appointment immediately upon written notice. The appointment of the Account Bank shall automatically terminate following an insolvency event with respect to the Account Bank or if it becomes unlawful for the Account Bank to perform any of its obligations under the Account Bank Agreement. However, retirement, revocation or automatic termination of the appointment of the Account Bank shall take effect only once a successor has been appointed in accordance with the provisions of the Account Bank Agreement and the Trust Deed. The Account Bank Agreement will be governed by and construed in accordance with English law.

### **Precious Metals Sale and Purchase Agreement**

Pursuant to the Precious Metals Sale and Purchase Agreement, the Precious Metals Counterparty has agreed to act as counterparty to the Issuer in respect of the purchase and sale of Precious Metals.

#### *Purchases:*

On or about the Issue Date of any Tranche of a Series of Certificates (if any Authorised Participant subscribes for Certificates, in any portion, by cash payment, rather than by transfer of Precious Metals) the relevant amount of the Precious Metal to which such Certificates are linked will be purchased from the Precious Metals Counterparty at the Reference Price applicable at the time of such purchase to such Precious Metal under the terms of the Precious Metals Sale and Purchase Agreement. Each purchase is to be settled by the book-entry transfer on an unallocated basis of the relevant amount of the Precious Metal to which such Series is linked from the unallocated account in London of the Precious Metals Counterparty (or such other unallocated account held with a member of the LBMA or LPPM, as applicable, as may be specified by the Precious Metals Counterparty) to the Secured Unallocated Account of such Series, against payment of the relevant Reference Price by the Issuer from the Issuer Cash Account of such Series to the Precious Metals Counterparty. For the avoidance of doubt, there will be no movements of physical quantities of Precious Metal.

#### *Sales:*

From time to time during the term of the Certificates of any Series linked to a Precious Metal, an amount of the Underlying Precious Metal to which such Series is linked equal to the Combined Fees of such Series for the relevant Combined Fees Calculation Period will be sold to the Precious Metals Counterparty at the Reference Price applicable at the time of such sale to such Precious Metal in order to obtain proceeds to pay, in the normal course, to the Portfolio Adviser in consideration for its services as Portfolio Adviser and also its agreement to pay the fees and expenses due to the other service providers in respect of the Programme (but not including any indemnities granted in favour of the other service providers). In addition, in respect of each redemption of Certificates where Cash Settlement applies, the relevant amount of the Underlying Precious Metal to which such Certificates are linked will be sold to the Precious Metals Counterparty at the Reference Price applicable at the time of such sale to such Precious Metal in order to obtain proceeds to pay the Cash Amount of such redemption. Each such sale is to be settled by the book-entry transfer on an unallocated basis of the relevant amount of the Precious Metal to



which such Series is linked from the Secured Unallocated Account of such Series to the unallocated account in London of the Precious Metals Counterparty (or such other unallocated account held with a member of the LBMA or LPPM, as applicable, as may be specified by the Precious Metals Counterparty), against payment of the relevant Reference Price to the Issuer Cash Account of such Series (or as otherwise directed by the Issuer). For the avoidance of doubt, there will be no movements of physical quantities of Precious Metal.

The Precious Metals Sale and Purchase Agreement shall terminate automatically if the Secured Custody Agreements are terminated for any reason but may not otherwise be terminated save with the agreement in writing of each of the Issuer, the Trustee, the Precious Metals Counterparty and the Portfolio Administrator.

The Precious Metals Sale and Purchase Agreement will be governed by and construed in accordance with English law.

### **Fees and Expenses Agreement**

Pursuant to the Fees and Expenses Agreement and in respect of each Series of Certificates, the Issuer will pay to the Portfolio Adviser an amount equal to the Combined Fees (the "**Portfolio Adviser Fee**") in connection with each Combined Fees Calculation Date (as it occurs from time to time) in respect of that Series. The Portfolio Adviser Fee is payable by the Issuer to the Portfolio Adviser for its services under the Portfolio Administration and Advisory Agreement and the Fees and Expenses Agreement. In consideration of the payment by the Issuer of the Portfolio Adviser Fee, the Portfolio Adviser will agree to pay to the Issuer or to its order amounts equal to the ongoing fees and expenses of the Issuer in connection with the Programme. The Portfolio Adviser shall be under no obligation to pay or otherwise reimburse the Issuer in respect of any indemnity granted by the Issuer in favour of a Secured Creditor in respect of any Series of Certificates in connection with the Programme.

The Fees and Expenses Agreement will be governed by and construed in accordance with English law.

### **Clearstream Agreement**

Pursuant to the Clearstream Agreement (an agreement governed by and construed in accordance with, except as outlined therein, the laws of the Federal Republic of Germany), and in respect of certain Certificates for which an application has been made for listing for trading on the Regulated Market (General Standard) (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), Clearstream Germany will effect the clearing of such Certificates.

### **Master Definitions Deed**

Pursuant to the Master Definitions Deed, the parties to the Master Definitions Deed will agree to certain definitions and principles of construction which will apply to each of the Transaction Documents, to the extent not otherwise defined or provided in the relevant Transaction Document.

The Master Definitions Deed will be governed by and construed in accordance with English law.

## DESCRIPTION OF THE ISSUER

### General

The Issuer was registered and incorporated on 26 May 2009 as a public limited company in Ireland under the Irish Companies Acts 1963-2009 (which have been repealed and replaced by the Irish Companies Act 2014) with registration number 471344. The Issuer has been incorporated for an indefinite period. The Issuer has been established as a special purpose vehicle for the purpose of issuing certificates which are backed by physical collateral. The registered office of the Issuer is at 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland, telephone number +353 1 680 6000. The authorised share capital of the Issuer is €40,000 divided into 40,000 ordinary shares of €1 each, of which €40,000 divided into 40,000 ordinary shares of €1 each have been issued. All of the issued shares are fully-paid up and are held to the order of Deutsche International Finance (Ireland) Limited (the "**Share Trustee**"), under the terms of a declaration of trust governed by the laws of Ireland (the "**Declaration of Trust**") dated 12 June 2009 under which the Share Trustee holds them on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer.

### Business

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities.

So long as any of the Certificates remain outstanding, the Issuer shall not, without the prior written consent of the Trustee incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Secured Property, issuing further Certificates and entering into related agreements and transactions as described in this Base Prospectus, or, *inter alia*, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed) or issue any shares (other than such shares as were in issue on 10 June 2009).

The Issuer has, and will have, no assets other than the sum of €40,000 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Certificates and any Secured Property and any other assets on which Certificates are secured.

The Certificates are obligations of the Issuer alone and not of the Share Trustee or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, any other party.

Save in respect of the fees generated in connection with Certificates, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer does not expect to accumulate any surpluses.

## **Directors**

The Directors of the Issuer are as follows:

<b>Name</b>	<b>Principal Occupation</b>
Eimir McGrath	Business Manager
Bronagh Hardiman	Transaction Manager

The business address of the Directors is the same as the registered office of the Issuer.

Deutsche International Corporate Services (Ireland) Limited a company incorporated in Ireland with company registration number 149528, of 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3 is the administrator of the Issuer. Its duties include the provision of certain management, administrative, accounting and related services. The appointment of the administrator may be terminated and the administrator may retire upon 14 days' notice at any time within 12 months of the happening of certain events and upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

## **Financial Statements**

The financial year of the Issuer is the calendar year save that the first financial year was from the date of incorporation to 31 December 2009. The Issuer has published its audited annual financial statements in respect of the periods ending on 31 December 2010, 31 December 2011, 31 December 2012, 31 December 2013, 31 December 2014 and 31 December 2015 and, most recently, interim financial statements for the six month period ended 30 June 2016, copies of which have been submitted to the Irish Stock Exchange and have been made available for inspection in the manner described below.

## **DESCRIPTION OF THE TRUSTEE**

Deutsche Trustee Company Limited ("DTCL") is an English Trust Corporation registered in England and Wales under company number 338230 and is a wholly owned subsidiary of DB UK Bank Ltd. The Company is a Trust Corporation within the meaning of the Public Trustee Act 1906 and is authorised and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. DTCL acts as trustee for debt capital market instruments ranging from conventional debt structures and eurobond issues, through to forms of highly complex financing structures, loan capital issues and equity-linked structures.

## DESCRIPTION OF THE CUSTODIAN

JPMorgan Chase Bank, National Association ("**JPM Bank**") is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. JPM Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of 31 December 2015, JPM Bank, had total assets of \$2,351.7 billion, total net loans of \$823.7 billion, total deposits of \$1,279.7 billion, and total stockholder's equity of \$247.6 billion. These figures are extracted from JPM Bank's unaudited Consolidated Reports of Condition and Income (the "**Call Report**") as of 31 December 2015, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles, which are filed with the Federal Deposit Insurance Corporation. The Call Report, including any update to the above quarterly figures, can be found at [www.fdic.gov](http://www.fdic.gov).

Additional information, including the most recent annual report on Form 10-K for the year ended 31 December 2014, of JPMorgan Chase & Co., the 2014 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the "**SEC**") by JPMorgan Chase & Co., as they become available, may be obtained from the SEC's website at [www.sec.gov](http://www.sec.gov).

## **DESCRIPTION OF THE PORTFOLIO ADMINISTRATOR**

Wells Fargo & Co. is a diversified financial services company providing banking, insurance, investments, mortgage, and consumer and commercial finance through more than 8,600 locations, 13,000 ATMs, the internet (wellsfargo.com) and mobile banking across North America and internationally. As of September 2016, Wells Fargo & Co. had U.S.\$1.9 trillion in assets, \$1.5 trillion in retail brokerage client assets and more than 269,000 team members across 42 countries and territories. The headquarters of Wells Fargo & Co. are located at 420 Montgomery Street, San Francisco, California 94163, U.S.A.

As at the date of this Prospectus, Wells Fargo & Co. has a long-term issuer default rating of AA- by Fitch, a long-term debt rating of A2 by Moody's and a long-term debt rating of A+ by Standard & Poor's Ratings Services, a division of Standard & Poor's Credit Market Services Europe Limited ("S&P"). The short-term debt is rated P-1 by Moody's, A-1 by S&P and the short-term issuer default rating is F1+ by Fitch. At the end of fourth quarter 2016, Wells Fargo ranked third in assets among U.S. banks and was the world's second most valuable bank by market capitalisation.

## TAXATION

*The following is a general description of certain tax considerations relating to the Certificates in relation to Ireland, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. It does not purport to be a complete analysis of all tax considerations relating to the Certificates whether in those countries or elsewhere. Prospective purchasers of Certificates should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes, the tax laws of Ireland and the tax laws of the United Kingdom of acquiring, holding and disposing of Certificates and receiving payments or deliveries under the Certificates. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

*The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Certificates.*

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

### **Certain Tax Definitions**

"**FATCA**" means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any government authority or taxation authority in any other jurisdiction.

"**CRS**" means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard.

### **Ireland**

The following is a non-exhaustive summary of Irish taxation law and practice as it stands at the date of this Base Prospectus. While it is noted that the Certificates do not give rise to periodic interest payments please note that the following withholding tax and reporting provisions should apply were interest payments on the Certificates to be made.

### *Withholding Tax*

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain underlying securities ("**quoted Eurobonds**") issued by a body corporate (such as the Issuer) that are interest bearing and quoted on a recognised stock exchange (which would include the Irish Stock Exchange and the London Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland, and either:
  - (i) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (CREST, Euroclear, Clearstream Banking S.A. and Clearstream Banking AG are so recognised), or
  - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the Certificates are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream Banking S.A. and/or Clearstream Banking AG, any interest that may arise on the Certificates can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above ceases to apply, the Issuer can still pay any interest that may arise on the Certificates free of withholding tax provided it is a "qualifying company" (within the meaning of Section 110 of the 1997 Act) and provided the interest is paid to a person resident in a "relevant territory" (i.e. a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double taxation agreement which has the force of law or will on the completion of certain procedures have the force of law). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if any interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from any interest on any quoted Eurobond, where such interest is collected by a bank or other Paying Agent in Ireland on behalf of any Certificateholder who is Irish resident or ordinarily resident in Ireland.

However, interest may still be paid to certain categories of Irish resident Certificateholders including, but not limited to, banks, investment funds and companies who would include such interest payments as part of their trading income.



### *Taxation of Investors*

Notwithstanding that any Certificateholder may receive payments from the Issuer free of withholding tax, the Certificateholder may still be liable to pay Irish income tax. Payments on the Certificates may have an Irish source and therefore be within the charge to Irish income tax and levies. Ireland operates a self assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope. However, the Irish tax authorities in practice do not pursue this technical liability to Irish income tax for persons who are not resident or ordinarily resident in Ireland.

However, interest on the Certificates will be exempt from Irish income tax if:

- (a) the Certificates are quoted Eurobonds, are exempt from withholding tax as set out above and the recipient of the interest is:
  - (i) a company which is resident in a relevant territory; or
  - (ii) a company:
    - (1) which is controlled, directly or indirectly, by persons who are resident in a relevant territory who are not, themselves, controlled, whether directly or indirectly, by persons who are not so resident; or
    - (2) the principal class of shares of which are substantially or regularly traded on a stock exchange in Ireland, or a relevant territory, or in a territory or on a stock exchange approved by the Irish Minister for Finance for these purposes, or a 75 per cent subsidiary of such company, or a company wholly owned by 2 or more such companies; or
- (b) the recipient of the interest is resident in a relevant territory and either:
  - (i) the Issuer is a qualifying company and the interest is paid out of the assets of the Issuer;  
or
  - (ii) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company and the relevant territory in which the company is resident imposes a tax that generally applies to interest receivable in that territory by companies from sources outside it, or the interest is exempt from income tax under the provisions of a double taxation agreement that was then in force when the interest was paid or would have been exempt had a double taxation agreement that was signed at the date the interest was paid been in force at that date.

For the purposes of the exemptions described at (a) and (b) above, the residence of the recipient in a relevant territory is determined by reference to:

- (i) the relevant treaty between Ireland and the relevant territory, where such treaty has been entered into and has the force of law;
- (ii) under the laws of that territory, where there is no relevant treaty which has the force of law.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Certificates are held or attributed, may have a liability to Irish corporation tax on the interest.

A Certificateholder receiving interest on the Certificates which does not fall within any of the above exemptions may be liable to Irish income tax on such interest. However, individual taxation advice should be sought in this regard.

#### *Capital Gains Tax*

A Certificateholder will be subject to Irish tax on capital gains on a disposal of a Certificate unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Certificates are used or held.

Individual Certificateholders who are resident in Ireland for tax purposes or ordinarily resident in Ireland for tax purposes will be liable to Irish capital gains tax at a rate of 33% on any gains arising on a sale, transfer or redemption in respect of a Certificate. Reliefs and allowances may be available in computing the Certificateholder's liability. Where such tax arises, the obligation falls on the Certificateholder to account on a self-assessment basis to the Irish Revenue Commissioners for such payment of taxes.

A corporate Certificateholder who is resident in Ireland for tax purposes and who holds Certificates in connection with a trade will be taxed on any gains as part of that trade at a rate of 12.5%. Gains on Certificates not held in connection with a trade will be subject to corporation tax at an effective rate of 33%.

#### *Capital Acquisitions Tax*

A gift or inheritance comprising of a Certificate will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Certificates are regarded as property situate in Ireland. Bearer securities are generally regarded as situated where they are physically located at any particular time. Registered securities are generally regarded as situated where the principal register of security holders is maintained or is required to be maintained, but the Certificates may be regarded as situated in Ireland regardless of their physical location or the location of the register if they secure a debt due by an Irish resident debtor as they may be secured over Irish property. Accordingly, if such Certificates are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

### *Stamp Duty*

Provided the Issuer remains a qualifying company no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Certificates (on the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act 1999 provided the money raised on the issue of the Certificates is used in the course of the Issuer's business).

### *The FATCA and other cross-border reporting systems*

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act ("**HIRE Act**") constitute an expansive information reporting regime enacted by the United States aimed at ensuring that U.S. persons with financial assets outside the U.S. are paying the correct amount of U.S. tax. The new rules are effectively designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the IRS.

On 21 December 2012, the Governments of Ireland and the United States signed an Agreement to Improve International Tax Compliance and to Implement FATCA (the "**IGA**"). The IGA is of a type commonly known as a "model 1" agreement. In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 (the "**Irish FATCA Regulations**").

This provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The IGA and Irish FATCA Regulations will increase the amount of tax information automatically exchanged between Ireland and the United States. The IGA and the Irish FATCA Regulations provide that Irish financial institutions will report to the Irish Revenue Commissioners in respect of US account-holders and, in exchange, U.S. financial institutions will be required to report to the U.S. Internal Revenue Service in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

It is expected that the Issuer will constitute a reporting financial institution for these purposes. The Issuer will not, however generally need to report any information to the Irish Revenue Commissioners on the basis that the Certificates are expected to be treated as being regularly traded on an established securities market and should not, therefore, constitute financial accounts for FATCA purposes for so long as the Certificates are listed on a recognised stock exchange for Irish tax purposes. It may, however, still need to file a nil return with the Irish Revenue Commissioners. It is the intention of the Issuer to procure that the Issuer is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-Ireland IGA.

The Issuer shall be entitled to require investors to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Issuer may have as a result of the IGA, the Irish FATCA Regulations or any legislation promulgated in connection with the agreement and investors will be deemed, by their subscription for or holding of Certificates to have authorised the automatic disclosure of such information by the Issuer or any other person to the relevant tax authorities.

To the extent the Issuer does suffer U.S. withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the Issuer to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information gave rise to the withholding.

Each prospective investor should consult its own tax advisers regarding the requirements under FATCA or an inter-governmental agreement with respect to its own situation.

### **Common Reporting Standard**

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (“**DAC II**”) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. Ireland has provided for the implementation of CRS through section 891F of the 1997 Act and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the “**CRS Regulations**”).

The CRS, which applies in Ireland from 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Under the CRS Reporting Financial Institutions (FIs) are required to collect certain information from accountholders and on certain Controlling Persons in the case of an accountholder which is an Entity for CRS purposes in order to identify which accounts are reportable to the Irish Revenue Commissioners. The Irish Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

The Issuer is expected to constitute a Financial Institution for CRS purposes. In order to comply with its obligations under CRS and DAC II, the Issuer shall be entitled to require Certificateholders to provide certain information in respect of the Certificateholders and, in certain circumstances, their controlling persons' tax status, identity or residence. Certificateholders will be deemed, by their holding of the Notes, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) to the Irish Revenue Commissioners. The information will be reported by the Issuer to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other participating jurisdictions, as applicable. However to the extent the Certificates are held within a recognised clearing system, the Issuer should have no reportable accounts in that tax year. In this case the Issuer must make a nil return for that year to the Irish Revenue Commissioners.

The Irish Revenue Commissioners have indicated that Irish Financial Institutions will be obliged to make a single return in respect of CRS and DAC II.

Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by the Issuer to comply with its CRS and DAC II obligations may result in it being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed pursuant to the Irish implementing legislation.

All prospective Certificateholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the Issuer.

## **Austria**

The below summary is not exhaustive. It does not take into account special considerations that may apply in a particular situation. Investors and other interested parties should obtain individual tax advice in connection with the acquisition and holding as well as the sale or repayment of Certificates.

### ***Austrian Residents***

Payments derived from the Certificates by individuals with a domicile (*Wohnsitz*) or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria or by corporate investors with their corporate seat or place of management in Austria ("**residents**") is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*).

#### ***Acquisition before 1 April 2012***

Generally, in case of Certificates purchased by individuals before 1 April 2012 a gain or loss derived from the disposal or redemption of the Certificate is qualified as follows for Austrian tax purposes:

- (a) The Certificate was purchased above the issue price and is disposed or redeemed above the issue price: The gain or loss is qualified as (positive or negative) interest income for Austrian tax purpose.
- (b) The Certificate was purchased below the issue price and is disposed or redeemed below the issue price: The gain or loss is qualified as capital gain or capital loss for Austrian tax purpose.
- (c) The Certificate was purchased below the issue price and is disposed or redeemed above the issue price: The difference between the issue price and the acquisition costs is qualified as capital gain and the difference between the sales or redemption price and the issue price is qualified as interest income for Austrian tax purpose.
- (d) The Certificate was purchased above the issue price and is disposed or redeemed below the issue price: The difference between the acquisition costs the issue price is qualified as (negative) interest income and the difference between the issue price and the sales or redemption price is qualified as capital loss for Austrian tax purpose.

The gain qualified as interest income for Austrian tax purposes is subject to 27.5 per cent. flat tax (25 per cent. flat tax before 1 January 2016) if the Certificates have been offered to the public. For individuals holding the Certificates as private assets the gain qualified as capital gain was taxable only (subject to progressive income tax rate), if the Certificates were sold within one year after acquisition. For individuals holding the Certificates as business assets the gain qualified as capital gain is subject to 27.5 per cent. flat tax (before 1 April 2012 the gain was subject to the progressive income tax rate, between 1 April 2012 and 31 December 2015 the gain was subject to 25 per cent. flat tax).

If the proceeds from the disposal or redemption are paid out by a paying agent (*kuponauszahlende Stelle*) located in Austria (where the paying agent is the bank, including an Austrian branch of a non-Austrian

bank, or the Austrian Company paying out such funds to a holder of Certificates), the 27.5 per cent. flat tax on the gain qualified as interest income is levied by the Austrian paying agent.

In case of a physical settlement, the above applies *mutatis mutandis*. In such a case, the value of the delivery amount should qualify as proceeds from the redemption of the Certificates. As there will be no cash payment, the relevant holder will be obliged to make the required funds available to the paying agent (*kuponauszahlende Stelle*) in order to pay the Austrian withholding tax to the tax authorities.

*Provided that* the Certificates have been offered to the public, according to section 97 of the Austrian Income Tax Act the 27.5 per cent. withholding tax on the gain qualified as interest income levied by the Austrian paying agent constitutes a final taxation (*Endbesteuerung*) for all individuals, no matter whether they act as private investors or hold Certificates as business property. Final taxation means that no further income tax will be assessed and the gain qualified as interest income is not to be included in the investor's income tax return. If the Certificates are held as business assets the gain qualified as capital gain has to be included in the investor's income tax return. If the individual's rate of income tax is lower than the 27.5 per cent. withholding tax, the withholding tax will, if requested, be credited against the income tax liability and the excess amount shall be refunded. As a consequence of the final taxation, expenses in connection with Certificates are not deductible.

For corporate investors holding Certificates as business property the total gain (regardless if qualified as interest income or capital gain) is subject to the corporate income tax rate of 25 per cent. Any withholding tax levied by the Austrian paying agent is not treated as a final taxation. Such corporate investors may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*), provided certain requirements are fulfilled.

For corporate investors who receive payments in relation to Certificates as income from capital investment (*Einkünfte aus Kapitalvermögen*), the gain qualified as interest income is taxable only (subject to 25 per cent. corporate income tax). The withholding tax levied by the Austrian paying agent generally constitutes a final taxation, however, the withholding tax exceeding the corporate income tax will be refunded.

Private foundations established pursuant to Austrian law (*Privatstiftung*) are exempt from the 27.5 per cent. withholding tax on specific income. The gain qualified as interest income for Austrian tax purposes is subject to 25 per cent. interim corporate income tax if Certificates have been offered to the public. The gain qualified as capital gain was taxable only (subject to 25 per cent. corporate income tax), if the Certificates were sold within one year after acquisition. The 25 per cent. interim corporate income tax may be credited against the withholding tax at the rate of 27.5 per cent. due on distributions of the Private Trust under certain conditions. If the recipient of the distribution is a non-Austrian tax resident, credit of the 25 per cent. interim corporate income tax is granted only, if the recipient does not take advantage of relief from withholding tax on the distribution under an applicable Double Taxation Agreement.

In case of a change of residence of a holder of Certificates from Austria to a destination outside Austria or a transfer Certificates to a deposit account outside Austria interest income is subject to 27.5 per cent. Austrian withholding tax.

Where there is no deduction of Austrian withholding tax because the payments in relation to Certificates are not received in Austria (not paid out by a paying agent located in Austria) Austrian investors will have to include the income in relation to the Certificates in their income tax returns pursuant to the Income Tax Act. For individuals, no matter whether they act as private investors or hold Certificates as business property, as well as for corporate investors with other income than business income, a special 27.5 per cent. flat tax rate is available. As a consequence, expenses in connection with Certificates are not deductible.

#### *Acquisition between 1 October 2011 and 31 March 2012*

In case of Certificates purchased by individuals between 1 October 2011 and 31 March 2012 and held as private assets the tax rules as described above apply with the following exemption: The gain qualified as capital gain is subject to 27.5 per cent. flat tax (25 per cent. flat tax before 1 January 2016) and has to be included in the investor's income tax return.

#### *Acquisition of Certificates after 31 March 2012*

Generally, gains or losses from the disposal or redemption of the Certificates purchased by the investor after 31 March 2012 qualify as taxable capital gains.

If the proceeds from the disposal or redemption of the Certificates are paid out by a domestic securities depository (*depotführende Stelle*) or paying agent (*auszahlende Stelle*) – which is an Austrian bank or the Austrian branch of an EU resident bank or investment firm –, the capital gain is subject to a 27.5 per cent. withholding tax (25 per cent. flat tax before 1 January 2016). The 27.5 per cent. withholding tax deduction will result in a final income taxation for individuals who hold the Certificates as private assets (*provided that* the holder of the Certificate has evidenced the acquisition costs of the Certificates to the securities depository) and the respective capital gains do not have to be included in the investor's income tax return.

With effect as of 1 April 2012, withdrawals (*Entnahmen*) and other transfers of Certificates from an investor's securities account will be deemed to be a disposal unless certain requirements are met such as a transfer to a securities account owned by the same taxpayer (i) with the same domestic bank, (ii) with another domestic bank if the taxpayer instructs the transferring bank to disclose the acquisition costs of the Certificates to the transferee bank or (iii) with a foreign bank, if the taxpayer instructs the transferring domestic bank to notify the competent Austrian tax office or, where the transferring bank is also a foreign bank, the taxpayer himself notifies the competent Austrian tax office within a month.

A transfer of Certificates without consideration from a domestic securities account to a securities account of another taxpayer will not result in a deemed disposal if the transferor evidences the transfer without consideration to the securities depository or instructs the securities depository to notify the competent tax office.

Where there is no deduction of Austrian withholding tax because the payments in relation to Certificates are not received in Austria (not paid out by a domestic securities depository or paying agent) Austrian investors will have to include the income in relation to the Certificates in their income tax returns pursuant to the Income Tax Act. For individuals, no matter whether they act as private investors or hold

Certificates as business property, as well as for corporate investors with other income than business income, a special 27.5 per cent. flat tax rate on the capital gains is available. As a consequence, expenses in connection with Certificates are not deductible. However, incidental acquisition costs can be considered for tax purposes, if the Certificates are held by individuals as business assets.

Taxpayers, whose regular personal income tax is lower than 27.5 per cent. may opt for taxation of the capital gain from the Certificates (together with all other income subject to the special 27.5 per cent. tax rate) at their regular personal income tax rate. Expenses in connection with the capital gain are not deductible. Losses from the sale of Certificates which are held as private assets may only be offset against other income from capital assets (excluding, among others, interest income from bank deposits and interest from debt securities purchased before 1 April 2012) of the same calendar year. Further, such losses cannot be offset against any other income or carried forward.

Capital gains derived from the disposal or redemption of Certificates which are held by individuals as business assets and are acquired after 31 March 2012 will also be subject to the special 27.5 per cent. withholding tax. The capital gains will not be subject to any higher income tax than 27.5 per cent. but has to be included in the income tax return of the individual taxpayer holding the Certificates as business assets. Losses from a write-down or sale of Certificates which are held as business assets must primarily be set off against income and capital gains from financial instruments and only 55 per cent. of the remaining loss may be set off against other business income or carried forward.

For Austrian resident companies capital income in relation to the Certificates is generally subject to corporate income tax at the standard rate of 25 per cent. Corporate investors deriving business income from the Certificates may avoid the application of the Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian securities depository or paying agent. Capital gains from the disposal or redemption of Certificates held by Austrian private foundations (*Privatstiftung*) are subject to 25 per cent. interim corporate income tax.

If Austria loses its taxation rights in respect of the Certificates to other countries (e.g. by a transfer of residence of such investor outside of Austria), a capital gain is recognized amounting to the difference between the acquisition cost and the fair market value of the Certificates. If the Certificates are held on a domestic securities depository, the 27.5 per cent. withholding tax is levied upon actual disposal of the Certificates. If the Certificates are held on a foreign securities depository, the capital gain has to be assessed in the year of the transfer of residence.

#### ***Non-Austrian residents***

Income derived from the Certificates by holders who are not tax resident in Austria is in general exempt from Austrian income taxation, and no withholding tax shall be withheld, provided however the Certificates are not held as business assets of an Austrian permanent establishment of the investor.

#### ***Directive***

In Austria, under the EU-Withholding Tax Act (*EU-Quellensteuergesetz*) which transforms the EC Council Directive 2003/48/EC on the taxation of savings income into Austrian national law, interest payments (including the difference between the issue price and the redemption price) made by a paying



agent in Austria to beneficial owners who are individuals resident for tax purposes in another EU member state and certain dependent or associated territories are subject to EU-withholding tax. The applicable tax rates are 20 per cent. during the period from 1 July 2008 to 30 June 2011 and 35 per cent. thereafter (from 1 July 2011 onwards). Due to guidelines issued by Austrian tax authorities the term "interest" may have a different meaning for the purpose of the EU-Withholding Tax Act than in other domestic income taxation laws. No EU-withholding tax will be levied if the beneficial owner presents to his paying institution a certificate as provided for under Article 10 EU-Withholding Tax Act drawn up in this name by the competent authority of his EU member state of residence for tax purposes. According to current administrative practice of the Austrian tax authorities, payments in relation to commodity linked debt-securities such as the Certificates are not considered as interest for EU-withholding tax purposes. The EU-Withholding Tax Act will expire on 31 December 2016.

#### *Inheritance and Gift tax*

In 2007, the Austrian Constitutional Court declared relevant provisions governing Austrian inheritance and gift tax unconstitutional. Under the terms of the new Gift Registration Act of 2008 (*Schenkungsmitteilgesetz 2008*) the Austrian legislator introduced into the Federal Fiscal Code (*Bundesabgabenordnung*) a duty to register certain gifts. The registration must be effectuated within three months of the acquisition which leads to the relevant threshold being exceeded. The obligation to register gifts is triggered if either or both the donor and recipient have their domicile, habitual abode, corporate seat or place of management in Austria at the time of acquisition of the gift.

### **Belgium**

#### *General*

The following paragraphs summarise certain aspects of the Belgian tax treatment of investing in the Certificates. They are based upon current Belgian tax law and regulations and interpretations thereunder, all of which are subject to change, possibly with retroactive effect. The statements in this summary are intended only as a general guidance and should not be taken as an exhaustive or definitive description of all relevant Belgian tax considerations. Any person who is contemplating acquiring the Certificates is strongly advised to first consult his or its professional advisers for definitive tax advice, taking into account any special circumstances related to the situation of that particular person.

#### *Characterization as fixed-income securities*

In an administrative circular issued on 25 January 2013 concerning the tax treatment of structured notes (hereafter the 'Circular'), the Belgian Tax Administration has confirmed its view that for, Belgian income tax purposes, certain types of structured financial products (under which could fall the Certificates) are to be considered as 'fixed-income securities' as defined in article 2, §1, 8° of the Income Tax Code 1992 ("ITC92"). Although the position adopted by the Belgian Tax Administration in the Circular has been criticized, the present summary reflects the positions expressed by the Belgian Tax Administration in the Circular.

#### *Taxation of Belgian resident individuals*

For a Belgian resident individual who is subject to the Belgian personal income tax (*'impôt des personnes physiques / personenbelasting'*), an investment in the Certificates would normally be subject to the tax regime described hereunder. Different rules may apply, however, in specific situations such as in the case of Belgian resident individuals who acquire the Certificates in the framework of a professional activity or in circumstances which fall outside the scope of the normal management of the individual's personal estate.

Any capital gain realised upon redemption of the Certificates may be treated as interest income for Belgian tax purposes and, if so, would be subject to a 27 per cent Belgian withholding tax if received via a Belgian paying agent. This withholding tax would in principle constitute a final tax, thereby relieving the Belgian resident individual from the obligation to declare the interest income in his personal income tax return. If, on the other hand, the redemption of the Certificates occurs outside of Belgium (without application of the Belgian withholding tax), the Belgian resident individual may have to declare the interest income in his personal income tax return and, if so, would be subject to separate taxation at the rate of 27 per cent. Any loss sustained upon redemption of the Certificates would not be deductible.

In case of a sale of the Certificates to any third party (any party other than the Issuer), the income equal to the *pro rata* of accrued interest corresponding to the detention period may be treated as interest income in accordance with article 19, §2 of the ITC92 and, if so, would generally be subject to tax at the rate of 27 per cent. The Belgian resident individual would have to declare this interest income in his personal income tax return. Due to the non-interest-bearing character of the Certificates and the absence of clear guidance in the relevant law and regulations, the calculation of the *pro rata* of accrued interest may in this case be difficult to effectuate. Any capital loss sustained upon such a sale would not be deductible. As noted above, different rules may apply if a Belgian resident individual holds the Certificates as part of a professional activity or outside the scope of the normal management of his personal estate.

#### *Taxation of Belgian resident companies*

For a Belgian company which is subject to the Belgian corporate income tax (*'impôt des sociétés / vennootschapsbelasting'*), any gain from the redemption or sale to any third party (any party other than the Issuer) of the Certificates may be treated as normal trading income subject to tax at the normal Belgian corporate income tax rate. If redemption or sale proceeds are received via a Belgian paying agent, a Belgian corporate taxpayer may, upon application, obtain an exemption from the 27 per cent withholding tax referred to above. If such exemption is not applied for, the Belgian company may, under certain conditions, be entitled to claim a credit for or refund of such withholding tax. Capital losses sustained upon the redemption or sale of the Certificates would in principle be fully deductible for Belgian corporate income tax purposes.

#### *Taxation of Belgian investors subject to the tax on legal entities*

Belgian investors which are subject to the Belgian tax on legal entities (*'impôt des personnes morales / rechtspersonenbelasting'*) may *mutatis mutandis* be subject to taxation similar to that described above with respect to Belgian resident individuals. In case the legal entity collects the payment abroad without Belgian withholding tax, it is required to declare this income and to pay the withholding tax on its own initiative.

### *Taxation of Belgian non-residents investors*

Redemption or sale proceeds of the Certificates received by a non-resident investor via a Belgian paying agent may be deemed to constitute interest income and would, in principle, be subject to a 27 per cent Belgian withholding tax. However, if the non-resident investor is a resident of a country with which Belgium has entered into a double taxation treaty, a reduction or exemption from such withholding tax may be available. An exemption from such withholding tax may also be available under relevant provisions of Belgian income tax law for non-resident investors who hold the Certificates in open custody with a Belgian financial institution and unconnected with the exercise of a professional activity in Belgium.

A non-resident company which holds the Certificates in connection with the exercise of a professional activity in Belgium via a permanent establishment may *mutatis mutandis* be subject to taxation similar to that described above with respect to the taxation of Belgian resident companies.

### *Stock Exchange Transactions Tax*

Sales of the Certificates via a broker or a financial institution located in Belgium may give rise to a stock exchange transactions tax (*'taxe sur les opérations de bourse / taks op beursverrichtingen'*) of 0.27 per cent. The tax is due separately by the seller and the purchaser of the securities and is capped at an amount of EUR 800 per party and per transaction. Under certain conditions, exemptions from the stock exchange transactions tax are available to certain categories of investors (e.g., financial institutions, insurance companies, pension funds and non-residents of Belgium).

## **Denmark**

Generally, no Danish withholding tax will apply to any payments made under the Certificates. There are no Danish stamp duties applicable to the Certificates.

### *Danish tax resident investors*

The Certificates should be qualified as structured bonds in accordance with the Capital Gains Tax Act (*"Kursgevinstloven"*) section 29 (3). Structured bonds are taxed as derivative contracts for the holder of the Certificates.

Derivative contracts are taxed on a mark-to market basis, implying a yearly taxation based on the change in fair value. This implies that unrealised gains and losses are calculated each year and gains may result in tax irrespective of whether the gain has been realised.

### *Danish tax resident individuals:*

The Certificates will be subject to mark to market taxation based on the yearly development in the fair value of the Certificates.

Any gains are taxable as capital income (*"kapitalindkomst"*).

Losses may be deducted following special rules.

Generally a loss can only be deducted to the extent that it does not exceed the net income on derivative contracts in the same income year or net income on derivative contracts from previous income years starting from 2002 and after.

Any further loss may be carried forward and deducted in future net gains on derivative contracts.

It is possible to apply the business tax scheme ("*Virksomhedsskatteordning*") and invest from pensions schemes.

#### *Danish corporate taxable investors*

The Certificates will be subject to mark to market taxation based on the yearly development in the fair value of the Certificates. Gains and losses are as a starting point included in the taxable income.

#### *Danish institutional investors*

Danish investors which are subject to the Pension Yield Tax Act ("*Pensionsafkastbeskatningsloven*") will be taxed according to the mark to market principle based on the yearly development in the fair value of the Certificates.

### **Finland**

#### *General*

The following is a short summary of certain tax consequences of the acquisition, ownership and disposal of Certificates resulting from the tax laws of Finland. In Finland, persons with unlimited tax liability and persons with limited tax liability are treated differently for tax purposes. Persons with unlimited tax liability include Finnish resident individuals and Finnish corporations, which are taxed on their worldwide income, whereas persons with limited tax liability are only taxed on income received from Finland. However, in accordance with Finnish tax legislation, persons with limited tax liability are generally not liable to pay tax on capital gains obtained under the Certificates.

#### *Finnish resident individuals*

Individuals with unlimited tax liability and death estates will be subject to taxation of capital gains incurred from the disposal of Certificates (provided that the Certificates are not regarded as business assets). Such capital gains of individuals and death estates are taxed at a tax rates of 30 and 34 per cent (the latter tax rate is applicable when the annual taxable capital income exceeds EUR 30,000).

Capital gains and losses are calculated by deducting from the alienation price the original acquisition cost added with expenses incurred from the disposal of the Certificates. Acquisition cost of Certificates is considered to consist of the price paid for the Certificates added with possible expenses incurred from the acquisition. Alternatively, when calculating capital gains, individuals and death estates may use a presumed acquisition cost of 20 per cent of the sales price (40 per cent if the holding period is at least 10 years). When using the presumed acquisition cost, sales expenses are not deductible.

In the event Certificates are considered as securities in income taxation, the loss suffered from the disposal of the Certificates (the acquisition cost) may presumably be considered a capital loss. Similarly, a loss arising from the expiration of the Certificates presumably constitutes a capital loss. The capital loss may be deducted from the capital income within the same year and for five subsequent years after the transfer.

#### *Finnish resident corporations*

Income received from the disposal of Certificates that are included in the business assets of corporations with unlimited tax liability in Finland is deemed taxable. Correspondingly, the acquisition cost of

Certificates is treated as a deductible expense in taxation. Thus, the profit being the difference between the sales price and the acquisition cost of the Certificates is taxed as corporate income of the legal entity.

In the event the Certificates are not included in a corporation's business assets, income received from them is taxed as capital gains or loss as corporation's personal income as described above, see "Individuals". However, a corporation may not use a presumed acquisition cost. Also the capital loss may be only deducted from the capital gain within the same year and for five subsequent years after the transfer.

Corporate income is taxed at a tax rate of 20 per cent (business income and personal income).

## **France**

The below summary is not an exhaustive analysis of the tax regime applicable to the Certificateholders. It does not take into account special considerations that may apply in a particular situation. Certificateholders should obtain individual tax advice in connection with the acquisition, the holding, the sale, the repayment of Certificates or with their eligibility to any specific favorable tax regime (e.g. PEA, rebate for holding period).

To the extent that the Certificates are not issued through a permanent establishment of the Issuer in France, the payments made on the Certificates will not be subject to withholding tax (*retenue à la source*) in France.

In general, Certificateholders who are residents of France for tax purposes will be subject to French personal income tax or corporate income tax in relation to income or gains derived from the Certificates. Prospective purchasers of Certificates are urged to consult with their tax advisers to determine if and how they should submit income (including gains realised upon disposal of the Certificates and/or redemption premium potentially received upon repayment of the Certificates) derived from the Certificates to French income tax.

Certificateholders who are not residents of France for tax purposes will generally not be subject to French personal income tax or corporate income tax in relation to the income derived from the Certificates to the extent that such Certificates are not held through a permanent establishment or a fixed base in France.

The above is a general description of certain French withholding tax considerations relating to the Certificates. It does not purport to be a description of general French tax considerations relating to the Certificates. It is based on French law as in force when drawing up this Base Prospectus. The laws and their interpretation by the French tax authorities may change and such changes may have retroactive effect.

## **Germany**

### **German Resident Certificateholders**

#### **(a) Income from capital investments of private individuals**

If the Certificates are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, the sale and redemption of the Certificates or the

physical settlement is taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax).

The flat tax is generally collected by way of withholding as described below and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Certificates.

If the Certificates are kept or administered in a domestic securities deposit account by a German credit or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether the "**Domestic Paying Agent**") since their acquisition, a 25 per cent withholding tax, plus a 5.5 per cent solidarity surcharge thereon, is levied on capital gains from the sale or redemption of the Certificates and default interest, resulting in a total withholding tax charge of 26.375 per cent. If the Certificates were sold or redeemed after being transferred to another securities deposit account, the 25 per cent withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous account bank was able and allowed to provide evidence for the investor's actual acquisition costs to the new domestic paying agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

In general, no withholding tax will be levied if the Investor is a Private investor who filed a withholding exemption certificate (*Freistellungsauftrag*) with the German Paying Agent, but only to the extent the interest income and other taxable income from capital investments does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the private investor has submitted to the German Paying Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

(i) Determining profit and loss and loss carry forwards

The profit or loss is determined as the difference between sale proceeds and acquisition cost less expenses which are directly related to the sale (section 20 para 4 German Income Tax Act "**EStG**"). Upon redemption the redemption amount will be treated as sale proceeds. Losses resulting out of the sale or redemption may only be set-off against profit resulting from capital income; such losses may not be netted against other income types. Within capital income the setting-off of such losses is further limited to capital gains not resulting out of the sale of equity investments. Further, losses may be carried forward, whereas it is not possible to carry losses backwards.

Individual investors are entitled to a tax allowance (*Sparer-Pauschbetrag*) for investment income of EUR 801 per year (EUR 1,602 for married couples filing their tax return jointly). The tax allowance is considered for purposes of the withholding tax if the investor files a withholding tax exemption request (*Freistellungsauftrag*) with the respective bank or financial institution where the securities deposit account to which the Certificates are allocated is held. The deduction of related expenses for tax purposes is not possible.

(ii) Physical settlement

According to a tax decree issued by the Federal Ministry of Finance dated 22 December 2009 (BMF IV C 1-s 2252/08/10004, BStBl. 2010 I 94), upon physical settlement the difference between acquisition cost of the Certificates and market price of the gold delivered is treated as capital gain within the meaning of section 20 para 2 no. 7 EStG. The sale of the gold within one year after acquisition and any capital gains will qualify as income from so-called private disposals (private Veräußerungsgeschäfte, section 23 para 1 no. 2 EStG) and the one year period should start with physical delivery of the gold. In case of such private disposal the difference between the sale proceeds and the market price of the gold at delivery should be taxable. The sale of gold after expiry of the one year period following acquisition should not be taxable.

(b) Certificates as business assets

If the Certificates are held as business assets (*Betriebsvermögen*) by an individual or corporate investor that is tax resident in Germany, capital gains from the sale or redemption of the Certificates and the proceeds upon physical settlement of the Certificates are subject to personal or corporate income tax (plus solidarity surcharge thereon) and trade tax and church tax, in the case of an individual to the extent applicable. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

It is not entirely clear whether the loss deductibility is restricted by ring-fencing rules applicable to derivative losses (section 15 para 4 EStG)

If the transaction qualifies as a contract for differences, in principle, losses realised from such contracts (payments received minus payments made) are ring-fenced (section 15 para 4 EStG) and cannot be used to offset other positive income (except for positive income from other contracts for differences). In case the losses are ring-fenced and cannot be off-set against other positive income from contracts for differences, the loss may be carried back to the preceding or carried forward to the following year. As a carve-out, such limitations do not apply if (i) the derivative contract forms part of the ordinary business of a bank (*gewöhnlicher Geschäftsbetrieb bei Kreditinstituten*) and (ii) the derivative contract must not serve the purpose of hedging equity investments (*Absicherung von Aktiengeschäften*) if such equity benefits from the domestic tax exemption (i.e. it can be sold at least partially tax-exempt).

(c) Applicability of German Investment Tax Act (*Investmentsteuergesetz*)

The Certificates should not qualify as units within the meaning of the Investment Tax Act.

The application of the German Investment Tax Act (*Investmentsteuergesetz*) requires the holding of an interest in an investment fund (*Investmentanteile*).

According to a tax decree issued by the Federal Ministry of Finance dated 18 August 2009 (BMF, IV C 1 – S 1980 – 1/08/10019) concerning the application of the German Investment Tax Act in the case of foreign investment funds, an interest requires that there exists a direct legal relationship between the holder and the legal entity owning the foreign fund assets which, however, does not need to be a membership-like relationship. Such view was shared in a more

recent circular issued by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) dated 22 December 2008.

According to this tax decree, a security being issued by a third party and only reflecting the economic results of a foreign investment fund or several foreign investment funds should not be regarded as a unit in a foreign investment fund. Furthermore, the Certificates do not provide for a physical delivery of interests in entities, which qualify as a foreign investment fund.

(d) Inheritance and Gift Tax

Inheritance or gift taxes with respect to any Certificate will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Certificate is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed. In addition, certain German expatriates will be subject to inheritance and gift tax.

(e) Other Taxes

No stamp, issue, registration or similar taxes or duties is currently payable in Germany in connection with the issuance, delivery or execution of the Certificates. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

The issuance of Certificates should be VAT-exempt. Further, the physical settlement should be VAT-exempt in case the gold is qualified as investment gold. Investment gold requires (i) gold, in the form of a bar or a wafer of weights accepted by the bullion markets, of a purity equal to or greater than 995 thousandths or (ii) gold coins of a purity equal to or greater than 900 thousandths and minted after 1800, which are or have been legal tender in the country of origin, and are normally sold at a price which does not exceed the open market value of the gold contained in the coins by more than 80 per cent.

Non-German Resident Certificateholders

Income derived from the Certificates by holders who are not tax resident in Germany is in general exempt from German income taxation, and no withholding tax shall be withheld, provided however (i) the Certificates are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, or (ii) the Certificates are not presented for payment or credit at the offices of a German credit or financial services institution including a German branch of a foreign credit or financial services institution (over-the-counter transaction).

If the income derived from the Certificates is subject to German taxation according to (i) or (ii) above, the income is subject to withholding tax similar to that described above under German resident Certificateholders. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Implementation in Germany of the Directive



In Germany, provisions for implementing the Directive have been enacted by legislative regulations of the federal Government (*Zinsinformationsverordnung*). These provisions apply as from 1 July 2005.

Capital gains derived from the sale or redemption of the Certificates should not be treated as interest for purposes of the Directive but there is a degree of uncertainty as to whether the tax authorities would take a different view in which case the capital gains would be subject to the afore-mentioned reporting requirements under the Directive.

## Italy

*Prospective Certificate holders should consult their own tax advisers concerning the overall tax consequences of their own Certificates under Italian tax law. With regard to certain innovative or structured financial instruments there is currently neither case law nor comments of the Italian tax authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities and courts or Italian intermediaries may adopt a view different from that outlined below.*

The Certificates may be subject to different tax regimes depending on whether they represent:

- (i) derivative financial instruments (or bundles of derivative financial instruments), through which the Certificate holders purchase indirectly underlying assets;
- (ii) debt instruments implying a "use of capital" (*impiego di capitale*), through which the Certificate holders 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.

### 1. "Miscellaneous" incomes realized on derivative financial instruments

Provided that the Certificates qualify as derivative financial instruments for the purposes of Italian tax law, under Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian tax resident Certificate holder is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realized on the sale or redemption of the Certificates are subject to a 26 per cent. *imposta sostitutiva*. The mentioned taxpayers may opt for one of the following taxation regimes.

Taxation under the so called *regime della dichiarazione*. This regime is the standard taxation regime for capital gains, and provides that the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains of the same nature net of any relevant incurred capital losses realized pursuant to all investment transactions carried out during any fiscal year. The capital gains realized in a fiscal year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant fiscal year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind, or other capital gains as provided for by the Italian legislation, for up to the fourth subsequent fiscal year. In this respect, capital losses realized up to June 30, 2014 can be utilized for the 76.92 per cent. of their amount.

Taxation under the so called *regime del risparmio amministrato*. This regime is applicable only if the Certificates are deposited with Italian banks, broker-dealers or other authorized intermediaries (that intervene in the relevant transaction also as a counterpart) and Certificate holders makes an election in writing to opt for this regime pursuant to Article 6 of D. Lgs. 461/1997. The intermediary with whom the Certificates are deposited pays the 26 per cent. *imposta sostitutiva* on each capital gain (net of deductible capital losses) realized on each sale or transfer or redemption of the Certificates, as well as on capital gains realized as at revocation of its mandate. Where a sale or transfer or redemption of the Certificates results in a capital loss, the intermediary is entitled to deduct that capital loss from capital gains of the same kind or other capital gains as provided for by the Italian legislator, subsequently realized on assets held by the holder of the Certificates within the same relationship of deposit in the same fiscal year or in the following fiscal years up to the fourth. In this respect, capital losses realized up to June 30, 2014 can be utilized for the 76.92 per cent. of their amount.

Under the *risparmio amministrato* regime, the realized capital gain is not required to be included in the annual income tax return of the Certificate holders.

Taxation under the so called *risparmio gestito* regime. This regime applies if the Certificates are included in a portfolio managed by a duly authorised financial intermediary and Certificate holders makes an election in writing to opt for this regime pursuant to Article 7 of D. Lgs. 461/1997. Under this regime, capital gains accrued on the Certificates, even if not realized, will contribute to determine the annual accrued appreciation of the managed portfolio, net of any income subject to withholding tax, tax-exempt income, income to be included in the taxpayer's aggregate income, and other selected items of income, subject to 26 per cent. *imposta sostitutiva*. Any depreciation of the managed portfolio accrued at year-end may be carried forward against appreciation accrued in each of the following years up to the fourth. In this respect, depreciation of the managed portfolio accrued up to June 30, 2014 can be utilized for the 76.92 per cent. of their amount.

Under the *risparmio gestito* regime the realized capital gain is not requested to be included in the annual income tax return of the Certificate holders.

Where an Italian tax resident Certificate holder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to a 26 per cent. *imposta sostitutiva*, but must be included in the relevant Certificate holder's income tax return and are therefore subject to Italian corporate income tax.

Capital gains realized by non-Italian resident Certificate holders without a permanent establishment in Italy are not subject to Italian taxation, if the Certificates are negotiated on a regulated market or (if the Certificates are not negotiated on a regulated market) are concluded with a counterpart not tax resident in Italy.

## *2. Income deriving from Certificates that qualify as debt instruments*

Should, under a different interpretation of current tax law, the Certificates qualify as debt instruments implying a "use of capital" (*impiego di capitale*), they could be considered or as "atypical" securities or as "bond or similar instruments" subject to the tax regime provided for by Legislative Decree number 239 of 1 April 1996 ("**Decree 239 regime**").

### *2.1 Income from capital deriving from “atypical securities”*

Pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983, proceeds relating to Certificates that qualify as “atypical securities” may be subject to an Italian withholding tax, levied at the rate of 26 per cent. If the Certificates are placed in Italy, the withholding tax is generally applied by Italian intermediaries that intervene in the collection of the related proceeds or that are involved in the redemption or negotiation of the Certificates.

Otherwise, if the Certificates are held abroad or no Italian intermediaries intervene in the collection of the related proceeds, redemption or negotiation of the Certificates, the 26 per cent. withholding tax is paid directly by the taxpayer and the proceeds are required to be reported on the annual tax return.

The 26 per cent. withholding does not apply to proceeds realized by a non-Italian tax resident holder of the Certificates and to an Italian tax resident holder of the Certificates 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 are therefore subject to Italian corporate income tax.

### *2.2 Income from capital deriving from “bond or similar instruments” subject to the Decree 239 regime*

Pursuant to the Decree 239 regime, proceeds deriving from the Certificates are subject to a 26 per cent. substitute tax, where the Certificate holder qualifies as an Italian tax resident individual, an Italian tax resident partnership or a similar entity other than a commercial partnership or a similar entity, an Italian tax resident non-commercial entity or an Italian resident entity exempt from Italian corporate income tax.

The substitutive tax levied at source represents an advance payment and shall be consequently deducted from the income taxes due for individuals engaged in an entrepreneurial activity to which the Certificates are connected, or as a final payment in the other above indicated cases.

The substitute tax is levied by the authorized financial intermediary as indicated by Legislative Decree number 239 of 1 April 1996 (to this extent, Euroclear and Clearstream are considered authorized financial intermediaries) where Certificates are deposited. If the Certificates are not deposited with an authorized financial intermediary, the substitute tax is applied by the Italian financial intermediary paying such proceeds. If proceeds are directly collected abroad without the intervention of an Italian financial intermediary, the substitute tax is paid by the taxpayer and proceeds are required to be reported on their annual tax return.

Proceeds deriving from the Certificates are not subject to the substitutive tax where the Certificate holder qualifies as an Italian resident partnership or a similar entity carrying out an entrepreneurial activity, an Italian resident corporation or a commercial entity, an Italian permanent establishment of a non-Italian enterprise to which the Certificates are effectively connected. To receive the proceeds for their gross amount, the above indicated Italian tax resident entities shall deposit the Certificates in due time directly or indirectly with an authorized financial intermediary as indicated by Legislative Decree number 239 of 1 April 1996 (to this extent, Euroclear and Clearstream are considered authorized financial intermediaries). Otherwise, where the Certificates are not duly deposited with the quoted financial intermediaries, the related proceeds are subject to the 26 per cent. substitutive tax is applied by the Italian

financial intermediary paying such proceeds and the tax withheld at source shall be deducted from the Italian income taxes due by the Certificate holder. If proceeds are collected directly abroad without the intervention of an Italian financial intermediary, no substitute tax (as advanced payment) should apply, and the proceeds are included in the overall taxable basis of the above-mentioned Certificate holders.

Where the Certificate holder is not tax resident in Italy, proceeds deriving from the Certificates are not subject to tax in Italy.

### 2.3 “Miscellaneous” incomes realized on debt instruments

Provided that the Certificates qualify, for the purposes of Italian tax law, as “atypical securities” or “bond or similar instruments” subject to the Decree 239 regime, under Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian tax resident Certificate holder is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains (net of any income from capital accrued but still not cashed) realized on the sale or redemption of the Certificates are subject to a 26 per cent. *imposta sostitutiva*. The mentioned taxpayers may opt for the taxation of capital gains under the *regime della dichiarazione, regime del risparmio amministrato* or *regime del risparmio gestito* as described *sub* paragraph 1.

Where an Italian tax resident Certificate holder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to a 26 per cent. *imposta sostitutiva*, but must be included in the relevant Certificate holder’s income tax return and are therefore subject to Italian corporate income tax.

Capital gains realized by non-Italian resident Certificate holders without a permanent establishment in Italy are not subject to Italian taxation, if the Certificates are negotiated on a regulated market or (if the Certificates are not negotiated on a regulated market) are traded outside Italy.

### 3. Tax Monitoring Obligations

Italian tax resident Certificate holders whose are (i) individuals not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) non-commercial partnerships and (iii) non-commercial private or public institutions are required to report in their yearly income tax return, according to Law Decree 28 June 1990, No. 167 converted into law by Law 4 August 1990, No. 227 their investments or financial assets (including the Certificates) held abroad, with exclusion of foreign deposits and bank accounts whose value, during any relevant tax year, does not exceed € 15.000. The same reporting obligations are provided in case of the mentioned investors qualify as beneficial owners (as defined by Legislative Decree 231/2007) of the foreign investments, even if such investments are not held directly.

Furthermore, the above reporting requirements should not apply in case of foreign investments or financial assets (including the Certificates) are deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Certificates are collected through the intervention of the same intermediaries.

#### 4. *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income ("**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the European Council Directive 2003/48/EC) paid by a person within its jurisdiction to, or collected by such a person for, beneficial owners that are individuals resident or certain limited types of entity established in that other Member State.

A number of non EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, beneficial owners that are individuals resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 15 April 2014 in the Official Journal of the European Union has been published the Council Directive 2014/48/EU dated 24 March 2014 amending the EC Council Directive 2003/48/EC. The Council Directive 2014/48/EU dated 24 March 2014 includes a number of changes which should broaden the scope of the requirements provided for by the EU Savings Directive described above. According to Article 2 of the Council Directive 2014/48/EU dated 24 March 2014, Member States shall adopt and publish, by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with such directive. Investors who are in any doubt as to their position should consult their professional advisers.

On 18 January 2016 in the Official Journal of the European Union has been published the Council Directive 2015/2060 dated 10 November 2015 under which, effective from 1 January 2016, the EU Savings Directive is repealed, except for certain obligations therein contained having their effect during fiscal year 2016.

#### 5. *Implementation in Italy of the EU Savings Directive*

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State or in a dependent or associated territory under the relevant international agreement, Italian paying agents (i.e. banks, *società di intermediazione mobiliare* (SIM), fiduciary companies, *società di gestione del risparmio* (SGR) resident for tax purposes in Italy, Italian permanent establishments of non-Italian resident persons and any other Italian entity paying interest for professional or business reasons) shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

## **Luxembourg**

The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this Prospectus and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds de l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally.

Certificateholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably applies to most corporate taxpayers resident of Luxembourg for tax purposes. Individual tax payers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Certificateholders should consult their professional advisers on the possible tax and other consequences in connection with the acquisition and holdings as well as the sale or repayment of Certificates.

### *Withholding tax*

Under Luxembourg tax law currently in effect and with the possible exception of interest (in the meaning defined by reference to the Directive) paid to certain individual holders of Certificates and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual holders of Certificates and to certain entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Certificates.

### *Taxation of Luxembourg residents Certificateholders*

#### *Individual Certificateholders*

In general, any income or gains derived from the Certificates by resident individuals (acting in the course of either their private wealth or their professional / business activity) will be subject to Luxembourg personal income tax at the progressive ordinary rate (except if the considered income was subject to a withholding tax in full discharge of income tax – as described below). In 2016, the progressive ordinary rate can vary between 0 and 44.10% (including employment fund surcharge).

Individual Certificateholders are not subject to Luxembourg net wealth tax.

Pursuant to the Luxembourg law of 23 December 2005 as amended, interest payments (defined by reference to the Directive) made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments

on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime) are subject to a 10 per cent withholding tax (which can be final when Luxembourg individual residents are acting in the context of the management of their private wealth).

Pursuant to the Luxembourg law of 23 December 2005 as amended, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10% tax on interest payments (defined by reference to the Directive) made after 31 December 2007 by paying agents (defined in the same way as in the Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Directive.

Responsibility for the withholding tax in application of the above mentioned Luxembourg law of 23 December 2005 as amended is assumed by the Luxembourg paying agent (within the meaning of the Directive) and not by the Issuer.

#### *Corporate Certificateholders*

A Luxembourg corporation receiving income from the Certificates, including by way of interest (except if the considered interest was subject to a withholding tax in full discharge of income tax as described above) or capital gain upon disposal or redemption of the Certificates, should be liable to Luxembourg corporate income tax and Luxembourg municipal business tax. In 2016, the overall rate (corporate income tax and municipal business tax) applicable to corporations is 29.22% in Luxembourg City.

Corporate Certificateholders should be liable to net wealth tax in Luxembourg computed each year on the net value of the company as at 1 January. Since 1 January 2016, a digressive scale of rates for net wealth tax is applicable, as follows:

- 0.5% on a taxable base of up to EUR 500 million.
- On a taxable base exceeding EUR 500 million: net wealth tax of EUR2.5 million, plus 0.05% on the component of the net wealth tax base above 500 million.

Moreover, since 1 January 2016, all resident corporate entities would be subject to a minimum net wealth tax. This minimum net wealth tax charge would range from EUR 535 to EUR 32,100, depending on a company's total gross assets. For entities for which the sum of fixed financial assets, transferable securities and cash at bank exceeds 90% of their total gross asset and EUR 350,000, the minimum net wealth tax charge would be set at EUR 3,210.

#### *Indirect tax*

No stamp duty, registration tax, transfer tax or similar taxes or duties will be payable in Luxembourg by Certificateholders in connection with the issue of the Certificate, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Certificates, unless the documents relating to the Certificates are voluntarily registered in Luxembourg.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Certificates or in respect of the payment of interest or principal under the Certificates or the

transfer of the Certificates. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

No Luxembourg gift tax is levied upon a gift or donation of the Certificates assuming the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

#### *FATCA / CRS*

All prospective Certificateholders are recommended to consult with their own tax advisors regarding the possible FATCA/CRS implications of their investment in the Certificates.

### **The Netherlands**

#### *Introduction*

The tax treatment as described in this section refers to the current law and practice as valid at the date of the Prospectus. Both, taxation law and practice, and the levels of taxation, are subject to future alteration, with or without retro-active effect.

#### *Withholding Tax*

Where the Issuer is not, and is not deemed to be, resident in The Netherlands, all payments by the Issuer under the Certificates can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof.

#### *Tax on income and capital gains*

##### *Residents of The Netherlands*

- a) Corporate shareholders resident in The Netherlands subject to Dutch corporate income tax, will in principle be liable to Dutch corporate income tax in respect of income derived from the Certificates at a rate of 25% (rate 2016), with a step up rate of 20% on the first Euro 200,000 of taxable income. That income includes amongst others capital gains realised upon redemption of the Certificates.
- b) Certain institutional investors resident in The Netherlands (such as qualifying pension funds, charities, family foundations and tax exempt investment institutions (“**VBI**”)) are, in principle, fully exempt from Dutch corporate income tax in respect of capital gains realised on the redemption of Certificates.
- c) Dutch investment institutions (“**FBI**”) are subject to 0% Dutch corporate income tax and are obliged to value the Certificates at fair market value.
- d) Generally, the Certificates held by individual Certificateholders resident in The Netherlands will be deemed to generate an income of 4% of the fair market value of the Certificates at the beginning of the calendar year. The deemed income will be taxed at a rate of 30%. Actual



income from the Certificates, such as capital gains, will as such not be subject to Dutch individual income tax. For completeness sake, please note that as of 1 January 2017, the applicable deemed return will no longer be a fixed rate of 4% but will depend on the amount of the holder's yield basis (*rendementsgrondslag*).

- e) As an exception to the tax treatment described under d) above, individual Certificateholders resident in The Netherlands who carry on an enterprise or an independent activity to which the Certificates are attributable, will in principle be liable to Dutch individual income tax at progressive rates of up to 52%. This includes among others capital gains realised upon disposal or redemption of the Certificates.
- f) Assuming the Certificates do not qualify as profit-sharing certificates (*winstbewijzen*), another exception to the tax treatment described under d) above, i.e. taxation as a so-called substantial interest at a rate of 25% (rate 2016), should not apply.
- g) Investors should also read the remaining taxation sections of the Prospectus that describe additional tax consequences for Investors. Investors should seek their own professional advice as to the tax consequences before investing in the Certificates.

#### Non-residents of The Netherlands

A holder of a Certificate who is neither resident nor deemed to be resident of The Netherlands for Dutch corporate or personal income tax purposes who realizes a gain on the disposal or redemption of the Certificate will not be subject to Dutch taxation on income or capital gains, unless:

- (i) such holder carries on a business, or is deemed to carry on a business or part thereof, for example pursuant to a co-entitlement to the net value of an enterprise (*medegerechtigde*) through a permanent establishment or a permanent representative in The Netherlands to which the Certificate is attributable; or
- (ii) the holder is an individual, and such income or gain qualifies as income from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden* in Nederland), which e.g. include activities with respect to the Certificate that exceed regular, active portfolio management (*normaal actief vermogensbeheer*).

#### Norway

Any gains from disposal of the Certificates by a Certificateholder who is resident in Norway for tax purposes should as a main rule be taxable as ordinary income at a rate of 25 per cent., and any loss is deductible in the ordinary income. Any payment (interest) from the Certificates is also taxable as ordinary income at a rate of 25 per cent.

Gain from disposal of Certificates by a foreign holder of Certificates will not be subject to taxation in Norway, unless the foreign holder holds the Certificates effectively connected with a business carried out in Norway. The same applies to payments from the Certificates.

#### *Withholding tax*

Under Norwegian tax regulations, no withholding tax shall be levied on any income derived from the Certificates. Hence, no withholding tax will be levied on (i) any payment on the Certificates, or (ii) any capital gain in connection with the redemption of the Certificates or (iii) any proceeds on sale of the Certificates. This applies whether the Certificates are listed or not, for any kind of precious metal used as collateral, and for any place the precious metal would be kept.

## **Portugal**

The following is a summary of the current Portuguese tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments in respect of the Certificates. The statements do not deal with other Portuguese tax aspects regarding the Certificates and relate only to the position of persons who are absolute beneficial owners of the Certificates. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Certificateholders who are in any doubt as to their tax position should consult their own professional advisers.

### ***Portuguese Resident Individuals: Personal Income Tax ("Imposto sobre o Rendimento das Pessoas Singulares") ("IRS")***

#### ***Investment Income***

#### ***Redemption Amount***

Since the Certificates do not guarantee a minimum income to the Certificateholders, any income arising therefrom qualifies under Portuguese tax law as a capital gain.

Therefore, even if the payment of the redemption amount is made through a Portuguese paying agent, no Portuguese withholding tax will be due.

#### ***Capital Gains***

There is no Portuguese withholding tax on capital gains.

The annual positive balance arising from the difference between capital gains and capital losses resulting from transactions in connection with the Certificates will be taxed at the special tax rate of 28 per cent, unless the individual resident in Portugal elects to include it in his taxable income, subject to tax at progressive rates of up to 48 per cent, plus additional surcharges for annual income exceeding €80,000.

### ***Portuguese Resident Corporate Entities: Corporate Income Tax ("Imposto sobre o Rendimento das Pessoas Colectivas") ("IRC")***

Any income derived by Portuguese corporate entities in relation to the Certificates will be included in their taxable income and are subject to corporate income tax of 21 per cent, which may be subject to a municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to a State surcharge ("*derrama estadual*") of 3 per cent on the taxable income between €1,500,000 and €7,500,000, 5 per cent on the taxable income between €7,500,000 and €35,000,000 and 7 per cent on the part of its taxable income that exceeds €35,000,000.

To the extent that the Issuer of the Certificates is a non-Portuguese resident entity, no Portuguese withholding tax on account of the final IRC liability of Portuguese corporate investors will apply, irrespective of the location of the paying agent.

## **Spain**

### *Withholding tax*

As regards income obtained by Spanish resident taxpayers under the Certificates, no Spanish withholding taxes should be deducted by the Issuer if it is an Irish tax resident entity which does not have a permanent establishment in Spain.

However, in the case where the Certificates are deposited in a Spanish resident entity acting as depositary or collecting manager of the relevant Spanish Certificateholder, there could be, under certain circumstances, a withholding tax of 19 per cent on income derived from the Certificates, to be made by the above referred Spanish depositary or collecting manager.

### *Spanish Resident Individuals*

Spanish tax resident individuals will be taxed in Spain on income or gains they might derive from the Certificates, either on disposal or on redemption. Such income or gain will be taxed at a tax scale from 19% to 23% to the extent that savings income (as defined by Personal Income Tax Law) exceeds the amount of Euros 6,000. Income below Euro 6,000 will be taxed at a 19%.

### *Spanish Resident Corporates*

Spanish resident corporations will be taxable, under Corporate Income Tax, on any income or gains they might derive from the Certificates, either on disposal or on redemption. Such income or gain will be taxed at the applicable rates (the standard being 25 per cent.) as stated by Corporate Income Tax Law.

### *Permanent establishments in Spain of non-residents taxpayers*

Permanent establishments in Spain of non-residents taxpayers will be taxable on the same terms and conditions as described for Spanish tax resident corporations, to the extent that the certificates are attributable to the relevant permanent establishment.

## **Sweden**

### *Swedish tax resident individuals*

Investment income or gains derived from the Certificate is generally taxed as capital income for Swedish tax resident individuals at a flat rate of 30%, either on disposal or on redemption.

### *Swedish resident corporations*

Swedish resident corporations will be taxed at a rate of 22% on income or gains derived from the certificate. However, other taxation rules may be applicable to certain entities such as, for example, mutual funds (*Swe: värdepappersfonder* [UCITS]) and special funds (*Swe: specialafonder*), which are exempt from corporate tax, and life insurance companies, which are subject to a special yield tax.

### *Permanent establishment in Sweden*

Permanent establishments in Sweden will be taxed according to the same principles as Swedish resident corporations, under the condition that the certificate is attributable to the permanent establishment.

### **Switzerland**

#### *Swiss Tax Resident Certificateholders*

If the Certificates are held as private assets by Swiss resident individual investors, any income derived from the Certificates is subject to ordinary income tax in the hands of the Certificateholders, whereas any capital gain is exempt from income tax. The income tax rate is progressive and varies depending on the canton and commune of residence of the Certificateholders.

Commodities certificates typically generate tax-exempt capital gains or non-tax-deductible capital losses, so that the Certificates held as private assets should in principle not generate taxable income (or tax deductible losses). It can, however, not be ruled out that, as a result of the Minimum Principal Amount, the Swiss tax authorities treat the Certificates as structured products, combining bond and option components. In that case and provided that the Certificates qualify as transparent products within the meaning of the practice of the Swiss federal tax administration (which is the case for most structured products), any proceeds received by the Certificateholders upon sale or redemption of the Certificates would have to be allocated between the bond and option component of the Certificates (with the income attributed to the bond component being characterised as taxable income and the income attributed to the option component as tax-exempt capital gain).

If the Certificates are held as business assets, any income derived from the Certificates in excess of their book value is subject to ordinary (individual or corporate) income tax. Contrary to individual income tax, corporate income tax is generally a flat rate tax (which rate also varies depending on the cantons and commune of seat of the corporation).

#### *Swiss Withholding Tax*

Payments under the Certificates will not be subject to Swiss withholding tax (35 per cent.), provided that the Issuer of the Certificates is at all times domiciled and effectively managed outside of Switzerland and provided that the proceeds from the offering and sale of the Certificates are used outside of Switzerland.

#### *Stamp Taxes (Issuance Stamp Tax, Securities Transfer Tax)*

The issue of the Certificates is not subject to the Swiss federal issuance stamp tax, provided that the Issuer of the Certificates is at all times domiciled and effectively managed outside of Switzerland and provided that the proceeds from the offering and sale of the Certificates are used outside of Switzerland.

Sale or purchase of Certificates may be subject to securities transfer stamp tax (0.3 per cent. in relation to foreign securities) if the Certificates have to be characterised as structured products, if a Swiss securities dealer (e.g. a Swiss bank or broker) is involved as an intermediary or as a counterparty in such transactions and if no specific (full or half) exemption is available. Exemptions may be available in relation to specific parties (e.g. a half exemption applies in relation to a party qualifying as an exempt

investor, e.g. collective investment scheme or foreign pension funds) or in relation to specific transactions (e.g. full exemption applies in case of redemptions, or in relation to specific types of securities).

#### *Implementation of the Directive*

On 26 October 2004, the European Community and Switzerland concluded an agreement on the taxation of savings income by way of a specific withholding tax system or a voluntary declaration in the case of transactions between parties in the EU Member States and Switzerland. Accordingly, Switzerland introduced a specific withholding tax on interest payments (including accrued interest on the sale of securities) or other similar income paid by a Swiss paying agent to an individual residing in the EU effective as from 1 July 2005. The withholding tax rate 35 per cent., unless the investor elects for the exchange of information.

According to the agreement on the taxation of savings income and to the Guidelines issued by the Federal Tax Administration on 1 December 2014 relating to the taxation of savings income, Swiss banks, securities dealers, as well as other companies or individuals, who on a professional basis, occasionally or regularly, accept to invest in interest producing investments for third parties and who transfer interest qualify as "paying agents" (from the perspective of the withholding of tax). Swiss paying agents have the duty to identify the beneficial owners of the interest and to register with the Federal Tax Administration.

According to the Guidelines, payments arising from Certificates should in principle not be considered as interest subject to withholding tax under the agreement between EU Member States and Switzerland (except in specific circumstances where default interest (if any) is payable to the Certificateholders under the Programme (or any other relevant document).

#### **United Kingdom**

##### *Withholding Tax*

No payments made by the Issuer to Certificateholders are required to be made under deduction or withholding for or on account of United Kingdom tax.

##### *UK tax treatment of profits from the Certificates*

The Issuer has engaged a leading accountancy firm and (following discussions with HMRC) has obtained clearance that, provided certain conditions are met, the Issuer can apply for each Series of Certificates to be a "Reporting Fund". The Issuer has been advised that the conditions should be met and has applied to HMRC for "Reporting Fund" status in respect of each Series of Certificates that it has issued and intends to satisfy the necessary conditions on an ongoing basis. Reporting Fund status applies in relation to each Series of Certificates for each period of account of the Issuer provided the Issuer continues to comply with the applicable rules and does not elect in relation to any Series of Certificates to leave the Reporting Fund regime. The Issuer has been further advised by such firm that, based on current HMRC practice, and where Reporting Fund status is obtained (and maintained), any profit on a disposal of Certificates of a relevant Series (for example, by way of transfer or redemption) by a Certificateholder should fall to be taxed as a capital gain.

Investors should be aware that were the Certificates to be treated for UK tax purposes as "deeply discounted securities" within the meaning of section 430 of the Income Tax (Trading and Other Income) Act 2005 ("ITTOIA"), they are unlikely to fall within the definition of "excluded indexed securities" in section 433 ITTOIA. If the Certificates are treated as "deeply discounted securities" and do not qualify as "excluded indexed securities" and no other exemption is applicable, any profit arising on transfer or redemption of a Certificate to a Certificateholder who is subject to UK income tax will be subject to UK income tax (not capital gains tax) on such profits (in the case of a redemption, whether such redemption is by way of payment of the Cash Amount or delivery of the Delivery Amount.)

#### *Offshore Funds Rules*

Each Series of Certificates can constitute an interest in an offshore fund for United Kingdom tax purposes. Unless HMRC approves each Series of Certificates as a Reporting Fund for the purposes of the United Kingdom offshore funds rules and the Reporting Fund status is maintained for each period of account of the Issuer, any gain arising on a disposal of Certificates in that Series will constitute income for all purposes of United Kingdom taxation.

A list of Reporting Funds can be found on HMRC's website at the following link; <http://www.hmrc.gov.uk/collective/cis-centre.htm>.

For all Series of Certificates which have attained Reporting Fund status reports indicating all relevant information for each period end can be found at the following website address; <http://www.sourceetf.com>.

#### *Provision of Information*

HMRC have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. In certain circumstances, this may include payments made on redemption of Certificates which constitute "deeply discounted securities" for the purposes of section 430 of the Income Tax (Trading and Other Income) Act 2005 (although in this regard HMRC published guidance for the year 2014/2015 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year). The information obtained by HMRC may include details of the beneficial owners of the Certificates (or the persons for whom the Certificates are held), details of the persons to whom payments derived from the Certificates are or may be paid and information in connection with transactions relating to the Certificates. Information obtained by HMRC may be provided to tax authorities in other countries.

Information may also be required to be reported in accordance with regulations made pursuant to the OECD's Common Reporting Standard

## OFFERS

An investor intending to acquire or acquiring any Certificates from an Authorised Participant will do so, and offers and sales of the Certificates to an investor by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between such Authorised Participant and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Arranger will be a party to any such arrangements with investors (except where the Arranger itself offers Certificates to an investor) and, accordingly, this Base Prospectus and any Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Authorised Participant or the Arranger, as applicable. Investors should however note the following:

**Amount of the offer:** The number of Certificates subject to the offer will be determined on the basis of the demand for the Certificates and prevailing market conditions and be published, provided that the aggregate number of all Certificates of any and all Series outstanding from time to time shall not in any event exceed the Programme Limit.

**Offer Price:** The offer price per Certificate will be equal to the Issue Price specified in the Final Terms, subject to any applicable fees and commissions of the person offering such Certificate.

**Offer Period:** Certificates may be offered to an investor at any time between the Issue Date of the first Tranche of a Series of Certificates and the Final Maturity Date of such Series.

**Publication of a Supplement:** If the Issuer publishes a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the Issuer or the Certificates, investors who have already agreed to purchase Certificates before the supplement is published shall have the right to withdraw their acceptances by informing the relevant distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Certificates and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

## SUBSCRIPTION AND SALE

Certificates of a particular Series may be sold from time to time to any one or more of an authorised participant (each an "**Authorised Participant**") under the terms of an authorised participant agreements (each an "**Authorised Participant Agreement**") and made between, amongst others, the Issuer and each Authorised Participant. Such Authorised Participant Agreement will, amongst other things, set out the issuance process in respect of the Certificates and the methods by which an Authorised Participant can settle a subscription through delivery of the Precious Metal to which the Certificates being subscribed are linked. In respect of each Series of Certificates, the Issuer and each such Authorised Participant which will act as an Authorised Participant with respect to that Series shall enter into a Subscription Agreement relating to the purchase of Certificates of that Series by such Authorised Participants, a form of which is scheduled to the Authorised Participant Agreement. The Subscription Agreement entered into in respect of each Series will, amongst other things, set out the subscription procedures for such Series, any additional selling restrictions which may be applicable to that Series and authorise each Authorised Participant to distribute this Base Prospectus, as supplemented from time to time, the relevant Final Terms and all other relevant documents in the public domain to potential investors and to make statements consistent with those documents, provided that those statements are made in accordance with the selling restrictions. Additional persons may, from time to time, become Authorised Participants in connection with the programme *provided that* they satisfy the requirements of the definition of Authorised Participant set out in the Conditions of the Certificates and accede to the Authorised Participant Agreement. Further details on the Authorised Participant Agreement is provided in the section of this Base Prospectus titled "*Description of the Transaction Documents*".

The minimum subscription size in respect of each Tranche of Certificates will be US\$500,000 (or such lesser amount as may be agreed between the Issuer and any Authorised Participant, from time to time), based on the aggregate Issue Price of such Certificates.

### **Public Offer Selling Restriction under The Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Authorised Participant has represented, warranted and agreed, and each further Authorised Participant appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Certificates to the public in that Relevant Member State:

- (a) if the Final Terms in relation to any Series of Certificates specify that an offer of those Certificates may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Certificates which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, *provided that* any such



prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such Final Terms;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts; or
- (d) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided that* no such offer of Certificates referred to in (b) to (e) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Certificates to the public" in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC as amended and includes any relevant implementing measure in each Relevant Member State.

### **United Kingdom**

Each Authorised Participant has further represented, warranted and agreed that:

- (a) ***No deposit-taking:***  
in relation to any Certificates having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) ***Financial promotion:***  
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 Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) ***General compliance:***  
it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

### **United States of America**

The Certificates have not been and will not be registered under the Securities Act and are subject to US tax law requirements. Subject to certain exceptions, Certificates may not be offered or sold within the United States or to, or for the account or benefit of, US persons. Each of the Authorised Participants has agreed that, except as permitted by the Authorised Participant Agreement, it will not offer, sell or deliver the Certificates within the United States or to, or for the account or benefit of, US persons. In addition, until 40 days after commencement of the offering, an offer or sale of Certificates within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

### **Ireland**

Each of the Authorised Participants has represented and agreed that:

- (a) it will not underwrite the issue of, or place, the Certificates otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Parts 6, 7 and 12 thereof or any codes of conduct or rules issued in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Certificates otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 or any regulation made pursuant to the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Certificates otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 1363 of the Irish Companies Act 2014 by the Central Bank;
- (d) it will not underwrite the issue of, place, or otherwise act in Ireland in respect of, the Certificates otherwise than in conformity with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (as amended) and the

European Union (Market Abuse) Regulations 2016 of Ireland (as amended) and any rules made by the Central Bank of Ireland in connection therewith, including any rules issued by the Central Bank of Ireland under section 1370 of the Companies Act 2014 of Ireland (as amended); and

- (e) no Certificates will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank.

### **General**

Each Authorised Participant will in the relevant Authorised Participant Agreement represent, warrant and agree that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Certificates or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Authorised Participants to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Certificates or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

Each Authorised Participant Agreement will provide that the relevant Authorised Participant shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of such Authorised Participant described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Series of Certificates) or in a supplement to this Base Prospectus.

## GENERAL INFORMATION

1. The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 23 June 2009, and the update of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 24 March 2017. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of Certificates.
2. Certificates of a Series may be issued at any price, as specified in the relevant Final Terms. The price and amount of Certificates of a Series to be issued under the Programme will be determined by the Issuer and the relevant Authorised Participant(s) at the time of issue in accordance with prevailing market conditions.
3. The Issuer has not been assigned a credit rating and the Certificates will not be rated.
4. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer.
5. There has been no significant change in the financial or trading position of the Issuer since 30 June 2016 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2015, being the date of the last audited financial statements of the Issuer.
6. Copies of the following documents will be available for inspection in electronic form during normal business hours at the registered office of the Issuer at 6<sup>th</sup> Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland and the office for the time being of the Portfolio Adviser (being at the date hereof 110 Cannon Street, London EC4N 8EU) for 12 months from the date of this Base Prospectus:
  - (a) the memorandum and articles of association of the Issuer;
  - (b) the Trust Documents, the Agency Agreement, the Registrar Agreement, the Secured Custody Agreements, the Portfolio Administration and Advisory Agreement, the Clearstream Agreement, and the Master Definitions Deed; and
  - (c) the audited annual financial statements of the Issuer dated 31 December 2014 and 31 December 2015 and the interim financial statements of the Issuer for the six month period ended 30 June 2016.
7. The Issuer does not intend to provide any post-issuance information in relation to any issue of Certificates.
8. Pricewaterhouse Coopers (Chartered Accountants) and a member of the Institute of Chartered Accountants of Ireland have audited the accounts of the Issuer. Pricewaterhouse Coopers have no material interest in the Issuer.
9. Maples and Calder, as the Irish Listing Agent, is acting solely in its capacity as listing agent for the Issuer in connection with the Certificates and is not itself seeking admission of the Certificates

to the official list of the Irish Stock Exchange for the purposes of the Prospectus Directive.

10. The Issuer will apply for the Certificates to be accepted for clearance through CREST. The Certificates are participating securities for the purposes of the Regulations. The Operator is in charge of maintaining the Operator register of corporate securities. Title to the Certificates is recorded and will pass on registration in the Operator register of corporate securities. As at the date of this Base Prospectus, the relevant Operator for the purposes of the Regulations is CREST. The address of CREST is 33 Cannon Street, London EC4M 5SB.
11. In addition, the Issuer may at any time make arrangements with CREST and other clearing and settlement systems in any jurisdictions to enable settlements in respect of the Certificates to take place (whether through a nominee or otherwise) in such clearing and settlement systems in addition to CREST. Certain Certificates listed on the Regulated Market General Standard (*Regulierter Markt (General Standard)*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) will additionally be cleared through Clearstream Germany.
12. The appropriate International Securities Identification Number in relation to the Certificates of each Series or Tranche (together with any further appropriate information) will be specified in the relevant Final Terms.
13. In addition to the applications already described in this Base Prospectus, the Issuer may, on or after the date of this Base Prospectus, make applications for one or more further certificates of approval under Article 18 of the Prospectus Directive as implemented in Ireland to be issued by the Central Bank to the competent authority in any Member State.
14. Information on the past and the future performance and volatility of (i) gold prices can be found at Reuters Screen page "XAUUSDPM" or Bloomberg ticker "GOLDLNPM", (ii) silver prices can be found at Bloomberg ticker "SLVRLN", (iii) platinum prices can be found at Bloomberg ticker "PLTMLNPM" and (iv) palladium prices can be found at Bloomberg ticker "PLDMLNPM".
15. The websites listed in this Base Prospectus do not form part of, and shall not be deemed to be incorporated by reference into, this Base Prospectus.
16. The Certificates are being treated by the Issuer for the purposes of Annexes V and VIII of the Commission Regulation No. 809/2004 of 29 April 2004, as amended as having a minimum denomination of less than EUR100,000.
17. As of the date hereof, Moody's, S&P and Fitch are not established in the European Union and are not registered in accordance with Regulation (EC) No. 1060/2009.

**REGISTERED OFFICE OF THE ISSUER**

**Source Physical Markets plc**

6th Floor  
Pinnacle 2  
Eastpoint Business Park  
Dublin 3  
Ireland

**TRUSTEE**

**Deutsche Trustee Company Limited**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**ARRANGER AND PORTFOLIO ADVISER**

**Source UK Services Limited**

110 Cannon Street  
London EC4N 8EU  
United Kingdom

**PORTFOLIO ADMINISTRATOR AND**

**ACCOUNT BANK**

Wells Fargo Bank, N.A.  
9062 Old Annapolis Road  
Columbia  
Maryland 21045  
U.S.A

**PRINCIPAL PAYING AGENT**

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**REGISTRAR**

**Computershare Investor Services (Ireland)**

**Limited**  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

**CUSTODIAN**

**JPMorgan Chase Bank, N.A.**

25 Bank Street  
London E14 5JP  
United Kingdom

## **LEGAL ADVISERS**

To the Arranger, the Portfolio Adviser and  
the Trustee as to English law:

**Clifford Chance LLP**

10 Upper Bank Street  
Canary Wharf  
London E14 5JJ  
United Kingdom

To the Issuer

as to Irish law:

**Maples and Calder**

75 St. Stephens Green  
Dublin 2  
Ireland

## **AUDITORS TO THE ISSUER**

**Pricewaterhouse Coopers**

One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

## **IRISH LISTING AGENT AND EU LISTING CO-ORDINATOR**

**Maples and Calder**

75 St. Stephens Green  
Dublin 2  
Ireland