

DATED 28 February 2013

(1) ETFS HEDGED METAL SECURITIES LIMITED

(2) THE LAW DEBENTURE TRUST CORPORATION P.L.C.

**TRUST INSTRUMENT
CONSTITUTING
CURRENCY-HEDGED METAL SECURITIES**

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THIS TRUST INSTRUMENT is made on 28 February 2013

BETWEEN:

- (1) **ETFS HEDGED METAL SECURITIES LIMITED**, a company incorporated under the laws of Jersey with registered number 108311, whose registered office is Ordnance House, 31 Pier Road, St. Helier, Jersey, Channel Islands, JE4 8PW (the “**Issuer**” or “**HMSL**”); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated under the laws of England with registered number 1675231, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX, England (the “**Trustee**”, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Security Holders (as defined below)).

WHEREAS:

- (A) By resolutions of the board of directors of the Issuer passed on 26 November 2012, the Issuer has resolved to create and issue up to 1,000,000,000 (subject to increase) of each type of Currency-Hedged Metal Securities to be constituted by this Trust Instrument.
- (B) The Trustee has agreed to act as trustee of these presents for the benefit of the Security Holders upon and subject to the terms and conditions of these presents.

NOW IT IS AGREED as follows:

1. DEFINITIONS

- 1.1 In these presents words and phrases defined in the Conditions (other than “Conditions”, “Extraordinary Resolution”, “Tax” and “Liability”) shall have the same meaning when used elsewhere in these presents and the following expressions shall have the following meanings:

Appointee	means any attorney, manager, agent, delegate or other person appointed by the Trustee under these presents;
Auditors	means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these presents, such other firm of accountants as may be nominated or approved by the Trustee;
Authorised Signatory	means, in relation to any person, an individual who is duly empowered to bind such person and whose authority is evidenced by a resolution of the board of directors (or any other appropriate means of authorisation) of such person, and, in relation to the Trustee, any individual named in the Trustee’s authorised signatory list having due authority to bind the Trustee, which list shall be provided by the Trustee from time to time;
Board	means the board of directors of the Issuer;

Certificate	means a certificate in respect of Currency-Hedged Metal Securities of any type issued pursuant to Clause 9;
Conditions	means the terms and conditions on and subject to which Currency-Hedged Metal Securities are issued in the form set out in Schedule 2 (<i>The Conditions – Currency-Hedged Metal Securities</i>) as the same may from time to time be modified in accordance with these presents and any reference in these presents to a particular specified Condition or paragraph or sub-paragraph of such a Condition shall be construed accordingly;
Director	means a director of the Issuer;
Extraordinary Resolution	has the meaning set out in paragraph 21 of Schedule 4 (<i>Provisions for Meetings of Security Holders</i>);
Liability	means any loss, damage, cost, charge, claim, demand, expense, judgement, action, proceeding or other liability whatsoever (including, without limitation, in respect of Taxes) and including any VAT or similar Tax charged or chargeable in respect thereof and legal and professional fees and expenses on a full indemnity basis, and “ Liabilities ” shall be construed accordingly;
Participating Securities	has the meaning given in Clause 9.6;
Programme Limit	has the meaning given in Clause 7.1;
Prospectus	the Prospectus in relation to the Currency-Hedged Metal Securities to be dated on or about the date of these presents;
Receiver	has the meaning given in any Security Deed;
Subsidiary	has the meaning given to that term in section 1159 of the Companies Act 2006 of the United Kingdom;
Tax or Taxes	means all present and future income and other taxes, levies, duties, imposts, assessments and charges imposed by any jurisdiction (which expression shall include any supra-national federation or other similar organisation) and any withholdings or deductions in the nature of taxes, levies, duties, imposts, assessments and charges, together with interest imposed thereon and penalties and fines with respect thereto, if any, and any payments made on or in respect thereof;
these presents	means this Trust Instrument and the Schedules and any trust instrument supplemental hereto and the schedules (if any) thereto and the Conditions and the Security Deeds and the schedules thereto, all as from time to time modified in accordance with the provisions herein or therein contained; and

Trust Corporation means a corporation entitled by rules made under the Public Trustee Act, 1906 of England and Wales or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee.

- 1.2 In these presents:
- 1.2.1 the terms “**Authorised Person**”, “**Exempt Person**” and “**Overseas Person**” have the meanings respectively given in the Prospectus from time to time;
 - 1.2.2 words in the singular shall also include the plural and vice versa;
 - 1.2.3 words in the masculine gender shall also include the feminine gender and vice versa;
 - 1.2.4 any reference to a person or persons include reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity;
 - 1.2.5 all references to any statute or any provision of any statute shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provision as the same may have been or may from time to time be amended, modified, extended consolidated, re-enacted or replaced and shall be deemed also to refer to any statutory instrument, order, regulation or other subordinate legislation made thereunder;
 - 1.2.6 all references to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof;
 - 1.2.7 all references to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than Jersey, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents; and
 - 1.2.8 all references to taking proceedings against the Issuer shall be deemed to include references to proving in the winding up of the Issuer or in *désastre* proceedings relating to the assets of the Issuer.
- 1.3 In these presents references to Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to these presents and to the Clauses, sub-clauses, paragraphs and sub-paragraphs of these presents respectively.
- 1.4 In these presents tables of contents and headings to Clauses, paragraphs, and other provisions of these presents are included for ease of reference only and shall not affect the construction of these presents.
- 1.5 All references in these presents involving compliance by the Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference primarily to the interests of the holders of the Currency-Hedged Metal Securities of any type and in the event of any conflict between such interests and the interests of any other person, the former shall prevail as being paramount.

- 1.6 Any reference in these presents or to any agreement, deed, prospectus or other document includes a reference to these presents, or, as the case may be, such other agreement, deed, prospectus or other document, as amended, varied, novated, supplemented or replaced from time to time.
- 1.7 Any reference in these presents to a time is a reference to local time in London, England.
- 1.8 No failure or delay by any party in exercising any right or remedy provided by law under or pursuant to these presents shall impair such right or remedy or operate or be construed as a waiver or variation of such right or remedy or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.
- 1.9 If at any time any provision of these presents shall be found by any court or administrative body of competent jurisdiction to be invalid, illegal or unenforceable:
- 1.9.1 such invalidity, illegality or unenforceability shall not affect the other provisions of these presents which shall remain in full force and effect; and
- 1.9.2 the parties shall attempt to substitute for any invalid, illegal or unenforceable provision a valid, legal or enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the invalid, illegal or unenforceable provision.

2. STATUS OF CURRENCY-HEDGED METAL SECURITIES

- 2.1 Currency-Hedged Metal Securities shall be constituted in accordance with this Trust Instrument. Individual Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3.1 and the Security Deeds.
- 2.2 As at the date hereof the Individual Securities of the classes set out in Schedule 6 (*Types of Currency-Hedged Metal Securities*) are available for issue. Individual Securities shall have the Principal Amounts, and the Index (being an index within The Morgan Stanley Precious Metal Currency Hedged Indices suite of which, as at the date of this Trust Instrument, the Index Sponsor is the sponsor) applicable to the Individual Securities of each class shall be that, respectively set against the name of the class of Individual Securities in Schedule 6 (*Types of Currency-Hedged Metal Securities*). On first issue of an Individual Security of any particular class, the Metal Entitlement of the Individual Securities of that class shall be calculated in accordance with the Conditions commencing from the Application Date for such first Individual Securities of that class to be issued on the basis that on such Application Date such Metal Entitlement is the amount set against the name of the class of Individual Securities in Schedule 6 (*Types of Currency-Hedged Metal Securities*).
- 2.3 The Metal Entitlement of a Basket Security is equal to the sum of the Metal Entitlements of a defined number of Individual Securities of various classes of which they are comprised. Each Basket Security may be surrendered in accordance with Clause 9 in exchange for such Individual Securities. The Issuer may make available for issue Basket Securities of any category comprising such proportion of any two or more classes of the Individual Securities specified in Schedule 6 (*Types of Currency-Hedged Metal Securities*), *provided that* no Basket Security of any particular category may be issued unless at least one Individual Security of each of the classes comprised in such category of Basket Security is in issue.
- 2.4 Subject to the Issuer's ability to create corresponding Metal Adjustment Contracts, Currency-Hedged Metal Securities shall be issued upon an Authorised Participant giving

to the Issuer, and the Issuer accepting, an Application for the creation of Individual Securities and/or Basket Securities, and the Authorised Participant making payment for such Currency-Hedged Metal Securities by delivery of Bullion, all in accordance with the Authorised Participant Agreement.

- 2.5 The Issuer may create additional types of Currency-Hedged Metal Securities in accordance with Clause 4 and may thereafter accept Applications for, and issue, such additional types of Currency-Hedged Metal Securities.
- 2.6 Basket Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in the Security Deeds as applicable to the classes of Individual Securities comprised in such Basket Securities. Each Basket Security constitutes a separate security from the Individual Securities by reference to which the Metal Entitlement of such Basket Security is calculated and for which it may be surrendered in accordance with Clause 9.
- 2.7 The Currency-Hedged Metal Securities of each type shall rank *pari passu* equally and rateably with all other Currency-Hedged Metal Securities of that type and the Individual Securities of each class of which each Basket Security is comprised rank *pari passu* with all other Individual Securities of the same class, in each case without discrimination or preference, as a secured obligation of the Issuer.
- 2.8 The Issuer may, subject to compliance with Clause 2.3 and Clause 2.4, issue Currency-Hedged Metal Securities from time to time as it sees fit.

3. FURTHER CURRENCY-HEDGED METAL SECURITIES

Subject to the Issuer's ability to create corresponding Metal Adjustment Contracts, power is reserved to the Issuer (without the consent of the Security Holders) to create and issue further Currency-Hedged Metal Securities (being "**Further Securities**") constituted by an instrument or deed supplemental to this Trust Instrument and ranking *pari passu* with the Currency-Hedged Metal Securities of the relevant type and all (if any) other Further Securities of the relevant type and either forming a single series with the Currency-Hedged Metal Securities or any series of other Further Securities of that type or a single series therewith save for carrying such rights (including, without limitation, rights as to interest, redemption and otherwise) as the Issuer may think fit.

4. ESTABLISHMENT OF DIFFERENT TYPES OF CURRENCY-HEDGED METAL SECURITIES

- 4.1 Subject to its ability to create corresponding Metal Adjustment Contracts, the Issuer may (without the consent of the Security Holders) create and issue additional classes of undated limited recourse secured debt securities constituted by an instrument or deed supplemental to this Trust Instrument and will establish additional pools for the purposes of such securities and the Trustee shall join in such instrument or deed and thereupon such pool shall be a "Pool" for the purposes of these presents and such securities shall be "Individual Securities" for such purposes, and the Issuer may further create and issue Basket Securities, the Metal Entitlement of which is calculated by reference to such Individual Securities in accordance with these presents (and for which such Currency-Hedged Metal Securities when in Certificated Form may be surrendered in accordance with Clause 9). Any such additional class of Individual Securities shall have recourse only to the Pool attributable to the relevant class and not to any other Pool. Other such securities created and issued by the Issuer under this Clause 4.1 may relate to different metal than those in respect of which Individual Securities are initially issued, or be Basket Securities involving different combinations of Individual Securities or with different weightings, or involve different pricing mechanisms or be denominated in a different currency. Other such securities created and issued by the Issuer under this Clause 4.1 may be created and issued

subject to different terms and conditions in lieu of these presents (including but not limited to different pricing mechanisms or different currencies), to be determined by the Issuer. If other securities issued by the Issuer under this Clause 4.1 are subject to different terms and conditions in lieu of these presents the Issuer shall publish those new conditions in its RIS announcement or in a prospectus or listing particulars or supplementary prospectus or supplementary listing particulars and on the Issuer's Website.

- 4.2 The Issuer shall not accept Applications for, or issue, Individual Securities of a new class, or Basket Securities (the amount due on Redemption of which is calculated by reference to (and when held in Certificated form may be surrendered in exchange for) Individual Securities of a new class) under Clause 4.1 unless it has first (a) created corresponding Metal Adjustment Contracts under the terms of a Metal Adjustment Agreement and (b) executed and delivered to the Trustee a Security Deed, or a deed amending an existing Security Deed, creating security in respect of the Secured Property attributable to the applicable Pool.
- 4.3 Unless prohibited in the relevant Security Deed, the Issuer may at any time (without the consent of the Security Holders) determine to divide any Pool by allocating some of the Secured Property attributable to that Pool to a new Pool and the provisions set out in Condition 15.3 shall apply.
- 4.4 Without prejudice to the foregoing, the Issuer may consolidate or divide all of the Currency-Hedged Metal Securities of any type into Currency-Hedged Metal Securities of the same type but with a proportionally larger or smaller Metal Entitlement and Principal Amount. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Instrument.
- 4.5 Whenever as a result of consolidation or division of Currency-Hedged Metal Securities a Security Holder would become entitled to a fraction of a Currency-Hedged Metal Security the Issuer will Redeem such fraction of a Currency-Hedged Metal Security. In such circumstances the provisions of Condition 7.11 (*Compulsory Redemptions*) shall apply in respect of the aggregate fractions of Currency-Hedged Metal Securities to be redeemed *mutatis mutandis* as though the Redemption were pursuant to Condition 7.1.1(a) and the date on which the consolidation becomes effective the Compulsory Redemption Date.

5. AMENDMENTS TO CONDITIONS

- 5.1 Subject to Clause 32.2, the Issuer may, by giving written notice to the Trustee and notice to the Security Holders through a RIS, amend the Conditions.
- 5.2 Unless the Trustee otherwise agrees, but subject to Clause 32, notices given in accordance with Clause 5.1 shall not have effect, and the Conditions shall not be amended, until:
 - 5.2.1 in the case of an amendment made pursuant to Clause 32.2.1, at least ten calendar days following notification by the Issuer of the identity of the proposed substitute debtor through a RIS; or
 - 5.2.2 in any other case, at least 30 calendar days following such notice being given in accordance with Clause 5.1.

6. COVENANT TO REDEEM CURRENCY-HEDGED METAL SECURITIES

- 6.1 The Issuer covenants with the Trustee that it will redeem all Currency-Hedged Metal Securities in accordance with these presents and the Conditions, *provided that* every payment or delivery of Bullion to a Security Holder in respect of the Metal Entitlement of

such Currency-Hedged Metal Securities shall be in satisfaction *pro tanto* of the covenant by the Issuer in this Clause.

- 6.2 All monies payable by the Issuer and all Bullion to be delivered by the Issuer on the Redemption of any Currency-Hedged Metal Securities shall be paid or delivered in full, free and clear of, and without any withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax, unless such deduction or withholding is required by law to which the person making the payment or delivery is subject.

7. MAXIMUM OUTSTANDING AMOUNT OF THE CURRENCY-HEDGED METAL SECURITIES

- 7.1 Currency-Hedged Metal Securities of any type will not be issued if following such issue the aggregate number of Currency-Hedged Metal Securities of that type in issue on that date would exceed one billion (1,000,000,000) or such greater number as shall be established pursuant to Clause 7.2 (the "**Programme Limit**").

- 7.2 The Issuer may from time to time increase the Programme Limit. Any such increase in the Programme Limit shall be notified by the Issuer to the Trustee.

8. ISSUE AND CONSTITUTION OF THE CURRENCY-HEDGED METAL SECURITIES

On the issue date in relation to any Currency-Hedged Metal Securities of any type, the Issuer shall deliver or cause to be delivered to the Trustee a copy of the applicable Final Terms. Upon the Registrar registering in the relevant Register the names of the subscribers for such Currency-Hedged Metal Securities as the holders thereof, such Currency-Hedged Metal Securities shall become constituted by these presents without further formality.

9. CERTIFICATES FOR CURRENCY-HEDGED METAL SECURITIES

- 9.1 In the event that a Security Holder requests that a Certificate be issued to it in respect of its Currency-Hedged Metal Securities, such Certificate shall be issued and will be despatched to the relevant Security Holder within 10 Business Days of being issued. The Certificates (if any) for the Individual Securities will be in the form or substantially in the form set out in Part A of Schedule 1 (*Forms of Certificate for Currency-Hedged Metal Securities*) or in such other form as the Trustee may approve. The Certificates (if any) for the Basket Securities will be in the form or substantially in the form set out in Part B of Schedule 1 (*Form of Certificate for Basket Securities*) or in such other form as the Trustee may approve.

- 9.2 The Issuer shall comply with the terms and provisions of the Certificates and the Conditions and the Currency-Hedged Metal Securities shall be held subject to, and with the benefit of, the Conditions all of which shall be deemed to be incorporated in this Trust Instrument and shall be binding on the Issuer and the Security Holders and all persons claiming through or under them respectively.

- 9.3 Every Security Holder shall be entitled to receive one Certificate for all Currency-Hedged Metal Securities of each type held by it but so that joint holders shall be entitled to one Certificate only in respect of all Currency-Hedged Metal Securities of each type held jointly by them which Certificate shall be delivered to that one of the joint holders whose name stands first in the Register in respect of such joint holding. Where a Security Holder has transferred or has redeemed a part only of its holding of Currency-Hedged Metal

Securities it shall be entitled (without charge) to a Certificate for the balance of such holding. For the avoidance of doubt, no Security Holder in respect of a Basket Security shall be entitled to be registered as the holder of the Individual Securities by reference to which the Metal Entitlement of such Basket Securities is calculated or to receive any Certificate in respect thereof unless he first surrenders his Certificate for Basket Securities for cancellation in accordance with Clause 9.4.

9.4 Any Security Holder holding Basket Securities in Certificated Form may, subject as provided in the Conditions, surrender for cancellation the Certificate(s) in respect thereof and shall be entitled, without payment, to receive in lieu:

9.4.1 a Certificate for such number of Basket Securities (if any) as he requests to remain in the form of Basket Securities; and

9.4.2 one Certificate each in respect of the balance of the Individual Securities of each class comprised in such Basket Securities,

in each case rounded down to the nearest whole number of Currency-Hedged Metal Securities of each type and the relevant Registers shall be updated accordingly.

9.5 Any Security Holder holding Individual Securities in Certificated Form of the appropriate classes and in at least the appropriate numbers of each class may, subject as provided in the Conditions, surrender for cancellation the Certificates in respect thereof and shall be entitled, without payment, to receive in lieu:

9.5.1 a Certificate for such number of Basket Securities of any class or classes requested by him as are comprised of the Individual Securities represented by such surrendered Certificates as he requests to be combined in the form of Basket Securities of such class or classes; and

9.5.2 one or more Certificates in respect of the balance of the Individual Securities not combined in the form of Basket Securities,

in each case rounded down to the nearest whole number of Currency-Hedged Metal Securities of each type and the relevant Registers shall be updated accordingly.

9.6 Pursuant to the Regulations, the Issuer may make arrangements for the holding of title to Currency-Hedged Metal Securities in Uncertificated Form (“**Participating Securities**”) and the transfer of title thereto otherwise than by a written instrument as provided for in the provisions contained in Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) of this Trust Instrument (all of which provisions shall be deemed to be, and shall have effect as though, incorporated in this Trust Instrument). Where any provisions of these presents (including, but not limited to, this Clause 9, Clause 16 and Schedule 3 (*Provisions Relating to Registration and Transfer of Currency-Hedged Metal Securities*)) are, insofar as they relate to Currency-Hedged Metal Securities in Uncertificated Form, inconsistent with the provisions of Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*), the provisions of Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) shall prevail.

9.7 Where the Issuer or the Trustee considers it necessary or expedient for the purposes of enforcing the provisions of this Trust Instrument or the purposes of Redeeming any Currency-Hedged Metal Securities, it is authorised to execute any document or instrument necessary to convert Currency-Hedged Metal Securities held in Uncertificated Form into Certificated Form and to take delivery of the corresponding certificate(s).

10. FX COUNTERPARTIES

- 10.1 The Issuer shall enter into Metal Adjustment Agreements, ISDA Master Agreements and Master Confirmation Agreements with one or more FX Counterparties to enable it to hedge the obligations it would incur in respect of each class of Currency-Hedged Metal Securities through entering into Metal Adjustment Contracts with any one or more of such FX Counterparties under the terms of the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement, but shall only enter into Metal Adjustment Agreements, ISDA Master Agreements and Master Confirmation Agreements with persons which have an Acceptable Credit Rating or which have a Guarantor with an Acceptable Credit Rating, in each case at the time of entering into the Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement.
- 10.2 The Issuer may enter into more than one Metal Adjustment Agreement and/or ISDA Master Agreement and/or Master Confirmation Agreement with a FX Counterparty to enable it to hedge its obligations under a particular class of Individual Securities (and each category of Basket Securities to the extent comprised of such class of Individual Securities), and a Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement may relate to more than one class of Metal Adjustment Contract.
- 10.3 The Issuer shall, prior to entering into Metal Adjustment Contracts of any class with a FX Counterparty:
- 10.3.1 procure that Secured Metal Accounts have been opened with a Custodian in respect of that class and that FX Counterparty; and
- 10.3.2 (to the extent not already in effect) execute and deliver to the Trustee a Security Deed granting to a Security Trustee for (*inter alios*) the Trustee security over (*inter alia*) such Secured Metal Accounts and the Issuer's rights under the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement in each case to the extent applicable to such class and such FX Counterparty (in or substantially in the same form as the Security Deed with MSIP entered on or about the date of this Trust Instrument) as security for the payment or discharge of the obligations of the Issuer to (*inter alios*) the Trustee, the FX Counterparty and the Security Holders from time to time in respect of the applicable class of Currency-Hedged Metal Securities.
- 10.4 The Issuer may from time to time replace Metal Adjustment Documentation with other Metal Adjustment Documentation, but the Issuer shall ensure that at all times, in the reasonable opinion of the Issuer, there are sufficient Metal Adjustment Agreements, ISDA Master Agreement and Master Confirmation Agreements in place to enable it to hedge its obligations in respect of each class of Individual Securities (and each category of Basket Securities to the extent comprised of such class of Individual Securities).
- 10.5 The Issuer shall immediately upon entering into a Metal Adjustment Agreement and/or ISDA Master Agreement and/or Master Confirmation Agreement notify the Trustee of the name and contact details of the FX Counterparty in question (including the name and contact details of the individual person in that FX Counterparty responsible for the transaction) and of the class or classes of Currency-Hedged Metal Securities to which the Metal Adjustment Agreement and/or ISDA Master Agreement and/or Master Confirmation Agreement relates, and provide a copy of that Metal Adjustment Agreement and/or ISDA Master Agreement and/or Master Confirmation Agreement to the Trustee.
- 10.6 The Issuer shall immediately notify the Trustee if a Metal Adjustment Agreement ceases to be in force.

11. AUTHORISED PARTICIPANTS

11.1 The Issuer may enter into an Authorised Participant Agreement with a person which meets the following criteria:

11.1.1 it is a securities house or other market professional approved by the Issuer (in its absolute discretion);

11.1.2 it is an Authorised Person, an Exempt Person or an Overseas Person; and

11.1.3 it is not a UCITS Fund.

11.2 Subject to the terms of the relevant Authorised Participant Agreement, the Issuer may terminate an Authorised Participant Agreement.

12. FEES, DUTIES AND TAXES

The Issuer will pay any stamp, issue, registration, documentary and other fees, duties and taxes, including interest and penalties, payable on or in connection with (i) the execution and delivery of these presents, (ii) the constitution and issue of the Currency-Hedged Metal Securities and (iii) any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Security Holder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, these presents.

13. COVENANT OF COMPLIANCE

The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of these presents which are expressed to be binding on it.

14. TRUST AND ENFORCEMENT

14.1 All rights and entitlements of the Trustee under this Trust Instrument are held by the Trustee on trust for itself and the Security Holders or the Security Holders of the appropriate type or types, subject to the terms of these presents.

14.2 The Trustee may at any time:

14.2.1 after the occurrence of a Defaulted Obligation, at its discretion, and shall, if so directed in writing by the Security Holder to whom such Defaulted Obligation is owed, the Trustee having first been indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, itself take or instruct each relevant Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any such obligation of the Issuer under these presents and under the security constituted by each relevant Security Deed in respect of the relevant Currency-Hedged Metal Securities to which such Defaulted Obligation relates;

14.2.2 if an Issuer Insolvency Event has occurred and is continuing the Trustee may, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or if so directed by an Extraordinary Resolution of the Security Holders holding Currency-Hedged Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, itself take or instruct the

Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under these presents and the security constituted by each relevant Security Deed in respect of all outstanding Currency-Hedged Metal Securities; and

14.2.3 if a FX Counterparty Event of Default has occurred and is continuing and as a result either any Redemption Form, in respect of Currency-Hedged Metal Securities of any type given on any of 30 continuous Pricing Days would have been invalid pursuant to Condition 6.6.8(c) or the Issuer has suspended Redemptions in relation to such class for a period of 30 continuous Pricing Days pursuant to Condition 6.18, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or if so directed by an Extraordinary Resolution of the Security Holders holding affected Currency-Hedged Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, itself take or instruct the Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under these presents and the security constituted by each relevant Security Deed in respect of all outstanding affected Relevant Securities and for this purpose and Clause 14.5 “affected” Currency-Hedged Metal Securities means, in the context of a FX Counterparty Event of Default, those Currency-Hedged Metal Securities that are attributable to the Pool or Pools which include rights against the particular FX Counterparty.

14.3 If the Trustee considers that the Issuer is in material breach of any of the covenants, undertakings and obligations (other than payment or delivery obligations) in these presents and has not remedied the same within 30 calendar days of being required to do so by the Trustee, the Trustee may, but shall not be obliged to, give notice to all Security Holders of that fact. Prior to giving any such notice, the Trustee shall provide a copy of the proposed notice to the Issuer (provided the Trustee does not consider it detrimental to the interests of Security Holders to give a copy of any such proposed notice to the Issuer) and shall include with the notice any statement of not more than 1,000 words prepared by the Issuer and provided to the Trustee for the purpose within seven calendar days of receipt of the copy of the proposed notice referred to herein. In any such notice the Trustee may designate a Period (the “**Breach Redemption Period**”) commencing on any Business Day until the date one month from such Business Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Currency-Hedged Metal Securities held by it in the same manner as though there were no Authorised Participants. After the expiry of the Breach Redemption Period, the relevant breach shall be deemed waived without prejudice to the right of the Trustee to take action in the event of any subsequent such breach.

14.4 In the event that at any time during the Breach Redemption Period the right to Redeem Currency-Hedged Metal Securities of any type pursuant to Condition 6.2 or Condition 6.3 is suspended pursuant to Condition 6.15 or Condition 6.16, then the right to Redeem Currency-Hedged Metal Securities of that type pursuant to Clause 14.3 (and Condition 12.2) shall be suspended in like manner and the provisions of Condition 6.15 or Condition 6.16 (as the case may be) shall apply *mutatis mutandis*. Upon the suspension ceasing under Condition 6.15 or Condition 6.16 (as the case may be), the right to Redeem Currency-Hedged Metal Securities of that type pursuant to Clause 14.3 (and Condition 12.2) shall resume and the Breach Redemption Period in respect of that type shall continue until the date one month from the date on which the suspension so ceased.

- 14.5 If a FX Counterparty Event of Default and/or an Issuer Insolvency Event is occurring at the same time as a Defaulted Obligation, a Security Holder holding affected Currency-Hedged Metal Securities to whom a Defaulted Obligation is owed will not be entitled to require the Trustee to take action in accordance with Clause 14.2.1 until the expiry of 30 calendar days from the occurrence of the FX Counterparty Event of Default and/or Issuer Insolvency Event, nor shall he be so entitled if, during such period of 30 calendar days, the Trustee has elected, or been required, to take action in accordance with Clause 14.2.2 or the Security Trustee has elected, or been directed, to take action in accordance with equivalent provisions of the Security Deed. For this purpose “affected” Currency-Hedged Metal Securities means, in the context of an Issuer Insolvency Event, all of them.
- 14.6 Subject to Clause 15.2, only the Trustee or the Security Trustee may take action pursuant to Clause 14.2 of these presents or the Security Deeds. Where the Security Trustee has elected or been directed to enforce the Issuer’s obligations under these presents pursuant to any of the security constituted by any Security Deed, the right of Security Holders to lodge a Redemption Form with the Issuer shall cease. Valid Redemption Forms lodged before the date the Trustee announces its intention to direct the Security Trustee to enforce the security pursuant to any Security Deed or the Security Trustee announces its intention to enforce such security (the “**Election Date**”) will be Redeemed in the normal manner.
- 14.7 If the Trustee takes any action pursuant to Clause 14.2, or the Security Trustee takes any action pursuant to the equivalent provision of a Security Deed, in each case with respect to any Currency-Hedged Metal Securities to which a Defaulted Obligation relates, it shall give notice to the Issuer that such Currency-Hedged Metal Securities in respect of which such action is taken are, and they shall become, due and payable.
- 14.8 If the Trustee takes any action pursuant to this Clause 14 it is authorised to execute any document or instrument necessary to convert Currency-Hedged Metal Securities held in Uncertificated Form into Certificated Form and to surrender Basket Securities for Individual Securities and to take delivery of the corresponding certificate(s).
- 14.9 Notwithstanding the provisions of Clause 16 but without prejudice to the rights of the FX Counterparty and Authorised Participants in their capacity as Security Holders and without prejudice to the rights of any FX Counterparty under the Security Deed(s) to which it is party, in their capacity as a FX Counterparty or Authorised Participant the Trustee does not act as trustee for any FX Counterparty or Authorised Participant, does not owe any duties to any FX Counterparty or Authorised Participant, need not have regard to the interests of any FX Counterparty or Authorised Participant and need not act on any instructions from any FX Counterparty or Authorised Participant.

15. NO PROCEEDINGS

- 15.1 The Trustee shall not be bound to instruct any Security Trustee or take any other proceedings mentioned in Clause 14 or any other action in relation to these presents unless respectively directed or requested to do so by:
- 15.1.1 a Security Holder to whom a Defaulted Obligation is owed;
- 15.1.2 if an Issuer Insolvency Event has occurred and is continuing, Security Holders holding not less 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders (as a single class); or
- 15.1.3 if a FX Counterparty Event of Default has occurred and is continuing, Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or an

Extraordinary Resolution of the Security Holders holding affected Currency-Hedged Metal Securities (having the same meaning as in Clause 14.5) (as a single class),

and then in each case only if it shall be indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

- 15.2 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee and/or the Security Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Security Holder will have only such rights against the Issuer as those which the Trustee or the Security Trustee (as the case may be) is entitled to exercise against or in relation to the Issuer on such Security Holder's behalf.

16. APPLICATION OF SECURITY

Each Security Deed shall make provision as specified in Condition 13 (*Application of Security*).

17. PAYMENTS BY TRUSTEE

Payments in respect of the Currency-Hedged Metal Securities of any type made by the Trustee under the provisions of Clause 16 may be made to the relevant Security Holders, in the manner provided by Schedule 3 (*Provisions Relating to Registration and Transfer of Currency-Hedged Metal Securities*) for payments in respect of those Currency-Hedged Metal Securities.

18. INVESTMENT BY TRUSTEE

- 18.1 The Trustee may, at its discretion and pending payment to the Security Holders, invest monies received by it under these presents and at any time available for the payment in respect of Currency-Hedged Metal Securities of any type, in some or one of the investments hereinafter authorised for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments. All interest and other income deriving from such investment shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 21 and/or Clause 22.10 to the Trustee and/or any Appointee and to payment of any remuneration and expenses of any Receiver and otherwise held for the benefit of and paid to the relevant Security Holders.

- 18.2 Any monies which under the trusts of these presents ought to or may be invested by the Trustee shall be invested by placing of monies in the name of or under the control of the Trustee with a bank or other financial institution including, without limitation, a deposit in the Redemption Account or the purchase of shares in a money market fund, provided that such bank or other financial institution shall, at the time of such investment, be rated A or better by Standard & Poor's or A or better by Moody's. The Trustee may at any time vary any such investments for or into other investments or convert any monies so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

19. PAYMENT OFF OF SECURITIES

In the event of a Security Holder whose holding of Currency-Hedged Metal Securities the Issuer is ready to repay or satisfy failing to claim the amount due to him within 30 calendar days after the due date for redemption of such Currency-Hedged Metal Securities the

Issuer shall be at liberty to, or if so requested by the Trustee shall, deposit at the cost of the Issuer with a bank in the name of the Trustee an amount equal to the amount due to such Security Holder and upon such deposit being made the relevant Currency-Hedged Metal Securities shall be deemed to have been repaid or satisfied in accordance with the provisions hereof. After provision for repayment or satisfaction of the Currency-Hedged Metal Securities is made by such deposit of the funds required for the purpose, the Trustee shall not be responsible for the safe custody of such monies or for interest thereon, except such interest (if any) as the said monies may earn whilst on deposit less any expenses incurred, and charges made and tax paid, by the Trustee in connection therewith.

20. COVENANTS BY THE ISSUER

20.1 The Issuer covenants with the Trustee that so long as any Currency-Hedged Metal Securities of any type remain outstanding the Issuer shall (unless otherwise agreed in writing by the Trustee):

- 20.1.1 at all times carry on and conduct its affairs in a proper and efficient manner;
- 20.1.2 save as permitted under Clauses 3 and 4 of these presents, not undertake any business save for the issue and redemption of Currency-Hedged Metal Securities, the acquisition and disposal of Bullion, entering into Metal Adjustment Contracts, entering into the Documents (and any other contracts contemplated thereunder), entering into all other necessary documents (which for this purpose and the purposes of Condition 14.1.3 includes documents appointing officers, administrators, registrars and advisers) and performing its obligations and exercising its rights thereunder;
- 20.1.3 enforce its rights under the Documents and comply with its obligations thereunder, except that the Issuer is not under an obligation to close out or terminate an ISDA Master Agreement upon the occurrence of a FX Counterparty Event of Default;
- 20.1.4 not have any employees;
- 20.1.5 not incur or permit to subsist in respect of any Pool any indebtedness for borrowed money other than Currency-Hedged Metal Securities or Further Securities (as defined in Clause 3) or as required pursuant to the terms of any Metal Adjustment Documentation, and not to give any guarantee or indemnity in respect of indebtedness of any person, save in each case with the prior written consent of the Trustee;
- 20.1.6 use its best endeavours to obtain and, so long as any of the Currency-Hedged Metal Securities remains outstanding, maintain a Listing for the Currency-Hedged Metal Securities, or, if it is unable to do so having used such best endeavours or if the maintenance of such Listing is agreed by the Trustee to be unduly onerous, use its best endeavours to obtain and maintain the quotation or listing of the Currency-Hedged Metal Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide;
- 20.1.7 use its reasonable endeavours to procure that the current Metal Entitlement for each type of Currency-Hedged Metal Security in issue is published on the Issuer's website at <http://www.etfsecurities.com/hmsl>;
- 20.1.8 not consolidate or merge with any other person or convey or transfer all, or substantially all, of its assets to any person;

- 20.1.9 comply with its obligations under clause 5.9 of any Security Deed to deliver certificates to the Security Trustee where required by that clause;
- 20.1.10 not permit the validity or effectiveness of these presents or the Security Deeds or the priority of any security thereunder to be modified, terminated or discharged;
- 20.1.11 not have any subsidiaries;
- 20.1.12 not purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- 20.1.13 other than as permitted under the relevant Security Deed or with the prior written consent of the Security Trustee, not dispose of any of the Secured Property or any interest therein or create any mortgage, pledge, charge, lien or other form of encumbrance or security interest or right of recourse in respect thereof in favour of any person;
- 20.1.14 give or procure to be given to the Trustee such opinions, certificates, reports, information and evidence as it shall require and in such form as it shall require (including without limitation the procurement by the Issuer of all such certificates called for by the Trustee pursuant to Clause 22.3 and Clause 22.23) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- 20.1.15 cause to be prepared and certified by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the UK Listing Authority;
- 20.1.16 at all times keep proper books of account and allow the Trustee and any person appointed by the Trustee to whom the Issuer shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours;
- 20.1.17 send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) two copies in the English language of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document sent to its shareholders and every document sent to holders of securities other than its shareholders (including the Security Holders) as soon as practicable after the issue or publication thereof;
- 20.1.18 forthwith give notice in writing to the Trustee upon it becoming aware of the occurrence of any of the following:
- (a) a Defaulted Obligation;
 - (b) an Issuer Insolvency Event;
 - (c) a FX Counterparty Event of Default; or
 - (d) a breach by the Issuer or any FX Counterparty of its obligations under the Documents, or a breach by the Issuer of its obligations in respect of the Currency-Hedged Metal Securities;

- 20.1.19 give to the Trustee (a) within seven calendar days after demand by the Trustee therefor and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial year ended 31 December 2013 and in any event not later than 180 calendar days after the end of each such financial year, a certificate of the Issuer in the form of Exhibit 1 (*Form of Directors' Certificate*) hereto signed by two directors of the Issuer and confirming on behalf of the Issuer that as at a date not more than seven calendar days before delivering such certificate (the “**relevant date**”) there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) any Defaulted Obligation (or if such exists or existed specifying the same) or a FX Counterparty Event of Default or an Issuer Insolvency Event and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant date of such certificate the Issuer has complied with all its obligations contained in these presents or (if such is not the case) specifying the respects in which it has not complied;
- 20.1.20 use reasonable endeavours to ensure that at all times after the date three months following Listing there are at least two Authorised Participants and until then there is at least one Authorised Participant;
- 20.1.21 not issue any Individual or Basket Securities of any type unless it has entered into corresponding Metal Adjustment Contracts having an aggregate Metal Equivalent equal to, and has received physical Bullion in an aggregate amount equal to, the Metal Entitlement calculated as at the Application Date;
- 20.1.22 simultaneous with or promptly following the redemption of any Individual or Basket Securities of any type, cancel a corresponding number of Metal Adjustment Contracts;
- 20.1.23 procure that the property (including, without limitation, the Secured Metal Accounts) attributable to each Pool or PMA Sub-Pool (as applicable) is at all times maintained in a manner so that it is readily distinguishable from the property attributable to any other Pool or PMA Sub-Pool (as applicable) or the assets attributable to any pool to which any other class of securities of the Issuer is attributable;
- 20.1.24 ensure that no contractual rights of combination or set-off subsist between the Secured Metal Accounts relating to any Pool or PMA Sub-Pool and any other accounts;
- 20.1.25 not open any bank account in respect of a Pool or PMA Sub-Pool unless such bank account or the Issuer’s interest therein is immediately charged to the Security Trustee in respect of the Pool or PMA Sub-Pool to which such bank account relates;
- 20.1.26 not to maintain an office or other fixed place of business, nor to establish any permanent establishment, nor be or become tax resident, in the United Kingdom or any part thereof;
- 20.1.27 undertake any business so as to seek to minimise the impact of taxation for Security Holders; and

20.1.28 at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to these presents.

20.2 Notwithstanding the foregoing the Issuer may:

20.2.1 issue unsecured limited recourse notes to ETFSL (or any Affiliate), and may redeem, amend, supplement, extend or replace such notes in accordance with the terms thereof; and

20.2.2 make any loan to ETFSL (or any Affiliate) of the proceeds of the issue of such notes, under which the Issuer may, if it determines to do so, make advances to ETFSL (or any Affiliate) (including by set-off against such proceeds).

21. REMUNERATION OF TRUSTEE

21.1 The Issuer shall pay to the Trustee remuneration for its services as trustee of these presents as from the date of this Trust Instrument, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Trustee. Such remuneration shall be payable annually in advance on the date of this Trust Instrument, and subsequently on each anniversary of the date of this Trust Instrument. The rate of remuneration in force from time to time shall cease to be payable upon the final redemption of the whole of the Currency-Hedged Metal Securities. Such remuneration shall accrue from day to day and be payable in priority to payments to the Security Holders.

21.2 In the event of the occurrence of a Defaulted Obligation, a FX Counterparty Event of Default or an Issuer Insolvency Event the Issuer agrees that the Trustee shall be entitled to be paid additional remuneration for any additional work to be performed by the Trustee in relation to the occurrence of such Defaulted Obligation, FX Counterparty Event of Default or Issuer Insolvency Event, such additional remuneration to be calculated at its normal hourly rates from time to time. In the case of the Trustee considering it expedient or necessary or upon being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them (calculations in respect of which may be made by reference to the Trustee's normal hourly rates in force from time to time).

21.3 The Issuer shall in addition pay to the Trustee an amount equal to the amount of any VAT or similar tax chargeable in respect of its remuneration under these presents.

21.4 In the event of the Trustee and the Issuer failing to agree:

21.4.1 (in a case to which Clause 21.1 applies) upon the amount of the remuneration;
or

21.4.2 (in a case to which Clause 21.2 applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or upon such additional remuneration,

such matters shall be determined by an independent third party (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of Jersey (the expenses involved in such nomination and the fees of such independent third party being payable by the Issuer) and the determination of any such independent third party shall be final and binding upon the Trustee and the Issuer.

- 21.5 The Issuer shall also pay or discharge all Liabilities properly incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these presents.
- 21.6 All amounts payable pursuant to this Clause 21 and/or Clause 22.10 shall be payable by the Issuer on the date specified in a demand by the Trustee. The rate of interest applicable to such payments shall be at the Trustee's cost of funds and interest shall accrue in the case of payments actually made by the Trustee prior to such demand (if not paid within five Business Days after such demand and the Trustee so requires) from the date specified in such demand, and in all other cases (if not paid on the date specified in such demand or, if later, within five Business Days after such demand and, in either case, the Trustee so requires) from the date specified in such demand. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor.
- 21.7 Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause 21 and Clause 22.10 shall continue in full force and effect notwithstanding such discharge.

22. SUPPLEMENT TO TRUSTEE POWERS

The Trustee shall have all the powers of a natural person, including but not limited to:

- 22.1 the Trustee may in relation to the Documents act on the advice or opinion of or any information obtained from, any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert, whether obtained by the Issuer, the Trustee or otherwise and shall not be responsible for any Liability occasioned by so acting;
- 22.2 any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, cable or e-mail and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, cable or e-mail although the same shall contain some error or shall not be authentic;
- 22.3 the Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing which is prima facie within the knowledge of the Issuer or any other party to any of the Documents a certificate signed by any two directors of such party and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate;
- 22.4 the Trustee shall be at liberty to hold this Trust Instrument and the other Documents and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Trustee to be of good repute and the Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit;
- 22.5 the Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Currency-Hedged Metal Securities by the Issuer;

- 22.6 the Trustee shall not be responsible to the Issuer or to any Security Holder as regards any deficiency which might arise because the Trustee is subject to Tax in respect of all or any income it may receive pursuant to the terms of this Trust Instrument or the other Documents or, as the case may be, the proceeds thereof;
- 22.7 the Trustee shall not be bound to give notice to any person of the execution of any of the Documents or any other document or to take any steps to ascertain whether any Defaulted Obligation has occurred and, until it shall have actual knowledge or express notice pursuant to this Trust Instrument to the contrary, the Trustee shall be entitled to assume without enquiry, and it is hereby declared to be the intention of the Trustee that it shall assume without enquiry, that no Defaulted Obligation has occurred and that the Issuer and each of the other parties to the Documents are observing and performing all their respective obligations under this Trust Instrument and the Documents and, if it does have actual knowledge or express notice as aforesaid, the Trustee shall not be bound to give notice thereof to the Security Holders;
- 22.8 save as expressly otherwise provided in this Trust Instrument, the Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, rights, powers, authorities, duties and discretions under this Trust Instrument, the other Documents or by operation of law (the exercise or non-exercise of which as between the Trustee and the Security Holders shall be conclusive and binding on the Security Holders) and shall not be responsible for any Liability which may result from their exercise or non-exercise, and in particular the Trustee shall not be bound to act at the request or direction of any Security Holder or otherwise under any provision of this Trust Instrument or to take at such request or direction or otherwise any other action under any provision of this Trust Instrument or any other Document unless it shall first be indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing;
- 22.9 any consent or approval given by the Trustee for the purposes of this Trust Instrument or any other Document may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in this Trust Instrument or any other Document may be given retrospectively. The Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in this Trust Instrument or any other Document) if it is satisfied that the interests of the Security Holders will not be materially prejudiced thereby. For the avoidance of doubt, the Trustee shall not have any duty to the Security Holders in relation to such matters other than that which is contained in the preceding sentence;
- 22.10 without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Trustee, each Appointee of the Trustee, and every director, officer and employee of a Trust Corporation acting as Trustee and keep it or them indemnified against all Liabilities to which it or they may be or become subject or which may be incurred by it or them in the execution or purported execution of any of its trusts, powers, authorities and discretions under these presents or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment other than in the case of fraud, wilful misconduct or gross negligence of the Trustee or any Appointee or director, officer or employee of a Trust Corporation acting as Trustee;
- 22.11 the Trustee shall not be liable to any person by reason of having acted upon any resolution purporting to have been passed at any meeting of the Security Holders of any type or types in respect whereof minutes have been made and signed by the chairman thereof or any direction of the Security Holders of any class or classes even though subsequent to its

acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution, direction or request was not valid or binding upon such Security Holders;

- 22.12 the Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Certificate for any type of Currency-Hedged Metal Securities purporting to be such and subsequently found to be forged or not authentic;
- 22.13 the Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Security Holder or any other person any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by the Issuer or any other person in connection with this Trust Instrument and the other Documents and no Security Holder or other person shall be entitled to take any action to obtain from the Trustee any such information;
- 22.14 where it is necessary or desirable for any purpose in connection with this Trust Instrument and the other Documents to convert any sum from one currency to another it shall (unless otherwise provided by this Trust Instrument or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Trustee in its absolute discretion in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Security Holders and the Trustee shall not be liable for any loss occasioned by the said conversion under this sub-clause 22.14;
- 22.15 the Trustee may determine whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of the Security Holders or any of them and if the Trustee shall certify that any such event, matter or thing is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Security Holders;
- 22.16 the Trustee as between itself and the Security Holders may determine all questions and doubts arising in relation to any of the provisions of this Trust Instrument or any other Document. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Security Holders;
- 22.17 in connection with the exercise or performance by it of any right, power, trust, authority, duty or discretion under or in relation to this Trust Instrument or any other Documents:
- 22.17.1 (including, without limitation, any consent, approval, modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of each type of the Security Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Security Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Security Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Security Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Security Holders;
- 22.17.2 except where expressly provided otherwise, the Trustee shall have regard only to the interests of the Security Holders and shall not be required to have regard

to the interests of any other person or to act upon or comply with any direction or request of any other Security Holder or any other person;

- 22.18 any trustee of this Trust Instrument being a banker, lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partners or firm in connection with this Trust Instrument or any other Document and also his proper charges in addition to disbursements for all other work and business done and all time spent by him or his partners or firm in connection with matters arising in connection with this Trust Instrument or any other Document;
- 22.19 the Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Instrument or not) all or any of its trusts, rights, powers, authorities, duties and discretions under this Trust Instrument or any other Document. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Security Holders think fit. Provided that the Trustee has exercised reasonable care in the selection of any such delegate, the Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such delegate or sub-delegate. The Trustee shall within a reasonable time prior to any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer;
- 22.20 the Trustee may in relation to this Trust Instrument or any other Document instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Trust Instrument or any other Document (including the receipt and payment of money). Provided that the Trustee has exercised reasonable care in the selection of such agent, the Trustee shall not be under any obligation to supervise the proceedings or acts of any such agent or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such agent;
- 22.21 the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by this Trust Instrument as the Trustee may determine. Provided that the Trustee has exercised reasonable care in the selection of such custodian or nominee, the Trustee shall not be under any obligation to supervise the proceedings or acts or to monitor the continued solvency of any such person or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such person. The Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer;
- 22.22 the Trustee shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for and hereby declares that it shall not investigate or have any responsibility for:
- 22.22.1 the nature, status, creditworthiness or solvency of the Issuer or any other party to any Document;
- 22.22.2 the execution, delivery, legality, validity, adequacy, admissibility in evidence, enforceability, genuineness, effectiveness or suitability of any Document or any other document entered into in connection therewith or of any transfer, security or trust effected or constituted or purported to be effected or constituted by any Document or any other document entered into in connection therewith;

- 22.22.3 the terms of any Document;
 - 22.22.4 any calculation by the Issuer of the Metal Entitlement or any other amount which may be calculated by the Issuer;
 - 22.22.5 whether any issue or redemption of any Currency-Hedged Metal Security complies with the terms of the Currency-Hedged Metal Securities;
 - 22.22.6 the title to, or the ownership, value, sufficiency or existence of any property comprised or intended to be comprised in the security constituted or purported to be constituted by any Document;
 - 22.22.7 the registration, filing, protection or perfection of the security constituted or purported to be constituted by any Document or the priority of any such security, whether in respect of any initial advance or any subsequent advance or any other sums or liabilities;
 - 22.22.8 the scope or accuracy of any recital, representation, warranty or statement made by or on behalf of any person in any Document or any other document entered into in connection therewith;
 - 22.22.9 the failure by any person to obtain or comply with any licence, consent or other authority in connection with any Document;
 - 22.22.10 the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances pursuant to the provisions of any Documents; or
 - 22.22.11 any accounts, books, records or files maintained by any person in connection with or in respect of any property comprised or intended to be comprised in the security constituted or purported to be constituted by any Document;
- 22.23 the Trustee may call for any certificate or other document to be issued by the Registrar as to the number of Individual Securities or Basket Securities (of any type) standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the Registrar and subsequently found to be forged or not authentic;
- 22.24 the Trustee shall not be responsible to any person for failing to, and shall not, request, require or receive any legal opinion relating to the Currency-Hedged Metal Securities or any Document or any search, report, certificate, advice, valuation, investigation or information relating to any Document, any transaction contemplated by any Document, any party to any Document or any of such party's assets or liabilities or for checking or commenting upon the content of any such legal opinion, search, report, certificate, advice, valuation, investigation or information or for ensuring disclosure to the Security Holders of such content or any part of it or for determining the acceptability of such content or any part of it to any Security Holder and shall not be responsible for any Liability incurred thereby;
- 22.25 the Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with this Trust Instrument or any other Document;

- 22.26 subject to the requirements, if any, of London Stock Exchange and/or the UK Listing Authority, any corporation into which the Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall, on completion of such merger or consolidation, automatically become, a party hereto and shall be the Trustee under this Trust Instrument without executing or filing any paper or document or any further act being required on the part of the parties hereto;
- 22.27 no provision of this Trust Instrument or any other Document shall:
- 22.27.1 require the Trustee to do anything which may be illegal or contrary to applicable law or regulation or prevent the Trustee from doing anything which is necessary or desirable to comply with any applicable law or regulation; or
- 22.27.2 require the Trustee, and the Trustee shall not be bound, to do anything which may cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions or otherwise in connection with this Trust Instrument or any other Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds is not assured to it or it is not secured and/or indemnified and/or funded to its satisfaction against such Liability and, for this purpose, the Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it;
- 22.28 unless notified to the contrary, the Trustee shall be entitled to assume without enquiry (other than requesting a certificate from the Issuer) that no Currency-Hedged Metal Securities are held by, for the benefit of, or on behalf of, the Issuer, any holding company of the Issuer or any other Subsidiary of such holding company;
- 22.29 any advice, opinion, certificate, report or information called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of this Trust Instrument or any other Document may be relied upon by the Trustee notwithstanding that such advice, opinion, certificate, report or information and/or any engagement letter or other document entered into or accepted by the Trustee in connection therewith contains a monetary or other limit on the liability of the person providing the same in respect thereof and notwithstanding that the scope and/or basis of such advice, opinion, certificate, report or information may be limited by any such engagement letter or other document or by the terms of the advice, opinion, certificate, report or information itself;
- 22.30 each Security Holder shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Issuer and each other obligor under the Documents and the Trustee shall not at any time have any responsibility for the same and each Security Holder shall not rely on the Trustee in respect thereof;
- 22.31 the Trustee will not be responsible or liable for any inadequacy or unfitness of any Document as security or any decline in value or any loss realised as a consequence of such Document;
- 22.32 the Trustee shall not be under any obligation to insure any of the property created by the Documents or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any liability which may be suffered by any person as a result of the lack of or inadequacy of any such insurance;

22.33 the Trustee shall not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Documents, or any deeds or documents of title thereto, being held by or to the order of clearing organisations or their operators or by intermediaries such as banks, brokers, depositories or other persons whether or not on behalf of the Trustee; and

22.34 nothing contained in this Trust Instrument or the other Documents shall impose any obligation on the Trustee to make any advance to the Issuer.

23. TRUSTEE'S LIABILITY

23.1 Save in the case of fraud, wilful misconduct or gross negligence, the Trustee (or any director, officer or employee of any Trust Corporation which is a Trustee) shall have no liability hereunder for a breach of trust and save in such circumstances, no Trustee (and no director, officer or employee of a Trust Corporation which is a Trustee) in execution of the trusts and powers under these presents, shall be liable for any loss arising by reason of any mistake or omission by him or by reason of any other matter or thing including fraud, wilful misconduct, gross negligence or default of another director, officer or employee or Trustee.

23.2 Notwithstanding any rule of law, equity or otherwise to the contrary nothing in these presents shall oblige or impose on the Trustee any duties to preserve or enhance the value of the Currency-Hedged Metal Securities or the Currency-Hedged Metal Securities of any type and accordingly the Trustee shall not be liable to any Security Holders for any failure to preserve or enhance the value of the Currency-Hedged Metal Securities or any part of them.

24. TRUSTEE CONTRACTING WITH ISSUER

24.1 Neither the Trustee nor any director, officer or employee of a Trust Corporation acting as a trustee under these presents shall by reason of its or their fiduciary position be in any way precluded from:

24.1.1 entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any other party to any Document (each a "**Relevant Company**") or person or body corporate associated with a Relevant Company (including, without limitation, any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of, or the subscribing or procuring subscriptions for, or otherwise acquiring, holding or dealing with the Currency-Hedged Metal Securities or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, a Relevant Company or any person or body corporate associated as aforesaid); or

24.1.2 accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to or any other liabilities of a Relevant Company or any person or body corporate associated as aforesaid or any other office of profit under a Relevant Company or any such person or body corporate associated as aforesaid,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in sub-clause 24.1.1 or, as the case may be, any such trusteeship or office of profit as is referred to in sub-clause 24.1.2 without regard to the interests of the Security Holders and notwithstanding that the same may be contrary or prejudicial to the interests

of the Security Holders and shall not be responsible for any Liability occasioned to the Security Holders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

- 24.2 Where any holding company, subsidiary or associated company of the Trustee or any director, officer or employee of the Trustee acting other than in his capacity as such a director, officer or employee has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Security Holders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to this Trust Instrument or any other Document.

25. WAIVER, AUTHORISATION AND DETERMINATION

- 25.1 The Trustee may, without prejudice to its rights in respect of any subsequent breach, but only if and in so far as, in its opinion, the interests of the Security Holders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in these presents or any Security Deed, or determine that any Defaulted Obligation, FX Counterparty Event of Default or Issuer Insolvency Event shall not be treated as such *provided that* the Trustee shall not exercise any powers conferred on it by this Clause:

25.1.1 with respect to a Defaulted Obligation, in contravention of any express direction given by the Security Holder to whom such Defaulted Obligation is owed; or

25.1.2 with respect to an Issuer Insolvency Event or a FX Counterparty Event of Default or any other breach or proposed breach by the Issuer of any of the covenants or provisions contained in these presents, in contravention of any express direction given by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders (as a single class),

but so that no such direction shall affect any waiver, authorisation or determination previously given or made.

- 25.2 Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Security Holders and, if, but only if, the Trustee, shall so require, shall be notified by the Issuer to the Security Holders as soon as practicable thereafter.

- 25.3 Security Holders in respect of any class of Individual Securities (and of Basket Securities to the extent comprised of such class) have power by Extraordinary Resolution to instruct the Trustee, *inter alia*, to sanction assent or agree to any of the matters referred to in paragraph 19 of Schedule 4 (*Provisions for Meetings of Security Holders*).

26. REGISTERS

The Issuer shall at all times keep at its registered office or at the registered office of the Registrar, or at such other place in Jersey as the Trustee may agree, registers showing the date of issue and all subsequent redemptions, transfers and changes of ownership of all outstanding Currency-Hedged Metal Securities and the names and addresses of the Security Holders and the persons deriving title under them. The Trustee and the Security Holders or any of them and any person authorised by any such person shall be at liberty at

all reasonable times during office hours to inspect the Registers and to take (free of charge) copies of, or extracts from, the same or any part thereof. In the event of the Trustee requiring to convene a meeting of or to give any notice to, the Security Holders the Issuer shall furnish the Trustee (free of charge) with such copies of, or extracts from, the Registers as it shall require. Subject to the Regulations, the Registers may be closed by the Issuer for such periods and at such times (not exceeding in the whole 30 calendar days in any one year) as it may think fit. Schedule 3 (*Provisions Relating to Registration and Transfer of Currency-Hedged Metal Securities*) shall apply.

27. NEW TRUSTEE

27.1 The power to appoint a new trustee of these presents shall be vested in the Issuer. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any Notification of the appointment of a new trustee of these presents shall be published by the Issuer through a RIS as soon as practicable thereafter.

27.2 Notwithstanding the provisions of Clause 27.1, the Trustee may, upon giving prior notice to the Issuer (but without the consent of the Issuer or the Security Holders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co trustee jointly with the Trustee:

27.2.1 if the Trustee considers such appointment to be in the interests of the Security Holders;

27.2.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or

27.2.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the Issuer.

The Issuer irrevocably appoints the Trustee to be its attorney in its name and on its behalf in respect of such appointment to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate trustee or co trustee, shall for the purposes of these presents be treated as Liabilities incurred by the Trustee.

28. TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of these presents may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Security Holders may by Extraordinary Resolution of the Security Holders (as a single class) appoint or remove any trustee or trustees for the time being of these presents. The Issuer undertakes that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution it will use its reasonable

endeavours to procure that a new trustee of these presents (being a Trust Corporation) is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee (being a Trust Corporation) is appointed.

29. TRUSTEE'S POWERS TO BE ADDITIONAL

The powers conferred upon the Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Trustee by the general law or as a holder of any of the Currency-Hedged Metal Securities or any other securities of any class, type or category issued by the Issuer.

30. NOTICES

30.1 Any notice or demand to the Issuer or the Trustee to be given under these presents shall be:

- 30.1.1 in writing;
- 30.1.2 in the English language;
- 30.1.3 signed by an Authorised Signatory on behalf of the party giving the same and, in the case of notification to the Trustee, be marked "Urgent - This requires Immediate Attention"; and
- 30.1.4 sent by pre-paid post (first class if inland, first class airmail if overseas), by facsimile transmission, by telephone (provided that a confirmatory notice is sent by facsimile as aforesaid), or by delivering it by hand, such notice to be addressed, despatched, given or delivered to the respective person, address or number for each party set out below:

to the Issuer:

ETFS Hedged Metal Securities Limited
Ordnance House
31 Pier Road
St. Helier, Jersey
Channel Islands
JE4 8PW

Attention: [REDACTED]

Telephone No. [REDACTED]
Facsimile No. [REDACTED]

to the Trustee:

The Law Debenture Trust Corporation p.l.c.
Fifth Floor
100 Wood Street,
London EC2V 7EX

(Attention: the Manager, Commercial Trusts, Trust Code: 200063)

Telephone No. [REDACTED]
Facsimile No. [REDACTED]

or to such other person, address or facsimile number address as shall have been notified (in accordance with this Clause) to the other party by not less than seven calendar days' written notice received before the notice was despatched and any notice or demand sent by post shall be deemed to have been given, made or served three calendar days in the case of inland post or seven calendar days in the case of overseas post after despatch and any notice or demand given by hand, facsimile transmission or telephone shall be deemed to have been given, made or served upon actual receipt thereof by the recipient.

31. SERVICE AGENT

The Issuer irrevocably appoints ETF Securities (UK) Limited (the "**Service Agent**") of 3 Lombard Street, London EC3V 9AA to receive, for it and on its behalf, service of any document to be served on the Issuer under this Trust Instrument. If for any reason the Service Agent is unable to act as such, the Issuer will promptly notify the Trustee and within 30 calendar days appoint a substitute agent for service of process acceptable to the Trustee.

32. AMENDMENTS TO DOCUMENTS

32.1 Subject as provided in this Clause 32 and in Condition 6.10, the Issuer covenants that it shall not amend, vary, modify or supplement any of the Trustee Consent Documents without the prior written consent of the Trustee save where, in respect of a Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement, that amendment is at the election of the relevant FX Counterparty to elect to amend the terms of the Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement so as to be on terms no less favourable to the relevant FX Counterparty than the relevant terms of another Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement entered into between the Issuer and another FX Counterparty and to include at the Issuer's option any commercial terms agreed to by such other FX Counterparty.

32.2 The Issuer may, without prejudice to Clause 32.5, by supplemental agreement or supplemental instrument or deed, as applicable, amend these presents, the Conditions or any Security Deed or amend, vary, modify, supplement or novate any of the Trustee Consent Documents (in respect of sub-clauses 32.2.1, 32.2.2, 32.2.5, 32.2.6, 32.2.7, 32.2.8 and 32.2.9 in each case without the consent of the Trustee or the Security Trustee) and the Trustee agrees to join in a supplemental agreement or supplemental instrument or deed as applicable accordingly, if one or more of the following applies:

32.2.1 if the amendment is to substitute as debtor under a Metal Adjustment Agreement, ISDA Master Agreement, Master Confirmation Agreement or Guarantee another person having an Acceptable Credit Rating;

- 32.2.2 if the amendment or novation is (A) to effect the transfer of any Metal Agent Agreement, ISDA Master Agreement and Master Confirmation Agreement, or any or any part of any Metal Adjustment Contract (or any position constituting any or any part of such Metal Adjustment Contract) to any FX Counterparty or other person (the “**Transferee**”) or to make amendments consequent upon such transfer or (B) to effect the appointment of a new FX Counterparty (a “**new FX Counterparty**”), *provided that*:
- (a) (where such transferee is not a FX Counterparty immediately prior to such amendment and novation) the Transferee or new FX Counterparty, as the case may be, has an Acceptable Credit Rating or has a Guarantor with an Acceptable Credit Rating;
 - (b) such amendment or novation would not affect the Metal Entitlement or Principal Amount of any Currency-Hedged Metal Securities;
 - (c) in the case of a transfer, prior to the transfer becoming effective in respect of any class of Metal Adjustment Contracts, and in the case of the appointment of a new FX Counterparty, prior to entering into Metal Adjustment Contracts of any class with such new FX Counterparty, Secured Metal Accounts have been opened with a Custodian in respect of that class and that new FX Counterparty; and
 - (d) in the case of a transfer, prior to the transfer becoming effective in respect of any class of Metal Adjustment Contracts, and in the case of the appointment of a new FX Counterparty, prior to entering into Metal Adjustment Contracts of any class with such new FX Counterparty, the Issuer has executed and delivered to the Trustee a Security Deed granting to a Security Trustee for (*inter alios*) the Trustee security over such Secured Metal Accounts and the Issuer’s rights under the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement in each case to the extent applicable to such class and such FX Counterparty (in or substantially in the same form as the Security Deed entered on or about the date of this Trust Instrument) as security for the payment or discharge of the obligations of the Issuer to (*inter alios*) the Trustee, the FX Counterparty and the Security Holders from time to time in respect of the applicable class of Currency-Hedged Metal Securities;
- 32.2.3 in the opinion of the Issuer and the Trustee the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders;
- 32.2.4 in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- 32.2.5 the amendment is to substitute a different index for one or more of the Indices and consequential changes, *provided that* (i) corresponding amendments and changes have been agreed with each of the FX Counterparties which have Metal Adjustment Contracts outstanding that refer to the relevant Index or Indices, (ii) the amendment and changes so agreed have the consequence that at the time of the substitution of the index there is no change to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities of the relevant type and (iii) the amendment and changes do not take effect until at least 30 calendar

days have elapsed after they are announced to Security Holders in an RIS announcement;

- 32.2.6 the amendment affects only Basket Securities of one or more particular category or categories, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different categories of Basket Securities differently, and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each category of Basket Security affected passed in accordance with these presents or by a separate resolution in writing of holders of each category of Basket Security affected holding not less than 75 per cent. by Principal Amount of such category;
- 32.2.7 sub-clause 32.2.6 does not apply to the amendment, the amendment affects only Basket Securities and the terms of the amendment are authorised by an Extraordinary Resolution of the holders of the Basket Securities (as a single class) passed in accordance with these presents or by a resolution in writing of the holders of the Basket Securities holding not less than 75 per cent. by Principal Amount of the Basket Securities (as a whole);
- 32.2.8 sub-clauses 32.2.6 and 32.2.7 do not apply to the amendment, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different types of Currency-Hedged Metal Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each type of Currency-Hedged Metal Security affected passed in accordance with these presents or in each case by a separate resolution in writing of holders of such type of Currency-Hedged Metal Security affected holding not less than 75 per cent. by Principal Amount of the Currency-Hedged Metal Securities of such type, *provided that* unless the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of Basket Securities differently from the holders of the relevant class(es) of Individual Securities, holders of Basket Securities shall for this purpose be treated as though they were holders of the Individual Securities by reference to which the Metal Entitlement of their Basket Securities is calculated and not as though they were holders of the Basket Securities;
- 32.2.9 sub-clauses 32.2.6 to 32.2.8 (inclusive) do not apply to the amendment and the terms of the amendment are authorised by an Extraordinary Resolution of the Security Holders (as a single class) passed in accordance with these presents or by a resolution in writing of Security Holders holding not less than 75 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole); or
- 32.2.10 the terms of the amendment are necessary or desirable in the opinion of the Issuer and the Trustee to comply with any statutory, taxation or other requirement of law (including as modified or applied in any respect to the Currency-Hedged Metal Securities) or any Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of these presents or such Conditions, Security Deed or Trustee Consent Document.
- 32.3 For the purposes of those present, where calculation of the percentage holdings of Security Holders by Principal Amount is required, every A\$1.00, €1.00, S\$1.00 and £1.00 of Principal Amount attributable to a Currency-Hedged Metal Security shall be regarded as having an equal value.
- 32.4 In the case of an amendment to a Metal Adjustment Agreement, Master Confirmation Agreement or ISDA Master Agreement (other than an amendment or novation made

pursuant to Clause 32.2.2), the amendment may not take effect for at least 30 calendar days (or five Issuer Business Days if the amendment is to be made pursuant to an obligation in the Metal Adjustment Agreement to negotiate in good faith following notice being given by either party thereto of the occurrence of a Material Adverse Change (as defined therein)) following publication of a notice thereof through a RIS and the Issuer shall not agree to any such amendment unless it does not take effect until such period has elapsed.

32.5 The restrictions imposed by Clause 32.2 and Clause 32.4 shall not apply to any amendment to the terms of a Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement which, under the terms thereof, is automatic or at the election of the relevant FX Counterparty in the circumstances described in Clause 32.1.

32.6 The Issuer shall notify all Security Holders of a proposed amendment as referred to in sub clause 32.2.1 by publishing a notice on a RIS at least ten calendar days' prior to such amendment becoming effective.

32.7 Without prejudice to Condition 24, the Issuer shall notify all Security Holders of a proposed amendment as referred to in Clause 32.2.2 by publishing a notice on a RIS at least ten calendar days' prior to such amendment becoming effective.

32.8 The Issuer shall notify all Security Holders of a proposed amendment as referred to in sub-clauses 32.2.6 to 32.2.9 (inclusive) by publishing a notice on a RIS as soon as practicable after such amendment is proposed and, in any event, upon such amendment becoming effective.

32.9 No notice need be given of any amendment as referred to in sub-clauses 32.2.4 or 32.2.10 or Clause 32.5 unless the Trustee otherwise requires.

32.10 The Issuer may at any time in its sole discretion determine in respect of any Pool that a specified financial institution or other entity, not being already a Custodian in respect of such Pool but being a member of the Relevant Association in respect of Individual Securities to which such Pool relates and which provides custody and transfer facilities in respect of Bullion of the relevant type, shall be appointed as a Custodian. Upon such determination being made the Trustee agrees that it will, as soon as practicable following a request by the Issuer to do so, enter into:

32.6.1 a Secured Allocated Account Agreement;

32.6.2 a Secured Unallocated Account Agreement; and

32.6.3 if so requested by the Issuer, a Metal Sale Counterparty Agreement,

each with the Issuer and such financial institution or other entity in a form substantially equivalent to a then existing such agreement to which the Issuer, the Trustee and a Custodian are then or have been party (in respect of that Pool or any other Pool) or in such other form as the Issuer may reasonably require.

32.11 The Issuer shall give notice to the Security Holders by publishing a notice on a RIS promptly after, or prior to, entering into any Secured Allocated Account Agreement, Secured Unallocated Account Agreement or Metal Sale Counterparty Agreement as referred to in Clause 32.10 and (save where in respect of such Pool there is no other Custodian) no Bullion shall be credited to any Secured Metal Account maintained pursuant to any such Custodian Agreement until the expiry of 30 calendar days from the date of such publication.

33. GOVERNING LAW AND SUBMISSION TO JURISDICTION

33.1 This Trust Instrument is governed by, and shall be construed in accordance with Jersey law and the proper law of the trust constituted by this Trust Instrument shall be Jersey law.

33.2 The Issuer irrevocably agrees for the benefit of the Trustee and the Security Holders that the courts of Jersey are to have jurisdiction to settle any disputes which may arise out of or in connection with this Trust Instrument and that accordingly any suit, action or proceedings arising out of or in connection with this Trust Instrument (together referred to as "**Proceedings**") may be brought in the courts of Jersey. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Jersey and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of Jersey shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Clause shall limit any right to take Proceedings against the Issuer 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.

34. COUNTERPARTS

This Trust Instrument and any trust instrument supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any party to this Trust Instrument or any trust instrument supplemental hereto may enter into the same by executing and delivering a counterpart.

35. LIMITED RECOURSE AND NON-PETITION

35.1 The Trustee and the Security Holders of any class of Individual Securities (and any category of Basket Securities to the extent that the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class) shall have recourse only to the Secured Property relating to the relevant Pool and any sums derived therefrom. If, the Security Trustee or the Trustee (or any other secured party) having realised the Secured Property of such Pool, the net proceeds of realisation of such Secured Property (after the payment of all prior ranking claims in accordance with the relevant Security Deed(s)) are insufficient to make all payments and meet all obligations which, but for the effect of this Clause 35, would then be due in respect of the relevant class, (a) the obligations of the Issuer to each Security Holder shall be limited to the Relevant Proportion of such net proceeds of realisation, where the "Relevant Proportion" is the proportion that the Individual Securities of the relevant class (and Basket Securities to the extent comprised of Individual Securities of that class) held by such Security Holder bears to the total number of the Individual Securities of that class (and Basket Securities to the extent comprised of Individual Securities of that class) outstanding, and (b) none of the Trustee, the Security Trustee, any Security Holder or any person acting on behalf of any of them shall be entitled to take any further steps against the Issuer to recover any further sums payable or amounts deliverable under or in respect of this Trust Instrument or interest thereon, no debt or obligation shall be owed by the Issuer to any such person in respect of any such further sums or amounts or interest thereon and the indebtedness or obligation of the Issuer in respect of such further sums or amounts or interest thereon shall be unconditionally extinguished. In particular, neither the Trustee nor any Security Holder shall be entitled to institute, nor join with any other person in bringing, instituting or joining, any bankruptcy, suspension of payments, moratorium of any indebtedness, winding up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (whether court based or otherwise) in relation to the

Issuer (except for the appointment of a receiver and manager pursuant to the Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period (howsoever described) ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable under the last outstanding security of any type issued by the Issuer and constituted by these presents are repaid, nor shall they have any claim in respect of any sum arising from or other obligation in respect of the Secured Property for any other Pool or any other assets of the Issuer.

- 35.2 The obligations of the Issuer under, and in connection with these presents are solely corporate obligations of the Issuer. Neither the Trustee nor any Security Holder shall have any recourse against any shareholder, director, officer or agent of the Issuer for any claim, loss, liability or expense suffered or incurred by it under, or in connection with these presents.

SCHEDULE 1

Forms of Certificate for Currency-Hedged Metal Securities

Part A

Form of Certificate for Individual Securities

Reference No.	Certificate No.	Transfer No.	Number of Securities

ETFs HEDGED METAL SECURITIES LIMITED

(Incorporated with limited liability under the laws of Jersey with registered number 108311)

Authorised pursuant to resolutions of the Board of Directors
of ETFs Hedged Metal Securities Limited (the “**Issuer**”)
passed on 26 November 2012

ISSUE OF

[SPECIFY CLASS]

[AUSTRALIAN DOLLAR]/[EURO] / [STERLING]/[SINGAPORE DOLLAR]
INDIVIDUAL SECURITIES

THIS IS TO CERTIFY THAT

is/are the registered holder(s) of _____ of the above-mentioned undated limited recourse secured individual securities with a Principal Amount of [AUD][EUR][GBP][SGD] ● each (the “**Individual Securities**”) which are constituted by a trust instrument dated ● ● 2013 (the “**Trust Instrument**”) and made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”) as trustee for (*inter alios*) the Security Holders (as defined in the Conditions) as the same may be amended from time to time, and such Individual Securities are issued with the benefit of and subject to the provisions contained in the Trust Instrument and the Conditions (the “**Conditions**”) set out in Schedule 2 to the Trust Instrument. The Issuer acknowledges that it is indebted to the holder of such Individual Securities in respect of the Principal Amount (as defined in the Conditions) in accordance with the Conditions and subject as provided in the Trust Instrument undertakes to pay on redemption of such Individual Securities the amount due in accordance with the Conditions.

Given under the Securities Seal of the Issuer

on _____ 20____

NOTES:

- (i) The Individual Securities are transferable in minimum denominations of one.
- (ii) No transfer of any part of the Individual Securities represented by this Certificate will be registered unless it be accompanied by this Certificate or unless it is in uncertificated form.

No transfer of any of the securities comprised in this Certificate will be registered until this Certificate has been lodged with the Issuer’s Registrar, COMPUTERSHARE INVESTOR SERVICES (JERSEY) LIMITED, QUEENSWAY HOUSE, HILGROVE STREET, ST. HELIER, JERSEY JE1 1ES, CHANNEL ISLANDS. TELEPHONE: 01534 ●. FAX 01534 ●.

Part B

Form of Certificate for Basket Securities

Reference No.	Certificate No.	Transfer No.	Number of Basket Securities

ETFS HEDGED METAL SECURITIES LIMITED

(Incorporated with limited liability under the laws of Jersey with registered number 108311)

Authorised pursuant to resolutions of the Board of Directors
of ETFS Hedged Metal Securities Limited (the “**Issuer**”)
passed on 26 November 2012

ISSUE OF

[SPECIFY CLASS]

[AUSTRALIAN DOLLAR]/[EURO]/[STERLING]/[SINGAPORE DOLLAR]
BASKET SECURITIES

THIS IS TO CERTIFY THAT

is/are the registered holder(s) of _____ of the above-mentioned undated limited recourse secured basket securities with a Principal Amount of [AUD][EUR][GBP][SGD] • each (the “**Basket Securities**”) which are constituted by a trust instrument dated • • 2013 (the “**Trust Instrument**”) and made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”) as trustee for (*inter alios*) the Security Holders (as defined in the Conditions) as the same may be amended from time to time, and such Basket Securities are issued with the benefit of and subject to the provisions contained in the Trust Instrument and the Conditions (the “**Conditions**”) set out in Schedule 2 to the Trust Instrument. The Issuer acknowledges that it is indebted to the holder of such Basket Securities in respect of the Principal Amount (as defined in the Conditions) in accordance with the Conditions and subject as provided in the Trust Instrument undertakes to pay on redemption of such Basket Securities the amount due in accordance with the Conditions.

Given under the Securities Seal of the Issuer

on _____ 20 _____

NOTES:

- (i) The Basket Securities are transferable in minimum denominations of one.
- (ii) No transfer of any part of the Basket Securities represented by this Certificate will be registered unless it be accompanied by this Certificate or unless it is in uncertificated form.

No transfer of any of the securities comprised in this Certificate will be registered until this Certificate has been lodged with the Issuer’s Registrar, COMPUTERSHARE INVESTOR SERVICES (JERSEY) LIMITED, QUEENSWAY HOUSE, HILGROVE STREET, ST. HELIER, JERSEY JE1 1ES, CHANNEL ISLANDS. TELEPHONE: 01534 •. FAX 01534 •.

SCHEDULE 2

The Conditions – Currency-Hedged Metal Securities

The Currency-Hedged Metal Securities are undated, limited recourse, secured debt securities of ETFS Hedged Metal Securities Limited and are constituted by, are issued subject to and have the benefit of, a trust instrument dated 28 February 2013 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of Currency-Hedged Metal Securities, governed by Jersey law.

The Security Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Instrument and each Security Deed (each as defined below) and the Conditions set out below.

1. DEFINED TERMS AND INTERPRETATION

1.1 In these Conditions, the following words and expressions have the following meanings:

“**Acceptable Credit Rating**” means a long term senior debt credit rating of at least BBB- from Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies Inc. (or any successor to the ratings business thereof), and of at least Baa3 from Moody’s Investors Service Inc. (or any successor to the ratings business thereof);

“**Additional Disruption**” means, in respect of any Index Business Day which would otherwise be a Pricing Day for a particular class of Currency-Hedged Metal Securities and in respect of an Index, a Calculation Agent determines that such Index Business Day is either (i) an “**Unscheduled Holiday**” in respect of such Index, as defined in any Master Confirmation Agreement, or (ii) a day on which a “**Force Majeure Disruption**” (as defined in any Master Confirmation Agreement) has occurred and is continuing in respect of such Index;

“**Administration Agreement**” means the Administration Agreement dated on or about the date of the Trust Instrument between R&H Fund Services (Jersey) Limited and the Issuer providing for certain administration, company secretarial and registrar services to be provided by R&H Fund Services (Jersey) Limited to the Issuer;

“**Affiliate**” means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person, or any entity directly or indirectly under common control with that person; and for this purpose, “**control**” of any entity or person means ownership of a majority of the voting power of the entity or person;

“**Application**” means an offer by an Authorised Participant to the Issuer to subscribe for Currency-Hedged Metal Securities;

“**Application Date**” means the date on which a valid Application is received or deemed received by the Issuer;

“**Australian Dollar**” or “**AUD**” or “**A\$**” means the lawful currency of Australia;

“**Australian Dollar Basket Security**” means a Basket Security of a category denominated in Australian Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Australian Dollars of a category that comprises two or more classes of Australian Dollar Individual Securities in any proportion;

“**Australian Dollar Individual Security**” means an Individual Security of a class denominated in Australian Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Australian Dollars under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

“**Australian Dollar Security**” or “**Australian Dollar Currency-Hedged Metal Security**” means an Australian Dollar Individual Security or an Australian Dollar Basket Security;

“**authenticated computer instruction**” means a computer instruction within the meaning of the Regulations that is authenticated for the purposes of the Regulations;

“**Authorised Participant**” means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Currency-Hedged Metal Securities which has not been terminated and which (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; (c) is not a UCITS Fund; and (d) (except in the case of an FX Counterparty or an Affiliate which has entered into an Authorised Participant Agreement with the Issuer) has entered into a corresponding Direct Agreement with at least one FX Counterparty, and which is not an Unacceptable Authorised Participant in respect of that FX Counterparty, *provided that* a person can be an Authorised Participant in respect of one FX Counterparty but not another;

“**Authorised Participant Agreement**” means a written agreement between the Issuer and another person under which such person is appointed to act as an “Authorised Participant”, distribution agent or in a substantially similar function in relation to Currency-Hedged Metal Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied;

“**Authorised Person**” means a person who is authorised for the purposes of FSMA;

“**Basket Security**” means a Currency-Hedged Metal Security of a category specified in the relevant list in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument, and a Currency-Hedged Metal Security of any other category that may be created and constituted from time to time that comprises any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and Palladium Individual Securities of any class, and denominated in a particular Currency, and “**Basket Securities**” means all of them;

“**Bullion**” means any and all of platinum, palladium, silver and gold;

“**Bullion Class**” means all of the Individual Securities (and Basket Securities to the extent comprised of Individual Securities of such class) of a class under which the Issuer’s obligations to make payment or deliver Bullion are determined by reference to a single type of Bullion;

“**Bullion Settlement Disruption**” in respect of any Index means an event which constitutes “Bullion Settlement Disruption” in respect of Metal Adjustment Contracts relating to such Index pursuant to the terms of Metal Adjustment Documentation with any FX Counterparty;

“**Bullion Settlement Disruption Day**” in respect of an Index means a day on which an event, beyond the control of the parties to an ISDA Master Agreement and as a result of which a delivery of Bullion required under a Metal Adjustment Contract linked to such Index cannot be effected, has occurred and is continuing;

“**Business Day**” means a day which is both a London Business Day and a New York Business Day;

“**Calculation Agent**” means in respect of any FX Counterparty or the Metal Adjustment Documentation entered into with any FX Counterparty, the calculation agent appointed pursuant to such Metal Adjustment Documentation;

“**category**” means, in relation to Basket Securities, the type of Basket Security determined by the mix of different classes and proportions of Individual Securities comprised in the Basket Security;

“**Certificated**” or “**Certificated Form**” means not in Uncertificated Form;

“**class**” means, in relation to Individual Securities, a type of Individual Securities denominated in a particular Currency under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to a particular metal;

“**comprised in**” and “**comprised of**” in relation to a Basket Security means the Individual Securities by reference to which the Metal Entitlement of that Basket Security is calculated and for which a Basket Security (when in Certificated Form) may be surrendered in accordance with the provisions of the Trust Instrument and “**comprise**” and “**comprised**” shall be construed accordingly;

“**Compulsory Metal Sale Date**” in relation to any Currency-Hedged Metal Securities means the second Business Day following a Compulsory Redemption Date in respect of such type of Currency-Hedged Metal Securities, provided that if the relevant Metal Sale Counterparty notifies the Trustee that sale of Bullion of that type (or of each relevant type where more than one type of Currency-Hedged Metal Security is being Redeemed) cannot be effected on the Relevant Market on that day, the Compulsory Metal Sale Date shall be postponed to the immediately following Business Day;

“**Compulsory Redemption**” means a Redemption of Currency-Hedged Metal Securities pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*), Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX*), Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) or Condition 7.7 (*Compulsory Redemption for Cause*);

“**Compulsory Redemption Date**” means in relation to any Redemption pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*), Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*) or Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) the date specified by the Issuer or the Trustee as such in accordance with that Condition and in relation to any Redemption pursuant to Condition 7.7 (*Compulsory Redemption for Cause*) the date specified by the Issuer as such in accordance with that Condition, *provided that* if the date so specified is not a Pricing Day, the Compulsory Redemption Day shall be the first Pricing Day following the date so specified;

“**Compulsory Settlement Date**” means in relation to any Redemption pursuant to Condition 7 (*Compulsory Redemption by the Issuer or Trustee*), the date determined in accordance with Condition 7.11.2;

“**Conditions**” means these terms and conditions on and subject to which Currency-Hedged Metal Securities are issued and any reference herein to a particular specified Condition or paragraph or sub-paragraph of such a Condition shall be construed accordingly;

“**Controller**” means, in relation to any company, a person who:

- (a) holds 10 per cent. or more of the shares in such company;
- (b) is able to exercise significant influence over the management of such company by virtue of his shareholdings in such company;
- (c) holds 10 per cent. or more of the shares in a parent undertaking of such company;
- (d) is able to exercise significant influence over the management of the parent undertaking of such company;
- (e) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in such company;
- (f) is able to exercise significant influence over the management of such company by virtue of his voting power in such company;
- (g) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in the parent undertaking of such company; or
- (h) is able to exercise significant influence over the management of the parent undertaking of such company by virtue of his voting rights;

“**corresponding Metal Adjustment Contract**” means in respect of any class of Individual Securities (or any category of Basket Securities to the extent comprised of Individual Securities of such class) a Metal Adjustment Contract of the Class (as defined in the relevant Metal Adjustment Agreement) which corresponds (by reason of being linked to the same Index) to such class of Individual Securities and in respect of any number of Individual Securities of such class means a number (which need not be a whole number and may be less than one) of corresponding Metal Adjustment Contracts having an aggregate Metal Equivalent equal to the aggregate Metal Entitlement of such number of such Individual Securities;

“**CREST**” means the system of paperless settlement of transfers and the holding of securities in Uncertificated Form administered by Euroclear UK & Ireland Limited;

“**Currency**” each of the four currency denominations of Currency Hedged Metal Securities (and their corresponding Metal Adjustment Contracts) provided for in the Trust Instrument and any further denomination that may be provided for pursuant to the Trust Instrument, being Australian Dollars in respect of Australian Dollar Currency-Hedged Metal Securities, Euro in respect of Euro Currency-Hedged Metal Securities, Singapore Dollars in respect of Singapore Dollar Currency-Hedged Metal Securities and Sterling in respect of Sterling Currency-Hedged Metal Securities, and “**Currencies**” will be construed accordingly;

“**Currency-Hedged Metal Security**” or “**Metal Security**” means an undated limited recourse secured debt security of the Issuer of any of the types specified in the Trust Instrument created pursuant to and constituted by the Trust Instrument (including any Further Securities) and includes Individual Securities and Basket Securities, and “**Currency Hedged Metal Securities**” or “**Metal Securities**” means all of them;

“**Custodian**” means (i) a financial institution or other entity with which the Issuer and the Security Trustee have established Secured Metal Accounts, and (ii) in respect of any Pool or the Individual Securities to which such Pool relates, a financial institution or other entity

with which the Issuer and the Security Trustee have established Secured Metal Accounts relating to Bullion forming part of the Secured Property in respect of such Pool, in each case being a member of each Relevant Association which provides custody and transfer facilities in respect of Bullion;

“Custodian Agreements” means each Subscription Unallocated Account Agreement entered into by the Issuer and a Custodian and each Secured Allocated Account Agreement and each Secured Unallocated Account Agreement entered into by the Issuer, a Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian;

“Daily Adjustment” in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.4;

“Daily Hedging Rate” in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.5;

“Daily Hedging Variation” in respect of a class of Individual Securities and a Pricing Day is the value determined in accordance with Condition 5.3;

“Defaulted Obligation” means the failure of the Issuer to make or procure any payment of cash or delivery of Bullion in respect of the redemption of any Currency-Hedged Metal Securities when due, and such failure to make or procure payment of cash or delivery of Bullion is not remedied on or before:

- (a) in the case of a failure caused in whole or in part by a FX Counterparty failing to comply with its obligations to the Issuer in respect of any corresponding Metal Adjustment Contracts, the fourth Pricing Day; and
- (b) in any other case, the second Business Day,

in each case after receipt of notice requiring remedy of the same,

“Direct Agreement” means an agreement entered into between an FX Counterparty and an Authorised Participant or a person proposed by the Issuer to become an Authorised Participant;

“Disruption Event” in respect of any Index and day means (a) Price Source Disruption, (b) Index Disruption, (c) Additional Disruption, (d) Hedging Disruption/Change in Law or (e) Bullion Settlement Disruption, in each case in respect of that Index and day;

“Disruption Fallback” means a source or method specified in a Master Confirmation Agreement to be applied in respect of a Disruption Event;

“Documents” means the Trust Instrument, each Security Deed, each Metal Adjustment Agreement, each ISDA Master Agreement, each Master Confirmation Agreement, any Guarantee, each Custodian Agreement, each Metal Sale Counterparty Agreement, each Authorised Participant Agreement, the Registrar Agreement, the Services Agreement, the Administration Agreement, the Licence Agreement and the Prospectus;

“EC Treaty” means the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997), as further amended from time to time;

“**Early Termination Date**” in respect of any Metal Adjustment Contract means an “Early Termination Date” as defined in the ISDA Master Agreement governing such Metal Adjustment Contract;

“**ETFSL**” means ETF Securities Limited, a company incorporated and registered in Jersey with registered number 88370;

“**Euro**” or “**Eur**” or “**€**” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty;

“**Euro Basket Security**” means a Basket Security of a category denominated in Euros specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Euros of a category that comprises two or more classes of Euro Individual Securities in any proportion;

“**Euro Individual Security**” means an Individual Security of a class denominated in Euros specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Euros under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

“**Euro Security**” or “**Euro Currency-Hedged Metal Security**” means a Euro Individual Security or a Euro Basket Security;

“**Exempt Person**” means a person who, in entering into and performing the terms of 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 the FSMA or associated secondary legislation;

“**Extraordinary Resolution**” means in respect of one or more types of Currency-Hedged Metal Securities either (a) a resolution passed at a meeting of the holders of the Currency-Hedged Metal Securities of such type or types duly convened and held in accordance with the provisions contained in the Trust Instrument and carried by a majority consisting of not less than 75 per cent. in number of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities or (b) a resolution in writing of holders of the Currency-Hedged Metal Securities of such type or types holding not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities, and where so provided for in the Trust Instrument or these Conditions holders of Basket Securities may for this purpose be treated as holders of the relevant type or types of Individual Securities comprised therein;

“**Final Terms**” in respect of any type of Currency-Hedged Metal Security means the final terms in respect of Currency-Hedged Metal Securities of that type issued by the Issuer in substantially the form set out in an annex to the Prospectus;

“**Foreign Exchange Rate**” for an Index and a day in respect of which that Index is calculated and published means the rate of exchange used in the calculation of such Index for that day, expressed as a number of US Dollars per Australian Dollar, a number of US Dollars per Euro, a number of US Dollars per Singapore Dollar or a number of US Dollars per Pound Sterling, as the case may be;

“**FSA**” means the UK Financial Services Authority and any successor thereto;

“**FSA Glossary**” means the glossary giving the meaning of the defined expressions used in the FSA Handbook;

“**FSA Handbook**” means the FSA’s Handbook of Rules and Guidance (as amended)

“**FSMA**” means the Financial Services and Markets Act 2000 and, where applicable, includes the Financial Services Act 2012;

“**Further Securities**” means securities issued by the Issuer in accordance with Condition 15 (*Further Securities; Other Pools; Transfer to New Pools; Consolidation and Division*);

“**FX Counterparty**” means the counterparty to each Metal Adjustment Agreement with the Issuer and for so long as the MSIP Metal Adjustment Agreement remains in force includes MSIP;

“**FX Counterparty Enforcement Event**” in relation to any FX Counterparty has the meaning given to it in the Security Deed to which that FX Counterparty is a party;

“**FX Counterparty Event of Default**” means in relation to any FX Counterparty:

- (a) the failure of that FX Counterparty to make, when due, any payment or delivery required to be made by it under a ISDA Master Agreement if such failure is not remedied on or before the first Local Business Day (as defined in the relevant ISDA Master Agreement) in the case of any such payment or the first Local Delivery Day (as defined in the relevant ISDA Master Agreement) in the case of any such delivery after, in each case, notice of such failure is given to the FX Counterparty and provided that a FX Counterparty Event of Default shall not occur if the FX Counterparty demonstrates, to the reasonable satisfaction of the Issuer, that such failure to make any payment or delivery is caused by an error or omission of an administrative or operational nature; funds or assets were available to the FX Counterparty to enable it to make the relevant payment or delivery; and such payment or delivery is made within two such Local Business Days following the date on which written notice is given to the FX Counterparty; or
- (b) any other event occurring in respect of that FX Counterparty which is an Event of Default with respect to that FX Counterparty under and as defined in the ISDA Master Agreement to which that FX Counterparty is a party;

“**FX Counterparty Potential Event of Default**” means in relation to any FX Counterparty any event which, with the giving of notice or the lapse of time or both, would constitute a FX Counterparty Event of Default in relation to such FX Counterparty;

“**Gold Individual Security**” means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to gold;

“**Good Delivery**” in respect of any type of Bullion means such Bullion complies with the refining standard and weights for such Bullion set by the Relevant Association;

“**Guarantee**” means, in respect of any FX Counterparty, any guarantee or other form of credit support given to the Issuer in respect of such FX Counterparty’s obligations under the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement;

“**Guarantor**” means in respect of any FX Counterparty, any entity providing a Guarantee;

“**Handbook**” means in respect of a class of Individual Securities, the document which sets out the methodology for the calculation of the Index applicable to that class being, at the date of the Trust Instrument, the document entitled “The Morgan Stanley Precious Metal Currency Hedged (MSPM) Indices Manual” (2013 Edition) dated February 2013;

“**Hedge Positions**” in relation to any FX Counterparty means any purchase, sale, entry into or maintenance of one or more foreign exchange positions or contracts or Bullion positions or contracts or any other instruments or arrangements (howsoever described), in each case by such FX Counterparty in order to hedge, individually (in whole or in part) or on a portfolio basis, a Metal Adjustment Contract;

“**Hedging Disruption/Change in Law**” in relation to any FX Counterparty and any Metal Adjustment Contract with such FX Counterparty means in relation to such Metal Adjustment Contract that:

- (a) (i) due to the adoption, enactment, ratification or promulgation of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including any action taken by a taxing authority), the FX Counterparty determines acting in good faith and in a commercially reasonable manner that it has become impossible or impracticable for the FX Counterparty to hold, acquire or dispose of any Hedge Position relating to such Metal Adjustment Contract and in consequence a “Hedging Disruption/Change in Law” (as defined for the purpose of such Metal Adjustment Contract) occurs in relation to such Metal Adjustment Contract;
- (b) the FX Counterparty determines acting in good faith and in a commercially reasonable manner that it is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedge Position relating to such Metal Adjustment Contract, or (ii) realise, recover or remit the proceeds of any such transaction(s) or Hedge Position and in consequence a “Hedging Disruption/Change in Law” (as defined for the purpose of such Metal Adjustment Contract) occurs in relation to such Metal Adjustment Contract; or
- (c) the FX Counterparty gives notice pursuant to the terms of the Metal Adjustment Documentation governing such Metal Adjustment Contract that it will incur a materially increased cost in performing its obligations under such Metal Adjustment Contract (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) and in consequence a “Hedging Disruption/Change in Law” (as defined for the purposes of such Metal Adjustment Contract) has occurred in relation to such Metal Adjustment Contract;

“**Index**” means in respect of a class of Individual Securities, the index specified as applicable to such class in the Trust Instrument;

“**Index Business Day**” means in respect of any Index a day on which such Index is scheduled to be published in accordance with the Handbook and in respect of the Individual Securities of any class means an Index Business Day in respect of the Index to which the corresponding Metal Adjustment Contracts relate;

“**Index Disruption**” means in respect of any Pricing Day and any Index in respect of a class of Individual Securities that the Index Sponsor has announced that an Adjustment Event or Market Disruption Event (each as defined in the Handbook) has occurred in

respect of that Index and as a result a level for that Index has not been calculated or published on such Pricing Day;

“**Index Sponsor**” means Morgan Stanley & Co. LLC or any other entity which from time to time calculates and publishes (or causes to be published) an Index;

“**Individual Security**” means a Currency-Hedged Metal Security of a class specified in the relevant list in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument, and a Currency-Hedged Metal Security of any other class that may be created and constituted from time to time under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion, and denominated in any Currency, and “**Individual Securities**” means all of them;

“**Investment Company Act**” means the United States Investment Company Act of 1940;

“**ISDA Master Agreement**” means a 2002 ISDA Master Agreement between a FX Counterparty and the Issuer and in relation to any Metal Adjustment Agreement means the ISDA Master Agreement as defined in such Metal Adjustment Agreement and, where the context so permits, the Master Confirmation Agreement and any other confirmation supplemental thereto;

“**Issuer**” means ETFs Hedged Metal Securities Limited, a company incorporated and registered in Jersey with registered number 108311;

“**Issuer Event of Default**” means:

- (a) the failure by the Issuer to make, when due, any payment or delivery required to be made by it under a ISDA Master Agreement if such failure is not remedied on or before the first Local Business Day (as defined in the relevant ISDA Master Agreement) in the case of any such payment or the first Local Delivery Day (as defined in the relevant ISDA Master Agreement) in the case of any such delivery after, in each case, notice of such failure is given to the Issuer and provided that an Issuer Event of Default shall not occur if such Issuer demonstrates, to the reasonable satisfaction of the FX Counterparty, that such failure to make any payment or delivery is caused by an error or omission of an administrative or operational nature; funds or assets were available to the Issuer to enable it to make the relevant payment or delivery; and such payment or delivery is made within two such Local Business Days following the date on which written notice is given to the Issuer; or
- (b) any other event occurring in respect of the Issuer which is an Event of Default with respect to the Issuer under and as defined in any ISDA Master Agreement;

“**Issuer Potential Event of Default**” means any event which, with the giving of notice or the lapse of time or both, would constitute an Issuer Event of Default;

“**Issuer Insolvency Event**” means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer *en désastre* pursuant to the Bankruptcy (*Désastre*) (Jersey) Law 1990, as amended; (5) institutes or has instituted against it any other proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented

against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (8) (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts, *provided that* no action taken by the Trustee or the Security Trustee in respect of the Issuer pursuant to the Trust Instrument or a Security Deed shall constitute an Issuer Insolvency Event;

“**Issuer’s Website**” means the website having the following internet address: <http://www.etfsecurities.com/hmsl> or such other internet address as may be notified to Security Holders and the Trustee by RIS announcement;

“**Jersey**” means the Island of Jersey, Channel Islands;

“**LBMA**” means The London Bullion Market Association and where the context requires includes the London Gold Market Fixing Ltd. and the London Silver Market Fixing Ltd.;

“**LBMA Value Date**” means in relation to the Redemption of any Currency-Hedged Metal Securities the second Business Day following the applicable Metal Sale Date, Compulsory Metal Sale Date or Compulsory Redemption Date (as the case may be, and in each case in this definition the “**Contract Date**”), provided that if the LBMA determines that the “value date” for a “contract date” on the Contract Date should be later than two Business Days after a “contract date”, then the LBMA Value Date shall be such day as specified by the LBMA as the relevant “value date”;

“**Liability**” any loss, damage, cost, charge, claim, demand, expense, judgement, action, proceeding or other liability whatsoever (including, without limitation, in respect of Taxes) and including any VAT or similar Tax charged or chargeable in respect thereof and legal and professional fees and expenses on a full indemnity basis, and “**Liabilities**” shall be construed accordingly;

“**Licence Agreement**” means the index license agreement between the Index Sponsor and ETFSL dated on or about the date of the Trust Instrument in relation to the Indexes;

“**Listing**” means in respect of any type of Currency-Hedged Metal Securities, the admission of Currency-Hedged Metal Securities of that type to the Official List in accordance with the Listing Rules and the admission of Currency-Hedged Metal Securities of that type to trading on the London Stock Exchange’s market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) becoming effective and in respect of any particular Currency-Hedged Metal Security means the admission of that Currency-Hedged Metal Security to the Official List in accordance with the Listing Rules and the admission of that Currency-Hedged Metal Security to trading on the London Stock Exchange’s market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) becoming effective;

“Listing Failure” means the refusal of the UK Listing Authority to admit to the Official List or the refusal of the London Stock Exchange to admit to trading on its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) any Currency Hedged Metal Securities issued or to be issued under the Programme;

“Listing Failure Date” means in respect of any Currency Hedged Metal Security issued and to be issued and the subject of a Listing Failure, the day which was or would have been that on which such Currency-Hedged Metal Securities were issued, or would have been issued in accordance with the relevant Authorised Participant Agreement, to the relevant Authorised Participant;

“Listing Rules” means the Listing Rules of the UK Listing Authority from time to time made under section 73A of FSMA;

“London Bullion market” means the over-the-counter market in gold and silver co-ordinated by the LBMA and the over-the-counter market in platinum and palladium co-ordinated by the LPPM;

“London Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks generally are open for the transaction of business in London;

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

“LPPM” means The London Platinum and Palladium Market;

“LPPM Value Date” means in relation to the Redemption of any Currency-Hedged Metal Securities the second Business Day following the applicable Metal Sale Date, Compulsory Metal Sale Date or Compulsory Redemption Date (as the case may be, and in each case in this definition the **“Contract Date”**), provided that if the LPPM determines that a “value date” for a “trade date” on the Contract Date should be later than two Business Days after a “trade date”, then the LPPM Value Date shall be such day as is specified by the LPPM as the relevant “value date”;

“Main Market” means the Main Market of the London Stock Exchange;

“Management Fee” means the management fee payable by the Issuer to ManJer or any Affiliate or successor of ManJer in consideration for the provision by ManJer or any Affiliate or successor of ManJer of all management and administration services in relation to the Programme, as set out in the Prospectus, as that amount may be adjusted from time to time;

“ManJer” means ETFS Management Company (Jersey) Limited, a company incorporated and registered in Jersey, with registered number 106921;

“Master Confirmation Agreement” means a contract entitled “Master Confirmation Agreement for Metal Adjustment Contracts” between a FX Counterparty and the Issuer including any Pricing Notices as defined in such Master Confirmation Agreement, and in relation to any Metal Adjustment Agreement means the Master Confirmation Agreement as defined in such Metal Adjustment Agreement;

“Metal Adjustment Agreement” means an agreement entitled “Metal Adjustment Agreement Relating to Metal Adjustment Contracts” between the Issuer and an FX

Counterparty pursuant to which the FX Counterparty will enter into Metal Adjustment Contracts with the Issuer;

“**Metal Adjustment Contract**” means a contract between the Issuer and an FX Counterparty created in accordance with a Metal Adjustment Agreement and relating to an Index, and in relation to Individual Securities of a particular class means a corresponding Metal Adjustment Contract;

“**Metal Adjustment Documentation**” means any Metal Adjustment Agreement, any ISDA Master Agreement and any Master Confirmation Agreement;

“**Metal Delivery**” means in relation to the Redemption of any Currency-Hedged Metal Securities, settlement of the Issuer’s Redemption Obligations in respect thereof by delivery of Bullion in accordance with the Conditions;

“**Metal Entitlement**” means, as at any date and in relation to any Currency-Hedged Metal Security, the amount(s) of Bullion to which the Security Holder of that Currency-Hedged Metal Security is entitled on Redemption of that Currency-Hedged Metal Security of that class on that date in accordance with Condition 5 (*Metal Entitlement*);

“**Metal Equivalent**” means, as at any date and in relation to any Metal Adjustment Contract, the “Metal Equivalent” for such Metal Adjustment Contract pursuant to the terms of the Metal Adjustment Documentation governing such Metal Adjustment Contract;

“**Metal Future**” in relation to any Currency-Hedged Metal Securities means the futures contract specified as such in the applicable Final Terms;

“**Metal Sale**” means in relation to the Redemption of any Currency-Hedged Metal Securities, settlement of the Issuer’s Redemption Obligations in respect thereof by sale of Bullion to a Metal Sale Counterparty pursuant to a Metal Sale Counterparty Agreement and payment of the proceeds of sale to the relevant Security Holder in accordance with the Conditions;

“**Metal Sale Counterparty**” means a financial institution or other entity with which the Issuer, the Security Trustee and the Trustee have entered into a Metal Sale Counterparty Agreement;

“**Metal Sale Counterparty Account**” means in relation to any Metal Sale Counterparty such unallocated Bullion account of such Metal Sale Counterparty as may be specified in or pursuant to the applicable Metal Sale Counterparty Agreement;

“**Metal Sale Counterparty Agreement**” means an agreement entered into by the Issuer, the Security Trustee and a financial institution or other entity providing for the sale from time to time at the request of the Security Trustee of Bullion attributable to or forming part of the Secured Property in respect of the Currency-Hedged Metal Securities of any one or more classes;

“**Metal Sale Date**” means, with respect to a Redemption pursuant to Condition 6 (*Redemption of Currency-Hedged Metal Securities*) of any Currency-Hedged Metal Securities to be effected by Metal Sale, the first Business Day following the Redemption Notice Date for that Redemption, provided that if the Metal Sale Counterparty notifies the Trustee that sale of Bullion of the applicable type cannot be effected on the Relevant Market on that day, the Metal Sale Date shall be postponed to the immediately following Business Day;

“**month**” means calendar month;

“**MSIP**” means Morgan Stanley & Co. International plc, a company incorporated and registered in England and Wales with number 02068222 whose registered office is situated at 25 Cabot Square, Canary Wharf, London E14 4QA, England;

“**MISP Metal Adjustment Agreement**” means the Metal Adjustment Agreement between the Issuer and MSIP dated *28 February* 2013;

“**New York Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks generally are open for the transaction of business in New York and, in relation to any Bullion Class, means a day which is also a trading day for the principle exchange on which the Metal Future for that Bullion Class is traded;

“**Official List**” means the Official List maintained by the UK Listing Authority for the purpose of Part VI of FSMA;

“**ounces**” or “**oz**” means troy ounces. One troy ounce equals 31.1034768 grammes;

“**outstanding**” means in relation to each type of Currency-Hedged Metal Securities, all the Currency-Hedged Metal Securities of that type issued and in respect of which there is for the time being an entry in the Register other than:

- (a) Currency-Hedged Metal Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and
- (b) Currency-Hedged Metal Securities which have been purchased and cancelled pursuant to the Trust Instrument,

provided that for the purpose of the right to attend and vote at any meeting of the Security Holders or any of them and certain other purposes of the Trust Instrument, Currency-Hedged Metal Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, (A) the Issuer, (B) ETFSL, (C) ManJer, (D) any FX Counterparty which is not also an Authorised Participant or an Affiliate of an Authorised Participant, (E) any subsidiary of the Issuer or of any such FX Counterparty falling under (D), (F) any individual Controller of the Issuer, ETFSL or ManJer or (G) any person controlled by any such persons listed in (A) to (F) above, shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Currency-Hedged Metal Securities shall for such purposes be deemed not to be Security Holders;

“**Overseas Person**” means a person whose activities are not subject to the prohibition in section 19 of the FSMA by virtue of its not carrying on such activities in the United Kingdom and whose head office is situated outside the United Kingdom and whose ordinary business involves carrying on activities of the kind specified by any of articles 14, 21, 25, 37, 40, 45, 51, 52 and 53 or, so far as relevant to any of those articles, article 64 of the RAO (or would do so apart from any exclusion from any of those articles made by the RAO);

“**Palladium Individual Security**” means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to palladium;

“**Platinum Individual Security**” means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to platinum;

“**PMA Sub-Pool**” means in respect of a class of Individual Securities (and in respect of Basket Securities to the extent comprised of Individual Securities of that class) each separate pool, forming part of or (if only one FX Counterparty has been appointed in respect of that class of Individual Securities) constituting the Pool to which such class relates, relating to a single FX Counterparty. Such PMA Sub-Pool will have allocated to it all Metal Adjustment Contracts applicable to the relevant Pool with that FX Counterparty and the Bullion applicable to such Metal Adjustment Contracts;

“**Pool**” means a separate pool relating to a particular class of Individual Securities (and Basket Securities to the extent comprised of Individual Securities of that class). If at any time in respect of any class of Individual Securities there is more than one FX Counterparty, then the Pool in respect of such class will comprise all PMA Sub-Pools relating to such class;

“**Price Source Disruption**” in relation to any Index and any Pricing Day for a particular class of Currency-Hedged Metal Securities means either (i) the Index is not published and available on the relevant display page of the Bloomberg or Reuters Monitor Money Rates service, or any successor, at 5.00 p.m. on such Pricing Day; or (ii) a Calculation Agent determines that the level of the Index displayed on the relevant display page of the Bloomberg or Reuters service, or any successor, on such Pricing Day is manifestly incorrect;

“**Pricing Day**” means, in respect of Individual Securities of any class, an Index Business Day in respect of such class which is not a day on which an Additional Disruption in respect of the Index to which that class relates has occurred and is continuing;

“**Principal Amount**” means in respect of each Currency-Hedged Metal Security the amount specified in the relevant list in the Schedule 6 (*Types of Currency-Hedged Metal Securities*) of the Trust Instrument;

“**Priority Waterfall**” means the provisions described in Condition 13 (*Application of Security*);

“**Programme**” means the programme for the issue of Currency-Hedged Metal Securities;

“**Prohibited Benefit Plan Investor**” means any “employee benefit plan” within the meaning of section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), subject to Part 4, Subtitle B of Title I of ERISA, any “plan” to which section 4975 of the United States Internal Revenue Code of 1986, (the “**Code**”) applies (collectively, “**Plans**”), any entity whose underlying assets include “plan assets” of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3-101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan’s investment in such entity, any governmental or church plan that is subject to any U.S. Federal, state or local law that is similar to the prohibited transaction provisions of ERISA or section 4975 of the Code, or any person who holds Currency-Hedged Metal Securities on behalf of, for the benefit of or with any assets of any such Plan or entity;

“**Prohibited US Person**” means a person who is (a) a US Person who is not a Qualified Purchaser, or any person who holds Currency-Hedged Metal Securities for the benefit of a US Person who is not a Qualified Purchaser, and (b) a US Person who is not a Qualified Institutional Buyer;

“**Prospectus**” means the base prospectus of the Issuer in relation to the Programme;

“**Qualified Institutional Buyer**” has the meaning given thereto by Rule 144A under the Securities Act;

“**Qualified Purchaser**” means a “qualified purchaser” as defined under the Investment Company Act;

“**RAO**” means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2007 made under the FSMA;

“**Redemption**” means the redemption of Currency-Hedged Metal Securities by the Issuer in accordance with the Conditions (and “**Redeem**” and “**Redeemed**” shall be construed accordingly);

“**Redemption Fee**” means the fee payable by a Security Holder on the redemption of Currency-Hedged Metal Securities pursuant to Condition 9 (*Redemption Fee*);

“**Redemption Form**” means a notice in the form prescribed from time to time by the Issuer for requesting Redemption of Currency-Hedged Metal Securities;

“**Redemption Notice Date**” means a Business Day on which a valid Redemption Form is received provided that a Redemption Form received after 2.00 p.m. (London time) on a London Business Day will be treated as having been received on the next Business Day;

“**Redemption Obligations**” means the obligation of the Issuer on Redemption of a Currency-Hedged Metal Security to make payment or deliver Bullion to the relevant Security Holder in accordance with the Conditions;

“**Registers**” means the registers of Security Holders of each type kept and maintained by the Registrar and “**Register**” shall be construed accordingly;

“**Registrar**” means Computershare Investor Services (Jersey) Limited or such other person as may be appointed by the Issuer from time to time to maintain the Registers;

“**Registrar Agreement**” means the registrar agreement between the Issuer, the Registrar and the Trustee dated on or about the date of the Trust Instrument;

“**Regulations**” means the Companies (Uncertificated Securities) (Jersey) Order 1999 including any modifications thereto or any regulations in substitution therefor made and for the time being in force which, *inter alia*, enable title to Currency-Hedged Metal Securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument;

“**Relevant Association**” means:

- (a) in respect of platinum and palladium, the LPPM or its successors; and
- (b) in respect of silver and gold, the LBMA or its successors;

“**Relevant Currency**” in relation to any Currency-Hedged Metal Security, the currency in which that Currency-Hedged Metal Security is denominated being:

- (a) in the case of an Australian Dollar Currency Hedged Metal Security, Australian Dollars;
- (b) in the case of a Euro Currency Hedged Metal Security, Euro;
- (c) in the case of a Singapore Dollar Currency Hedged Metal Security, Singapore Dollars; and
- (d) in the case of a Sterling Currency Hedged Metal Security, Sterling;

“Relevant Custodian” in respect of the Redemption of Individual Securities of any class (and of Basket Securities of any category to the extent comprised of any Individual Securities of such class and any Bullion forming part of the Secured Property in respect thereof):

- (a) if each Secured Allocated Account and each Secured Unallocated Account in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate is with the same Custodian, means the Custodian with which such Secured Metal Accounts are established; and
- (b) if all Secured Allocated Accounts and all Secured Unallocated Accounts in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate are not with the same Custodian, means the Custodian with which the Secured Metal Account(s) designated pursuant to Condition 6.1.2 is/are established;

“Relevant Market” means in respect of silver, gold, platinum and palladium, the London Bullion market;

“Relevant Metal Sale Counterparty” in respect of any Metal Sale relating to Individual Securities of any class (and of Basket Securities of any category to the extent comprised of any Currency-Hedged Metal Securities of such class and any Bullion forming part of the Secured Property in respect thereof):

- (a) if there is only one Metal Sale Counterparty in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate, means that Metal Sale Counterparty; and
- (b) if there is more than one Metal Sale Counterparty in respect of the Pool to which such Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities and any Bullion forming part of the Secured Property in respect thereof) relate, means the Metal Sale Counterparty designated pursuant to Condition 6.1.3;

“repay”, **“redeem”** and **“pay”** shall each include both the others and cognate expressions shall be construed accordingly;

“RIS” means a Regulatory Information Service (as defined for the purposes of the Listing Rules) from time to time chosen by the Issuer;

“Secured Allocated Account” means an allocated Bullion account established with a Custodian in the name of the Security Trustee (as legal mortgagee pursuant to a Security Deed) pursuant to a Secured Allocated Accounts Agreement;

“Secured Allocated Accounts Agreement” means an agreement entered into between the Issuer, the Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian pursuant to which one or more Secured Allocated Accounts is established and operated;

“Secured Metal Account” means a Secured Allocated Account or a Secured Unallocated Account and in respect of any Pool or PMA Sub-Pool means the Secured Allocated

Account(s) and Secured Unallocated Account(s) relating to Bullion forming part of the Secured Property in respect of such Pool or PMA Sub-Pool (as the case may be);

“Secured Metal Accounts Agreements” means each Secured Allocated Accounts Agreement and Secured Unallocated Accounts Agreement entered into by the Issuer, a Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian;

“Secured Parties” means in respect of any Security Deed, the Security Trustee, the Trustee, the FX Counterparty which is a party to such Security Deed, the Security Holders and ManJer;

“Secured Property” means in respect of Individual Securities of any class and Basket Securities of any category to the extent they comprise Individual Securities of that class, all Bullion credited to the Secured Metal Accounts applicable to that class, all rights of the Issuer under all Secured Metal Accounts Agreements, Metal Sale Counterparty Agreements, Metal Adjustment Agreements, ISDA Master Agreements, Master Confirmation Agreements and Metal Adjustment Contracts and any Guarantee, to the extent that they apply to Individual Securities of that class, or any part thereof, and which are subject to the security created in favour of the Security Trustee pursuant to each Security Deed as it applies in respect of such class and, in respect of any PMA Sub-Pool, all Bullion credited to the Secured Metal Accounts applicable to such PMA Sub-Pool, all rights of the Issuer under all Secured Metal Accounts Agreements, Metal Sale Counterparty Agreements, Metal Adjustment Agreements, ISDA Master Agreements, Master Confirmation Agreements and Metal Adjustment Contracts and any Guarantee allocated to such PMA Sub-Pool, or any part thereof, and which are subject to the security created in favour of the Security Trustee pursuant to the Security Deed as it applies in respect of such PMA Sub-Pool;

“Secured Unallocated Account” means an unallocated Bullion account established with a Custodian in the name of the Security Trustee (as legal mortgagee pursuant to a Security Deed) pursuant to a Secured Unallocated Accounts Agreement;

“Secured Unallocated Accounts Agreement” means an agreement entered into between the Issuer, the Security Trustee (as legal mortgagee pursuant to a Security Deed) and a Custodian pursuant to which one or more Secured Unallocated Accounts is established and operated;

“Securities Act” means the United States Securities Act of 1933;

“Security” means in respect of each Pool the security constituted by each applicable Security Deed;

“Security Deed” means in relation to each class of Individual Securities (and Basket Securities to the extent comprised of Individual Securities of that class) a security deed entered into between the Issuer, the Trustee, the Security Trustee, an FX Counterparty and ManJer in relation to the Secured Property in respect of such class, and, in respect of each Pool or PMA Sub-Pool, means the same as it applies to such Pool or PMA Sub-Pool (as the case may be);

“Security Holder” means a registered holder of Currency-Hedged Metal Securities;

“Security Holder Account” means in relation to any Currency-Hedged Metal Securities to be Redeemed by Metal Delivery, an unallocated account with a member of the Relevant Association (or, in the case of a Basket Security, one or more unallocated accounts with one or more members of the Relevant Associations) specified by a Security Holder into which Bullion of the appropriate type may be deposited;

“**Security Trustee**” means a security trustee appointed pursuant to a Security Deed to hold the security granted by the Issuer under such Security Deed;

“**Services Agreement**” means the Services Agreement dated on or about the date of the Trust Instrument between ManJer and the Issuer providing for certain services to be provided by ManJer to the Issuer in relation to the Currency-Hedged Metal Securities;

“**Settlement Date**” means in relation to any Redemption pursuant to Condition 6.2 (*Redemption by Authorised Participants*) or Condition 6.3 (*Redemption by Other Security Holders*), the date determined in accordance with Condition 6.13 (*Settlement Date*);

“**Silver Individual Security**” means an Individual Security of any class under which the Issuer’s obligations to make payment and/or deliver Bullion are determined by reference to silver;

“**Singapore Dollar**” or “**SGD**” or “**S\$**” means the lawful currency of the Republic of Singapore;

“**Singapore Dollar Basket Security**” means a Basket Security of a category denominated in Singapore Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Singapore Dollars of a category that comprises two or more classes of Singapore Dollar Individual Securities in any proportion;

“**Singapore Dollar Individual Security**” means an Individual Security of a class denominated in Singapore Dollars specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Singapore Dollars under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

“**Singapore Dollar Security**” or “**Singapore Dollar Currency-Hedged Metal Security**” means a Singapore Dollar Individual Security or a Singapore Dollar Basket Security;

“**Sterling**” or “**Pound Sterling**” or “**GBP**” or “**£**” means the lawful currency of the United Kingdom;

“**Sterling Basket Security**” means a Basket Security of a category denominated in Sterling specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Sterling of a category that comprises two or more classes of Sterling Individual Securities in any proportion;

“**Sterling Individual Security**” means an Individual Security of a class denominated in Sterling specified as such in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument and any Further Securities denominated in Sterling under which the Issuer’s obligation to make payment and/or deliver Bullion are determined by reference to a single type of Bullion;

“**Sterling Security**” or “**Sterling Currency-Hedged Metal Security**” means a Sterling Individual Security or a Sterling Basket Security;

“**Subscription Unallocated Account**” means an unallocated Bullion account established by the Issuer with a Custodian pursuant to a Subscription Unallocated Accounts Agreement;

“Subscription Unallocated Accounts Agreement” means an agreement entered into between the Issuer and a Custodian pursuant to which one or more Subscription Unallocated Accounts is established and operated;

“Subsidiary” has the meaning given to that term in section 1159 of the Companies Act 2006;

“Tax” means any VAT, tax, income tax, capital gains tax, corporation tax, goods and services tax, withholding tax stamp, financial institutions, registration and other duties, bank accounts debits tax, import/export tax or tariff and any other taxes, levies, imposts, deductions, interest penalties and charges imposed or levied by a government or government agency;

“Termination Event” means in respect of the Metal Adjustment Documentation with any FX Counterparty:

- (a) an Illegality (as defined in the ISDA Master Agreement with that FX Counterparty);
- (b) a Force Majeure Event (as defined in the ISDA Master Agreement with that FX Counterparty);
- (c) a Tax Event (as defined in the ISDA Master Agreement with that FX Counterparty);
- (d) a Tax Event Upon Merger (as defined in the ISDA Master Agreement with that FX Counterparty);
- (e) a Credit Event Upon Merger (as defined in the ISDA Master Agreement with that FX Counterparty);
- (f) a breach by the Issuer or the FX Counterparty of certain specified obligations under the Metal Adjustment Agreement with that FX Counterparty where the other party thereto gives notice of such breach and the same constitutes an Additional Termination Event under and in accordance with the ISDA Master Agreement with that FX Counterparty;
- (g) the Metal Adjustment Agreement with that FX Counterparty ceases to be in full force and effect prior to the satisfaction of all obligations of a party to that Metal Adjustment Agreement pursuant thereto without the prior written consent of the other party thereto, or a party thereto disclaims, repudiates or rejects in whole or in part, or challenges the validity of that Metal Adjustment Agreement;
- (h) if the terms of the Security Deed to which that FX Counterparty is a party are altered or amended in any way without the prior written consent of the FX Counterparty in a way that has an adverse effect on the FX Counterparty's position or interests under the application of monies provisions of that Security Deed; or
- (i) if, following the occurrence of a Defaulted Obligation, an Issuer Insolvency Event or a FX Counterparty Enforcement Event, the Security Trustee is validly directed or validly instructed, in accordance with the terms of the Security Deed to which the FX Counterparty is a party, to enforce the security constituted by the Security Deed or takes any action to enforce such security;

"Trust Instrument" means the trust instrument dated 28 February 2013 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the Security Holders constituting Currency-Hedged Commodity Securities and includes the Schedules thereto and these Conditions;

"Trustee" means The Law Debenture Trust Corporation p.l.c. of Fifth Floor, 100 Wood Street, London EC2V 7EX, England and any replacement trustee under the Trust Instrument;

"Trustee Consent Documents" means each ISDA Master Agreement, each Master Confirmation Agreement, each Metal Adjustment Agreement (but excluding the schedules to any Metal Adjustment Agreement save schedules 2 and 3), Metal Adjustment Contracts created thereunder, any Guarantee any Secured Metal Account Agreement and any Metal Sale Counterparty Agreement;

"type" means, in relation to Individual Securities, a class thereof and, in relation to Basket Securities, the category thereof;

"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;

"UCITS Scheme" means a scheme that falls within the definition of a "UCITS Scheme" contained in the FSA Glossary;

"UK Listing Authority" means the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA or any successor enactment;

"Unacceptable Authorised Participant" means an Authorised Participant in respect of which the relevant FX Counterparty has given and not withdrawn notice under the relevant Metal Adjustment Agreement that the Authorised Participant has ceased to be acceptable to such FX Counterparty;

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

"Uncertificated Notice of Meeting" means a notice of meeting in the form of an authenticated computer instruction and/or other instruction or notification, which is sent by means of CREST;

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

"United States" or **"U.S."** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"US Dollars" or **"US\$"** means the lawful currency of the United States;

"US Person" means a "US person" as defined in Regulation S under the Securities Act; and

"VAT" means value added tax.

- 1.2 The following rules shall apply to the interpretation of these Conditions unless the context otherwise requires:
- 1.2.1 words in the singular shall also include the plural and vice versa.
 - 1.2.2 words in the masculine gender shall also include the feminine gender and vice versa;
 - 1.2.3 any reference to a person or persons include reference to any individual corporation, partnership, joint venture, association, public body, governmental authority or other entity;
 - 1.2.4 all references to any statute or any provision of any statute shall, unless the context otherwise requires, be construed as a reference to such statute or statutory provision as the same may have been or may from time to time be amended, modified, extended consolidated, re-enacted or replaced and shall be deemed also to refer to any statutory instrument, order, regulation or other subordinate legislation made thereunder;
 - 1.2.5 headings to Conditions, paragraphs, and other provisions of these Conditions are inserted for ease of reference only and shall not affect the interpretation of these Conditions;
 - 1.2.6 any reference to these Conditions or to any agreement, deed, prospectus or other document includes a reference to these Conditions, or, as the case may be, such agreement, deed, prospectus or other document, as amended, varied, novated, supplemented or replaced from time to time; and
 - 1.2.7 unless otherwise indicated, any reference in these Conditions to a time is a reference to local time in London, England.

2. STATUS OF CURRENCY-HEDGED METAL SECURITIES

- 2.1 Currency-Hedged Metal Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3 (*Security and Limited Recourse*). The Currency-Hedged Metal Securities of each type rank *pari passu* among themselves and the Individual Securities of each class of which each Basket Security is comprised rank *pari passu* with all other Individual Securities of the same class. Each Currency-Hedged Metal Security has a Principal Amount and without prejudice to the provisions of Condition 6 (*Redemption of Currency-Hedged Metal Securities*) but subject always to the provisions of Condition 3.2 a Security Holder may elect to receive on redemption an amount in cash in US Dollars equal to the product of the Principal Amount and the Foreign Exchange Rate in respect of the Index to which the relevant class relates on the relevant Pricing Day in lieu of the amount otherwise specified in Condition 6. The Issuer acknowledges in the Trust Instrument its indebtedness in respect of the aggregate Principal Amount.
- 2.2 Each Basket Security constitutes a separate security from the Individual Securities by reference to which the Metal Entitlement of that Basket Security is calculated and for which they may be surrendered in accordance with the provisions of the Trust Instrument.
- 2.3 The Metal Entitlement of a Basket Security is equal to the sum of the Metal Entitlements of a defined number of Individual Securities of various classes as specified in the relevant list in the Schedule 6 (*Types of Currency-Hedged Metal Securities*) of the Trust Instrument. Each Basket Security may be surrendered in accordance with the provisions of the Trust Instrument in exchange for such Individual Securities.

- 2.4 A Security Holder holding:
- 2.4.1 Basket Securities in Certificated Form may surrender the certificates for cancellation and receive certificates in respect of the Individual Securities comprised in such Basket Securities; or
 - 2.4.2 Individual Securities in Certificated Form of the appropriate classes and in at least the appropriate numbers of each class may surrender the certificates for cancellation and receive certificates for such number of Basket Securities of any class or classes requested by it as are comprised of the Individual Securities represented by such surrendered certificates as it requested to be combined in the form of such Basket Securities and one or more Certificates in respect of the balance of the Individual Securities not so combined in the form of Basket Securities,

in each case rounded down to the nearest whole number of Currency-Hedged Metal Securities of each type and otherwise in accordance with the provisions of the Trust Instrument.

- 2.5 Currency-Hedged Metal Securities do not bear interest and have no final maturity date.
- 2.6 The Issuer shall at all times publish on the Issuer's Website:
- 2.6.1 the classes of Individual Securities which are in issue or available to be issued; and
 - 2.6.2 the categories of Basket Securities which are in issue or available to be issued, and the number and classes of Individual Securities which at that time are comprised in each category of Basket Securities.

3. SECURITY AND LIMITED RECOURSE

- 3.1 The obligations of the Issuer to the Security Holders in respect of each class of Individual Security (and any category of Basket Securities to the extent that the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class), together with, *inter alia*, the obligations of the Issuer to the FX Counterparty or FX Counterparties in respect of that class, are secured pursuant to the relevant Security Deeds by (i) a first fixed charge or legal mortgage to the Security Trustee for the benefit of itself and the Secured Parties of its rights, title and interest, present and future, in and to the Bullion credited to the Secured Metal Accounts forming part of the Secured Property; (ii) an assignment to the Security Trustee for the benefit of the Secured Parties of its present and future rights, title and interest in each Secured Metal Accounts Agreement, each Metal Sale Counterparty Agreement, each Metal Adjustment Agreement, each Master Confirmation Agreement, each ISDA Master Agreement and each Guarantee, in each case to the extent it relates to the relevant class; and (iii) a first ranking floating charge in favour of the Security Trustee for the benefit of the Secured Parties over all the Issuer's rights, title and interest, present and future, in and to the Secured Property attributable to that class. On any distribution by the Security Trustee of the proceeds of enforcement of the Secured Property in respect of any Pool or PMA Sub-Pool, in accordance with the Priority Waterfall the claims of the Security Holders in respect of the Individual Securities of any class (and of the Basket Securities to the extent the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of such class) rank after the claims of the Trustee and the Security Trustee and after the claims of the relevant FX Counterparty and ManJer in respect of the relevant Pool or (if there is more than one FX Counterparty in respect of the relevant Pool), in respect of the proceeds of enforcement of the Secured Property in respect of each PMA Sub-Pool, after the claims of the Trustee, the

Security Trustee, the relevant FX Counterparty and ManJer in respect of the relevant PMA Sub-Pool. Individual Securities of the same class (and Basket Securities to the extent the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class) are secured by reference to the same Pool and each PMA Sub-Pool forming part of that Pool.

- 3.2 The Trustee (on behalf of the Security Holders of Individual Securities of any class (and any category of Basket Securities to the extent the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class)) and the Security Holders of any class of Individual Securities (and any category of Basket Securities if and to the extent that the Metal Entitlement of such Basket Securities is calculated by reference to Individual Securities of that class) shall have recourse only to the Secured Property relating to the Pool for that class and any sums derived therefrom. If, the Security Trustee or the Trustee (or any other secured party) having realised the Secured Property of such Pool, the net proceeds of realisation of such Secured Property available (after the payment or delivery of all prior ranking claims in accordance with the relevant Security Deed(s)) are insufficient to make all payments and deliveries and meet all obligations in respect of such Currency-Hedged Metal Securities which, but for the effect of this Condition, would then be due in respect of the relevant class from the Issuer to the holders of such Currency-Hedged Metal Securities, (a) the obligations of the Issuer in respect of such Currency-Hedged Metal Securities shall be satisfied by delivery to the Security Holder of the Relevant Proportion of the Bullion held for that Pool and of any such net proceeds of realisation (in each case after satisfaction of prior claims), where the "Relevant Proportion" is the proportion that the Individual Securities of the relevant class (and Basket Securities to the extent comprised of Individual Securities of that class) held by such Security Holder and being Redeemed bears to the total number of the Individual Securities of that class (and Basket Securities to the extent comprised of Individual Securities of such class) outstanding, and (b) none of the Trustee, the Security Trustee, any Security Holder in respect of any such Currency-Hedged Metal Securities or any person acting on behalf of any of them shall be entitled to take any further steps against the Issuer to recover any further sums payable or amounts deliverable under or in respect of these Conditions or interest thereon in respect of such Individual Securities or such Basket Securities to the extent that the Metal Entitlement thereof is so calculated, no debt shall be owed by the Issuer to any such person in respect of any such further sums or amounts or interest thereon and the indebtedness of the Issuer in respect of such further sums or amounts or interest thereon shall be unconditionally extinguished. Furthermore none of the Trustee, the Security Trustee, any Security Holder or any person acting on behalf of any of them shall be entitled to institute, nor join with any other person in bringing, instituting or joining, any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (whether court based or otherwise) in relation to the Issuer (except for the appointment of a receiver and manager pursuant to a Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period (howsoever described) ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable under the last outstanding security of any type issued by the Issuer and constituted by the Trust Instrument are repaid, nor shall they have any claim in respect of any sum arising or other obligation in respect of the Secured Property for any other Pool or any other assets of the Issuer.
- 3.3 The obligations of the Issuer under, and in connection with, these Conditions are solely corporate obligations of the Issuer. Neither the Trustee, the Security Trustee nor any Security Holder shall have any recourse against any shareholder, director, officer or agent

of the Issuer for any claim, loss, liability or expense suffered or incurred by it under, or in connection with, these Conditions.

4. FORM AND TRANSFER

- 4.1 Currency-Hedged Metal Securities are in registered form and are individually transferable.
- 4.2 Currency-Hedged Metal Securities may be held and transferred in Uncertificated Form by means of CREST in accordance with the Regulations. The Trustee may, without the consent of Security Holders, concur with the Issuer in making modifications to the provisions of the Trust Instrument in order to reflect changes in the Regulations or in the applicable law and practice relating to the holding or transfer of Currency-Hedged Metal Securities in Uncertificated Form. A Security Holder may request that his Currency-Hedged Metal Securities be held in Certificated Form, in which case such Currency-Hedged Metal Securities shall be removed from CREST.
- 4.3 The Issuer shall cause to be kept at its registered office, or at such other place in Jersey as the Trustee may agree, Registers showing the date of issue and all subsequent transfers and changes of ownership of all outstanding Currency-Hedged Metal Securities and the names and addresses of the Security Holders and the persons deriving title under them. The Trustee and the Security Holders or any of them and any person authorised by any such person shall be at liberty at all reasonable times during office hours to inspect the Registers and to take (free of charge) copies of, or extracts from, the same or any part thereof. In the event of the Trustee requiring to convene a meeting of or to give any notice to, the Security Holders the Issuer shall furnish the Trustee (free of charge) with such copies of, or extracts from, the Registers as it shall require. The Registers may be closed by the Issuer for such periods and at such times (not exceeding in the whole 30 days in any one year) as it may think fit.
- 4.4 Where the Issuer or the Trustee considers it necessary or expedient for the purposes of enforcing the provisions of the Trust Instrument or the purposes of Redeeming any Currency-Hedged Metal Securities, it is authorised to execute any document or instrument necessary to convert Currency-Hedged Metal Securities held in Uncertificated Form into Certificated Form and to take delivery of the corresponding certificate(s).

5. METAL ENTITLEMENT

- 5.1 Each class of Individual Security will have a separate Metal Entitlement. On first issue of an Individual Security of any class, the Metal Entitlement of the Individual Securities of that class shall be calculated in accordance with Condition 5.2 commencing from the Pricing Day after the Application Date for such first Individual Securities of that class to be issued on the basis that on such Application Date such Metal Entitlement is the amount set against the name of the class of Individual Securities in Schedule 6 (*Types of Currency-Hedged Metal Securities*) to the Trust Instrument.
- 5.2 The Metal Entitlement for each class of Individual Securities will be calculated on each Pricing Day from the Pricing Day after the Application Date in respect of the first Individual Security of that class to be issued to nine decimal places with 0.000000005 troy ounces (or fine troy ounces in the case of gold) rounded upwards as follows:

$$ME_{i,t} = ME_{i,t-1} \times (DHF_{i,t} - DA_t)$$

where:

$ME_{i,t}$ is the Metal Entitlement for Individual Securities of class i for Pricing Day t with an initial value as provided in Condition 5.1;

$ME_{i,t-1}$ is the Metal Entitlement for Individual Securities of class i for Pricing Day t-1;
i refers to the relevant class of Individual Security;
t refers to the applicable Pricing Day;
t-1 refers to the Pricing Day prior to Pricing Day t;
 $DHV_{i,t}$ refers to the Daily Hedging Variation for Individual Securities of class i on Pricing Day t calculated in accordance with Condition 5.3; and
 $DA_{i,t}$ refers to the Daily Adjustment applicable to Individual Securities of class i on Pricing Day t calculated in accordance with Condition 5.4.

5.3 The Daily Hedging Variation in respect of each class of Individual Securities for any Pricing Day shall be the amount (expressed as a decimal) determined in accordance with the following formula:

$$DHV_{i,t} = \frac{IM_{i,t}}{IM_{i,t-1}}$$

where:

$DHV_{i,t}$ refers to the Daily Hedging Variation for Individual Securities of class i on Pricing Day t;
i refers to the relevant class of Individual Security;
t refers to the applicable Pricing Day;
t-1 refers to the Pricing Day prior to Pricing Day t;
 $IM_{i,t}$ is the closing settlement level in metal terms of the Index applicable to Individual Securities of class i for Pricing Day t, *provided that*, if such Pricing Day is a day in respect of which Price Source Disruption or Index Disruption has occurred in relation to such Index, Condition 5.6 shall apply; and
 $IM_{i,t-1}$ is the closing settlement level in metal terms of the Index applicable to Individual Securities of class i for Pricing Day t-1, *provided that*, if such Pricing Day is a day in respect of which Price Source Disruption or Index Disruption has occurred in relation to such Index, Condition 5.6 shall apply.

5.4 The Daily Adjustment in respect of each class of Individual Securities for any Pricing Day shall be the amount (expressed as a decimal and calculated to five decimal places with 0.000005 rounded upwards) determined in accordance with the following formula:

$$DA_{i,t} = \left(\frac{MF_{i,t}}{D} + DHR_{i,t} \right) \times N_{i,t}$$

where:

$DA_{i,t}$ refers to the Daily Adjustment applicable to Individual Securities of class i on Pricing Day t;
i refers to the relevant class of Individual Security;
t refers to the applicable Pricing Day;

- MF_{i,t} is the per annum Management Fee applicable to Individual Securities of class i on Pricing Day t, expressed as a decimal (so that 39 basis points per annum is expressed as 0.0039 and 49 basis points per annum is expressed as 0.0049);
- N is the number of calendar days between the Pricing Day prior to Pricing Day t and Pricing Day t;
- D is the number of calendar days in the calendar year in which Pricing Day t falls; and
- DHR_{i,t} refers to the Daily Hedging Rate for Individual Securities of class i on Pricing Day t calculated in accordance with Condition 5.5.

5.5 The Daily Hedging Rate in respect of each class of Individual Securities for any Pricing Day shall be the amount (expressed as a decimal and calculated to five decimal places with 0.000005 rounded upwards) determined in accordance with the following formula:

$$DHR_{i,t} = \frac{\sum_{u=1}^n HT_{u,i,t-1} \times \frac{HR_{u,i,t}}{D}}{\sum_{u=1}^n HT_{u,i,t-1}}$$

where:

- DHR_{i,t} refers to the Daily Hedging Rate for Individual Securities of class i on Pricing Day t;
- i refers to the relevant class of Individual Security;
- t refers to the applicable Pricing Day;
- t-1 refers to the Pricing Day prior to Pricing Day t;
- D is the number of calendar days in the calendar year in which Pricing Day t falls;
- n refers to the number of FX Counterparties with whom the Issuer has entered into a Metal Adjustment Agreement in respect of class i as at Pricing Day t;
- u refers to a particular FX Counterparty;
- HT_{u,i,t-1} is the total number of Metal Adjustment Contracts that have been entered into with FX Counterparty u in respect of Individual Securities of class i on Pricing Day t-1; and
- HR_{u,i,t} the per annum Hedging Rate applicable to Metal Adjustment Contracts of class i on Pricing Day t under the Metal Adjustment Agreement with FX Counterparty u expressed as a decimal (so that 30 basis points per annum is expressed as 0.0030 and 40 basis points per annum is expressed as 0.0040).

- 5.6 If, in consequence of Price Source Disruption or Index Disruption in respect of the Index applicable to the Individual Securities of any class and of any Pricing Day, a value calculated by the Calculation Agent in respect of any corresponding Metal Adjustment Contracts is used in place of the closing settlement level of the Index for that Pricing Day for the purposes of calculating the Metal Equivalent of such corresponding Metal Adjustment Contracts, then:
- 5.6.1 if there is only one FX Counterparty in respect of such corresponding Metal Adjustment Contracts, such value shall be used in place of the closing settlement level of the Index for that Pricing Day in Condition 5.3; or
 - 5.6.2 if there is more than one FX Counterparty in respect of such corresponding Metal Adjustment Contracts, a weighted (by Metal Equivalent) average of the value used (whether a value determined by a Calculation Agent or the actual closing settlement level of the Index for that Pricing Day) for the purposes of calculating the Metal Equivalent of all the Metal Adjustment Contracts corresponding to Individual Securities of that class (and Basket Securities to the extent composed of Individual Securities of that class) shall be used in place of the closing settlement level of the Index for that Pricing Day in Condition 5.3, with the intent that the aggregate Metal Equivalent of all such corresponding Metal Adjustment Contracts should remain the same as the aggregate Metal Entitlement of all such Individual Securities on such Pricing Day as it was on the preceding Pricing Day.
- 5.7 Each Basket Security shall be comprised of such proportion of any two or more of Gold Individual Securities of any class, Silver Individual Securities of any class, Platinum Individual Securities of any class and Palladium Individual Securities of any class, and denominated in any Currency, the Currency and proportions of Individual Securities of such classes being as specified in the Final Terms relating to the first issue of Basket Securities of that category. The Metal Entitlement of a Basket Security of any category is equal to the sum of the Metal Entitlements of the number of Individual Securities of each class of which it is comprised.

6. REDEMPTION OF CURRENCY-HEDGED METAL SECURITIES

6.1 Redemption Entitlement

- 6.1.1 Each Currency-Hedged Metal Security shall carry a right on redemption to delivery in Bullion on the applicable Settlement Date of an amount equal to the Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold)) calculated as at the applicable Redemption Notice Date provided that if such Currency-Hedged Metal Security is to be Redeemed by Metal Sale, such Currency-Hedged Metal Security shall be redeemed by the sale of an amount of Bullion equal to such Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold), to the Relevant Metal Sale Counterparty in accordance with the relevant Metal Sale Counterparty Agreement and paying to the Security Holder in cash in US Dollars the net proceeds of sale actually realised by the Issuer from such sale in accordance with Condition 6.12 (*Metal Sale*) after deduction of the Redemption Fee in accordance with Condition 9 (*Redemption Fee*).
- 6.1.2 If in respect of any Pool there is more than one Secured Allocated Account and more than one Secured Unallocated Account, for the purposes of Redemption of any Individual Securities (and any Basket Securities to the extent they are comprised of that class of Individual Securities) to which that Pool relates, the Issuer may designate from which such Secured Metal Account(s) Bullion shall

be transferred and shall notify the Security Trustee in writing of such designation.

- 6.1.3 If in respect of any Pool there is more than one Metal Sale Counterparty then for the purposes of any Metal Sale in respect of the Individual Securities (and any Basket Securities to the extent that they are comprised of that class of Individual Securities) to which that Pool relates, the Issuer may designate to which such Metal Sale Counterparty Bullion shall be sold and shall notify the Security Trustee in writing of such designation.

6.2 **Redemption by Authorised Participants**

A Security Holder who is also an Authorised Participant may (subject as provided herein) require the Issuer to Redeem all or part of its holding of Currency-Hedged Metal Securities by delivery of Bullion in accordance with Condition 6.11 (*Delivery of Bullion upon Redemption*) by lodging with the Issuer a valid Redemption Form.

6.3 **Redemption by Other Security Holders**

A Security Holder which is not also an Authorised Participant may only require the Issuer to Redeem all or any part of its holdings of Currency-Hedged Metal Securities if, either:

- 6.3.1 on any Business Day, there are no Authorised Participants, and the Security Holder lodges on such day a valid Redemption Form; or
- 6.3.2 the Issuer has announced through a RIS in respect of any Business Day, or until further announcement or generally, that Redemptions by Security Holders who are not Authorised Participants will be permitted and the Security Holder submits on a Business Day a valid notice in the form prescribed for the purpose by the Issuer requesting Redemption of such Currency-Hedged Metal Securities. Any such announcement may be general or subject to conditions, and any notice requesting any Redemption which is not in accordance with any such conditions shall not be valid.

Settlement of the Issuer's Redemption Obligations in respect of the relevant Currency-Hedged Metal Securities will be effected by a Metal Sale in accordance with Condition 6.12 (*Metal Sale*) unless the Security Holder in its Redemption Form certifies that it is not a UCITS Fund and specifies an unallocated account with a member of the Relevant Association (or, in the case of a Basket Security, one or more unallocated accounts with one or more members of the Relevant Associations) into which the relevant Bullion can be deposited, in which case, unless paragraph 6.12.1(a) applies, Redemption will be effected by delivery of Bullion in accordance with Condition 6.11 (*Delivery of Bullion upon Redemption*). A Security Holder desiring to Redeem Currency-Hedged Metal Securities pursuant to this Condition must deliver the Currency-Hedged Metal Securities being Redeemed to the Issuer by either depositing them into an appropriate CREST account (as directed by the Issuer) and giving correct delivery free of payment instructions in CREST or delivering the certificates in respect of them to the Issuer (or otherwise delivering such Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer). Redemption Forms will not be treated as having been lodged until the Currency-Hedged Metal Securities to be Redeemed have been so delivered to the Issuer.

6.4 **Redemption Notice**

A Redemption Form:

- 6.4.1 must specify the number and type of Currency-Hedged Metal Securities to be Redeemed;
 - 6.4.2 must relate to only one type of Individual Security or Basket Security;
 - 6.4.3 must be signed by, or by an authorised signatory on behalf of, the Security Holder; and
 - 6.4.4 except where Metal Sale applies, must specify the Security Holder Account,
- and is irrevocable once it has been lodged with the Issuer.

6.5 Upon receipt by the Issuer of a valid Redemption Form from a Security Holder in relation to any Currency-Hedged Metal Securities, the Issuer shall do all things necessary to give effect to the Redemption Form as required by this Condition 6 (*Redemption of Currency-Hedged Metal Securities*).

6.6 A Redemption Form shall be invalid:

- 6.6.1 if lodged by a Security Holder who is not an Authorised Participant unless, on that Business Day, there are no Authorised Participants or Condition 6.3.2 applies;
- 6.6.2 in the case of a Redemption Form lodged by an Authorised Participant if it is received by the Issuer at any time other than between 8.00 a.m. and 2.00 p.m. on a Pricing Day unless the Issuer agrees to treat such Redemption Form as being received at 8.00 a.m. on the next following Pricing Day pursuant to Condition 6.9;
- 6.6.3 to the extent that the number of Individual Securities of that class (including Basket Securities to the extent comprised of that class) or including any other class or classes to be Redeemed would result in a Redemption Limit being exceeded, and the relevant FX Counterparty does (or FX Counterparties do) not agree to that Redemption Limit being exceeded (in which event such Redemption Form will not be capable of being invalidated under this Condition 6.6.3 in respect of the greatest number of Individual Securities of the relevant class or classes (and Basket Securities to the extent comprised of Individual Securities of such class or classes) that would not result in the Redemption Limit being exceeded);
- 6.6.4 if it relates to the Redemption of any Currency-Hedged Metal Securities that are the subject of a Listing Failure;
- 6.6.5 if it is invalid pursuant to Condition 6.15.3, Condition 6.16.3, Condition 6.17.3 or Condition 6.18.3;
- 6.6.6 if it does not satisfy each and all of Conditions 6.4.1 to 6.4.4;
- 6.6.7 where notice has been given pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*) or Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) to redeem such Currency-Hedged Metal Securities compulsorily or a

Compulsory Redemption Date is to occur under Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*), if the Redemption Form is received or deemed received on or after:

- (a) where notice has been given in accordance with Condition 7.1, the third London Business Day prior to the Compulsory Redemption Date;
- (b) where notice has been given under Condition 7.2 or Condition 7.4, the date on which notice was given; or
- (c) where a Compulsory Redemption Date is to occur under Condition 7.3, the Notification Date.

and no Currency-Hedged Metal Securities of the relevant type shall be Redeemed in respect of or under that Redemption Form;

6.6.8 to the extent that any of the following events has occurred and is continuing, namely:

- (a) an Issuer Event of Default or an Issuer Potential Event of Default;
- (b) an event which is or, with the giving of notice or the lapse of time or both, would become a Termination Event in respect of the Issuer in relation to the Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed;
- (c) a FX Counterparty Event of Default or a FX Counterparty Event of Default in respect of any FX Counterparty with Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed;
- (d) an event which is or, with the giving of notice or the lapse of time or both, would become a Termination Event in respect of any FX Counterparty in relation to the Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed; or
- (e) a Disruption Event (other than Price Source Disruption) in respect of the Pricing Day on which the Redemption Form is received or deemed received and the Index relating to the Metal Adjustment Contracts of the class(es) corresponding to the Currency-Hedged Metal Securities to be Redeemed,

and (A) the Issuer does not (in the case of any event mentioned in (c) or (d) above) agree with a FX Counterparty or (B) the relevant FX Counterparty (being the FX Counterparty to whom a Cancellation Notice (as defined in the Metal Adjustment Agreement) has been delivered under a Metal Adjustment Agreement for the purposes of the Redemption intended to be effected pursuant to such Redemption Form, as determined in its absolute discretion by the Issuer) does not (in the case of an event mentioned in (a), (b) or (e) above), agree to the cancellation of the corresponding Metal Adjustment Contracts and to meet its obligations under such Metal Adjustment Contracts notwithstanding such event.

- 6.7 If the Issuer considers that a purported Redemption Form is invalid, it shall notify the Security Holder lodging that Redemption Form of that fact as soon as reasonably possible and shall not be obliged to Redeem pursuant to that Redemption Form any Currency-Hedged Metal Securities. The Issuer shall not be obliged to Redeem pursuant to a Redemption Form any Currency-Hedged Metal Securities where the relevant FX Counterparty has not confirmed the cancellation of corresponding Metal Adjustment Contracts in accordance with the provisions of the relevant Metal Adjustment Documentation.
- 6.8 If the Issuer in its absolute discretion considers it necessary or desirable to do so in relation to any Redemption Form for the purpose of arranging (in aggregate) the cancellation of corresponding Metal Adjustment Contracts in accordance with Metal Adjustment Documentation with two or more FX Counterparties or to enable such Redemption Form to be settled in part in accordance with Condition 10 (*Satisfaction of Redemption Forms by Transfer*), or both, the Issuer may determine that the Redemption Form be deemed to comprise two or more deemed Redemption Forms, such deemed Redemption Forms relating to, in aggregate, the same numbers and types of Currency-Hedged Metal Securities as those to which the original Redemption Form related; and these Conditions shall apply to such deemed Redemption Form accordingly. If the Issuer determines to exercise its right to deem a Redemption Form to comprise two or more deemed Redemption Forms it shall notify the Security Holder giving that Redemption Form of that fact as soon as reasonably possible.
- 6.9 Where a Redemption Form is received by the Issuer on a Pricing Day after 2.00 p.m., the Issuer may (but shall not be obliged to) agree to treat that Redemption Form as being received at 8.00 a.m. on the next following Pricing Day.
- 6.10 The Issuer may change or vary the procedures for the lodgement of Redemption Forms on five days' prior notice by RIS announcement and these Conditions shall be modified in respect of Redemptions to the extent of any such variation.
- 6.11 **Delivery of Bullion upon Redemption**
- 6.11.1 Where Currency-Hedged Metal Securities are required to be redeemed by delivery of Bullion, the Issuer shall direct the Security Trustee to instruct the Relevant Custodian to transfer Bullion attributable to or forming part of the Secured Property in respect of such Currency-Hedged Metal Securities in an amount equal to the Metal Entitlement of such Currency-Hedged Metal Securities, calculated as at the Redemption Notice Date (rounded down to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold), from the Secured Metal Accounts to the relevant Security Holder Account, to be delivered to such account on the Settlement Date.
- 6.11.2 From the relevant Settlement Date, all title to and risks in such Bullion shall pass to the holder of such Currency-Hedged Metal Securities. None of the Security Trustee, the Trustee and the Issuer shall be responsible or liable for any failure by the Relevant Custodian to effect a delivery of Bullion in accordance with the instructions of the Security Trustee as directed by the Issuer. However, in the event of such failure, the Issuer shall to the extent practicable assign to the redeeming Security Holder its claims in relation to such Bullion in satisfaction of all claims of such Security Holder in respect of the Currency-Hedged Metal Securities to be redeemed and the Security Holder shall have no further claims against the Issuer or the Secured Property.
- 6.11.3 The obligations of the Issuer in respect of Currency-Hedged Metal Securities being Redeemed shall be satisfied by transferring the Metal Entitlement in

accordance with the provisions of this Condition 6.11. Where an amount due under a Metal Adjustment Contract in respect of a Security Holder's Metal Entitlement is received in cash rather than Bullion, payment of such cash to the Security Holder shall be deemed to satisfy the obligations of the Issuer in respect of the proportionate part of the Metal Entitlement.

6.12 Metal Sale

6.12.1 Metal Sale will apply:

- (a) if through no fault of the Issuer any Bullion to which the holder of such Currency-Hedged Metal Security is entitled on Redemption is not successfully delivered and is not claimed by such holder by the thirtieth calendar day after that on which attempted delivery was made (in which event, subject to Condition 6.12.2(a), the Metal Entitlement will be calculated as of such thirtieth calendar day or, if such day is not a Business Day, the next Business Day thereafter); or
- (b) in accordance with Condition 6.3 (*Redemption by Other Security Holders*) where there is no Authorised Participant or the Security Holder is not an Authorised Participant and is Redeeming in circumstances where such Redemption is permitted in accordance with Condition 6.3.2.

6.12.2 If in accordance with Condition 6.3 (*Redemption by Other Security Holders*) or Condition 6.12.1(a), Metal Sale is applicable to a Redemption of Currency-Hedged Metal Securities, the Issuer will direct the Security Trustee:

- (a) (on behalf of the Issuer) to give notice under the Metal Sale Counterparty Agreement to sell on the Metal Sale Date (or, in the case of Metal Sale pursuant to Condition 6.12.1(a), the first Business Day after the expiry of the period of 30 days therein referred to) to the Relevant Metal Sale Counterparty pursuant to the Metal Sale Counterparty Agreement an amount of Bullion attributable to or forming part of the Secured Property in respect of such Currency-Hedged Metal Securities equal to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities being redeemed, calculated as at the Redemption Notice Date (or, in the case of Metal Sale pursuant to Condition 6.12.1(a), the thirtieth calendar day (or, if such day is not a Business Day, the next Business Day thereafter) therein referred to), rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold), for settlement on the Settlement Date (or, in the case of Metal Sale pursuant to Condition 6.12.1(a), the third Business Day after the thirtieth calendar day therein referred to). If such third Business Day is not an LPPM Value Date or an LBMA Value Date or the Relevant Custodian determines that de-allocation of the relevant Bullion will not be completed on such third Business Day, the proviso to Condition 6.13 (*Settlement Date*) shall apply to such third Business Day in both this paragraph (a) and Condition 6.12.1(a) as it applies to a Settlement Date;
- (b) to instruct the Relevant Custodian (on behalf of the Issuer) to deliver such Bullion from the Secured Metal Accounts to the relevant Metal Sale Counterparty Account on the Settlement Date

(or other Settlement Date specified in paragraph (a)) against payment of the proceeds of sale realised from the sale of Bullion to an account or accounts nominated by the Security Trustee; and

- (c) to remit such proceeds in US Dollars (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*), which the Security Trustee will pay to such account of the Issuer as the Issuer may direct and less the Security Trustee's and the Trustee's fees and expenses (if any)) to the relevant Security Holder through CREST or, in the case of Currency-Hedged Metal Securities in Certificated Form, by cheque or warrant made payable to the Security Holder and sent by post at the risk of the Security Holder, subject (in the case of Redemption by Metal Sale in accordance with Condition 6.12.1(a)) to the Security Holder having delivered the Currency-Hedged Metal Securities to be Redeemed to the Issuer by either depositing them into an appropriate CREST account (as directed by the Issuer) and giving correct delivery free of payment instructions in CREST or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer). If the Security Holder fails to deposit the Currency-Hedged Metal Securities into an appropriate CREST account and give correct delivery free of payment instructions in CREST or otherwise so deliver the Currency-Hedged Metal Securities to the Issuer, the Issuer may retain the proceeds otherwise payable until the Security Holder has so deposited or delivered the Currency-Hedged Metal Securities and then remit such proceeds (without interest, which shall be for the account of the Issuer) to the Security Holder in accordance with this Condition.

6.12.3 If Metal Sale applies the holder of the Currency-Hedged Metal Securities being Redeemed acknowledges and agrees:

- (a) to accept the proceeds of sale actually realised from the sale of the relevant Bullion (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*) and less the Security Trustee's and Trustee's fees and expenses (if any)) in full settlement of the Issuer's Redemption Obligations in respect of such Currency-Hedged Metal Securities;
- (b) that none of the Issuer, the Trustee and the Security Trustee make any representations or warranties as to the price at which Bullion will be sold or the amount of the proceeds of sale realised from the sale of Bullion; and
- (c) that none of the Issuer, the Trustee and the Security Trustee shall be liable for any failure by the Relevant Metal Sale Counterparty in respect of any sale of Bullion pursuant to any Metal Sale transaction, but in the event of any such failure, the Issuer shall direct the Security Trustee to the extent practicable to assign to the redeeming Security Holder its claims in relation to such Bullion in satisfaction of all claims of such Security Holder in respect of the Currency-Hedged Metal Securities to be Redeemed and the Security Holder shall have no further claims against the Issuer or the Secured Property.

6.13 **Settlement Date**

In relation to any Redemption pursuant to this Condition 6, the Settlement Date (on which Redemption shall be effective) shall be the third Business Day following the applicable Redemption Notice Date, provided that:

- 6.13.1 in the case of the Redemption of Platinum Individual Securities and Palladium Individual Securities (and any Basket Securities comprised only of one or both of such classes of Currency-Hedged Metal Securities) by Metal Sale, if such day is not an LPPM Value Date, the Settlement Date will be the next LPPM Value Date;
- 6.13.2 in the case of the Redemption of Silver Individual Securities and Gold Individual Securities (and any Basket Securities comprised only of one or both of such classes of Currency-Hedged Metal Securities) by Metal Sale, if such day is not an LBMA Value Date, the Settlement Date will be the next LBMA Value Date;
- 6.13.3 in the case of the Redemption of any category of Basket Securities comprised partly of Platinum Individual Securities and/or Palladium Individual Securities and partly of Silver Individual Securities and/or Gold Individual Securities by Metal Sale, if such day is not both an LPPM Value Date and an LBMA Value Date, the Settlement Date will be the next day that is both an LPPM Value Date and an LBMA Value Date; and
- 6.13.4 if the Relevant Custodian determines that de-allocation of the relevant Bullion will not be completed on the date which would, but for this Condition 6.13.4, be the Settlement Date, the Settlement Date will be such later date on which de-allocation is completed.

6.14 Notwithstanding Condition 6.13 (*Settlement Date*), if the Issuer is unable to satisfy all valid Redemption Forms in respect of any type of Currency-Hedged Metal Securities because a FX Counterparty has unsettled obligations in respect of Bullion of the relevant type (whether or not such obligations are then due for settlement), the Issuer may satisfy valid Redemption Forms to the extent it is able to do so and defer settlement of the others until it is able to satisfy them, and for this purpose shall satisfy Redemption Forms in the order of delivery to the Issuer.

6.15 **Suspension of Redemptions while Value below Principal Amount**

If on any Pricing Day the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of any type is below the Principal Amount of a Currency-Hedged Metal Security of that type, the Issuer may at any time and from time to time while the value of the Metal Entitlement of a Currency-Hedged Metal Security of that type is below such Principal Amount determine to suspend the right to Redeem the Currency-Hedged Metal Securities of that type and, subject as provided in this Condition 6.15, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- 6.15.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- 6.15.2 any such suspension may continue in the discretion of the Issuer for a period of up to 30 days, and may continue thereafter provided that notice of a meeting

has been issued convening a meeting for a date not more than 30 days after the date of the notice for the purpose of considering an Extraordinary Resolution which will have the effect of reducing the Principal Amount to a level less than the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of the relevant type, in which event the suspension will cease when the meeting (or any adjournment thereof) concludes or, if the Extraordinary Resolution is passed and makes alternative provision, in accordance with the Extraordinary Resolution;

6.15.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid; and

6.15.4 if the right to Redeem Currency-Hedged Metal of any type or types is suspended pursuant to this Condition as at 6.30 p.m. on the second Business Day prior to a Compulsory Redemption Date for that type pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*) or Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*), then notwithstanding that a number of Currency-Hedged Metal Securities of that type or types may have been specified pursuant to that Condition which is not all of those Currency-Hedged Metal Securities, such Compulsory Redemption Date shall be a Compulsory Redemption Date for all of the Currency-Hedged Metal Securities of that type or types.

6.16 **Suspension of Redemptions while Division of Pool being considered**

If the Issuer is considering exercising its power under Condition 15.3 to divide any Pool, or has determined to exercise such power, it may determine to suspend the right to Redeem the Individual Securities of the class attributable to such Pool (and any Basket Securities comprised of Individual Securities of that class) and, subject as provided in this Condition 6.16, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

6.16.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;

6.16.2 any such suspension may continue in the discretion of the Issuer for a period of up to 30 days but (without prejudice to Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*)) shall terminate when either the Issuer has determined to divide such Pool and such division has become effective or the Issuer has announced via an RIS that it has determined not to divide such Pool; and

6.16.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid.

6.17 Suspension of Redemptions during Bullion Settlement Disruption

If any day is a Bullion Settlement Disruption Day in respect of any Index, the Issuer may determine to suspend the right to Redeem the Individual Securities of the class to which such Index relates (and any Basket Securities comprised of Individual Securities of that class) and, subject as provided in this Condition 6.17, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- 6.17.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- 6.17.2 any such suspension may continue in the discretion of the Issuer for a period of up to ten Pricing Days but (without prejudice to Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*)) shall terminate on the first Pricing Day following the commencement of such suspension which is a Bullion Business Day and not a Bullion Settlement Disruption Day; and
- 6.17.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid.

6.18 Suspension of Redemptions during FX Counterparty Event of Default

If there is a FX Counterparty Event of Default in respect of any FX Counterparty with which the Issuer has Metal Adjustment Contracts corresponding to any class of Individual Securities, the Issuer may determine to suspend the right to Redeem the Individual Securities of such class (and any Basket Securities comprised of Individual Securities of that class) and, subject as provided in this Condition 6.18, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- 6.18.1 the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- 6.18.2 any such suspension may continue in the discretion of the Issuer for a period of up to 30 Pricing Days but (without prejudice to Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*)) shall terminate when either the Issuer has determined to divide such Pool and such division has become effective or the Issuer has announced via an RIS that it has determined not to divide such Pool; and
- 6.18.3 any suspension shall not affect any Redemption the Redemption Notice Date for which had passed before the suspension commenced, but any Redemption Form lodged or deemed received on a Business Day when the right to Redeem Currency-Hedged Metal Securities of that type is suspended pursuant to this Condition shall be invalid.

7. COMPULSORY REDEMPTION BY THE ISSUER OR TRUSTEE

7.1 Compulsory Redemption by the Issuer

The Issuer may at any time

7.1.1 (upon not less than one day's notice in the case of (a) below and upon not less than 30 days' notice in the case of (b) below) by RIS announcement nominate a Business Day to be a Compulsory Redemption Date for all or some only of the Currency-Hedged Metal Securities, or all or some only of the Currency-Hedged Metal Securities of any one or more type, on which such Currency-Hedged Metal Securities shall be Redeemed, if:

- (a) notice is given by either party thereto terminating a Metal Adjustment Agreement or nominating a Compulsory Cancellation Date thereunder in respect of one or more Metal Adjustment Contracts created thereunder; or
- (b) the Issuer elects to Redeem all or some only of the Currency-Hedged Metal Securities, or all or some only of the Currency-Hedged Metal Securities of any one or more type;

7.1.2 by RIS announcement nominate a Business Day to be a Compulsory Redemption Date for all or some only of the Currency-Hedged Metal Securities of any one or more type, if an Early Termination Date has been set in relation to a corresponding Metal Adjustment Contract under an ISDA Master Agreement (provided that such Compulsory Redemption Date shall be no earlier than such Early Termination Date); and

7.1.3 by RIS announcement nominate a Business Day to be a Compulsory Redemption Date for all or some only of the Currency-Hedged Metal Securities of any one or more type if, as the result of an Index Disruption, Additional Disruption or Hedging Disruption/Change in Law, all or some of the corresponding Metal Adjustment Contracts are terminated under the terms of the Disruption Fallback applicable to such Disruption Event,

and where the Issuer elects to Redeem some only of the Currency-Hedged Metal Securities of any type, the Issuer shall Redeem from each Security Holder in accordance with Condition 7.11 (*Compulsory Redemptions*) a number of Currency-Hedged Metal Securities of such type held by such Security Holder calculated on a *pro rata* basis (in the case of Basket Securities such number by reference to the Individual Securities of which they are comprised as if a holder of Basket Securities were the holder of the Individual Securities of which they are comprised and any balancing Individual Securities also Redeemed) to holdings on the relevant Register as at the Compulsory Redemption Date in proportion to the number of such Currency-Hedged Metal Securities held by such Security Holder relative to those held by all other Security Holders and, where such calculation would not give rise to a whole number, rounded up to the nearest whole number,

provided that (i) notice given under paragraph 7.1.1(a) of greater than seven days may be withdrawn until the date not later than seven days prior to the date nominated to be the Compulsory Redemption Date so long as there remains in effect at least one Metal Adjustment Agreement pursuant to which subsequent to that date corresponding Metal Adjustment Contracts in relation to such Currency-Hedged Metal Securities (or in relation to the same class or classes as the Individual Securities of which Currency-Hedged Metal Securities of that type or types are comprised) may be created and (ii) the Compulsory Redemption Date nominated in any notice given under paragraph 7.1.1(a) or under Condition 7.1.2 or Condition 7.1.3 may be amended by further such notice if the

occurrence of another event or events within the scope of paragraph 7.1.1(a) or under Condition 7.1.2 or Condition 7.1.3 would result in Metal Adjustment Contracts corresponding to the type of Currency-Hedged Metal Securities which were the subject of the original notice being so terminated with effect on a date prior to the Compulsory Redemption Date nominated in the original notice.

Any nomination of a Compulsory Redemption Date by the Issuer under this Condition 7.1 in relation to less than all of the Currency-Hedged Metal of a particular type is subject to Condition 6.15 (*Suspension of Redemptions while Value below Principal Amount*).

7.2 **Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event**

If a FX Counterparty Event of Default or an Issuer Insolvency Event has occurred and is continuing, the Trustee may at any time, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the affected Currency-Hedged Metal Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Currency-Hedged Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, give notice to the Issuer and by RIS announcement to the Security Holders that all the affected Currency-Hedged Metal Securities outstanding are to be Redeemed compulsorily and specifying a Business Day (falling not less than two Business Days from the giving of such notice) to be a Compulsory Redemption Date in respect of such Currency-Hedged Metal Securities. For this purpose “affected Currency-Hedged Metal Securities” means, in the context of an Issuer Insolvency Event, all of them, and, in the context of a FX Counterparty Event of Default, those Currency-Hedged Metal Securities that are attributable to the Pool or Pools which include rights against that particular FX Counterparty.

7.3 **Compulsory Redemption on Enforcement of Security by FX Counterparty**

If:

- 7.3.1 an FX Counterparty Enforcement Event in relation to any FX Counterparty (the “**Relevant FX Counterparty**”) has occurred and is continuing; and
- 7.3.2 the Relevant FX Counterparty has instructed the Security Trustee in writing to enforce its security under the Security Deed to which the Relevant FX Counterparty is a party; and
- 7.3.3 the Security Trustee has notified the Trustee that it has received such notice and has been indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the provisions of such Security Deed (the date of such notice, the “**Notification Date**”),

a Compulsory Redemption Date shall automatically occur on the Pricing Day falling 20 Pricing Days from the Notification Date in respect of all types of Currency-Hedged Metal Securities in respect of which the Issuer has corresponding Metal Adjustment Contracts with the Relevant FX Counterparty, *provided that*, if in respect of any class of Individual Securities there are corresponding Metal Adjustment Contracts with at least one FX Counterparty that is not a Relevant FX Counterparty, only such number of Currency-Hedged Metal Securities of each type (in the case of Basket Securities such number by reference to the Individual Securities of which they are comprised as if a holder of Basket Securities were the holder of the Individual Securities of which they are comprised) as correspond to the Metal Adjustment Contracts with the Relevant FX Counterparty shall be Redeemed pursuant to this Condition 7.3 and accordingly a number of Currency-Hedged

Metal Securities of such type held by each Security Holder shall be Redeemed in accordance with Condition 7.11 (*Compulsory Redemptions*), calculated on a *pro rata* basis (in the case of Basket Securities such number by reference to the Individual Securities of which they are comprised as if a holder of Basket Securities were the holder of the Individual Securities of which they are comprised and any balancing Individual Securities also Redeemed) to holdings on the relevant Register as at the Compulsory Redemption Date in proportion to the number of such Currency-Hedged Metal Securities held by such Security Holder relative to those held by all other Security Holders and, where such calculation would not give rise to a whole number, rounded up to the nearest whole number.

Any Compulsory Redemption Date occurring under this Condition 7.3 in relation to less than all of the Currency-Hedged Metal of a particular type is subject to Condition 6.15 (*Suspension of Redemptions while Value below Principal Amount*).

7.4 Compulsory Redemption on a fall in Value Relative to Principal Amount

If on any Pricing Day the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of any type falls to 2.5 times the Principal Amount of such Currency-Hedged Metal Security or below, the Issuer may at any time, for so long as such value continues to be less than 2.5 times the Principal Amount of such Currency-Hedged Metal Security and during the period 60 days thereafter, upon not less than two days' notice by RIS announcement nominate a Business Day to be a Compulsory Redemption Date in respect of that type of Currency-Hedged Metal Security. The right to nominate a Business Day to be a Compulsory Redemption Date pursuant to this Condition 7.4 shall cease if an Extraordinary Resolution is passed which has the effect of reducing the Principal Amount to a level less than two-fifths of the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of the relevant type, but this is without prejudice to any subsequent nomination pursuant to this Condition if on any Pricing Day the value of the Metal Entitlement (determined on such reasonable basis as the Issuer shall consider appropriate) of a Currency-Hedged Metal Security of that type falls to 2.5 times the Principal Amount (as so reduced) of such Currency-Hedged Metal Security or below.

7.5 Compulsory Redemption Not to Apply where Certain Notices Given

If in respect of any Currency-Hedged Metal Securities a Compulsory Redemption Date is nominated by the Issuer and, prior to the Compulsory Redemption Date, the Issuer has either:

- (a) determined to divide a Pool to which outstanding corresponding Metal Adjustment Contracts created under that Metal Adjustment Agreement are attributable by allocating all such Metal Adjustment Contracts to the New Pool in accordance with Condition 15.3; or
- (b) announced by an RIS its intention to do so or that it is considering doing so,

the Issuer may determine that the Redemption shall not apply to the Currency-Hedged Metal Securities attributable to that Pool but shall apply (*mutatis mutandis*) to the New Individual Securities and New Basket Securities attributable to such new Pool and otherwise on the basis of this Condition 7. If in the case of paragraph (b) such division shall not have become effective within 30 days of such announcement, this Condition shall cease to have effect. The Issuer shall give notice of any determination made pursuant to this Condition 7.5 via an RIS as soon as practicable, but failure to give any such notice shall not prevent the exercise of its powers hereunder.

7.6 **Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given**

If a Metal Adjustment Agreement has been terminated, or notice of an Early Termination Date thereunder by reason of a FX Counterparty Event of Default has been given, then no further Redemption Forms in respect of Currency-Hedged Metal Securities attributable to a Pool to which outstanding Metal Adjustment Contracts created under that Metal Adjustment Agreement are attributable, given on or after the date of such termination or given or deemed given after the date of such notice shall be effective unless and until whichever occurs earlier of:

- (a) the Issuer has determined to divide such Pool as referred to in Condition 7.5 (*Compulsory Redemption Not to Apply where Certain Notices Given*) and such division has become effective; and
- (b) the Issuer has announced by an RIS that Redemption Forms given after, or on or after, the date specified in such announcement will be effective, the date determined in accordance with such announcement. Any such announcement may be general or subject to conditions and any Redemption Form which would not be effective in the absence of such announcement shall not be effective if it is not in accordance with such conditions.

7.7 **Compulsory Redemption for Cause**

The Issuer may, in its absolute discretion, at any time give written notice to a Security Holder that any Currency-Hedged Metal Securities held by that Security Holder are to be Redeemed compulsorily and specifying a Business Day (being not less than seven days and not more than fourteen days following the date of the notice) to be the Compulsory Redemption Date in respect of such Currency-Hedged Metal Securities, if:

- 7.7.1 the Issuer required the Security Holder in accordance with Condition 11 (*Enquiries as to Status of Security Holders*) to certify whether or not it is a Prohibited Benefit Plan Investor and (i) the Security Holder did not by the date specified in the notice given under Condition 11 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited Benefit Plan Investor; or
- 7.7.2 the Issuer required the Security Holder in accordance with Condition 11 to certify whether or not it is a Prohibited US Person and (i) the Security Holder did not by the date specified in the notice given under Condition 11 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited US Person; or
- 7.7.3 the Issuer considers (in its sole discretion) (a) that such Currency-Hedged Metal Securities are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Currency-Hedged Metal Securities, or (b) that the ownership or holding or continued ownership or holding of those Currency-Hedged Metal Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Security Holders which it or they might not otherwise have suffered or incurred,

provided that if the relevant Security Holder in the case of sub-paragraph 7.7.1(i) or sub-paragraph 7.7.2(i) so failed to provide such a certification, or in the case of sub-

paragraph 7.7.1(ii) or sub-paragraph 7.7.2(ii) certified that it is a Prohibited Benefit Plan Investor or a Prohibited US Person, in each case in respect of some only of the Currency-Hedged Metal Securities held by it, a notice given by the Issuer under this Condition shall relate only to those Currency-Hedged Metal Securities (and not any other Currency-Hedged Metal Securities held by that Security Holder).

7.8 If a Security Holder which is the subject of a notice under Condition 7.7 (*Compulsory Redemption for Cause*) provides to the Issuer at least one Business Day prior to the Compulsory Redemption Date specified pursuant to Condition 7.7 proof required by the Issuer that its Currency-Hedged Metal Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Currency-Hedged Metal Securities referred to in that notice shall not be Redeemed under these Conditions.

7.9 If a Security Holder which is the subject of a notice under Condition 7.7 (*Compulsory Redemption for Cause*) does not provide to the Issuer at least one Business Day prior to the Compulsory Redemption Date specified pursuant to Condition 7.7 proof required by the Issuer that its Currency-Hedged Metal Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Currency-Hedged Metal Securities referred to in that notice shall not be capable of being transferred by that Security Holder and the Issuer shall not be required to register any purported transfer of those Currency-Hedged Metal Securities.

7.10 The Issuer shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Condition 7. The exercise of the powers conferred by this Condition 7 shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of the Currency-Hedged Metal Securities, or any other grounds save that such powers shall have been exercised in good faith.

7.11 **Compulsory Redemptions**

7.11.1 If notice is given to Redeem Currency-Hedged Metal Securities compulsorily pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*), Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*), Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*), Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) or Condition 7.7 (*Compulsory Redemption for Cause*):

(a) Currency-Hedged Metal Securities the Security Holder of which is an Authorised Participant; and

(b) Currency-Hedged Metal Securities the Security Holder of which has, on or prior to the Compulsory Redemption Date, certified that it is not a UCITS Fund and specified an unallocated account with a member of the Relevant Association (or, in the case of a Basket Security, one or more unallocated accounts with one or more members of the Relevant Associations) into which the relevant Bullion can be deposited,

shall be Redeemed by Metal Delivery. All other Currency-Hedged Metal Securities to be so Redeemed shall be Redeemed by Metal Sale.

7.11.2 In relation to any Compulsory Redemption, the Compulsory Settlement Date (on which Redemption shall be effective) shall be the second Business Day

following the applicable Compulsory Metal Sale Date (in the case of Redemption pursuant to Condition 7.1) or the second Business Day following the applicable Compulsory Redemption Date (in the case of Redemption pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7), provided that:

- (a) in the case of Redemption pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7, if the Metal Sale Counterparty notifies the Trustee that sale of Bullion of that type (or of each relevant type where more than one type of Currency-Hedged Metal Security is being Redeemed) cannot be effected on the Relevant Market on that day, then for the purposes of determining the Compulsory Settlement Date, the Compulsory Redemption Date shall be treated as having been postponed to the immediately following Business Day;
- (b) in the case where only Platinum Individual Securities and/or Palladium Individual Securities (and any Basket Securities comprised only of one or both of Platinum Individual Securities and/or Palladium Individual Securities) are to be Redeemed (whether by Metal Delivery or Metal Sale), if such day is not an LPPM Value Date, the Compulsory Settlement Date will be the next LPPM Value Date;
- (c) in the case where only Silver Individual Securities and/or Gold Individual Securities (and any Basket Securities comprised only of one or both of Platinum Individual Securities and/or Palladium Individual Securities) are to be Redeemed (whether by Metal Delivery or Metal Sale), if such day is not an LBMA Value Date, the Compulsory Settlement Date will be the next LBMA Value Date;
- (d) in any other case, if such day is not both an LPPM Value Date and an LBMA Value Date, the Compulsory Settlement Date will be the next day that is both an LPPM Value Date and an LBMA Value Date; and
- (e) if the Relevant Custodian determines that de-allocation of the relevant Bullion will not be completed on the date which would, but for this paragraph (e), be the Compulsory Settlement Date, the Compulsory Settlement Date will be such later date on which de-allocation is completed.

7.11.3 In relation to any Compulsory Redemption to be effected by Metal Delivery in accordance with these Conditions, the provisions of Condition 6.11 (*Delivery of Bullion upon Redemption*) shall apply save that references in that Condition to the Redemption Notice Date shall be replaced by references to the Compulsory Redemption Date and references in that Condition to the Settlement Date shall be replaced by references to the Compulsory Settlement Date.

7.11.4 In relation to any Compulsory Redemption to be effected by Metal Sale in accordance with these Conditions, the Issuer will direct the Security Trustee:

- (a) (on behalf of the Issuer) to give notice under the Metal Sale Counterparty Agreement to sell on the Compulsory Metal Sale Date (in the case of Redemption pursuant to Condition 7.1) or the

Compulsory Redemption Date (in the case of Redemption pursuant to Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7) to the Relevant Metal Sale Counterparty pursuant to the Metal Sale Counterparty Agreement an amount of Bullion attributable to or forming part of the Secured Property in respect of the Currency-Hedged Metal Securities being Redeemed equal to the aggregate Metal Entitlement of such Currency-Hedged Metal Securities, calculated as at the Compulsory Redemption Date (rounded down to the nearest 0.001 troy ounce, or fine troy ounce in the case of gold), for settlement on the Compulsory Settlement Date;

- (b) to instruct the Relevant Custodian (on behalf of the Issuer) to deliver such Bullion from the Secured Metal Accounts to the Metal Sale Counterparty Account on the Compulsory Settlement Date against payment of the proceeds of sale realised from the sale of Bullion to an account or accounts nominated by the Security Trustee; and
- (c) to remit such proceeds in US Dollars (less any Redemption Fee in accordance with Condition 9 (*Redemption Fee*) which the Security Trustee will pay to such account of the Issuer as the Issuer may direct and less any fees and expenses of the Security Trustee and Trustee incurred in connection with such sale (if any)) to the relevant Security Holder through CREST or, in the case of Currency-Hedged Metal Securities in Certificated Form, by cheque or warrant made payable to the Security Holder and sent by post at the risk of the Security Holder, in the case of Redemption pursuant to Condition 7.7 to the Security Holder having delivered the Currency-Hedged Metal Securities being Redeemed to the Issuer by either depositing them into an appropriate CREST account (as directed by the Issuer) and giving correct delivery free of payment instructions in CREST or delivering the certificates in respect of them to the Issuer (or otherwise having delivered such Currency-Hedged Metal Securities to the Issuer by agreement with the Issuer). If the Security Holder fails to deposit the Currency-Hedged Metal Securities into an appropriate CREST account and give correct delivery free of payment instructions in CREST or otherwise so deliver the Currency-Hedged Metal Securities to the Issuer, the Issuer may retain the proceeds otherwise payable until the Security Holder has so deposited or delivered the Currency-Hedged Metal Securities and then remit such proceeds (without interest, which shall be for the account of the Issuer) to the Security Holder in accordance with this Condition.

7.11.5 The provisions of Condition 6.12.3 shall apply to Redemption by Metal Sale pursuant to Condition 7.1, Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.7 as they do to Redemption by Metal Sale pursuant to Condition 6 (*Redemption of Currency-Hedged Metal Securities*).

7.11.6 Notwithstanding Condition 7.11.2, if the Issuer is unable to satisfy its Redemption Obligations in full in respect of the Compulsory Redemption of any type of Currency-Hedged Metal Securities because a FX Counterparty has unsettled obligations in respect of Bullion of the relevant type (whether or not such obligations are then due for settlement), the Issuer may elect to defer settlement until it is able to satisfy its Redemption Obligations in full or may

elect to satisfy such Redemption Obligations in part and defer settlement of the balance on such basis as it may in its absolute discretion determine.

8. SETTLEMENT AND REDEMPTION OBLIGATIONS

- 8.1 Where a Redemption Form has been lodged for the Redemption of Currency-Hedged Metal Securities, the Security Holder which holds those Currency-Hedged Metal Securities which are the subject of that Redemption must, by 8.00 a.m. on the Settlement Date, deposit the Currency-Hedged Metal Securities in question into an appropriate CREST account, give correct instructions in accordance with the Redemption Form if they were in Uncertificated Form, or otherwise deliver the Currency-Hedged Metal Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree if they are in Certificated Form. Once a valid Redemption Form is lodged in respect of Currency-Hedged Metal Securities, the Currency-Hedged Metal Securities in respect of which it was given may not be transferred by the Security Holder (except to the Issuer), and the Issuer may refuse to recognise any subsequent transfer of any of those Currency-Hedged Metal Securities.
- 8.2 Subject as provided in Condition 6.3 (*Redemption by Other Security Holders*), failure by a Security Holder to deposit those Currency-Hedged Metal Securities into an appropriate CREST account, give correct instructions shall not invalidate the Redemption of those Currency-Hedged Metal Securities. Where settlement of a Redemption of Currency-Hedged Metal Securities is delayed due to the failure of the Security Holder to deposit the Currency-Hedged Metal Securities in question into an appropriate CREST account or give correct instructions or otherwise deliver such Currency-Hedged Metal Securities and any certificates representing them in a manner agreed by the Issuer the Security Holder shall not be entitled to receive any interest in respect of late delivery of the Metal Entitlement or other amounts due. If the Security Holder fails to deliver such Currency-Hedged Metal Securities to the Issuer (via the CREST system or another method agreed with the Issuer), the Issuer shall be entitled to deliver the Metal Entitlement (or other amount due) to the Trustee (to be held on trust for the Security Holder in accordance with the Trust Instrument), and to cancel the entry in the Register in respect of those Currency-Hedged Metal Securities.
- 8.3 Where Individual or Basket Securities are Redeemed in accordance with Condition 6 (*Redemption of Currency-Hedged Metal Securities*) or Condition 7 (*Compulsory Redemption by the Issuer or Trustee*), the Issuer shall be entitled, upon delivery of the Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the use of gold)) or payment of any other amount due (less the Redemption Fee, if applicable) into the applicable Security Holder Account or other payment in accordance with Condition 27 (*Payment Provisions*), to cancel the entry in the Register in respect of those Currency-Hedged Metal Securities being Redeemed.
- 8.4 The Issuer may, at any time, notify a Security Holder that the Issuer may have to withhold or deduct from the payment that corresponds to the Redemption Form an amount for or on account of, any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Currency-Hedged Metal Securities that may allow the Issuer to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer by the relevant Security Holder or if it is not the beneficial owner of Currency-Hedged Metal Securities held by such Security Holder and which are to be redeemed, such

beneficial owner, then any such payment will be reduced (and the matching obligation of the Issuer to pay or deliver or to procure the payment or delivery of the Metal Entitlement (rounded down to the nearest 0.001 troy ounce (or fine troy ounce in the case of gold)) or other amount due to that Security Holder will also be reduced) by the amount of the withholding or deduction.

9. REDEMPTION FEE

9.1 Subject as provided below, it is a condition to the performance by the Issuer of the obligation to Redeem Currency-Hedged Metal Securities that the Issuer may deduct the Redemption Fee from the Metal Entitlement or other amount due to the Security Holder on Redemption and that if it does not the Security Holder of such Currency-Hedged Metal Securities shall pay to the Issuer the Redemption Fee in respect of such Redemption in accordance with this Condition 9. The Issuer may offset the amount of the Redemption Fee payable hereunder against the Metal Entitlement or other amount due to the Security Holder on Redemption.

9.2 On a Redemption of Currency-Hedged Metal Securities at the request of an Authorised Participant, the Redemption Fee shall be the amount agreed in the relevant Authorised Participant Agreement to be payable, or such other amount as may be agreed by the Issuer and that Authorised Participant at the time of the Redemption, regardless of the number of Currency-Hedged Metal Securities being redeemed.

9.3 On a Redemption of Currency-Hedged Metal Securities at the request of a Security Holder who is not an Authorised Participant (where there are no Authorised Participants), the Redemption Fee shall be an amount equal to the cost to the Issuer of satisfying such Redemption request, which shall be notified to the Security Holder at the time of the Redemption being not greater than £500 or such other amount as may be notified through a RIS.

9.4 On a Compulsory Redemption of Currency-Hedged Metal Securities by the Issuer or the Trustee, the Redemption Fee shall be an amount equal to the cost to the Issuer incurred in relation to the Redemption, including the costs of enquiries under Condition 11 (*Enquiries as to Status of Security Holders*) and the cost of giving notices under Condition 7 (*Compulsory Redemption by the Issuer or Trustee*) being not greater than £500 or such other amount as may be notified through a RIS. The Issuer shall notify Security Holders whose Currency-Hedged Metal Securities are subject to Compulsory Redemption of the amount of those costs, and their allocation to particular Security Holders, at the time of the Redemption.

10. SATISFACTION OF REDEMPTION FORMS BY TRANSFER

The Issuer may in its absolute discretion elect to satisfy Redemption Forms by transfer of the appropriate number of Currency-Hedged Metal Securities to one or more Authorised Participant(s) from Security Holder(s) seeking Redemption, and for that purpose the Issuer may authorise any person on behalf of the Security Holder to execute one or more instruments of transfer in respect of the relevant number(s) of Currency-Hedged Metal Securities provided that the amount of Bullion to be delivered to the Security Holder shall still be an amount equal to the relevant Metal Entitlement (less the Redemption Fee) and the relevant Settlement Date will be the date of the transfer(s).

11. ENQUIRIES AS TO STATUS OF SECURITY HOLDERS

- 11.1 The Issuer may at any time, without any requirement to state a reason, give notice to a Security Holder requiring that Security Holder:
- 11.1.1 to certify, no later than the date (the “**Investor Notice Expiry Date**”) falling fifteen London Business Days following the date on which the Issuer sends or transmits such requirement to that Security Holder whether that Security Holder is a Prohibited US Person or a Prohibited Benefit Plan Investor (and if that Security Holder is a Prohibited Benefit Plan Investor or Prohibited US Person, to notify the Issuer of the number and type of Currency-Hedged Metal Securities in respect of which it is a Prohibited Benefit Plan Investor or Prohibited US Person); and
 - 11.1.2 if that Security Holder asserts that it is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of all Currency-Hedged Metal Securities held by it), to provide to the Issuer by the Investor Notice Expiry Date a certificate in the form and executed in the manner determined by the Issuer that the Security Holder is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of certain Currency-Hedged Metal Securities held by it, specifying the number and type of Currency-Hedged Metal Securities in respect of which it is, and is not, a Prohibited Benefit Plan Investor or is, and is not, a Prohibited US Person).
- 11.2 The Issuer may provide to any FX Counterparty copies of any enquiries made by it under this Condition 11 and any responses received from the Security Holder.
- 11.3 The Issuer shall be entitled, save to the extent that it has made enquiry under this Condition 11, to assume that none of the Currency-Hedged Metal Securities are held by Prohibited US Persons or Prohibited Benefit Plan Investors.

12. ENFORCEMENT

- 12.1 The Trustee may at any time:
- 12.1.1 after the occurrence of a Defaulted Obligation, at its discretion, and shall, if so directed in writing by the Security Holder to whom such Defaulted Obligation is owed, the Trustee having first been indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, itself take such action and/or instruct the Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any such obligation of the Issuer under the Trust Instrument and the security constituted by each relevant Security Deed in respect of the relevant Currency-Hedged Metal Securities to which such Defaulted Obligation relates;
 - 12.1.2 if an Issuer Insolvency Event has occurred and is continuing, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders holding Currency-Hedged Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, itself take such action and/or instruct the Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the

Issuer to enforce any obligations of the Issuer under the Trust Instrument and the security constituted by each relevant Security Deed in respect of all outstanding Currency-Hedged Metal Securities; and

- 12.1.3 if a FX Counterparty Event of Default has occurred and is continuing and as a result either any Redemption Form in respect of Currency-Hedged Metal Securities of any type given on any of 30 continuous Pricing Days would have been invalid pursuant to Condition 6.6.8(c) or the Issuer has suspended Redemptions in relation to such class for a period of 30 continuous Pricing Days pursuant to Condition 6.18 (*Suspension of Redemptions during FX Counterparty Event of Default*), at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or if so directed by an Extraordinary Resolution of the Security Holders holding affected Currency-Hedged Metal Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, itself take such action and/or instruct the Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under these presents and the security constituted by each relevant Security Deed in respect of all outstanding affected Relevant Securities and for this purpose and Condition 12.4 “affected” Currency-Hedged Metal Securities means, in the context of a FX Counterparty Event of Default, those Currency-Hedged Metal Securities that are attributable to the Pool or Pools which include rights against the particular FX Counterparty.
- 12.2 If the Trustee considers that the Issuer is in material breach of any of the covenants, undertakings and obligations (other than payment or delivery obligations) in the Trust Instrument and has not remedied the same within 30 days of being required to do so by the Trustee, the Trustee may, but shall not be obliged to, give notice to all Security Holders of that fact. Prior to giving any such notice, the Trustee shall provide a copy of the proposed notice to the Issuer (provided the Trustee does not consider it detrimental to the interests of Security Holders to give a copy of any such proposed notice to the Issuer) and shall include with the notice any statement of not more than 1,000 words prepared by the Issuer and provided to the Trustee for the purpose within seven calendar days of receipt of the copy of the proposed notice referred to herein. In any such notice the Trustee may designate a Period (the “**Breach Redemption Period**”) commencing on any Business Day until the date one month from such Business Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Currency-Hedged Metal Securities held by it in the same manner as though there were no Authorised Participants. After the expiry of the Breach Redemption Period, the relevant breach shall be deemed waived without prejudice to the right of the Trustee to take action in the event of any subsequent such breach.
- 12.3 In the event that at any time during the Breach Redemption Period the right to Redeem Currency-Hedged Metal Securities of any type pursuant to Condition 6.2 (*Redemption by Authorised Participants*) or Condition 6.3 (*Redemption by Other Security Holders*) is suspended pursuant to Condition 6.15 (*Suspension of Redemptions while Value below Principal Amount*) or Condition 6.16 (*Suspension of Redemptions while Division of Pool being considered*), then the right to Redeem Currency-Hedged Metal Securities of that type pursuant to Condition 12.2 shall be suspended in like manner and the provisions of Condition 6.15 or Condition 6.16 (as the case may be) shall apply *mutatis mutandis*. Upon the suspension ceasing under Condition 6.15 or Condition 6.16 (as the case may be), the right to Redeem Currency-Hedged Metal Securities of that type pursuant to Condition 12.2

shall resume and the Breach Redemption Period in respect of that type shall continue until the date one month from the date on which the suspension so ceased.

- 12.4 If an Issuer Insolvency Event and/or a FX Counterparty Event of Default is occurring at the same time as a Defaulted Obligation, a Security Holder holding affected Currency-Hedged Metal Securities to whom a Defaulted Obligation is owed will not be entitled to require the Trustee to take action in accordance with Condition 12.1.1 or Condition 12.1.3 (as the case may be) until the expiry of 30 calendar days from the occurrence of the Issuer Insolvency Event and/or FX Counterparty Event of Default, nor shall he be so entitled if, during such period of 30 calendar days, the Trustee has elected, or been required, to take action in accordance with Condition 12.1.2 or the Security Trustee has elected, or been directed, to take action in accordance with equivalent provisions of the Security Deed. For this purpose "affected" Currency-Hedged Metal Securities means, in the context of an Issuer Insolvency Event, all of them.
- 12.5 Subject to Condition 12.7, only the Trustee or the Security Trustee may take action pursuant to Condition 12.1 or the Security Deeds. Where the Security Trustee has elected or been directed to enforce the Issuer's obligations under the Trust Instrument pursuant to any of the security constituted by any Security Deed, the right of Security Holders to lodge a Redemption Form with the Issuer shall cease. Valid Redemption Forms lodged before the date the Trustee announces its intention to enforce the security pursuant to any Security Deed or the Security Trustee announces its intention to enforce such security will be Redeemed in the normal manner.
- 12.6 If the Trustee takes any action pursuant to Condition 12.1 or instructs the Security Trustee to take any action pursuant to Condition 12.1, or if the Security Trustee takes any action pursuant to the equivalent provision of a Security Deed, in each case with respect to any Currency-Hedged Metal Securities to which a Defaulted Obligation relates, it shall give notice to the Issuer that such Currency-Hedged Metal Securities in respect of which such action is taken are, and they shall become, due and payable.
- 12.7 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee and/or the Security Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Security Holder will have only such rights against the Issuer as those which the Trustee or the Security Trustee (as the case may be) is entitled to exercise against or in relation to the Issuer on such Security Holder's behalf.
- 12.8 Each Security Deed shall provide that, if a FX Counterparty Enforcement Event has occurred and is continuing which relates to a PMA Sub-Pool and if the relevant Security Trustee is so directed in writing by the FX Counterparty to which such PMA Sub-Pool relates, but subject to the Security Trustee having first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, such Security Trustee shall take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by that Security Deed in respect of such PMA Sub-Pool.

13. APPLICATION OF SECURITY

- 13.1 Each Security Deed shall provide that all monies and other property received by the Security Trustee pursuant to the realisation of Secured Property in respect of a Pool or (in the case of a Pool comprising more than one PMA Sub-Pool, a PMA Sub-Pool) in relation to a particular class of Currency-Hedged Metal Securities shall be held by the Security Trustee upon trust, to apply them in accordance with the following provisions:
- 13.1.1 FIRST in payment or satisfaction of all amounts then due to the Security Trustee and the Trustee and unpaid (including to its attorneys, managers, agents, delegates or other person appointed by the Security Trustee and the Trustee) under the Security Deed and the Trust Instrument in respect of such Pool or, as the case may be, such PMA Sub-Pool (as determined by the Security Trustee in its absolute discretion), and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the Security Deed then unpaid (for the avoidance of doubt, excluding any Redemption Obligations owed to the Trustee under the Trust Instrument)
- 13.1.2 SECONDLY in or towards payment or discharge of all amounts then due and payable or deliverable by the Issuer to the relevant FX Counterparty under the relevant Metal Adjustment Agreement, the relevant ISDA Master Agreement or the relevant Master Confirmation Agreement;
- 13.1.3 THIRDLY in or towards payment or performance of all amounts then due and unpaid or undelivered by the Issuer under the Services Agreement to ManJer (or any Affiliate of the Issuer or any other person with which the Issuer has entered into a Services Agreement);
- 13.1.4 FOURTHLY in or towards payment or performance *pari passu* and rateably of all amounts then due and unpaid or undelivered and all obligations due to be performed and unperformed in respect of the Currency-Hedged Metal Securities of that class; and
- 13.1.5 FIFTHLY, subject as provided in the Security Deed, in payment or delivery of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment or delivery to the Issuer shall be dealt with as between the Issuer and any other person).

14. RESTRICTIONS

- 14.1 So long as any Currency-Hedged Metal Securities of a particular type are outstanding, the Issuer covenants in the Trust Instrument, *inter alia*:
- 14.1.1 not to incur or permit to subsist in respect of any Pool any indebtedness for borrowed money other than Currency-Hedged Metal Securities or Further Securities or as required pursuant to the terms of any Metal Adjustment Documentation, and not to give any guarantee or indemnity in respect of indebtedness of any person, save in each case with the prior written consent of the Trustee;
- 14.1.2 other than as permitted under the applicable Security Deed or with the prior written consent of the Security Trustee, not to dispose of any of the Secured Property or any interest therein, or to create any mortgage, pledge, charge, lien, or other form of encumbrance or security interest or right of recourse in respect thereof in favour of any person;

- 14.1.3 save as permitted by Condition 15 (*Further Securities; Other Pools; Transfer to New Pools; Consolidation and Division*), not to undertake any business save for the issue and redemption of Currency-Hedged Metal Securities, the acquisition and disposal of Bullion, entering into Metal Adjustment Contracts, entering into the Documents (and any other contracts contemplated thereunder), entering into all other necessary documents and performing its obligations and exercising its rights thereunder;
- 14.1.4 enforce its rights under the Documents and comply with its obligations thereunder, except that the Issuer is not under an obligation to close out or terminate an ISDA Master Agreement upon the occurrence of a FX Counterparty Event of Default;
- 14.1.5 to use reasonable endeavours to ensure that at all times after the date three months following Listing there are at least two Authorised Participants and until then there is at least one Authorised Participant;
- 14.1.6 not to issue any Individual or Basket Securities of any type unless it has entered into corresponding Metal Adjustment Contracts having an aggregate Metal Equivalent equal to, and has received physical Bullion in an aggregate amount equal to, the Metal Entitlement calculated as at the Application Date;
- 14.1.7 simultaneously with or promptly following the redemption of any Individual or Basket Securities of any type, to cancel a corresponding number of Metal Adjustment Contracts;
- 14.1.8 not to maintain an office or other fixed place of business, nor to establish any permanent establishment, nor be or become tax resident, in the United Kingdom or any part thereof;
- 14.1.9 to undertake any business so as to seek to minimise the impact of taxation for Security Holders; and
- 14.1.10 to procure that the property (including, without limitation, the Secured Metal Accounts) attributable to each Pool or PMA Sub-Pool (as applicable) is at all times maintained in a manner so that it is readily distinguishable from the property attributable to any other Pool or PMA Sub-Pool (as applicable) or the assets attributable to any pool to which any other class of securities of the Issuer is attributable.

14.2 Notwithstanding the foregoing, the Issuer may:

- 14.2.1 issue unsecured limited recourse notes to ETFSL (or any Affiliate), and may redeem, amend, supplement, extend or replace such notes in accordance with the terms thereof; and
- 14.2.2 make any loan to ETFSL (or any Affiliate) of the proceeds of the issue of such notes, under which the Issuer may, if it determines to do so, make advances to ETFSL (or any Affiliate) (including by set-off against such proceeds).

15. FURTHER SECURITIES; OTHER POOLS; TRANSFER TO NEW POOLS; CONSOLIDATION AND DIVISION

15.1 Subject to its ability to create corresponding Metal Adjustment Contracts, the Issuer may (without the consent of the Security Holders) create and issue additional classes of undated limited recourse secured debt securities constituted by an instrument or deed supplemental

to the Trust Instrument and will establish additional pools for the purposes of such securities and the Trustee shall join in such instrument or deed and thereupon such pool shall be a "Pool" for the purposes of the Trust Instrument and such securities shall be "Individual Securities" for such purposes, and the Issuer may further create and issue Basket Securities, the Metal Entitlement of which is calculated by reference to such Individual Securities in accordance with the Trust Instrument (and for which such Currency-Hedged Metal Securities when in Certificated Form may be surrendered in accordance with the provisions of the Trust Instrument). Any such additional class of Individual Securities shall have recourse only to the Pool attributable to such class of Individual Securities and not to any other Pool. Other such securities created and issued by the Issuer as described in this Condition 15.1 may relate to different metal than those in respect of which Individual Securities are initially issued, or be Basket Securities involving different combinations of Individual Securities or with different weightings, or involve different pricing mechanisms or be denominated in a different currency. Other such securities created and issued by the Issuer as described in this Condition 15.1 may be created and issued subject to different terms and conditions in lieu of the provisions of the Trust Instrument (including but not limited to different pricing mechanisms or different currencies), to be determined by the Issuer. If other securities created by the Issuer as described in this Condition 15.1 are subject to different terms and conditions in lieu of the provisions of the Trust Instrument the Issuer shall publish those new conditions in its RIS announcement or in a prospectus or listing particulars or supplementary prospectus or supplementary listing particulars and on the Issuer's Website.

- 15.2 The Issuer shall not accept Applications for, or issue, Individual Securities of a new class, or Basket Securities (the amount due on Redemption of which is calculated by reference to (and when held in Certificated form may be surrendered in exchange for) Individual Securities of a new class) as described in Condition 15.1 unless it has first (a) created corresponding Metal Adjustment Contracts under the terms of a Metal Adjustment Agreement and (b) executed and delivered to the Trustee a Security Deed, or a deed amending an existing Security Deed, creating security in respect of the Secured Property attributable to the applicable Pool.
- 15.3 Unless prohibited by the relevant Security Deed, the Issuer may at any time (without the consent of the Security Holders and without giving prior notice) determine to divide any Pool (the "**Existing Pool**") by allocating some of the Secured Property attributable to that existing Pool to a new Pool (the "**New Pool**"). If it determines to do so, the following shall apply:
- 15.3.1 if:
- (a) the Issuer wishes to divide the Pool by transferring to the New Pool all (and not merely some) of the Metal Adjustment Contracts attributable to the existing Pool with any one FX Counterparty, it shall transfer all the assets attributable to the relevant PMA Sub-Pool;
 - (b) the Issuer wishes to divide the Pool in some other manner it shall allocate Bullion and Metal Adjustment Contracts in such manner that (i) the aggregate Metal Equivalent of the Metal Adjustment Contracts retained in the Existing Pool (such Metal Adjustment Contracts, the "**Existing Metal Adjustment Contracts**") upon such division becoming effective shall be equal to the aggregate Metal Entitlement of the Individual Securities (and Basket Securities to the extent comprised of such Individual Securities) attributable to the Existing Pool (such Individual Securities and Basket Securities to

such extent, the “**Existing Metal Securities**”) and equal to the amount of Bullion of the relevant type credited to the Secured Metal Accounts attributable to the Existing Pool immediately after such division taking into account amounts of such Bullion the subject of unsettled obligations (whether or not such obligations are then due for settlement) of or to an FX Counterparty in respect of the Existing Metal Adjustment Contracts and (ii) the sum of the aggregate Metal Entitlement of the Existing Metal Securities and of the New Individual Securities (as defined in Condition 15.3.2) (and New Basket Securities (as defined in Condition 15.3.3) to the extent comprised of such New Individual Securities) (such New Individual Securities and New Basket Securities to such extent, the “**New Metal Securities**”) immediately upon such division becoming effective is equal to the aggregate Metal Entitlement of the Existing Metal Securities immediately prior to such division becoming effective.

- 15.3.2 prior to or on the transfer becoming effective, the Issuer shall create undated limited recourse secured individual securities (“**New Individual Securities**”) of a new class referable to the same Index and otherwise on the same terms as the Individual Securities attributable to the Existing Pool (the “**Existing Individual Securities**”), each having a principal amount and Metal Entitlement determined in accordance with Condition 15.3.4 constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Individual Securities) and on terms that such New Individual Securities shall have recourse only to the assets attributable to the New Pool, and (subject as provided in Condition 15.3.6) shall issue such New Individual Securities to the Security Holders of the Existing Individual Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Individual Security for each Existing Individual Security then held. For this purpose (but subject as provided in Condition 15.3.6) any Individual Security in respect of which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding;
- 15.3.3 prior to or on the transfer becoming effective, the Issuer shall also create new classes of undated limited recourse secured basket securities (“**New Basket Securities**”), each on the same terms as the existing categories of Basket Securities (“**Existing Basket Securities**”) which comprise Existing Individual Securities, each having a principal amount determined in accordance with Condition 15.3.4 constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Basket Securities of any category) and on terms that such New Basket Securities shall have recourse only to the assets attributable to the New Pools to which they are attributable, such New Basket Securities being capable when in Certificated Form of surrender in exchange for the New Individual Securities of which they are comprised (being New Individual Securities corresponding to the Existing Individual Securities of which the Existing Basket Securities to which that category of New Basket Securities corresponds are comprised) and by reference to which the Metal Entitlement of such New Basket Securities is calculated, and (subject as provided in Condition 15.3.6) shall issue such New Basket Securities to the Security Holders of the Existing Basket Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Basket Security for each Existing Basket Security then held. For this purpose (but subject as provided in Condition 15.3.6) any Basket Security in respect of

which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding;

- 15.3.4 the principal amount and Metal Entitlement of each New Individual Security shall (subject as provided in Condition 15.3.6) be the proportion of the principal amount and Metal Entitlement respectively, of each Existing Individual Security outstanding immediately prior to the transfer becoming effective (including any calculation of the Metal Entitlement for that day in accordance with Condition 5 (*Metal Entitlement*)) that the aggregate Metal Equivalent of the corresponding Metal Adjustment Contracts transferred to the New Pool bears to the aggregate Metal Equivalent of the corresponding Metal Adjustment Contracts that formed part of the Existing Pool immediately prior to the transfer becoming effective (including any calculation of the Metal Equivalent for that day in accordance with the terms of such Metal Adjustment Contracts), and on the creation and issue of the New Metal Securities becoming effective the principal amount and Metal Entitlement of each Existing Individual Security and the principal amount of each Existing Basket Security shall be reduced accordingly and the principal amount of each New Basket Security determined accordingly;
- 15.3.5 the Issuer shall enter into a deed with the Security Trustee amending the Security Deed with the Security Trustee in relation to the assets attributable to the New Pool to secure the New Individual Securities (and the New Basket Securities to the extent that they comprise New Individual Securities) in the same manner (*mutatis mutandis*) as under the Security Deed in relation to the Existing Pool, and the Security Trustee shall release the property to be transferred from the Existing Pool to the New Pool;
- 15.3.6 any valid Redemption Form received or deemed received prior to (and being in respect of Currency-Hedged Metal Securities which have not by then been Redeemed and in respect of which settlement has not been made in accordance with Condition 8 (*Settlement and Redemption Obligations*)):
- (a) in a case where in respect of the Existing Metal Securities notice of a Compulsory Redemption Date has been given under Condition 7.2 (*Compulsory Redemption by the Trustee on FX Counterparty Event of Default or Issuer Insolvency Event*) or Condition 7.4 (*Compulsory Redemption on a fall in Value Relative to Principal Amount*) prior to such division becoming effective, the date on which such notice of a Compulsory Redemption Date was given;
 - (b) in a case where in respect of the Existing Metal Securities a Compulsory Redemption Date is to occur under Condition 7.3 (*Compulsory Redemption on Enforcement of Security by FX Counterparty*) prior to such division becoming effective, the Notification Date;
 - (c) in a case where in respect of the relevant Existing Metal Securities notice of a Compulsory Redemption Date has been given under Condition 7.1.1(a), Condition 7.1.2 or Condition 7.1.3 prior to such division becoming effective, the date on which notice of the Compulsory Redemption Date was given;
 - (d) in any other case where in respect of the relevant Existing Metal Securities, notice of a Compulsory Redemption Date has been given

prior to such division becoming effective, the Compulsory Redemption Date; and

- (e) in any other case, the date on which such division becomes effective,

and in each case being valid notwithstanding Condition 6.6.7, Condition 6.6.8 and Condition 7.6 (*Redemption Forms Not to be Effective Once Notice of Compulsory Redemption Given*), shall have effect as if given in respect either of the Existing Metal Securities or of the New Metal Securities dependent upon the FX Counterparty (the “**Relevant Counterparty**”) to whom a Cancellation Notice (as defined in the Metal Adjustment Agreement) (the “**Relevant Cancellation Notice**”) had been delivered under a Metal Adjustment Agreement for the purposes of the Redemption intended to be effected pursuant to such Redemption Form as determined in its absolute discretion by the Issuer. Accordingly:

- (A) for the purposes of the calculations to be made in accordance with Condition 15.3.4, Metal Adjustment Contracts the subject of all Relevant Cancellation Notices shall be excluded, and the principal amounts and Metal Entitlements referred to therein shall be calculated as though all such Metal Adjustment Contracts had been terminated;
- (B) for the purposes of the calculations to be made in accordance with Condition 15.3.4, Metal Adjustment Contracts that have been created for the purposes of an Application that has not been completed by the issue of Currency-Hedged Metal Securities shall be excluded, and the principal amounts and Metal Entitlements referred to therein shall be calculated as though all such Metal Adjustment Contracts had not been created;
- (C) each Security Holder from whom such a Redemption Form in respect of Existing Individual Securities was received or deemed received shall not be issued New Individual Securities as provided in Condition 15.3.2 and instead each of the Existing Individual Securities to which such Redemption Form relates shall be divided into Existing Individual Securities or New Individual Securities as are attributable to the Pool to which Metal Adjustment Contracts with the Relevant Counterparty are attributable immediately following the transfer becoming effective, each such Existing Individual Security ranking *pari passu* with and having the same principal amount and Individual Entitlement as the other Existing Individual Securities of that class as reduced in accordance with Condition 15.3.4 and each such New Individual Security ranking *pari passu* with and having the same principal amount and Metal Entitlement as the other New Individual Securities of that class, and each such Security Holder shall hold upon such division becoming effective such number as nearly as practicable (rounded down to the nearest whole number) of Existing Individual Securities or New Individual Securities (as the case may be) as has the same aggregate principal amount as had the Existing Individual Securities in respect of which the Redemption Form related immediately prior to the division becoming effective; and

(D) each Security Holder from whom such a Redemption Form in respect of Existing Basket Securities was received or deemed received shall not be issued New Basket Securities as provided in Condition 15.3.3 and instead each of the Existing Basket Securities to which such Redemption Form relates shall be divided into Existing Basket Securities or New Basket Securities as are attributable to the Pools to which Metal Adjustment Contracts with the Relevant Counterparty are attributable immediately following the transfer becoming effective, each such Existing Basket Security ranking *pari passu* with, having the same principal amount as, and comprising the same numbers of Existing Individual Securities of each class as, the other Existing Basket Securities of that category as reduced (in the case of the principal amount) in accordance with Condition 15.3.4 and each such New Basket Security ranking *pari passu* with, having the same principal amount as, and comprising the same numbers of new Individual Securities of each class as, the other New Basket Securities of that class, and each such Security Holder shall hold upon such division becoming effective such number as nearly as practicable (rounded down to the nearest whole number) of Existing Basket Securities or New Basket Securities (as the case may be) as has the same aggregate principal amount as had the Existing Basket Securities in respect of which the Redemption Form related immediately prior to the division becoming effective.

15.4 Without prejudice to the foregoing, the Issuer may consolidate or divide all of the Currency-Hedged Metal Securities of any type into Currency-Hedged Metal Securities of the same type but with a proportionately larger or smaller Metal Entitlement and Principal Amount. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Instrument.

15.5 Whenever as a result of consolidation of Currency-Hedged Metal Securities a Security Holder would become entitled to a fraction of a Currency-Hedged Metal Security the Issuer will Redeem such fraction of a Currency-Hedged Metal Security. In such circumstances the provisions of Condition 7.11 (*Compulsory Redemptions*) shall apply in respect of the aggregate fractions of Currency-Hedged Metal Securities to be redeemed *mutatis mutandis* as though the Redemption were pursuant to Condition 7.1 (*Compulsory Redemption by the Issuer*) and the date on which the consolidation becomes effective the Compulsory Redemption Date.

16. **ISSUER'S ABILITY TO PURCHASE CURRENCY-HEDGED METAL SECURITIES**

There is no restriction on the ability of the Issuer or any of its Affiliates to purchase or repurchase Currency-Hedged Metal Securities.

17. **LISTING**

The Issuer covenants in the Trust Instrument to use its best endeavours to obtain and, so long as any of the Currency-Hedged Metal Securities remain outstanding, maintain a Listing for the Currency-Hedged Metal Securities or, if it is unable to do so having used such best endeavours or if the maintenance of such listing is agreed by the Trustee to be unduly onerous, use its best endeavours to obtain and maintain the quotation or listing of the Currency-Hedged Metal Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide.

18. **WAIVER, AUTHORISATION AND DETERMINATION; MEETINGS OF SECURITY HOLDERS**

18.1 The Trustee may, without prejudice to its rights in respect of any subsequent breach, but only if and in so far as, in its opinion, the interests of the Security Holders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Instrument or any Security Deed, or determine that any Defaulted Obligation, FX Counterparty Event of Default or Issuer Insolvency Event shall not be treated as such, *provided that* the Trustee shall not exercise any powers conferred on it by this Condition:

18.1.1 with respect to a Defaulted Obligation, in contravention of any express direction given by the Security Holder to whom such Defaulted Obligation is owed; or

18.1.2 with respect to an Issuer Insolvency Event or a FX Counterparty Event of Default or any other breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Instrument, in contravention of any express direction given by Security Holders holding not less than 25 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders (as a single class),

but so that no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Security Holders and, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Security Holders as soon as practicable thereafter.

18.2 Security Holders in respect of any type or types of Currency-Hedged Metal Securities have power by Extraordinary Resolution, *inter alia*, to sanction the release of the Issuer from the payment of moneys payable and delivery of Bullion due pursuant to the Trust Instrument, to sanction any modification, abrogation or compromise of, or arrangement in respect of, their rights against the Issuer, to assent to any modification or abrogation of the covenants or provisions contained in the Trust Instrument proposed or agreed to by the Issuer and also to sanction other matters as provided therein. The Trust Instrument contains provisions relating to the convening of meetings by the Issuer or the Trustee and provides that, except in the case of an adjourned meeting, at least fourteen calendar days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting, including any meeting which is being convened for the purpose of passing an Extraordinary Resolution, shall be given to the Security Holders of the relevant type or types. In the case of a meeting adjourned through want of a quorum, other than one convened at the requisition of Security Holders, at least seven calendar days' notice (exclusive as aforesaid) should be given unless the day, time and place for the adjourned meeting is specified in the notice convening the original meeting.

18.3 For the purposes of these Conditions, where calculation of the percentage holdings of Security Holders by Principal Amount is required, every A\$1.00, €1.00, S\$1.00 and £1.00 of Principal Amount attributable to a Currency-Hedged Metal Security shall be regarded as having an equal value.

19. EXERCISE OF DISCRETIONS

The Trustee may exercise its discretions under the Trust Instrument separately in respect of each type of Currency-Hedged Metal Securities, and any Further Securities in issue from time to time, and shall incur no liability to any person for so doing.

20. PRESCRIPTION

The Trust Instrument does not provide for any prescription periods.

21. REMOVAL, RETIREMENT OR REPLACEMENT OF TRUSTEE

21.1 The Trustee may retire at any time without assigning any reason upon giving not less than three months' prior written notice to the Issuer and without being responsible for any Liabilities incurred by reason of such retirement. The Security Holders may by Extraordinary Resolution of the Security Holders (as a single class) appoint or remove any trustee or trustees for the time being of the Trust Instrument.

21.2 The Issuer will use its reasonable endeavours to appoint a new Trustee as soon as reasonably practicable after the Trustee gives notice of its retirement or being removed by Extraordinary Resolution. The retirement or removal of any Trustee shall not become effective until a successor trustee is appointed.

22. GOVERNING LAW AND JURISDICTION

22.1 The Conditions, the Currency-Hedged Metal Securities and the Trust Instrument are governed by the laws of Jersey. Each Security Deed is governed by the laws of England.

22.2 In the Trust Instrument the Issuer irrevocably agrees for the benefit of the Trustee and the Security Holders that the courts of Jersey are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Instrument. In each Security Deed the Issuer irrevocably agrees for the benefit of (*inter alios*) the Security Trustee, the Trustee and the Security Holders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with such Security Deed.

22.3 Notwithstanding the submission by the Issuer to the jurisdiction of the Jersey courts contained in the Trust Instrument and the submission by the Issuer to the jurisdiction of the English courts contained in each Security Deed, nothing prevents the Trustee or the Security Trustee from commencing proceedings in any other competent jurisdiction.

23. TRUSTEE'S LIABILITY

Save in the case of fraud, wilful misconduct or gross negligence, the Trustee (or any director, officer or employee of the Trustee) and the Security Trustee (or any director, officer or employee of such Security Trustee) shall have no liability under the Trust Instrument for a breach of trust and, save in such circumstances, no Trustee (and no director, officer or employee of the Trustee) and no Security Trustee (and no director, officer or employee of such Security Trustee), in execution of the trusts and powers under the Trust Instrument or the Security Deed, shall be liable for any loss arising by reason of any mistake or omission by him or by reason of any other matter or thing including fraud, wilful misconduct, gross negligence or default of another director, officer or employee or Trustee or Security Trustee.

24. AMENDMENTS TO CONDITIONS

- 24.1 These Conditions may be amended as set out herein or by written agreement between the Issuer and the Trustee. Subject to Condition 24.2, any amendment to these Conditions will be notified to Security Holders through a RIS announcement, and unless otherwise agreed by the Trustee shall not take effect until at least 30 calendar days following such announcement, save that a reduction in the Management Fee or the Hedging Rate may take effect on announcement.
- 24.2 Notwithstanding Condition 24.1:
- 24.2.1 no announcement of an amendment to the Conditions to which Condition 25.2.4, Condition 25.2.10 or Condition 25.4 applies unless the Trustee otherwise requires and such amendment may take effect immediately;
 - 24.2.2 in the case of an amendment to the Conditions to which Condition 25.2.2 applies, such amendment may take effect the later of ten calendar days from announcement and 30 calendar days following announcement of the identity of the proposed Transferee or new FX Counterparty;
 - 24.2.3 in the case of an amendment to the Conditions to which Condition 25.2.3 applies, such amendment may take effect ten calendar days from announcement; and
 - 24.2.4 in the case of an amendment to the Conditions to which any of Condition 25.2.6 to Condition 25.2.9 applies, such amendment shall take effect on announcement unless otherwise specified in or pursuant to the relevant resolution.

25. AMENDMENTS TO DOCUMENTS

- 25.1 Pursuant to the Trust Instrument, the Issuer covenants that subject as provided therein (as described in this Condition 25) and subject to Condition 6.10 it will not amend, vary, modify or supplement any of the Trustee Consent Documents without the prior written consent of the Trustee save where, in respect of a Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement, that amendment is at the election of the relevant FX Counterparty to elect to amend the terms of the Metal Adjustment Agreement so as to be on terms no less favourable to the relevant FX Counterparty than the relevant terms of another Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement entered into between the Issuer and another FX Counterparty and to include at the Issuer's option any commercial terms agreed to by such other FX Counterparty.
- 25.2 The Issuer may, without prejudice to Condition 25.4, by supplemental agreement or supplemental instrument or deed, as applicable, amend these Conditions, the Trust Instrument or any Security Deed or amend, vary, modify, supplement or novate any of the Trustee Consent Documents (in respect of Condition 25.2.1, Condition 25.2.2, Condition 25.2.5, Condition 25.2.6, Condition 25.2.7, Condition 25.2.8 and Condition 25.2.9 in each case without the consent of the Trustee or the Security Trustee), and the Trustee agrees in the Trust Instrument, and each Security Trustee will agree in each Security Deed, to join in a supplemental agreement or supplemental instrument or deed as applicable accordingly, if one or more of the following applies:
- 25.2.1 if the amendment is to substitute as debtor under a Metal Adjustment Agreement, ISDA Master Agreement, Master Confirmation Agreement or Guarantee another person having an Acceptable Credit Rating;

- 25.2.2 if the amendment or novation is (A) to effect the transfer of any Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement, or any or any part of any Metal Adjustment Contract (or any position constituting any or any part of such Metal Adjustment Contract) to any FX Counterparty or other person (the “**Transferee**”) or to make amendments consequent upon such transfer or (B) to effect the appointment of a new FX Counterparty (a “**new FX Counterparty**”), *provided that*:
- (a) (where such transferee is not a FX Counterparty immediately prior to such amendment and novation) the Transferee or new FX Counterparty, as the case may be, has an Acceptable Credit Rating or has a Guarantor with an Acceptable Credit Rating;
 - (b) such amendment or novation would not affect the Metal Entitlement or Principal Amount of any Currency-Hedged Metal Securities;
 - (c) in the case of a transfer, prior to the transfer becoming effective in respect of any class of Metal Adjustment Contracts, and in the case of the appointment of a new FX Counterparty, prior to entering into Metal Adjustment Contracts of any class with such new FX Counterparty, Secured Metal Accounts have been opened with a Custodian in respect of that class and that new FX Counterparty; and
 - (d) in the case of a transfer, prior to the transfer becoming effective in respect of any class of Metal Adjustment Contracts, and in the case of the appointment of a new FX Counterparty, prior to entering into Metal Adjustment Contracts of any class with such new FX Counterparty, the Issuer has executed and delivered to the Trustee a Security Deed granting to a Security Trustee for (*inter alios*) the Trustee security over such Secured Metal Accounts and the Issuer’s rights under the relevant Metal Adjustment Agreement, ISDA Master Agreement and Master Confirmation Agreement in each case to the extent applicable to such class and such FX Counterparty (in or substantially in the same form as the Security Deed entered on or about the date of the Trust Instrument) as security for the payment or discharge of the obligations of the Issuer to (*inter alios*) the Trustee, the FX Counterparty and the Security Holders from time to time in respect of the applicable class of Currency-Hedged Metal Securities;
- 25.2.3 in the opinion of the Issuer and the Trustee the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders;
- 25.2.4 in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- 25.2.5 the amendment is to substitute a different index for one or more of the Indices and consequential changes, *provided that* (i) corresponding amendments and changes have been agreed with each of the FX Counterparties which have Metal Adjustment Contracts outstanding that refer to the relevant Index or Indices, (ii) the amendment and changes so agreed have the consequence that at the time of the substitution of the index there is no change to the aggregate Metal Entitlement of the Currency-Hedged Metal Securities of the relevant type and (iii) the amendment and changes do not take effect until at least 30 calendar

days have elapsed after they are announced to Security Holders in an RIS announcement;

25.2.6 the amendment affects only Basket Securities of one or more particular category or categories, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different categories of Basket Securities differently, and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each category of Basket Security affected passed in accordance with the Trust Instrument or by a separate resolution in writing of holders of each category of Basket Security affected holding not less than 75 per cent. by Principal Amount of such category;

25.2.7 Condition 25.2.6 does not apply to the amendment, the amendment affects only Basket Securities and the terms of the amendment are authorised by an Extraordinary Resolution of the holders of the Basket Securities (as a single class) passed in accordance with the Trust Instrument or by a resolution in writing of the holders of the Basket Securities holding not less than 75 per cent. by Principal Amount of the Basket Securities (as a whole);

25.2.8 Condition 25.2.6 and Condition 25.2.7 do not apply to the amendment, the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different types of Currency-Hedged Metal Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each type of Currency-Hedged Metal Security affected passed in accordance with the Trust Instrument or in each case by a separate resolution in writing of holders of such type of Currency-Hedged Metal Security affected holding not less than 75 per cent. by Principal Amount of the Currency-Hedged Metal Securities of such type, *provided that* unless the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of Basket Securities differently from the holders of the relevant class(es) of Individual Securities, holders of Basket Securities shall for this purpose be treated as though they were holders of the Individual Securities by reference to which the Metal Entitlement of their Basket Securities is calculated and not as though they were holders of the Basket Securities;

25.2.9 Condition 25.2.6 to Condition 25.2.8 inclusive do not apply to the amendment and the terms of the amendment are authorised by an Extraordinary Resolution of the Security Holders (as a single class) passed in accordance with the Trust Instrument or by a resolution in writing of Security Holders holding not less than 75 per cent. by Principal Amount of the Currency-Hedged Metal Securities (as a whole); or

25.2.10 the terms of the amendment are necessary or desirable in the opinion of the Issuer and the Trustee to comply with any statutory or other requirement of law (including as modified or applied in any respect to the Currency-Hedged Metal Securities) or any Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of such document.

25.3 In the case of an amendment to a Metal Adjustment Agreement, Master Confirmation Agreement or ISDA Master Agreement (other than an amendment or novation made pursuant to Condition 25.2.2), the amendment may not take effect for at least 30 calendar days (or five Business Days if the amendment is to be made pursuant to an obligation in the Metal Adjustment Agreement to negotiate in good faith following notice being given

by either party thereto of the occurrence of a Material Adverse Change (as defined therein)) following publication of a notice thereof through a RIS and the Issuer shall not agree to any such amendment unless it does not take effect until such period has elapsed.

- 25.4 The restrictions imposed by Condition 25.2 and Condition 25.3 shall not apply to any amendment to the terms of a Metal Adjustment Agreement, ISDA Master Agreement or Master Confirmation Agreement which, under the terms thereof, is automatic or at the election of the relevant FX Counterparty in the circumstances described in Condition 25.1.
- 25.5 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 25.2.1 by publishing a notice on a RIS at least ten calendar days' prior to such amendment becoming effective.
- 25.6 Without prejudice to Condition 24, the Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 25.2.2 by publishing a notice on a RIS at least ten calendar days' prior to such amendment becoming effective.
- 25.7 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 25.2.6 to Condition 25.2.9 (inclusive) by publishing a notice on a RIS as soon as practicable after such amendment is proposed and in any event, upon such amendment becoming effective.
- 25.8 No notice need be given of any amendment as referred to in Condition 25.2.4, Condition 25.2.10 or Condition 25.4 unless the Trustee otherwise requires.
- 25.9 The Issuer may at any time in its sole discretion determine in respect of any Pool that a specified financial institution or other entity, not being already a Custodian in respect of such Pool but being a member of the Relevant Association in respect of Individual Securities to which such Pool relates and which provides custody and transfer facilities in respect of Bullion of the relevant type, shall be appointed as a Custodian. Upon such determination being made the Trustee agrees in the Trust Instrument that it will, as soon as practicable following a request by the Issuer to do so, enter into:
- 25.9.1 a Secured Allocated Account Agreement;
 - 25.9.2 a Secured Unallocated Account Agreement; and
 - 25.9.3 if so requested by the Issuer, a Metal Sale Counterparty Agreement,
- each with the Issuer and such financial institution or other entity in a form substantially equivalent to a then existing such agreement to which the Issuer, the Trustee and a Custodian are then or have been party (in respect of that Pool or any other Pool) or in such other form as the Issuer may reasonably require.
- 25.10 The Issuer shall give notice to the Security Holders by publishing a notice on a RIS promptly after, or prior to, entering into any Secured Allocated Account Agreement, Secured Unallocated Account Agreement or Metal Sale Counterparty Agreement as referred to in Condition 25.9 and (save where in respect of such Pool there is no other Custodian) no Bullion shall be credited to any Secured Metal Account maintained pursuant to any such Custodian Agreement until the expiry of 30 calendar days from the date of such publication.

26. NOTICES

- 26.1 Except as provided below, all notices required or permitted to be given to Security Holders, the Issuer, the Trustee or the Security Trustee under the Trust Instrument or pursuant to any other Document must be in writing in English.
- 26.2 Except as provided herein or in the Trust Instrument or other Document (as the case may be), all notices required or permitted to be given to a Security Holder under the Trust Instrument or pursuant to any other Document shall be made by publication through a RIS where required under the terms of such document, but otherwise may be given by publication on the Issuer's Website.
- 26.3 All notices required to be given by the Issuer to Security Holders under the Trust Instrument or otherwise shall be given in writing, except to the extent that the notice relates to a meeting of Security Holders where, in relation to any Currency-Hedged Metal Securities which are held in Uncertificated Form, the Issuer may from time to time permit notices of Security Holder meetings to be made by means of an electronic communication in the form of an Uncertificated Notice of Meeting in such form and subject to such terms and conditions as may from time to time be prescribed by the Issuer (subject always to facilities and requirements of CREST) and may in similar manner permit supplements, or amendments, to any such Uncertificated Notice of Meeting to be made by like means.
- 26.4 Any Redemption Form given by an Authorised Participant shall be sent by fax to the Issuer's primary fax number, as follows:
- Fax: [REDACTED]
- or such other fax number as may be published on the Issuer's Website, and confirmed by email to the following email address:
- Email: [REDACTED]
- 26.5 Any Redemption Form given by an Authorised Participant shall be deemed to have been lodged upon sending, subject to confirmation of uninterrupted and error-free transmission by a transmission report.
- 26.6 Any Redemption Form lodged other than by an Authorised Participant must be delivered by hand, sent by prepaid recorded delivery or sent by registered post (or registered airmail in the case of posting from an address outside the United Kingdom) to the address specified in Condition 26.7.

26.7 Any Notice (other than a Redemption Form) to be given to the Issuer shall be sent to the Issuer's primary fax number set out above or delivered by hand, sent by prepaid recorded delivery or registered post (or registered airmail in the case of posting from an address outside the United Kingdom), to the following address:

Name: ETFS Hedged Metal Securities Limited

Address: Ordnance House
31 Pier Road
St. Helier
Jersey JE4 8PW
Channel Islands

Attention: [REDACTED]

Fax number: [REDACTED]

or such other address as may be published for the Issuer on the Issuer's Website.

26.8 Any Notice (other than a Redemption Form given by an Authorised Participant) shall, in the absence of earlier receipt, be deemed to have been received as follows:

26.8.1 if delivered by hand, at the time of actual delivery; or

26.8.2 if sent by prepaid recorded delivery or registered post (or registered airmail in the case of posting from an address outside the United Kingdom), on the date it is delivered or its delivery is attempted.

27. PAYMENT PROVISIONS

27.1 All monies payable by the Issuer in respect of Currency-Hedged Metal Securities shall be paid in US Dollars in full cleared and immediately available funds. Where no bank account or other settlement details have been provided by a Security Holder, or in other circumstances as provided in the Trust Instrument, cash payments due to Security Holders will be made by cheque or warrant and despatched by post at the risk of the Security Holder.

27.2 All monies payable by the Issuer on the Redemption of any Currency-Hedged Metal Securities shall be paid in full, free and clear of and without any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, unless such deduction or withholding is required by law to which the person making the payment is subject.

27.3 Where a day on which a payment would otherwise be due and payable is not a Business Day, such payment shall be due and payable by the payer on the next following Business Day.

SCHEDULE 3

Provisions Relating to Registration and Transfer of Currency-Hedged Metal Securities

1. The Issuer will recognise the registered holder of any Currency-Hedged Metal Securities as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Currency-Hedged Metal Securities may be subject and the receipt of the registered holder for the time being of any Currency-Hedged Metal Securities or, in the case of joint registered holders, the receipt of any of them for any monies payable or Bullion due in respect thereof shall be a good discharge to the Issuer notwithstanding any notice it may have whether express, constructive or otherwise of the right, title, interest or claim of any other person to or in such Currency-Hedged Metal Securities or monies. No notice of any trust express, implied or constructive shall be entered on the Register in respect of any Currency-Hedged Metal Securities.
2. Every Security Holder will be recognised by the Issuer as entitled to its Currency-Hedged Metal Securities free from any equity, set-off or cross-claim on the part of the Issuer against any original or any intermediate holder of the Currency-Hedged Metal Securities.
3. Subject to the provisions of Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) the Currency-Hedged Metal Securities are transferable by instrument in writing in the usual common form or such other form as the Issuer may approve.
4. Subject to the provisions of Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) every instrument of transfer must be signed by the transferor and the transferor shall be deemed to remain the owner of the Currency-Hedged Metal Securities to be transferred until the name of the transferee is entered in the Register in respect thereof.
5. Subject to the provisions of Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) every instrument of transfer must be left for registration at the place where the Register shall for the time being be kept accompanied by the Certificate for the Currency-Hedged Metal Securities (if any) to be transferred and such other evidence as the directors or other officers of the Issuer authorised to deal with transfers may reasonably require to prove the title of the transferor or its right to transfer the Currency-Hedged Metal Securities and if the instrument is executed by some other person on its behalf the authority of that person to do so.
6. Subject to the provisions of Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) all instruments of transfer which shall be registered will be retained by the Issuer.
7. The executors or administrators of a deceased registered holder of Currency-Hedged Metal Securities (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person or persons recognised by the Issuer as having any title to such Currency-Hedged Metal Securities.
8. Any person becoming entitled to Currency-Hedged Metal Securities in consequence of the death or bankruptcy of the holder of such Currency-Hedged Metal Securities may upon producing such evidence that it holds the position in respect of which it proposes to act under this paragraph or of its title as the Issuer shall reasonably think sufficient be registered himself as the holder of such Currency-Hedged Metal Securities or, subject to the preceding paragraphs as to transfer, may transfer such Currency-Hedged Metal Securities. The Issuer shall be at liberty to retain payments and Bullion due in respect of any Currency-Hedged Metal Securities to which any person has become entitled under this

paragraph until such person shall be registered as aforesaid or shall duly transfer such Currency-Hedged Metal Securities.

9. Unless otherwise agreed in writing by the Issuer and the relevant holder, payment in respect of the Currency-Hedged Metal Securities may be made by cheque or warrant made payable to the relevant holder or, in the case of joint holders, to all such relevant joint holders or to such person or persons as the relevant holder or all the relevant joint holders may in writing direct and sent to the holder at its registered address, or in the case of joint holders, to that one of the relevant joint holders who is first named on the Register in respect of such Currency-Hedged Metal Securities at its registered address or to such address as the relevant holder or all the relevant joint holders may in writing direct. Every such cheque or warrant may be sent through the post at the risk of the holder or relevant joint holders and due payment of the cheque or warrant shall be a satisfaction of the principal represented thereby.
10. Every such cheque or warrant referred to in paragraph 9 above which is sent through the post shall be sent by first class post on or before the Business Day next preceding the due date of the relevant payment unless such due date is not a Business Day in which event it shall be so sent on or before the second such Business Day.
11. Any notice may be given to any Security Holder by sending the same by post in a prepaid letter addressed to such Security Holder at its registered address. In the case of joint holders of any Currency-Hedged Metal Securities a notice given to the Security Holder whose name stands first on the register in respect of such Currency-Hedged Metal Securities shall be sufficient notice to all the joint holders.
12. Any such notice as is referred to in paragraph 11 above given by post shall be deemed to have been served on the day following the day on which the same was posted or, in the case of any notice posted by second class post, on the second day following that on which it was posted and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and posted.
13. If any Certificate issued pursuant to these presents be worn out or defaced then, upon production thereof to the directors of the Issuer, they may cancel the same and may issue a new Certificate in lieu thereof and if any such Certificate be lost or destroyed, then, upon proof thereof to the reasonable satisfaction of the directors of the Issuer, and, in the case of a lost Certificate or in default of proof of destruction of a Certificate, on such indemnity as the directors of the Issuer may reasonably deem adequate having been given, a new Certificate in lieu thereof shall be issued to the person entitled to such lost or destroyed Certificate. An entry as to the issue of the new Certificate and indemnity (if any) shall be made by the Issuer in the Register.
14. To the extent that, and for as long as, the Metal Entitlement of any Basket Security is calculated by reference to one or more classes of Individual Security, and for which they may (when in Certificated Form), be surrendered in accordance with Clause 9, no entry will be made in a Register relating to any class of Individual Securities in respect of Individual Securities comprised in Basket Securities.

SCHEDULE 4

Provisions for Meetings of Security Holders

The following provisions applying to meetings of Security Holders apply not just to meetings of the Security Holders (as a single class) but also in the same manner to meetings of the holders of any type of Currency-Hedged Metal Securities.

1. The Issuer and the Trustee may respectively and the Trustee shall, at the request in writing of registered holders of not less than one tenth of the aggregate Principal Amount of the Currency-Hedged Metal Securities for the time being outstanding and upon receiving such indemnity as the Trustee may require against the cost of convening and holding the meeting, convene a meeting of the Security Holders. Any such meeting shall be held at such place in Jersey and at such time as the Trustee shall determine or approve.
2. At least fourteen calendar days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting, including any meeting which is being convened for the purpose of passing an Extraordinary Resolution, shall be given to the Security Holders in the manner provided in Schedule 3 (*Provisions Relating to Registration and Transfer of Currency-Hedged Metal Securities*). Such notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted at the meeting but it shall not be necessary, except in the case of an Extraordinary Resolution, to specify in such notice the terms of any resolution to be proposed. A copy of such notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee and to the Issuer unless the meeting shall be convened by the Issuer. The accidental omission to give notice to, or the non receipt of notice by, any of the Security Holders shall not invalidate the proceedings at any meeting.
3. At any meeting one or more persons being Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative and holding or representing in the aggregate one-third of the aggregate Principal Amount of the Currency-Hedged Metal Securities for the time being outstanding shall form a quorum for the transaction of business except for the purpose of passing an Extraordinary Resolution. The quorum for passing an Extraordinary Resolution shall be one or more persons being Security Holders present in person or by proxy or (in the case a Security Holder which is a corporation) by its duly authorised representative and holding or representing in the aggregate three-fourths of the aggregate Principal Amount of the Currency-Hedged Metal Securities for the time being outstanding. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
4. If within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) from the time appointed for holding the meeting a quorum is not present the meeting, if convened upon the requisition of Security Holders, shall be dissolved. In any other case, it shall stand adjourned to such day (being not less than three calendar days nor more than 28 calendar days later) and at such time and place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been so specified, the meeting shall stand adjourned to such day and time (being not less than 13 calendar days nor more than 42 calendar days thereafter) and to such place as may be appointed by the chairman. At any such adjourned meeting one or more persons being Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative whatever the aggregate Principal Amount of the Currency-Hedged Metal Securities for the time being outstanding held or represented by them shall form a quorum for the transaction of business including the

passing of Extraordinary Resolutions. Save where the date, time and place for the adjourned meeting have been specified in the notice convening the meeting as referred to above in this paragraph, at least seven calendar days' notice (exclusive as aforesaid) of any adjourned meeting of Security Holders at which an Extraordinary Resolution is to be proposed shall be given in the same manner as for an original meeting and such notice shall state that one or more persons being Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative at the adjourned meeting whatever the aggregate Principal Amount of the Currency-Hedged Metal Securities for the time being outstanding held or represented by them will form a quorum.

5. A person nominated in writing by the Trustee shall preside as chairman at every meeting and if no such person is nominated or if at any meeting no person nominated shall be present within five minutes after the time appointed for holding the meeting the Security Holders present shall choose one of their number to be chairman. The chairman of an adjourned meeting need not be the same person as was the chairman of the meeting from which the adjournment took place. The Trustee and the Trustee's legal and financial advisers and any director, officer or employee of a corporation being a trustee of these presents and any director and the secretary and the legal and financial advisers of the Issuer and any other person authorised in that behalf by the Trustee may attend and be heard at any meeting.
6. The chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the chairman or by one or more Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative and holding or representing not less than one-twentieth of the aggregate Principal Amount of the Currency-Hedged Metal Securities for the time being outstanding. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
8. If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
9. In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Security Holder.
10. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs.
11. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

12. On a show of hands every Security Holder who is present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative shall have one vote. On a poll every Security Holder who is so present shall have one vote in respect of every A\$1.00, €1.00, S\$1.00 or £1.00 (as the case may be) of Principal Amount attributable to the Currency-Hedged Metal Securities of which it is the holder or in respect of which it is the proxy or duly authorised representative.
13. In the case of joint registered Security Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
14. On a poll votes may be given either personally or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative and a Security Holder entitled to more than one vote need not (if it votes) use all its votes or cast all the votes it uses in the same way.
15. The instrument appointing a proxy shall be in such form as the Trustee may approve and shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised and such instrument shall be deemed to confer authority to demand or join in demanding a poll.
16. A person appointed to act as a proxy need not be a Security Holder.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority shall be deposited at the registered office of the Issuer or such other place as the Trustee shall approve not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution.
18. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Issuer before the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is to be used.
19. A meeting of the Security Holders shall in addition to all other powers have the following powers exercisable by Extraordinary Resolution only, that is to say:
 - (a) power to sanction the release of the Issuer from the payment of monies payable or delivery of Bullion due pursuant to these presents;
 - (b) power to sanction any modification, abrogation or compromise of, or arrangement in respect of, the rights of the Security Holders against the Issuer whether such rights shall arise under these presents, the Certificates for the Currency-Hedged Metal Securities or otherwise;
 - (c) power to assent to any modification or abrogation of the covenants or provisions contained in these presents proposed or agreed to by the Issuer and to authorise the Trustee to concur in and execute any supplemental trust deed or instrument embodying any such modification; and

- (d) power to agree to the release of any trustee of these presents from any liability in respect of anything done or omitted to be done by such trustee before the giving of such release.
20. An Extraordinary Resolution passed at a meeting of the Security Holders duly convened and held in accordance with the provisions of these presents shall be binding upon all the Security Holders whether present or not present at the meeting and the Issuer, each of the Security Holders and (subject to the provisions for its indemnity contained in the Trust Instrument) the Trustee shall be bound to give effect thereto accordingly.
21. The expression "Extraordinary Resolution" means in respect of one or more types of Currency-Hedged Metal Securities either (a) a resolution passed at a meeting of the holders of the Currency-Hedged Metal Securities of such type or types duly convened and held in accordance with the provisions contained in the Trust Instrument and carried by a majority consisting of not less than 75 per cent. in number of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities or (b) a resolution in writing of holders of the Currency-Hedged Metal Securities of such type or types holding not less than 75 per cent. by Principal Amount of such type or types of Currency-Hedged Metal Securities, and where so provided for in the Conditions holders of Basket Securities may for this purpose be treated as holders of the relevant type or types of Individual Securities comprised therein.
22. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed. Notice of the result of the voting on any resolution duly considered by the Security Holders shall be given by the Issuer not more than 14 calendar days after such result is known, *provided that* the non-receipt of such notice by any Security Holder shall not invalidate such result.
23. A resolution in writing signed by or on behalf of the registered holders of not less than 75 per cent. of the aggregate Principal Amount of the Currency-Hedged Metal Securities outstanding, or of the Currency-Hedged Metal Securities of any type outstanding, shall for all purposes of these presents be as valid and effectual as and be deemed to be an Extraordinary Resolution passed at a meeting of the Security Holders, or of the Security Holders of the Currency-Hedged Metal Securities of that type respectively, duly convened and held in accordance with the provisions herein contained. Such resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by or behalf of one or more of the relevant Security Holders.
24. Subject to all other provisions of these presents, the Trustee may, without the consent of the Issuer or the Security Holders, prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Security Holders and attendance and voting thereat as the Trustee may in its sole discretion think fit.

SCHEDULE 5

Provisions Relating to Securities in Uncertificated Form

1. The following provisions of this Schedule shall have effect in relation to Currency-Hedged Metal Securities which are Participating Securities.
2. So long as the Currency-Hedged Metal Securities or any type thereof are Participating Securities, no provision of these presents shall (notwithstanding anything contained in these presents) apply or have effect to the extent that it is in any respect inconsistent with:
 - (a) the holding of title to Participating Securities in uncertificated form;
 - (b) the transfer of title to Participating Securities by means of an operator's system;
or
 - (c) the Regulations.
3. Without prejudice to the generality of paragraph 2 of this Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) and notwithstanding anything contained in these presents, where any Currency-Hedged Metal Securities are, for the time being, Participating Securities:
 - (a) Participating Securities may be issued in uncertificated form in accordance with and subject as provided in the Regulations;
 - (b) the Participating Securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in each case in accordance with and subject as provided in the Regulations;
 - (c) where title to a Participating Security is evidenced otherwise than by a certificate by virtue of the Regulations, the transfer of title to such a Participating Security shall be effected by means of an operator's system in the manner provided for, and subject as provided, in the Regulations and, accordingly (and in particular) paragraphs 3, 4, 5 and 6 of Schedule 3 (*Provisions Relating to Registration and Transfer of Currency-Hedged Metal Securities*) shall not apply in respect of such a Participating Security to the extent that those paragraphs require or contemplate the effecting of a transfer by an instrument in writing and the production of a Certificate for the Participating Security to be transferred;
 - (d) the Issuer shall comply with the provisions of Regulation 18 in relation to the Participating Securities;
 - (e) the provisions of Schedule 4 (*Provisions for Meetings of Security Holders*) with respect to meetings of holders of the Participating Securities shall have effect subject to the provisions of Regulation 40;
 - (f) Clause 9 of this Trust Instrument shall not apply so as to require the Issuer to issue a Certificate for new Currency-Hedged Metal Securities to any person holding Units of such Currency-Hedged Metal Securities in uncertificated form;
 - (g) notwithstanding sub-paragraph (f) above, and for the avoidance of doubt, the Conditions shall remain applicable to the Participating Securities (and accordingly the Issuer shall continue to comply with the terms and conditions

of the same in accordance with Clause 13 of this Trust Instrument) notwithstanding that they are not endorsed on any Certificate for any Currency-Hedged Metal Securities which are in certificated form;

- (h) the Issuer shall, if so requested in writing by the holder of any Participating Securities in uncertificated form, provide to the holder of such Participating Securities within seven calendar days of the receipt of such request a copy of the Conditions and any other document containing equivalent information to that normally endorsed on the Certificates (but so that joint holders of Participating Securities shall be entitled to receive one copy only of the Conditions or such other document in respect of the Participating Securities held jointly by them, which copy shall be delivered to that one of the joint holders whose name stands first in the Register of Security Holders in respect of that holding);
- (i) notwithstanding paragraph 9 of Schedule 3 (*Provisions Relating to Registration and Transfer of Currency-Hedged Metal Securities*) or any other provision of these presents relating to payment of monies or delivery of Bullion in respect of the Currency-Hedged Metal Securities, in respect of any Unit of Participating Securities in uncertificated form, where an authority on that behalf shall have been received by the Issuer from the holder of such Unit in such form as the Issuer shall from time to time consider sufficient, the Issuer may pay or procure the payment of moneys payable or the delivery of Bullion due by the Issuer to such holder pursuant to these presents in respect of such Participating Securities to any bank or other agent of such holder and payment or delivery in accordance with such authority shall constitute a good discharge therefor; and
- (j) for the avoidance of doubt, any Unit of the Participating Securities may be held in certificated form by not more than four joint holders,

and the Issuer hereby covenants with the Trustee that it will comply with and observe and be bound by all the foregoing provisions accordingly.

- 4. The Trustee may concur with the Issuer in making modifications to the provisions of these presents in order to reflect changes in the Regulations or in the applicable law and/or practice relating to the holding or transfer of Securities in uncertificated form.
- 5. For the avoidance of doubt terms defined in the Regulations have the same meanings in this Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*).

SCHEDULE 6

Types of Currency-Hedged Metal Securities

Class of Australian Dollar Individual Security	Applicable Index	Principal Amount	Metal Entitlement on first Application Date
ETFS AUD Daily Hedged Physical Gold	Morgan Stanley AUD Gold Index	A\$1.75	0.01 fine troy oz
ETFS AUD Daily Hedged Physical Palladium	Morgan Stanley AUD Palladium Index	A\$0.75	0.01 troy oz
ETFS AUD Daily Hedged Physical Platinum	Morgan Stanley AUD Platinum Index	A\$1.75	0.01 troy oz
ETFS AUD Daily Hedged Physical Silver	Morgan Stanley AUD Silver Index	A\$0.50	0.10 troy oz
Class of Euro Individual Security	Applicable Index	Principal Amount	Metal Entitlement on first Application Date
ETFS EUR Daily Hedged Physical Gold	Morgan Stanley EUR Gold Index	€1.25	0.01 fine troy oz
ETFS EUR Daily Hedged Physical Palladium	Morgan Stanley EUR Palladium Index	€0.75	0.01 troy oz
ETFS EUR Daily Hedged Physical Platinum	Morgan Stanley EUR Platinum Index	€1.25	0.01 troy oz
ETFS EUR Daily Hedged Physical Silver	Morgan Stanley EUR Silver Index	€0.25	0.10 troy oz
Class of Singapore Dollar Individual Security	Applicable Index	Principal Amount	Metal Entitlement on first Application Date
ETFS SGD Daily Hedged Physical Gold	Morgan Stanley SGD Gold Index	S\$1.25	0.01 fine troy oz
ETFS SGD Daily Hedged Physical Palladium	Morgan Stanley SGD Palladium Index	S\$0.50	0.01 troy oz
ETFS SGD Daily Hedged Physical Platinum	Morgan Stanley SGD Platinum Index	S\$1.25	0.01 troy oz
ETFS SGD Daily Hedged Physical Silver	Morgan Stanley SGD Silver Index	S\$0.25	0.10 troy oz

Class of Sterling Individual Security	Applicable Index	Principal Amount	Metal Entitlement on first Application Date
ETFs GBP Daily Hedged Physical Gold	Morgan Stanley GBP Gold Index	£2.25	0.01 fine troy oz
ETFs GBP Daily Hedged Physical Palladium	Morgan Stanley GBP Palladium Index	£1.00	0.01 troy oz
ETFs GBP Daily Hedged Physical Platinum	Morgan Stanley GBP Platinum Index	£2.25	0.01 troy oz
ETFs GBP Daily Hedged Physical Silver	Morgan Stanley GBP Silver Index	£0.50	0.10 troy oz

EXHIBIT 1

Form of Directors' Certificate

From: ETFS Hedged Metal Securities Limited (the “**Issuer**”)

To: The Law Debenture Trust Corporation p.l.c.
Fifth Floor
100 Wood Street
London EC2V 7EX

in its capacity as Trustee, as defined in the Trust Instrument (the “**Trustee**”)

Dear Sirs

We, _____ and _____ being Directors of the Issuer refer to a trust instrument (the “**Trust Instrument**”) constituting Currency-Hedged Metal Securities dated • • 2013 between the Issuer and the Trustee. Words and expressions not defined herein shall have the meanings given to them in the Trust Instrument.

This certificate is being given for the purposes of Clause 20.1.19 of the Trust Instrument.

As Directors of the Issuer, we confirm, on behalf of the Issuer, that:

1. as at [• • 20••] *[date not more than seven calendar days before delivering this certificate]* (the “**relevant date**”) there did not exist and had not existed since *[insert relevant date of the previous certificate or • • 2013 if this is the first certificate]* any Defaulted Obligation, Issuer Insolvency Event or FX Counterparty Event of Default (each as defined in the Trust Instrument) *[OR SPECIFY IF NOT]*; and
2. during the period from and including *[insert relevant date of the previous certificate or • • 2013 if this is the first certificate]* to and including the relevant date the Issuer has complied with all its obligations contained in the Trust Instrument and the Schedules thereto and any trust instrument supplemental to the Trust Instrument and the Schedules (if any) thereto and the Conditions and the Security Deeds and the Schedules thereto, all as from time to time modified in accordance with the provisions therein contained *[OR SPECIFY IF NOT]*.

Yours faithfully

.....
Director
for and on behalf of
ETFS Hedged Metal Securities Limited

.....
Director
for and on behalf of
ETFS Hedged Metal Securities Limited

IN WITNESS whereof this Trust Instrument has been executed by the Issuer and the Trustee and entered into on the day and year first above written.

EXECUTED AND DELIVERED by)
ETFs HEDGED METAL)
SECURITIES LIMITED)
acting by:)

CRAIG STEWART Director



EXECUTED AND DELIVERED by)
THE LAW DEBENTURE)
TRUST CORPORATION p.l.c.)
acting by:)

_____ Director

_____ Director/Secretary representing Law
Debenture Corporate Services Ltd, Secretary


IN WITNESS whereof this Trust Instrument has been executed by the Issuer and the Trustee and entered into on the day and year first above written.

EXECUTED AND DELIVERED by)
ETFS HEDGED METAL)
SECURITIES LIMITED)
acting by:)

_____ Director

EXECUTED AND DELIVERED by)
THE LAW DEBENTURE)
TRUST CORPORATION p.l.c.)
acting by:)

 _____ Director

 _____ **Director/Secretary representing Law
Debenture Corporate Services Ltd, Secretary**

