



## STOCKBRIDGE MANAGEMENT ALLIANCE LIMITED ("SMA/UGT")

### Terms and Conditions

#### 1. Legal Structure

- 1.1 Stockbridge Management Alliance Limited ("SMA/UGT") is registered under the Companies Act 2006 in England and Wales, under Company number **9307352** and is a limited liability company. It has been incorporated to facilitate the purchasing of gold holdings. All references to SMA/UGT herein are deemed to include its successors, assigns and/or transferees.
- 1.2 The Ultimate Gold Trust ("UGT") acts as SMA/UGT's Guardian pursuant to which UGT will guard gold for clients of SMA/UGT in Switzerland.
- 1.3 Clients will own the gold evidenced by means of a Gold Bullion Certificate (which shall be non-transferrable).
- 1.4 Applications for Gold Bullion Certificates evidencing beneficial holdings in gold can be made through SMA/UGT only and not via any other party.
- 1.5 References to "you" in these terms and conditions shall mean the person who has (or will be) registered as having a gold holding and has satisfactorily completed SMA/UGT's application requirements.
- 1.6 It is understood that you have read and understood the Information Memorandum found on SMA/UGT's website which details, inter alia, the ownership structure of your gold holding and you understand that the performance of gold, and therefore your investment, is not guaranteed and the price may go down as well as up.

1.7 It is your responsibility to evaluate the accuracy, completeness or usefulness of any opinion, advice or other content of the Information Memorandum. The contents of the Information Memorandum are not a substitute for independent professional advice and you should obtain appropriate professional advice relevant to your particular circumstances. In no event will SMA/UGT be liable for any expense, loss or damage including, without limitation, indirect or consequential loss or damage, or any expense, loss or damage whatsoever arising from reliance upon the contents of the Information Memorandum. You are solely responsible for the decisions you make. The distribution of the Information Memorandum may be subject to restrictions in individual jurisdictions and any persons in possession of the Information

Memorandum should inform themselves as to the legal framework (including the provisions of tax law) that applies in the relevant jurisdiction, i.e. their country of domicile, residence or citizenship. SMA/UGT may refuse any purchase or redemption request if it believes, inter alia, that you would be violating the laws of the country under whose jurisdiction you may fall.

1.8 All instructions received by SMA/UGT from you or on your behalf (including, without limit, purchase and redemption orders) using the methods set out herein shall, unless it agrees otherwise, will be irrevocable.

1.9 If you are located or domiciled in a jurisdiction where a gold confiscation order has been, or may be, served, you acknowledge and agree that your Gold Bullion holdings can, upon your instructions, only be sold for cash (and not redeemed) whilst the order is prevailing. In the event SMA/UGT is in any doubt, redemption will not be sanctioned.

1.10 Nothing contained herein shall be deemed a collaboration or partnership or any agency between you and SMA/UGT; and SMA/UGT is not, and shall not be deemed to be, an agent or partner of you, and you are not, and shall not be deemed to be, an agent or partner of SMA/UGT.

#### 2. Clients

2.1 It is a condition of you becoming a SMA/UGT client that you return and satisfactorily complete the application form (as per the instructions on SMA/UGT's website) and provide the necessary verification documents listed on the website page entitled "Know Your Client Documents", within two weeks of client funds being received.

It shall be in SMA/UGT's full discretion as to whether someone becomes a client or not and no reason needs to be given in respect of any decision.

2.2 Only application forms which provide details of the beneficial owner of the gold will be accepted. The beneficial owners' details will be included on the Gold Bullion Certificate.

2.3 You will be notified of a successful application by email to the address provided on the application form. The requisite funds will include the purchase fee and other

applicable amounts as set out on SMA/UGTSMA/UGT/UGT's website. Should you not supply the necessary verification documents listed on the website page entitled "Know Your Client Documents," you understand and agree that the gold purchased by SMA/UGT will cause the gold bought to be sold and the proceeds remitted to the same account from which they emanated.

Such documents need only be supplied at the time of opening a new account. Any monetary overage will be used against future storage fees or, if requested, returned to you at your risk.

- 2.4 Clients will be able to transfer their holding of gold and silver to the A/C of SMA/UGT/UGT in Zurich Switzerland including U.S. citizens with transfer costs being for the account of the client. Standard company fees apply to such transfers and storage/management costs.
- 2.5 By signing and returning an application form, you agree:
- i. that these terms and conditions create a contractual relationship between you and SMA/UGT, and you are bound by the provisions of this Agreement;
  - ii. to comply with all relevant laws SMA/UGT of the United Kingdom and Switzerland;
  - iii. that SMA/UGT will contact you via email using the address provided in the application form and that you agree to receive communications in this way. You shall be deemed to have received an email sent to the designated address on the day it is sent by SMA/UGT;
  - iv. although SMA/UGT will use all reasonable endeavours, it cannot guarantee the security of its website and it will not be held responsible for any lapses emanating either in whole or part from your service provider, email address or similar;
  - v. SMA/UGT may vary or amend the terms or provisions of this Agreement, by giving you 30 days written notice of any variation or amendment, which notice if posted to your designated email address shall be deemed to have been received by you on the day it was sent. You shall be deemed to have agreed to any variation or amendment of the terms or provisions of this Agreement by your continued use of services provided by SMA/UGT after notification given in accordance with this clause.
- 2.5 SMA/UGT shall, be entitled to lock any account and/or terminate any Agreement with you in the event of an approach by a qualified anti-money laundering agency, with a valid evidence of false documentation or the like, pertaining to the gold held by S.M.A. on your behalf. Locking an account will prevent you from accessing your holding, making payments, and purchasing, selling or redeeming gold.

2.6 Joint holdings of gold will not be permitted and any application form requesting joint holdings will be rejected by SMA/UGT.

2.7 You accept any risk in SMA/UGT sending the Gold Bullion Certificate(s) to the address indicated in your application form (if applicable).

2.8 Unless SMA/UGT is informed otherwise by you, all dealing notices and other material notices will be sent to your email address by scanned or by fax.

### **3. Security**

3.1 In order to access details of your account, you will be provided with a unique access password at the time your application is accepted by SMA/UGT. You will not be able to access your holding without this password, which can be changed by you at any time. You must not disclose your password to anyone and/or allow anyone access details of your holding. SMA/UGT will have access to all holdings and will be able to access this information at any time (this information will be subject to the provisions of clause 7 of this Agreement). You should inform SMA/UGT immediately if you have any concerns that details of your holding have been, or will be, accessed by someone without your consent.

3.2 You agree that SMA/UGT is entitled to assume that any emails from your designated email address are from you and shall not be required to verify the same.

3.3 Any changes to your personal details must be notified to SMA/UGT immediately by following the instructions on SMA/UGT's website. If SMA/UGT attempts to contact you and is unable to do so, you acknowledge that SMA/UGT will be permitted to lock your account (primarily for your own protection and that of your holding) until such time as it has correct information from you.

3.4 You agree that you are wholly responsible for ensuring that you use adequate software and technology and should not use public computers, open networks or similar technology to access details of your holding(s) or to contact SMA/UGT.

3.5 In the event that you lose or forget your password, you will be able to request a new one by submitting a request online through SMA/UGT's website.

### **4. Gold**

4.1 All gold will, unless instructed by you, be held on an allocated basis with VIA MAT [now Loomis Int.] in Zurich who will maintain appropriate insurance to the value of 100% of the aggregate gold held on behalf of SMA/UGT's clients. Please see SMA/UGT's website for further details of VIA MAT [now Loomis].

4.2 Only orders at or excess of \$25,000 will be accepted and processed by SMA/UGT.

- 4.3 Should you elect to buy “**Limit Order**”, you accept that if SMA /UGT’s appointed dealer is not able to buy gold at the price stipulated on your application form, you will be required to confirm to SMA/UGT whether you wish to proceed at the new price or whether you wish to wait until gold hits the price stipulated in your form. In this instance, there is no guarantee when the gold will be purchased. Should there be any residue amount from funds remitted by you, they will be credited to you against future fees or returned at your own risk. Should there be too little, you accept that the appointed dealer will buy as much as the funds remitted allow. All unfilled Limit Orders will, unless renewed by you when contacted, cancel after 20 trading days. If an order is so cancelled, SMA/UGT will agree with you whether funds are to be returned or retained for further orders.
- 4.4 Limit orders shall be placed “all or in part” with a minimum of \$25,000, which you understand means that your order may not be fulfilled completely at the desired price even though gold may be at your limit price.
- 4.5 If you elect to buy “**At Best**” once cleared funds are received by the dealer, it will purchase as much gold as it can from the net funds received. Therefore, you acknowledge that the precise amount of gold that will be purchased on your behalf will depend on the price at the time the acquisition is made. You hereby accept and agree that the dealer can buy as much gold as the net funds remitted will allow.
- 4.6 4.7 SMA/UGT will at no time hold any proprietary interest in the gold purchased on clients’ behalf, although nothing herein will prevent SMA/UGT from investing in gold on its own account.
- 4.7 You may, upon selecting to redeem your gold holding, instruct SMA/UGT to arrange for physical delivery to you or a nominated, recognised gold custodian. Delivery fees will be confirmed at the time of receipt of your instruction.
- 4.8 The amount of gold which can be sold by you will be limited to your aggregate holding, after any and all due fees and other charges have been deducted.
- 5. Fees**
- 5.1 You are referred to SMA/UGT’s website for details of the fees payable and methods of payment. The initial fees payable by you at the time of your gold purchase or transfer of gold will include storage and management fees for the first six months. Thereafter you are obliged to pay such fees at the intervals set out on the website. Failure to meet such amounts when due will result in your gold holdings being reduced. Each new purchase by you will incur applicable fees.
- 5.2 A fee will be charged each time you:
- i. Buy to increase your holding or sell any part of your holding;
  - ii. Upon redemption of your holding (in whole or part);
  - iii. Request the delivery of your gold (or part thereof) to a custodian other than that nominated by SMA/UGT; or
  - iv. Subject to clause 5.3, at such other times as are set out on SMA/UGT’s website from time to time.
  - v. Transfer gold to SMA/UGT/UGT.
- 5.3 Any increase in fees is subject to 30 days prior written notification as described in clause 2.4 before taking effect.
- 5.4 You acknowledge that, in SMA /UGT’s discretion, different fees may apply to different clients.
- 5.5 No gold will be delivered to any third party without receipt of all fees accrued and outstanding up to the date of delivery. If gold is sold, proceeds will be net of all fees accrued and outstanding up to and including the date of settlement.
- 6. Termination**
- 6.1 This Agreement will remain in effect and will bind you until such time as you have no gold holdings. However, SMA/UGT may terminate this Agreement for any reason whatsoever, including any breach of this Agreement by you.
- 6.2 The termination of this Agreement does not relieve SMA/UGT of its obligations to you, for example to account to you for any fees or assets which it may hold on your behalf.
- 6.3 In circumstances of termination and where gold is still held on your behalf, you can select to take delivery of your gold holding or to have the value of your gold holding (as at the date of termination) added to the balance of any monies held on your behalf by SMA/UGT (less any accrued fees and charges payable in accordance with this Agreement).
- 6.4 If SMA/UGT has no bank account details for you or if it is unable to transfer the funds into your bank account for whatever reason, then you accept that SMA/UGT will have satisfied its obligations to you by sending a cheque to your last known address.
- 6.5 The termination of this Agreement (howsoever arising), shall take effect to include the termination of the benefit of the continuing arrangements in respect of the management and storage of your holding.
- 6.6 A Gold Bullion Certificate will be issued to you each time a separate investment is made, but your holdings will be aggregated and shown as one investment on SMA/UGT’s records. The certificate is evidence of ownership of your gold holding (after the deduction of fees).
- 7. Confidentiality**

SMA/UGT recognises your right to confidentiality and agrees that, except when required to provide information to comply with any governmental, regulatory or legal obligations, access to information about you or your holding is only provided to on a need-to-know basis to staff and/or sub-contractors and agents.

## **8. Limitation of Liability and Force Majeure**

8.1 All orders to buy, to sell or to redeem gold holdings and instructions in relation thereto shall be placed through SMA/UGT's online system or via email (as stipulated on SMA/UGT's website) and are executed on and accepted on a best efforts basis only.

8.2 SMA/UGT shall not be responsible for errors, negligence or inability to execute instructions, nor shall SMA/UGT be responsible for any delays in the transmission, delivery or execution of your applications or orders due to breakdown or failure of transmission or communication facilities, or to any other cause or causes beyond SMA/UGT's control or anticipation including (without limitation) volatile markets and/or trading disruptions. You accept any risk in sending instructions in any manner and SMA/UGT shall have no liability to you in this regard.

8.3 If you have any reason to believe that any item reported by SMA/UGT in respect of your holding or personal details is incorrect, or that any negligent, unauthorised or fraudulent activity has taken place, you must contact SMA/UGT immediately. SMA/UGT will make every reasonable effort to restore the information to the position it was in prior to the said activity, but you hereby acknowledge that SMA/UGT's ability to restore the information may be limited.

8.4 SMA/UGT agrees that you will not be held responsible for:

- i. any loss or damage caused by an unauthorised, fraudulent or grossly negligent act committed by SMA/UGT; or
- ii. any loss or damage resulting from a breach of security of SMA/UGT's website, except where such loss or damage resulted from the misuse of your password or unauthorised access.

8.5 Notwithstanding any other provision of this Agreement, SMA/UGT shall under no circumstances be liable to you for:

- i. any special, indirect, incidental or consequential damages; or
- ii. any damages or loss, loss of data or profits; or
- iii. any damages or loss resulting from your neglect, fault or misconduct including, without limit, any failure to keep your password secure.

8.5 SMA/UGT shall be relieved from any obligations under this Agreement if and to the extent that it is unable to carry out all or any of its obligations to you owing to war, civil commotion, acts of God, strikes, riots, lockouts, governmental controls or restrictions, non-availability of any equipment or telecommunications or computer systems or any other causes beyond the reasonable control of SMA/UGT.

## **9. Intellectual Property Rights**

9.1 You acknowledge that any and all of the intellectual property rights including, but not limited to: trademarks, service marks, trade names, copyright and other rights used or embodied within the SMA/UGT website, application form or otherwise are and will remain SMA/UGT's sole property at all times.

9.2 All information and material supplied to you by SMA/UGT (excluding any information which is specific to your gold holding), constitutes part of SMA/UGT's confidential and proprietary information except for any such information or material in the public domain through no fault of yours. Accordingly, you are not permitted to reproduce copy or disclose such confidential and proprietary information without SMA/UGT's prior written consent.

9.3 You warrant that you will not, nor shall you (or anyone on your behalf) attempt to, tamper with, modify, reverse engineer, gain unauthorised access to, or in any way alter the SMA/UGT website. You understand that SMA/UGT will close your account immediately without notice, and will take legal action against you if you breach, or SMA/UGT reasonably suspects that you may have breached, this warranty.

## **10. Levy**

10.1 SMA/UGT shall be entitled to levy such charge as it considers reasonable in respect of any actions taken to locate you, or your next of kin, successor or equivalent.

## **11. Right of Set-Off**

11.1 You agree that SMA/UGT may without notice and in its discretion:

- i. arrange the sale of your holding (or the requisite part thereof) to realise funds to cover any outstanding amount, obligation or liability owed to SMA/UGT by you;
- ii. close out, replace or reverse any transaction in such manner as SMA/UGT considers necessary to reduce or eliminate loss or liability in respect of any of your outstanding contracts or commitments; and/or
- iii. combine or merge any of your gold holdings in order to set-off any sums standing to the credit of these holdings with any outstanding amount, obligation or liability owed by you to SMA/UGT.

## **12. Assignment and Transfer by SMA/UGT**

12.1 SMA/UGT may at any time, and without notice in its discretion, assign or transfer its rights and/or obligations hereunder to any other party it so selects and you hereby agree to such transfer or assignment and will be notified of the same upon completion thereof.

## **13. Winding-up or Bankruptcy of SMA/UGT**

13.1 If any resolution is passed or order is made by a court or other competent authority for the dissolution, receivership, winding-up or liquidation of SMA/UGT (together, a "Termination Event"), any liquidator, trustee in bankruptcy, custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer who is appointed in respect of the affairs of SMA/UGT (the "Appointed Person") will, subject always to applicable law, make such reasonable efforts as the Appointed Person may consider appropriate, using such information as the Appointed Person may hold, to locate you (in the event SMA/UGT still holds your gold). If, having made such reasonable efforts, the Appointed Person is unable to locate you or your next of kin or successor, the Appointed Person may after the expiry of seven (7) years (commencing on the date of the Termination Event), deem your gold holding cancelled and the holding will be closed with all and any gold or funds held on your behalf may be forfeited.

13.2 Subject to the direction of the Appointed Person, on the winding-up or bankruptcy of SMA/UGT, if applicable, you can request distribution of your gold holding in accordance with the procedure for delivery of gold defined herein. Any gold that you choose not to have delivered to you or which represents the balance of your holding which does not equate to whole bars will be sold at prevailing market rates. Such proceeds and the balance of any funds (less any fees accrued or outstanding) will be transferred to you upon your instruction to your bank account from which the funds originally emanated, less any outstanding fees.

## **14. Severability**

In the event any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the remaining provisions shall remain valid and enforceable.

## **15. Governing Law**

This Agreement is governed by and to be construed in accordance with English law and you and SMA/UGT submit to the exclusive jurisdiction of the English courts.

