



## **ZIPA PRECIOUS METALS PUBLIC LIMITED COMPANY**

*(incorporated as a public company with limited liability under the laws of Ireland under registered number 734888)*

### **BASE PROSPECTUS FOR THE ISSUE OF GOLD SECURITIES**

**This base prospectus is dated 8 March 2024**

**Zipa Precious Metals Public Limited Company (the Issuer) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.**

**Apex Fund Services (Ireland) Limited (in its capacity as the Administrator) accepts responsibility for the information relating to Apex Fund Services (Ireland) Limited contained in the section entitled "Description of the Issuer and Associated Programme Parties". To the best of the knowledge of Apex Fund Services (Ireland) Limited the information contained in the section entitled "Description of the Issuer and Associated Programme Parties" relating to it is in accordance with the facts and the section entitled "Description of the Issuer and Associated Programme Parties" makes no omission likely to affect its import.**

**Apex Fund Services (Ireland) Limited (in its capacity as the Calculation Agent) accepts responsibility for the information relating to Apex Fund Services (Ireland) Limited contained in the section entitled "Description of the Issuer and Associated Programme Parties". To the best of the knowledge of Apex Fund Services (Ireland) Limited the information contained in the section entitled "Description of the Issuer and Associated Programme Parties" relating to it is in accordance with the facts and the section entitled "Description of the Issuer and Associated Programme Parties" makes no omission likely to affect its import.**

**HSBC Bank Plc (in its capacity as the Custodian) accepts responsibility for the information relating to HSBC Bank Plc contained in the section entitled "Description of the Issuer and Associated Programme Parties". To the best of the knowledge of HSBC Bank Plc the information contained in the section entitled "Description of the Issuer and Associated Programme Parties" relating to it is in accordance with the facts and the section entitled "Description of the Issuer and Associated Programme Parties" makes no omission likely to affect its import.**

**Zipa Management Limited (in its capacity as the Manager) accepts responsibility for the information relating to Zipa Management Limited contained in the section entitled "Description of the Issuer and Associated Programme Parties". To the best of the knowledge of Zipa Management Limited the information contained in the section entitled "Description of the Issuer and Associated Programme Parties" relating to it is in accordance with the facts and the section entitled "Description of the Issuer and Associated Programme Parties" makes no omission likely to affect its import.**

**Apex IFS Limited (in its capacity as the Corporate Service Provider) accepts responsibility for the information relating to Apex IFS Limited contained in the section entitled "Description of the Issuer and Associated Programme Parties". To the best of the knowledge of Apex IFS Limited the information**

contained in the section entitled “Description of the Issuer and Associated Programme Parties” relating to it is in accordance with the facts and the section entitled “Description of the Issuer and Associated Programme Parties” makes no omission likely to affect its import.

To the fullest extent permitted by law, none of the Administrator, the Calculation Agent, the Custodian, the Manager or the Corporate Services Provider accepts any responsibility (whether arising in tort, contract or otherwise) for the other contents of this Base Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Issuer or the issue and offering of the Gold Securities.

This document constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Gold Securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of any investment in Gold Securities.

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

This document also constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of the United Kingdom domestic law by virtue of the European Union (Withdrawal) Act of 2018 (the **UK Prospectus Regulation**) and has been approved by the Financial Conduct Authority (the **FCA**), as competent authority under Regulation (EU) 2017/1129 as it forms part of the United Kingdom domestic law by virtue of the European Union (Withdrawal) Act of 2018. The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Gold Securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of any investment in Gold Securities.

The FCA's approval of this Base Prospectus relates only to the Gold Securities which are to be admitted to trading on the Main Market of the London Stock Exchange or which are to be offered to the public in the United Kingdom.

The Issuer has requested the Central Bank to notify the approval of the Base Prospectus in accordance with Article 25 of the Prospectus Regulation to relevant competent authorities in Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Norway, Poland, Portugal, Slovakia, Spain, Sweden and The Netherlands by providing each of them with (amongst other things) certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the Central Bank to provide competent authorities in other EEA States with such certificates whether for the purposes of making a public offer in such EEA States or for admission to trading of all or some Gold Securities on a regulated market therein.

This Base Prospectus is valid for one year and may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid. A copy of this document, which comprises a prospectus relating to the Gold Securities of each type in compliance with Article 8 of the Prospectus Regulation and Article 8 of the UK Prospectus Regulation, in each case, as in force at the Prospectus Date, has been made available to the public at [www.zipa.co](http://www.zipa.co) in accordance with Article 21 of the Prospectus Regulation and Article 21 of the UK Prospectus Regulation.

Application has been made to the FCA for the Gold Securities to be admitted to the official list of the FCA and for the Gold Securities to be admitted to trading on the Main Market of the London Stock Exchange plc (the **London Stock**

**Exchange**). Admission to the official list of the FCA and to trading on the Main Market of the London Stock Exchange are offers made under, and admission to trading on a regulated market for the purposes of, the UK Prospectus Regulation. Investors should be aware that such admission to the official list of the FCA and trading on the Main Market are not offers made under the Prospectus Regulation, or admission to trading on a regulated market for the purposes of the Prospectus Regulation, as it applies in the European Union, but are such offers and admission to trading for the purposes of the UK Prospectus Regulation.

The Issuer intends to make an application to the Frankfurt Stock Exchange for the Gold Securities to be admitted to the official list of the Frankfurt Stock Exchange and for the Gold Securities to be admitted to trading on the Frankfurt Stock Exchange regulated market Xetra (**Xetra**).

References in this Base Prospectus to Gold Securities being **listed** (and all related references) shall mean that such Gold Securities have been admitted to trading on either of the London Stock Exchange, which is a regulated market for the purposes of the UK Prospectus Regulation, or Xetra, which is a regulated market for the purposes of the Prospectus Regulation and for the purposes of MiFID2.

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

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

**An investment in Gold Securities involves a significant degree of risk and investors may lose some or all of their investment. It should be remembered that the value of the Gold Securities can go down as well as up.**

**Gold Securities are complex, structured products involving a significant degree of risk and may not be suitable or appropriate for all types of investor. It is advisable that any person wishing to invest seeks appropriate financial, tax and other advice from an independent financial advisor with appropriate regulatory authorisation and qualifications and an investment in Gold Securities is only suitable for persons who understand the economic risk of an investment in Gold Securities and are able to bear the risk for an indefinite period of time. A prospective investor should be aware that their entire investment in Gold Securities may be lost.**

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase Gold Securities and should not be considered as a recommendation by the Issuer, the Authorised Participants, the Trustee, the Security Trustee, the Custodian or Zipa Management or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase Gold Securities. Each person contemplating making an investment in Gold Securities must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment, and it is advisable that such persons obtain their own independent accounting, tax and legal advice and consult their own professional investment advisers to ascertain the suitability of Gold Securities as an investment, and conduct such independent investigation and analysis regarding the risks, security arrangements and cash-flows associated with Gold Securities as they deem appropriate, in order to evaluate the merits and risks of an investment in Gold Securities. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in Gold Securities should consult its independent professional advisers.

Each person applying for Gold Securities in accordance with this Base Prospectus acknowledges that (i) such person has not relied on the Trustee, the Security Trustee, the Custodian or Zipa Management nor on any person affiliated with any of them, in connection with its investment decision or its investigation of the accuracy of the information

contained herein; (ii) Gold Securities are direct, limited recourse obligations of the Issuer alone and not obligations of any other person including the Trustee, the Security Trustee, the Custodian or Zipa Management; and (iii) the obligations of the Issuer to Securityholders under the Gold Securities are not guaranteed by the Trustee, the Security Trustee, the Custodian or Zipa Management.

Terms used in this Base Prospectus have the meanings given to them under the heading "Definitions".

The date of this Base Prospectus is 8 March 2024.

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## SECTION 1 – DESCRIPTION OF THE PROGRAMME

### A Introduction to the Programme

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

Gold Securities may be available to be issued in Certificated Form in the Relevant Clearing System.

**Gold Securities: General Description** Gold Securities have an effective notional entitlement to Gold, such return being the Gold Entitlement. This aims to provide an investor with the same return that they would gain from investing directly in the Gold (less applicable fees). Subscriptions for and Redemptions of Gold Securities are, in general, satisfied in physical Gold, which is stored in safe custody with the relevant Custodian. All Gold conforms to the rules of the LBMA.

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

The Gold Securities are backed by physical Gold held in the secure vaults of the Custodian which is identified (whether by bar serial numbers or otherwise) in and recorded on the Issuers' accounts with the Custodian. More specifically, this Gold will be held in the Secured Allocated Accounts in "allocated" form as uniquely identifiable bars, as identified in the Bar List published each Business Day by the Issuer (or by the Calculation Agent on behalf of the Issuer). The books and records of the Custodian evidence that such Gold is segregated from other gold held in each of its Vaults. The Issuer has full title to the Gold held in the Secured Allocated Accounts. As a result, the Secured Allocated Accounts does not entail any credit risk exposure to the Custodian.

In order to maximise the efficiency of the Redemption process, Gold will be held in "unallocated form" for a period of time in the Secured Unallocated Accounts. Gold held in this form does not entitle the holder to any specific bars of Gold. Instead, the holder has a general entitlement to a certain amount of gold, which is recorded in the Custodian's books and records. As a result, the Secured Unallocated Accounts give rise to credit risk exposure to the Custodian.

The physical Gold backing the Gold Securities has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Gold Securities.

**Gold Swap, SMO Gold and Non-SMO Gold: General Description** The Gold Securities will at all times be backed by either SMO Gold or Non-SMO Gold pursuant to the Gold Swap mechanism and will at all times meet the LBMA Good Delivery Standards. The Gold Swap mechanism provides investors with assurance that Gold Securities will at all times be backed by physical Gold and that it will hold fully traceable SMO Gold once the Gold Swap has completed. SMO Gold means Gold that is solely sourced from a specific mine which has been selected through rigorous screening criteria, meets the highest levels of responsible sourcing standards and has a fully auditable chain of custody throughout the entirety of the supply chain, ensuring that every ounce of Gold is fully traceable to its source. Non-SMO Gold means Gold that is not solely sourced from a single mine that is accredited with the highest responsibility standards and does not have an auditable chain of custody for the entire supply chain, with full segregation from a single mine to finished product. On the Issue Date Authorised Participants subscribing for Gold Securities are required to transfer either SMO

Gold or Non-SMO Gold to the Custodian (for the account of the Issuer). No Gold Securities will be delivered to an Authorised Participant until such time as the Custodian has confirmed that the Gold has been transferred to its vault.

If Non-SMO Gold is delivered then in respect of such Non-SMO Gold a compulsory Gold Swap mechanism will apply. The Issuer will deliver a Gold Swap Order to the Swap Counterparty in order to facilitate the exchange of Non-SMO Gold for SMO Gold as soon as possible following the Issue Date and in any event within 90 days of the Issue Date. Should the Swap Counterparty, acting reasonably, determine that it will be unable to effect the Gold Swap on or prior to the end of the Swap Period the Issuer shall either extend the Swap Period or the Issuer shall terminate the Gold Swap Order in respect of the relevant issuance of Gold Securities and deliver a new Gold Swap Order to the Swap Counterparty in respect of the relevant issuance of Gold Securities.

## **B Gold Entitlement**

The Gold Entitlement per Gold Securities is the quantity (an amount in fine troy ounces) of the physical Gold that each Gold Security represents. It is calculated in accordance with a set formula and examples of how it is calculated are set out in Section 8 – Determining the Value of an Investment in Gold Securities.

The Issuer (or the Calculation Agent on its behalf) will calculate the Gold Entitlement per Gold Security in respect of each calendar day. On an Issue Date, the Gold Entitlement per Gold Security in respect of the relevant Tranche of Gold Securities shall be the amount of Gold specified in the Final Terms of the first Tranche of Gold Securities for such Series of Gold Securities.

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

The Total Expense Ratio forms part of the formula for calculating the Gold Entitlement per Gold Security by reducing the Gold Entitlement each day to reflect fees payable by the Issuer. The initial Total Expense Ratio for each Series shall be set out in the Final Terms of the first Tranche of Gold Securities for that Series.

The precise rights attached to the Gold Securities, including deductions in respect of fees and how they are applied, are set out in the Conditions, which are reproduced in Section 11 – Terms and Conditions of Gold Securities. An illustration of the effect of these rights, is set out in Section 8 – Determining the Value of an Investment in Gold Securities.

The Issuer will calculate and publish the Gold Entitlement per Gold Security in respect of each calendar day on its website.

## **C Listing, Trading and Passporting**

All Gold Securities are freely transferable.

The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval relates only to the Gold Securities which are, as at the date of this Base Prospectus to be admitted to trading on a regulated market for the purpose of MiFID2 and/or which are to be offered to the public in any member state of the European Economic Area.

The Issuer has requested the Central Bank to provide the Financial Regulator Germany, BaFin with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation and any other necessary information so that the Gold Securities may be admitted to listing and trading on the regulated market of the Frankfurt Stock Exchange. This should not be considered as an endorsement of the Issuer or the quality of the Gold Securities that are the subject of this Base

Prospectus. Investors should make their own assessment as to the suitability of any investment in Gold Securities.

The Issuer has also requested the Central Bank to provide the competent authorities of Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Norway, Poland, Portugal, Slovakia, Spain, Sweden and The Netherlands with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation so that the Gold Securities may be offered publicly in accordance with the local law of these EEA States.

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

The Issuer has applied to the FCA for all Gold Securities issued within 12 months of the date of this Base Prospectus to be admitted to the official list of the FCA and to the London Stock Exchange for all such Gold Securities to be admitted to trading on its Main Market.

Investors should be aware that such admission to the official list of the FCA and trading on the Main Market are not offers made under the Prospectus Regulation, or admission to trading on a regulated market for the purposes of the Prospectus Regulation, as it applies in the European Union, but are such offers and admission to trading for the purposes of the UK Prospectus Regulation.

## **D Contract Structure**

### ***Trust Deed***

The Gold Securities are constituted by a Trust Deed, under which the Trustee acts as trustee for the Securityholders.

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

### ***Custody***

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

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

HSBC Bank PLC is the Custodian of the Gold held in the Secured Accounts in relation to the SMO Physical Gold ETC Securities. The registered office of the Custodian is 8 Canada Square, London E14 5HQ, United Kingdom.

Further details of the Custodian, the arrangements for the storage of Gold, the Secured Accounts and a summary of the terms of the Custody Agreements are set out under the heading "*Custody Agreements*" in Section 6 – Description of Documents.

### ***Security***

In addition, the Issuer and the Security Trustee (which, as at the Prospectus Date is the same person as the Trustee) have also entered into separate Security Deeds. Pursuant to the Security Deeds, all sums held by or on behalf of the Issuer to meet payment due in respect of its obligations owed to the Securityholders and the Secured Parties in respect of the Gold Securities are the subject of a security assignment and/or first

fixed charge and/or floating charge in favour of the Security Trustee. The Trust Deed gives the Trustee and the Security Deeds gives the Security Trustee, on trust for the Securityholders and the Secured Parties respectively, rights against the Issuer in respect of the Gold Securities.

Further details of the contract structure and the relevant Programme Documents are set out Section 6 – Description of Documents.

## **E Transaction Structure and Flow of Funds**

### ***Authorised Participants and Flow of Funds***

Gold Securities can be bought and sold for cash On-Exchange. The cash used to settle On-Exchange transactions is never delivered to the Issuer. Only certain regulated trading firms, banks or other market professionals approved by the Issuer (in its sole discretion) and that meet certain minimum qualifying criteria (**Authorised Participants**) may subscribe for Gold Securities. The minimum qualifying criteria in respect of an Authorised Participant is the Administrator being satisfied in relation to the KYC provided by the Authorised Participant (being such KYC as would typically be acceptable to a regulated Irish fund administrator and which satisfies applicable European Anti-Money Laundering rules, laws and regulations or the equivalent rules, laws and regulations that apply in the United Kingdom); and the Authorised Participant being a member of at least one of the following stock exchanges: London Stock Exchange, Deutsche Börse, Euronext Amsterdam, Euronext Paris, Euronext Milan or SIX Swiss Exchange.

Following a Subscription for Gold Securities:

- (i) an Authorised Participant must transfer the physical Gold to the Custodian (to hold on account for the Issuer) and the SMO Gold Premium to the Issuer Premium Account;
- (ii) the Custodian must deliver Gold with an aggregate weight at least equal to the Gold Entitlement of the Gold Securities into the Secured Allocated Account;
- (iii) once the Gold is transferred to the Secured Allocated Account, the Issuer will constitute and issue the Gold Securities and deliver them to the Authorised Participant via the Relevant Clearing System.

The relevant Gold will be held with all other Gold attributable to that Series of Gold Securities in the Secured Accounts. The mechanics of the Subscription process are described in more detail in Subscription and Optional Redemption, below.

The Authorised Participant may then sell the Gold Securities in the secondary market either, subject to being admitted to trading on the Relevant Stock Exchange, On-Exchange or in the OTC Market (i.e. outside of an exchange).

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

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

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

## **F Subscription and Optional Redemption**

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

### ***Subscription***

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

The Issuer (or the Administrator on its behalf) will only accept a Subscription Form and issue Gold Securities if:

- (a) the Subscription Form is determined to be valid by or on behalf of the Issuer;
- (b) the acceptance of such Subscription Form will not cause the Programme Maximum Number of Gold Securities to be exceeded;
- (c) the number of Gold Securities that are the subject of the Subscription Form is greater than the Subscription Minimum (defined below); and
- (d) all other conditions precedent to an issue of the Gold Securities (including, without limitation, payment of the Subscription Fee) are satisfied.

In any event, the Issuer is entitled to reject any Subscription Form at any time, at its absolute discretion.

The Issuer may implement a minimum number of Gold Securities that may be applied for at any time (the **Subscription Minimum**). As at the Prospectus Date, the Subscription Minimum in respect of each Series is 100,000 (one hundred thousand) SMO Physical Gold ETC Securities.

### ***Redemption Process***

Each Gold Security carries a right on Redemption to delivery in Gold of an amount equal to the Gold Entitlement per Gold Security (rounded down to the nearest 0.001 fine troy ounce). Any Securityholder may Redeem Gold Securities directly with the Issuer.

A Securityholder may Redeem Gold Securities by submitting a valid Redemption Form to require the Redemption of Gold Securities it holds for delivery of Gold (or cash) in an amount equal to the Gold Entitlement of such Gold Securities (as calculated on the Trade Date) (rounded down to the nearest 0.001 fine troy ounce in the case of Gold Delivery and rounded up to the nearest 0.001 fine troy ounce in the case of Gold Sale and, in each case, adjusted accordingly with respect of the number of Gold Securities held by the respective Securityholder) on the Redemption Settlement Date.

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

No Gold Securities may be Redeemed pursuant to a Redemption Form that the Administrator (acting on behalf of the Issuer) has not confirmed (in its absolute discretion) as valid.

No Redemption Form will be validated by the Administrator (acting on behalf of the Issuer) unless the Securityholder complies with all compliance and identification checks reasonably required by the Administrator (acting on behalf of

the Issuer), and the results of such checks are determined to be satisfactory to the Issuer and/or its agent, being, in this case, the Administrator (**KYC**).

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

#### *Redemption by Non-AP Securityholders*

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

- (a) the Non-AP Securityholder specifies a Securityholder Unallocated Gold Account into which the relevant Gold can be deposited (except in the case of a Gold Sale);
- (b) KYC in respect of such Non-AP Securityholder is determined to be satisfactory to the Issuer; and
- (c) the Non-AP Securityholder pays the Redemption Fee (see *Redemption Fee* below for further details).

#### **Settlement**

In relation to any Optional Redemption, the Securityholder of the Gold Securities subject to the Redemption must deliver the Gold Securities and any certificates representing them to the Issuer in such manner as the Issuer may agree.

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

In relation to any Optional Redemption, the Redemption Settlement Date will be the second Business Day following the applicable Trade Date, provided that in the case of Redemption by Gold Sale the Redemption Settlement Date shall be the tenth Business Day following the applicable Trade Date (and, in each case, if such day is not also a Payment Business Day, the Redemption Settlement Date will be the next Payment Business Day).

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

#### **Gold Delivery**

In the case of a Gold Delivery, the Issuer shall upon delivery by it of confirmation to the relevant Securityholder of receipt of the relevant valid Redemption Form instruct the Custodian to make available (to be delivered to, and deposited into the Securityholder Gold Account of the Redeeming Securityholder) Gold in at least an amount equal to the Gold Entitlement of such Gold Securities (rounded down to the nearest 0.001 fine troy ounce), calculated as of the Trade Date. Gold will be made available for delivery to and deposited into the Securityholder Gold Account of the Redeeming Securityholder from the relevant Secured Accounts on the Redemption Settlement Date.

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

#### **Gold Sale**

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

- (a) provided it is permitted to do so in accordance with the Conditions, a Non-AP Securityholder selects Gold Sale as the Redemption Mechanism (for example where that Non-AP Securityholder is a Prohibited Gold Holder); or
- (b) the Gold that is the subject of a Redemption is not successfully delivered to the Securityholder by the 30<sup>th</sup> day after the Redemption Settlement Date; or

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

Where Gold Sale is the applicable Redemption Mechanism:

- (a) the Issuer will give notice to the Gold Agent under the Gold Agent Agreement to sell on the Gold Sale Date at least an amount of Gold attributable to or forming part of the Secured Property equal to the Gold Entitlement in respect of the Gold Securities being Redeemed (rounded up to the nearest 0.001 fine troy ounce) (with the proceeds of such sale being the Actual Redemption Sale Proceeds);
- (b) the Gold Agent shall be entitled to deduct Taxes and its expenses from the Actual Redemption Sale Proceeds in accordance with the terms of the Gold Agent Agreement; and
- (c) a Securityholder will, rather than take delivery of Gold, be paid the Net Redemption Sale Proceeds in the currency in which the underlying Series of Gold Securities is denominated (or its pro-rata share of the Gold Entitlement if more than one Securityholder in that Series of Gold Securities is subject to the Gold Sale) into the Securityholder Cash Account.

### ***Redemption Fee***

In the case of an Optional Redemption of Gold Securities by a Non-AP Securityholder, the Issuer will not validate the associated Redemption Form until it receives the Redemption Fee in cleared funds from the Securityholder. The Redemption Fee payable by the Non-AP Securityholder shall be an amount equal to the Issuer's costs of complying with the Redemption Form. This cost will be notified to the Non-AP Securityholder at the time of the Redemption, and will not be greater than 2% of the gold value being redeemed.

On an Optional Redemption of Gold Securities by an Authorised Participant, the Redemption Fee payable by the Securityholder shall be the amount specified in the relevant Authorised Participant Agreement.

On a Compulsory Redemption of Gold Securities by the Issuer, the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Redemption, being an amount not greater than 2% of the gold value being redeemed or such other amount as may be notified in accordance with Condition 17 (*Notices*).

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

## **G Compulsory Redemption**

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

- (a) **an Issuer Call Redemption Event.** The Issuer may, at any time, upon not less than 30 days' notice to the Securityholders in accordance with Condition 17 (*Notices*), redeem all or some of the Gold Securities;
- (b) **a Threshold Redemption Event.** If on any Business Day falling on or after the 60<sup>th</sup> calendar day following a Threshold Event Date, the market value of the Gold Entitlement per Gold Security as

calculated by the Calculation Agent is less than 20% (twenty per cent.) of the Issue Price per Gold Security as at the Series Issue Date of such Gold Securities;

- (c) certain key service providers of the Issuer resign or their appointment in relation to such Series is terminated for any reason and no successor or replacement has been appointed at the time such resignation or termination takes place;
- (d) a change in law occurs which results in (or the Issuer reasonably expects that such change in law will result in):
  - (i) the Issuer's performance of its obligations relating to the Gold Securities being in contravention of applicable law; or
  - (ii) a material increase in the Issuer's costs in performing its obligations relating to the Gold Securities;
- (e) **an Event of Default**. An event of default occurs in respect of such Series, including certain breaches by the Issuer of its obligations; and
- (f) the Issuer may redeem any Gold Securities which it considers, in its absolute discretion:
  - (i) are held in breach of law; or
  - (ii) that the ownership of such Gold Securities would, in its reasonable opinion cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders.

## H Settlement

The Gold Securities may be issued:

- (a) in bearer form (whether in NGN form or in CGN form) and serially numbered (**Bearer Securities**); or
- (b) in registered form (whether in CGN form or in global registered form using the new safekeeping structure) (**Registered Securities**).

The settlement of transactions in Gold Securities will take place within the Relevant Clearing System.

The Issuer (nor any other Programme Party) will not have any responsibility for the performance of the Relevant Clearing System, which is independent of the Programme.

## I Gold Swap

Pursuant to the Master Swap Agreement, the Issuer (or the Administrator) may, on each Issue Date upon which Non-SMO Gold is transferred by Authorised Participants to the Custodian (for the account of the Issuer) in connection with the issuance of Gold Securities, deliver a Gold Swap Order to the Swap Counterparty in order to facilitate the exchange of such Non-SMO Gold for SMO Gold as soon as possible following the Issue Date and in any event within 90 days of the Issue Date (the **Swap Period**) (each such exchange, a **Gold Swap**). Each Gold Swap Order shall specify, amongst other things, the Non-SMO Gold Amount, the Gold Swap Premium Amount and the Secured Allocated Account for delivery of the SMO Gold. Should the Swap Counterparty, acting reasonably, determine that it will be unable to effect the Gold Swap on or prior to the end of the Swap Period the Issuer shall either extend the Swap Period or the Issuer shall terminate the Gold Swap Order in respect of the relevant issuance of Gold Securities and deliver a new Gold Swap Order to the Swap Counterparty in respect of the relevant issuance of Gold Securities.

In the event that on the Issue Date SMO Gold is transferred by an Authorised Participant to the Custodian (for the account of the Issuer) in connection with the issuance of Gold Securities no Gold Swap will occur,

no Gold Confirmation will be delivered to the Swap Counterparty in respect of such Gold Securities and no SMO Gold Premium will be payable by the relevant Authorised Participant.

The SMO Gold Premium is an amount of USD per oz of Gold that represents the cost of segregating the SMO Gold throughout the supply chain including the backing of independent audit and thereby ensuring that SMO Gold is traceable to a specific mine. The SMO Gold Premium is made up of a refinery fee and a swap fee. The refinery fee is the fee payable to Gold refineries to segregate SMO Gold from Non-SMO Gold. The swap fee is the fee payable to the Swap Counterparty to swap Non-SMO Gold for SMO Gold and deliver the SMO Gold to the London vault of the Custodian. The aggregate SMO Gold Premium in respect of an Authorised Participant is the product of the number of Gold Securities subscribed for by that Authorised Participant and the Gold Entitlement. Set out below is an example illustrating how the SMO Gold Premium is calculated. The example is not an indicator of the actual future performance of the Gold Securities and is for illustration purposes only

For example, if an Authorised Participant subscribes for 100,000 Gold Securities, the Gold Entitlement per Gold Security was 0.009960940 fine troy ounces, then the total amount of Gold would be  $100,000 \times 0.009960940 = 996.094$  fine troy ounces. Assuming the SMO Gold Premium was \$3 per ounce, the SMO Gold premium would be  $996.094 \times \$3 = \$2,988.28$

The amount of the SMO Gold Premium in the above example is indicative only. The amount of the SMO Gold Premium will be specified in the Final Terms in respect of a Series.

Following the Issuer's receipt of Non-SMO Gold in respect of a particular Series or Tranche of Gold Securities and prior to the completion of a Gold Swap for such Non-SMO Gold, that Series of Gold Securities shall be backed (in whole or in part) by and may be redeemed (in whole or in part) using such Non-SMO Gold

Following the Issuer's receipt of Non-SMO Gold in respect of a particular Series or Tranche of Gold Securities and prior to the completion of a Gold Swap for such Non-SMO Gold, that Series of Gold Securities shall be backed (in whole or in part) by and may be redeemed (in whole or in part) using such Non-SMO Gold.

## **J Tax**

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

## **K Regulation**

### ***UCITS***

An undertaking for collective investment in transferable securities subject to the UCITS Directive (**UCITS Scheme**) will need to take into account the restriction on such schemes owning or taking delivery of gold. Accordingly, UCITS Schemes will be deemed to be Prohibited Gold Holders, and in the event that such a scheme elects to Redeem any of the Gold Securities, such a Redemption will only be permitted by Gold Sale, as described in "Gold Sale", above and Condition 7.8 (*Gold Sale*).

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

### ***Collective Investment Schemes***

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

### ***Money Laundering Regulations***

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

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

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

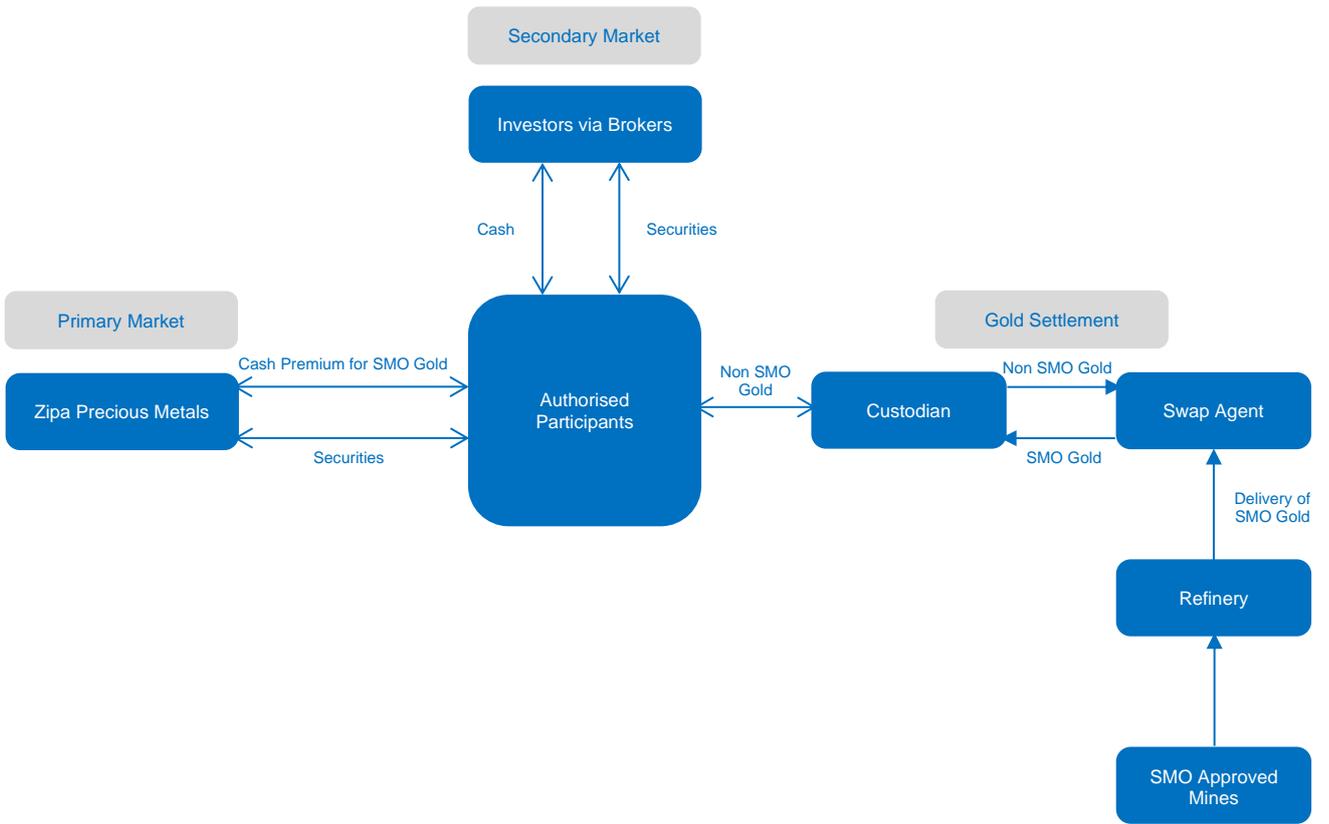
The Issuer is entitled, in its absolute discretion, to determine whether KYC requirements apply to any Securityholder prior to the acceptance of a Redemption Form or Subscription Form, and whether such KYC requirements have been satisfied. The Issuer shall not be responsible or liable to any person for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

### ***Deposits***

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

## **L. Structure Diagram**

The principal aspects of the above-mentioned structure is set out in the below diagram.



## SECTION 2 – RISK FACTORS

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

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

The below risk factors are split into the following categories:

- A. Market Price of the Gold Securities
- B. Risks Relating to Gold
- C. Risks Relating to the Custodian and the Gold Agent
- D. Operational Risks
- E. Risks Relating to Security
- F. Risks Relating to the Issuer and its Legal Structure
- G. VAT and Tax Risks Relating to an Investment in Gold Securities
- H. Risk Relating to Legal Matters

## **A. Market Price of the Gold Securities**

### **Risk of Adverse Price Movements**

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

- (a) the value and volatility of Gold (see "*Risks Relating to Gold*", below);
- (b) market perception, interest rates, yields and foreign exchange rates;
- (c) the creditworthiness of the Programme Parties; and
- (d) liquidity in the Gold Securities On-Exchange (see "*Secondary Market and Liquidity Risk*" below for more information).

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

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

### **Currency Risk**

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

### **Secondary Market and Liquidity Risk**

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

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

Gold Securities may trade at a premium. Investors who pay a premium risk losing the premium if demand for Gold Securities abates. For example, Authorised Participants have the right, but are under no obligation, to request that the Issuer issue further tranches of Gold Securities. If a request is made by an Authorised Participant and, such a request is accepted by the Issuer, this will increase the supply and could potentially reduce any such premium.

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

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

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

## **Geopolitical Risk**

Recent geopolitical developments, in particular related to the Russia/Ukraine conflict, have given rise to significant market volatility and are having an adverse impact on economic growth and performance globally. Uncertainty regarding the global economic outlook is likely to remain elevated in the short to medium term.

The increase in sovereign borrowing, necessitated by the fiscal policy support measures introduced in response to the COVID-19 pandemic, have added to pre-existing elevated public debt burdens in many economies. In addition, there has been an extended period of loose financial conditions and rising asset prices with record levels of high yield corporate bond issuance and leveraged loans. The war in Ukraine, and the possibility of further adverse economic consequences of the conflict, may act as a trigger for a reassessment of corporate and sovereign risk by market participants leading to further sharp re-pricing of financial assets and a rise in risk premia. A more protracted and severe economic downturn than expected, if coupled with higher sovereign borrowing costs, may result in unsustainable public finances in some Member States of the Eurozone. Furthermore, the supply chain issues arising from the Russia-Ukraine war, alongside the economic impacts that continue to result from COVID-19, have pushed up the prices of a broad range of commodities, with the resulting increase in inflation creating further challenges for monetary authorities. Having pre-announced the end of the prolonged period of extraordinary monetary accommodation in the latter part of 2021, central banks in developed markets have stepped up the pace of increases in official interest rates in 2022 to help ease inflationary pressures. Central banks will calibrate the policy response to reflect their evolving assessment of the outlook for economic growth. There is a risk that a combination of excessive tightening and worse-than-anticipated economic effects from the Russia-Ukraine war (including, inter alia, the impact of the extensive sanctions, trade restrictions etc.) precipitates a recession in parts of the global economy.

Since the start of 2022, the military conflict between the Russian Federation and Ukraine has contributed to the increases in the prices of energy, oil and other commodities and to the volatility in financial markets globally, as well as a new landscape in relation to international sanctions. Zipa Management is closely monitoring the rapidly developing situation in Ukraine and the potential impact it may have on the Programme. An initial risk assessment of the key impacts has identified the key risks as being operationalising complex sanctions regimes, potential for increase in cyberattacks and financial and market risks arising from volatility in asset values, interest rates or foreign exchange markets.

In addition, the emergence of anti-EU and anti-establishment political parties and a rise in separatist and protectionist sentiment across the EU may also give rise to further political instability and uncertainty. Brexit has also resulted in significant volatility within the European political environment.

The aforementioned geopolitical developments as well as any further developments may adversely affect global economic growth, heighten trading tensions and disrupt markets, which could in turn affect commodity prices which may impact the price and liquidity of newly sourced Good Delivery Gold and hence may adversely affect the trading market and price of Gold Securities. A decline in value of Gold Securities and may cause the value of Gold Securities to decline or increase in value which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

## **B. Risk Relating to Gold**

### **Risks Relating to Price of Gold**

The Gold Securities are linked to the price of gold. Prospective investors should note that the value of a Series of Gold Securities will be affected by movements in the price of Gold.

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

- (a) global or regional political, economic or financial events and situations, particularly pandemics, war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major gold producers;

- (b) investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;
- (c) global supply and demand of the relevant markets, which is influenced by such factors as mine production and net forward selling activities by producers, central bank purchases and sales, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;
- (d) political and economic instability in the locations where gold is produced, potentially impacting purchaser confidence, supply and demand, and, ultimately, the price of the Gold;
- (e) interest rates and currency exchange rates, particularly the strength of and confidence in the US Dollar; and
- (f) financial activities including investment trading, hedging or other activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global supply or demand.

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

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

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

### **Shortage of Gold**

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

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

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

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

On 7 March 2022, the LBMA suspended six Russian refineries from the London Good Delivery List for Gold, which means that any metals refined post this date will no longer be considered "Good Delivery". Russia produces around 9 per cent of the total gold mined. There is a risk that continued sanctions on these refiners or any further sanctions on Russian entities could impact the liquidity and availability of Gold in the London

market. As of the date of this Base Prospectus, the Issuer does not accept delivery of Gold refined by suspended Russian refiners and no transaction contemplated under this Base Prospectus (including any issuance of Final Terms) will be linked in any way to suspended Russian refiners. The LBMA does not accept as Good Delivery suspended refiners. Such suspension by the LBMA may have a negative impact on the global supply of precious metals and in turn may have an impact on the market price of the Gold Securities.

### **C. Risks Relating to the Custodian, the Gold Agent and the Swap Counterparty**

#### **Risks Relating to the Secured Unallocated Accounts**

While the Issuer has put in place arrangements to minimise the holding of Gold in Secured Unallocated Accounts, a portion of the Gold will be held in the Secured Unallocated Accounts – in each case for a short period of time – to help maximise the efficiency of the Redemption process.

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

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

#### **Risks Relating to the Secured Allocated Accounts**

The Issuer's ability to meet its obligations with respect to the Gold Securities could be affected by the actions of the Custodian or its agents or by events affecting the Custodian. In particular, if any Gold is lost, stolen or damaged, or is fraudulently removed from the control of the Custodian, or the Custodian is subject to a force majeure event beyond its reasonable control which prevents it from delivering up Gold, then, in each case the Issuer would not be able to satisfy all of its obligations in respect of the Gold Securities which would result in a loss to Securityholders.

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

Although the Custodian is required to allocate (and provide a daily Bar List of all such allocated Gold) and segregate Gold held for the Issuer from any assets held by the Custodian for other clients and the Custodian's own assets, Securityholders will be at risk if the Custodian does not, in practice, maintain such a segregation in breach of their obligations to the Issuer or, as applicable, the Custodian. This could result in the Securityholders suffering a loss of some or all of their investment in the Gold Securities if the failure to segregate Gold held for the Issuer meant that it was not possible to identify the allocated Gold held for the benefit of the Issuer from the assets of the Custodian or any of their respective clients.

#### **Access Risk**

Once Gold is allocated, this Gold will be held in the Secured Allocated Accounts which will be held by the Custodian at its Vault. Gold will be held in the Custodian's Vault, and will be transferred to a Securityholder

Unallocated Gold Account to effect a Redemption. Access to such Gold, whether in transit or when held in a Vault could be lost, or at least restricted, by natural events, such as flooding, or human actions, such as a terrorist attack.

If such transit and/or access risk causes or contributes to the loss of Gold (and the Custodian is unable to replace such Gold), the Issuer would not be able to satisfy its obligations in full in respect of the Gold Securities and in such circumstances, Securityholders could suffer a loss in respect of some or all of their investment in the Gold Securities.

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

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

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

#### **Risks Relating to the Performance of the Custodian**

The custodial service provided by the Custodian under the Custody Agreements is not a regulated activity subject to the supervision and rules of the Central Bank.

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

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

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

#### **Risks Relating to the Performance of the Gold Agent**

The Issuer has appointed the Gold Agent as its agent to effect sales of Gold in connection with the Programme.

On a Gold Sale, the Issuer (or the Administrator on its behalf) will instruct the Custodian to transfer the relevant Gold from the Secured Accounts to the order of the Gold Agent in accordance with the Gold Agent Agreement and the Gold Agent will sell the Gold in a timely fashion on the Gold Sale Date.

Under the Gold Agent Agreement, the Gold Agent is authorised to take such steps as, acting in a commercially reasonable manner, it considers appropriate to effect an orderly sale of the Gold. This means that the Gold Agent will use its discretion in selling the Gold, and the Issuer cannot guarantee that such discretion will result in the Gold Agent obtaining the optimal price on the Gold Sale Date. As a result, the price realised by the Gold Agent in conducting a Gold Sale may not be the same price that another market participant (including a Securityholder) could have realised if they were to sell the Gold on the same date and a Securityholder may suffer a loss if the price realised by the Gold Agent is less than the value of the Gold at the time the Securityholder purchased its Gold Securities. In addition, the Gold Agent is permitted to deduct any amounts properly incurred by it in connection with such sale from the applicable proceeds.

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

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

### **Risks Relating to the Performance of the Swap Counterparty**

The Issuer appoints the Swap Counterparty as its agent to effect Gold Swaps in connection with the Programme.

The Issuer's ability to meet its obligation to effect Gold Swaps could be affected by the actions of the Swap Counterparty or its agents or by events affecting the Swap Counterparty. In particular, if the Swap Counterparty is subject to a force majeure event beyond its reasonable control which prevents it from purchasing or delivering SMO Gold, then, in each case, the Issuer's access to SMO Gold and its ability to fulfil its obligation to effect a Gold Swap within the Swap Period could be impacted. In such circumstances, the Gold Securities in respect of a Series would continue to be backed (in whole or in part) by Non-SMO Gold and may be redeemed (in whole or in part) using Non-SMO Gold until such time as Gold Swaps, in respect of all any Non-SMO Gold held by the Issuer in respect of that Series of Gold Securities, can be effected.

Under the Master Swap Agreement, the Swap Counterparty is only liable for losses that are the direct result of its own negligence, fraud or wilful default in the performance of its duties. The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Swap Counterparty in circumstances where the Swap Counterparty failed to comply with its obligations under the Master Swap Agreement, which could result in the Issuer not being able to satisfy its obligation to effect a Gold Swap within the Swap Period. In such circumstances, the Gold Securities in respect of a Series would continue to be backed (in whole or in part) by Non-SMO Gold and may be redeemed (in whole or in part) using Non-SMO Gold until such time as Gold Swaps, in respect of any Non-SMO Gold held by the Issuer in respect of that Series of Gold Securities, can be effected.

The Swap Counterparty's ability to effect Gold Swaps in respect of SMO Gold could be effected by a shortage of SMO Gold during the relevant period. Until such time that SMO Gold can be delivered, the Investors' exposure will be to Non-SMO Gold and not SMO Gold which means the Investor will not have the assurance that the Gold underlying the Gold Security is solely sourced from a specific mine which has been selected through rigorous screening criteria, which meets the highest levels of responsible sourcing standards and has a fully auditable chain of custody throughout the entirety of the supply chain, ensuring that every ounce of Gold is fully traceable to its source. However, all Gold underlying Gold Securities will satisfy LBMA Good Delivery. There is a risk that a delay in swapping Non-SMO Gold for SMO Gold may result in Investors selling Gold Securities which may result in the price of Gold Securities decreasing.

#### **D. Operational Risks**

##### **Early Redemption of Gold Securities**

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

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

- **Early Redemption on Default**

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

- (a) the Issuer has failed to comply with certain payment obligations in respect of the Redemption of any Gold Securities (subject to certain remedies);
- (b) the Issuer fails to comply with one or more of its obligations under a Programme Document; or
- (c) the Issuer is subject to an insolvency event.

- **Early Redemption for Cause**

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

- (a) are held in breach of law; or
- (b) that the ownership of such Gold Securities would, in its reasonable opinion cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders.

- **Early Redemption Following a Disruption Event**

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

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

Only Authorised Participants may deal with the Issuer in applying for Gold Securities to be issued. The Issuer will use reasonable endeavours to ensure that at all times there is at least one Authorised Participant. However, there can be no assurance that there will at all times be an Authorised Participant to deal with the Issuer in applying for or redeeming Gold Securities.

In the event that there is no Authorised Participant, no Gold Securities can be issued. In such an event, it may also be difficult or impossible to sell Gold Securities on the Relevant Stock Exchanges at a price close to the Gold Reference Price or within a reasonable time period. In such a case, a Securityholder may Redeem directly with the Issuer, which may take longer and be more costly (due to payment of the Redemption Fee) than sale of the Gold Securities On-Exchange. If the case persists that there are no Authorised Participants, then the Issuer could trigger a Compulsory Redemption Event which would result in the early redemption of the Gold Securities. The early redemption of the Gold Securities could, in turn, result in a Securityholder suffering a loss if the value of the Gold Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

#### **Insufficient Assets to Cover Principal Amount**

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

#### **Risks Relating to the Application of the Total Expense Ratio**

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

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

In addition, provided that it gives Securityholders at least 30 days' prior notice, the Issuer may increase the Total Expense Ratio. An increase in the Total Expense Ratio in respect of a Series will reduce the Gold Entitlement in respect of that Series by more than would have been the case (and at a faster rate) had the Total Expense Ratio remained the same.

#### **Other Business Activities of Authorised Participants (conflicts of interest)**

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

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

### **Risks Relating to the Trustee**

The Trustee will have regard to the interests of the Securityholders of a Series and will not have regard to the consequences of the exercise of its functions for individual Securityholders. As a result, a decision made by the Trustee in the exercise of its functions may have adverse consequences for an individual Securityholder, including, for example, if the exercise of discretion resulted in a delay in the redemption of the Gold Securities or a delay in receiving the Gold Entitlement per Gold Security or its *pro rata* share of the sale proceeds following a Gold Sale. In such circumstances, a Securityholder may suffer adverse tax consequences. The Trustee will not be entitled to require, nor will any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholder.

### **Risks Relating to the Security Trustee**

The Security Trustee will have regard to the interests of the Securityholders in respect of a Series and will not have regard to the consequences of the exercise of its functions for individual Securityholders. As a result, a decision made by the Security Trustee in the exercise of its functions may have adverse consequences for an individual Securityholder, including, for example, if the exercise of discretion resulted in a delay in the redemption of the Gold Securities or a delay in receiving the Gold Entitlement per Gold Security or its *pro rata* share of the sale proceeds following a Gold Sale. In such circumstances, a Securityholder may suffer adverse tax consequences. The Security Trustee will not be entitled to require, nor will any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholder.

### **Modifications to the Programme**

The Trustee may agree to amendments to the Programme Documents to which it is a party if, in its opinion such amendment is of a formal, minor or technical nature or is made to correct a manifest error or is necessary or desirable for the operational functioning of the Programme. In making such determinations, the Trustee is not under an obligation or a duty to take into account the interests of any individual Securityholder and so there may be circumstances where a Securityholder is adversely affected by a decision of the Trustee.

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

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

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

## **E. Risks Relating to Security**

### **Limited Recourse**

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

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

### **Recognition of Security in other Jurisdictions**

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

### **Limited Enforcement Rights**

The Security Trustee is only required to enforce the Security on behalf of a Securityholder if it is directed to do so by the Trustee (subject to the Security Trustee having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such direction) and provided the Trustee has been instructed by a specified portion of the Securityholders and indemnified, secured and/or pre-funded to its satisfaction. These circumstances include where (i) the Issuer has failed to comply with certain payment obligations in respect of the Redemption of any Gold Securities (subject to certain remedies), or (ii) the Issuer fails to comply with one or more of its obligations under a Programme Document, or (iii) the Issuer is subject to an insolvency event.

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

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

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

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

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

- (b) *second*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Gold Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the relevant Trust Deed or the Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee and/or the Security Trustee (other than any income, corporation or similar Tax in respect of the Trustee's and/or the Security Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents and the Trustee's and/or the Security Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Deeds);
- (c) *third*, in payment or satisfaction of any fees, expenses or other amounts pursuant to the Programme Documents (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);
- (d) *fourth*, in payment of any amounts owing to Zipa Management pursuant to the Management Agreement;
- (e) *fifth*, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and
- (f) *sixth*, in payment of any balance to the Issuer for itself.

Following the priority of payments, the security may be insufficient and the Issuer may not be able to return the full amounts due to Securityholders who may suffer a loss of some or all of their investment in the Gold Securities as a result.

#### **Enforcement of the Security**

The Security Trustee shall enforce the Security at the direction of the Trustee (subject to the Security Trustee having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such direction), if an Event of Default occurs with respect to the Gold Securities. When exercising its right in this regard, the Security Trustee will have regard to the interests of the Securityholders as a whole and will not have regard to the consequences of such exercise for individual Securityholders, which may have an adverse impact on certain Securityholders more than others.

### **F. Risks Relating to the Issuer and its Legal Structure**

#### **The Issuer**

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

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

The Directors of the Issuer have passed a board resolution to authorise the Programme. The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws

of its jurisdiction of incorporation. In particular, the Issuer is not and will not be regulated by the Central Bank as a result of issuing the Gold Securities.

There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorised under the prevailing securities, banking or commodities laws of that jurisdiction or that legal or regulatory requirements in this respect will not change so as to bring the Issuer's activity relating to the Gold Securities within the scope of such laws. Any such regulatory requirement or change could trigger a Compulsory Redemption Event and result in the early redemption of the Gold Securities which in turn could result in a Securityholder suffering a loss if the value of the Gold Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

### **No Guarantee by any other Party**

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

- (a) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme, including but not limited to the deposit protection scheme operated by the Central Bank or any client money protection scheme;
- (b) are not insured or guaranteed by any government, government agency or other body; and
- (c) by virtue of the issue of the Gold Securities, the Issuer is not regulated by the Central Bank.

Consequently, if the Issuer were to fail to satisfy its obligations in respect of the Gold Securities, the Securityholders would have no recourse to any other person or ability to require any other person to make payments on behalf of the Issuer and in such circumstances, a Securityholder could suffer a loss of some or all of their investment in the Gold Securities.

### **Insolvency**

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

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

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

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

### **Unconnected Liabilities of the Issuer**

The Issuer is a special purpose company but it is not a regulated fund with statutory segregated liability between sub-funds with each sub-fund having separate assets and liabilities. Accordingly, the Issuer uses contractual limited recourse and non-petition provisions to achieve segregated liability and to prevent assets held in relation to any particular Series of Gold Securities being made available to satisfy the claims of holders of a different Series of Gold Securities. While assets held in relation to any particular Series of Gold Securities are not available to satisfy the claims of holders of a different Series of Gold Securities, there is a risk that the Issuer may become subject to claims or other liabilities (whether in respect of the Gold Securities or otherwise) which are not themselves subject to limited recourse or non-petition limitations. If this were to happen it could increase the likelihood of the Issuer entering insolvency proceedings. If the Issuer were to enter insolvency proceedings, an Event of Default would occur in respect of each Series of Gold Securities which would result in the Gold Securities being redeemed at short notice. This may result in the Gold Securities being redeemed on an earlier date than a Securityholder would otherwise have chosen. In these circumstances, the Securityholder may suffer a loss if the value of the Gold Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder and may even lose all of their investment in the Gold Securities.

### **Preferred Creditors under Irish Law and Floating Charges**

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Securityholders and other Secured Parties, the Securityholders (and other Secured Parties) may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular, under Irish law, upon an insolvency of an Irish company, such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the relevant Irish courts (see **Examinership** below).

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

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

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

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

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

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

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

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up even if crystallised prior to the commencement of winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

### **Centre of Main Interests**

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

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

Recital 28 to the EU Insolvency Regulation further indicates that in assessing whether a company's centre of main interests is ascertainable to third parties for these purposes, "special consideration should be given to the creditors and to their perception as to where a debtor conducts the administration of its interests". As the Issuer has its registered office in Ireland, has not moved its registered office from another Member State to Ireland within the 3 month period prior to a request for the opening of "insolvency proceedings", has an Irish corporate services provider, has Irish directors and is registered for tax in Ireland, the Issuer does not

believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

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

### **Examinership**

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

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

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

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

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

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

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Securityholders as secured by the Trust Deeds, Security Deeds and/or Security Documents;
- (b) the Security Trustee acting for and on behalf of the Secured Parties, would not be able to enforce rights against the Issuer during the period of examinership;

- (c) the potential for the examiner to seek to set aside any negative pledge in the Gold Securities prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Parties under the Gold Securities or the Programme Documents.

## **G. VAT and Tax Risks Relating to an Investment in the Gold Securities**

### **Taxation and no gross-up**

In the event that any withholding or deduction for or on account of Tax is imposed on payments in respect of the Gold Securities, the Securityholders will be subject to such tax or deduction and will not be entitled to receive amounts to compensate for such withholding or deduction. No Event of Default will occur as a result of any such withholding or deduction.

The tax treatment of the Gold Securities, including but not limited to the question of whether the Gold Securities should be treated as debt securities or units in a collective investment scheme for tax purposes, is fundamentally unclear in some jurisdictions. Prospective investors' attention is therefore drawn to the section entitled "*Taxation*" of this Base Prospectus and the other tax disclosures in this Base Prospectus.

Transfers of Gold to or from the Issuer or transfers of the sale proceeds of Gold to the Issuer under the Gold Agent Agreement in relation to a Series may be subject to charges, withholding or deduction for, or on account of, Taxes (including VAT). In such circumstances the sums available to the Issuer (and/or the Trustee and/or the Security Trustee) to pay the Optional Redemption or the Compulsory Redemption may not be sufficient to satisfy in full the claims of the Securityholders and all creditors whose claims rank in priority to those of the Securityholders.

Where the Issuer is, or there is a substantial likelihood that it will be, required by any applicable law to make a payment in respect of VAT, register for VAT or be otherwise required to account for VAT in connection with a delivery of Gold in respect of a Subscription or a Redemption, or the Issuer has become liable, or become aware that it is liable, for VAT in respect of a prior delivery of Gold (in each case whether or not such VAT is recoverable), the Gold Securities may become subject to early redemption.

Each Securityholder will assume and be solely responsible for any and all Taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local Taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Gold Securities. You should consult your selling agent for details of fees, expenses, commissions or other costs and your own tax advisors in order to understand fully the tax implications specific to investment in any Gold Securities.

### **Imposition of unanticipated Taxes on Issuer**

The Issuer has been advised that under current Irish law, any fees payable to Zipa Management for its services should be exempt from VAT in Ireland as consideration paid for portfolio management services provided to a "qualifying company" for the purposes of Section 110 of the TCA. This is based upon Article 135(1)(g) of Council Directive 2006/112/EC on the Common System of Value Added Tax (the **Directive**), which provides that EU member states shall exempt the management of "special investment funds" as defined by EU member states. The Value-Added Tax Consolidation Act 2010 of Ireland, in the provisions implementing Article 135(1)(g) of the Directive, specifically lists, in the categories of undertakings to whom supplies of management services are exempt from VAT, undertakings which are "qualifying companies" for the purposes of Section 110 of the TCA. The Issuer has been advised that it will be such a "qualifying company", therefore management services supplied to it are exempt from VAT in Ireland under current law. On 9 December 2015 the European Court of Justice handed down its judgment in the case of

*Staatssecretaris van Financiën v Fiscale Eenheid X NV cs Case C-595/13* which concerned Dutch law on VAT, in particular the Dutch interpretation of the term "special investment fund" under the Directive, and could suggest that the exemption had been enacted by some EU member states more broadly than is permitted by the Directive. The Issuer is not, however, aware of any proposal to amend Irish domestic law to remove the exemption from VAT on portfolio management fees for entities such as the Issuer. If the Issuer is not or ceases to be entitled to the benefits of Section 110, or any of its expenses are not deductible for tax purposes, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the financial position of the Issuer and as such could adversely affect the tax treatment of the Issuer and consequently may result in the Total Expense Ratio increasing therefore negatively impacting a Securityholder's return.

## **H. Risk Factors Relating to Legal Matters**

### **Regulatory Risk**

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

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and (subject to the requirements of the Prospectus Regulation and any related rules issued by the Central Bank) will operate without supervision by any authority in any jurisdiction. However, the regulatory requirements as to licensing, registration or authorisation in Ireland could change thereby requiring the Issuer to obtain such a status. Regulatory authorities in one or more other jurisdictions may regard such laws as being applicable to the Issuer and may require the Issuer to be licensed, registered or authorised. Any such regulatory requirement or change could trigger a Compulsory Redemption Event and result in the early redemption of the Gold Securities which in turn could result in a Securityholder suffering a loss if the value of the Gold Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

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

### **Change of Law**

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

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

### **Legality of Purchase**

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

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

### **Alternative Investment Fund Managers Directive**

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

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

### **Risk of Re-characterisation**

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

### **Undertakings for Collective Investment in Transferable Securities (UCITS)**

Prospective investors which are UCITS, i.e. which comprise a scheme which is an undertaking for collective investment in transferable securities subject to the Directive of the European Parliament and the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (2009/65/EC) (the **Recast UCITS Directive**), as amended, need to satisfy themselves that any investment in the Gold Securities will comply with any regulations and/or guidelines applicable to them pursuant to the Recast UCITS Directive and any laws, regulations or guidelines of their jurisdiction of incorporation and would be in line with their individual investment objectives.

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

UCITS are Prohibited Gold Holders. Consequently, redemption is only permitted to UCITS by way of Gold Sale, as further detailed under Section 1 - Description of the Programme and Condition 7.8 (*Gold Sale*) and UCITS cannot be delivered Gold under any circumstances.

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

### SECTION 3 – DEFINITIONS

All terms and expressions not defined in this Section 3 – Definitions, which have defined meanings in Section 11 – Terms and Conditions of Gold Securities shall have the same meanings in this Base Prospectus.

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

<b>Affiliate</b>	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;
<b>Authorised Participant</b>	means certain regulated trading firms, banks or other market professionals approved by the Issuer (in its sole discretion) that satisfies certain minimum qualifying criteria and that is party to an Authorised Participant Agreement;
<b>Authorised Participant Agreement</b>	means, in respect of an Authorised Participant, the authorised participant agreement (as may be amended, supplemented, novated and/or replaced from time to time) entered into by the Issuer and such Authorised Participant;
<b>Bar List</b>	means that list of bars of Gold held in Secured Allocated Accounts, published by the Issuer on the Issuer's Website;
<b>Base Prospectus</b>	means this base prospectus of the Issuer;
<b>Bearer Securities</b>	has the meaning given to it in Condition 2 ( <i>Form and Title</i> );
<b>Conditions</b>	means the terms and conditions on and subject to which Gold Securities as set out in Section 11 – Terms and Conditions of Gold Securities;
<b>Custody Agreements</b>	means the Secured Unallocated Custody Agreements and the Secured Allocated Custody Agreements;
<b>Directors</b>	means the directors of the Issuer, being at the Prospectus Date persons whose names are listed as such in Section 5 – Description of the Issuer;
<b>EEA State</b>	means a member of the European Economic Area;
<b>EU</b>	means the European Union;
<b>Euro or €</b>	means the euro currency;
<b>FCA</b>	means the Financial Conduct Authority of the United Kingdom and any successor thereto;
<b>Fixing</b>	means in relation to gold on any day on which the Relevant Market is open for business, the price fixing process or processes conducted under or for the purposes of the rules and procedures of the LBMA to determine a price for gold on that day at that Fixing or any successor price fixing process or processes established or authorised by or on behalf of the LBMA;
<b>Fixing Price</b>	means, in relation to any Fixing for gold, the price determined by the Fixing;
<b>FSMA</b>	means the Financial Services and Markets Act 2000 of the United Kingdom;

<b>Gold</b>	means the gold (which may, at any time, be made up of SMO Gold and/or Non-SMO Gold) held in the Secured Accounts, which backs the Gold Securities;
<b>Gold Reference Price</b>	means, in respect of Gold, the price of Gold (expressed in USD) published by the LBMA in respect of the LBMA's official London pricing time for the Gold or, if there is more than one official pricing time for the Gold, the a.m. price or the p.m. price, as applicable;
<b>Good Delivery</b>	means the refining standard and weights of Gold set by the LBMA;
<b>ICSD</b>	means an International Central Securities Depository;
<b>Individual Securities</b>	means Gold Securities of a particular Series;
<b>Issuer Cash Accounts</b>	means each cash account established by the Issuer with an Eligible Account Bank into which amounts received by or on behalf of the Issuer (i) as SMO Gold Premium (including the Issuer Premium Account) and (ii) for the purpose of effecting Redemptions (including the Issuer Redemption Cash Account) are paid;
<b>LBMA</b>	means the London Bullion Market Association;
<b>Management Fee</b>	means the management fee payable by the Issuer to Zipa Management in consideration for the provision by Zipa Management or an Affiliate or successor of Zipa Management of all services provided under the management agreement entered into by, amongst others, the Issuer and Zipa Management (the <b>Management Agreement</b> );
<b>MiFID2</b>	means EU Directive 2014/65/EU (the <b>Markets in Financial Instruments Directive</b> ), as amended;
<b>Non-AP Securityholder</b>	means a Securityholder that is not also an Authorised Participant;
<b>Non-SMO Gold</b>	means gold that is not solely sourced from a single mine that is accredited with the highest responsibility standards and does not have an auditable chain of custody for the entire supply chain, with full segregation from a single mine to finished product;
<b>On-Exchange</b>	means the trading of Gold Securities on a Relevant Stock Exchange;
<b>OTC Market</b>	means the global over-the-counter market for the trading of Gold;
<b>ounces or oz</b>	means troy ounces. One troy ounce equals approximately 31.1034768 grams;
<b>PRA</b>	means the Prudential Regulation Authority of the United Kingdom and any successor thereto;
<b>Programme</b>	means the programme for the issue of Gold Securities;
<b>Prospectus Date</b>	means the date on which this Base Prospectus is approved by the Central Bank, as set out on the first page hereof;
<b>Prospectus Regulation</b>	means Regulation (EU) No 2017/1129, as amended from time to time;

<b>PR Regulation</b>	means the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended from time to time;
<b>Refinery</b>	means an industrial installation where gold is refined, where the following conditions are satisfied: <ul style="list-style-type: none"> <li>(a) the head office of the refinery is located in an OECD country;</li> <li>(b) the refinery is a member of the London Bullion Market Association; and</li> <li>(c) the refinery sources its gold for the Issuer exclusively from mining companies that are World Gold Council members.</li> </ul>
<b>Registered Office</b>	means the registered office of the Issuer being 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland;
<b>Registered Securities</b>	has the meaning given to it in Condition 2 ( <i>Form and Title</i> );
<b>Regulated Market</b>	means a regulated market for the purposes of MiFID2, as amended and/or FSMA, as applicable;
<b>Relevant Clearing System</b>	means (i) Euroclear, (ii) Clearstream, or (iii) any other recognised clearing system in which Gold Securities of a Series may be cleared;
<b>Relevant Market</b>	means, in respect of gold, the loco London Metal Market;
<b>Relevant Stock Exchange</b>	means the London Stock Exchange, the Frankfurt Stock Exchange and/or any other stock exchange on which Gold Securities of a Series may be listed;
<b>RTS Regulation</b>	means the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, as amended from time to time;
<b>Secured Allocated Custody Agreement</b>	means each secured allocated custody agreement between the Issuer and a Custodian, and in respect of the SMO Physical Gold ETC Securities, means the secured allocated custody agreement entered into by the Issuer and HSBC Bank PLC (the <b>First Secured Allocated Custody Agreement</b> );
<b>Secured Unallocated Custody Agreement</b>	means each secured unallocated custody agreement between the Issuer and a Custodian, and in respect of the SMO Physical Gold ETC Securities, means the secured unallocated custody agreement entered into by the Issuer and HSBC Bank PLC (the <b>First Secured Unallocated Custody Agreement</b> );
<b>Securityholder</b>	and <b>holder</b> mean the bearer of any Bearer Security or the person in whose name a Registered Security is registered (as the case may be);

<b>SMO Gold</b>	means gold that is solely sourced from a specific mine which has been selected through rigorous screening criteria, meets the highest levels of responsible sourcing standards and has a fully auditable chain of custody throughout the entirety of the supply chain, ensuring that every ounce of gold is fully traceable to its source;
<b>United Kingdom or UK</b>	means United Kingdom of Great Britain and Northern Ireland;
<b>United States or US</b>	means the United States of America;
<b>VAT</b>	means value added tax;
<b>Vault</b>	means the secure vault(s) of the Custodian for the secure storage and custody of gold located in London, United Kingdom;
<b>zero coupon</b>	means a debt instrument with no periodic coupon payments;
<b>Zipa Investments</b>	Zipa Investments Limited;
<b>Zipa Management</b>	Zipa Management Limited; and
<b>Zipa Management Group</b>	Zipa Management and Zipa Investments.

References in this document to a particular time are, unless otherwise stated, references to the time applicable in Dublin, Ireland.

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

References in this document to any legislation of the European Union includes reference to such legislation as it applies in the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 of the United Kingdom, the European Union (Withdrawal Agreement) Act 2020 of the UK and any other applicable UK legislation in relation to the “on-shoring” of retained EU law.

## SECTION 4 – PRECIOUS METAL MARKET OVERVIEW

***The information provided below does not purport to be a complete summary of information relating to gold, its storage, trade associations or relevant legislation. Prospective purchasers of Gold Securities are advised to conduct their own independent investigation of gold or consult with their relevant advisors as to the prospects and consequences of a purchase of Gold Securities linked to gold.***

### **A. Description of Physical Gold**

#### ***Properties***

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

#### ***Major producers***

Since 1905, South Africa had been the world's largest producer of gold. However, in 2007 China surpassed South African production. South African production has suffered from declining ore grades, maturing mines, power disruption and labour unrest during the past decade. Today, China, Russia, Australia, the United States and Canada account for more than 40 per cent. of the world's annual gold mine production (Source: World Gold Council, Metals Focus, 31/12/21).

#### ***Major holders***

Global central banks remain a powerful community in terms of the world gold market. According to statistics published by the World Gold Council in January 2023, their combined holdings amounted to over 35,000 tonnes representing almost one fifth of the above-ground stock. Central bank demand totalled 1,136t in 2022 marking the second consecutive a year-on-year increase in demand from this sector and the highest level of buying since 1967. Buying was primarily from emerging market banks, including Turkey and China (Source: World Gold Council, GDT30, 31/01/2023).

According to statistics published by the World Gold Council, the largest holder of gold reserves is the United States with 8,133 tonnes, equivalent to 67.08 per cent. of the United States' total reserves. The average gold to total reserve ratio across all central banks is 13.2 per cent. However, in Europe ratios are significantly higher (with Portugal holding the highest gold to total reserve ratio at 69.18 per cent.) (Source: World Gold Council, Gold Reserves by Country, 31/12/2022).

#### ***Major uses***

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

*Unless otherwise stated, the data referred to in the above sections is sourced from the World Gold Council, 2022.*

## ***SMO-Gold***

SMO gold is 24 carat pure gold, produced and refined from one single mine site and plant. SMO Gold adheres to a strict criteria, so it only originates from mines which satisfies the criteria, and is mined in accordance with the World Gold Council's Responsible Gold Mining Principles.

SMO certified gold provides an auditable chain of custody for the entire supply chain, with full segregation from mine to finished product. Batch codes and QR codes offer consumers a direct link to the source of the precious metal used in their purchase, as well as giving an insight into the impact each transaction has helped to create through local community projects.

### **B. Operation of the precious metals markets**

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

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

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

Gold is not a traded security or other traded obligation, but is a commodity traded over-the-counter and so no information can be provided on its terms and conditions.

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

### **C. Trading Location**

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

- (a) sets refining standards by maintenance of the London Good Delivery Lists (which are the lists of the LBMA accredited smelters and assayers of gold and silver);
- (b) co-ordinates market clearing and vaulting;
- (c) promotes good trading practices; and
- (d) develops standard documentation.

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

### **D. Good Delivery**

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

### **Trading Units**

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

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

1,000 grams = 32.1507465 troy ounces

1 gram = 0.0321507465 troy ounces

so, 1 troy ounce =  $((1/32.1507465) \times 1,000) = 31.1034768$  grams.

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

- (b) **Fineness:** A measure of the proportion of gold in a bullion bar. It therefore defines the purity of a gold bar.
- (c) **Assaying:** The process by which fineness is determined. The fineness of gold jewellery is usually expressed in carats (parts of fine gold per 24). Eighteen-carat jewellery is therefore 750 fine in bullion market terms.

### **E. Unit for Delivery of Loco London Gold**

The unit for delivery of loco London gold is the London Good Delivery gold bar (**LGD gold bar**). It must have a minimum fineness of 995.0 and a gold content of between 350 and 430 fine troy ounces with the bar weight expressed in multiples of 0.025 of an ounce (which is the smallest weight used in the market). Bars are generally close to 400 ounces or 12.5 kilograms. The LBMA document "The Good Delivery Rules for Gold and Silver Bars" describes the rules for weighing bars and how the numbers can be rounded. Gold bars are weighed using a beam balance. When weighing a gold bar, it must "turn the scale" when the correct weight is placed on the scale. If a bar does not "turn the scale," then the recorded weight is reduced by 0.025 of an ounce.

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

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

Additionally, each gold bar must bear the following markings:

- (a) the serial number;
- (b) the assay stamp of refiner;
- (c) the fineness (to four significant figures); and
- (d) the year of manufacture (expressed in four digits).

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

Further information, including The Good Delivery Rules, can be found on <https://www.lbma.org.uk/good-delivery/about-good-delivery>.

## **F. Storage**

### ***Unallocated Accounts***

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

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

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

For a description as to how unallocated accounts are used in the Programme, see *Section 1 – Description of the Programme*.

### ***Allocated Accounts***

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

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

For a description as to how allocated accounts are used in the Programme. See *Section 1 – Description of the Programme*.

## **G. The Fixing Price**

The London market provides a metal pricing service whereby the fixing price is intended to represent the matching of orders from customers throughout the world. Historically the Fixings in each of the Relevant

Markets took place by telephone every day on which members are open for dealing in London. Since 2014, a number of changes have been implemented to the Fixing Price for each type of Bullion to introduce new auction processes.

### **Gold**

On 20 March 2015, ICE Benchmark Administration began administering the operation of an electronic, tradable and auditable, over-the-counter auction market with the ability to settle trades in US Dollars, Euros or Sterling for LBMA-authorized participating gold bullion banks or market makers. This auction establishes a reference gold price for that day's trading. This auction is the gold valuation replacement selected by the LBMA for the "London Gold Fix" previously determined by the London Gold Market Fixing Ltd. that was discontinued on 19 March 2015. The new auction process, like the previous gold fixing process, establishes and publishes fixed prices for fine troy ounces of gold twice each London trading day during fixing sessions beginning at 10.30a.m. and 3:00p.m. (together the **LBMA Gold Price**).

### **Documentation**

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

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

## **H. Regulation**

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

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

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

In June 2014, the UK HM Treasury announced a review in relation to the way in which wholesale financial markets operate. Following this review the FCA published a policy statement implementing the regulatory and supervisory regime for seven additional benchmarks in the fixed income, commodity and currency markets to be treated as "regulated benchmarks" in the UK. This included the LBMA Gold Price and became effective as of 1 April 2015. The consequence of this meant that administrators responsible for these benchmarks will need to be regulated and comply with the relevant FCA regulations. However, this did not

mean participants involved in auction rounds during the price setting process will be regulated by the FCA as they are not considered to be price submitters.

## SECTION 5 – DESCRIPTION OF THE ISSUER AND ASSOCIATED PROGRAMME PARTIES

### A. Information Contained in this Section

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

### B. General Information about the Issuer

The Issuer, Zipa Precious Metals Public Limited Company, was incorporated in Ireland on 13 February 2023 as a public limited company under Irish law with registration number 734888. The Issuer has been incorporated for an indefinite period. The Issuer has, since the date of its incorporation, operated in conformity with its constitution. The principal legislation in respect of the governance of the Issuer is the Irish Companies Act 2014. The Issuer is a special purpose company which was established for the purpose of issuing asset-backed securities, and in respect of this Base Prospectus, Gold Securities backed by Gold, and entering into agreements relating to the Gold Securities and the Gold.

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

The LEI code of the Issuer is 635400DNB9XXLCMIJL80.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the board of the Issuer passed on 2 February 2024.

### C. Shareholders and Share Capital

The shares in the Issuer are all held by Apex TSI Limited, a company incorporated in Ireland, and the ownership in the shares is subject to an open trust.

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

As at the Prospectus Date, the authorised share capital of the Issuer is €25,000 divided into 25,000 ordinary shares of €1 each, all of which are fully paid up and are held by Apex TSI Limited on trust for charitable purposes.

### D. Operations of the Issuer

The Issuer has been incorporated on 13 February 2023. The end of the Issuer's financial year is 31 December and the annual audited accounts will be published each year by 30 April. Commencing from the date of this Base Prospectus, half-yearly unaudited accounts for periods ending 30 June will be published annually by the 30 September. As of the date of this Base Prospectus, only the SMO Physical Gold ETC Securities are issued under this programme.

The Issuer has no prior operating history or revenues upon which may be used to evaluate its likely performance and the performance of the Gold Securities.

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

The business of the Issuer is limited to the performance of its obligations under any Gold Securities issued under the Programme, as detailed in clause 8.22.1(a) of the Master Trust Deed.

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

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

## **E. Directors**

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

### ***Maria Dawson (Non-Executive Director)***

Maria joined Apex Group's transaction management team in 2022. Maria has over 15 years' experience in the loan, debt capital & structured finance markets. Maria previously worked with BNP Paribas Securities Services in London focusing on providing corporate trust services across a range of asset types and more recently with TMF in Dublin managing a significant portfolio of structured finance transactions with particular focus on the CLO market.

### ***Rhys Owens (Non-Executive Director)***

Rhys is a Director and Head of Transaction Management for Capital Markets within the Apex Group Corporate Solutions business. Rhys has over 18 years of experience in the financial services industry, specialising in a broad array of multi-jurisdictional structured finance, equipment finance and loan agency transactions from a corporate services and trust & agency perspective. Rhys has a Bachelor's degree in Law and French from the University of Bristol and is an Attorney-at-Law, admitted in New York.

## **F. Legal and Arbitration Proceedings**

The Issuer has not been subject to any governmental, legal or arbitration proceedings (or any such proceedings which are pending or threatened of which the Issuer is aware) since the date of its incorporation, which may have, or have had in the recent past, significant effects on the issuer's financial position.

## **G. Administrator**

The information set out in this section has been obtained from Apex Fund Services (Ireland) Limited (the **Administrator**). Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the Administrator, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of the Administrator since the Prospectus Date, or that the information contained or referred to in this section is correct as of any time subsequent to its date. The registered office of the Administrator is 2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland.

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

The Administrator is part of the Apex Group, a global financial services provider established in Bermuda in 2003. With over 80 offices in 40 countries worldwide and more than 10,000 employees, Apex Group delivers an expansive range of services to asset managers, financial institutions, private clients, and family offices. The Apex Group has continually improved and evolved its capabilities to offer a single-source solution through establishing the broadest range of services in the industry, including fund services, digital onboarding and bank accounts, depositary, custody, super manco services, corporate services including human

resources and payroll and a pioneering ESG ratings and advisory solution. Apex Group's purpose is to be more than just a financial services provider and is committed to driving positive change to address three core areas; the environment and climate change, women's empowerment and economic independence, education and social mobility.

#### **H. Corporate Services Provider**

Apex IFS Limited is the Corporate Services Provider (the **Corporate Services Provider**) for the Issuer. Its duties include the provision of directorships and shareholder services, accounting and reporting, regulatory and tax compliance and certain transaction management services. The business address of the Corporate Services Provider is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland.

Apex IFS Limited also acts as the company secretary of the Issuer.

Apex IFS Limited was incorporated on 18 February 1988 and is licensed by the Department of Justice as Trust or Company Services Provider.

#### **I. Calculation Agent**

The Issuer has appointed Apex Fund Services (Ireland) Limited as the Calculation Agent, pursuant to the terms of the Administration Agreement, to carry out certain calculation functions in relation to the Gold Securities on behalf of the Issuer as more particularly set out in Condition 10.4. The registered office of the Calculation Agent is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland.

#### **J. Zipa Management**

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

The Issuer and Zipa Management have entered into a Management Agreement in relation to the Programme pursuant to which Zipa Management provides management support services to the Issuer in relation to the Programme.

Zipa Management is a Cayman Islands exempted company incorporated on 31 January 2023 and has applied to the Cayman Islands Monetary Authority (**CIMA**) to be regulated under the Securities Investment Business Law (**SIBL**). Its duties include the provision of certain management services, including arrangement, administration and marketing services. The registered office of Zipa Management is 89 Nexus Way, Camana Bay, KY1-9009, Grand Cayman, Cayman Islands. Zipa Management is 100% owned by Zipa Investments Limited. Zipa Management was established to provide the services under the Management Agreement. Zipa Management has no influence, control, voting rights or otherwise in relation to the Issuer. The only agreement between Zipa Management and the Issuer is the Management Agreement (which will be entered into between the Issuer and Zipa Management Limited on or before the Programme Effective Date)

As stated in the section entitled *Operations of the Issuer* the Gold Securities are obligations of the Issuer alone and not of Zipa Management.

#### **K. Zipa Investments**

The information set out in this section has been obtained from Zipa Investments Limited (**Zipa Investments**). Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Zipa Investments, no facts have been omitted that would render the

reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Zipa Investments since the Prospectus Date, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

Zipa Investments is a company incorporated under the laws of the Republic of Seychelles on 25 January 2023, with registered company number 236591 and having its registered office at Victoria Corporate Agents (Proprietary) Limited, Suite 108, Premier Building, Victoria, Mahe. Zipa Investments is 100% owned by Charles Benson and Gregory Broux.

Zipa Investments was established to act as the ultimate holding company of Zipa Management. Other than acting as a holding company, Zipa Investments performs no other function or role in relation to Zipa Management and has no influence, control, voting rights or otherwise in relation to the Issuer..

Zipa Investments (as the ultimate holding company of Zipa Management) is the originator and/or promoter of the Programme.

As stated in the section entitled **Operations of the Issuer** the Gold Securities are obligations of the Issuer alone and not of Zipa Investments

#### **L. Custodian**

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

HSBC Bank plc is a wholly-owned subsidiary of HSBC Holdings plc with its registered office at 8 Canada Square, London E14 5HQ and provides custody and transfer facilities from time to time pursuant to the Custodian Agreements. The Custodian is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the UK, but the custodial services provided by the Custodian and any sub-custodian under the Custodian Agreements are presently not a regulated activity subject to the supervision and rules of the FCA. The Custodian and any of its affiliates may from time to time purchase or sell Gold Securities for their own account, as agent for their customers and for accounts over which they exercise investment discretion. The Custodian does not warrant the contents of this Prospectus, nor is it involved in the management, administration or net asset value calculation of the Gold Securities. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom.

#### **M. Financial Information**

As at the date of this Base Prospectus, no financial statements have been produced on the basis that the Issuer was incorporated on 13 February 2023.

The Issuer shall prepare its financial statements in accordance with the International Financial Reporting Standards.

The Issuer will publish half-yearly financial statements for the period to 30 June and yearly financial statements to 31 December for each financial year.

Commencing from the date of this Base Prospectus, the Issuer will publish its unaudited half-yearly financial statements by 30 September in each year. The Issuer will publish its audited yearly financial statements by 30 April in each year.

The Issuer has not commenced operations since the date of incorporation or establishment and no financial statements have been drawn up as at the date of this Base Prospectus. The Issuer has not engaged and will not engage in any material activities other than those incidental to its incorporation under the Companies Act 2014 (as amended), authorisation and issue of the Gold Securities, the matters referred to or contemplated in this document and the authorisation, execution, delivery and performance of the other documents referred to in this document to which it is a party and matters which are incidental or ancillary to the foregoing.

The auditor of the Issuer is Mazars with an address at 3, Harcourt Centre, 2 Harcourt Rd, Saint Kevin's, Dublin 2, D02 A339 , being a member of Chartered Accountants Ireland.

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

#### **N. Conflicts of Interest**

Each of the Directors of the Issuer is an employee of the Corporate Services Provider.

While these roles could potentially lead to conflicts of interest, the Directors do not believe that, as at the Prospectus Date, there are any actual conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interest and/or other duties that such persons may have.

#### **O. Material Contracts**

As at the Prospectus Date, the Issuer has not entered into any material contracts that are not in the ordinary course of the Issuer's business.

## SECTION 6 – DESCRIPTION OF PROGRAMME DOCUMENTS

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

- (a) the Trust Deed;
- (b) the Custody Agreements;
- (c) the Security Deeds;
- (d) each Authorised Participant Agreement;
- (e) the Gold Agent Agreement;
- (f) the Administration Agreement;
- (g) the Master Swap Agreement;
- (h) the Management Agreement;
- (i) the Agency Agreement; and
- (j) the Account Bank Agreement.

The summaries below are of certain provisions of the Programme documents and do not purport to be complete and are subject to the detailed provisions of the relevant Programme Documents. Each of these documents (with the exception of the Authorised Participant Agreements and the Account Bank Agreement) is available in printed form for inspection by Securityholders and potential investors at the Registered Office of the Issuer at 2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland, during normal business hours on any Business Day in Dublin.

The summaries below are drafted in legal language, however, details on how each of the documents impacts on Securityholders is contained throughout this Base Prospectus including in Section 1 – Description of the Programme.

### A. Trust Deed

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

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

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

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

- (a) the Issuer's covenants to pay and to deliver;
- (b) provisions relating to the Issuer's duty to provide, prepare and display certain information;
- (c) the extent to which the Issuer may delegate its obligations;

- (d) the Issuer's duties with respect to its obligations under the Gold Securities; and
- (e) the Issuer's capacity only to do such things as are contemplated in the Trust Deed.

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

- (a) the basis for the Trustee's remuneration;
- (b) the indemnification of the Trustee in respect of its duties;
- (c) that the Trustee may delegate all or any of its functions in respect of the Gold Securities when it considers it expedient and in the interests of the Securityholders;
- (d) the conditions for the Trustee's appointment, removal and retirement; and
- (e) provisions supplemental to certain statutory provisions which set out the extent of the Trustee's powers and its duties.

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

## **B. Custody Agreements**

The Issuer and the Custodian will enter into English law governed custody agreements relating to the Secured Allocated Accounts and the Secured Unallocated Accounts.

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

### ***Secured Allocated Custody Agreement and the Secured Allocated Account***

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

- (a) establish and maintain segregated accounts in the name of the Issuer referring to the relevant Series for the deposit of Gold in allocated form to be held for the Issuer and to facilitate certain deposits of Gold into, and withdrawals of Gold out of, such accounts in accordance with the terms of the Secured Allocated Custody Agreement;
- (b) in relation to each Series for which the Custodian holds Gold in allocated form for the Issuer with a Sub-custodian, establish and maintain a segregated account with such Sub-custodian in the name of the Custodian for the deposit of Gold in allocated form; and
- (c) to segregate the Gold transferred to it or keep any Gold deposited pursuant to the relevant Secured Allocated Custody Agreement separately identified from that deposited with it in relation to any other Series of Gold Securities,

each such account being part of the Secured Allocated Account.

### ***Secured Unallocated Custody Agreement and the Secured Unallocated Account***

The Secured Unallocated Custody Agreements set out the duties of the Custodian in relation to the relevant Series, including (without limitation) the obligation to establish and maintain an account in the name of the Issuer referencing the relevant Series for the deposit of Gold in unallocated form and to facilitate certain

deposits of Gold into, and withdrawals of Gold out of, such accounts in accordance with the terms of the Secured Unallocated Custody Agreement.

Further information about the Custodian and the storage and insurance of the Gold is set out under the heading "Contract Structure" in *Section 1– Description of the Programme*.

In respect of the SMO Physical Gold ETC Securities, the Issuer and HSBC Bank PLC (as **Custodian**) have entered into:

- (a) the First Secured Allocated Custody Agreement, pursuant to which HSBC Bank PLC will hold the Gold in Secured Allocated Accounts; and
- (b) the First Secured Unallocated Custody Agreement, pursuant to which HSBC Bank PLC will hold the Gold in Secured Unallocated Accounts.

Pursuant to the terms of the First Secured Allocated Custody Agreement, the Custodian is under no duty or obligation to provide insurance for the benefit of the Issuer in respect of the Gold held in the Secured Allocated Accounts.

The terms of the First Secured Allocated Custody Agreement provide that the Custodian may appoint a Sub-custodian. The Sub-custodians may themselves select sub-custodians to provide temporary custody and safekeeping services. The Custodian is required to use reasonable care in the appointment of any Sub-custodian and, when appointing any Sub-custodian, is obliged to request that any such Sub-custodian segregates the Gold in respect of the relevant Series from Gold held in respect of any Series and from Gold the Sub-custodians owns or holds on behalf of other clients.

In accordance with the terms of the First Secured Allocated Custody Agreement, to the extent that any Gold held for the Custodian on behalf of the Issuer with a Sub-custodian, the Custodian shall not be liable for any loss suffered by the Issuer as a result of any act or omission or insolvency of any Sub-Custodian, except to the extent directly resulting from our fraud, negligence, or bad faith in the appointment of that Sub-custodian.

The Issuer does not and will not be required to maintain any insurance policy or similar arrangement in the Gold held in the Secured Accounts.

### **C. Security Deeds**

The Issuer and the Security Trustee will enter into the Irish Security Deed and the English Security Deed, in each case creating Security over all of the applicable Secured Property attributable to the Gold Securities for the benefit of the Security Trustee and the Securityholders and other Secured Parties.

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

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

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

### **D. Authorised Participant Agreements**

As at the Programme Effective Date the Issuer has entered into an Authorised Participant Agreement with HSBC Bank PLC, a summary of the principal terms of which is set out below.

As at the Programme Effective Date the Issuer has also entered into an Authorised Participant Agreement on similar terms with Jane Street Financial Limited.

The Issuer may enter into Authorised Participant Agreements (to be governed by Irish law) on similar terms with other new or existing Authorised Participants in relation to each Series of Gold Securities.

The Authorised Participant Agreements sets out the terms on which each Authorised Participant will act as Authorised Participant in relation to a Series of Gold Securities.

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

Each Authorised Participant Agreement will also include indemnities from the relevant Authorised Participant relating to the representations and warranties given by it in such agreement. In particular, each Authorised Participant represents and warrants to the Company that:

- (a) in relation to each EEA State, it will be subject to the provisions detailed at paragraph D of Section 14 (*Selling Restrictions*);
- (b) in relation to Ireland, it will be subject to the provisions detailed at paragraph E of Section 14 (*Selling Restrictions*);
- (c) in relation to the United Kingdom, it will be subject to the provisions detailed at paragraph F of Section 14 (*Selling Restrictions*);
- (d) in relation to the United States of America, it will be subject to the provisions detailed at paragraph G of Section 14 (*Selling Restrictions*).

Further restrictions on offers and sales of Gold Securities and on the distribution of this Prospectus are set out in Section 14 (*Selling Restrictions*).

The Approved Applicant Agreement may be terminated by any party thereto at any time upon ninety days' prior written notice to the other parties.

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

## **E. Gold Agent Agreement**

The Issuer, the Security Trustee and a Gold Agent will enter into one or more English law governed Gold Agent Agreements in relation to the Gold Securities. As at the Prospectus Date, the Gold Agent in respect of the SMO Physical Gold ETC Securities is HSBC Bank PLC.

Pursuant to the terms of a Gold Agent Agreement, the Gold Agent undertakes to carry out certain operational services on behalf of the Issuer with respect to the Gold. The Gold Agent will, on notice from the Issuer or, on enforcement of the Security, the Security Trustee:

- (a) In respect of any Gold Sale, to the extent such sale is concluded in connection with an Optional Redemption, a Compulsory Redemption or on the realisation of Security:
  - (i) sell Gold on the Gold Sale Date in a timely fashion in order to give effect to a Redemption by way of Gold Sale;
  - (ii) the Gold sold by the Gold Agent will be an amount of Gold forming part of the Secured Property equal to the Gold Entitlement in respect of the Gold Securities being Redeemed;
  - (iii) in selling the Gold, the Gold Agent is authorised under the Gold Agent Agreement to:

- (A) take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Gold in a timely fashion (taking into account the circumstances at the time and the amount of Gold to be sold) and to effect such sale at any time or from time to time on the Gold Sale Date and may do so in one or more transactions; and
  - (B) deduct from the actual sale proceeds (i) any Taxes arising from or connected with any such sale of Gold and (ii) any other amounts properly incurred by it in connection with any such sale, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions; and (iii) any Over-allocated Gold Cash Proceeds (which are for the account of the Custodian),
- (iv) the Gold Agent will then transfer the actual sale proceeds of such Gold Sale to:
- (A) in respect of any Gold Sale, to the extent such sale is concluded in connection with an Optional Redemption or a Compulsory Redemption, the Redemption Cash Account for remittance to the relevant Securityholder (less any applicable fees); or
  - (B) in respect of any Gold Sale in connection with the realisation of Security, such bank account in the Relevant Currency in Ireland as the Security Trustee may direct (less any applicable fees).
- (b) Additionally, any accrued Gold representing the reduction in the Gold Entitlement per Gold Security due to the daily application of the Total Expense Ratio will be transferred from the relevant Secured Account to the Gold Agent in accordance with the relevant Custody Agreement and in certain circumstances will be sold, and its proceeds (less any applicable fees) paid to the order of the Issuer, in accordance with the Gold Agent Agreement.

## **F. Administration Agreement**

The Issuer will enter into an Irish law governed Administration Agreement with the Administrator and the Calculation Agent on or about the Programme Effective Date relating to the provision of administration and calculation services in respect of the Programme and the Gold Securities.

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

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

- (a) transaction processing services (including account opening, customer due diligence and the processing of Subscriptions); and
- (b) delivering Gold Swap Orders to the Swap Counterparty and instructions to the Custodian and the Account Bank, in accordance with the terms of the Master Swap Agreement, to facilitate the execution of a Gold Swaps.

Services provided by the Calculation Agent under the terms of the Administration Agreement include:

- (a) publishing the Bar List on the Issuer's Website on each Business Day;
- (b) providing valuation and pricing information to the Relevant Stock Exchange as necessary; and

- (c) the making of certain calculations and determinations in relation to the Gold Securities and the giving of such notices of the outcome thereunder as expressly required to be performed under the Programme including:
  - (i) calculation of any amount, price, rate or value required to be calculated by the Calculation Agent under the Programme (including calculation of the Gold Entitlement per Gold Security and the reduction of the Gold Entitlement each day by the deduction of the Total Expense Ratio);
  - (ii) determination of a Disruption Event in accordance with the terms of the Programme, without any obligation to monitor whether or not a Disruption Event has occurred; and
  - (iii) notification of the end of a Suspension Period as required under the Programme.

Under the Administration Agreement, the Administrator and the Calculation Agent are required to provide their services with reasonable skill, care and diligence.

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

Each of the Issuer, the Administrator and the Calculation Agent may terminate the Administration Agreement by giving at least 90 days' prior written notice.

On the termination of the Administration Agreement for any reason, each of the Administrator and the Calculation Agent will cooperate with the Issuer and any replacement service provider, acting in good faith, and provide such reasonable assistance and information as may be necessary or appropriate in order to facilitate and implement an orderly transition of the administration and calculation services.

## **G. Master Swap Agreement**

The Issuer, the Administrator, the Security Trustee and a Swap Counterparty will enter into one or more Master Swap Agreements in relation to the Gold Securities. As at the Prospectus Date, the Swap Counterparty in respect of the SMO Physical Gold ETC Securities is StoneX Financial Limited, a company incorporated and registered in England with registered company number 05616586 and whose registered office is at Moor House First Floor, 120 London Wall, London, England, EC2Y 5ET. StoneX Financial Limited provides clients with a full-service precious metals trading capability and global access to the related financial markets through offices in London, Singapore, Shanghai, and Dubai. StoneX Financial Limited specialise in serving bullion wholesalers and traders, refiners and smelters, government agencies, banks and financial institutions, jewellery manufacturers and other industrial users of precious metals.

The Master Swap Agreement sets out the duties of the Swap Counterparty in relation to Gold Swaps, including (without limitation) the obligation to:

- (a) liaise with Refineries to purchase SMO Gold for the purposes of facilitating Gold Swaps;
- (b) purchase SMO Gold; and
- (c) effect Gold Swaps in accordance with the terms of the Master Swap Agreement and the Operating Procedures.

## **H. Management Agreement**

The Management Agreement to be entered into on or about the Programme Effective Date between the Issuer and Zipa Management sets out terms on which the Zipa Management undertakes to provide certain management services to the Issuer in connection with the Gold Securities.

These services include:

- (a) such services as are required by the Issuer and requested of and accepted by Zipa Management from time to time in connection with the Programme;
- (b) in connection with the issue of the Gold Securities, advising on the structural features of such Gold Securities, including advising on the structure, drafting and content of any Programme Documents, related service agreements, and any other arrangements in connection with the operation and establishment of the Programme and the issue of Gold Securities under such Programme;
- (c) assisting the Issuer in determining when to issue a new Tranche and/or Series of Gold Securities;
- (d) liaising with and coordinating, as appropriate, with any Service Provider to the Issuer in respect of the issue of Gold Securities from time to time including but not limited to professional Service Providers such as lawyers and accountants;
- (e) recommending Programme Parties to the Issuer and arranging for such counterparties to enter into transactions with the Issuer including negotiation of the terms of such transactions (including but not limited to the Programme Documents);
- (f) assisting the Issuer in finalising each Final Terms prepared in connection with the issue of Gold Securities under the Programme including, but not limited to, liaising with Refineries to set the SMO Gold Premium range on the date of publication of each Final Terms;
- (g) liaising with Refineries to set the SMO Gold Premium applicable to each issuance on the applicable Trade Date;
- (h) assisting the Issuer in applying for and attaining any requisite approvals, consents and authorisations required in relation to marketing, offering, selling and trading the Gold Securities, including assisting the Issuer in (i) applying for approval of the Base Prospectus from the Central Bank of Ireland pursuant to Regulation (EU) 2017/1129 (Prospectus Regulation), (ii) determining which jurisdictions within the EEA the Base Prospectus should be passported into and applying to passport the approval of the Central Bank of Ireland to competent authorities (within the meaning of Regulation (EU) 2017/1129) into those jurisdictions and (iii) applying for approval of the Base Prospectus from the FCA pursuant to the Prospectus Regulation as it applies in the UK pursuant to the European Union (Withdrawal) Act 2018 of the UK, the Prospectus (Amendment etc.) (EU Exit) Regulations 2019 of the UK, the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 of the UK, and the European Union (Withdrawal Agreement) Act 2020 of the UK, following IP Completion Day (as defined in the European Union (Withdrawal Agreement) Act 2020 (together, UK Prospectus Regulation));
- (i) assisting the Issuer in applying for admission of the Gold Securities to trading on EEA regulated markets and the London Stock Exchange;
- (j) recommending and introducing Authorised Participants to the Issuer and assisting the Issuer in determining which Series or Tranche of Gold Securities such Authorised Participants will act and the ongoing management of its contractual relationships with such Authorised Participants;
- (k) investor communications and assisting the Issuer in the other marketing and offering of the Gold Securities and Programme to Authorised Participants including via the development of websites;

- (l) arranging, on behalf of the Issuer, for the publication of each Final Terms and (where required) key information documents on the Issuer's Website;
- (m) assist in providing (where required) key information documents to the Securityholders of each Series;
- (n) on behalf of the Issuer, notify the Securityholders in accordance with Condition 7.3 (*Redemption by Non-AP Securityholders*) and the Trustee immediately upon being made aware there being no Authorised Participant in respect of the Gold Securities;
- (o) assisting the Issuer (or the Administrator acting on its behalf) in facilitating, arranging or procuring the entry into Gold Swaps following the issuance of Gold Securities, including sourcing SMO Gold and Swap Counterparties, effecting Gold Swaps and communicating with Refineries to determine the SMO Gold Premium for each Gold Swap and the Swap Counterparty to confirm the specifics of each Gold Swap Order;
- (p) assisting the Issuer with the appraisal of all Programme Expenses and liaising with third party payees in respect of disputed Programme Expenses;
- (q) procuring a licence for the Issuer in respect of the patented SMO name and logo in the name and marketing of the Programme; and
- (r) carrying out on behalf of the Issuer as its delegate any of the Issuer's duties under or in connection with any Gold Securities or any Programme Document and the exercise on behalf of the Issuer of all discretions or decisions which the Issuer is required or entitled to take under or in connection therewith other than the Issuer Reserved Matters.

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

On the termination of the Management Agreement for any reason, Zipa Management will cooperate with the Issuer and any replacement service provider, acting in good faith, and provide such reasonable assistance and information as may be necessary or appropriate in order to facilitate and implement an orderly transition of the services provided for in the Management Agreement.

As at the date of this Base Prospectus the Issuer has the necessary licence in respect of the patented SMO name and logo in the name and marketing of the Programme.

## **I. Agency Agreement**

The Agency Agreement to be entered into on or about the Programme Effective Date between, amongst others, the Issuer, the Issuing Agent and the Paying Agent sets out terms on which the Issuing Agent and the Paying Agent are appointed for the Programme and the duties and obligations of the Issuing Agent and the Paying Agent.

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

The Agency Agreement provides that payment in respect of the Gold Securities will be made through the relevant International Central Securities Depository in accordance with the standard practices of the applicable International Central Securities Depository.

The Issuer shall provide the Issuing Agent and the Paying Agent with all information in relation to the Gold Securities that is required for each of the Issuing Agent and the Paying Agent to perform its duties, including providing payment instructions.

The Agency Agreement can be terminated by any party upon not less than 60 days' written notice.

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

## **J. Account Bank Agreement**

Under and in accordance with the terms of the Account Bank Agreement to be entered into on or about the Programme Effective Date, the Account Bank will maintain accounts for the Issuer for the purpose of:

- (a) receiving SMO Gold Premium on the issuance of Gold Securities; and
- (b) receiving proceeds from a Gold Sale in the event of an Optional Redemption or Compulsory Redemption by way of Gold Sale.

Such accounts constitute Secured Property under the Security Deeds.

At the date of this Base Prospectus, HSBC Continental Europe has been appointed as Account Bank.

HSBC Continental Europe has a registered branch in Ireland (registration number 908966) having its registered office at 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, D02 P820 and is regulated and supervised by the Central Bank of Ireland as a depositary for Irish authorised investment funds and otherwise regulated by the Central Bank of Ireland for conduct of business rules. HSBC Continental Europe is a company incorporated under the laws of France as a société anonyme (registered number 775 670 284 RCS Paris), having its registered office at 38 Avenue Kléber, 75116 Paris, France. HSBC Continental Europe is supervised by the European Central Bank, as part of the Single Supervisory Mechanism, the French Prudential Supervisory and Resolution Authority (l'Autorité de Contrôle Prudentiel et de Résolution) as the French National Competent Authority and the French Financial Markets Authority (l'Autorité des Marchés Financiers) for the activities carried out over financial instruments or in financial markets.

## **SECTION 7 – USE OF PROCEEDS**

The net proceeds from the issue of each Series of Gold Securities will be an amount of Gold which will be held in the Secured Accounts in respect of such Series. Such Gold shall be used to meet the Issuer's obligations under such Series of Gold Securities.

## SECTION 8 – DETERMINING THE VALUE OF AN INVESTMENT IN GOLD SECURITIES

### A. Rights of Securityholders

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

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

### B. Entitlement on Redemption

Each Series has a separate Gold Entitlement per Gold Security. The Issuer (or the Administrator on its behalf) will calculate the Gold Entitlement per Gold Security in respect of each calendar day. On an Issue Date, the Gold Entitlement per Gold Security in respect of the relevant Tranche of Gold Securities will be the amount of Gold specified in the Final Terms of the first Tranche of Gold Securities for such Series of Gold Securities. The issue price is the Gold Entitlement per Gold Security and will be determined before filing of the applicable Final Terms of the first Tranche of Gold Securities of each Series based on the prevailing market conditions.

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

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

### C. Calculation of the Gold Entitlement per Gold Security

The Gold Entitlement per Gold Security on a calendar day is calculated by the Calculation Agent as follows:

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

$GE_{i,t}$	means the Gold Entitlement for a Gold Security in respect of the relevant calendar day;
$GE_{i,t-1}$	means the Gold Entitlement for a Gold Security in respect of the immediately preceding calendar day;
$i$	means the relevant series of Gold Security;
$t$	means the applicable day (with $t-1$ being the previous day);
$TER_t$	means the Total Expense Ratio as of the relevant calendar day, expressed as a decimal; and
$N$	means 365 (or 366 when the relevant calendar is in a leap year).

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

### D. Deduction of the Total Expense Ratio

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

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

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

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

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

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

## **E. Cash value of Gold Securities**

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

For example, if on day X, the spot price of gold was USD 1,800/oz and the Gold Entitlement per Gold Security to gold was 0.009960940 fine troy ounces, then the cash value per Gold Security is calculated as follows:

$$\text{USD } 1,800 \times 0.009960940 = \text{USD } 17.93.$$

To calculate the cash value of a Gold Security in another currency, the USD cash value per Gold Security is divided by the relevant exchange rate. For example, if the USD cash value per Gold Security is USD 17.93 and the GBP/USD exchange rate is 1.30, then the GBP value per Gold Security will be £13.7923

Although the Gold Securities do not have a formal price benchmark, because they are backed by physical LBMA Gold Delivery Bars the value of Gold Securities on exchange should track the LBMA gold price. Section 4(G) describes that the widely accepted benchmark for physical gold is the London Gold Fix which is published twice a day at 10.30am and 3.00pm. The Administrator may use the 3.00pm London Gold Fix to value the gold in the Issuer's financial accounts which is freely available at: <https://www.lbma.org.uk/prices-and-data/precious-metal-prices#/table>. Current and historical gold pricing information, including daily prices, can be obtained from the LBMA website at [www.lbma.org.uk/](http://www.lbma.org.uk/).

## **F. Interest**

The Gold Securities do not pay a regular coupon but are entitled to a return equal to the positive difference (if any) between the Principal Amount of the Gold Security and the Gold Entitlement per Gold Security on redemption.

#### **G. Redemption Fee**

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

On an Optional Redemption of Gold Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee will be the amount specified in the relevant Authorised Participant Agreement.

On a Compulsory Redemption for Cause in accordance with Condition 8.4 (*Compulsory Redemption for Cause*), the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Compulsory Redemption. The Redemption Fee will be notified to the relevant Securityholder(s) at the time of the Compulsory Redemption, and shall not be greater than 2% of the gold value or such other amount as may be notified in accordance with Condition 17 (*Notices*).

On an Optional Redemption of Gold Securities by a Non-AP Securityholder, the Redemption Fee payable by the Non-AP Securityholder shall be an amount equal to the Issuer's costs of complying with the Redemption Form. This cost will be notified to the Non-AP Securityholder at the time of the Redemption, and will not be greater than 2% of the gold value being redeemed.

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

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

#### **H. Gold Agent Deductions**

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

- (a) taxes arising from or in connection with the sale of the Gold;
- (b) any other amounts properly incurred by it in connection with such sale; and
- (c) the Over-allocated Gold Cash Proceeds (if any),

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

#### **I. How are the value of Gold Security affected by a change in the value of the underlying Gold**

The three hypothetical scenarios in this section show some possible outcomes of an investment in Gold Securities under normal market conditions. These examples are not indicators of the actual future performance of the Gold Securities and are for illustration purposes only.

##### **Starting position**

Investor X invests in one Gold Security for one full calendar year

1 Gold Security is bought from a broker at a hypothetical price of \$18 per security;

The spot price of the physical gold when bought is \$1,800 per troy fine ounces;

The Entitlement per Gold Security when the Gold Security is purchased is 0.01 fine troy ounces;

The Total Expense Ratio is 0.29%;

The Entitlement per Gold Security after one full calendar year is 0.00971 fine troy ounces;

All transaction fees (including any commission) of the investor's broker and investment adviser for the sale and purchase of the Gold Securities and the custody fees of the investor's bank are excluded;

The selling price of a Gold Security exactly matches the spot price of the underlying quantity of gold.

The spot price of physical gold is the London Gold Fix as described in the section "Cash value of Gold Securities"

The cash value of a Gold Security can be calculated by reference to the section "Cash value of Gold Securities"

**Scenario 1: The price of physical gold increases by 10%**

The price of physical gold increases by 10% to \$1,980;

The price of one Gold Security prior to fees being charged would be \$19.80;

The amount of fees charged during this time period would be 0.000029 fine troy ounces of gold per Gold Security (equivalent to \$0.05742 at the selling price of the Gold Securities);

The price of one Gold Security has increased to \$19.74 after fees have been charged;

The investor sells the Gold Security and has gained \$1.74258 from his/her initial investment of \$18.00 a year ago after all fees have been charged.

**Scenario 2: The price of physical gold decreases by 10%**

The price of physical gold decreases by 10% to \$1,620;

The price of one Gold Security prior to fees being charged would be \$16.20

The amount of fees charged during this time period would be 0.000029 fine troy ounces of gold per Gold Security (equivalent to \$0.04698 at the selling price of the Gold Securities);

The price of one Gold Security has decreased to \$16.15;

The investor sells the Gold Security and has lost \$1.84698 from his/her initial investment of \$18.00 a year ago after all fees have been charged.

**Scenario 3: The price of physical gold remains the same**

The price of physical gold remains the same one year later;

The price of one Gold Security prior to fees being charged would be \$18.00

The amount of fees charged during this time period would be 0.000029 fine troy ounces of gold per Gold Security (equivalent to \$0.0522 at the selling price of the Gold Securities);

The price of one Gold Security has decreased to \$17.95;

The investor sells the Gold Security and has lost \$0.0522 from his/her initial investment of \$18.00 a year ago.

### **Interest**

The Gold Securities do not bear interest.

### **Worked example in respect of Total Expense Ratio**

The TER is 0.29% p.a.

1 Gold Security is bought from a broker at a price of \$18 per security;

$\$18 \times 0.0029 = \$0.0522$  on an annualised basis

## SECTION 9 – SECURITY ARRANGEMENTS

### Qualifications

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

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

### Security

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

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

- (a) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under (i) the Programme Documents (excluding the Corporate Services Agreement, the Custody Agreements, the Gold Agent Agreement and the SMO Contract), insofar as such rights, title and interest relate to the Gold Securities and the underlying gold including in respect of the Custody Accounts in which the gold is held, and all Related Rights and (ii) the Issuer Redemption Cash Account and all Related Rights (such assignment being the **Irish Security Assignment**);
- (b) (to the extent not validly and effectively assigned pursuant to the Irish Security Assignment) a first fixed charge for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to (i) the Programme Documents (excluding the Corporate Services Agreement, the Custody Agreements, the Gold Agent Agreement and the SMO Contract), insofar as such rights, title and interest relate to the Gold Securities and the underlying gold including in respect of the Custody Accounts in which the gold is held, and all Related Rights and (ii) the Issuer Redemption Cash Account and all Related Rights, such charge to take effect by way of first fixed security (the **Irish Fixed Charge**); and
- (c) a first floating charge to the Security Trustee for the benefit of the Secured Parties all of the Issuer's rights, title and interest, present and future, in and to the Issuer Premium Account, such charge to take effect by way of first floating security;
- (d) (to the extent not validly and effectively assigned pursuant to the Irish Security Assignment or charged by way of the English Fixed Charge) first floating charge to the Security Trustee for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to (i) the Programme Documents (excluding the Corporate Services Agreement, the Custody Agreements, the Gold Agent Agreement and the SMO Contract), insofar as such rights, title and interest relate to the Gold Securities and the underlying gold including in respect of the Custody Accounts in which the gold is held, and all Related Rights, (ii) the Issuer Redemption Cash Account and all Related Rights and (iii) the Issuer Premium Account, such charge to take effect by way of first floating security.

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

- (a) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Secured Allocated Custody Agreement, the Secured Unallocated Custody Agreement, the Gold Agent Agreement, and the SMO Contract, insofar as such rights, title and interest relate to the Gold Securities and the underlying gold including in respect of the Custody Accounts in which the gold is held, and all Related Rights (such assignment being the **English Security Assignment**);
- (b) (to the extent not validly and effectively assigned pursuant to the English Security Assignment) a first fixed charge for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to the Secured Allocated Custody Agreement, the Secured Unallocated Custody Agreement, the Gold Agent Agreement, and the SMO Contract, such charge to take effect by way of first fixed security (the **Fixed Charge**); and
- (c) (to the extent not validly and effectively assigned pursuant to the English Security Assignment or charged by way of the English Fixed Charge) first floating charge to the Security Trustee for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to the Programme Documents, the Secured Accounts and the Issuer Redemption Cash Account, such charge to take effect by way of first floating security.

### **Enforcement of Security**

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

At any time after the Security constituted by a Security Document has become enforceable, the Security Trustee shall, if so directed by the Trustee following the occurrence of at least one of the following events:

- (a) a direction in writing to the Trustee by the holders of at least one-fifth in number of the Gold Securities of the relevant Series; or
  - (b) by an Extraordinary Resolution of the Securityholders of the relevant Series;
- (in each such case subject to it having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such directions);

enforce the Security constituted by such Security Document.

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

- (a) enforce any relevant Programme Document relating to the Gold Securities of such Series in accordance with its or their terms; and/or
- (b) take action against the Issuer; and/or
- (c) take possession of and/or realise all or part of the Secured Property; and/or
- (d) sell, call in, collect and convert into money all or part of such Secured Property

in such manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders. For the avoidance of doubt, the Security Trustee shall not be bound to exercise any discretion to take any action, step or proceeding and shall not be held liable for the consequences of (i) exercising its discretion to take any action, step or institute any proceeding or (ii) not exercising its discretion to take any action, step or institute any proceeding, as the case may be.

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

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

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

- (a) *first*, in repayment to the Custodian of the loan made by it of the Over-allocated Gold, by payment to the Custodian of the Over-allocated Gold Proceeds (either by way of delivery of Gold or payment of cash);
- (b) *second*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Gold Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the relevant Trust Deed or the Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee and/or the Security Trustee (other than any income, corporation or similar Tax in respect of the Trustee's and/or the Security Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents and the Trustee's and/or the Security Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents);
- (c) *third*, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Programme Documents (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);
- (d) *fourth*, in payment of any amounts owing to Zipa Management pursuant to the Management Agreement;
- (e) *fifth*, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and
- (f) *sixth*, in payment of any balance to the Issuer for itself.

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

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

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

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

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

## SECTION 11 – TERMS AND CONDITIONS OF GOLD SECURITIES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the Final Terms of a particular Series or Tranche of Gold Securities, will be applicable to the Gold Securities of such Series or Tranche and which will be attached to or endorsed, in the case of Registered Securities and Bearer Securities exchanged in accordance with these terms and conditions, the Definitive Certificates relating to such Registered Securities or Bearer Securities (as applicable).*

*These terms and conditions apply separately to each Series or Tranche and, accordingly, references in these terms and conditions to “Gold Securities” are to the Gold Securities of the relevant Series or Tranche only and references to any defined term that applies in respect of each Series or Tranche is to such defined term as it relates to such relevant Series or Tranche (unless specified otherwise or unless the context otherwise requires).*

The Gold Securities are issued under the physical gold securities programme of the Issuer (the **Programme**). In respect of a Series of Gold Securities, the Gold Securities of such Series will be constituted by (i) a master trust deed dated on or about the date hereof and made between, amongst others, Apex Corporate Trustees (UK) Limited as trustee for the holders of the Gold Securities and the other persons specified therein (the **Trustee**, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) and as security trustee (the **Security Trustee**, which expression shall include all persons for the time being the security trustee or security trustees under the Trust Deed) and the Issuer (as amended, supplemented, novated and/or replaced from time to time, the **Master Trust Deed**); and (ii) any supplemental trust deed in respect of such Series of Gold Securities which shall be dated the Issue Date of the first Tranche of Gold Securities of such Series and made between, among others, the Issuer and the Trustee (as amended, supplemented, novated and/or replaced from time to time, a **Supplemental Trust Deed**). The Master Trust Deed and any Supplemental Trust Deed in respect of each Series of Gold Securities are referred to together as the **Trust Deed**. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

The obligations of the Issuer under each Series of Gold Securities are secured by way of the Security Documents in respect of that Series of Gold Securities over the Secured Property that relates to that Series of Gold Securities between, among others, the Issuer and the Security Trustee.

Copies of the Master Trust Deed, any Supplemental Trust Deed, each Security Deed, each Custody Agreement, the Agency Agreement and the Gold Agent Agreement are available for inspection during business hours by prior appointment at the registered office of the Issuer.

The Securityholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, each Custody Agreement, each Security Deed, the Agency Agreement and the Gold Agent Agreement and each of the other Programme Documents which are applicable to them and to have notice of each set of Final Terms issued in respect of a Series or Tranche of Gold Securities held by such Securityholders.

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

### 1 DEFINITIONS

#### 1.1 Definitions

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

**Account Bank** means HSBC Continental Europe, and any Eligible Account Bank that has entered into an Account Bank Agreement with the Issuer;

**Account Bank Agreement** means an agreement dated the date hereof between the Account Bank and the Issuer governing the operation of the Issuer Redemption Cash Account, the Issuer Premium Account and the Issuer Expenses Cash Account;

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

**Administration Agreement** means the administration agreement dated on or about the date hereof between, amongst others, the Issuer and the Administrator as may be amended, supplemented, novated or replaced from time to time;

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

**Agency Agreement** means an agreement entered into by the Issuer that provides for the appointment of any person as Issuing Agent, Paying Agent, Registrar and/or Transfer Agent;

**Agent Redemption Event Notice** has the meaning given to it in Condition 8.2.1 (*Compulsory Redemption Events*);

**Agents** means any Registrar, any Transfer Agent, the Administrator, any Issuing Agent, any Paying Agent, any Gold Agent, any Calculation Agent, any Swap Counterparty, any Account Bank or any of them and such other agent(s) as may be appointed from time to time in relation to the Gold Securities under any Administration Agreement, any Agency Agreement, any Master Swap Agreement, any Account Bank Agreement or any Calculation Agency Agreement, or any other agreement with the Issuer under which an agent is appointed from time to time in relation to the Gold Securities, as applicable, and any successor or replacement and **Agent** means any of them;

**Authorised Participant** means certain regulated trading firms, banks or other market professionals approved by the Issuer (in its sole discretion) that meet certain minimum qualifying criteria and that is party to an Authorised Participant Agreement. A list of the Authorised Participants can be found on the Issuer's website;

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

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

**Business Day** means, in respect of any Gold Securities, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open to settle payments in Dublin and London, on which the London Precious Metals Markets relevant to Gold are open for business and on which TARGET2 is open for the settlement of payments in euro;

**Calculation Agency Agreement** means the administration agreement entered into by, amongst others, the Issuer and Apex Fund Services (Ireland) Limited (as amended, supplemented, novated and/or replaced from time to time) or any successor or replacement agreement between the Issuer and a Calculation Agent in relation to the provision of calculation agency services;

**Calculation Agent** means, in respect of a Series, any entity appointed as calculation agent in accordance with the terms of a Calculation Agency Agreement and, as at the date hereof, means Apex Fund Services (Ireland) Limited in respect of the SMO Physical Gold ETC Securities;

**Calculation Agent Breach** has the meaning given to it in Condition 10.6.2 (*Calculation Agent*);

**Certificated** or **Certificated Form** means not in uncertificated form;

**CGN** means a Global Security in classic global note form;

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

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

**Common Depository** means, in relation to a Series of Gold Securities issued in CGN form, the common depository for Euroclear or Clearstream, appointed in respect of such Series;

**Common Safekeeper** means, in relation to a Series of Gold Securities issued in NGN form or in the new safekeeping structure, the common safekeeper for Euroclear or Clearstream, appointed in respect of such Series;

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

- (a) if the Compulsory Sale Number is not more than the Redemption Limit (in each case of the relevant Series), the Compulsory Sale Number;
- (b) otherwise, the amount shall be the Redemption Limit on the first and each successive Business Day thereafter except on the last such Business Day when the amount shall be the Compulsory Sale Number minus the sum of the Compulsory Daily Sale Number for each preceding Compulsory Gold Sale Date for that Series in relation to the Compulsory Redemption;

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

**Compulsory Redemption** means a Redemption of Gold Securities in accordance with Condition 8 (*Compulsory Redemption*);

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

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

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

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

- (a) Condition 8.1 (*Issuer Call Redemption Event*), the total number of Gold Securities of that Series Outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date or such other number of such Gold Securities as may be called for Redemption in the Issuer Call Redemption Notice;
- (b) Condition 8.2 (*Compulsory Redemption Events*) or Condition 8.3 (*Events of Default*), the total number of Gold Securities of that Series Outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date;

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

**Conditions** means these terms and conditions as may be replaced and/or modified by the Final Terms applicable to that Series of Gold Securities;

**Corporate Services Agreement** means the corporate services agreement dated 1 June 2023 between the Corporate Services Provider and the Issuer;

**Corporate Services Provider** means Apex IFS Limited;

**Custodian** means, with respect to the SMO Physical Gold ETC Securities, HSBC Bank PLC and any successor thereto, and, with respect to any other Series of Gold Securities, such party as is appointed custodian with respect to such Series in accordance with the terms of a Custody Agreement and any successor or replacement thereto;

**Custody Agreements** means (a) with respect to the SMO Physical Gold ETC Securities, the First Secured Allocated Custody Agreement and the First Secured Unallocated Custody Agreement (b) with respect to any other Series of Gold Securities, means such agreements providing for the custody of Gold relating to such Series of Gold Securities entered into by the Issuer and a Custodian;

**Custody Redemption Event Notice** has the meaning given to it in Condition 8.2.3 (*Compulsory Redemption Events*);

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

**Definitive Certificate** means, in respect of Registered Securities and Bearer Securities exchanged on or after an Exchange Date in the circumstances set out in the relevant Global Registered Certificate or Global Bearer Security (as applicable), a definitive certificate in registered form representing such Registered Securities or Bearer Securities (as applicable);

**Definitive Registered Security** means a Registered Security or Bearer Security represented by a Definitive Certificate;

**Denomination** means, in respect of a Gold Security, an amount equal to its Principal Amount;

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

**Electronic Consent** means consent given by way of electronic consents communicated through the electronic communications system of the relevant clearing system(s) to the Paying Agent or another specified agent and/or the Trustee in accordance with the operating rules and procedures of the Relevant Clearing System;

**Eligible Account Bank** means any reputable bank, financial institution or credit institution operating in the EEA;

**English Security Deed** means the English law governed security deed between the Issuer and the Security Trustee dated on or about the date hereof, and any other document designated as such by Issuer and the Trustee, as amended, supplemented, novated and/or replaced from time to time

**Euro** means the single currency of participating member states of the economic and monetary union as contemplated in the Treaty on European Union.

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

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

**Exchange Date** has the meaning given to it in Condition 3.1 (*Exchange of Global Securities*);

**Extended Swap Period** has the meaning give to it in Condition 6.6.4 (*Gold Swap*);

**Extraordinary Resolution** means (i) a resolution passed at a Meeting duly convened and held in accordance with the relevant provisions of the Master Trust Deed by a majority of at least 75 per cent. of the votes cast, (ii) a Written Resolution or (iii) consent given by way of Electronic Consent by or on behalf of the Securityholders of not less than 75 per cent. of the aggregate number of the Gold Securities who for the time being are entitled to receive notice of a Meeting held in accordance with the Master Trust Deed;

**Final Terms** means the final terms specifying the relevant issue details of the Gold Securities;

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

**First Secured Allocated Custody Agreement** means the secured allocated custody agreement entered into by the Issuer and HSBC Bank PLC in respect of the SMO Physical Gold ETC Securities;

**Further Tranche** means any Tranche of a Series of Gold Securities issued after the Issue Date in accordance with Condition 16 (*Issue of Further Tranches and Series of Gold Securities*);

**GBP** means the lawful currency of the United Kingdom.

**Global Bearer Security** means the Gold Securities in bearer form represented by a global security;

**Global Registered Certificate** means a global certificate representing Gold Securities in registered form;

**Global Security** means a Global Bearer Security or a Global Registered Certificate;

**Gold** means the gold held in the Secured Accounts, which backs the Gold Securities;

**Gold Agent** means, as at the date hereof, in relation to each Series of Gold Securities, HSBC Bank PLC;

**Gold Agent Agreement** means the gold agent agreement entered into by, amongst others, the Issuer and HSBC Bank PLC;

**Gold Delivery** means in relation to a Redemption of any Gold Securities, settlement of the Issuer's obligations in respect of such Redemption by delivery of an amount of unallocated Gold equal to the Gold Entitlement of such Gold Securities (rounded down to the nearest 0.001 fine troy ounce);

**Gold Entitlement** means in respect of a calendar day and a number of Gold Securities of a Series, a return which is equal to an amount of Gold equal to the Gold Entitlement per Gold Security with respect to that Series multiplied by that number. The Issuer will calculate and publish the Gold Entitlement per Gold Security in respect of each calendar day on its website;

**Gold Entitlement per Gold Security** in respect of a Series of Gold Security, has the meaning given to it in Condition 5 (*Gold Entitlement per Gold Security*);

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

**Gold Sale Date** means:

- (a) with respect to an Optional Redemption to be effected by Gold Sale pursuant to Condition to 7.8.2(a) to 7.8.2(b) (*Gold Sale*), the second Business Day following the Trade Date;
- (b) with respect to an Optional Redemption to be effected by Gold Sale pursuant to Condition 7.8.1(c) (*Gold Sale*), the second Business Day following the Business Day on which the Gold Entitlement per Gold Security is determined; and
- (c) with respect to a Compulsory Redemption, each Compulsory Gold Sale Date;

**Gold Securities** means the Series of SMO Physical Gold ETC Securities (and each a **Gold Security**) to which these Conditions relates or, as the context may require, any or all securities issued by the Issuer under the Programme;

**Gold Swap** means the exchange of Non-SMO Gold for SMO Gold by the Issuer (or the Gold Agent on its behalf);

**Gold Swap Amount** means the Non-SMO Gold Amount plus the Gold Swap Premium Amount;

**Gold Swap Date** means the date upon which a Gold Swap is to be effected as set out in the relevant Gold Swap Notice;

**Gold Swap Notice** has the meaning given to it in Condition 6.6.2 (*Gold Swap*);

**Gold Swap Order** means a summary document specifying key trade details for a Gold Swap, including the amount of Non-SMO Gold required to be exchanged under Gold Swap and similar and related information as may be agreed between the Issuer and the Swap Counterparty from time to time;

**Gold Swap Premium Amount** means the premium rate for SMO Gold as set out in the relevant Gold Swap Order;

**Gold Swap Trigger** has the meaning given to it in Condition 6.6.2 (*Gold Swap*);

**Initial Gold Entitlement** means, in respect of a Series of Gold Securities, the Gold Entitlement on the Series Issue Date which will be specified in relevant Final Terms of the first Tranche of Gold Securities for such Series;

**Initial Swap Period** means, in respect of each issuance of Gold Securities, a period of 90 days from the relevant Issue Date;

**Initial Tranche** means the first Tranche of a Series of Gold Securities issued;

**Irish Security Deed** means the Irish law governed security deed between the Issuer and the Security Trustee dated on or about the date hereof, and any other document designated as such by Issuer and the Trustee, as amended, supplemented, novated and/or replaced from time to time;

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

**Issue Price** means the issue price specified in relevant Final Terms;

**Issuer** means Zipa Precious Metals Public Limited Company, a public limited company incorporated under the laws of Ireland with company number 734888 whose registered office is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland;

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

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

**Issuer Expenses Cash Account** an unsecured account or accounts opened with the Account Bank in the name of the Issuer and operated by the Issuer from which any ongoing fees, costs and expenses incurred by the Issuer from time to time are paid;

**Issuer Insolvency Event** means each of the Events of Default set out at Condition 8.3.3 (*Events of Default*) and Condition 8.3.4 (*Events of Default*);

**Issuer Premium Account** means the account opened with the Account Bank in the name of the Issuer and operated by the Issuer into which amounts received by or on behalf of the Issuer representing SMO Gold Premium for the purposes of effecting Gold Swaps are paid from time to time;

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

**Issuer Redemption Notice** has the meaning given to it in Condition 8.2.4 (*Compulsory Redemption Events*);

**Issuer's Website** means the website having the following internet address: [www.zipa.co](http://www.zipa.co) or such other internet address as may be used by the Issuer and notified to Securityholders and the Trustee in accordance with Condition 17 (*Notices*);

**Issuing Agent** means in respect of a Series, any entity appointed as issuing agent of the Issuer in respect of such Series;

**LBMA** means the London Bullion Market Association and any replacement or successor thereto;

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

**Management Fee** means the management fee payable by the Issuer to Zipa Management in consideration for the provision by Zipa Management or an Affiliate or successor of Zipa Management of all services provided under the Management Agreement;

**Management Agreement** means the management agreement entered into by, amongst others, the Issuer and Zipa Management (as amended, supplemented, novated and/or replaced from time to time);

**Master Swap Agreement** means the master swap agreement dated on or about the date hereof between, amongst others, the Issuer and the Swap Counterparty as may be amended, supplemented, novated or replaced from time to time;

**Meeting** means a meeting of Securityholders of any Series (whether originally convened or resumed following an adjournment);

**Net Redemption Sale Proceeds** means in respect of a Gold Sale, an amount denominated in the Relevant Currency equal to the sum of the Actual Redemption Sale Proceeds less all amounts which the Gold Agent is entitled to deduct from the proceeds of sale in accordance with Condition 7.8.6 (*Gold Sale*) or Condition 8.5.6 (*Compulsory Redemption Process*) (as the case may be);

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

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

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

**Non-SMO Gold** means gold that is not SMO Gold;

**Non-SMO Gold Amount** means the aggregate amount of Non-SMO Gold to which a Gold Swap Order applies as set out in the relevant Gold Swap Order;

**Notice Deadline** means 4.00p.m. (Dublin) time, provided that the Notice Deadline in respect of any Series of Gold Securities may be adjusted by agreement between the Issuer and the Custodian with effect from the fifth calendar day following the date on which notice of such adjustment is given to the holders in accordance with Condition 17 (*Notices*);

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

**Operating Procedures** means the operating procedures of the Issuer in respect of Subscription, Redemption and Gold Swaps and such procedures as may be agreed from time to time between the Issuer, the Manager and the Administrator;

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

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

- (a) on the Series Issue Date, the Gold Securities issued on such day; and
- (b) on any day thereafter, all the Gold Securities issued on or prior to such day except:
  - (i) those that have been Redeemed in accordance with Condition 8 (*Compulsory Redemption*);
  - (ii) those that have been cancelled for any reason;
  - (iii) those in respect of which the date for Redemption has occurred and the Redemption monies have been duly paid to the Trustee or to the Paying Agent and which remain available for payment against presentation and surrender of Gold Securities;
  - (iv) those that have become void or in respect of which claims have become prescribed;
  - (v) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Authorised Participant(s) has not delivered in full the relevant Subscription Amount under the Authorised Participant Agreement;
  - (vi) those in respect of which a Compulsory Redemption Settlement Date or Redemption Settlement Date has occurred and in respect of which the Issuer (or the Trustee or the Paying Agent, as the case may be) has received in full Gold from the Custodian or cash from the Gold Agent (as applicable and as the case may be);
  - (vii) those that have been purchased, settled and cancelled as provided in Condition 8.1 (*Issuer Call Redemption Event*); and
  - (viii) any Global Bearer Security to the extent that it shall have been exchanged for one or more Definitive Certificates pursuant to its provisions; provided that for the purposes of (1) ascertaining the right to attend and vote at any Meeting, (2) the determination of how many Gold Securities are Outstanding for the purposes of the Conditions, the Trust Deed and each Security Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those Gold Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain Outstanding. For the avoidance of doubt, Gold Securities (if any) which the Issuer has agreed on or prior to such

day to Redeem but in respect of which the Gold Entitlement or Net Redemption Sale Proceeds has not yet been delivered to or paid in full to the Issuer (or the Trustee or the Paying Agent, as applicable) shall be deemed to be "Outstanding" on such day and Gold Securities (if any) which the Issuer has agreed on or prior to such day to issue but in respect of which delivery of the relevant Subscription Amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be "Outstanding" on such day;

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

- (a) delivery of an amount of Gold into the Secured Allocated Accounts that equates to a single Gold bar notwithstanding that the amount of Gold due to the Issuer was less than the weight of such single Gold bar; or
- (b) withdrawal of an amount of Gold from the Secured Allocated Accounts that equates to a single Gold bar notwithstanding that the amount of Gold due from the Issuer was greater than the weight of such single Gold bar;

**Over-allocated Gold Cash Proceeds** means:

- (a) in respect of any Over-allocated Gold sold in connection with a Gold Sale an amount denominated in the Relevant Currency equal to the Relevant Proportion of the sale proceeds in respect of the Gold realised in connection with such Gold Sale; or
- (b) in respect of any Over-allocated Gold realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), the Relevant Proportion of the sale proceeds in respect of Gold realised during such enforcement process.

**Over-allocated Gold Proceeds** means:

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

**Paying Agent** means in respect of a Series, any entity appointed as paying agent of the Issuer in respect of such Series;

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

**Principal** means the Net Redemption Sale Proceeds;

**Principal Amount** means, in respect of any Gold Security, the principal amount in the Relevant Currency specified in the Final Terms;

**Proceedings** has the meaning given to it in Condition 19.2 (*Jurisdiction*);

**Programme Document** means each of the Trust Deed, the Administration Agreement, any Calculation Agency Agreement, each Custody Agreement, each Security Deed, the Agency Agreement, each Master Swap Agreement, each Gold Swap Order, the Account Bank Agreement, the Gold Agent Agreement, the

Management Agreement, the Corporate Services Agreement, the SMO Contract and each Authorised Participant Agreement and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Gold Securities and any other document designated as such by the Issuer and the Trustee and **Programme Documents** means all such documents;

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

**Programme Maximum Number of Gold Securities** means 10,000,000,000;

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

**Prohibited Gold Holder** means a UCITS or other person prohibited by applicable law or regulation from owning or taking delivery of the Gold;

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

**Prospectus Date** means the date on which the Base Prospectus was approved by the Central Bank, as set out on the first page thereof;

**Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended;

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

**Redeeming Securityholder** means a Securityholder whose Gold Securities are the subject of a Redemption;

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

**Redemption Fee** mean a fee payable by the Securityholder on the Redemption of Gold Securities pursuant to Condition 7.5 (*Redemption Fee*);

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

**Redemption Limit** means with respect to a Series, a limit per Business Day on the Redemption of Gold Securities with a Gold Entitlement that has a market value (as determined by the Calculation Agent), exceeding such limit, as such limit may be notified to the Securityholders in accordance with Condition 17 (*Notices*). As of the Programme Effective Date, the Redemption Limit, in respect of the relevant Series of Gold Securities shall be:

- (a) the market value (in USD) of the Gold Entitlement of the Outstanding Gold Securities on the Gold Sale Date (or in the case of a Compulsory Redemption, the first Compulsory Gold Sale Date) divided by 15; or
- (b) USD 400 million,

whichever is higher;

**Redemption Mechanism** means each of:

- (a) Gold Delivery; and

- (b) Gold Sale;

**Redemption Settlement Date** means:

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

**Register** means a register maintained by a Registrar of persons holding the Gold Securities;

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

**Registrar** means any such person appointed by the Issuer from time to time to maintain the registers of persons holding the Gold Securities;

**Relevant Clearing System** means (i) Euroclear, (ii) Clearstream, or (iii) any other recognised clearing system in which Gold Securities of a Series may be cleared;

**Related Rights** means, to the extent applicable in relation to any asset:

- (a) any proceeds of sale, transfer, lease or other disposal of all or any part of that asset;
- (b) all rights under any agreement for sale in respect of all or any part of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security interests, guarantees, indemnities or covenants for title in respect of all or any part of that asset;
- (d) any interest, dividends or other distribution paid or payable on that asset;
- (e) any moneys and proceeds paid or payable in respect of all or any part of that asset;
- (f) any awards or judgments in favour of the Issuer in respect of all or any part of that asset; and
- (g) any other assets deriving from or relating to all or any part of that asset;

**Relevant Currency** means with respect to a Series of Gold Securities, the currency in which the Principal Amount of a Gold Security of that Series is denominated, as specified in the Final Terms;

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

**Relevant Proportion** means:

- (a) with respect to a Series of Gold Securities and Over-allocated Gold Proceeds realised in the course of a Redemption, the proportion that the Over-allocated Gold realised by way of sale of Gold bears to the total amount of Gold realised by way of Gold Sale or in the course of such other sale of Gold; and
- (b) with respect to a Series of Gold Securities and Over-allocated Gold Proceeds realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*) by way of sale of Gold, the proportion that the Over-allocated Gold realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), bears to the total amount of Gold realised in such enforcement process;

**Relevant Provisions** means, in respect of the Calculation Agent, the provisions of the Calculation Agency Agreement, the Trust Deed, the Authorised Participant Agreement and the Conditions;

**Relevant Stock Exchange** means the Frankfurt Stock Exchange, the London Stock Exchange and/or any other stock exchange on which Gold Securities of a Series may be listed;

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

**Scheduled Maturity Date** means, in respect of a Series, the date specified in the Final Terms for that Series, subject to postponement in accordance with Condition 9.3.1 (*Postponement relating to the Redemption of the Gold Securities*), and provided that is such date is not a Business Day, the Scheduled Maturity Date shall be the next following Business Day;

**Secured Accounts** means with respect to a Series of Gold Securities, the Secured Allocated Accounts and the Secured Unallocated Accounts with respect to that Series and “Secured Account” shall be construed accordingly;

**Secured Allocated Account** means, with respect to the relevant Series of Gold Securities, the secured allocated gold account as set out in the Final Terms;

**Secured Allocated Custody Agreements** means (a) with respect to the SMO Physical Gold ETC Securities, the First Secured Allocated Custody Agreement and (b) with respect to any other Gold Securities, means such agreements providing for the custody of Gold relating to such Gold Securities entered into by the Issuer and a Custodian;

**Secured Cash Accounts** means with respect to a Series of Gold Securities, the Issuer Premium Account and the Issuer Redemption Cash Account with respect to that Series and “Secured Cash Account” shall be construed accordingly;

**Secured Liabilities**, with respect to a Series of Gold Securities, has the meaning given to it in the Security Deeds in respect of that Series;

**Secured Parties**, with respect to a Series of Gold Securities, has the meaning given to it in the Security Deeds in respect of that Series and will include, without limitation, the Trustee, the Security Trustee, the Securityholders, Custodian, the Agents, the Manager and the Corporate Services Provider;

**Secured Property** means, with respect to a Series of Gold Securities, the assets that are the subject of the security constituted by each applicable Security Deed and any other Security Document;

**Secured Unallocated Account** means, with respect to the relevant Series of Gold Securities, the secured unallocated gold account as set out in the Final Terms;

**Secured Unallocated Custody Agreement** means (a) with respect to the SMO Physical Gold ETC Securities, the First Secured Unallocated Custody Agreement and (b) with respect to any other Gold Securities, means such agreements providing for the custody of Gold relating to Gold Securities entered into by the Issuer and a Custodian;

**Securities Act** means The United States Securities Act of 1933 as amended;

**Securities Delivery Obligation** has the meaning given to in Condition 7.6.3 (*Redemption Obligation*);

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

**Security Deed** means each Irish Security Deed and each English Security and any other document designated as such by Issuer and the Trustee, as amended, supplemented, novated and/or replaced from time to time;

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

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

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

- (a) for an Authorised Participant, the bank account notified in writing for such purposes by the Authorised Participant to the Issuer (or the Trustee as the case may be) from time to time; or
- (b) otherwise, the bank account specified in the Redemption Form; or
- (c) in respect of a Compulsory Redemption the bank account notified by a Securityholder to the Issuer in accordance with Condition 8.5 (*Compulsory Redemption Process*);

**Securityholder Unallocated Gold Account** means, in respect of a Securityholder and the Redemption of Gold Securities by Gold Delivery, which account shall be:

- (a) in respect of an Authorised Participant, the bullion account notified in writing for such purposes by the Authorised Participant to the Issuer (or the Trustee as the case may be) from time to time; and
- (b) in respect of a Non-AP Securityholder, the bullion account specified in the Redemption Form.

**Series** means all Gold Securities having the same Scheduled Maturity Date and Conditions, including the Initial Tranche and any Further Tranche;

**Series Issue Date** means the date of issuance of the Initial Tranche of a Series of Gold Securities, as specified in the relevant Final Terms;

**SMO** means single mine origin with an auditable chain of custody for the entire supply chain, with full segregation from mine to finished product;

**SMO Contract** means the licensing agreement dated on or about the date of this Base Prospectus between the Issuer, Zipa Management and SMO Ltd;

**SMO Ltd** means Single Mine Origin Ltd, a company registered under the laws of the United Kingdom, with company registration number 10983680 and having its registered office at 49-63 Spencer Street, Hockley, Birmingham, B18 6DE, United Kingdom;

**SMO Gold Premium** means the fee payable by Authorised Participants on subscription for Gold Securities, as specified in the relevant Final Terms, and applied by the Issuer to cover the costs of obtaining SMO Gold and is made up of a refinery fee and a swap fee. The refinery fee is the fee payable to Gold refineries to segregate SMO Gold from Non-SMO Gold. The swap fee is the fee payable to the Swap Counterparty to swap Non-SMO Gold for SMO Gold and deliver the SMO Gold to the London vault of the Custodian. The SMO Gold Premium is an amount of USD per oz of Gold that represents the cost of segregating the SMO Gold throughout the supply chain including the backing of an independent audit and thereby ensuring SMO Gold is traceable to a specific mine;

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

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

**Subscription Fee** means the fee payable by an Authorised Participant on a Subscription of Gold Securities as specified in the Authorised Participant Agreement;

**Subscription Form** means a request from an Authorised Participant delivered to the Issuer to issue Gold Securities;

**Subscription Minimum** means a minimum of Gold Securities that may be applied by the Issuer at any time for a subscription of Gold Securities as more set out in the Final Terms. As at the Prospectus Date, the Subscription Minimum in respect of the SMO Physical Gold ETC Securities is 100,000 (one hundred thousand) Gold Securities;

**Subscription Settlement Date** means the second Business Day after the Trade Date;

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

**Suspended Day** and **Suspension Period** have the respective meanings given to them in Condition 9.2.1 (*Determination of Disruption Events and Suspension Notices*);

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

**Swap Counterparty** means StoneX Financial Limited (and any successor or replacement thereto);

**Swap Period** means the Initial Swap Period which may be extended in accordance with Condition 6.6.4 (*Gold Swap*);

**TARGET2** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

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

**Threshold Event Date** has the meaning give to it in Condition 7.9.1 (*Suspension of Redemptions*);

**Total Expense Ratio** or **TER** has the meaning given to it in Condition 5.3 (*Total Expense Ratio*).

**Trade Date** means:

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

**Tranche** means, in relation to a Series of Gold Securities issued on any date, the Gold Securities that are issued on the same Issue Date with the same Principal Amount;

**Transfer Agent** means Apex Fund Services (Ireland) Limited, as appointed pursuant to the Agency Agreement;

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

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

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

**Written Resolution** means a resolution in writing signed by or on behalf of not less than 75 per cent. of the Securityholders of the relevant Series who for the time being are entitled to receive notice of a Meeting held in accordance with the Master Trust Deed, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Securityholders; and

**Zipa Investments** means Zipa Investments Limited;

**Zipa Management** means Zipa Management Limited; and

**Zipa Management Group** means Zipa Management and Zipa Investments.

## 1.2 Interpretation

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

- 1.2.1 headings to Conditions, paragraphs and other provisions of these Conditions shall not affect the interpretation of these Conditions;
- 1.2.2 any reference to a person or persons includes reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity;
- 1.2.3 words in the singular shall also include the plural and vice versa;
- 1.2.4 any reference to these Conditions or to any agreement or document includes a reference to these Conditions or, as the case may be, such agreement or document, as amended, varied, novated, supplemented or replaced from time to time;
- 1.2.5 any reference to a statute, statutory provision, regulation, directive or rule of any regulatory authority shall, unless the context otherwise requires, be construed as a reference to such statute, statutory provision, regulation, directive or rule as the same may from time to time be amended, modified, extended, consolidated, re-enacted or replaced; and
- 1.2.6 unless otherwise indicated, any reference in these Conditions to a time is a reference to the prevailing time in Dublin, Ireland.

## 2 FORM AND TITLE

2.1 The Gold Securities may be issued in:

- 2.1.1 bearer form (whether in new global note (**NGN**) form or classic global note (**CGN**) form) and serially numbered (**Bearer Securities**); or
- 2.1.2 registered form (whether in global registered form using the new safekeeping structure (**NSS**) or in CGN form (**Registered Securities**),

in each case in the Denomination specified in the Final Terms.

- 2.2 If it is stated in the Final Terms that the form of some or all of the Gold Securities is **Bearer**, such Gold Securities are Bearer Securities. If it is so stated that the form of some or all of the Gold Securities is **Registered**, such Gold Securities are Registered Securities.
- 2.3 In respect of Bearer Securities, which shall be issued in global form, such Bearer Securities, will (a) if the Bearer Securities are intended to be issued in NGN form, as stated in the Final Terms relating to such Series, be delivered on or prior to the original issue date to a Common Safekeeper for Euroclear and Clearstream; and (b) if the Bearer Securities are intended to be issued in CGN form, as stated in the Final Terms relating to such Series, be delivered on or prior to the original issue date to a Common Depository for Euroclear and Clearstream.
- 2.4 In respect of Registered Securities relating to a Series to be issued in global form, the Global Registered Certificate in respect of such Registered Securities will (a) if the Registered Securities are intended to be issued in global registered form using the new safekeeping structure, be registered in the name of a nominee for, and shall be deposited on its issue date with a Common Safekeeper on behalf of, Euroclear and Clearstream; and (b) if the Registered Securities are intended to be issued in CGN form, be registered in the name of a nominee for, and shall be deposited on its issue date with a Common Depository on behalf of, Euroclear and Clearstream.
- 2.5 All Registered Securities of the same Series shall have the same Denomination.
- 2.6 Title to the Bearer Securities shall pass by delivery. Title to the Registered Securities shall pass by registration in the Register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement.
- 2.7 Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Gold Security shall be deemed to be and may be treated as the absolute owner of such Gold Security for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Gold Security shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person will be liable for so treating the holder.

### 3 TRANSFERS OF GOLD SECURITIES

#### 3.1 Exchange of Global Securities

- 3.1.1 Each of (i) the Global Bearer Security relating to Bearer Securities and (ii) the Global Registered Certificate relating to Registered Securities, is exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not in part for Definitive Certificates if the relevant Global Security is held on behalf of a Relevant Clearing System and the Relevant Clearing System is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does, in fact, do so.
- 3.1.2 **Exchange Date** means a day falling not less than 60 calendar days after the date on which the notice requiring exchange is given and if that day is not a Business Day, on the next succeeding Business Day.
- 3.1.3 Any such exchange may be effected on or after an Exchange Date by the holder of the relevant Global Security surrendering the Global Security to or to the order of the Registrar. In exchange for the Global Security, the Issuer shall deliver, or procure the delivery of, duly executed and authenticated Definitive Certificates in an aggregate number equal to the number of Gold Securities represented by the Global Security submitted for exchange, security printed in accordance substantially in the form required under the Trust Deed.

- 3.1.4 Registered Securities may not be exchanged for Bearer Securities and Bearer Securities of one Relevant Currency may not be exchanged for Bearer Securities of another Relevant Currency. Bearer Securities may not be exchanged for Registered Securities.

### 3.2 **Transfer of Definitive Registered Securities**

One or more Definitive Registered Securities may be transferred upon the surrender (at the specified office of the Registrar) of the Definitive Certificate representing such Definitive Registered Securities to be transferred, together with the form of transfer endorsed on such Definitive Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any)), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require. In the case of a transfer of part only of a holding of Definitive Registered Securities represented by one Definitive Certificate, a new Definitive Certificate shall be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Securityholders. A copy of the current regulations will be made available by the Registrar to any Securityholders upon request.

### 3.3 **Exercise of options or partial Redemption in respect of Definitive Registered Securities**

In the case of an exercise of an Issuer's or a Securityholder's option in respect of, or a Redemption of a part of, a holding of Definitive Registered Securities represented by a single Definitive Certificate, a new Definitive Certificate shall be issued to the holder in respect of the balance of the holding not subject to the exercise of such option or, as the case may be, Redeemed. New Definitive Certificates shall only be issued against surrender of the existing Definitive Certificates to the Registrar.

### 3.4 **Delivery of new Definitive Certificates**

3.4.1 Each new Definitive Certificate to be issued pursuant to Conditions 3.1 (*Exchange of Global Securities*), 3.2 (*Transfer of Definitive Registered Securities*) and 3.3 (*Exercise of options or partial Redemption in respect of Definitive Registered Securities*) will be available for delivery within five Business Days of surrender of the relevant Definitive Certificate and, if applicable, receipt of the relevant request for exchange, form of transfer or notice of exercise together with such other evidence (if any) as may be required pursuant to the relevant Condition. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Registrar to whom surrender of such Definitive Certificate and, if applicable, delivery of such request, form of transfer or notice of exercise shall have been made or, at the option of the holder making such delivery and surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, notice of exercise or otherwise in writing, shall be mailed at the risk of the holder entitled to the new Definitive Certificate to such address as may be so specified.

3.4.2 Exchange and transfer of Gold Securities on registration or transfer (as contemplated by this Condition 3.4) may be subject to a charge by or on behalf of the Issuer, the Issuing Agent, the Registrar, or any relevant agent of the Issuer and/or payment by the relevant Securityholder (or the giving by the relevant Securityholder of such indemnity as the Registrar may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

### 3.5 **Closed periods**

No Securityholder may require the transfer of a Registered Security or Definitive Registered Security to be registered (i) during the period of 15 calendar days ending on the due date for Redemption of that Gold Security, (ii) during the period of 15 calendar days prior to any date on which Gold Securities may be Redeemed pursuant to Condition 7 (*Redemption*) (as applicable) or by the Issuer at its election pursuant to Condition 8.1 (*Issuer Call Redemption Event*), (iii) after any such Gold Security has been drawn for Redemption in whole or in part, or (iv) during the period of seven days ending on (and including) any Record Date.

## 4 CONSTITUTION AND STATUS

Each Series of Gold Securities is constituted by the applicable Trust Deed and secured by the applicable Security Deed and each applicable Security Document. The Gold Securities of each Series are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 6 (*Security*) and recourse in respect of which is limited in the manner described in Condition 6.4 (*Limited recourse and non-petition*). Each Gold Security has a Principal Amount set out in the Final Terms and without prejudice to the provisions of Condition 7 (*Redemption*) but subject always to the provisions of Condition 6.4 (*Limited recourse and non-petition*), a Securityholder may elect to receive on Redemption an amount in cash equal to the Principal Amount in lieu of the amount otherwise specified in Condition 7 (*Redemption*). The Issuer acknowledges in the Trust Deed its indebtedness in respect of the aggregate Principal Amount.

## 5 GOLD ENTITLEMENT PER GOLD SECURITY

### 5.1 Calculation and publication of Gold Entitlement per Gold Security

The Calculation Agent shall determine the Gold Entitlement per Gold Security in respect of each calendar day and each Series of Gold Security, and the Issuer (or the Administrator on its behalf) shall publish such Gold Entitlement per Gold Security in respect of each calendar day during the term of the Gold Securities on the Issuer's Website up to (and including) the Compulsory Redemption Date in respect of all of the Outstanding Gold Securities of such Series .

### 5.2 Calculation of Gold Entitlement per Gold Security

The **Gold Entitlement** in respect of a Series of Gold Securities on any calendar day shall be an amount of Gold per Gold Security (calculated to nine decimal places with 0.0000000005 fine troy ounces rounded upwards, and subject to a floor of zero) determined by the Calculation Agent for each Series of Gold Security as follows:

5.2.1 if the relevant calendar day is the Series Issue Date, the Gold Entitlement shall be equal to the Initial Gold Entitlement;

5.2.2 in relation to any other calendar day, the Gold Entitlement shall be an amount calculated by the Calculation Agent in accordance with the formula below:

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

Where:

“i” means the relevant Series of Gold Security;

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

“ $GE_{i,t}$ ” means the Gold Entitlement per Gold Security in respect of the relevant calendar day;

“ $GE_{i,t-1}$ ” means the Gold Entitlement per Gold Security in respect of the immediately preceding calendar day;

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

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

### 5.3 **Total Expense Ratio**

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

The Total Expense Ratio shall cease to apply to a Series of Gold Securities on the Compulsory Redemption Date relating to such Series.

The Issuer may vary the Total Expense Ratio in respect of a Series provided that no increase in the Total Expense Ratio in respect of a Series will take effect unless the Securityholders of such Series have been given at least 30 calendar days' prior notice in accordance with Condition 17 (*Notices*).

The Issuer shall publish the Total Expense Ratio in respect of each Series of Gold Securities from time to time on the Issuer's Website.

## 6 **SECURITY**

### 6.1 **Enforcement of Security constituted by the Security Documents**

The Security constituted by the applicable Security Documents in respect of each Series shall become enforceable upon the occurrence of an Event of Default.

### 6.2 **Realisation of Security constituted under each Security Document**

6.2.1 At any time after the Security constituted by any Security Document has become enforceable, the Trustee may, at its absolute discretion, and shall, if so directed in writing by (i) the holders of at least one-fifth in number of the Gold Securities of the relevant Series then Outstanding, or (ii) by an Extraordinary Resolution of the Securityholders of the relevant Series, in each case subject to its having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such directions, direct the Security Trustee to enforce the Security constituted by the relevant Security Document.

6.2.2 To do this, the Security Trustee shall, once directed to do so by the Trustee, (i) enforce any relevant Programme Document relating to the Gold Securities of such Series in accordance with its or their terms, (ii) take action against the Issuer, and/or (iii) take possession of and/or realise all or part of the assets over which the Security constituted by the relevant Security Document shall have become enforceable and may in its absolute discretion, sell, call in, collect and convert into money all or part of such assets, in such manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders. For the avoidance of doubt, the Security Trustee shall not be bound to exercise any discretion to take any action, step or proceeding and shall not be held liable for the consequences of (i) exercising its discretion to take any action, step or institute any proceeding or (ii) not exercising its discretion to take any action, step or institute any proceeding, as the case may be.

6.2.3 The Security Trustee may, in writing, appoint a receiver or receivers over all or part of the assets over which the Security constituted by the relevant Security Document shall have become enforceable and may remove any receiver so appointed and appoint another in its place. No delay or waiver of the right to exercise these powers shall prejudice their future exercise.

6.2.4 Neither the Security Trustee nor any receiver appointed by it or any attorney or agent of the Security Trustee shall, by reason of taking possession of any assets or any other reason and

whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such assets or from any act or omission to such assets or otherwise unless such loss or damage shall be caused by its own fraud, gross negligence or wilful misconduct.

- 6.2.5 The Security Trustee shall not be required to take any action in relation to the Security constituted by a Security Document which may be illegal or contrary to any applicable law or regulation or cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with such action.

### 6.3 Application of proceeds on enforcement of Security

Pursuant to the terms of the Trust Deed, the Trustee will apply any amounts received or recovered under the applicable Trust Deed and the proceeds derived from the realisation of the assets that are the subject of the Security constituted by the relevant Security Documents (whether by way of liquidation or enforcement) as follows:

- 6.3.1 *first*, in repayment to the Custodian of the loan made by it of the Over-allocated Gold, by payment to the Custodian of the Over-allocated Gold Proceeds (either by way of delivery of Gold or payment of cash);
- 6.3.2 *second*, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Gold Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the relevant Trust Deed or the Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee and/or the Security Trustee (other than any income, corporation or similar Tax in respect of the Trustee's and/or the Security Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents and the Trustee's and/or the Security Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents);
- 6.3.3 *third*, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Programme Documents (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);
- 6.3.4 *fourth*, in payment of any amounts owing to Zipa Management pursuant to the Management Agreement;
- 6.3.5 *fifth*, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and
- 6.3.6 *sixth*, in payment of any balance to the Issuer for itself.

### 6.4 Limited recourse and non-petition

- 6.4.1 In respect of any claim against the Issuer in connection with any relevant Series of Gold Securities or otherwise (whether arising under the relevant Trust Deed, the Programme Documents, the general law or otherwise), the Programme Parties and the Securityholders shall have recourse only to the Secured Property in respect of such relevant Series of Gold Securities, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 6 (*Security*), the Trust Deed and any Security Deed, as applicable, any outstanding claim against the Issuer, whether secured or unsecured, remains unpaid, then such outstanding claim shall be

extinguished and no debt shall be owed by the Issuer in respect thereof. None of the Programme Parties, the Securityholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

6.4.2 None of the Programme Parties or the Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets (other than in respect of the Secured Property in respect of the Gold Securities in question), and none of them shall have any claim arising with respect to the sums, assets and/or property attributable to any other securities issued by the Issuer (save for any further securities which form a single Series with the Gold Securities).

6.4.3 The provisions of this Condition 6.4 (*Limited recourse and non-petition*) shall survive notwithstanding any Redemption of the Gold Securities or the termination or expiration of any Programme Document.

## 6.5 Issuer's rights as beneficial owner of Secured Property

Notwithstanding Condition 14.1 (*Meetings of Securityholders*), unless otherwise directed in a Security Document at any time before the Security constituted by a Security Document in respect of a Series of Gold Securities becomes enforceable, the Issuer may, without the sanction of an Extraordinary Resolution and without the prior written consent of the Trustee or Security Trustee:

6.5.1 take such action in relation to the Secured Property relating to the Gold Securities as may not be prohibited by the Programme Documents; and

6.5.2 exercise any rights incidental to the ownership of the assets which are the subject of the Security constituted by the relevant Security Document and are exercisable by the Issuer and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any such ownership interests in respect of such property,

provided that the Issuer shall not exercise any rights with respect to such assets if it would be prejudicial to any Security in respect of such Gold Securities or if it is directed to the contrary by the Trustee or by an Extraordinary Resolution. If such direction is given, the Issuer shall act only in accordance with such direction.

## 6.6 Gold Swap

6.6.1 The Issuer (or the Administrator on its behalf) shall (unless otherwise instructed by the Manager), on each Issue Date upon which Non-SMO Gold is transferred by Authorised Participants to the Custodian (for the account of the Issuer) in connection with the issuance of Gold Securities, deliver a Gold Swap Order to the Swap Counterparty pursuant to which the Swap Counterparty shall use reasonable endeavours to effect a Gold Swap in respect of such Non-SMO Gold within the Swap Period in accordance with the provisions of the Master Swap Agreement and the Operating Procedures.

6.6.2 To effect a Gold Swap, the Issuer (or the Administrator on its behalf) shall:

(a) upon receipt of a notice (each such notice, a **Gold Swap Notice**), give notice to the Custodian and instruct it to:

(i) notify the Issuer and the Administrator when the SMO Gold has been delivered to the relevant Secured Allocated Account on the Gold Swap Date (the **Gold Swap Trigger**); and

- (ii) upon the occurrence of the Gold Swap Trigger, withdraw from the Secured Allocated Account in respect of the relevant Series of Gold Securities an amount of Non-SMO Gold attributable to or forming part of the Secured Property of that Series of Gold Securities equal to the Non-SMO Gold Amount specified in the Gold Swap Order to which the Gold Swap Notice applies and deliver such Non-SMO Gold to the account specified in the relevant Gold Swap Notice; and
  - (b) upon the occurrence of the Gold Swap Trigger, instruct the Account Bank to withdraw from the Issuer Premium Account an amount of SMO Gold Premium equal to the Gold Swap Premium Amount specified in the Gold Swap Order to which the Gold Swap Notice applies and to transfer such amount to the account specified in the relevant Gold Swap Notice.
- 6.6.3 Pursuant to the terms of the Security Documents in respect of each Series, the Security in respect of the Non-SMO Gold described in Condition 6.6.2(a)(ii) and the SMO Gold Premium described in Condition 6.6.2(b) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to give effect to the relevant Gold Swap.
- 6.6.4 The Issuer (or the Administrator on its behalf) shall take reasonable steps to complete a Gold Swap in respect of in respect of all Non-SMO Gold transferred to it in connection with the issuance of the Gold Securities on an Issue Date as soon as possible and in any event within the Initial Swap Period. If the Issuer becomes aware that a Gold Swap will not be completed within the Initial Swap Period, it (or the Administrator on its behalf) may give notice of the extension of the Swap Period by up to 60 days (the **Extended Swap Period**) to the Securityholders of the relevant Series in accordance with Condition 17 (*Notices*) not less than five days' prior to the expiry of the Initial Swap Period. If the Issuer becomes aware that a Gold Swap will not be completed within the Extended Swap Period, then the Issuer shall either give notice (or the Administrator on it behalf) of the extension of the Extended Swap Period by up to 60 days to the Securityholders of the relevant Series in accordance with Condition 17 (*Notices*) or in accordance with the terms of the Master Swap Agreement, terminate the Gold Swap Order in respect of the relevant issuance of Gold Securities and deliver to the Swap Counterparty a new Gold Swap Order in respect of the relevant issuance of Gold Securities.

## 7 REDEMPTION

### 7.1 Redemption right

Each Gold Security shall carry:

- 7.1.1 if Gold Delivery applies, a right on Redemption pursuant to this Condition 7 (*Redemption*) to delivery in Gold of an amount equal to the Gold Entitlement per Gold Security (rounded down to the nearest 0.001 fine troy ounce) as further specified in Condition 7.7 (*Gold Delivery*); and
- 7.1.2 if Gold Sale applies, a right on Redemption pursuant to this Condition 7 (*Redemption*) or pursuant to a Compulsory Redemption to payment of any amount equal to the pro-rata share in respect of that Gold Security in the Net Redemption Sale Proceeds of the Gold Sale as further specified in Condition 7.8 (*Gold Sale*) or Condition 8.5 (*Compulsory Redemption Process*) (as the case may be).

### 7.2 Redemption by Authorised Participants

A Securityholder who is also an Authorised Participant may (subject to these Conditions) require the Issuer to Redeem all or any part of its holdings in Gold Securities by submitting a valid Redemption Form. Gold Delivery shall apply to such Redemption save that Gold Sale will apply in the circumstances specified in Condition 7.8 (*Gold Sale*).

### 7.3 Redemption by Non-AP Securityholders

A Non-AP Securityholder may (subject to these Conditions) require the Issuer to Redeem all or any part of its holdings in Gold Securities by submitting a valid Redemption Form. Gold Delivery shall apply to such Redemption save that:

- 7.3.1 if the Issuer has given notice under Condition 17 (*Notices*) that there are no Authorised Participants and that notice remains in effect, the Non-AP Securityholder may elect that Gold Sale shall apply to such Redemption; and
- 7.3.2 Gold Sale shall apply in the circumstances specified in Condition 7.8 (*Gold Sale*).

### 7.4 Redemption Forms

7.4.1 A Redemption Form:

- (a) must be in writing;
- (b) must specify the number and Series of any Gold Securities to be Redeemed;
- (c) must:
  - (i) in respect of a Redemption Form submitted by a Non-AP Securityholder, be signed by the Securityholder or by an authorised signatory on behalf of it; or
  - (ii) in respect of a Redemption Form submitted by an Authorised Participant, be authenticated by such other method as described in the Operating Procedures;
- (d) is irrevocable once it has been submitted to the Issuer.

7.4.2 A Redemption Form shall only be valid if:

- (a) it is in the form specified by the Issuer with respect to the type of Securityholder (Securityholder that is also an Authorised Participant or Non-AP Securityholder) and the applicable Redemption Mechanism;
- (b) it complies with the requirements of Conditions 7.4.1(a) (*Redemption Forms*) to 7.4.1(c) (*Redemption Forms*);
- (c) the Redemption does not constitute a Prohibited Physical Redemption;
- (d) it is received by the Administrator on behalf of the Issuer between 8.00am (Dublin time) and the Notice Deadline on any Business Day (save that the Issuer may in its sole and absolute discretion decide to treat a Redemption Form received on a Business Day after the Notice Deadline as if it had been received before the Notice Deadline);
- (e) in the case of a Redemption by a Non-AP Securityholder, the Securityholder has paid the Redemption Fee referred to at Condition 7.5 (*Redemption Fee*);
- (f) it is confirmed as valid by the Issuer (or the Administrator acting on behalf of the Issuer) by 5p.m. on the Business Day on which it is received (or deemed to be received);
- (g) the Securityholder has complied with all compliance and identification checks reasonably required by the Issuer;
- (h) the Redemption Form is received or is deemed to have been received before the occurrence of a Compulsory Redemption Event;

- (i) it is not invalid by virtue of a suspension of Redemptions pursuant to Condition 7.9 (*Suspension of Redemptions*);
- (j) in the case of a Redemption by a Non-AP Securityholder by Gold Delivery, the Redemption Form specifies a Securityholder Unallocated Gold Account (if applicable) into which the Gold can be deposited; and
- (k) such Redemption Form is submitted by a Securityholder on any Business Day and no other Redemption Form has been submitted by that Securityholder on or in respect of such Business Day in respect of the same Series (unless the Issuer otherwise agrees in its absolute discretion).

7.4.3 The Issuer shall be deemed to have received a Redemption Form at such time as the Administrator has notified the Calculation Agent that it has received it.

7.4.4 If the Issuer (or the Administrator on its behalf) determines that a Redemption Form is valid, it shall confirm that fact to the Securityholder as soon as reasonably practicable. No Gold Securities may be Redeemed pursuant to a Redemption Form that the Issuer (or the Administrator on its behalf) has not confirmed as valid.

7.4.5 Once it has received a valid Redemption Form from a Securityholder in relation to Gold Securities and confirmed that fact to the Securityholder, the Issuer shall take all steps necessary to give effect to such Redemption Form as required by this Condition 7 (*Redemption*).

7.4.6 The Issuer may change or vary the procedures for the submission of Redemption Forms on not less than five days' prior notice to the Securityholders in accordance with Condition 17 (*Notices*) and these Conditions shall be interpreted accordingly.

## 7.5 Redemption Fee

7.5.1 On an Optional Redemption of Gold Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee payable by a Securityholder shall be the amount specified in the relevant Authorised Participant Agreement.

7.5.2 On an Optional Redemption of Gold Securities by a Non-AP Securityholder, the Redemption Fee payable by the Securityholder shall be an amount equal to the Issuer's costs of complying with the Redemption Form. This cost will be notified to the Non-AP Securityholder at the time of the Redemption, and will not be greater than 2% of the gold value being redeemed.

7.5.3 The Issuer may agree to receive such Redemption Fee in a currency other than the Relevant Currency converted at the then prevailing exchange rate. Any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption.

7.5.4 On a Compulsory Redemption of Gold Securities by the Issuer pursuant to Condition 8.4 (*Compulsory Redemption for Cause*), the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Redemption, being an amount not greater than 2% of the gold value being redeemed or such other amount as may be notified in accordance with Condition 17 (*Notices*). The Issuer shall give notice to Securityholders of Gold Securities subject to such Compulsory Redemption of the amount of those costs and their allocation to particular Securityholders at the time of the Redemption. The Issuer may agree to receive such Redemption Fee in a currency other than the Relevant Currency converted at the then prevailing exchange rate available to, and as certified by, the Issuer. Any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption. No Redemption Fee is payable with respect to a Compulsory Redemption save pursuant to Condition 8.4 (*Compulsory Redemption for Cause*).

7.5.5 Save where Condition 7.5.2 (*Redemption Fee*) applies, it is a condition to the performance by the Issuer of its obligation to Redeem Gold Securities where Gold Sale applies that the Issuer may deduct the Redemption Fee from the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption and that if it does not so deduct the Redemption Fee from such amount the Securityholder shall pay the Redemption Fee in accordance with this Condition 7.5 (*Redemption Fee*). Save where Condition 7.5.2 (*Redemption Fee*) applies, the Issuer may set-off the amount of the Redemption Fee payable under this Condition 7.5 (*Redemption Fee*) against the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption.

## 7.6 Redemption Obligations

7.6.1 Upon a valid Redemption Form having been submitted and its validity having been confirmed by the Issuer (or the Administrator on its behalf) in respect of Gold Securities, those Gold Securities may not be transferred by the Securityholder except where such transfer is to the Issuer, and the Issuer may refuse to recognise any other purported transfer.

7.6.2 Where a Redemption Form has been submitted for the Redemption of Gold Securities, the Securityholder of the Gold Securities subject to the Redemption must deliver the Gold Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree:

7.6.3 In order for the Issuer to effect a Redemption on the Redemption Settlement Date, the Securityholder must have complied in full with its obligations under Condition 7.6.2 (*Redemption Obligations*) (its **Securities Delivery Obligation**) by 3.00p.m. Dublin time on the second Business Day following the Trade Date. Any failure by the Securityholder to comply with its Securities Delivery Obligation by that time shall not cause the Redemption of such Gold Securities to be invalid but the Securityholder shall not be entitled to deliveries or payments in connection with the Redemption unless and until the Securities Delivery Obligation has been complied with. No interest or other amount shall be payable in connection with late deliveries or payments resulting from a failure to comply with the Securities Delivery Obligation.

7.6.4 If Gold Securities are Redeemed in accordance with this Condition 7 (*Redemption*) or Condition 8 (*Compulsory Redemption*), the Issuer shall have the right to cancel the entry in the Register in respect of the Gold Securities being Redeemed upon: (i) delivery of the Gold Entitlement to the relevant Securityholder in respect of the Gold Securities being Redeemed, or (ii) payment of the amount due to the relevant Securityholder pursuant to Condition 7.8 (*Gold Sale*) or Condition 8.5 (*Compulsory Redemption Process*).

7.6.5 If Gold Securities are Redeemed in accordance with this Condition 7 (*Redemption*) or Condition 8 (*Compulsory Redemption*) prior to the completion of a Gold Swap in respect of any Non-SMO Gold held by the Issuer in the Secured Allocated Account in respect of the Series of Gold Securities to which the Redemption applies, the Issuer shall have the ability, to the extent the SMO Gold Premium has not been applied or committed to a particular Gold Swap, but, in any event, shall not be obliged, to remit its pro-rata share of the SMO Gold Premium to the relevant Securityholder by depositing such share in the Securityholder Cash Account of such Securityholder on the Redemption Settlement Date.

7.6.6 The Issuer may, at any time, notify a Securityholder that the Issuer may have to withhold or deduct from any payment (if applicable) that corresponds to the Redemption Form an amount for or on account of, any present or future Taxes as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Gold Securities that may allow the Issuer to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer by the relevant Securityholder or if it is not the beneficial owner of the Gold Securities held by such Securityholder

and which are to be Redeemed, then any such payment will be reduced (and the matching obligation of the Issuer to deliver or to procure the delivery of the Gold Entitlement per Gold Security), or other amount due to that Securityholder will also be reduced, by the amount of the withholding or deduction.

## 7.7 Gold Delivery

- 7.7.1 If Gold Securities of a Series are required to be Redeemed by Gold Delivery in accordance with this Condition 7 (*Redemption*), the Issuer (or the Administrator on its behalf) shall upon receipt of the relevant valid Redemption Form and satisfaction of the Securities Delivery Obligation instruct the Custodian to make available (to be delivered to, and deposited into the Securityholder Gold Account of the Redeeming Securityholder)) Gold in at least an amount equal to the Gold Entitlement of such Gold Securities (rounded down to the nearest 0.001 fine troy ounce), calculated as of the Trade Date. Gold will be made available for delivery to and deposit into the Securityholder Gold Account of the Redeeming Securityholder from the relevant Secured Accounts on the Redemption Settlement Date.
- 7.7.2 A Redeeming Securityholder may request that the Issuer instruct the Custodian, in respect of the Gold being redeemed, to be made available for delivery to the Redeeming Securityholder via a secure transport provider. The Issuer may, at its sole discretion, and at the cost of the Redeeming Securityholder, accede to such a request, at which point a separate contractual agreement for the delivery of the Gold will be entered into between the relevant parties.
- 7.7.3 If Gold Securities are Redeemed by Gold Delivery, all title to and risk in such Gold shall pass to the Redeeming Securityholder on the relevant Redemption Settlement Date (being the second Business Day following the applicable Trade Date). Neither the Issuer nor the Trustee shall be liable for any failure by the Custodian to effect a delivery of the required Gold in accordance with the Issuer's instructions. If such failure occurs, the Issuer shall to the extent reasonably practicable assign to the Redeeming Securityholder its claims in respect of such Gold in satisfaction of all claims of such Securityholder in respect of the Gold Securities to be Redeemed and the Securityholder shall have no further claims in respect of such Redemption against the Issuer or the Secured Property.

## 7.8 Gold Sale

- 7.8.1 Gold Sale will apply if:
- (a) a Non-AP Securityholder elects for Gold Sale to apply in accordance with Condition 7.3.1 (*Redemption by Non-AP Securityholders*);
  - (b) in the case of a Redemption by a Non-AP Securityholder, the Securityholder does not certify in the Redemption Form that it is not a Prohibited Gold Holder; or
  - (c) the Gold to which the Securityholder is entitled on Redemption is not successfully delivered to the Securityholder (unless this results from the fault of the Issuer) and is not claimed by such Securityholder by the 30th calendar day after the Redemption Settlement Date (whereupon the Gold Entitlement per Gold Security will be determined as of the first Business Day following the expiry of such 30 day period).
- 7.8.2 If Gold Sale is the applicable Redemption Mechanism to the Optional Redemption of Gold Securities by one or more Securityholders, the Issuer (or the Administrator on its behalf) will:
- (a) give notice to the Gold Agent under the Gold Agent Agreement to sell on the Gold Sale Date an amount of Gold attributable to or forming part of the Secured Property equal to the Gold Entitlement in respect of the Gold Securities to be sold by Gold Sale on such Gold Sale Date; and

- (b) direct the Custodian to deliver such amount of Gold to, or to the order of, the Gold Agent on the Business Day immediately preceding the applicable Gold Sale Date equal to the Gold Entitlement (rounded up to the nearest 0.001 fine troy ounce) in respect of the number of Gold Securities of each relevant Series to be sold by Gold Sale on such Gold Sale Date so as to sell such Gold to give effect to the Redemption.
- 7.8.3 Pursuant to the terms of the Security Documents in respect of each Series, the Security in respect of the Gold described in Condition 7.8.2(a) (*Gold Sale*) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to give effect to the sale of such Gold, provided that nothing in this Condition 7.8 (*Gold Sale*) shall release the charges and other security interests over the proceeds of the sale of such Gold.
- 7.8.4 The Gold Agent shall (acting as agent of the Issuer) sell the Gold in a timely fashion on the Gold Sale Date in accordance with the Gold Agent Agreement.
- 7.8.5 In selling the Gold, the Gold Agent is authorised under the Gold Agent Agreement to take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Gold in a timely fashion (taking into account the circumstances at the time and the amount of Gold to be sold) and to effect such sale at any time or from time to time on the Gold Sale Date and may do so in one or more transactions.
- 7.8.6 The Gold Agent shall be permitted promptly to deduct from the Actual Redemption Sale Proceeds (i) any Taxes arising from or connected with any such sale of Gold; (ii) any other amounts properly incurred by it in connection with any such sale; and (iii) if applicable, any Over-allocated Gold Cash Proceeds, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions.
- 7.8.7 On the first Business Day following the Gold Sale Date, the Gold Agent shall notify the Issuer (and, as the case may be, the Trustee) of the Actual Redemption Sale Proceeds received in respect of any Gold that has been sold on such Gold Sale Date (and the details of each sale of Gold including the price, volume and date of each such sale).
- 7.8.8 Immediately following deduction of any Taxes or other amounts in accordance with Condition 7.8.6 (*Gold Sale*), the Gold Agent shall pay the Net Redemption Sale Proceeds to the Issuer Redemption Cash Account and in any event by no later than 2.00p.m. Dublin time (or such later time as the Issuer may agree) on the second Business Day following the Gold Sale Date. Once it has received the Net Redemption Sale Proceeds in full cleared funds, the Issuer will remit its pro-rata share of those proceeds (less any Redemption Fee in accordance with Condition 7.5) (*Redemption Fee*), to each relevant Securityholder through the Relevant Clearing System or to the Securityholder Cash Account).
- 7.8.9 If Gold Sale applies, the Securityholder of the Gold Securities being Redeemed acknowledges and agrees:
- (a) to accept the Net Redemption Sale Proceeds less any unpaid Redemption Fee in full settlement of the obligations of the Issuer in respect of the Redemption of such Gold Securities;
  - (b) that the Issuer and the Trustee make no representations or warranties as to the price at which Gold will be sold or the amount of the proceeds of sale realised from the sale of Gold; and
  - (c) that neither the Issuer nor the Trustee shall be liable for any delay, failure or misconduct by the Gold Agent in respect of any sale of Gold pursuant to the Gold Agent Agreement, but in the event of any such failure, delay or misconduct, the Issuer shall to the extent practicable assign to the Redeeming Securityholder its claims in relation to such Gold in satisfaction of all claims of such Securityholder in respect of the Gold Securities to be Redeemed and the Securityholder shall have no further claims against the Issuer or the Secured Property.

## 7.9 Suspension of Redemptions

7.9.1 If on any Business Day (a **Threshold Event Date**) the Calculation Agent determines that the market value of the Gold Entitlement per Gold Security has fallen to less than 20% (twenty per cent.) of the Issue Price per Gold Security as at the Series Issue Date of such Gold Securities:

- (a) the Issuer may at any time after the Threshold Event Date, for so long as the Calculation Agent determines that the market value of the Gold Entitlement per Gold Security continues to be less than 20% (twenty per cent.) of the Issue Price per Gold Security as at the Series Issue Date of such Gold Securities, suspend the right to request Redemption of Gold Securities pursuant to Condition 7 (*Redemption*); and
- (b) the Issuer shall give notice convening a Meeting to take place on a date not more than 30 calendar days after the Threshold Event Date for the purpose of considering an Extraordinary Resolution which would have the effect of reducing the Principal Amount of the Gold Securities to an amount which the Calculation Agent determines is not less than 2per cent. of the market value of the Gold Entitlement per Gold Security as at the time of suspension of Redemptions, in which event the suspension will cease only if such Extraordinary Resolution is passed,

in each case, subject as provided in this Condition 7 (*Redemption*), the Issuer may at its discretion terminate any such suspension at any time.

7.9.2 If, in any thirty day period, an amount of Gold, across any number of Series of the Gold Securities, equal to, or greater than, 500kg has been redeemed (by way of Gold Sale or Gold Delivery), the Issuer reserves the right to suspend the right of Securityholders to request Redemption of Gold Securities pursuant to Condition 7 (*Redemption*).

7.9.3 The following provisions shall apply where Redemptions have been suspended pursuant to Condition 7.9.1 to 7.9.2 (*Suspension of Redemptions*):

- (a) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the parties to the relevant Programme Documents and the Securityholders in accordance with Condition 17 (*Notices*), as soon as reasonably practicable, but the failure to give any such notice shall not prevent the exercise of such discretions;
- (b) any such suspension may continue for a period of up to 60 days, and, in the case of a suspension under Condition 7.9.1, may continue thereafter at the discretion of the Issuer if the Extraordinary Resolution referred to in Condition 7.9.1(b) (*Suspension of Redemptions*) above has not been passed; and
- (c) any suspension shall not affect any Redemption pursuant to a Redemption Form confirmed as valid on a date which had passed before the suspension commenced, but any Redemption Form in respect of Gold Securities submitted or deemed to be received on a Business Day when the right to request Redemption of the Gold Securities pursuant to Condition is suspended pursuant to this Condition 7.9 (*Suspension of Redemptions*) shall be invalid.

## 7.10 Redemption Settlement Date

In relation to any Redemption pursuant to this Condition 7 (*Redemption*), the Redemption Settlement Date will be the second Business Day following the applicable Trade Date, provided that in the case of Redemption by Gold Sale the Redemption Settlement Date shall be the tenth Business Day following the applicable Trade Date (and if such day is not also a Payment Business Day, the Redemption Settlement Date will be the next Payment Business Day).

## 8 COMPULSORY REDEMPTION

### 8.1 Issuer Call Redemption Event

The Issuer may, on giving an irrevocable notice to the relevant Securityholders in accordance with Condition 17 (*Notices*), elect to Redeem all or some only of the Gold Securities of a Series and designate a Compulsory Redemption Date for such purposes, provided that the date designated as the Compulsory Redemption Date shall not be earlier than 30 calendar days following the date of the relevant notice (such notice an **Issuer Call Redemption Notice**). In the event that the Issuer elects to Redeem only some of the Outstanding Gold Securities of a Series pursuant to an Issuer Call Redemption Notice, a pro-rata portion of each Securityholder's Gold Securities of such Series shall be subject to such Redemption.

For the purposes of Condition 8.2 (*Compulsory Redemption Events*), a Compulsory Redemption Event in the form of an "Issuer Call Redemption Event" will occur on the Compulsory Redemption Date designated in the Issuer Call Redemption Notice (or if such day is not a Business Day on the first following Business Day). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the relevant Programme Parties on the same date as such notice is given to the Securityholders.

### 8.2 Compulsory Redemption Events

Each of the following events shall be a compulsory Redemption event in respect of the Gold Securities of a Series (each a **Compulsory Redemption Event**):

- 8.2.1 Threshold Redemption Event: if on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the market value (as determined by the Calculation Agent) of the Gold Entitlement per Gold Security of a Series is less than 20% (twenty per cent.) of the Issue Price per Gold Security as at the Series Issue Date of such Gold Securities (a **Threshold Redemption Event**), the Issuer shall designate a Compulsory Redemption Date in respect of the Series of Gold Securities;
- 8.2.2 Termination of appointment of Agent or Authorised Participants: if any of the Calculation Agent, the Administrator, the Issuing Agent, the Paying Agent, the Registrar, the Transfer Agent, the Gold Agent in relation to a Series of Gold Securities, the Account Bank in relation to a Series of Gold Securities or all of the Authorised Participants in relation to the Gold Securities resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect in accordance with the applicable Programme Document, and the Issuer gives notice (an **Agent Redemption Event Notice**) to the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*), a Compulsory Redemption Date will occur on the fifth Business Day after the date of the Agent Redemption Event Notice;
- 8.2.3 Termination of Custody Agreement: if any Custody Agreement is terminated and no replacement Custody Agreement has been entered into at the time that such termination takes effect in accordance with the applicable Programme Document, and the Issuer gives notice (an **Custody Redemption Event Notice**) to the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*), a Compulsory Redemption Date will occur on the fifth Business Day after the date of the Custody Redemption Event Notice;
- 8.2.4 Change in law or regulation Redemption Event: if on or after the Series Issue Date (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority):

- (a) it has (or the Issuer reasonably expects that it will) become illegal for the Issuer to perform its obligations under the Gold Securities; or
- (b) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the Gold Securities (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation),

(each a **Change in law or regulation Redemption Event**) the Issuer may give the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*) notice that the Gold Securities are to be Redeemed and designate a Compulsory Redemption Date for such purposes, provided that the date designated as the Compulsory Redemption Date shall not be earlier than the fifth Business Day following the date of the relevant notice (such notice an **Issuer Redemption Notice**);

8.2.5 Issuer Call Redemption Event: an Issuer Call Redemption Event occurs pursuant to Condition 8.1 (*Issuer Call Redemption Event*).

### 8.3 Events of Default

If any of the following events (each, an **Event of Default**) occurs, the Trustee at its absolute discretion may, or will if so directed in writing by holders of at least one-fifth in number of the Gold Securities of a Series then Outstanding or if so directed by an Extraordinary Resolution of a Series of Gold Securities (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (copied to each relevant Programme Party) (such notice a **Default Redemption Event Notice**) that such relevant Series of Gold Securities are, and they shall immediately become, due and payable:

- 8.3.1 the Issuer defaults in the payment of any sum due in respect of a Series of Gold Securities or any of them for a period of 14 calendar days or more;
- 8.3.2 the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under a Series of Gold Securities, the Trust Deed, the Security Deeds or any other Programme Document relating to that Series, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);
- 8.3.3 any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;
- 8.3.4 an examiner is appointed in respect of the Issuer;
- 8.3.5 any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Custodian in respect of that Series of Gold Securities, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- 8.3.6 the Custodian in respect of that Series of Gold Securities seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets.

The Issuer will, as soon as reasonably practicable, after receipt of a Default Redemption Event Notice, give notice thereof to the applicable Securityholders of such Series .

For the avoidance of doubt, the Trustee shall not be bound to exercise any discretion to take any action, step or proceeding and shall not be held liable for the consequences of (i) exercising its discretion to take any action, step or institute any proceeding or (ii) not exercising its discretion to take any action, step or institute any proceeding, as the case may be.

#### 8.4 **Compulsory Redemption for Cause**

The Issuer may, in its absolute discretion, at any time give written notice to a Securityholder that any Gold Securities of a Series held by that Securityholder are to be subject to Compulsory Redemption and specifying a Business Day (being not less than seven days and not more than fourteen days following the date of the notice) to be the Compulsory Redemption Date in respect of such Gold Securities, if the Issuer considers (in its sole discretion) (i) that such Gold 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 Gold Securities, or (ii) that the ownership or holding or continued ownership or holding of those Gold Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders which it or they might not otherwise have suffered or incurred.

#### 8.5 **Compulsory Redemption Process**

8.5.1 If a Compulsory Redemption Date is designated in accordance with these Conditions, the Gold Securities shall be Redeemed by Gold Sale and the provisions of this Condition 8.5 (*Compulsory Redemption Process*) shall apply.

8.5.2 The Issuer (or in the case of a Compulsory Redemption pursuant to Condition 8.3 (*Events of Default*) the Security Trustee) shall:

- (a) no later than 8.00am on the First Compulsory Gold Sale Date and on each successive Compulsory Gold Sale Date in accordance with Condition 17 (*Notices*), publish the Compulsory Daily Sale Number of Gold Securities of each relevant Series to be sold by Gold Sale on such Compulsory Gold Sale Date;
- (b) give notice to the Gold Agent under the Gold Agent Agreement to sell on each Compulsory Gold Sale Date an amount of Gold attributable to or forming part of the Secured Property equal to the Gold Entitlement in respect of the Compulsory Daily Sale Number of Gold Securities of each relevant Series to be sold by Gold Sale on such Compulsory Gold Sale Date; and
- (c) direct the Custodian to deliver such an amount of Gold to, or to the order of, the Gold Agent on the Business Day immediately preceding the applicable Compulsory Gold Sale Date equal to the Gold Entitlement in respect of the Compulsory Daily Sale Number of Gold Securities of each relevant Series to be sold by Gold Sale on such Compulsory Gold Sale Date so as to sell such Gold to give effect to the Redemption.

8.5.3 Pursuant to the terms of the Security Documents in respect of each Series, the Security in respect of the Gold described in Condition 8.5.2(b) (*Compulsory Redemption Process*) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to give effect to the sale of the Gold, provided that nothing in this Condition 8.5 (*Compulsory Redemption Process*) shall release the charges and other security interests over the proceeds of the sale of the Gold.

8.5.4 Upon each Compulsory Gold Sale Date, the Gold Agent shall (acting as agent of the Issuer) sell the Gold referred to in the notice under Condition 8.5.2(b) (*Compulsory Redemption Process*) in a

timely fashion on the applicable Compulsory Gold Sale Date in accordance with the Gold Agent Agreement.

- 8.5.5 In selling such Gold, the Gold Agent is authorised under the Gold Agent Agreement to take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Gold in a timely fashion (taking into account the circumstances at the time and the amount of Gold to be sold) and to effect such sale at any time or from time to time on the applicable Compulsory Gold Sale Date and may do so in one or more transactions.
- 8.5.6 The Gold Agent shall be permitted promptly to deduct from the Actual Redemption Sale Proceeds (i) any Taxes arising from or connected with any such sale of Gold, and (ii) any other amounts properly incurred by it in connection with any such sale, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions.
- 8.5.7 On the first Business Day following each Compulsory Gold Sale Date, the Gold Agent shall notify the Issuer and Trustee of the Actual Redemption Sale Proceeds received in respect of any Gold that has been sold on such Compulsory Gold Sale Date (and the details of each sale of Gold including the price, volume and date of each such sale).
- 8.5.8 Immediately following deduction of any Taxes or other amounts in accordance with Condition 8.5.6 (*Compulsory Redemption Process*), the Gold Agent shall immediately pay the Net Redemption Sale Proceeds to the Issuer Redemption Cash Account, as applicable, and in any event by no later than 5.00p.m. Dublin time (or such later time as the Issuer may agree) on the day falling one Business Day after its receipt in full of the Actual Redemption Sale Proceeds. Once it has received the Net Redemption Sale Proceeds in full cleared funds, the Issuer will remit its pro-rata share of those proceeds (less any Redemption Fee in accordance with Condition 7.5 (*Redemption Fee*) to the relevant Securityholder through the Relevant Clearing System or to the Securityholder Cash Account).
- 8.5.9 If Gold Sale applies, the Securityholder of the Gold Securities being Redeemed acknowledges and agrees:
- (a) to accept the Net Redemption Sale Proceeds less any unpaid Redemption Fee in full settlement of the obligations of the Issuer in respect of the Redemption of such Gold Securities;
  - (b) to, in respect of a Compulsory Redemption, notify the Issuer of the Securityholder Cash Account so as to enable payment by the Issuer of the Net Redemption Sale Proceeds;
  - (c) that the Issuer and the Trustee make no representations or warranties as to the price at which Gold will be sold or the amount of the proceeds of sale realised from the sale of Gold; and
  - (d) that neither the Issuer nor the Trustee shall be liable for any delay, failure or misconduct by the Gold Agent in respect of any sale of Gold pursuant to the Gold Agent Agreement, but in the event of any such failure, delay or misconduct, the Issuer shall to the extent practicable assign to the Redeeming Securityholder its claims in relation to the Gold in satisfaction of all claims of such Securityholder in respect of the Gold Securities to be redeemed and the Securityholder shall have no further claims against the Issuer or the Secured Property.

## 8.6 **Compulsory Redemption Settlement Date**

In relation to any Compulsory Redemption, the **Compulsory Redemption Settlement Date** shall be the second Payment Business Day following the receipt by the Issuer in full cleared funds of the Net Redemption Sale Proceeds with respect to the Gold Sale provided that if such day is not also a Payment Business Day, the Compulsory Redemption Settlement Date will be the next Payment Business Day.

## 9 DISRUPTION EVENTS

### 9.1 Disruption Events

The Calculation Agent (or, in the case of a service provider disruption in respect of the Calculation Agent in accordance with Condition 9.1.2 (*Disruption Events*), the Issuer) may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events has occurred or exists on such day with respect to a Series of Gold Securities (each such event a **Disruption Event**):

#### 9.1.1 *Gold Trading Disruption*: either:

- (a) trading and/or settlement in Gold is subject to a material suspension or material limitation on the over-the-counter market participated in by members of the LBMA or any other primary exchange or trading facility for the trading of Gold; or
- (b) the over-the-counter market participated in by members of the LBMA or any other primary exchange or trading facility for the trading of the Gold is not open for trading for any reason (including a scheduled closure); or
- (c) trading in Gold on such over-the-counter market participated in by members of the LBMA or any other primary exchange or trading facility for the trading of Gold has been permanently discontinued or has disappeared;

#### 9.1.2 *Service Provider Disruption*: save as otherwise agreed in the relevant Programme Document(s), if any of the Calculation Agent, all of the Custodian(s), the Administrator, all of the Authorised Participants, the Account Bank and/or the Gold Agent resigns or their appointment is terminated for any reason and a successor or replacement has not yet been appointed, for such time until a successor or replacement has been appointed or an Agent Redemption Event Notice has been given under Condition 8.2.2 (*Compulsory Redemption Events*) (or a Custody Redemption Event Notice has been given under Condition 8.2.3 (*Compulsory Redemption Events*)); and/or

#### 9.1.3 *Secured Accounts Disruption*: any Gold held as Secured Property with respect to a Series has been lost or is inaccessible, other than where permitted in accordance with the Conditions and the Programme Documents.

### 9.2 Determination of Disruption Events and Suspension Notices

#### 9.2.1 If the Calculation Agent, on any day, determines that a Disruption Event has occurred or exists with respect to a Series, it may (but shall not be obliged to) on the immediately following Business Day give notice of the postponement and/or suspension of:

- (a) any request for the Subscription and/or Redemption of Gold Securities of such Series;
- (b) the settlement of any Subscription and/or Redemption of Gold Securities of such Series; and/or
- (c) any Compulsory Redemption Date (whether or not such date has yet been designated), any Compulsory Redemption Settlement Date and/or the delivery of any Gold or the payment of any amount (including any Net Redemption Sale Proceeds) in connection therewith,

to the Issuer, the Authorised Participants, the Administrator, the Trustee, the Security Trustee and the Custodian, specifying:

- (i) the Disruption Event which has occurred or is existing on the relevant day;
- (ii) whether the suspension and/or postponement relating to such Disruption Event will be in respect of a single day (a **Suspended Day**) or for as long as the Disruption Event continues (a **Suspension Period**); and

- (iii) which of the dates and/or events set out in Conditions 9.2.1(a) (*Determination of Disruption Events and Suspension Notices*) to 9.2.1(c) (*Determination of Disruption Events and Suspension Notices*) will be postponed and/or suspended on such Suspended Day or during such Suspension Period, as applicable (and, in determining this, the Calculation Agent shall consider whether the relevant Disruption Event would disrupt the actions required to be performed by the Issuer, any Authorised Participant and/or any other Programme Party in connection with a subscription of Gold Securities and/or a Redemption of Gold Securities),

(such notice, a **Suspension Notice**). If the Suspension Notice is in respect of a Suspension Period, such period will end when the Calculation Agent notifies the Issuer, the Authorised Participants, the Administrator, the Trustee, the Security Trustee and the Custodian that such suspension and/or postponement is over.

9.2.2 The Calculation Agent is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing on any day with respect to a Series of Gold unless a Suspension Notice has been given in respect of a Suspension Period in which case the Calculation Agent's obligation to monitor the relevant Disruption Event will continue until it has determined that such Disruption Event has ceased (following which it will give notification of the end of the Suspension Period in accordance with Condition 9.2.1) (*Determination of Disruption Events and Suspension Notices*). The Calculation Agent shall have no liability to the Issuer, the Trustee, the Security Trustee, any Custodian, any Securityholder, any Authorised Participant or any other person for any determination or non-determination that it makes in respect of the occurrence or existence of a Disruption Event.

9.2.3 The Issuer shall, as soon as reasonably practicable after receipt by it of a Suspension Notice, give notice thereof to the Securityholders in accordance with Condition 17 (*Notices*).

### 9.3 Postponement relating to the Redemption of the Gold Securities

9.3.1 If, in respect of a Disruption Event, the Calculation Agent has specified in the related Suspension Notice that the Trade Date, Compulsory Redemption Date, Gold Sale Date and/or Redemption Settlement Date (a **Disruption Postponable Date**) shall be postponed until following the end of the Suspended Day or Suspension Period, then if any Disruption Postponable Date does occur on the Suspended Day or during the Suspension Period, such Disruption Postponable Date shall be deemed to have been postponed until the first following Non-Disrupted Day, provided that if no such Non-Disrupted Day has occurred on or prior to the 10th Business Day following such Disruption Postponable Date, the Issuer, acting in good faith and in consultation with the Calculation Agent, shall determine an appropriate method for Redeeming the Gold Securities and determining the Trade Date, Compulsory Redemption Date, Gold Sale Date and/or Redemption Settlement Date, as applicable, for the purposes of such Redemption of the Gold Securities (a **Disrupted Redemption Method**). For the avoidance of doubt, if any Disruption Postponable Date is postponed in accordance with this Condition 9.3.1, then any other dates or periods determined by reference to such Disruption Postponable Date that have yet to occur or conclude as at the time of such postponement shall also be postponed or adjusted accordingly.

9.3.2 The Issuer shall, as soon as reasonably practicable following determination of any Disrupted Redemption Method, notify each relevant Programme Party and the relevant Securityholders of the details of such Disrupted Redemption Method in accordance with Condition 17 (*Notices*).

9.3.3 No additional amount shall be payable or deliverable to any Authorised Participant or any Securityholder in connection with any postponement to the timing, or any amendment to the method, in each case in accordance with Condition 9.3.1 (*Postponement relating to the Redemption of the Gold Securities*), of Redemption of the Gold Securities.

## 10 PAYMENTS, CALCULATIONS, AGENTS AND RECORDS

### 10.1 Payments net of Taxes

All payments or deliveries in respect of the Gold Securities shall be made net of, and after allowance for, any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Tax applies to payments or deliveries in respect of the Gold Securities, the Securityholders will be subject to such Tax or deduction and shall not be entitled to receive amounts to compensate for any such Tax or deduction. No Event of Default shall occur as a result of any such withholding or deduction.

### 10.2 Payments

For as long as the Gold Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a Common Depositary, Common Safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments or deliveries in respect of the Gold Securities will be discharged by payment to, or to the order of, the holder of the Global Security, subject to and in accordance with the terms of such Global Security. Each of the persons shown in the records of the Relevant Clearing System as owning Gold Securities represented by such Global Security must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to, or to the order of, the holder of the Global Security. Payments made to any person shown in the records of the Relevant Clearing System as owning any Gold Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.

### 10.3 Payments subject to fiscal laws

All payments and/or deliveries (as applicable) in respect of the Gold Securities are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Securityholders in respect of such payments.

### 10.4 Calculations

10.4.1 The Calculation Agent will, as soon as reasonably practicable on such date and/or at such time as the Calculation Agent is required in accordance with the Calculation Agency Agreement and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.

10.4.2 The calculation by the Calculation Agent of any amount, price, rate or value required to be calculated by the Calculation Agent under the Relevant Provisions shall be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the Securityholders and the Programme Parties.

### 10.5 Calculation by an alternative agent

If at any time after the Security in respect of a Series of Gold Securities has become enforceable pursuant to Condition 6.1 (*Enforcement of Security constituted by the Security Documents*) and the Calculation Agent does not make any calculation relating to the Gold Entitlement per Gold Security or any Redemption amount when required pursuant to the Conditions and the Programme Documents then the Issuer will appoint an alternative agent on its behalf to make any calculation in place of the Calculation Agent. Any such calculation shall, for the purposes of the Conditions and the Programme Documents be deemed to have been made by the Calculation Agent. In doing so, the appointed agent shall apply the provisions of the Conditions and/or the relevant Programme Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. The Trustee shall not be liable (whether directly or indirectly, in contract, in

tort or otherwise) to the Issuer, the Securityholders or any Programme Party for any calculations (or any delay or failure in making any calculation) so made and will not be obliged to make such determination itself.

## 10.6 Calculation Agent

10.6.1 Subject as provided in the Conditions and the Calculation Agency Agreement, the Issuer shall use all reasonable efforts to procure that there shall at all times be a Calculation Agent for so long as any of the Gold Securities are Outstanding. If the Calculation Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint a reputable entity that provides services of a similar type to those required of the Calculation Agent under the Relevant Provisions or a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market) that the Issuer reasonably determines is capable of making the calculation(s) required to be made by the Calculation Agent under the Relevant Provisions to act as such in its place.

10.6.2 The Calculation Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Programme Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Calculation Agent of its obligations under the Calculation Agency Agreement, the Conditions and the other Relevant Provisions provided that nothing shall relieve the Calculation Agent from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Calculation Agent (any such act or omission, a **Calculation Agent Breach**).

(a) If the Calculation Agent would, but for the operation of this Condition 10.6.2, be held liable for any Loss arising as the result of a Calculation Agent Breach, the Calculation Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other Programme Party or any other person if such Calculation Agent Breach results solely and directly from either (i) the failure by any other Programme Party to provide any notice, instruction or direction which such Programme Party is required or permitted to give under the Conditions or any relevant Programme Document or Security Document, or (ii) a delay in the delivery by any other Programme Party of any notice, instruction or direction which such Programme Party is required or permitted to give to the Calculation Agent under the Conditions or any relevant Programme Document or Security Document.

(b) If the Calculation Agent would, but for the operation of this Condition 10.6.2, be held liable for any Loss arising as the result of a Calculation Agent Breach, the Calculation Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other Programme Party or any other person if such Calculation Agent Breach results solely and directly from the reliance by the Calculation Agent upon a rate, amount, quotation, value or other calculation or determination notified to the Calculation Agent pursuant to the Conditions and/or any relevant Programme Document or Security Document which is made by another Programme Party in accordance with the Conditions and the terms of any relevant Programme Document or Security Document.

10.6.3 The Calculation Agent has no obligation towards or relationship of agency or trust with any Securityholder.

10.6.4 The Calculation Agent has no duties or responsibilities except those expressly set forth in the Conditions, the Calculation Agency Agreement and the other Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the Calculation Agency Agreement against or on the part of the Calculation Agent. The Calculation Agent will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions, the Trust Deed or any other Programme Document or Security Document unless otherwise agreed pursuant to the Relevant Provisions.

## 10.7 Appointment of Agents

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time with the prior written approval of the Trustee and in accordance with the provisions of the relevant Administration Agreement, Account Bank Agreement, Agency Agreement, Gold Agent Agreement, Master Swap Agreement or Calculation Agency Agreement as applicable, to vary or terminate the appointment of the Administrator, the Calculation Agent, the Account Bank, the Gold Agent, the Swap Counterparty, the Issuing Agent, the Paying Agent or any Registrar or Transfer Agent and to appoint additional or other Registrars, Transfer Agents, Administrators, Issuing Agents, Paying Agents, Gold Agents, Swap Counterparties, Account Banks or Calculation Agents. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Programme Documents or Security Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Administrator, (ii) a Gold Agent, (iii) a Calculation Agent, (iv) an Issuing Agent, (v) a Paying Agent, (vi) a Swap Counterparty, (vii) an Account Bank and (ix) such other agents as may be required by any stock exchange on which the Gold Securities may be listed, in each case, as approved by the Trustee. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Securityholders by the Issuer in accordance with Condition 17 (*Notices*).

Pursuant to the terms of the Trust Deed, at any time after an Event of Default has occurred in relation to the Gold Securities, the Trustee may (i) by notice in writing to the Issuer, the Administrator, the Account Bank, the Registrar, the Transfer Agent, the Gold Agent, the Swap Counterparty, the Issuing Agent, the Paying Agent and/or the Calculation Agent, require any and all of such Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Trust Deed and the Gold Securities mutatis mutandis on the terms of the Administration Agreement, Account Bank Agreement, Gold Agent Agreement, Master Swap Agreement or Agency Agreement, as applicable (with consequential amendments as necessary) and except that the Trustee's liability for the indemnification, remuneration and all other expenses of such Agents (if any) shall be limited to the amounts for the time being held by the Trustee in respect of the Gold Securities on the terms of the Trust Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6.3 (*Application of proceeds of enforcement of Security*)) to discharge such liability); or (b) deliver the Gold Securities and all monies, documents and records held by them in respect of the Gold Securities to or to the order of the Trustee or as the Trustee directs in such notice, and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Gold Securities to or to the order of the Trustee and not to the Administrator and/or the Registrar (as the case may be) with effect from the receipt of any such notice by the Issuer.

## 10.8 Business day convention and non-Payment Business Days

10.8.1 If any date for payment in respect of any Gold Security is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day or to any interest or other sum in respect of such postponed payment.

10.8.2 If any date referred to in the Conditions would otherwise fall on a day that is not a Business Day, then such date shall be postponed to the next day that is a Business Day.

## 10.9 Records

For so long as the Gold Securities are represented by a Global Security in NGN form, the records of the Relevant Clearing Systems (which expression in this Condition 10.9 (*Records*) means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Gold Securities) shall be conclusive evidence of the number of the Gold Securities represented by the Global Security and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of Gold Securities represented by the Global Security at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

## 10.10 **Negotiability of Global Bearer Security**

A Global Bearer Security is a bearer document and negotiable and accordingly:

- 10.10.1 is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to these Conditions;
- 10.10.2 the holder of the Global Bearer Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable or deliverable upon Redemption or otherwise payable or deliverable in respect of the Global Bearer Security and the Issuer waives as against such holder and any previous holder of the Global Bearer Security all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by the Global Bearer Security; and
- 10.10.3 payment upon due presentation of the Global Bearer Security will operate as a good discharge against such holder and all previous holders of the Global Bearer Security.

## 10.11 **Rounding**

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all amounts of Gold to be delivered to the Issuer shall be rounded up to the nearest 0.001 fine troy ounce, (ii) all amounts of Gold to be delivered by the Issuer shall be rounded up to the nearest 0.001 fine troy ounce (iii) all amounts of cash in the Relevant Currency to be paid to the Issuer shall be rounded up to the nearest USD 0.01 (if the Relevant Currency is USD) or as specified in the Final Terms (if the Relevant Currency is not USD), and (iv) all amounts of cash in USD to be paid by the Issuer shall be rounded down to the nearest USD 0.01 (if the Relevant Currency is USD) or as specified in the Final Terms (if the Relevant Currency is not USD), in each case as may be adjusted by the Issuer (or the Calculation Agent on its behalf) from time to time, including to reflect changes in rounding conventions in the trading of Gold or payments in the Relevant Currency.

## 11 **RESTRICTIONS**

- 11.1 So long as any of the Gold Securities of any Series remain Outstanding, the Issuer shall not, without the prior written consent of the Trustee and Zipa Management:
  - 11.1.1 engage in any business activities, save that the Issuer may without consent engage in any of the following activities (or any other business activity which relates to or is incidental thereto):
    - (a) issue, enter into, amend, redeem, exchange or repurchase and cancel or reissue or resell all or some only of the Gold Securities of any Series under the Programme as may be provided in these Conditions and the Trust Deed and the Programme Documents and in connection therewith enter into or amend any Programme Documents or Security Documents accordingly;
    - (b) acquire and own rights, property or other assets which are to comprise Secured Property for a Series of Gold Securities issued under the Programme so as to enable it to discharge its obligations under such Series, and any relevant Programme Document or Security Document relating to such Series;
    - (c) perform its respective obligations under any Gold Securities issued under the Programme, and any relevant Programme Document or Security Document entered into by it in connection with such Series, and any agreements incidental to the granting of Security relating to any such Series of Gold Securities or incidental to the issue and constitution of any Series of Gold Securities issued under the Programme;

- (d) engage in any activity in relation to the Secured Property or any other Programme Document or Security Document contemplated or permitted by the Conditions or such Programme Document or Security Document relating to any Series of Gold Securities;
  - (e) subject as provided in the relevant Trust Deed, the applicable Security Deed and in the Conditions relating to any Series of Gold Securities enforce any of its rights whether under the relevant Trust Deed, the applicable Security Deed, any other Programme Document, Security Document or otherwise under any agreement entered into in relation to any Series of Gold Securities or any Secured Property relating to any such Series;
  - (f) issue unsecured debt securities, on the conditions that (i) the proceeds of such debt securities shall be used by the Issuer to disburse loans to the holder(s) of such debt securities; and (ii) the holder of such debt securities shall have no right to enforce the obligations of the Issuer thereunder; and
  - (g) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);
- 11.1.2 cause or permit the terms of the Security granted under the Trust Deed or the applicable Security Deed and the order of priority specified in the Conditions, the Trust Deed and the applicable Security Deed, as applicable, to be amended, terminated or discharged (other than as contemplated by the relevant Trust Deed, Security Deed, and/or the Conditions relating to such Series of Gold Securities);
  - 11.1.3 release any party to the relevant Trust Deed, the applicable Security Deed or any other relevant Programme Document or Security Document relating to a Series of Gold Securities from any existing obligations thereunder (other than as contemplated by the relevant Trust Deed, Security Deed, and/or the Conditions relating to such Series of Gold Securities);
  - 11.1.4 have any subsidiaries;
  - 11.1.5 sell, transfer or otherwise dispose of any assets that are the subject of the Security constituted by the Trust Deed or each relevant Security Document or any other part of the Secured Property in respect of any Series of Gold Securities or Secured Property or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over such Secured Property (to the extent it relates to the Issuer) except in accordance with the Conditions of the relevant Gold Securities of any such Series, the Gold Agent Agreement, the relevant Trust Deed for any such Series, the applicable Security Deed and any other Programme Document relating to any such Series as may be applicable;
  - 11.1.6 consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of any of the Conditions, the relevant Trust Deed, any Security Deed or any other Programme Document or Security Document relating to any Series of Gold Securities (other than as contemplated or permitted by the Conditions and the relevant Programme Documents or Security Documents);
  - 11.1.7 consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the relevant Trust Deed, any Security Deed and the Conditions for any Series of Gold Securities);
  - 11.1.8 have any employees;
  - 11.1.9 issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation) or make any distribution to its shareholders;

- 11.1.10 declare any dividends;
- 11.1.11 open or have any interest in any account with a bank or financial institution unless such account (i) relates to a Series of Gold Securities, a Custody Agreement, any Secured Property relating to a Series of Gold Securities or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the Security Trustee, so as to form part of the relevant Secured Property relating to such Series of Gold Securities, or (ii) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
- 11.1.12 purchase, own, or otherwise acquire any real property (including office premises or like facilities);
- 11.1.13 guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- 11.1.14 acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- 11.1.15 except as contemplated by any relevant Programme Document, Security Document, the Conditions relating to a Series of Gold Securities, and/or the agreements contemplated by Condition 11.1.6 (*Restrictions*) above, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Secured Property for any such Series of Gold Securities, to any other entity or person;
- 11.1.16 subject as provided in paragraph 11.1.1 above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 (*Security*) and 16 (*Issue of Further Tranches and Series of Gold Securities*)) issuing further Gold Securities under the Programme (which may or may not form a single Series with the Gold Securities of any Series and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such Gold Securities, provided that:
  - (a) if such further Gold Securities are not to form a single Series with any other Series of Gold Securities, such further Gold Securities and obligations are secured on assets of the Issuer other than (i) the assets which are the subject of the Security constituted by the relevant Trust Deed relating to any other Series of Gold Securities, and (ii) the Issuer's share capital; and
  - (b) such further Gold Securities and obligations are secured *pari passu* upon the assets which are the subject of the Security constituted by the relevant Security Document relating to the Series of Gold Securities with which such Gold Securities are to form a single Series, all in accordance with Condition 16 (*Issue of further Tranches and Series of Gold Securities*) of the relevant Series of Gold Securities,

provided that the Issuer shall not take any action (even where the prior written consent of the Trustee is obtained) if such action is, in the opinion of the Issuer, inconsistent with the objects of the Issuer as specified in its memorandum and articles of association.

## 12 PRESCRIPTION

Claims against the Issuer for payment under the Conditions in respect of the Gold Securities shall be prescribed and become void unless made within 10 years from the date on which the payment of Principal in respect of the Gold Securities first became due or (if any amount of the money payable was improperly withheld or refused) the date on which payment in full of the amount Outstanding was made or (if earlier) the date 7 days after that on which notice is duly given to the Securityholders that, upon further presentation of the Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation (such date the **Relevant Date**) save that if the Gold

Securities are in global bearer form claims in respect of Principal in respect of the relevant Global Bearer Security shall become void unless the Global Bearer Security is presented for payment within a period of 10 years from the appropriate Relevant Date.

## 13 **ENFORCEMENT**

Pursuant to the terms of the Trust Deed, only the Trustee may, at its absolute discretion and without further notice, direct the Security Trustee to take such action or step or institute such proceedings against the Issuer, as it may think fit to enforce the rights of the holders of the Gold Securities against the Issuer whether the same arise under general law, the Trust Deed or the Gold Securities, any other relevant Programme Document or otherwise, but, in each case, it need not take any such action or step or institute proceedings unless, in accordance with the terms of the Trust Deed, the Trustee is so directed by an Extraordinary Resolution or in writing by holders of at least one-fifth in number of the Gold Securities then Outstanding and it shall have been secured and/or pre-funded and/or indemnified to its satisfaction. Each Series of Securityholders shall act independently in directing the Trustee to take such action as set out in this Condition 13 (*Enforcement*), and any action so taken by the Trustee shall relate only to the right of the Securityholders of such applicable Series of Gold Securities. For the avoidance of doubt, the Trustee shall not be bound to exercise any discretion to take any action, step or proceeding and shall not be held liable for the consequences of (i) exercising its discretion to take any action, step or institute any proceeding or (ii) not exercising its discretion to take any action, step or institute any proceeding, as the case may be.

None of the holders of the Gold Securities shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound to proceed in accordance with the terms of the Security Deeds, fails or is unable to do so within 60 days following such direction and provision of prefunding and/or security and/or indemnity neglects to do so within a reasonable time and such failure is continuing.

None of the Secured Parties shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound to proceed in accordance with the terms of the applicable Security Deed, fails or neglects to do so within a reasonable time and such failure is continuing.

The Securityholders acknowledge and agree that only the Security Trustee, may enforce the Security over the Secured Property in accordance with, and subject to the terms of, the Trust Deed and each relevant Security Deed.

The Security Trustee shall not be required to take any action in relation to the Security constituted by any Security Document which may (i) be illegal or contrary to any applicable law or regulation, or (ii) cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded to its satisfaction.

## 14 **MEETINGS OF SECURITYHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RESTRICTIONS**

### 14.1 **Meetings of Securityholders**

The Trust Deed contains provisions for convening Meetings of the Securityholders to each Series of Gold Securities to consider any matter affecting their interests, including modification by Extraordinary Resolution of the relevant Series of Gold Securities (including these Conditions or the provisions of the Trust Deed insofar as the same may apply to such Series of Gold Securities).

The quorum at any such Meeting for passing an Extraordinary Resolution will be two or more Securityholders of the relevant Series of Gold Securities of the relevant Series of Gold Securities or agents present in person holding or representing in the aggregate more than 50 per cent. of the number of the Gold Securities of such Series for the time being outstanding or, at any adjourned such meeting, two or more Securityholders of the relevant Series of Gold Securities or agents present in person being or representing Securityholders of such Series, whatever the number of the Gold Securities of such Series so held or represented, and an

Extraordinary Resolution duly passed at any such Meeting shall be binding on all the Securityholders, of such Series whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or Redemption of the Gold Securities of such Series, (ii) to reduce or cancel the Principal Amount payable on Redemption of, the Gold Securities of such Series, (iii) to change any method of calculating the Net Redemption Sale Proceeds or Gold Entitlement per Gold Security, (iv) to change the currency or currencies of payment or Principal Amount of the Gold Securities, (v) to take any steps which, as specified in the Trust Deed, may only be taken following approval by an Extraordinary Resolution to which this exception applies, (vi) to modify the provisions concerning the quorum required at any Meeting of Securityholders of such Series or the majority required to pass an Extraordinary Resolution, (vii) to modify the provisions of the Trust Deed concerning this exception, or (viii) to modify any other provisions specifically identified for this purpose in the Trust Deed, or an applicable relevant Security Deed (each a **Basic Terms Modification**), will only be binding if passed at a Meeting of the Securityholders of such Series, the quorum at which shall be two or more Securityholders of the relevant such Series of Gold Securities or agents present in person holding or representing in the aggregate not less than 75 per cent. of the number of Gold Securities of the relevant such Series of Gold Securities for the time being outstanding, or at any adjourned meeting, two or more Securityholders of such Series or agents present in person being or representing in the aggregate not less than 10 per cent. of the number of the Gold Securities of such Series so held or represented (provided that at an adjourned meeting convened for the purpose of reducing the Principal Amount of the Gold Securities following a Threshold Event Date, the quorum shall be two or more Securityholders of the relevant Series of Gold Securities or agents whatever the number of Gold Securities so held or represented). The holder of a Bearer Security or Registered Security in global form representing all of the Gold Securities for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the Gold Securities of the relevant Series of Gold Securities for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a Meeting of Securityholders of such Series .

#### 14.2 **Modification of the relevant Programme Documents and Security Documents**

14.2.1 Subject to Condition 14.3.6 (*Substitution*), each of the Trustee may agree, without the consent of the Securityholders, to (i) any modification (other than a Basic Terms Modification) to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee is a party which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or is necessary or desirable for the operational functioning of the Programme, (ii) any modification (other than a Basic Terms Modification) to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee is a party which is made in connection with the accession of a new Authorised Participant to the Programme (an **AP Modification**) provided that the Issuer has certified in writing to the Trustee that any such modification is (a) in its opinion not materially prejudicial to the interests of any Series of Securityholder, and (b) has been drafted solely for the purposes of an AP Modification upon which certification the Trustee may rely without any obligation to investigate or verify or form its own opinion, and (iii) any other modification (other than a Basic Terms Modification), and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed and/or any other Programme Document to which the Trustee is a party that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver will be binding on the Securityholders and, if the Trustee so requires, such modification will be notified by the Issuer to the Securityholders in accordance with Condition 17 (*Notices*) as soon as reasonably practicable.

14.2.2 Without prejudice to 14.2.1(ii), the Issuer may agree without the consent of the Trustee to enter into an Authorised Participant Agreement with a new Authorised Participant.

#### 14.3 **Substitution**

The Trustee may, without the consent of the Securityholders, but subject to the prior consent of each Authorised Participant, agree to the substitution, in place of the Issuer (or of any previous substitute) as the

principal debtor under the Trust Deed, the other Programme Documents or Security Documents to which it is a party and the Gold Securities of each Series, of any other company (incorporated in any jurisdiction) (any such substitute company being the **Substituted Obligor**), if the following conditions are satisfied:

- 14.3.1 a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Trust Deed, any Security Deed and the Gold Securities of each Series (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Trust Deed, each Security Deed and the Gold Securities as the principal debtor in place of the Issuer;
- 14.3.2 the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Security created in respect thereof pursuant to the Trust Deed and any Security Deed and takes all such action as the Trustee may require so that the Security constitutes a valid charge, pledge or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted Obligor;
- 14.3.3 if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;
- 14.3.4 the Trustee will be satisfied (if it requires, by reference to legal opinions) that (a) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the Gold Securities of each Series and any Programme Document and Security Document have been obtained and (b) such approvals and consents are at the time of substitution in full force and effect;
- 14.3.5 the Issuer and the Substituted Obligor will execute and the Issuer shall procure that each relevant Programme Party will execute such other deeds, documents and instruments (if any) as the Trustee may require in order that such substitution is fully effective and comply with such other requirements in the interests of the Securityholders as the Trustee may direct;
- 14.3.6 in connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the holders of the Gold Securities, agree to a change of the law from time to time governing such Gold Securities and/or the Supplemental Trust Deed and/or the Trust Deed and/or any Security Deed, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such Securityholders;
- 14.3.7 the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Securityholders; and
- 14.3.8 a legal opinion satisfactory to the Trustee is provided concerning any proposed substitution.

An agreement by the Trustee pursuant to this Condition 14.3 (*Substitution*) and the Trust Deed will, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Gold Securities and the other relevant Programme Documents and Security Documents. The Substituted Obligor shall give notice of the substitution to the Securityholders within 14 calendar days of the execution of such documents and compliance with such requirements.

On completion of the formalities set out in this Condition 14.3 (*Substitution*) and the Trust Deed, the Substituted Obligor shall be deemed to be named in these Conditions, the Trust Deed, the other Programme Documents and Security Documents and the Gold Securities as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the Trust Deed, the other Programme Documents and Security Documents and the Gold Securities shall be deemed to be amended as necessary to give effect to the substitution.

#### 14.4 Entitlement of the Trustee and Security Trustee

In accordance with the terms of the Trust Deed, in connection with the exercise of its functions under the relevant Programme Documents, the Trustee will have regard to the interests of the Securityholders as a Series and will not have regard to the consequences of such exercise for individual Securityholders and the Trustee will not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any Tax consequence of any such exercise upon individual Securityholders.

So long as the Gold Securities are in global form and such Global Security is held by or on behalf of the Relevant Clearing System, in considering the interests of Securityholders, the Trustee may have regard to any information provided to it by the Relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Security and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

#### 14.5 Prohibition on U.S. persons

Gold Securities may not be legally or beneficially owned by any U.S. person at any time nor offered, sold or delivered within the United States or to U.S. persons. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Gold Securities who contravenes such prohibition to void the transfer of such Gold Securities to such legal or beneficial owner or to redeem any such Gold Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Gold Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Calculation Agent) of the Gold Entitlement per Gold Security prevailing at the time such transfer is voided. Terms used in this Condition 14.5 (*Prohibition on U.S. persons*) have the meanings given to them by Regulation S under the Securities Act.

#### 14.6 ERISA prohibition

Gold Securities may not be legally or beneficially owned by any entity that is, or that is using the assets of, (a)(i) an **Employee Benefit Plan** (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**)) that is subject to the fiduciary responsibility requirements of Title I of ERISA, (ii) any plan to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **Code**) applies (a **Plan**), or (iii) an entity whose constituent assets include **Plan Assets** (as determined pursuant to the **Plan Assets Regulation** issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) by reason of any such Employee Benefit Plan's or Plan's investment in the entity or (b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (a **Similar Law**) unless its acquisition and holding and disposition of such Security, or any interest therein, has not and will not constitute a violation of such Similar Law. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Gold Securities who contravenes such prohibition to void the transfer of such Gold Securities to such legal or beneficial owner or to redeem any such Gold Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Gold Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Calculation Agent) of the Gold Entitlement per Gold Security prevailing at the time such transfer is voided. Terms used in this Condition 14.6 have the meanings given to them by the Code.

### 15 REPLACEMENT OF GOLD SECURITIES

If a Gold Security in bearer form is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing Agent, or such other Agent as the case may be, as may, from time to time, be designated

by the Issuer for the purpose and notice of whose designation is given to Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Gold Security is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Gold Security) and otherwise as the Issuer may require. Mutilated or defaced Gold Securities must be surrendered before replacements will be issued.

## 16 ISSUE OF FURTHER TRANCHES AND SERIES OF GOLD SECURITIES

### 16.1 Further Tranches and Series

- 16.1.1 Subject to Condition 6 (*Security*), the Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions and the Authorised Participant Agreement(s), create and issue further securities either having the same terms and conditions as the Gold Securities in all respects and so that such further issue shall be consolidated and form a single Series with the Gold Securities or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.
- 16.1.2 Only an Authorised Participant may request that the Issuer issue additional Tranches of the Gold Securities by delivering a valid Subscription Form subject to and in accordance with the terms of the relevant Authorised Participant Agreement.
- 16.1.3 The Issuer will only accept a Subscription Form and issue Gold Securities if:
- (a) a Subscription Form is determined to be valid by or on behalf of the Issuer;
  - (b) the acceptance of such Subscription Form will not cause the Programme Maximum Number of Gold Securities to be exceeded;
  - (c) the number of Gold Securities that are the subject of the Subscription Form is greater than the Subscription Minimum (defined below); and
  - (d) all other conditions precedent to an issue of the Gold Securities (including, without limitation, payment of the Subscription Fee) are satisfied.
- 16.1.4 In any event, the Issuer is entitled to reject any Subscription Form at any time, at its discretion.
- 16.1.5 Without prejudice to Condition 9 (*Disruption Events*), the Issuer may suspend the issuance of further Gold Securities at any time. If a Subscription Suspension Event occurs, the Issuer shall not accept any Subscription Forms for the Gold Securities with effect from the date of suspension specified in the relevant notice to the Calculation Agent and the Authorised Participants until such time (if any) as the Issuer notifies such Programme Parties that it shall recommence the issue of further Tranches of the Gold Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Business Day following the date of such notice. The Issuer shall give notice to Securityholders in accordance with Condition 17 (*Notices*) of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.
- 16.1.6 In relation to any Subscription Form which has been accepted by or on behalf of the Issuer but in respect of which the Subscription Settlement Date has not yet occurred as at the date of the occurrence of an Event of Default, each such Subscription Form shall automatically be cancelled with effect from the date of the occurrence of such Event of Default.
- 16.1.7 In relation to any Subscription Form which is valid but in respect of which the Gold Securities are pending issue and settlement to the relevant Authorised Participant as at the Compulsory Redemption Date or the date of delivery of an Event of Default Redemption Notice (due to the

Subscription Settlement Date not having occurred at such date, the relevant Authorised Participant not having delivered in full the relevant Subscription Amount on a Subscription Settlement Date falling prior to such date, or otherwise), any such Subscription Form shall automatically be cancelled with effect from such Compulsory Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable).

- 16.1.8 If at any time after the occurrence of the Subscription Settlement Date in respect of which the relevant Authorised Participant has not delivered the related Subscription Amount a Compulsory Redemption Event occurs or an Event of Default Redemption Notice is delivered, the Gold Securities issued on any such Subscription Settlement Date which are pending settlement to the relevant Authorised Participant shall automatically be cancelled with effect from the date of the occurrence of such Compulsory Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable). Gold Securities requested for issue and Subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time.
- 16.1.9 Any new securities forming a single Series with the Gold Securities and which are expressed to be constituted by the Trust Deed and secured by the Security Deeds relating to such Series will, upon the issue thereof by the Issuer, be constituted by the Trust Deed and secured by such Security Deeds without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the Trust Deed or the Programme Maximum Number of Gold Securities and shall be secured by the Secured Property (as increased and/or supplemented in connection with such issue of such new securities) and references in these Conditions to **Secured Parties**, **Secured Property**, **Secured Liabilities** and **Gold Securities** shall be construed accordingly.

## 16.2 Consolidation and division of Tranches and Series

The Issuer may consolidate or divide all of the Gold Securities into Gold Securities of the same Series but with a proportionately larger or smaller Principal Amount and Gold Entitlement (if applicable). Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Deed.

Whenever as a result of consolidation of Gold Securities a Securityholder would become entitled to a fraction of a Gold Security the Issuer will Redeem such fractional Gold Security.

## 17 NOTICES

17.1 All notices to holders of Gold Securities shall be valid if:

- 17.1.1 they are published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; or
- 17.1.2 for so long as the Gold Securities are listed on any Relevant Stock Exchange, they are published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority; or
- 17.1.3 for so long as the Gold Securities are in global form, notices required to be given in respect of the Gold Securities represented by a Global Security are given by their being delivered (so long as the Global Security is held on behalf of a Relevant Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Security, rather than by publication as required above. Any such notice shall be deemed to have been given to the holders of the Gold Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

## 18 **RELEVANT CLEARING SYSTEM**

None of the Issuer, the Trustee or the Agents will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

## 19 **GOVERNING LAW AND JURISDICTION**

### 19.1 **Governing law**

The Trust Deed, each relevant Irish Security Deed and the Gold Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Irish law.

### 19.2 **Jurisdiction**

The courts of Ireland have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Gold Securities and, accordingly, any legal action or proceedings arising out of or in connection with any Gold Securities (**Proceedings**) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

## SECTION 12 – TAX

### A. General

The section contains a general discussion of the anticipated tax treatment of Securityholders in certain countries in respect of Gold Securities. This section is limited to Ireland and the United Kingdom. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Gold Securities.

Prospective investors should be aware that the acquisition, holding, transfer or disposal of the Gold Securities, and/or receipt of payments under Gold Securities may result in tax consequences to any investor, which may arise in, but are not limited to, the jurisdiction of the Issuer or the jurisdiction of residence, domicile, citizenship or incorporation of the relevant investor. Prospective investors should consult their own professional advisors concerning such possible tax consequences.

The following statements are by way of a general guide to potential investors only and do not constitute legal or tax advice. Potential investors are therefore advised to consult their professional advisors concerning the income and other possible taxation consequences of purchasing, holding, selling or otherwise disposing of the Gold Securities under the laws of their jurisdiction.

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Issuer regarding the law and practice in force in the relevant jurisdiction at the Prospectus Date and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in Gold Securities is made will endure indefinitely.

### B. Taxation – Ireland

*The following is a summary of the principal withholding Irish tax consequences for individuals and companies of ownership of the Gold Securities based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Securityholders who beneficially own their Gold Securities as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Gold Securities, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only.*

*While it is noted that the Gold Securities do not give rise to periodic interest payments, the below provisions should apply to any payments on the Gold Securities in excess of return of the principal amount of the Gold Security to be treated as a payment of interest. Prospective investors in the Gold Securities should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Gold Securities and the receipt of any return thereon under the laws of their country of residence, citizenship or domicile.*

#### Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Gold Security so long as interest paid on the relevant Gold Security does not come within certain anti-avoidance rules and meets the following conditions:

- (i) the Gold Securities are quoted Eurobonds i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange and which carry a right to interest; and
- (ii) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:

- (a) the Gold Securities are held in a clearing system recognised by the Irish Revenue Commissioners; (DTC, Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
- (b) the holder of the Gold Securities is beneficially entitled to interest payable in respect of the Gold Securities, is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and
- (iii) interest which is profit dependent and which is paid out on the Gold Securities could, under certain anti-avoidance provisions, be re-characterised as a distribution and subject to dividend withholding tax in certain circumstances. However, this should not apply where, at the time the Gold Securities were issued, the Issuer was not in possession or aware of any information which could reasonably be taken to indicate that interest or other distributions paid on the Gold Securities would not be subject, without reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that relevant territory by persons from sources outside that relevant territory, where the term "relevant territory" means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty (each, a **Relevant Territory**).

Thus, so long as the Gold Securities continue to be quoted on Xetra, are held in DTC, Euroclear and/or Clearstream, Luxembourg, and the Issuer satisfies paragraph (iii) above, interest on the Gold Securities can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Gold Securities continue to be quoted but cease to be held in a recognised clearing system, interest on the Gold Securities may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and the Issuer has provided the confirmations set out in paragraph (iii) above.

#### Encashment Tax

Irish tax will be required to be withheld at the rate of 25 per cent. from a payment on any Gold Security where such payment is collected or realised by a bank or encashment agent in Ireland on behalf of any holder of the Gold Securities. There is an exemption from encashment tax where (i) the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank; or (ii) the beneficial owner of the interest is a company which is within the charge to Irish corporation tax in respect of the interest.

#### Stamp Duty

No stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Gold Securities provided the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the issuance of the Gold Securities are used in the course of the Issuer's business (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act 1999).

#### EU Anti-Tax Avoidance Directive I - Interest Limitation Rules

Finance Act 2021 introduced interest limitation rules (**ILR**) into Irish domestic legislation in line with the provisions of Anti-Tax Avoidance Directive I, which required EU member states to introduce fixed ratio rules which limit interest deductibility to a prescribed level of EBITDA. The rules were introduced with effect from 1 January 2022 and as such will apply to all taxpayers with accounting periods beginning on or after 1 January 2022. The maximum permitted interest/EBITDA ratio under the ILR is 30%. The implementing legislation contains a number of relieving provisions from ILR restrictions, notably two group provisions which offer relief from the ILR restriction. These include the equity ratio rule and the group ratio rule.

The equity ratio rule set out in Section 835AAI TCA 1997 effectively allows a taxpayer to fully deduct its "exceeding borrowing costs" if it can demonstrate that the ratio of equity over total assets is either greater

than, equal to or not more than two percentage less than the single company worldwide group's ratio of equity over total assets.

The ratio of equity over total assets should be calculated by the formula E/A where:

- E is the equity of the company, including share capital, share premium, and reserves; and
- A is the total assets of the company.

Alternatively, the group ratio rule under Section 835AAH TCA 1997 calculates a company's exceeding borrowing costs as a percentage of its group EBITDA. If the group's ratio percentage is higher than 30% for an accounting period, the taxpayer is permitted to elect to use the higher figure when calculating any interest restriction amount.

The group ratio is calculated as follows:

$$\frac{\text{Group exceeding borrowing costs}}{\text{Group EBITDA}}$$

The legislation provides that "group exceeding borrowing costs" means an amount included in respect of net finance expense (excluding any amount of finance income or finance expense in respect of a qualifying long-term infrastructure project) in the ultimate consolidated financial statements of the group for which the Irish taxpayer is a member.

The Issuer expects to be able to rely upon the aforementioned group relieving provisions to negate the impact of the ILR rules.

## **C. Taxation – United Kingdom**

This section summarises certain limited aspects of the UK tax treatment of holding Gold Securities. They are based on current UK law and HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect. Unless otherwise stated, this summary relates solely to Securityholders (i) who are individuals acting in a private capacity and domiciled and resident in the UK for tax purposes, (ii) which are within the charge to UK corporation tax and holding Gold Securities as an investment or (iii) which are UK open-ended investment companies or authorised unit trust schemes. The statements in this summary are intended only as a general guide, and they should be treated with appropriate caution. Any person who is contemplating acquiring Gold Securities (whether or not pursuant to the Programme) is strongly recommended to consult their independent professional adviser immediately.

### **The Issuer**

The Directors intend that the affairs of the Issuer should be managed and conducted so that it should not become resident in the UK for UK tax purposes. Accordingly, and provided that the Issuer does not carry on a trade in the UK through a permanent establishment situated therein for UK corporation tax purposes or through a branch or agency situated in the UK which would bring the Issuer within the charge to UK income tax, the Issuer will not be subject to UK corporation tax or income tax on income and capital gains arising to it. The Directors intend that the affairs of the Issuer are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

### **Withholding tax**

Any payments made by the Issuer to Securityholders will not be interest, annual payments, or royalties and so the requirement to withhold does not arise. Consequently, no payments made by the Issuer to

Securityholders in respect of Gold Securities should be required to be made under deduction or withholding for or on account of UK tax.

### **Capital gains tax (for individual Securityholders)**

If the Gold Securities are not treated as deeply discounted securities for UK tax purposes (otherwise than by relying on the exemption for “excluded indexed securities”), any gains accruing to a Securityholder upon the sale, redemption or other disposal of Gold Securities will be taxed as income and not as a capital gain, unless the Issuer achieves certification as a “reporting fund”.

Based on HM Revenue & Customs practice, the Issuer has grounds to believe that the Gold Securities should not be treated as “deeply discounted securities” for UK tax purposes (otherwise than by relying on the exemption for “excluded indexed securities”), however investors should obtain their own tax advice in relation to this.

The Issuer has received certification from HM Revenue & Customs as a “reporting fund” with effect for its first accounting period. While it is expected that certification as a “reporting fund” will be obtained and maintained for all accounting periods, this cannot be guaranteed.

Note that, under the reporting fund rules, the Issuer is required to report to Securityholders all of the net income attributable to the Gold Securities. However, it is not expected that any such reportable income will arise in respect of the Gold Securities.

### **Income tax (for individual Securityholders)**

If the Gold Securities are treated as “deeply discounted securities” for UK tax purposes, any profit arising to an individual Securityholder on transfer or redemption of a Gold Security will be subject to income tax and not to capital gains tax.

### **Corporation tax**

In general, a Securityholder which is subject to UK corporation tax will be treated for tax purposes as realising profits, gains or losses in respect of Gold Securities on a basis reflecting the treatment in its statutory accounts, in accordance with generally accepted accounting practice. These profits, gains or losses (which will include any profits, gains or losses on a disposal or redemption of Gold Securities and which may include fluctuations in value relating to foreign exchange gains and losses) will be treated as income profits or losses for the purposes of a Securityholder’s corporation tax computation.

### **UK open-ended investment companies and authorised unit trust schemes**

Although UK open-ended investment companies and authorised unit trust schemes are generally subject to UK corporation tax (currently at the basic income tax rate of 20 per cent.), they are exempt from tax on capital gains. Part 2 of The Authorised Investment Funds (Tax) Regulations 2006 (S.I. No. 2006/964) provides an exemption for capital profits, gains or losses accruing to UK open-ended investment companies and authorised unit trust schemes (other than qualified investor schemes which do not meet the genuine diversity of ownership condition) on creditor loan relationships and derivative contracts. In this respect, capital profits, gains or losses are those which, in accordance with UK generally accepted accounting practice, fall to be dealt with in the statement of total return (under the heading of “net capital gains/losses”) in accordance with the relevant Statement of Recommended Practice. In addition, Part 2B of those Regulations treats all capital profits, gains and losses (determined in accordance with UK generally accepted accounting practice, as described above) arising to a UK open-ended investment company or authorised unit trust, which meets the genuine diversity of ownership condition, from an “investment transaction” (which includes loan relationships and derivative contracts) as a non-trading transaction and thus not taxable as income. These Parts of the Regulations will determine whether any profits, gains or losses arising to a Securityholder which is a UK open-ended investment company or authorised unit trust scheme (other than a qualified investor scheme

which does not meet the genuine diversity of ownership condition) in respect of Gold Securities will be exempt from tax.

### **Stamp duty and stamp duty reserve tax (SDRT)**

Provided that the Register is not kept by or on behalf of the Issuer in the UK, neither stamp duty nor SDRT will be payable on the issue or the subsequent transfer of, or agreement to transfer, Gold Securities in Uncertificated Form.

In the case of Gold Securities held in Certificated Form, provided that (i) the Register is not kept by or on behalf of the Issuer in the UK; (ii) any instrument of transfer is not executed in the UK; and (iii) any instrument of transfer does not relate to any property situated or to any matter or thing done or to be done in the UK, neither stamp duty nor SDRT will be payable on the issue or subsequent transfer of Gold Securities.

The Redemption of Gold Securities will not give rise to stamp duty or SDRT.

### **Inheritance tax (for individual Securityholders)**

For the purposes of inheritance tax, a Gold Security may form part of the value of the estate of a Securityholder who is an individual domiciled (or treated as domiciled) in the UK, and inheritance tax may (subject to certain exemptions and reliefs) become payable in respect of the value of a Gold Security on a gift of that Gold Security by, or on the death of, such a Securityholder. Such a tax charge may be subject to appropriate provisions in any applicable double taxation treaty.

### **Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard and the Directive on Administrative Co-operation**

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (**CRS**) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

The Directive on Administrative Co-operation (**DAC**) provides a similar regime for automatic exchange of information within the EU. Ireland has implemented both the CRS and the DAC. As a result, the Issuer is required to comply with the CRS/DAC due diligence and reporting requirements, as adopted by Ireland.

Securityholders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS/DAC. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Gold Securities.

## SECTION 13 – CLEARING AND SETTLEMENT

### A. Issue

The Gold Securities may be issued:

- (a) in bearer form (whether in NGN form or CGN form) and serially numbered, as Bearer Securities; and
- (b) in registered form (whether in global registered form using the new safekeeping structure and in CGN form) as Registered Securities.

All Registered Securities of the same Series shall have the same Principal Amount.

### B. Form and Title

Title to the Bearer Securities shall pass by delivery.

Title to the Registered Securities shall pass by registration in the Register.

### C. Relevant Clearing System

Custodial or safekeeping links have been (or will be) established with the Relevant Clearing System. At the date of this Base Prospectus, settlement of transactions in the Gold Securities will take place within Euroclear and Clearstream.

### D Euroclear and Clearstream

Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants.

Euroclear and Clearstream provide to their respective participants (**Participants**), services including:

- (a) safekeeping and administration;
- (b) clearance and settlement of internationally traded securities; and
- (c) securities lending and borrowing.

Persons who clear through or maintain a custodial relationship with a Participant can access these services either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Gold Securities held through Euroclear and Clearstream will be credited, to the extent received by the Paying Agent, to the cash accounts of the relevant Participant in accordance with the Relevant Clearing System's procedures applicable to Gold Securities traded on the relevant platform.

Where the Final Terms indicate that a Series of Gold Securities is "intended to be held in a manner which would allow Eurosystem eligibility", such designation simply means that the Gold Securities are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper (and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper) and does not necessarily mean that the Gold Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied of Eurosystem eligibility. At the date of this Base Prospectus, Euroclear will be the Common Safekeeper.

Where the Final Terms indicate that a Series of Gold Securities is not "intended to be held in a manner which would allow Eurosystem eligibility", should the Eurosystem eligibility criteria be amended in the future such that the Gold Securities are capable of meeting them, the Gold Securities may then be deposited with one of the ICSDs as Common Safekeeper (and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper). Note that this does not necessarily mean that the Gold Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied of Eurosystem eligibility.

#### **E. Records**

Gold Securities may be accepted for clearance through any Relevant Clearing System (which are the entities in charge of keeping the records). Gold Securities will be cleared through the Relevant Clearing System in whole numbers of Gold Securities only (for these purposes a Gold Security may be referred to as a unit by the Relevant Clearing System).

The International Securities Identification Number (**ISIN**) for each Series Securities will be set out in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The address of Clearstream is 42 Avenue JF Kennedy L-1855 Luxembourg.

## SECTION 14 – SELLING RESTRICTIONS

The Gold Securities are not subject to any restrictions on transferability. The following restrictions on offer and sales apply.

Only Authorised Participants may subscribe for Gold Securities from the Issuer. The Authorised Participant(s) in respect of each Series of Gold Securities will be specified in the relevant Final Terms.

This document has been approved as a base prospectus by the Central Bank in its capacity as competent authority under the Prospectus Regulation and as a base prospectus by the FCA in its capacity as competent authority under the UK Prospectus Regulation.

The Issuer has requested the Central Bank to provide the competent authorities in Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Norway, Poland, Portugal, Slovakia, Spain, Sweden and The Netherlands, with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

The Issuer may in due course request the Central Bank to provide competent authorities in additional EEA States with such certificates. The provisions set out in this section "Selling Restrictions" should be construed accordingly.

### A. Non-Exempt Offers

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under (i) Article 1(4) of the Prospectus Regulation in Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Norway, Poland, Portugal, Slovakia, Spain, Sweden and The Netherlands and (ii) Article 1(4) of the UK Prospectus Regulation in the United Kingdom (each such offer, a **Non-exempt Offer** and each jurisdiction, a **Non-exempt Offer Jurisdiction**). Any person making or intending to make a Non-exempt Offer of Gold Securities on the basis of this Base Prospectus must do so only with the Issuer's consent as described below.

In the context of any Non-exempt Offer of Gold Securities, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person who purchases any Gold Securities in a Non-exempt Offer made by an Authorised Participant, where that offer is made during the Offer Period (as defined below).

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the Gold Securities in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and the Issuer does not accept any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, a prospective Securityholder is offered Gold Securities by a person which is not an Authorised Participant, the prospective Securityholder should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If a prospective Securityholder is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, that prospective Securityholder should take legal advice.

The Issuer consents to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-exempt Offer of a Tranche of Gold Securities in the Non-exempt Offer Jurisdictions during the Offer Period by any Authorised Participant named in the relevant Final Terms or any other financial intermediary in respect of the relevant Series of Gold Securities which is an investment firm within the meaning of MiFID2 and which is authorised in accordance with MiFID 2 in the relevant EEA State or, in the case of the United Kingdom, authorised in accordance with FSMA) (each an **Authorised Offeror**), provided that such Authorised Offeror complies with the selling restrictions set out herein. The Issuer will

publish on its website ([www.zipa.co](http://www.zipa.co)) information relating to any new Authorised Offeror that was not an Authorised Offeror as at the date of this Base Prospectus.

**Any Authorised Offeror using this Base Prospectus must state on its own website that it uses this Base Prospectus in accordance with the consent and conditions contained in this Base Prospectus.**

**In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any offer or sale of the Gold Securities to an investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offer and such investor including price, allocations and settlement arrangements. Where such information is not contained in the Base Prospectus or Final Terms, it will be the responsibility of the applicable Authorised Offeror at the time of such offer to provide the investor with that information and none of the Issuer, Zipa Management, the Trustee, the Security Trustee, any Agent or any other Authorised Offeror has any responsibility or liability for such information.**

**B. Arrangements between a Securityholder and the Authorised Participant who will distribute the Gold Securities**

The Issuer does not have any responsibility for any of the actions of any Authorised Participant (or any such other person purporting to be an Authorised Offeror), including compliance by an Authorised Participant with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

A prospective Securityholder intending to acquire or acquiring any Gold Securities from an Authorised Participant will do so, and offers and sales of the Gold Securities to such prospective Securityholders by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between that Authorised Participant and such prospective Securityholder including as to price, allocations and settlement arrangements. These terms shall be provided to such prospective Securityholder by that Authorised Participant at the time the offer is made. The Issuer will not be a party to any such arrangements with such prospective Securityholder and, accordingly, this Base Prospectus does not contain such information. Neither the Issuer nor any Authorised Participant has any responsibility or liability for such information.

The Issuer has consented to the use of this Base Prospectus, and has accepted responsibility for the content of this Base Prospectus, with respect to subsequent resale or final placement by way of public offer of the Gold Securities in any of Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Norway, Poland, Portugal, Slovakia, Spain, Sweden, and The Netherlands and/or the United Kingdom by any Authorised Offeror. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the Prospectus Date (the **Offer Period**) unless such consent is withdrawn prior to that date by notice published on the Issuer's Website. Any public offer of the Gold Securities in Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Norway, Poland, Portugal, Slovakia, Spain, Sweden and The Netherlands will be conducted by an Authorised Offeror in accordance with the Prospectus Regulation and any public offer of the Gold Securities in the United Kingdom will be conducted by an Authorised Offeror in accordance with the UK Prospectus Regulation.

**C. Offers by Authorised Participants**

In the event of a public offer in any Non-exempt Offer Jurisdiction, the Gold Securities may be offered and sold to persons who are legally eligible to participate in a public offering of such securities in such jurisdiction under applicable laws and regulations.

**D. European Economic Area**

In relation to each EEA State, by entering into an Authorised Participant Agreement, each Authorised Participant represents and agrees that with effect from and including the Prospectus Date, it has not made and will not make an offer of Gold Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms to the public in that EEA State, except that it may, with effect from and including the Prospectus Date, make an offer of such Gold Securities to the public in that EEA State:

- (a) in the case of a Non-exempt Offer, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, following the Prospectus Date in relation to such Gold Securities which have been approved by the competent authority in the relevant EEA State, or, where appropriate, approved in another EEA State and notified to the competent authority in that EEA State in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Gold Securities referred to above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a base prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of the provision above, the expression an "offer of Gold Securities to the public" in relation to any Gold Securities in any EEA State means a communication in any form and by any means, presenting sufficient information on the terms of the offer and the Gold Securities to be offered, so as to enable an investor to decide to purchase those Gold Securities.

## **E. Irish Selling Restrictions**

Further, by entering into an Authorised Participant Agreement, each Authorised Participant undertakes and agrees that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Gold Securities, or do anything in Ireland in respect of the Gold Securities, otherwise than in conformity with the provisions of:

- (a) the Prospectus Regulation, the PR Regulation, the RTS Regulation, and any applicable supporting law, rule or regulation and any Central Bank rules issued and/or in force pursuant to Section 1363 of the Companies Act 2014 (as amended);
- (b) the Companies Act 2014 (as amended);
- (c) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of practice and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;
- (d) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (as amended), the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU or CSMAD or MAD II), the European Union (Market Abuse) Regulations 2016 (as amended) and any Central Bank rules issued and/or in force pursuant to Section 1370 of the Companies Act 2014 (as amended);

- (e) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (**PRIIPs**) (as amended); and
- (f) the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

**F.** By entering into an Authorised Participant Agreement, each Authorised Participant represents and agrees that with effect from and including the Prospectus Date, it has not made and will not make an offer of Gold Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms to the public in the United Kingdom, may, with effect from and including the Prospectus Date, make an offer of such Gold Securities to the public in the United Kingdom:

- (a) in the case of a Non-exempt Offer, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the UK Prospectus Regulation, following the Prospectus Date in relation to such Gold Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019 in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the UK Prospectus Regulation, subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation;
- (e) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 as amended or superseded (the **FSMA**)

provided that no such offer of Gold Securities referred to above shall require the Issuer or the Authorised Participant to publish a prospectus pursuant to section 85 of the FSMA or supplement a base prospectus pursuant to Article 23 of the UK Prospectus Regulation.

By entering into an Authorised Participant Agreement, each Authorised Participant represents and agrees that with effect from and including the Prospectus Date that

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Gold Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Gold Securities in, from or otherwise involving the United Kingdom.

**G. US Selling Restrictions**

The Gold Securities have not been, and will not be, registered under the Securities Act or under the securities law of any state or political sub-division of the United States or any of its territories, possessions or other areas subject to its jurisdiction, and the Issuer has not been and will not be registered under any federal laws of the United States. The Gold Securities include Gold Securities in bearer form that are subject to US tax law requirements.

No person has registered nor will register as a commodity pool operator of the Issuer under the Commodity Exchange Act of 1936, as amended (the **CEA**) and the rules thereunder (the **CFTC Rules**) of the commodity futures trading commission (the **CFTC**). Any offer or sale of the Gold Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder (**Regulation S**).

The Gold Securities may not at any time be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, persons who are either "US Persons" as defined in Regulation S or persons who do not come within the definition of a "Non-United States Person" under CFTC Rule 4.7 (excluding for the purposes of subsection (d) thereof, the exception to the extent it would apply to persons who are not Non-United States Persons).

Gold Securities may not be legally or beneficially owned by any entity that is, or that is using the assets of,

(a)

- (i) an **Employee Benefit Plan** (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**)) that is subject to the fiduciary responsibility requirements of Title I of ERISA;
- (ii) any plan to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **Code**) applies (a **Plan**); or
- (iii) an entity whose constituent assets include **Plan Assets** (as determined pursuant to the **Plan Assets Regulation** issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) by reason of any such Employee Benefit Plan's or Plan's investment in the entity, or

(b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (a **Similar Law**) unless its acquisition and holding and disposition of such Security, or any interest therein, has not and will not constitute a violation of such Similar Law. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Gold Securities who contravenes such prohibition to void the transfer of such Gold Securities to such legal or beneficial owner or to redeem any such Gold Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Gold Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Calculation Agent) of the Gold Entitlement per Gold Security prevailing at the time such transfer is voided. Terms used in this paragraph have the meanings given to them by the Code.

## SECTION 15 – SINGLE MINE ORIGIN GOLD CRITERIA

The Issuer is committed to supporting positive changes that benefit our society. It is their belief that investments must have a constructive impact on the real economy. When undertaken responsibly, gold mining can contribute substantially to the socio-economic development and wellbeing of its host communities and countries. Value is created and distributed in many ways, including through: employment; local procurement; tax revenues; enhanced infrastructure; and better access to healthcare and education.

SMO Gold is fully traceable and responsibly sourced gold, satisfying a set of metrics and screening criteria, the satisfaction of which is determined by a third party service provider on behalf of the Issuer. Both mines and mining companies must satisfy the SMO Gold criteria to be classified as SMO Gold.

Zipa Management (on behalf of the Issuer) has engaged a third party service provider, Single Mine Origin Ltd (**SMO Ltd**), who will be applying the SMO Gold methodology (as described in this Section 15) to ensure that all gold is segregated throughout the supply chain thereby guaranteeing the traceability of all Gold back to a specific mine, this guarantee will be backed up by an independent audit undertaken by a reputable audit firm engaged by SMO Ltd. SMO Ltd will make available to the Issuer a range of data about the mine including environmental, social and governance data.

SMO Ltd is a private limited company incorporated in England and Wales on 27 September 2017. Its registered address is at 49-63 Spencer Street, Hockley, Birmingham, West Midlands, United Kingdom, B18 6DE. SMO Ltd is an independent service provider that provides data services to third parties. As described above, SMO Ltd has been engaged by Zipa Management to apply the SMO Gold criteria as described in this Section 15. SMO Ltd is not accredited, regulated or authorised by the LBMA or any other regulatory body.

A range of criteria will be applied to a mine to determine whether the Gold it produces qualifies as SMO Gold, the criteria includes but is not limited to the international standards that the mine adhere to, the geographical location of the mine, and a number of environmental, social and governance factors.

All refiners, mines, supply chain counterparties and mining companies selected to contribute to industrial sourcing of SMO Gold are analysed and rated through an internal proprietary methodology. This methodology is based on the analysis of an exhaustive set of criteria, which take into consideration the specifics of the mining company and the mine(s) in which it operates as well as the supply chain. The metrics and screening criteria are anticipated to evolve over time. These conditions are designed to provide investors with an enhanced level of scrutiny, along with full disclosure of the provenance of SMO Gold together with data from the mine that the gold is sourced from.

In addition, the proprietary methodology has been developed specifically to analyse the mines through multiple different standards including: IRMA (**Initiative for Responsible Mining Assurance**); RGMP (**Responsible Gold Mining Principles**); ICMM (**International Council on Mining and Metals**); GRI (**Global Reporting Initiative**); and SASB (**Sustainability Accounting Standards Board**) inputs. Examples of criteria to assess mine sites are: energy intensity; cyanide and mercury management; greenhouse gas emissions; tailings and waste management; water reused and recycled; and biodiversity impact. Examples of social criteria to assess mine sites are: labour relations; security and human rights; creating local employment; health and safety; local community investment projects; and engagement with communities. Examples of governance criteria to assess mining companies are: business ethics; impact assessments; stakeholder engagement; legal and regulatory compliance; combating corruption and bribery; and transparency.

As part of the selection process any refiner used to refine SMO Gold will be LBMA signatories, and mines will adhere to the World Gold Council Responsible Gold Mining Principles or other equivalent standards. Further information on the LBMA Responsible Sourcing Programme can be found here <https://cdn.lbma.org.uk/downloads/Publications/2021/Responsible-Gold-Guidance-Version-9-Final.pdf> and the WGC's Responsible Gold Mining Principles can be found here <https://www.gold.org/industry-standards/responsible-gold-mining> (in each case, as of the date of this Base Prospectus).

The traceability of SMO Gold sourcing is guaranteed through independent auditing.

## SECTION 16 – ADDITIONAL INFORMATION

### A. General

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the Issuer's financial position or profitability.

### B. Sources

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by the referenced third-party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Where third party information is used in this Base Prospectus, the source of such information is identified.

Any website mentioned in this Base Prospectus does not form part of the Base Prospectus, unless that information is incorporated by reference into the Base Prospectus.

### C. Documents Available for Inspection

For the duration of the Programme or so long as any Gold Securities remain Outstanding, copies of the following documents will be available in printed form for inspection by Securityholders and potential investors at the Registered Office of the Issuer at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland, during normal business hours on any Business Day, and also on the Issuer's website at [www.zipa.co](http://www.zipa.co):

- (a) the constitution of the Issuer;
- (b) this Base Prospectus;
- (c) each Trust Deed; and
- (d) the annual audited accounts and half-yearly unaudited accounts of the Issuer (once published).

### D. Issue Price

The issue price is the Gold Entitlement per Gold Security and will be determined before filing of the applicable Final Terms of each Series based on the prevailing market conditions.

### E. Post-Issuance Information

During the term of a Series of Gold Securities, the Issuer will publish (a) the Gold Entitlement per Gold Security of each Series as described in Section 8 – Determining the Value of an Investment in Gold Securities; and (b) new information with respect to Authorised Participants unknown at the time of the Prospectus Date or the relevant Final Terms (as the case may be) on the Issuer's Website. In addition, the Issuer publishes the Bar List on each Business Day, which contains details of each bar of Gold held in the Secured Allocated Accounts.

Save as mentioned in this section entitled *Post-Issuance Information*, the Issuer does not intend to provide any post-issuance information in relation to any Series of Gold Securities or the performance of any underlying assets.

### F. Irish Regulatory Notices

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

#### **G. Website**

Any website referred to herein does not form part of this Base Prospectus, unless that information is incorporated by reference into the Base Prospectus.

#### **H. Data Protection Notice**

By completing the Subscription Form or the Redemption Form, a Securityholder is providing personal data to the Issuer. This Data Protection Notice is intended to ensure that the Securityholder is aware of what personal data the Issuer holds and how that data is used. The Issuer will use the Securityholder's personal data only for the purposes and in the manner set forth below which describes the steps taken to ensure that the processing of personal data is in compliance with the General Data Protection Regulation ((EU) 2016/679) (**GDPR**), and any implementing legislation thereunder (**Data Protection Legislation**).

This Data Protection Notice applies to Securityholders and to third parties whose information is provided by a Securityholder to the Issuer. The Issuer shall be considered a data controller in accordance with the Data Protection Legislation.

The Securityholder must ensure that it provides a copy of this Data Protection Notice to any third parties whose personal data is provided to the Issuer. This Data Protection Notice applies to all personal data processed by the Issuer regardless of the media on which it is stored. The Issuer may update this Data Protection Notice at any time and will notify the Securityholder in writing of any changes.

Personal data is any data relating to a living person who can be identified directly from that data, or indirectly in conjunction with other information. The Issuer will hold some or all of the following types of personal data: name, address, date of birth, bank details, telephone recordings etc. This personal data will be used by the Issuer for the purposes of:

- (a) carrying out legal and regulatory obligations which can include compliance with anti-money laundering and counter-terrorist financing laws and regulations;
- (b) disclosing personal data where required to do so by law or regulation which may include disclosure to third parties such as the auditors, the Irish Revenue Commissioners or other relevant tax authorities pursuant to applicable law; and
- (c) for any other legitimate business interests of the Issuer or a third party to whom the data is disclosed, where such interests are not overridden by the interests of the data subject, including for statistical analysis and market research purposes.

Personal data will only be processed to the extent necessary for the purposes set out above for the Issuer's legitimate business interests. The Issuer will also process personal data as necessary to comply with legal obligations. The Issuer will inform the Securityholder in advance if it intends to further process personal data for a purpose other than as set out above. The Issuer may also seek the Securityholder's specific consent to the processing of personal data for other specific purposes. The Securityholder will have the right to withdraw such consent at any time.

Failure to provide the required data may result in the Issuer being unable to process a Subscription Form or a Redemption Form, whichever is applicable. The Issuer will inform the Securityholder where the information asked for is a contractual requirement or needed to comply with legal obligations.

The Securityholder's personal data will be disclosed to, and processed by, the Administrator, (who will be a data processor under the Data Protection Legislation) for the purposes of carrying out the services for the

Issuer and to comply with legal and regulatory obligations, including anti-money laundering legislation or foreign regulatory requirements. The Administrator may in turn disclose the Securityholder's personal data to agents or other third parties where necessary to carry out these purposes.

The Issuer may also disclose the Securityholder's personal data to:

- (a) the money laundering reporting officer, the Calculation Agent, and any duly authorised agents and related, associated or affiliated companies;
- (b) the Irish Revenue Commissioners;
- (c) the Central Bank;
- (d) agents of the Administrator who process the data for anti-money laundering purposes or for compliance with foreign regulatory requirements; and
- (e) other third parties including financial advisors, regulatory bodies, auditors, technology providers.

The Issuer will take all reasonable steps, as required by Data Protection Legislation, to ensure the safety, privacy and integrity of the Securityholders personal data and where appropriate, enter into contracts with such third parties to protect the privacy and integrity of such data and any information supplied.

The Issuer may transfer the Securityholder's personal data to countries outside of Ireland which may not have the same data protection laws as Ireland. The Securityholder's personal data will not be transferred to a country outside of the EEA unless that country ensures an adequate level of data protection. The Issuer will take all steps reasonably necessary to ensure that personal data is treated securely, and that appropriate safeguards are in place to protect the privacy and integrity of such personal data, in accordance with Data Protection Legislation. The Securityholder should contact the Issuer if it wishes to obtain information concerning such safeguards.

The Issuer takes all reasonable steps as required by Data Protection Legislation to ensure the safety, privacy and integrity of the Securityholder's personal data. The Issuer will retain personal data only for so long as is necessary to carry out the purposes set out above and to comply with any legal obligations. In determining appropriate retention periods, the Issuer shall have regard to the requirements of the Central Bank and its obligations to retain information, including under anti-money laundering, revenue and tax legislation.

The Securityholder has a right to obtain a copy of, and the right to rectify any inaccuracies in, the personal data that the Issuer holds by making a request in writing. The Securityholder also has the right to request erasure, restriction, portability or object to the processing of personal data or not to be subject to a decision based on automated processing, including profiling. The Securityholder(s) should inform us of any changes to personal data. The Issuer will respond to requests in writing, or orally if requested, as soon as practicable and in any event not more than one month after receipt of a request.

The Securityholder has the right to lodge a complaint with the Office of the Data Protection Commissioner if unhappy with how its personal data is being handled. If the Securityholder has any queries regarding this Data Protection Notice, it should contact the Issuer at [zipa@apexgroup.com](mailto:zipa@apexgroup.com).

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**SECTION 18 – DIRECTORY**

<b>ISSUER</b>
<p><b>Zipa Precious Metals Public Limited Company</b>                      2nd Floor, Block 5, Irish Life Centre, Abbey Street                      Lower, Dublin 1, D01 P767, Ireland</p>

<b>CUSTODIAN</b>
<p><b>HSBC Bank PLC</b>                      8 Canada Square, London E14 5HQ, United                      Kingdom</p>

<b>DIRECTORS OF THE ISSUER</b>
<p>Maria Dawson                      Rhys Owens</p>

<b>TRUSTEE AND SECURITY TRUSTEE</b>
<p><b>Apex Corporate Trustees (UK) Limited</b>                      6th Floor, 125 London Wall, London EC2Y 5AS,                      United Kingdom</p>

<b>ADMINISTRATOR AND CALCULATION AGENT</b>
<p><b>Apex Fund Services (Ireland) Limited</b>                      2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street                      Lower, Dublin, D01 P767, Ireland</p>

<b>REGISTRAR AND TRANSFER AGENT</b>
<p><b>Apex Fund Services (Ireland) Limited</b>                      2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street                      Lower, Dublin 1, D01 P767, Ireland</p>

<b>ACCOUNT BANK</b>
<p><b>HSBC Continental Europe</b>                      1 Grand Canal Square, Grand Canal Harbour,                      Dublin 2, D02 P820, Ireland</p>

<b>ISSUING AGENT AND PAYING AGENT</b>
<p><b>The Bank of New York Mellon, London Branch</b>                      160 Queen Victoria Street, London EC4V 4LA,                      United Kingdom</p>

<b>CORPORATE SERVICES PROVIDER</b>
<p><b>Apex IFS Limited</b>                      2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street                      Lower, Dublin 1, D01 P767, Ireland</p>

<b>GOLD AGENT</b>
<p><b>HSBC Bank PLC</b>                      8 Canada Square, London E14 5HQ, United                      Kingdom</p>

<b>MANAGER</b>
<p><b>Zipa Management Limited</b>                      89 Nexus Way, Camana Bay, KY1-9009, Grand                      Cayman, Cayman Islands</p>

<b>AUDITORS</b>
<p><b>Mazars</b>                      3, Harcourt Centre, 2 Harcourt Rd, Saint Kevin's,                      Dublin 2, D02 A339</p>

**IRISH LEGAL ADVISORS TO THE ISSUER**

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AND SECURITY TRUSTEE**

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Ireland

**ENGLISH LEGAL ADVISORS TO THE ISSUER**

**Hill Dickinson LLP**

The Broadgate Tower, 20 Primrose Street, London  
EC2A 2EW, United Kingdom

## ANNEX 1– FORM OF FINAL TERMS

*The form of Final Terms that will be issued in respect of each Tranche is set out below (subject to the deletion of non-applicable provisions and/or instructions)*

Final Terms dated [ • ] 20[ • ]

### Programme for the Issue of Gold Securities

**Zipa Precious Metals Public Limited Company (the Issuer)**

2<sup>nd</sup> Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland

Issue of [specify number of Gold Securities comprising the relevant Tranche] of [specify Series ] issued under the Programme (the **Tranche**)

These Final Terms (as referred to in the base prospectus (the **Prospectus**) dated [ • ] 2024 in relation to the above Programme) relates to the issue of the Gold Securities referred to above. Terms used in these Final Terms have the same meaning as in the Prospectus.

The Gold Securities are issued in accordance with, and subject to, the terms and conditions as outlined in more detail in Section 11 (Terms and Conditions of the Gold Securities) (the **Conditions**).

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the board of the Issuer passed on [ • ] 20[ • ].

**[These Final Terms have been prepared for the purpose of the Prospectus Regulation and for filing with the relevant competent authority for the purposes of Article 8(4) thereof.][These Final Terms have been prepared for the purpose of the UK Prospectus Regulation and for filing with the relevant competent authority for the purposes of Article 8(4) thereof.]<sup>1</sup>**

**[These Final Terms must be read in conjunction with the Prospectus and any supplement thereto, which are published on the Issuer's Website at [www.zipa.co](http://www.zipa.co) pursuant to Article 21 of the Prospectus Regulation.][These Final Terms must be read in conjunction with the Prospectus and any supplement thereto, which are published on the Issuer's Website at [www.zipa.co](http://www.zipa.co) pursuant to Article 21 of the UK Prospectus Regulation.]<sup>2</sup> An investor will only have full information on the Issuer and the offer of Gold Securities if it reads these Final Terms and the Prospectus are read together.**

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that italics denote guidance for completing the Final Terms.]*

*[When completing final terms or adding any other information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to this Base Prospectus under Article 23 of the Prospectus Regulation / UK Prospectus Regulation.]*

All provisions in the Conditions corresponding to items in these Final Terms which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Conditions.

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<sup>1</sup> To be deleted as necessary depending on whether the relevant Final Terms are issued under the Prospectus Regulation or the UK Prospectus Regulation.

<sup>2</sup> To be deleted as necessary depending on whether the relevant Final Terms are issued under the Prospectus Regulation or the UK Prospectus Regulation.

<b>Issuer (and LEI)</b>	Zipa Precious Metals Public Limited Company LEI: [ • ]
<b>Series</b>	[ • ]
<b>Type</b>	Debt Securities
<b>Tranche</b>	[ • ]
<b>Series Number:</b>	[ • ]
<b>ISIN</b>	[ • ]
<b>Principal Amount</b>	[ • ]
<b>Trading Method</b>	Units
<b>Relevant Currency</b>	[ • ]
<b>Aggregate number of the Series of Gold Securities to which these Final Terms apply:</b>	
(a) <b>Comprising the Tranche (A)</b>	[ • ]
(b) <b>Prior to the issue of this Tranche</b>	[ • ]
(c) <b>Immediately following the issue of this Tranche</b>	[= (a) + (b)]
<b>Issue Date</b>	[ • ]
<b>Trade Date</b>	[ • ]
<b>Gold Entitlement per Gold Security pertaining to this Tranche on the Trade Date (B)</b>	[ • ] Examples of how the Gold Entitlement is calculated is set out in Section 8 (Determining the Value of an Investment in Gold Securities). The Administrator may use the 3.00pm London Gold Fix to value the gold in the Issuer's financial accounts which is freely available at: <a href="https://www.lbma.org.uk/prices-and-data/precious-metal-prices#/table">https://www.lbma.org.uk/prices-and-data/precious-metal-prices#/table</a> . Current and historical gold pricing information, including daily prices, can be obtained from the LBMA website at <a href="http://www.lbma.org.uk/">www.lbma.org.uk/</a> .
<b>Gold Entitlement (AxB)</b>	[ • ]
<b>Total Expense Ratio</b>	[as at issue date]
<b>Subscription Minimum</b>	[ • ] [not applicable]
<b>Subscription Maximum</b>	[ • ] [not applicable]
<b>Terms and Conditions of the Offer:</b>	
<b>Issue Price</b>	100 per cent. of the Gold Entitlement per Gold Security in respect of the Trade Date for a Subscription.
<b>Conditions to which the offer is subject:</b>	In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors in accordance with, and subject to, the terms and conditions as

<b>Information on current and historical Gold price</b>	<p>outlined in more detail in Section 11 (Terms and Conditions of the Gold Securities) (the <b>Conditions</b>).</p> <p>The Administrator may use the 3.00pm London Gold Fix to value the gold in the Issuer's financial accounts which is freely available at:</p> <p><a href="https://www.lbma.org.uk/prices-and-data/precious-metal-prices#/table">https://www.lbma.org.uk/prices-and-data/precious-metal-prices#/table</a></p>
<b>Description of the time period, including any possible amendments during which the offer will be open and a description of the application process:</b>	<p>Current and historical gold pricing information, including daily prices, can be obtained from the LBMA website at <a href="http://www.lbma.org.uk/">www.lbma.org.uk/</a></p> <p>In respect of any Gold Securities, offers may be made at any time during the period from and including the date of the Base Prospectus to (but excluding) the date falling 12 months after the date of the Base Prospectus. There is no application process for potential purchasers. Instead, each Authorised Offeror may offer to investors in agreed transactions.</p>
<b>Specified Denominations</b>	<p>The Gold Securities may be traded in integral multiples of one</p>
<b>Interest Type</b>	<p>Zero coupon</p>
<b>Default Interest</b>	<p>Not applicable</p>
<b>Intended to be held in a manner which would allow Eurosystem eligibility</b>	<p>[Yes. Note that the designation "Yes" simply means that the securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][<i>include this text for registered notes</i>] and does not necessarily mean that the securities will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /</p> <p>[No. Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the securities are capable of meeting them the securities may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][<i>include this text for registered notes</i>]. Note that this does not necessarily mean that the securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]</p>
<b>Form</b>	<p>[Bearer Securities: [ Global Bearer Security which is exchangeable for Definitive Certificates in the limited circumstances specified in the Global Bearer Security]</p> <p>[Registered Securities: [The Global Registered Certificate will be registered in the name of a [nominee]/[common</p>

	safekeeper]/[depository] for [Euroclear and Clearstream, Luxembourg]
	[NGN Form: [not applicable]/[applicable]]
<b>Details of the method and time limits for paying up and delivering the Gold Securities</b>	As individually agreed between a purchaser and the relevant Authorised Purchaser.
<b>Scheduled Maturity Date</b>	[ • ]
<b>Redemption Date</b>	Not applicable.
<b>Expenses or taxes charged to the subscriber or purchaser of this Tranche (including SMO Gold Premium)</b>	[ • ] [not applicable]
<b>Countries where the Prospectus has been notified</b>	The Central Bank has provided the competent authorities of Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Liechtenstein, Luxembourg, Norway, Poland, Portugal, Slovakia, Spain, Sweden and The Netherlands with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation.
<b>Process for notifying applicants of the amount allotted and whether dealing may begin before notification is made</b>	[ • ]
<b>Process for reducing subscriptions and the manner for refunding amounts paid in excess</b>	[ • ]
<b>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place</b>	[ • ]
<b>Name and address of any paying agents and depository agents in each country</b>	[ • ]
<b>[Method of delivery]</b>	[Non-syndicated]
<b>Delivery</b>	Against payment
<b>Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Where not all of the issue is underwritten, a statement of the portion not covered</b>	n/a
<b>Non-exempt Offer</b>	[Not Applicable]
<b>Additional Information</b>	

<b>Listing</b>	<p>Application will be made for the Gold Securities to be admitted to the official list of the UK Listing Authority and for the Gold Securities to be admitted to trading on the Main Market of the London Stock Exchange.</p> <p>[Application will be made to the Frankfurt Stock Exchange for the Gold Securities to be admitted to trading on the Xetra, the regulated market of the Frankfurt Stock Exchange.]</p> <p>[The earliest date on which the Gold Securities will be admitted to trading on [Main Market of the London Stock Exchange] / [Xetra, the regulated market of the Frankfurt Stock Exchange] will be [•].]</p>
<b>Estimate of total expenses related to admission to trading for the relevant Tranche:</b>	[ • ]
<b>Relevant Stock Exchange(s)</b>	<p>[London Stock Exchange (main market)]</p> <p>[Frankfurt Stock Exchange (Xetra)]</p>
<b>Reasons for the Offer</b>	<p>The net proceeds from the issue of each Series of Gold Securities will be an amount of Gold which will ultimately be held in the Secured Accounts in respect of such Series . Such Gold shall be used to meet the Issuer's obligations under such Series of Gold Securities.</p>
<b>Relevant Clearing System</b>	<p>Euroclear</p> <p>Clearstream</p>
<b>Registrar</b>	[ • ]
<b>Transfer Agent</b>	[ • ]
<b>Issuing Agent</b>	[ • ]
<b>Paying Agent</b>	[ • ]
<b>Authorised Participants</b>	<p>As at the Issue Date of the Tranche of Gold Securities to which these Final Terms relate:</p> <p><i>[give name and address of institution]</i></p> <p>The full list of Authorised Participants in respect of the Series from time to time will be published at [ • ] (or such other website as may be notified to Securityholders).</p>
<b>Calculation Agent</b>	[ • ]
<b>Administrator</b>	[ • ]
<b>Trustee</b>	[ • ]

## Account Bank

[ • ]

## Jurisdiction

The courts of Ireland have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Gold Securities and, accordingly, any legal action or proceedings arising out of or in connection with any Gold Securities (the **Proceedings**) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the Tranche of Gold Securities described herein pursuant to the Programme.

The Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions and the Authorised Participant Agreement(s), create and issue further securities either having the same terms and conditions as this Tranche in all respects or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

So far as the Issuer is aware, no person involved in the offer of the Gold Securities has an interest material to the offer.

Signed on behalf of the Issuer:

By: .....

**Duly authorised**

## ANNEX 2– FREQUENTLY ASKED QUESTIONS

This section is intended to answer some of the questions, which a prospective investor may have when considering an investment in Gold Securities.

For the avoidance of doubt, this section is not intended to act as a summary of the Base Prospectus, the Programme, or as a substitute for any other information contained in this Base Prospectus.

A prospective Securityholder must read the entirety of this Base Prospectus (including the relevant Final Terms) before making an investment in Gold Securities.

#	Question	Answer
<b>General</b>		
1	<b>What are Gold Securities?</b>	<p>Gold Securities are secured, zero coupon debt securities issued by Zipa Precious Metals Public Limited Company.</p> <p>The Gold Securities offer investors a means of investing in physical gold without being required to take delivery of that gold. This fungibility enables investors to buy and sell their interest in gold by way of trading a security on a stock exchange.</p>
2	<b>What are the SMO Physical Gold ETC Securities?</b>	The SMO Physical Gold ETC Securities are backed by, and offer Securityholders exposure to physical gold held in custody by HSBC Bank PLC as Custodian.
3	<b>How do the Gold Securities give exposure to physical gold?</b>	<p>The Gold Securities are backed by physical Gold held in the secure Vaults of a Custodian. The physical Gold backing the Gold Securities demonstrates the capacity to produce funds to service any payments due and payable on the Gold Securities.</p> <p>Securityholders have the option to redeem their Gold Securities against the delivery of a gold equivalent to the Gold Entitlement of the Gold Securities being redeemed (less applicable fees).</p> <p>The Gold that backs the Gold Securities must meet the "Good Delivery" standards set by the LBMA.</p>
4	<b>How are Gold Securities traded?</b>	<p>Only Authorised Participants may apply for Gold Securities directly with the Issuer, at a subscription price equal to the amount of the Gold Entitlement per Gold Security on the relevant date.</p> <p>Once an Authorised Participant applies for Gold Securities with the Issuer, that Authorised Participant may:</p> <ul style="list-style-type: none"> <li>• choose to hold the Gold Securities itself;</li> <li>• sell those Gold Securities on a Relevant Stock Exchange;</li> <li>• sell those Gold Securities in the OTC Market; or</li> <li>• redeem the Gold Securities directly with the Issuer.</li> </ul> <p>Investors other than Authorised Participants are able to trade Gold Securities on any Relevant Stock Exchange or in the OTC Market.</p>
5	<b>Are the Gold Securities debt securities?</b>	Yes. The Gold Securities are debt securities. They can be bought or sold between two parties and have defined characteristics including an issue date, maturity value, scheduled maturity date and earn an interest equivalent, each of which is set out in the relevant Final Terms.
6	<b>Do the Gold Securities have a principal amount?</b>	The principal amount of the Gold Securities is set out in the relevant Final Terms.

#	Question	Answer
7	<b>Do the Gold Securities bear interest?</b>	The Gold Securities are zero-coupon securities. They bear a return equivalent to interest on the earlier of maturity or redemption equal to the Gold Entitlement per Gold Security on the Scheduled Maturity Date or Redemption Date (as applicable) less the Issue Price.
<b>Storage</b>		
8	<b>Where and how is the Gold stored?</b>	<p>The physical gold that backs the Gold Securities are held in Vaults by the Custodian in the name of the Issuer.</p> <p>The Gold attributable to the Gold Securities is held in secured allocated accounts, except for the portion held in unallocated accounts for short periods of time to maximise the efficiency of the Redemption process.</p> <p>Gold may also be held in the Vaults of a Sub-custodian.</p>
9	<b>What is the Vault?</b>	In respect of the SMO Physical Gold ETC Securities, either HSBC Bank PLC's vault in London where HSBC Bank PLC, as Custodian, holds the Gold or the vault of a Sub-custodian where Gold is held.
10	<b>What is an allocated account?</b>	<p>Allocated accounts relating to the Gold Securities are held with a Custodian in the name of the Issuer. The allocated account evidences that uniquely identifiable bars of gold have been "allocated" to the Issuer and are segregated from other bars of gold.</p> <p>The Issuer has full title to the Gold held in the Secured Allocated Accounts and there should not be any credit risk exposure to the Custodian as a result.</p>
11	<b>Is it possible to know which bars of Gold back the Gold Securities?</b>	Yes. The Custodian maintains a list of the physical gold it holds in allocated accounts – known as the Bar List - which can be found on the Issuer's Website at <a href="http://www.zipa.co">www.zipa.co</a> .
12	<b>What is an unallocated account?</b>	<p>The Custodian will hold Gold in unallocated accounts. Gold held in this form does not entitle the holder to any specific bars of Gold. Instead, the holder has a general entitlement to a certain amount of gold, which is recorded in the Custodian's books records.</p> <p>As the Gold held in the unallocated account is not segregated, this means that the Securityholder's position is that of an unsecured creditor, and it will have a credit risk exposure to the Custodian as a result.</p>
<b>Audit and Insurance</b>		
13	<b>Is the Gold audited?</b>	<p>Yes. The Gold held at the Custodian to back the Gold Securities is audited at least annually by an independent metal audit firm, Bureau Veritas (the <b>Metal Auditor</b>).</p> <p>The Metal Auditor inspects the Gold held at the Custodian to ensure that it matches in all respects the Gold disclosed as held on the Bar List.</p>
14	<b>Is the Gold insured?</b>	The Custodian maintains such insurance over the Gold held in its Vaults as it considers commercially reasonable (although it is under no duty to provide insurance for the benefit of the Issuer in respect of the Gold). The Issuer does not and will not be required to maintain any insurance policy or similar arrangement in respect of the Gold held in the Secured Accounts.

#	Question	Answer
<b>Roles of the Relevant Parties</b>		
15	<b>Who is the Custodian and what does it do?</b>	<p>The Custodian in respect of the SMO Physical Gold ETC Securities is HSBC Bank PLC.</p> <p>The Custodian is responsible for the safekeeping of the Gold which backs the Gold Securities.</p>
16	<b>Who are the Trustee and the Security Trustee what do they do?</b>	<p>The Trustee and the Security Trustee are both Apex Corporate Trustees (UK) Limited, an independent entity whose role is to act as trustee on behalf of Securityholders in accordance with the Trust Deed and to act as security trustee on behalf of Securityholders and the other Secured Parties in accordance with the Security Deeds. The Trustee holds its rights on behalf of Securityholders and the Security Trustee holds its right on behalf of Secured Parties.</p>
17	<b>Who are the Authorised Participants and what do they do?</b>	<p>Authorised Participants are financial institutions who meet certain eligibility requirements and who have entered into an Authorised Participant Agreement with the Issuer.</p> <p>Only Authorised Participants are allowed to subscribe for Gold Securities directly with the Issuer.</p> <p>Authorised Participants are under no obligation to act as market makers for the Gold Securities. Authorised Participants may buy and sell the Gold Securities On-Exchange or in the OTC Market but are under no obligation to do so. This may affect the liquidity of the Gold Securities.</p>
18	<b>Can a Securityholder take physical delivery of the Gold?</b>	<p>Yes, a Gold Security carries a right on Redemption to delivery in Gold of an amount equal to the Gold Entitlement per Gold Security.</p> <p>In the case of a Non-AP Securityholder, this right is subject to certain qualifications (namely that it is not prohibited by law to hold gold, it specifies a gold account for the Gold to be transferred to and it passes the Issuer's KYC checks).</p>
19	<b>Who is the Gold Agent and what does it do?</b>	<p>The Gold Agent is HSBC Bank PLC. The Gold Agent will, amongst other things, effect the sale of the Gold where the required Redemption Mechanism is a Gold Sale.</p>
<b>Value of the Gold Securities</b>		
20	<b>What is the Gold Entitlement?</b>	<p>The Gold Entitlement of a particular Series of Gold Securities is the quantity (an amount in fine troy ounces) of the Gold that each Gold Security represents.</p> <p>Examples of how the Gold Entitlement is calculated is set out in <b>Section 8 – Determining the Value of an Investment in Gold Securities</b>.</p> <p>The Issuer will calculate and publish the Gold Entitlement per Gold Security in respect of each calendar day on its website.</p>
21	<b>How do I determine the value of my investment?</b>	<p>The value of an investment in Gold Securities will depend on the bid and offer prices on the Relevant Stock Exchange at the particular time.</p> <p>These prices are expected to be close to the cash value of the Gold Entitlement per Gold Security at that time.</p>
<b>Investing in Gold Securities</b>		

#	Question	Answer
22	<b>Who is the "holder" of the Gold Securities?</b>	If the Gold Securities are held through a clearing system or by a bank's or broker's nominee (which will usually be the case), the legal "holder" will either be the entity nominated by the clearing system as the depositary for the Gold Securities or the person entered in the register as the Securityholder. An investor's rights in relation to the Gold Securities will be governed by the contract the investor has with their broker, custodian or other entity through which the investor holds their interest in the Gold Securities and the contracts they have with the clearing system and any intermediaries in between. Accordingly, where this Base Prospectus describes a right as being owed to, or exercisable by, a Securityholder then an investor's ability to benefit from or exercise such right will be dependent on the terms of the contracts in such chain.
23	<b>What is the minimum investment?</b>	The minimum investment in the secondary market is one Gold Security. Subscriptions by Authorised Participant will be subject to a Subscription Minimum.
24	<b>Can an investor lose more than its initial investment?</b>	An investor who buys and holds its Gold Securities cannot lose more than its initial investment.
25	<b>Can an investor lose all of its investment?</b>	Yes, an investor may lose some or all of its initial investment by virtue of the movements in the price of gold and application of the Total Expense Ratio.
26	<b>Do Gold Securities pay interest?</b>	No. Gold Securities are zero coupon securities, but they pay an interest equivalent return on maturity.
27	<b>Are investors charged a fee for holding Gold Securities?</b>	Yes, investors are charged a fee in respect of the holding of the Gold Securities (the Total Expense Ratio). This is deducted each day by a reduction in the Per Gold Security Entitlement to Gold.
28	<b>Do Gold Securities have a set maturity date?</b>	Yes, the Gold Securities have a maturity date, being the Scheduled Maturity Date.
29	<b>Are there transaction costs on exchange for buying and selling Gold Securities?</b>	Investors who buy and sell Gold Securities on exchange or in transactions other than with the Issuer may be charged additional costs by other parties (for example brokerage fees) in respect of those transactions.
30	<b>Does it cost me money to redeem my Gold Securities?</b>	There are no Redemption Fees if a Securityholder sells its Gold Securities in the secondary market.  However, if a Securityholder redeems the Gold Securities directly from the Issuer, a Redemption Fee applies. The cost of a Redemption varies depending on the type of Redemption and the nature of the Securityholder. In the case of an Optional Redemption, Gold Securityholders who are not Authorised Participants will be notified of the applicable fee upon redemption, which will not be greater than 2% of the gold value being redeemed.