

## PROCEDURE and EXPLANATION

- The seller or his Mandate sends FCO or at least SCO
- If the conditions are acceptable, the Buyer will get in touch with the Seller and sends a draft of the “Depository Confirmation Letter”.

If a Seller signals to us that he wants to offer us gold for sale in a European Bank or Warehouse, we will send him a so-called “Depository Confirmation Letter”.

The purpose of this Depository Confirmation Letter is for the Seller - via his bank officer or Warehouse - to invite us to a TTM in the bank or warehouse.

The procedure preferred by us assures the parties the greatest possible anonymity, discretion and seriousness.

The Buyer would handle the transaction on the basis of such a procedure, as far as the essential conditions (for example quantity, discount, etc.) will be as communicated

If the Seller welcomes our procedure, the deal can be completed on short notice.

1. Seller's Bank or warehouse sends the invitation to the TTM with reference to the “Depository Confirmation Letter”
2. Contracts will be signed in the TTM and simultaneously the Buyer's Assay team starts verification of the AU
3. Depending on the provided space in the warehouse and depending on the number of Assayers permitted by the Seller and the Depository the Buyer can assay 500 MT per day or more
4. The payment calculation (documented in the respective Price Protocols) to be approved and agreed on the day of the exchange based on respective Assay report with confirmation of quality [purity] and quantity [weight] [Q & Q report]) and the resulting price, and based on the previous day LBMA London Second Fixing
5. Payment will be done per lot on a daily basis within 5 minutes upon Buyer and  
The seller has agreed on the price protocol. The goods will remain the ownership of the Seller until Buyer's (for the respective Lot or Tranche) payments
6. Seller guarantees, that after Assay of a Tranche or Lot, the respective Goods (after payment of the respective purchase price) will be released by the Depository to Buyer within 5 (Five) minutes by transfer of Title Deeds (Ownership) from Seller to Buyer
7. Fees and Commissions will be paid by the Seller and the Buyer to the respective appointed Paymasters in accordance with the Lots and Tranches as stipulated in the IMFPA, which forms an integral part of the contract
8. Steps 5 to 8 are repeated for the remaining lots and tranches if needed

Attachment: Depository Confirmation Letter

**Depository Confirmation Letter**

To: Depository....

Dear Sirs,

Regarding my deposit of Gold Facility No (please add.....) we would intend to visit our deposit from this (please add, for example, Tuesday, 29. January 2019), onwards, together with our respected Buyer and his Assay team.

Please be so kind as to confirm this today via Email to me.

Please send copies also as "cc" to:

Buyer's Mandate Mr. XXXXXXXX YYYYYYYY: XXXXXXXX.YYYYYYYY@gmx.de

We would forward your confirmation email also to the Buyer directly.

In order to reconfirm your email and our invitation to the Buyer, we would like to announce the following code: ... (for example "XXXXXXXX") to you and to the Buyer, so that the Buyer or his Mandate can call you in advance to verify the appointment.

Please provide the respective name, title, function, and Phone number for the contact of the Buyer.

Best regards  
Seller

**Written confirmation of Depository granting Access for Buyer's Assay & Payment team to the Depository describing:**

- **Date/time of availability to start with the Assay procedure of the gold**
- **Office (daily access) hours in the vaults**
- **Available Space for Proof in the vaults or nearby**
- **Maximum number of Buyer's Assay specialists getting access (depending on the premises of the depository)**
- **Providing Internet access in the Depository for online bank to bank wire transfer**
- **Providing facilities for exchange of respective Title deeds in the Depository**
- **Providing a lockable meeting room in the Depository for Seller's mandate and Buyer's mandate and Buyer's Assay team and Paymaster team, and for depositing the Assay technical equipment**

- **Providing a depot vault for the proved items in the Depository**