Base Prospectus

iShares Physical Metals plc

(incorporated as a public company with limited liability under the laws of Ireland)

Secured Precious Metal Linked Securities Programme

iShares Physical Gold ETC

iShares Physical Silver ETC

iShares Physical Platinum ETC

iShares Physical Palladium ETC

Under the Secured Precious Metal Linked Securities Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), iShares Physical Metals plc (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may, from time to time, issue secured precious metal linked Securities. Securities constitute secured, undated, limited recourse obligations of the Issuer and will be issued in Series.

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and for the purpose of giving information with regard to the Issuer and the Securities which, according to the particular nature of the Issuer and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

All capitalised terms used in this Base Prospectus have the meanings given to them in Condition 1 of the Terms and Conditions of the Securities, set out on pages 72 to 119 of this Base Prospectus unless otherwise defined herein.

This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or any Transaction Party that any recipient of this Base Prospectus should purchase the Securities. Prospective purchasers of Securities should ensure that they understand the nature of the Securities and the risks relating to an investment in the Securities and should consider the suitability of the Securities as an investment in the light of their own circumstances and financial condition.

The Securities involve a significant degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Securities and should not rely on receiving any advice from the Issuer, the Arranger or any Transaction Party in that regard. See the section headed "Risk Factors" set out on pages 26 to 43 of this Base Prospectus.

This Base Prospectus replaces and supersedes the Base Prospectus of the Issuer dated 11 December 2015.

Arranger

BLACKROCK ADVISORS (UK) LIMITED

The date of this Base Prospectus is 12 December 2016.

Any person (an "investor") intending to acquire or acquiring any Securities from any person (an "offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (the "FSMA"), the Issuer may only be responsible to the investor for this Base Prospectus under section 90 of the FSMA if the Issuer has authorised the offeror to make the offer to the investor. Each investor should therefore enquire whether the offeror is so authorised by the Issuer. If the offeror is not authorised by the Issuer, the investor should check with the offeror whether anyone is responsible for this Base Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice. Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in this Base Prospectus or the relevant Final Terms, it will be the responsibility of the relevant offeror at the time of such offer to provide the investor with such information. This does not affect any responsibility which the Issuer or others may otherwise have under applicable laws, including liabilities arising by virtue of the laws in the jurisdictions in which the Securities are offered or sold.

In respect of a Series of Securities, the Issuer authorises the Authorised Participants specified for such Series to make offers to investors on the terms and subject to the restrictions set out in the Base Prospectus and the Final Terms relating to the relevant Securities. The Authorised Participant(s) in respect of each Series of Securities will be specified in the Final Terms relating to each Series. The Issuer may, from time to time, appoint additional Authorised Participants or remove Authorised Participants in respect of the relevant Series of Securities. The list of Authorised Participants from time to time in respect of a Series of Securities will be published on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders).

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union ("**EU**") law pursuant to the Prospectus Directive. Such approval relates only to the Securities which are admitted to trading on regulated markets for the purpose of Directive 2004/39/EC of the European Parliament and Council on markets in financial instruments (the "**MiFID Directive**") 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 notify its approval of the Base Prospectus in accordance with Article 18 of the Prospectus Directive to the competent authorities in Austria, Finland, Germany, Luxembourg, Spain, Sweden, the Netherlands and the United Kingdom by providing each of them, inter alia, with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuer may in due course request the Central Bank to provide competent authorities in other Member States of the European Economic Area with such certificates whether for the purpose of making a public offer in such Member States or for admission to trading of all or any Series of Securities on a regulated market therein or both.

The Issuer intends to make an application for Securities issued under the Programme for the period of 12 months from the date of approval of this Base Prospectus to be admitted to listing on the official list of the UK Listing Authority and to trading on the regulated market of the London Stock Exchange plc (the "**London Stock Exchange**") (such regulated market, the "**London Market**"). The Issuer may also make an application for Securities issued under the Programme for the period of 12 months from the date of approval of this Base Prospectus to be admitted to the official list of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the "**Frankfurt Stock Exchange**") and to trading on the Regulated Market (General Standard) (*Regulierter Markt General Standard*) of the Frankfurt Stock Exchange (the "**Frankfurt Market**"); and to listing on the Borsa Italiana S.p.A. ("**Borsa Italiana**") and to trading on the ETFplus market of the Borsa Italiana (the "**Italian Market**"). The London Market, the Frankfurt Market and the Italian Market are regulated markets for the purposes of the MiFID Directive. A Series of Securities may be listed and/or

admitted to trading on such other or further stock exchanges as may be agreed between the Issuer and the Arranger. References in this Base Prospectus to Securities being "listed" (and all related references) shall mean that such Securities have been admitted to the official list of the UK Listing Authority and to trading on the London Market and may also mean that such Securities have been admitted to the official list of the Frankfurt Stock Exchange and/or the Borsa Italiana (as applicable) and to trading on the Frankfurt Market and/or Italian Market (as applicable), and/or have been admitted to the official list and to trading on the regulated market of any other Stock Exchange.

For the purposes of the Prospectus Directive, the Principal Amount of each Security of a Series shall be regarded as the denomination of such Security.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, no Authorised Participant accepts any responsibility for the 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 Securities. Each Authorised Participant disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus and/or any such statement.

Authorised Participants and, where an Authorised Participant appoints distributors (each an "Authorised Distributor") in connection with the offering of Securities, the Authorised Distributors shall, upon subscribing for Securities, be required and be deemed to have agreed to comply with the Authorised Distributor Terms set out below.

The "**Authorised Distributor Terms**" are that the relevant Authorised Participant and/or Authorised Distributor will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer (and the Authorised Participant that appointed it, in the case of an Authorised Distributor) that it will, at all times in connection with the relevant offer to the public:

(a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), including the MiFID Directive and the Rules published by the Central Bank (including the applicable requirements of the Central Bank's Consumer Protection Code) and the FCA (including its guidance for distributors in ''The Responsibilities of Providers and Distributors for the Fair Treatment of Customers'') from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Securities by any person and disclosure to any potential investor, and will immediately inform the Issuer and the Authorised Participant that appointed it if at any time such Authorised Distributor becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(b) comply with the restrictions set out under ''Subscription and Sale'' in this Prospectus which would apply as if it were an Authorised Participant;

(c) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that Authorised Distributor in relation to the offer or sale of the Securities does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to investors or potential investors; and

(d) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the Rules, including authorisation under the European Communities (Markets in Financial Instruments) Regulation 2007 (as amended) and the FSMA and comply with applicable anti-money laundering, anti-bribery, anti-corruption and ''know your client'' Rules (including, without limitation, taking appropriate steps, in compliance with such

Rules, to establish and document the identity of each potential investor prior to initial investment in any Securities by that investor), and will not permit any application for Securities in circumstances where the Authorised Distributor has any suspicions as to the source of the application monies.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any Authorised Participant, the Adviser, the Administrator, each Registrar, any Paying Agent, the Custodian or any Metal Counterparty. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or any Transaction Party since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or any Transaction Party since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, all Authorised Participants and the Arranger to inform themselves about and to observe any such restrictions.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE ISSUER HAS THE RIGHT, AT ITS OPTION, UNDER THE CONDITIONS OF THE SECURITIES, TO COMPULSORILY REDEEM ANY SECURITIES LEGALLY OR BENEFICIALLY OWNED BY A PERSON WHO CONTRAVENES SUCH PROHIBITION.

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) A "**PLAN**" TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR (III) AN ENTITY WHOSE UNDERLYING 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 OR PLAN'S INVESTMENT IN THE ENTITY (ANY SUCH PLAN OR ENTITY DESCRIBED IN (I), (II) OR (III), A "**BENEFIT PLAN INVESTOR**") 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 (ANY SUCH PLAN OR ENTITY DESCRIBED IN (A) OR (B), AN "**ERISA PLAN**"). THE ISSUER HAS THE RIGHT, AT ITS OPTION, UNDER THE CONDITIONS OF THE SECURITIES, TO COMPULSORILY REDEEM ANY SECURITIES LEGALLY OR BENEFICIALLY OWNED BY A PERSON WHO CONTRAVENES SUCH PROHIBITION.

For a description of certain restrictions on offers and sales of Securities and on the distribution of this Base Prospectus, see the section entitled "*Subscription and Sale*".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any Transaction Party to subscribe for, or purchase, any Securities.

This Base Prospectus has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Without prejudice to the immediately following sentence, any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Securities may only do so in circumstances in which no obligation arises for the Issuer, any Authorised Participant or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. The Authorised Participants may make an offer in a Relevant Member State of Securities other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive and such prospectus has subsequently been completed by final terms which specify that offers may be made by Authorised Participants other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (and provided that if the final terms specify any restriction on the period for which an Authorised Participant may make an offer, the Authorised Participants shall be bound by such restriction). Except to the extent the preceding sentence above applies, none of the Issuer, any Authorised Participant or the Arranger have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

None of the Arranger or any Transaction Party has separately verified the information contained in this Base Prospectus (save as otherwise provided above) and accordingly none of them makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may, at any time, be supplied in connection with the Securities or their distribution and none of them accepts any responsibility or liability therefor. None of the Arranger or any Transaction Party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Securities of any information coming to their attention.

This Base Prospectus relates to an "Exempt Offer" in accordance with the Market Rules Module of the Dubai Financial Services Authority (the "**DFSA**"). This Base Prospectus is intended for distribution only to "Professional Clients" who are not natural persons (and who meet the criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook). It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The Securities to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Securities offered should conduct their own due diligence on the Securities. If you do not understand the contents of this Base Prospectus you should consult an authorised financial adviser.

The Securities are not units in an authorised collective investment scheme for the purposes of the FSMA.

The Securities are not units/shares of a collective investment scheme as per the Swiss Federal Act on Collective Investment Schemes (CISA) and are, therefore, neither subject to the CISA nor subject to the

authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA. The investor may not claim any protective rights provided for collective investment schemes under the CISA.

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

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**dollars**", "**US dollars**", "**USD**" and "**US$**" are to the lawful currency of the United States of America and references to "**Euro**", "**EUR**" and "**€**" are to the lawful currency of those Member States of the European Union that have adopted the single currency of the European Union. All references in this Base Prospectus to any time shall be expressed using the 24-hour clock convention.

SUPPLEMENTARY PROSPECTUS

The Issuer shall prepare a supplement to this Base Prospectus or publish a new base prospectus whenever required pursuant to Regulation 51 of the Prospectus (Directive 2003/71/EC) Regulations 2005 (of Ireland) if there is a significant change affecting any matter contained in this Base Prospectus or a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when this Base Prospectus was prepared and/or pursuant to Article 16 of the Prospectus Directive.

The Issuer has given an undertaking to the Authorised Participants that if, at any time during the duration of the Programme, there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Securities and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Securities, the Issuer shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Securities and shall supply to the Authorised Participants, the Trustee and the Agents such number of copies of such supplement hereto as they may reasonably request.

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SUMMARY OF THE PROGRAMME

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

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

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

Section A - Introduction and warnings

A.1	**Warnings**	This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Economic Area, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.
A.2	**Consent**	The Issuer consents to the use of this Base Prospectus, and has accepted responsibility for the content of this Base Prospectus, with respect to the subsequent resale or final placement of Securities by any Authorised Participant and any Authorised Distributor appointed by an Authorised Participant that complies with the Authorised Distributor Terms in Ireland and the United Kingdom and, subject to the public offer selling restrictions under the Prospectus Directive, applicable local regulations and/or completing the appropriate passporting procedure pursuant to the Prospectus Directive, any of Austria, Finland, Germany, Luxembourg, Spain, Sweden, the Netherlands and, in respect of resales or final placements to qualified investors (as defined in the Prospectus Directive) only, any of Belgium, Denmark, France, Italy, Norway and Portugal. This consent is valid for 12 months from the date of publication of the Base Prospectus. **Investors should be aware that information on the terms and conditions of the offer by any Authorised Participant or Authorised Distributor shall be provided at the time of the offer by such Authorised Participant or Authorised Distributor. Any Authorised Participant or Authorised Distributor using this Prospectus for the purpose of any offering must state on its website that it uses this Prospectus in accordance with the consent given and the conditions attached thereto.**

Section B – Issuer

B.1	**The legal and commercial name of the Issuer**	iShares Physical Metals plc.
B.2	**Domicile /Legal Form /Legislation /Country of Incorporation**	The Issuer was incorporated on 7 February 2011 as a public limited company in Ireland under the Irish Companies Acts with registration number 494646.
B.16	**Extent to which the Issuer is directly or indirectly owned or controlled**	The authorised share capital of the Issuer is €100,000 divided into 100,000 ordinary shares of €1 each, of which €40,000 divided into 40,000 ordinary shares of €1 each have been issued. All of the issued shares are fully-paid up and are held by or to the order of Wilmington Trust SP Services (Dublin) Limited (the "**Share Trustee**"), under the terms of a declaration of trust dated 21 March 2011 under which the Share Trustee holds them on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer.
B.17	**Credit ratings assigned to an issuer or its debt securities**	Not applicable. The Issuer and the Securities are unrated.
B.20	**Special Purpose Vehicle**	The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.
B.21	**Principal activities and global overview of parties**	The Issuer has established a programme under which Securities linked to precious metals may be issued from time to time. The Series of Securities which may be issued under the Programme are iShares Physical Gold ETC, iShares Physical Silver ETC, iShares Physical Platinum ETC and iShares Physical Palladium ETC. Each Series will provide exposure to a different metal indicated by the name of that Series. Under the Secured Precious Metal Linked Securities Programme, the Arranger and Adviser is BlackRock Advisors (UK) Limited. The current Authorised Participant(s) in respect of each Series of Securities will be published at www.ishares.com (or such other website as may be notified to Securityholders). The Issuer may also, from time to time, enter into Metal Sale Agreements with one or more Metal Counterparties providing for the purchase of Metal from the Issuer in respect of a Series of Securities. The Administrator is State Street Bank and Trust Company, the Custodian is JPMorgan Chase Bank N.A., London Branch, the Trustee is State Street Custodial Services (Ireland) Limited and the sole Registrar as at the date of this Base

		Prospectus is Computershare Investor Services (Ireland) Limited.
B.22	**Operations**	Not applicable. The Issuer has commenced operations and financial statements are available.
B.23	**Key financial information**	The summary information below is extracted from the Issuer's statement of financial position as at 30 April 2015 and 30 April 2016:

	2015	2016
Total current assets	US$350,110,153	US$1,101,793,837
Total equity	US$57,163	US$57,111
Total current liabilities	US$350,052,990	US$1,101,736,726
Total equity and liabilities	US$350,110,153	US$1,101,793,837

The following summary information is extracted from the Issuer's unaudited interim statement of financial position as at 31 October 2015 and 31 October 2016 respectively.

	2015	2016
Total current assets	US$448,282,839	US$2,720,666,327
Total equity	US$57,163	US$57,111
Total current liabilities	US$448,225,676	US$2,720,609,216
Total equity and liabilities	US$448,282,839	US$2,720,666,327

B.24	**Material adverse change**	Not applicable. There has been no material adverse change in the financial position or prospects of the Issuer since the date of the latest audited accounts dated 30 April 2016.
B.25	**Description of underlying assets**	The assets backing each Series of Securities have characteristics that demonstrate capacity to service any deliveries due or produce funds to service any payments due on the Securities. With respect to each Series of Securities, the Issuer's main assets are (i) its holdings of Metal in allocated form held by or on behalf of the Issuer (through the Custodian and/or Sub-Custodians) in the Allocated Account(s) in respect of such Series, received by the Issuer in connection with subscriptions of Securities by Authorised Participants; and (ii) its contractual rights under the Transaction Documents.
B.26	**Actively managed pool of assets**	Not applicable. The Secured Property of each of the Series of Securities will not be an actively managed pool of assets.
B.27	**Statement as to**	New securities issued which form a single series with Securities

	how the Issuer intends to issue further securities backed by the same assets	already in issue and which are expressed to be constituted by the same Trust Deed and secured by the same Security Deed will, upon issue thereof by the Issuer, be secured by the same Secured Property of such Series of Securities (as increased or supplemented in connection with such issue of new securities).
B.28	**Description of the structure of the transaction**	The Issuer, under its Secured Precious Metal Linked Securities Programme, may issue Securities of a Series to Authorised Participants appointed in respect of such Series. Authorised Participants will be required, on subscription, to transfer to the Issuer's relevant account with the Custodian (or to the Custodian's relevant account with a Sub-Custodian, as directed by the Custodian) an amount of Metal equal to the Subscription Settlement Amount and to pay the Subscription Fee (unless the relevant Registrar has agreed that the Subscription Fee may be paid following subscription). The Issuer will not issue Securities to an Authorised Participant until the Subscription Settlement Amount has been allocated to the relevant Allocated Account for the Series. Authorised Participants may request that the Issuer buys back Securities from such Authorised Participant in return for an amount of Metal equal to the Buy-Back Settlement Amount, provided that the Authorised Participant has satisfied certain conditions precedent which include return of such Securities and payment of the Buy-Back Fee (unless the relevant Registrar has agreed that the Buy-Back Fee may be paid following the relevant buy back). It is intended that Authorised Participants of a Series will sell Securities in the secondary market to investors who have either directly approached the Authorised Participant or to investors on a stock exchange on which the Securities are listed (as applicable) for a purchase price agreed between the Authorised Participant and such investor(s) in respect of the Securities. Investors may sell the Securities from time to time in the secondary market to third parties or Authorised Participants. Under the terms of the Securities, the Issuer has the obligation to pay or deliver (as applicable) (a) an "all-in-one" operational fee to the Adviser (equal to the Metal representing the reduction in the Metal Entitlement by daily application of the Total Expense Ratio); (b) the Buy-Back Settlement Amount on a buy-back or deemed buy-back of Securities; and (c) the Early Redemption Amount to Securityholders. Metal representing the reduction in the Metal Entitlement by daily application of the Total Expense Ratio will be periodically sold to the Custodian to fund the payment of the "all-in-one" operational fee to the Adviser. The Adviser will use such fee to pay the agreed fees of other service providers to the Issuer. The remaining Metal (equal to the aggregate Metal Entitlement of the Series) will fund the payment or delivery (as applicable) of the Buy-Back Settlement Amount and the Early Redemption Amount.

B.29	**Description of the flow of funds including information on swap counterparties**	No cash flows through the Issuer except in circumstances where Metal is sold to fund a Cash Redemption. There are no swap counterparties.
B.30	**Originators of the securitised assets**	Not applicable. The Securities are backed by physical precious metals.

Section C – Securities

C.1	**Type and class of Securities**	The Securities constitute secured, limited recourse obligations of the Issuer issued in Series in the form of debt securities, at all times ranking *pari passu* and without any preference among themselves. The Securities will be undated, with no final maturity date and will be non-interest bearing. Each Series may comprise a number of different Tranches issued on identical terms other than the Issue Date and the Metal Entitlement and with the Securities of each Tranche of a Series being interchangeable with all other Securities of that Series. Each Security of a Series will have a Metal Entitlement expressed as an amount in weight of the Metal linked to such Series. No payments will be due to Securityholders during the life of the Securities, other than on Early Redemption. During the life of the Securities, Securityholders can, through financial intermediaries, buy and sell Securities on each exchange on which the Securities are listed from time to time. Only the Authorised Participants in respect of a Series can subscribe for Securities directly from the Issuer and request the Issuer to buy back Securities of such Series, except in the limited circumstances described below. However, on an Early Redemption, each such Security will, by default, be redeemed for a cash amount in USD being the sale proceeds of the Metal Entitlement as at the relevant Early Redemption Trade Date (save that eligible Authorised Participants may elect to receive the Metal Entitlement in Metal) subject to the deduction of an Early Redemption Fee (and after payment and/or delivery in respect of the Issuer's obligations owing to prior ranking creditors). The Securities will be in dematerialised uncertificated registered form and cleared through CREST. At some point in future, the Securities may also be admitted to listing and trading on the Frankfurt Stock Exchange. It is intended that the Securities traded on the Frankfurt Stock Exchange will be cleared in Clearstream Frankfurt in accordance with the requirements of Clearstream Frankfurt. Legal title to such Securities (CBF Securities) will, unless otherwise agreed between the Issuer and Clearstream Frankfurt, be held by Clearstream Frankfurt's nominee. The form, nature, method for transfer and/or clearing of CBF Securities may from time to time be modified by the Issuer without the approval of Securityholders or the consent of the Trustee in order to take into

		account and/or comply with the then current and applicable rules, procedures and/or practice of Clearstream Frankfurt (which the Issuer agrees with Clearstream Frankfurt shall apply to the CBF Securities) and any other terms, conditions, rules, procedures and/or practice applicable to CBF Securities. The Clearing System(s) through which the Securities will be cleared will be specified in the relevant Final Terms. ISIN Codes: Gold Securities: IE00B4ND3602 Silver Securities: IE00B4NCWG09 Platinum Securities: IE00B4LHWP62 Palladium Securities: IE00B4556L06 SEDOLs: Gold Securities: B4R1D93 Silver Securities: B425ZM7 Platinum Securities: B4LV388 Palladium Securities: B4JV4D2
C.2	**Currencies**	The Securities will be denominated in USD and the proceeds of Cash Redemption (if any) will be in USD.
C.5	**Restrictions on free transferability**	There are restrictions on sales of Securities into, amongst other jurisdictions, the United States, the Dubai International Financial Centre, Switzerland and any European Economic Area countries to whose competent authority the Base Prospectus has not been notified. These restrictions are mainly targeting offerings to the public in the specific jurisdiction unless certain exceptions apply.
C.8	**Conditions of the Securities**	The Securities have terms and conditions relating to, among other matters: **Withholding Tax** All payments in respect of the Securities will 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 and/or deliveries in respect of the Securities of any Series, the Securityholders of such Securities will be subject to such Tax or deduction and will not be entitled to receive amounts to compensate for any such Tax or deduction. No Event of Default will occur as a result of any such withholding or deduction. **Events of Default** If an Event of Default occurs and the Trustee gives the relevant notice, the Securities of the relevant Series will immediately become due and payable at their Early Redemption Amount (unless such Securities are already due and payable before such time). The Security over the Secured Property in respect of the relevant Series of Securities will also become enforceable upon the service of such notice. The Events of Default are:

(i) the Issuer has defaulted for more than 14 calendar days in the payment of any sum or delivery of any Metal due in respect of the Securities of the relevant Series or any of them;

(ii) the Issuer does not perform or comply with any one or more of its material obligations under the Securities, the Trust Deed or the relevant Security Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 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); or

(iii) a Bankruptcy Event has occurred with respect to the Issuer.

Governing Law

In respect of a Series of Securities:

(i) the Securities (and the Trust Deed constituting them) will be governed by Irish law; and

(ii) the Security Deed and the other Transaction Documents will be governed by English law.

Security

The Securities of a Series are secured, limited recourse obligations of the Issuer which rank equally among themselves. With respect to each Series of Securities, the main items of Secured Property are Metal in allocated form held by or on behalf of the Issuer (through the Custodian and/or Sub-Custodians) in the Allocated Account(s) in respect of such Series and its contractual rights under the relevant documents for such Series.

New securities issued which form a single series with Securities already in issue and which are expressed to be constituted by the same Trust Deed and secured by the same Security Deed will, upon issue thereof by the Issuer, be secured by the same Secured Property of such Series of Securities (as increased or supplemented in connection with such issue of new securities).

The Secured Property in respect of a Series will secure, pursuant to an English law governed Security Deed, the obligations of the Issuer to Securityholders under the Securities and other obligations of the Issuer in respect of such Series of Securities.

Limited Recourse

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

Order of Priorities

In respect of a Series of Securities, following (i) an Early Redemption Trade Date, the Issuer shall; or (ii) the service of an Event of Default Redemption Notice, the Trustee shall (subject to the provisions of the relevant Trust Deed and the relevant Security Deed) apply the Secured Property and proceeds derived from the realisation of the Secured Property in relation to such Series of Securities (whether by way of liquidation or enforcement and after taking account of any Taxes incurred, withheld or deducted by or on behalf of the Issuer) as follows:

(i) first, in delivery to the Custodian or relevant Sub-Custodian (as applicable) of the Over-allocated Metal;

(ii) secondly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee or any receiver in connection with an Early Redemption and/or an Event of Default relating to such Series of Securities under or pursuant to the relevant Security Deed, the relevant Trust Deed and/or any other Transaction Document (which for the purpose of this Condition 6(b) and the relevant Security Deed shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar tax in respect of the Trustee's remuneration) and the costs of enforcing or realising all or some of the Security, but shall exclude agreed fees and expenses of a standard and operational nature payable by the Adviser in accordance with Clause 6 (Payment of Fees and Expenses) of the relevant Advisory Agreement);

(iii) thirdly, in payment or satisfaction of any accrued and unpaid sale proceeds of TER Metal to the Adviser in accordance with Clause 5 (Total Expense Ratio) of the relevant Advisory Agreement in respect of such Series of Securities;

(iv) fourthly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of such Series of Securities;

(v) fifthly, in settlement of any valid Buy-Back Orders that have been accepted and processed but not yet settled through no fault of the relevant Securityholders;

(vi) sixthly, in payment or delivery of any Early Redemption Amount (after taking into account any deduction or payment of any applicable Early Redemption Fee) owing to the Securityholders *pari passu* (the number of Securities held by each individual Securityholder shall be aggregated in making such determination); and

(vii) seventhly, in payment of the balance (if any) to the Issuer.

C.9	**Interest and Redemption**	See Element C.8 above for information on the rights attaching to the Securities. **Interest** The Securities are non-interest bearing.

Metal Entitlement

The Initial Metal Entitlement, being the Metal Entitlement on the issue date of the first Tranche of a Series, is the amount of Metal per Security set out below:

(a) iShares Physical Gold ETC: 0.02 fine troy ounces;

(b) iShares Physical Silver ETC: 1 troy ounce;

(c) iShares Physical Platinum ETC: 0.015 troy ounces; and

(d) iShares Physical Palladium ETC: 0.03 troy ounces.

On each subsequent day, the Metal Entitlement in respect of each Security is reduced at a rate equal to the portion of the Total Expense Ratio applicable to such day.

See Element E.7 for information on how the Total Expense Ratio is calculated.

Redemption

Maturity

The Securities will be undated securities with no final maturity date.

Early Redemption of the Securities

If an Early Redemption Event listed in Condition 9(d) occurs or the Trustee serves an Event of Default Redemption Notice with respect to a Series of Securities, all Securities of the relevant Series will be redeemed.

An Early Redemption Event will occur following the giving of the relevant notices if:

(a) the Issuer exercises its call option at any time by giving 10 days' notice that it is redeeming the Series;

(b) certain legal or regulatory changes occur in relation to the Issuer;

(c) the Issuer is, or there is a substantial likelihood that it will be, required to make a payment in respect of, register for or account for VAT; or

(d) certain key service providers of the Issuer resign or their appointment is terminated and no successor has been appointed within 60 days.

The Trustee may serve an Event of Default Redemption Notice if (i) the Issuer has defaulted for more than 14 days in a payment or delivery in respect of the Securities; (ii) the Issuer does not perform or comply with a material obligation under the terms of the Securities, Security Deed or Trust Deed after the expiry of the relevant grace period; or (iii) a Bankruptcy Event has occurred with respect to the Issuer.

Early Redemption Amount

On an Early Redemption, each Security will, by default, be redeemed for a cash amount in USD equal to the sale proceeds of the Metal Entitlement as at the relevant Early Redemption Trade Date, subject to the deduction of an Early Redemption Fee equal to the costs incurred by or on behalf of the Issuer in connection with such Early Redemption (and after payment and/or delivery in respect of the

		Issuer's obligations owing to prior ranking creditors). Authorised Participants holding Securities (either directly or via a nominee) may elect to instead receive, subject to the payment of the Early Redemption Fee and provided certain notice requirements are fulfilled, an Early Redemption Amount by way of physical delivery of Metal in an amount equal to the Metal Entitlement of the relevant Securities as at the relevant Early Redemption Trade Date. Notwithstanding the above, Securityholders (other than Authorised Participants who have elected to receive physical delivery) may elect to receive in lieu of the amounts described above a cash amount in USD equal to the Principal Amount (as defined in Condition 1), being a minimum principal amount payable, subject to the limited recourse provisions, to Securityholders of the relevant Security. *Meetings* The Trust Deed contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the relevant Trust Deed. Such a meeting may be convened by Securityholders holding not less than 10 per cent. of the number of the Securities of the relevant Series for the time being outstanding.
C.10	**Explanation as to how the investment is affected if the Securities have a derivative component in the interest payment.**	Please see Element C.9 above. Not applicable as the Securities are non-interest bearing.
C.11	**Listing and Admission to Trading**	Securities issued under the Series have been admitted to the official list of the UK Listing Authority and have been admitted to trading on the regulated market of the London Stock Exchange. The Securities may also be admitted to trading on the Frankfurt Stock Exchange and the Borsa Italiana at some point in the future.
C.12	**Minimum denomination**	For the purposes of the Prospectus Directive, the Principal Amount of each Security of a Series shall be regarded as the denomination of such Security. The Principal Amount of each Security is: (i) in respect of iShares Physical Gold ETC: US$3.00; (ii) in respect of iShares Physical Silver ETC: US$4.50; (iii) in respect of iShares Physical Platinum ETC: US$3.00; and (iv) in respect of iShares Physical Palladium ETC: US$3.00.
C.15	**Value of the investment is affected by the value of the underlying**	The Securities under the Programme are linked and concentrated to precious metals. Each Security of a Series will have a Metal Entitlement expressed as an amount in weight of the Metal linked to such Series. Securities can be issued or redeemed at any time by Authorised Participants in exchange for Metal of the relevant type

	instruments	equivalent to the then prevailing Metal Entitlement for the relevant Series, subject to conditions. The Issuer will publish the Metal Entitlement of each Series of Securities notified to it by the Administrator in respect of each day on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders from time to time).
C.16	**Expiration / Maturity date**	Not applicable. The Securities for each Series are undated and have no specified maturity date or expiry date.
C.17	**Settlement**	See Element B.28 above for information on the settlement of the Securities.
C.18	**Description of return**	See Element C.9 above for information on Interest and Redemptions.
C.19	**Final price / exercise price**	Redemptions of Securities will be in return for an amount of the relevant Metal equal to the Metal Entitlement on the redemption date.
C.20	**Type of underlying and where information on the underlying can be found**	The underlying in respect of a Series of Securities is any one of Gold, Silver, Platinum or Palladium, as relevant. Such Underlying Metal will be held in allocated form by the Custodian and/or applicable Sub-Custodian(s) in each case in its vaults in London and, in relation to Platinum and Palladium, may in limited circumstances also be held by a Sub-Custodian in its vaults in Zurich. The Underlying Metal complies with the "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA and "The London/Zurich Good Delivery List" published by the LPPM (as appropriate). Further information relating to Gold and Silver can be found on the website of the LBMA at www.lbma.org.uk and further information relating to Platinum and Palladium can be found on the website of the LPPM at www.lppm.com.

Section D – Risks

D.2	**Key information on the key risks that are specific to the Issuer**	Factors which could materially adversely affect the Issuer and its ability to make payments due under the Series of Securities include matters of Irish law (such as the Issuer being structured to be insolvency-remote, not insolvency-proof, and changes to the Issuer's tax position adversely affecting cash flows in connection with the Securities), the Securities being limited recourse obligations (meaning that an Securityholder's claim may be extinguished if there is a shortfall in funds available to meet payments under the Securities) and related risks and further issues of Securities by the Issuer.
D.3	**Key information on the key risks that are specific to the Securities**	An investment in the Securities involves a significant degree of risk and investors should read carefully and ensure they understand the "Risk Factors" section of the Base Prospectus. Risks include: • The value of each Series of Securities will be affected by movements in the price of the Metal to which a particular Series of Securities is linked, as well as the price of metals in general, market perception, the creditworthiness of certain Transaction Parties and liquidity of the Securities in the secondary market.

The price of a Metal can go down as well as up and the performance of a Metal in any future period may not mirror its past performance.

- Precious metals are generally more volatile than most other asset classes, making investments in precious metals riskier and more complex than other investments, and the secondary market price of the Securities may demonstrate similar volatility.
- The reduction of the Metal Entitlement by the Total Expense Ratio and the imposition of the fees on subscriptions and buy-backs may prove unattractive to investors who are interested solely in the price movement of precious metals and there can be no assurance that the performance of the Metal will be sufficient to offset the effect of the Total Expense Ratio and such fees.
- The Issuer may elect to redeem all the Securities of a Series early on giving not less than 10 calendar days' notice to Securityholders.
- The Total Expense Ratio may be varied by the Issuer at the request of the Adviser from time to time after, in the case of an increase, 30 days' notice to Securityholders.
- VAT may become due on transfers of Metal to or by the Issuer in certain circumstances. This could adversely affect the Issuer's ability to meet its obligations under the Securities in full.
- Investing in the Securities will not make an investor the owner of the Metal held by the Custodian or a Sub-Custodian on behalf of the Issuer in respect of the relevant Series. Any amounts payable on a buy-back or Early Redemption of Securities which are not held by Authorised Participants will be in cash.
- An investor who is not an Authorised Participant can only realise value from a Security prior to an occurrence of an Early Redemption by selling it at its then market price to an Authorised Participant or to other investors on the secondary market.
- The Principal Amount operates as a minimum repayment amount on Early Redemption. In the event that the Metal 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.
- The Issuer is exposed to the credit of a Metal Counterparty if it does not perform its obligations under its Metal Sale Agreement.
- The Custodian is required, under the Custody Agreement, to verify that the Metal delivered by Authorised Participants in exchange for Securities complies with the "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA and "The London/Zurich Good Delivery List" published by the LPPM (as appropriate). Such verification may not fully prevent the deposit of Metal by Authorised Participants that fail to meet the required purity standards. The Issuer is exposed to the credit of the Custodian if it does not perform its obligations under the Custody Agreement.

- The Arranger and Adviser, Trustee, Custodian, Registrars, Authorised Participants, Metal Counterparties and/or their affiliates may actively trade or hold positions in the Metal and other financial instruments based on or related to the Metal. Such activities present conflicts of interest and could adversely affect the price and liquidity of Securities.

D.6 Please refer to Element D.3 above.

Prospective investors should note that there can be no assurance that the redemption proceeds received by Securityholders following an Early Redemption or Event of Default will be greater than or equal to the amount invested by any Securityholder and that an investor may lose the entire value of their investment or part of it in the unlikely event that Metal prices fall to zero or close to zero.

Section E – Offer

E.2b **Reasons for the offer and use of proceeds when different from making profit**

The net proceeds from the issue of a Series of Securities will be an amount of allocated Metal which will be held in Allocated Accounts in respect of such Series. Such Underlying Metal shall be used to meet the Issuer's obligations under the relevant Series of Securities.

E.3 **Terms and Conditions of the Offer**

Only an Authorised Participant of a Series may request that the Issuer issues Securities of the relevant Series by delivering a Subscription Order. The Issuer has absolute discretion to accept or reject in whole or in part any such subscription request. Authorised Participants subscribing for Securities will be required to transfer to the Issuer an amount of Metal equal to the product of the relevant Metal Entitlement and the number of Securities being subscribed, plus a Subscription Fee. The Metal Entitlement applicable for the first Tranche of Securities of each Series that is issued by the Issuer will be the Initial Metal Entitlement for the relevant Series, and the Metal Entitlement applicable for subsequent Tranches of each Series issued by the Issuer will be the Metal Entitlement on the Subscription Trade Date for the relevant Series. Prior to any issue of Securities, such Metal must be allocated by the Custodian (or a Sub-Custodian) to an Allocated Account for the relevant Series.

The Issuer may buy back all or some of the Securities. Only an Authorised Participant of a Series may request that the Issuer buys back Securities of a Series unless a Non-AP Buy-Back Notice has been issued by the Issuer (at its discretion) and the related procedure has been followed. Securities bought back from Authorised Participants will be subject to a Buy-Back Fee and will be settled by physical delivery of an amount of the relevant Metal equal to the product of the Metal Entitlement as at the relevant Buy-Back Trade Date and the aggregate number of Securities to be repurchased.

In limited circumstances (such as when there are no Authorised Participants in respect of a Series), the Issuer may, in its sole discretion, by issuing a Non-AP Buy-Back Notice, allow

		Securityholders who are not Authorised Participants to request that the Issuer buy back Securities in respect of the relevant Series. Securities bought back from each Non-Authorised Participant Securityholder will be subject to a Buy-Back Fee and will be for a cash amount in USD equal to the sale proceeds of the Metal Entitlement as at the relevant Buy-Back Trade Date. During the life of the Securities, Securityholders can buy and sell Securities on each exchange on which the Securities are listed from time to time through financial intermediaries. An investor intending to acquire or acquiring any Securities from an Authorised Participant will do so, and offers and sales of the Securities to an investor by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between such Authorised Participant and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Arranger will be a party to any such arrangements with investors (except where the Arranger itself offers Securities to an investor) and, accordingly, this Base Prospectus and any Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Authorised Participant or the Arranger, as applicable. Investors should however note the following: Amount of the offer: The number of Securities subject to the offer will be determined on the basis of the demand for the Securities and prevailing market conditions and be published. Offer Price: The offer price per Security will be the delivery of the Metal Entitlement specified in the Final Terms, subject to any applicable fees and commissions of the person offering such Security. Offer Period: Securities may be offered at any time between the Issue Date of the first Tranche of a Series of Securities and the Maturity Date of such Series. Publication of a Supplement: If the Issuer publishes a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the Issuer or the Securities, investors who have already agreed to purchase Securities before the supplement is published shall have the right to withdraw their acceptances by informing the relevant distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.
E.4	**Interests of natural and legal persons involved in the issue of the Securities**	The Arranger and Adviser, Trustee, Custodian, Registrars, Authorised Participants, Metal Counterparties and/or their affiliates may actively trade or hold positions in the Metal and other financial instruments based on or related to the Metal.
E.7	**Estimated expenses**	The Total Expense Ratio ("**TER**") set out below for each Series is applied to the Metal Entitlement on a daily basis to determine a daily

charged to the investor	deduction of an amount of Metal from the Metal Entitlement: (A) in respect of Gold Securities: 0.25% per annum; (B) in respect of Silver Securities: 0.40% per annum; (C) in respect of Platinum Securities: 0.40% per annum; and (D) in respect of Palladium Securities: 0.40% per annum. The TER in respect of a Series of Securities may be varied by the Issuer on the request of the Adviser from time to time, provided that, no increase in the TER in respect of a Series of Securities will take effect unless Securityholders of such Series have been given at least 30 calendar days' prior notice. The TER in respect of each Series of Securities from time to time and any proposed change to the TER of any Series of Securities shall be published on the website maintained on behalf of the Issuer at www.ishares.com.

RISK FACTORS

Investment in the Securities will involve a significant degree of risk. The Issuer believes that the risk factors set out below represent the principal risks inherent in investing in the Securities issued under the Programme and such factors may affect the ability of the Issuer to fulfil its obligations under the Securities issued under the Programme. Some of these factors describe potential events which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer does not represent that the factors below regarding the risks of investment in the Securities are exhaustive.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

Before making an investment decision, prospective purchasers of Securities should read the entire Base Prospectus and consider carefully, in the light of their own financial circumstances and investment objectives, all the detailed information set out in this document and, in particular, the material 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.

General

This document contains the information which the Issuer believes is necessary to enable prospective investors to make an informed assessment of an investment in Securities. However, a prospective investor should, without any reliance on the Issuer, the Arranger, any Transaction Party or any of their Affiliates, conduct its own thorough analysis (including its own accounting, legal, regulatory, financial and tax analysis) prior to deciding whether to invest in any Securities issued under the Programme. Any evaluation of the suitability for an investor of an investment in Securities issued under the Programme depends upon that prospective investor's particular financial and other circumstances, as well as on the specific terms of the relevant Securities. An investment in Securities is only suitable for investors who:

(i) are financially sophisticated in that they either (a) have the requisite knowledge and experience in financial, business and investment matters and of investing in investments offering a similar economic exposure to the relevant Securities, and access to, and knowledge of, appropriate resources, to evaluate the information contained in this document and the relevant Final Terms and the merits and risks of an investment in the Securities in the context of such investors' financial position and circumstances; or (b) if they do not have such knowledge, experience and access, have consulted with appropriate advisers who do have such knowledge, experience and access;

(ii) are capable of bearing the economic risk of an investment in the Securities for an indefinite period of time; and

(iii) have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of an investment in the relevant Securities and have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities including, without limitation, any currency exposure arising from the currency for payments being different to the prospective investor's currency.

If a prospective investor is in any doubt as to whether the Securities are a suitable investment for it, it should consult with appropriate advisers prior to deciding whether or not to make an investment in the Securities.

This document is not, and does not purport to be, investment advice, and none of the Issuer, the Arranger or any Transaction Party makes any recommendation as to the suitability of the Securities as an investment. The provision of this document to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any

prospective investor of the Securities, even if the Issuer, the Arranger or a Transaction Party possesses information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgment and/or that of its advisers.

None of the Issuer, the Arranger, any Transaction Party nor any Affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or any jurisdiction in which it operates (if different), or for compliance by that prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

Investment activities of certain investors are subject to investment laws and regulations or review or regulation by certain authorities. Each prospective investor in the Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities:

(i) is fully consistent with its (or, if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition;

(ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (and, if it is acquiring the Securities in a fiduciary capacity, the beneficiary);

(iii) is not a breach of any legal, contractual or regulatory restrictions applicable to it; and

(iv) is a fit, proper and suitable investment for it (or, if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Market price of the Securities

The market price of each Series of Securities will be affected by a number of factors, including, but not limited to:

(i) the value and volatility of the Metal referenced by the relevant Series of Securities;

(ii) the value and volatility of metals in general;

(iii) market perception, interest rates, yields and foreign exchange rates;

(iv) the creditworthiness of, among others, the Custodian, any applicable Sub-Custodian, the Administrator, the Registrars, the Authorised Participants and each Metal Counterparty; and

(v) liquidity in the Securities on the secondary market.

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

Risks relating to the Metals

Precious Metal linked securities

The Securities under the Programme are linked and concentrated to precious metals. Prospective investors should note that the value of each Series of Securities will be affected by movements in the price of the Metal to which a particular Series of Securities is linked.

Prospective investors should be aware that the price of a Metal can go down as well as up and that the performance of a Metal in any future period may not mirror its past performance. There can be no assurance as to the future performance of any Metal to which the Securities are linked.

An investment in the Securities linked to a Metal is not the same as investing directly and physically holding the relevant Metal. Holding an inventory of physical precious metals may have certain economic benefits - for example, a jewellery firm could use a reserve of gold for the continuation of its operations - but such benefits are not available from a holding of Securities. Holding an inventory of physical precious metals also poses administrative burdens, including those arising from the need to store, arrange security for or transport physical precious metals, while such administrative burdens are borne by the Issuer for investors who invest in the Securities.

Risks related to Precious Metals Generally

The performance of a precious metal is dependent upon various factors, including (without limitation) supply and demand, liquidity, natural disasters, direct investment costs, location, changes in tax rates and changes in laws, regulations and the activities of governmental or regulatory bodies, each as set out in more detail below. Precious metal prices are generally more volatile than most other asset classes, making investments in precious metals riskier and more complex than other investments, and the secondary market price of the Securities may demonstrate similar volatility. Some of the factors affecting the price of precious metals are:

(i) ***Supply and demand***. Precious metals are typically considered a finite rather than a renewable resource. If supplies of a precious metal increase, the price of the precious metal will typically fall and *vice versa* if all other factors remain constant. Similarly, if demand for a precious metal increases, the price of the precious metal will typically increase and *vice versa* if all other factors remain constant. The planning and management of precious metal supplies is very time-consuming. This means that the scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of demand. Demand can also vary on a regional basis. Transport costs for precious metals in regions where they are needed also affect their prices. In relation to the use of precious metals in jewellery and/or for other non-industrial uses, substitutes may become more accepted over time. In relation to the use of precious metals in industrial processes, alternatives or substitutes may be identified, become cheaper and/or more readily available. In both cases, this may result in a decrease in the demand for such precious metal and a decrease in the price thereof.

(ii) ***Liquidity***. Not all markets in precious metals are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the precious metals markets means that speculative investments can have negative consequences and may distort prices and market liquidity.

(iii) ***Natural disasters***. The occurrence of natural disasters can influence the supply of certain precious metals. This kind of supply crisis can lead to severe and unpredictable price fluctuations.

(iv) ***Storage and other costs***. Direct investment in precious metals involves storage, security, insurance and tax costs. Moreover, no interest or dividends are paid on precious metals. The returns from investments in precious metals are therefore influenced by these factors.

(v) ***Location***. Precious metals are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is, however, far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can, as a consequence, affect precious metal prices. Armed conflicts can also impact on the supply and demand for certain precious metals. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services. This

can directly and indirectly impact precious metal prices. Furthermore, precious metal producers may establish organisations or cartels in order to regulate supply and influence prices.

(vi) ***Changes in tax rates***. Changes in tax rates and customs duties may have a positive or a negative impact on the profit margins of precious metal producers. When these costs are passed on to purchasers, these changes will affect prices.

(vii) ***Changes in exchange rates and interest rates***. Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of precious metals and the returns from investments in precious metals are therefore influenced by and may be correlated to these factors.

(viii) ***Laws, regulation and action of regulatory bodies***. Changes in law and regulation and/or the action of any applicable government or regulatory body may have a positive or a negative impact on precious metal prices and on any of the factors listed above.

Shortage of Physical Metal

Metal markets, particularly in platinum and palladium, have the potential to suffer from market disruption or volatility caused by shortages of physical metal. Such events could result in sudden increases in Metal 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 (the difference between the bid price (i.e. the price at which a holder can sell Securities to the Authorised Participant) and the offer price (i.e. the price at which a holder can buy Securities from the Authorised Participant)) on any stock exchange or market where the Securities are traded to widen, reflecting short-term forward rates in the Metal.

The growth of investment products offering investors an exposure to precious metals (including products similar to the Securities and the Securities themselves) may significantly change the supply and demand profile of the market from that which has traditionally prevailed. Changes in supply and demand for such investment products will directly impact on the supply and demand in the market for the underlying precious metals. This may have the effect of increasing volatility in the price and supply of the relevant precious metals. Such products require the purchase and sale of the relevant precious metal, and, depending on the success of such products, this may lead to a substantial increase in the volume of transactions.

Total Expense Ratio reduces the Metal Entitlement

The Metal Entitlement for each Series starts with the Initial Metal Entitlement on the Series Issue Date for the first Tranche of such Series of Securities. Thereafter, on each subsequent day, the Metal Entitlement is decreased daily at a rate equal to the portion of the Total Expense Ratio applicable to such day. The Metal Entitlement of each Security will decrease over time as a portion of the Total Expense Ratio is applied to the Metal Entitlement on each day. There can be no assurance that the performance of the Underlying Metal for a Series will exceed the Total Expense Ratio. In addition, the Total Expense Ratio may be varied by the Issuer at the request of the Adviser from time to time with, in the case of an increase, at least 30 calendar days' prior notice given to Securityholders. An increase in the Total Expense Ratio in respect of a Series will reduce the Metal Entitlement of such Series by more than would have been the case had the Total Expense Ratio not been increased.

The Central Bank Gold Agreement may not be renewed

As of the date of this Base Prospectus, the fourth Central Bank Gold Agreement (the "**CBGA**") dated 19 May 2014 is in place between the European Central Bank and certain European and other central banks, and is in effect from 27 September 2014 for a period of five years. The CBGA binds the central banks who signed the CBGA to a limit on (i) annual disposals of gold and (ii) disposals of gold over the five year period on a collective basis. There can be no guarantee that such an agreement will be renewed in 2019 when the current agreement expires. Any lack of renewal may lead to substantial sales of gold on the open market, a decrease in the price of gold (and possibly other precious metals) and consequently a decrease in the value of the Securities in respect of which the Metal is Gold (and possibly Securities in respect of

which the Metal is Silver, Platinum or Palladium).

The current CBGA does not bind any central banks outside of Europe, such as the Federal Reserve of the United States, and so may only have a limited effect on governmental and supranational sales of gold that influence the market price for gold and other precious metals.

VAT

The Securities have been structured so that under current United Kingdom VAT legislation and HM Revenue & Customs ("**HMRC**") practice (including the "Black Box" agreement between HMRC and the London Bullion Market Association, which has been extended to the London Platinum and Palladium Market), no United Kingdom VAT will be payable by the Issuer in respect of supplies of Metal made to it and nor will the Issuer be required to charge United Kingdom VAT on supplies of Metal made by it, provided that such transactions take place under the terms of the Transaction Documents and the parties to such documents comply with their undertakings thereunder.

It is not expected that any Irish VAT would be due on any supplies of Metal that are made to or by the Issuer on the basis of current Irish legislation and the practice of the Irish Revenue Commissioners.

If the Issuer is, or there is a substantial likelihood that it will be, required to make a payment in respect of VAT or to register for VAT or otherwise account for VAT on any supplies of Metal that are made to or by it, the Issuer has the option, by giving the relevant notice, to redeem all of the Securities of the relevant Series early pursuant to Condition 9(d)(iii) (VAT Redemption Event). This is because if the Issuer had to account for VAT on supplies of Metal made by it or pay VAT on supplies of Metal made to it, this may adversely affect the Issuer's ability to meet its obligations under the Securities in full.

Purchasing or selling activity in the market may cause temporary increases or decreases in the price of Metal, which may have an adverse effect on the value of the Securities

In the circumstances where Authorised Participants acquire a substantial amount of Metal in the market in connection with subscribing for Securities, such purchasing activity may temporarily increase the market price for the relevant Metal, which may result in Securities of such Series having a higher value for certain periods of time. Other market participants may attempt to benefit from an increase in the market price of the relevant Metal due to increased purchasing activity of the relevant Metal connected with the issuance of new securities of a Series of Securities which could further result in a temporarily higher value for Securities of such Series.

Conversely, selling activity by the Issuer following an Early Redemption Trade Date may be observed and/or predicted by other market participants who may attempt to benefit by purchasing any relevant Metal at artificially lower prices than would have occurred had no such Early Redemption Trade Date occurred or by short selling the relevant Metal (i.e. selling borrowed Metal with the intention of buying it back at a later date at a lower price), which may have the effect of lowering the price of the Metal.

Sales of Metal by national and supranational organisations could adversely affect the value of the Securities

Central banks, other government agencies and supranational organisations, such as the International Monetary Fund, that buy, sell and hold precious metals 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 via swaps or leases or mobilised in other ways. A number of central banks, including the Bank of England, have sold significant portions of their gold over the last ten to fifteen 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 or other precious metals 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 a relevant precious metal and consequently a decrease in the value of a relevant Series of Securities.

Further, as the price of some precious metals are correlated to some extent (i.e. there is some linkage in

the prices of the precious metals – for example, an increase in the price of gold might also lead to an increase in the price of platinum as they are both seen by the financial markets as ways to hedge against inflation), a significant sale, for instance, of gold by central banks, other government agencies or supranational organisations could lead to a decline in the market price of other precious metals.

Crises may precipitate large-scale sell-offs of Metal which could lead to a fall in the Metal price and consequently decrease in the value of the Securities

The possibility of large-scale distressed sales of Metal in times of crisis may have a short to medium term effect on the price of the Metal and adversely affect the value of the Securities.

Disruption of markets on which precious metals are traded

Any disruption to the over-the-counter market or the primary exchange or trading facility for trading of the relevant Metal can affect the price of such Metal and the value of the Securities. Markets, exchanges and trading facilities have the potential to suffer from market disruption, due to trading failures or other events. Such events could result in the occurrence of a Disruption Event.

No right to Underlying Metal for Securityholders who are not Authorised Participants

Investing in the Securities will not make an investor the owner of the Underlying Metal (except in the case of Authorised Participants who are entitled to receive Metal on a buy-back or early redemption of Securities). Any amounts payable on Securities which are not held by Authorised Participants will be in cash, and such Securityholders will have no right to receive delivery of any Underlying Metal in respect of such Securities at any time.

Risks relating to the Issuer and the Legal Structure

The Issuer is a special purpose vehicle

The Issuer is a special purpose vehicle established for the purpose of issuing the Securities of each Series with restrictions on the activities that it will undertake. It is established for the purpose of investing in Underlying Metal which forms the assets underlying the Securities of each Series and entering into and performing its obligations under agreements related to the foregoing. As of the date of this Base Prospectus, the Issuer has an issued and fully-paid up share capital of €40,000. 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 Securities and in respect of a Series of Securities, any rights, property, sums or other assets on which such Series of Securities issued under the Programme are secured.

Limited recourse obligations, non-petition and related risks

In respect of a Series of Securities, the Transaction Parties and the Securityholders will have recourse only to the Secured Property in respect of that Series of Securities only, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property relating to the relevant Series of Securities and application of available assets, any outstanding claim against the Issuer relating to such Series of Securities remains unsatisfied, then such outstanding claim will be extinguished and no obligation will be owed by the Issuer in respect thereof. Following such extinguishment of any such claim, none of the Transaction Parties, the Securityholders or any other person acting on behalf of any of them will 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 obligation will be owed to any such persons by the Issuer in respect of such further amount.

None of the Transaction Parties, 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, and none of them will 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 Securities) or not attributable to any particular Series.

While assets held in relation to any particular Series of Securities are not available to satisfy the claims of holders of a different Series of Securities, there is a risk that the Issuer may become subject to claims or other liabilities (whether in respect of the Securities or otherwise) which are not themselves subject to limited recourse or non-petition limitations.

No guarantee

No person other than the Issuer will be obliged to make payments on the Securities of any Series and the Securities issued under the Programme will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Securities (i) do not represent an interest in and will not be obligations of, or insured or guaranteed by, the Arranger, any Transaction Party or any Affiliate or any company associated with any of them, (ii) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme or any client money protection scheme and (iii) are not insured or guaranteed by any government, government agency or other body.

Insufficient assets to cover Principal Amount

On Early Redemption, in respect of each Security, a Securityholder may elect to receive an amount in USD equal to the Principal Amount in lieu of payment or delivery of the Early Redemption Amount on the Early Redemption Settlement Date. 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 Securities, in the event that the value of the Metal 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.

No regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. 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 securities, commodities or banking laws of that jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could have an adverse impact on the Issuer or the holders of Securities.

Recharacterisation as Collective Investment Scheme and Undertakings for Collective Investment in Transferable Securities (UCITS)

The Securities are issued in the form of debt securities and are listed as non-equity securities in the United Kingdom. The Securities are not units in a collective investment scheme for the purposes of the Directive of 13 July 2009 of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (No 2009/65/CE), as amended (the "**UCITS Directive**") as locally implemented in Ireland, the United Kingdom, Austria, Finland, Germany, Luxembourg, Italy, Spain, Sweden and the Netherlands.

In addition, the Securities are, subject to the below qualifications, believed to be eligible for investment by a scheme which is an undertaking for collective investment in transferable securities subject to the UCITS Directive ("**UCITS Scheme**") in certain jurisdictions including Ireland, the United Kingdom, Austria, Finland, Germany, Italy, Luxembourg, Spain, Sweden and the Netherlands.

However, there can be no assurance that the courts or regulatory authorities in any jurisdiction would not

apply a different interpretation, including recharacterising the Securities as units in a collective investment scheme or a fund or as regards to the eligibility of the Securities for investment by a UCITS Scheme. Any such difference in interpretation may have adverse consequences (including, without limitation, adverse tax consequences) for an investor.

The Securities are not believed to be eligible for investment by a UCITS Scheme in France.

Prospective investors that are UCITS Schemes need to satisfy themselves that an investment in the Securities would comply with the UCITS Directive and any laws, regulations or guidelines applicable to them and would be in line with their individual investment objectives. If in doubt, prospective investors are advised to contact/consult their regulator(s).

Prospective investors should consult their professional advisers on the implications, and in particular the tax implications, of investment in the Securities and any risk of recharacterisation of the Securities.

Issuer call option

While the Securities for each Series are undated, the Issuer may at any time elect to redeem all the Securities of a Series and designate an Early Redemption Trade Date for such purposes, provided that the date designated as the Early Redemption Trade Date may not be earlier than the 10th calendar day following the date of the relevant notice from the Issuer. In such circumstances, the Securities of such Series will be redeemed in accordance with Condition 9, as described in "*Consequences of an Early Redemption Event or an Event of Default*" below.

Early Redemption Events and Events of Default

In addition to the Issuer Call Redemption Event, the Securities of a Series may become due and payable in connection with the occurrence of any of the following events:

(i) certain legal or regulatory changes occur in relation to the Issuer and the Issuer gives a notice of redemption;

(ii) the Issuer is, or there is a substantial likelihood that it will be, required to make a payment in respect of VAT or be required to account for VAT in respect of a delivery of Metal from or to an Authorised Participant, Metal Counterparty or Custodian (in each case whether or not such VAT is recoverable);

(iii) the Adviser, the Administrator, the Custodian, a Registrar, all the Authorised Participants and/or all of the Metal Counterparties in relation to the Series of Securities, as applicable, resign or their appointment is terminated for any reason and the Issuer gives notice that no successor or replacement has been appointed within 60 calendar days of the date of the relevant notice of resignation or termination or the date of any automatic termination, as applicable; or

(iv) an Event of Default occurs under the Securities and the Trustee gives the relevant notice.

Consequences of an Early Redemption Event or an Event of Default

While the Securities for each Series are undated, the Securities for a Series may be redeemed early following the occurrence of an Early Redemption Event or Event of Default under the Conditions of the relevant Series of Securities. In such event, all outstanding Securities of such Series (and not necessarily all Series given that other Series may not be affected by such Early Redemption Event or event of Default) shall be redeemed and the Metal Entitlement of the Securities for the relevant Series will be fixed (by ceasing to reduce the Metal Entitlement by application of the Total Expense Ratio of the Series) as at the relevant Early Redemption Trade Date to determine the Early Redemption Amount payable to Securityholders on the relevant Early Redemption Settlement Date in respect of such Early Redemption (or, if the Trustee has served an Event of Default Redemption Notice, payable on the day designated by the Trustee following enforcement of the Security relating to the Series of Securities).

Where Securities are redeemed as a result of an Early Redemption Event or upon an Event of Default,

Securities will be redeemed in cash, save that Authorised Participants who hold Securities (directly or through a nominee) may elect for Physical Redemption provided that they specify that they are not electing to receive the Principal Amount in respect of such Securities and such election is received prior to the relevant cut-off time. Other than in the case of Authorised Participants who have elected for Physical Redemption, Securityholders may elect, prior to the relevant cut-off time, to receive an amount in USD equal to the Principal Amount in lieu of payment of the Early Redemption Amount on the Early Redemption Settlement Date. Such Principal Amount operates as a minimum repayment amount which is payable at the election of the Securityholder.

As the Early Redemption Amount is (in the case of Cash Redemption) determined by reference to the prices at which the Issuer (or, following service of an Event of Default Redemption Notice, the Trustee) is able to sell Metal to Metal Counterparties following an Early Redemption Trade Date, there can be no assurance that the Early Redemption Amount will be greater than or equal to the amount invested by an investor in the Securities, particularly if prices of the relevant Metal have not, since the time of investment by the investor, increased sufficiently to offset the reduction of the Metal Entitlement due to application of the Total Expense Ratio. In the unlikely event that Metal prices fall to zero or close to zero, investors may lose the entire value of their investment in the Securities, even if such investor has elected to receive the Principal Amount (due to the limited recourse nature of the Securities).

Cash redemptions following Early Redemption Event, Event of Default or Non-AP Buy-Back Notice

In order to provide Cash Redemptions, the Issuer is reliant on Metal Counterparty/ies purchasing for cash the full amount of the Metal Entitlement for the Securities being redeemed from the Issuer in accordance with the terms of the Metal Sale Agreement(s).

The Issuer may not be able to sell the full Metal Entitlement for the Securities in one day and may need to sell such Metal over a series of days. For these reasons, redemption proceeds (in cash) for Cash Redemptions are likely to take longer to be paid out than redemption proceeds (in metal) for Physical Redemptions.

The price by reference to which Metal Counterparties purchase Metal from the Issuer (a Metal Reference Price or market spot price) may fluctuate and assuming all other factors remain constant, lower Metal prices as of the relevant Metal Sale Date will lead to a lower Early Redemption Amount payable in respect of Cash Redemptions. The Issuer will sell the Metal Entitlement for the Securities regardless of the level of the Metal Reference Price or market spot price applicable to the sale.

Additionally, a Metal Counterparty may charge a fee under the relevant Metal Sale Agreement and, if so, this will be deducted from the cash proceeds payable by such Metal Counterparty to the Issuer and therefore lead to a lower Early Redemption Amount payable in respect of Cash Redemptions.

Prospective investors should note that there can be no assurance that the redemption proceeds received by Securityholders following an Early Redemption or Event of Default will be greater than or equal to the amount invested by any Securityholder and that an investor may lose the entire value of their investment in the unlikely event that Metal prices fall to zero or close to zero.

Disruption Events

The Issuer (or the Adviser on behalf of the Issuer) may postpone or suspend the issuance and/or buy back of Securities and/or the settlement of any issuance or buy back at any time after the occurrence and during the continuation of any one of the Disruption Events described in Condition 10(a) by giving a Suspension Notice.

During a Suspension Period, the Issuer is entitled not to accept Subscription Orders and Buy-Back Orders. If the settlement of Subscription and Buy-Back Orders is suspended during the relevant Suspension Period, any Subscription Order and Buy-Back Order that has been accepted and processed but not yet settled at the time such Suspension Period commences will be postponed until the end of the Suspension

Period, save that after 10 Business Days, if the Suspension Period is still continuing, the Issuer may cancel such Subscription or Buy-Back Order. If an Early Redemption Trade Date or date scheduled for payment or delivery of the Early Redemption Amount falls within a Suspension Period, it will be postponed until the end of the Suspension Period if it is affected by the relevant Disruption Event.

Securityholders should be aware that a Suspension Period may have an adverse effect on the amount and on the timing of the calculation of the Metal Entitlement of the Securities relating to a Subscription Order or Buy-Back Order or on the Metal Sale Proceeds relating to a Buy-Back Order or Early Redemption of the Securities which is subject to Cash Redemption.

Insolvency

The Issuer has agreed not to engage in activities other than the issue of Securities and related and incidental matters. Any issue of Securities must be on terms that provide for the claims of the Securityholders and Transaction Parties in respect of such Securities to be limited to the proceeds of the assets on which such Securities are secured (see "*Limited recourse obligations, non-petition and related risks*" above). In addition, there are restrictions on the Securityholders and Transaction Parties bringing insolvency proceedings against the Issuer (see "*Limited recourse obligations, non-petition and related risks*" above). If such provisions are upheld, it would be unlikely that the Issuer could become insolvent.

However, notwithstanding the restrictions described in Condition 7 and 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 unenforceable 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 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 Trustee 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 (including Ireland) have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions, the rights of the Trustee to enforce the Security may be limited or delayed by such procedures.

Preferred creditors under Irish law

The Issuer is an Irish incorporated company. Under Irish law, when applying the proceeds that may have been realised in the course of a liquidation or receivership of assets subject to a fixed security interest (such as that created by the Issuer pursuant to the Security Deed), the claims of a limited category of preferential creditors will take priority over the claims of the creditors holding the security in such assets. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts (see "*Examinership under Irish law*" below).

The holder of a fixed security interest over the book debts of an Irish tax resident company (which could include the security over the Allocated Account(s) in respect of the relevant Series of Securities) may be required by the Irish Revenue Commissioners, by notice in writing, to pay to them sums equivalent to those which the holder thereafter receives in payments of debt due to it by the company. Where the holder of the security interest has given notice to the Irish Revenue Commissioners of the creation of the security interest within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities of Irish value added tax) arising after the issuance of a notice by the Irish Revenue Commissioners to the holders of a fixed security interest.

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 Irish taxes. The Irish courts have not yet determined the scope of this right of the Irish Revenue Commissioners and the right may override the rights of holders of security 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 Irish tax on any capital gains made by the company on a disposition of those assets on exercise of the security interest.

Examinership under Irish law

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990 (as amended) (the "**1990 Act**") to facilitate the survival of Irish companies in financial difficulties.

An examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid negative pledge given by the company prior to his appointment. Furthermore, he may sell the assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

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

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer under the Trust Deed), the Trustee would be in a position to reject any proposal not in favour of the Securityholders. The Trustee would also be in a position to argue at any Irish High Court hearing at which any 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 of the value of amounts due by the Issuer to the Securityholders. The primary risks to the Securityholders if an examiner were appointed to the Issuer are as follows:

(i) during the period of protection, no action may be taken by Securityholders to enforce their rights to payment of amounts due by the Issuer or to enforce or realise any security granted by the Issuer and accordingly such payments could be deferred;

(ii) the potential for a scheme of arrangement to be approved involving the writing down of the debt due by the Issuer to Securityholders as secured by the Security Deed;

(iii) the potential for the examiner to set aside any negative pledge in the Trust Deed 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

(iv) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Securityholders.

Meetings of Securityholders, resolutions, modification, waivers and substitution

There are some matters set out in Condition 17(a) which do not require the approval of Securityholders or the consent of the Trustee. There are some matters set out in Condition 17(b) to which the Trustee may

consent without obtaining the consent of the Securityholders. All other matters affecting the interests of the Securityholders 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 Securities who did not vote in favour of the Extraordinary Resolution.

To the extent that the consent of the Trustee is required under the Conditions or the relevant Trust Deed, the Trustee may agree, without the consent of the Securityholders, to certain matters as well as any modification to the Conditions, the Trust Deed and/or the Security Deed 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 not materially prejudicial to the interests of the Securityholders of the relevant Series.

Prospective investors should note that in certain circumstances the Issuer and the relevant Transaction Party may take certain actions and certain amendments may be made to the terms of the Securities and/or the relevant Transaction Documents without the requirement for the approval of Securityholders or the consent of the Trustee.

These include (without limitation):

(i) the transfer of Metal to a Metal Counterparty under a Metal Sale Agreement, to an Authorised Participant under an Authorised Participant Agreement, to the Custodian under the Custody Agreement and to Authorised Participants in respect of Securities subject to Physical Redemption and the related release of Security provided such transfer and release is effected in accordance with the terms of the relevant Metal Sale Agreement, Authorised Participant Agreement, Custody Agreement, Security Deed, or the Conditions (as applicable);

(ii) any change to the Total Expense Ratio at any time (provided that in the case of an increase in the Total Expense Ratio, at least 30 calendar days' prior notice has been given to Securityholders);

(iii) any change to the Subscription Fee, the Buy-Back Fee and/or the Early Redemption Fee at any time;

(iv) any appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);

(v) the substitution of the Metal Reference Price Source with a successor Metal Reference Price Source pursuant to Condition 11;

(vi) any amendment to any term of the Conditions or any Transaction Document which relate(s) to an operational or procedural issue;

(vii) any increase in the maximum number of Securities which may be evidenced by an Up To Global Note; and

(viii) the Issuer, by notice to the Trustee, the Registrar(s), the Administrator and the Adviser:

(A) modifying the form, nature, method for transfer and/or clearing of CBF Securities;

(B) making any other related or consequential modifications to the Conditions or the Transaction Documents; and/or

(C) entering into any additional document,

in each case, which the Issuer determines, acting in good faith, is necessary or advisable to take into account and/or comply with the then current CBF Terms and any other terms, conditions, rules, procedures and/or practice applicable to CBF Securities.

Such actions or amendments may, in certain circumstances, have adverse consequences for investors. Prospective investors should recognise that such actions or amendments can take place without any

requirement for consent from them or the Trustee and should ensure that they accept and are aware of the potential consequences of such actions or amendments.

Securityholder directions

The Conditions of the Securities permit the holders of one-fifth or more of the outstanding number of Securities of a Series following the occurrence of an Event of Default to direct the Trustee to deliver a notice or take such other action in accordance with the Conditions, whereupon that Series of Securities will become due and payable at the relevant Early Redemption Amount on the relevant Early Redemption Settlement Date (if such Series of Securities has not already become due and payable) and/or the Security in respect of such Series will be enforced by the Trustee to satisfy the Issuer's obligations in respect of the Securities of such Series including payment or delivery of the Early Redemption Amount. The Trustee will not however be obliged to take any step or action or to act in accordance with any such direction unless the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction by one or more Securityholders of the relevant Series (or otherwise to its satisfaction).

Risks relating to the Custodian and relevant Sub-Custodians

The Issuer's ability to meet its obligations with respect to the Securities will be dependent upon the performance by the Custodian of its obligations under the relevant Custody Agreement. Secured Property in respect of a Series may also be held with a Sub-Custodian who will have entered into a Sub-Custody Agreement with the Custodian. Consequently, the Securityholders are relying on the creditworthiness of the Custodian (and/or any relevant Sub-Custodian).

In the event of an insolvency of the Custodian (or any relevant Sub-Custodian), the allocated Metal held by the Custodian (or any relevant Sub-Custodian) in the relevant Allocated Account and (in the case of Platinum Securities and Palladium Securities) by a Sub-Custodian in Zurich in the relevant Allocated Account for the benefit of the Issuer should be protected as such Metal should be identified separately from the assets of the Custodian, any relevant Sub-Custodian and their other clients. However, there can be no assurance that the Issuer will be able to obtain delivery of and/or realise the Metal (whether in full or in part) held in the Allocated Account(s) with the Custodian or relevant Sub-Custodian on a timely basis. In addition, the Issuer could incur expenses in connection with having to assert its claims against the Metal even if title could properly be ascertained to belong to the Issuer.

While the Issuer has put in place arrangements to minimise the holding of Underlying Metal in Unallocated Accounts (including issuing Securities on subscription only after the metal representing the Subscription Settlement Amount has been allocated to the Allocated Accounts and obtaining agreement from the Custodian that it will over-allocate Metal to the Allocated Accounts), there may be short periods of time during which Underlying Metal may pass through the Unallocated Accounts. In the event of an insolvency of the Custodian, Metal in unallocated form that is deposited with the Custodian is deposited in the name of the Issuer and should be held by the Custodian on trust for the Issuer such that the Issuer should be protected. In the event of an insolvency of a Sub-Custodian, Metal in unallocated form that is deposited with the Sub-Custodian is deposited in the name of the Custodian and the Issuer does not have a direct contractual relationship with the Sub-Custodian. However, the Sub-Custodian will have an obligation to transfer such Metal to the Custodian and the Custodian is obliged to hold such Metal on trust for the Issuer. To the extent that any such Metal is unable to be clearly identified as trust property held for the Issuer, it may be difficult for the Issuer to recover such Metal and the Issuer may instead have a claim against the Custodian for breach of trust. Depending on the precise relationship between the Custodian and the Sub-Custodian, the Custodian may be subject to the credit risk of the Sub-Custodian. Under the Custody Agreement, however, in the event that the Sub-Custodian fails to transfer such Metal to the Custodian, the Custodian remains fully liable to the Issuer with respect to any Metal deposited with the Sub-Custodian as if the Custodian had retained possession of it. If the Custodian were to also become insolvent, then the Issuer will rank as an unsecured creditor of the Custodian in respect of such sub-custodied Metal in unallocated form. The Custodian's assets may not be sufficient to satisfy a claim by the Issuer or the

Trustee for the amount of Metal held in the relevant Unallocated Account.

Although the Custodian is required to allocate and segregate Metal held for the Issuer from any assets held by the Custodian for other clients and the Custodian's own assets, and the Custodian is required to ensure that the Sub-Custodians allocate and segregate Metal held for the Custodian from any assets held for other clients and the Sub-Custodian's own assets, Securityholders will be at risk if the Custodian or any relevant Sub-Custodian does not, in practice, maintain such a segregation. In order to mitigate the risk of the Custodian or any Sub-Custodian not segregating and/or allocating Underlying Metal, the Custody Agreement provides that the Custodian will maintain a list setting out the vault location and serial identification numbers of all bars, plates or ingots of Underlying Metal held by the Custodian and any Sub-Custodian for the benefit of the Issuer in the Allocated Account(s) and will update this list on at least a daily basis.

Issue of Securities dependent on transfer of Metal to Allocated Account

Even after an Authorised Participant has delivered the relevant Metal to an Unallocated Account of the Issuer by the relevant cut-off time on the settlement day for a subscription in accordance with the terms of the relevant Authorised Participant Agreement, the Issuer is not obliged to issue Securities to the Authorised Participant in exchange for such Metal until the Custodian or relevant Sub-Custodian has transferred the Metal from the relevant Unallocated Account to the relevant Allocated Account which, under the terms of the Custody Agreement, the Custodian is required to use its best efforts to do or procure that the Sub-Custodian does so before the end of the settlement day. In the event that, despite using its best efforts, the Custodian is unable to allocate the relevant Metal, or procure that the relevant Sub-Custodian does so, before the end of the relevant settlement day, then the Custodian is required to transfer, or procure that the relevant Sub-Custodian transfers, the relevant Metal to the relevant Allocated Account by no later than 10:00 London time on the next following Business Day. Therefore, the Authorised Participant would have a credit exposure to the Custodian or relevant Sub-Custodian in relation to Metal which it delivers pursuant to a subscription until the Custodian or relevant Sub-Custodian transfers such Metal from an Unallocated Account to the relevant Allocated Account in order for Securities to be issued to the Authorised Participant, but such exposure should only be intraday provided that the Custodian complies with its obligations under the Custody Agreement.

Custody and Insurance

All Underlying Metal held in allocated form will be held by the Custodian and/or applicable Sub-Custodian(s) in each case in its vaults in London and, in relation to Platinum and Palladium, may in limited circumstances also be held by a Sub-Custodian in its vaults in Zurich. Access to such Underlying Metal could be restricted by, without limitation, natural events, such as earthquakes, or human activities, such as political protests or terrorist attacks.

The Custodian will maintain insurance arrangements in connection with the Custodian's business, including in support of its obligations under the relevant Custody Agreement. Unless otherwise agreed in writing by both the Issuer and the Custodian, the Custodian is under no obligation to maintain insurance specific to the Issuer or specific only to the Underlying Metal held for the Issuer in respect of any loss, damage, destruction or misdelivery of such Metal. The insurance maintained by the Custodian in accordance with the relevant Custody Agreement is held for the sole use and benefit of the Custodian and no other party may submit any claim under the terms of such insurance.

In the event of any loss of Underlying Metal that cannot be recovered, the Issuer will be reliant on the Custodian being able to claim successfully on its insurance. The Custodian will indemnify the Issuer for any loss, liability, cost, claim, demand or expense arising from physical loss or destruction of or damage to the relevant Underlying Metal. The Trustee shall not be responsible for ensuring that adequate insurance arrangements have been made and in particular for insuring any Metal in any unallocated or allocated accounts, or making any enquiry regarding such matters.

Therefore, there is a risk that Underlying Metal held in allocated form could be damaged, stolen or otherwise lost and the Issuer would not be able to fully satisfy its obligations in respect of the Securities. The Securityholders do not have the right under the Conditions to assert a direct claim of the Issuer against the Custodian or any applicable Sub-Custodian, and such claims may only be asserted by the Issuer (subject to any applicable assignment of the rights of the Issuer under any relevant Transaction Document). The Issuer is likely to have no, or only extremely limited direct rights against any Sub-Custodian, as the Sub-Custodian effectively acts for the Custodian.

In the event that any Underlying Metal for any Series of Securities is damaged, stolen or otherwise lost, the Issuer may, with the consent of the Trustee and the Adviser, adjust the Metal Entitlement of each Security of the relevant Series to the extent necessary to reflect such damage or loss.

No test of fineness required by the standards of the LBMA or the LPPM

The Custodian is required, under the Custody Agreement, to verify or to procure that the relevant Sub-Custodian verifies that the Metal delivered by Authorised Participants in exchange for Securities complies with the "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA and "The London/Zurich Good Delivery List" published by the LPPM (as appropriate). The Custodian's verification will include reviewing the corresponding bar list to ensure that it accurately describes the weight, fineness, refiner marks and bar numbers appearing on the Metal bars but will not include any chemical or other tests to verify that the Metal received does, in fact, meet the purity requirements as such tests may damage the bars of Metal. Accordingly, such verifications may not fully prevent the deposit of Metal by Authorised Participants that fail to meet the required purity standards. To the extent that Securities are issued in exchange for Metal of inferior quality and the Issuer is not able to recover damages from the relevant Authorised Participant or the Custodian when this comes to light, the total value of the Metal of the relevant Series of Securities, and by extension the value of the Securities of the relevant Series, will be adversely affected. The Issuer may not be able to proceed against an Authorised Participant unless it is put in funds for such action.

Reliance on the records of the Custodian

The definitive records of the Custodian in respect of the Unallocated Account(s) and the Allocated Account(s) in respect of each Series are prepared by members of its bullion operations team and its computer systems which track the amount of Underlying Metal in each account for each relevant Series of Securities. In the event that there are computer system failures or human error making any relevant entries to the records, then in the event of an insolvency of the Custodian it may be difficult to determine the accuracy of any entries and such determination may take significant time.

Transaction Parties and Conflicts of Interest

Transaction Parties (including the Arranger on behalf of other clients) and/or their respective Affiliates may engage in trading and market-making activities and may hold long or short positions in the Metal and other financial instruments or products based on or related to the Metal for their own accounts or for other accounts under their management. Transaction Parties and their affiliates may also issue securities or enter into financial instruments in relation to the Metal. Such activities could present certain conflicts of interest, could adversely affect the price and liquidity of the Securities and may have an adverse effect on the value of the Securities.

A Transaction Party and/or its Affiliates may be entitled to receive fees or other payments under or in connection with other products linked to the Metal to which the Securities relate or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors in the Securities.

A Transaction Party and/or its Affiliates may, from time to time, by virtue of such activities and their status as underwriter, adviser or otherwise, possess or have access to information relating to the Metal and/or

the other Transaction Parties. There is no obligation on any Transaction Party to disclose to any investor in the Securities any such information.

A Transaction Party and/or its Affiliates may, as an issuer or counterparty of precious metal linked obligations or transactions, engage in activities designed to reduce its exposure to the risk of adverse price movements that may impact on the prices of the Metal on any particular day, meaning it may be different from the level which it would otherwise have been, whether directly or indirectly. Such activities may have an adverse effect on the value of the Securities.

The Arranger and Adviser to the Programme is BlackRock Advisors (UK) Limited which is ultimately owned by BlackRock, Inc.

PNC Bank N.A. is a substantial shareholder of BlackRock, Inc. Any member within the BlackRock group or PNC group, and any of the directors of the foregoing, may (a) have an interest in the Issuer or in any transaction effected with or for it, or a relationship of any description with any other person, which may involve a potential conflict with their respective duties to the Arranger and Adviser, and (b) deal with or otherwise use the services of PNC group companies in connection with the performance of such duties, and none of them will be liable to account for any profit or remuneration derived from so doing.

Credit risk exposure on sale of metal to Metal Counterparties

In order to provide Cash Redemptions on an Early Redemption and in other limited circumstances, the Issuer will sell the relevant Metal to a Metal Counterparty for cash (in USD) under the Metal Sale Agreement(s). The Issuer would be required to deliver the relevant Metal to the Metal Counterparty prior to the close of the Custodian's vault in London, which is around 16:00 London time. However, the Metal Counterparty has up to the close of the business day in New York, which is usually (depending on adjustments made for daylight savings time) 21:00 London time, to deliver the cash proceeds (in USD). In order to reduce the Issuer's credit exposure to the Metal Counterparty from the time at which it delivers the Metal to the Metal Counterparty up to the time that it receives cash proceeds in full from the Metal Counterparty, the Metal Counterparty is required to hold such Metal received from the Issuer on trust for the Issuer pending receipt by the Issuer of the relevant cash proceeds from the Metal Counterparty. However, to the extent that the Metal Counterparty holds such Metal on trust but does not adequately segregate such Metal so that it is clearly identified as being held on trust for the Issuer, in the event that the Metal Counterparty becomes insolvent prior to the Issuer receiving the cash proceeds in full from the Metal Counterparty, to the extent that such Metal is unable to be clearly identified as trust property held for the Issuer, it may be difficult for the Issuer to recover such Metal and the Issuer may instead have a claim against the Metal Counterparty for breach of trust, in respect of which it will rank as an unsecured creditor of the Metal Counterparty. The Issuer may not be able to proceed against a Metal Counterparty unless it is put in funds for such action.

Credit risk exposure to Administrator

If an Early Redemption occurs or if the Issuer issues a Non-AP Buy-Back Notice in respect of a Series of Securities, which would involve the sale of Metal to one or more Metal Counterparties to fund Cash Redemption or the Buy-Back Settlement Amount (as applicable) in respect of such Securities, the Administrator will open and maintain the Issuer Cash Account for such Series of Securities into which the Metal Counterparties will pay the cash proceeds. Once the aggregate Metal Entitlement in respect of the Securities subject to Cash Redemption or buy back from Non-AP Securityholders (as applicable) has been sold, the Administrator will pay such cash proceeds to the relevant Registrar for distribution to Securityholders to satisfy the Cash Redemption or Buy-Back Settlement Amount (as applicable). While the cash proceeds are held by the Administrator, the Issuer, and by extension, Securityholders would have credit exposure to the Administrator. As the Administrator would hold such cash as banker, in the event of insolvency of the Administrator while holding such cash, the Issuer would be treated as a general creditor of the Administrator in relation to such cash holdings.

Other general risks

The secondary market and limited liquidity

An investor who is not an Authorised Participant can only realise value from a Security prior to the occurrence of an early redemption by selling it at its then market price to an Authorised Participant or to other investors on the secondary market.

The market price at which the Securities trade on any stock exchange on which the Securities are listed may not reflect accurately the price of the Metal underlying the Securities. The market price of the Securities will be a function of the supply and demand amongst investors wishing to buy and sell the Securities and the bid/offer spread that market-makers (including Authorised Participants) are willing to quote for the Securities on any relevant stock exchange or market. If there is a high level of demand for a relevant Series of Securities then, other things remaining equal, those Securities are likely to trade at a premium. Authorised Participants have the right (but not the obligation) to request that the Issuer issues further Securities of a Series. If the Authorised Participants exercise such right and the request is accepted by of on behalf of the Issuer (who is not obliged to accept such request), this will increase supply and would reduce any such premium. Similarly, where the Securities are trading at a discount, the Authorised Participants may purchase the Securities on the secondary market and request that the Issuer buys back such Securities, thus reducing the supply and potentially reducing such discount. The Issuer will use reasonable endeavours to ensure that there are at least two Authorised Participants per Series.

While each Authorised Participant appointed in respect of the Programme and/or a Series of Securities intends to make a market for the relevant Series of Securities in respect of which it is appointed as an Authorised Participant, an Authorised Participant is under no obligation to do so and there can be no assurance that Authorised Participants would purchase Securities on any day or at any particular price. Furthermore, any market in the Securities may not be liquid.

The price at which an investor may be able to sell Securities at any time may be substantially less than the price paid by the investor. This may occur as a result of, among other things, there being limited liquidity for the Securities, the market price being volatile or the Metal not having performed sufficiently to increase or maintain the market value of the Securities by such amount as is necessary to negate the decrease in Metal Entitlement (due to application of the Total Expense Ratio) since the time the investor purchased the Securities.

Taxation and no gross-up

In the event that any withholding or deduction for or on account of Tax is imposed on payments or deliveries in respect of the 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 Securities, including but not limited to the question of whether the 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 the Base Prospectus and the other tax disclosures in the Base Prospectus.

Shareholders should also read the information set out under the heading "*FATCA and other cross-border reporting systems*", particularly in relation to the consequences of the Issuer being unable to comply with the terms of such reporting systems.

Exchange rates and exchange controls

Any requisite cash payments in respect of a Series of Securities will be made in USD. This will present certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than USD. These include the risk that exchange rates may significantly change (including changes due to devaluation of USD or revaluation of

the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to USD would decrease (i) the Investor's Currency-equivalent return on the Securities, (ii) the Investor's Currency-equivalent value of the amount(s) payable on the Securities and (iii) the Investor's Currency-equivalent market value of the Securities.

DOCUMENTS INCORPORATED BY REFERENCE

The published audited report and accounts of the Issuer for the years ended 30 April 2015 and 30 April 2016 as published by the Issuer through the Regulatory News Service of the London Stock Exchange on 29 June 2015 and 30 June 2016 respectively, together with the interim report and unaudited financial statements of the Issuer for the period from 1 May 2016 to 31 October 2016 are incorporated in this document by reference and are available at the Issuer's website at:

https://www.ishares.com/uk/individual/en/literature/annual-report/ishares-physical-metals-plc-en-gb-rc-annual.pdf?siteEntryPassthrough=true

and

https://www.ishares.com/uk/institutional/en/literature/annual-report/ishares-physical-metal-plc-en-gb-pc-annual-report.pdf?siteEntryPassthrough=true&locale=en_GB&userType=institutional

and

https://www.ishares.com/uk/individual/en/literature/interim-report/ishares-physical-metals-en-gb-rc-interim-report.pdf?siteEntryPassthrough=true&locale=en_GB&userType=individual

respectively and at the specified office of the Adviser as set out in paragraph 7 under "General Information".

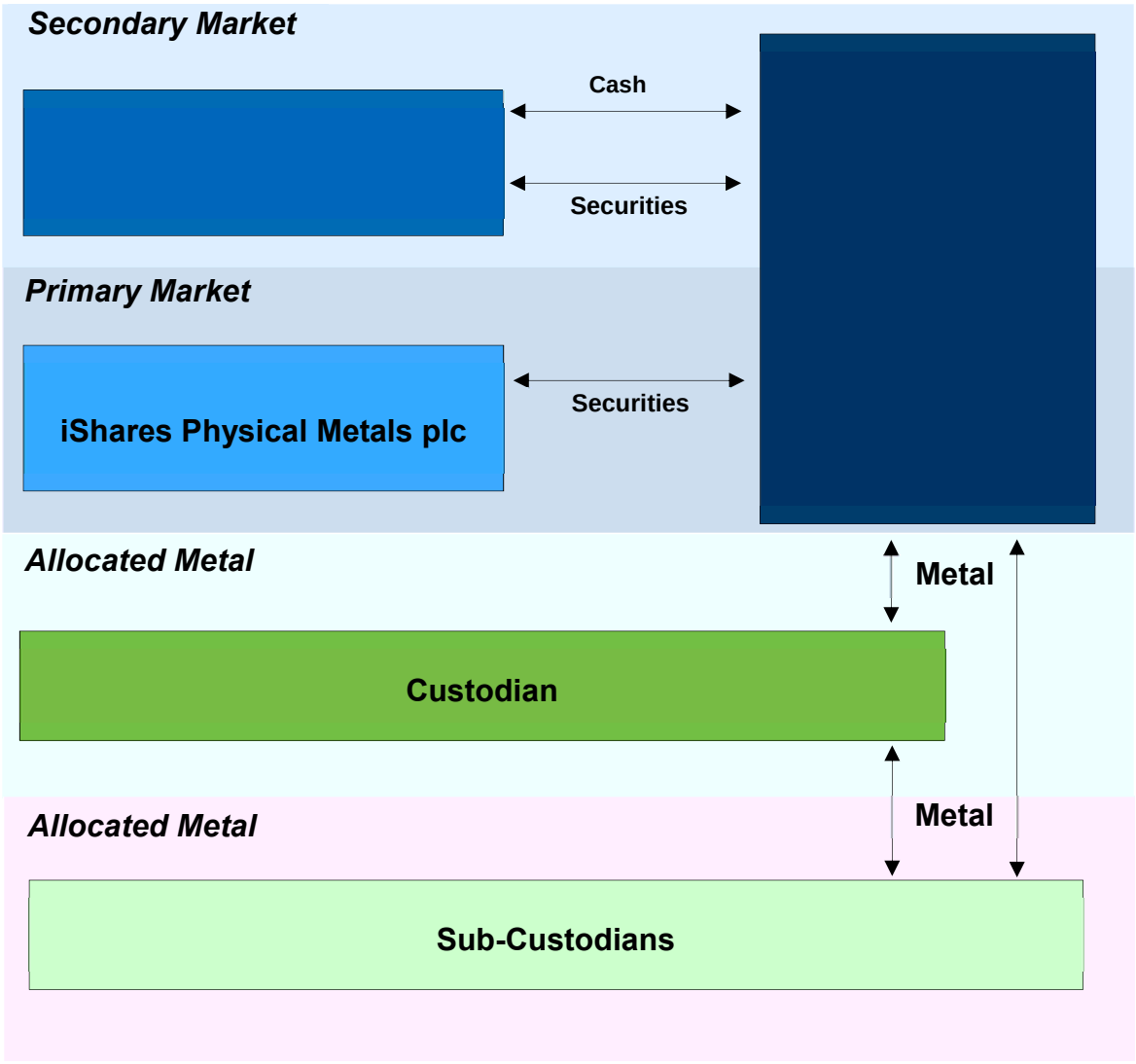
No documents referred to in the audited report and accounts of the Issuer for the years ended 30 April 2015 and 30 April 2016 or the interim report and unaudited financial statements of the Issuer for the period from 1 May 2016 to 31 October 2016 are themselves incorporated into this Base Prospectus and no other documents, including the contents of any websites or web pages referred to in this Base Prospectus, form part of this Base Prospectus for purposes of the Prospectus Directive.

OVERVIEW OF THE PROGRAMME

The following overview of the Programme is qualified in its entirety by the remainder of this document.

All capitalised terms used in this section "*Overview of the Programme*" have the meanings given to them in Condition 1 of the Terms and Conditions of the Securities, set out on pages 72 to 119 of this Base Prospectus unless otherwise defined herein.

Structure Diagram:



Issuer:	iShares Physical Metals plc, a public limited company incorporated and registered in Ireland with registration number 494646.
Programme:	Secured Precious Metal Linked Securities Programme pursuant to which the Issuer may issue secured precious metal linked securities. In respect of any Series of Securities, the Final Terms relating to such Series will specify detailed terms applicable to such Series of Securities.

Series:

The Series of Securities to be issued under the Programme are:

(i) iShares Physical Gold ETC;

(ii) iShares Physical Silver ETC;

(iii) iShares Physical Platinum ETC; and

(iv) iShares Physical Palladium ETC.

Transaction Structure:

The Issuer, under its Secured Precious Metal Linked Securities Programme, may issue Securities of a Series to Authorised Participants appointed in respect of such Series.

As described under "*Subscription / Further Issues of Securities*" below, Authorised Participants will be required, on subscription, to transfer to the Issuer's relevant account with the Custodian (or to the Custodian's relevant account with a Sub-Custodian, as directed by the Custodian) an amount of Metal equal to the Subscription Settlement Amount and to pay the Subscription Fee (unless the relevant Registrar has agreed that the Subscription Fee may be paid following subscription). The Issuer will not issue Securities to an Authorised Participant until the Subscription Settlement Amount has been allocated to the relevant Allocated Account for the Series.

As described under "*Buy-back of Securities*" below, Authorised Participants may request that the Issuer buys back Securities from such Authorised Participant in return for an amount of Metal equal to the Buy-Back Settlement Amount, provided that the Authorised Participant has satisfied certain conditions precedent which include return of such Securities and payment of the Buy-Back Fee (unless the relevant Registrar has agreed that the Buy-Back Fee may be paid following the relevant buy back).

It is intended that Authorised Participants of a Series will sell Securities in the secondary market to investors who have either directly approached the Authorised Participant or to investors on a stock exchange on which the Securities are listed (as applicable) for a purchase price agreed between the Authorised Participant and such investor(s) in respect of the Securities. Investors may sell the Securities from time to time in the secondary market to third parties or Authorised Participants.

The assets backing each Series of Securities have characteristics that demonstrate capacity to service any deliveries due or produce funds to service any payments due on the Securities.

With respect to each Series of Securities, the Issuer's main assets are (i) its holdings of Metal in allocated form held by or on behalf of the Issuer (through the Custodian and/or Sub-Custodians) in the Allocated Account(s) in respect of such Series, received by the Issuer in connection with subscriptions of Securities by Authorised Participants; and (ii) its contractual rights under the Transaction Documents.

Under the terms of the Securities, the Issuer has the obligation to pay or deliver (as applicable) (a) an "all-in-one" operational fee to the Adviser (equal to the Metal representing the reduction in the Metal Entitlement by daily application of the Total Expense Ratio); (b) the

	Buy-Back Settlement Amount on a buy-back or deemed buy-back of Securities; and (c) the Early Redemption Amount to Securityholders. Metal representing the reduction in the Metal Entitlement by daily application of the Total Expense Ratio will be periodically sold to the Custodian to fund the payment of the "all-in-one" operational fee to the Adviser. The Adviser will use such fee to pay the agreed fees of other service providers to the Issuer. The remaining Metal (equal to the aggregate Metal Entitlement of the Series) will fund the payment or delivery (as applicable) of the Buy-Back Settlement Amount and the Early Redemption Amount.
Transaction Parties	
Arranger and Adviser:	BlackRock Advisors (UK) Limited, a company incorporated and registered in England and Wales with number 00796793 and regulated by the FCA.
Trustee:	State Street Custodial Services (Ireland) Limited, a company incorporated in Ireland with registration number 174330 with registered office located at 78 Sir John Rogerson's Quay, Dublin 2, Ireland and regulated by the Central Bank.
Administrator:	State Street Bank and Trust Company, a National Banking Association incorporated and registered in the United States with number 35301 with principal office located at 1 Lincoln Street, Boston, MA 02111, USA and regulated by the Federal Reserve. The Administrator is a subsidiary of State Street Corporation which provides a broad range of products and services for institutional investors worldwide.
Custodian:	JPMorgan Chase Bank N.A., London Branch, a National Banking Association whose principal London office is at 125 London Wall, London EC2Y 5AJ and who is regulated by the FCA and the Prudential Regulation Authority. The Custodian is a wholly owned bank subsidiary of JPMorgan Chase & Co. The Custodian offers a wide range of banking services to its customers, both domestically and internationally. It is chartered by the Office of the Comptroller of the Currency, a bureau of the United States Department of the Treasury (the "**OCC**") and its business is subject to examination and regulation by the OCC. In respect of any Series, the Custodian may hold the relevant Metal through Sub-Custodians in London. In addition, in respect of iShares Physical Platinum ETC and iShares Physical Palladium ETC, the Custodian may also hold Platinum or Palladium via Sub-Custodians in Zurich.
Registrar:	As at the Programme Signing Date, Computershare Investor Services (Ireland) Limited, a company incorporated in Ireland with registration number 239353 is the sole Registrar and maintains the Register for each Series of Securities which contains the record of all Securities of such Series issued by the Issuer. The Issuer may appoint further registrars in relation to a Series pursuant to a Registrar Agreement.

Metal Counterparty: The Metal Counterparty/ies in relation to a Series are such metal counterparty or counterparties which, from time to time, are party to a Metal Sale Agreement with the Issuer providing for the purchase of Metal from the Issuer in respect of a Series of Securities.

Authorised Participants: The Authorised Participant(s) of each Series of Securities will be specified in the Final Terms relating to each Series. The Issuer may, from time to time, appoint additional Authorised Participants or remove Authorised Participants in respect of the relevant Series of Securities.

The list of Authorised Participants in respect of a Series of Securities will be published on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders). The Issuer shall use reasonable endeavours to ensure that there are at least two Authorised Participants for each Series.

Paying Agents: As at the Programme Signing Date, no paying agents have been appointed.

Securities

Method of Issue: Securities will be issued in Series. Each Series will provide exposure to a different Metal indicated by the name of that Series. Each Series may comprise a number of different Tranches issued on identical terms other than the Issue Date and the Metal Entitlement and with the Securities of each Tranche of a Series being interchangeable with all other Securities of that Series.

Form of Securities: Each Series of Securities will comprise CREST Securities, which are securities in dematerialised uncertificated registered form for clearing in CREST. From the point at which Securities are admitted to listing and trading on the Frankfurt Stock Exchange, it is intended that the Securities traded on the Frankfurt Stock Exchange will be cleared in Clearstream Frankfurt in accordance with the requirements of Clearstream Frankfurt. The Issuer may issue an Up To Global Note in physical form representing such Securities (CBF Securities) to Clearstream Frankfurt (or its nominee), to be deposited in Clearstream Frankfurt's vault, subject to the requirements of Clearstream Frankfurt. Legal title to such CBF Securities will be, unless otherwise agreed between the Issuer and Clearstream Frankfurt, held by Clearstream Frankfurt's nominee.

Title to all Securities will be recorded by the Registrar(s) on the Register. Title to Securities will pass by registration in the Register.

It is intended that title to CBF Securities will, unless otherwise agreed between the Issuer and Clearstream Frankfurt, be held by Clearstream Frankfurt's nominee and ownership of the entitlements to interests in the CBF Securities will, subject to the applicable rules, procedures and practice of Clearstream Frankfurt, transfer upon the entry of such transfer in Clearstream Frankfurt's systems and the associated crediting of book-entry accounts in Clearstream Frankfurt, as recorded in the CBF Register.

It is intended that CREST Securities and CBF Securities relating to

the same Series will have the same ISIN. Securities (or interests therein) can be transferred from CREST to Clearstream Frankfurt and vice versa.

In certain limited circumstances, Securities may cease to be cleared in the relevant Clearing System (or, with respect to CREST Securities, cease to be held in uncertificated form) and the Issuer and the relevant Transaction Parties may, in such circumstances, agree such procedures as they determine necessary, including in relation to the transfer of the affected Securities and will as soon as reasonably practicable give notice thereof to the relevant Securityholders and to the Authorised Participants.

The form, nature, method for transfer and/or clearing of CBF Securities may from time to time be modified by the Issuer without the approval of Securityholders or the consent of the Trustee in order to take into account and/or comply with the then current and applicable rules, procedures and/or practice of Clearstream Frankfurt (which the Issuer agrees with Clearstream Frankfurt shall apply to the CBF Securities) and any other terms, conditions, rules, procedures and/or practice applicable to CBF Securities.

Metal: In respect of a Series of Securities, any one of Gold, Silver, Platinum or Palladium, as specified in the Final Terms in respect of the Securities of such Series.

Value of the Securities Each Security of each Series will have a Metal Entitlement which is as described under "*Metal Entitlement*" below. As the Early Redemption Amount due in respect of a Security (other than Securities held by Authorised Participants who have elected to receive Physical Redemption) on Early Redemption is determined by reference to such Security's *pro rata* share of the proceeds of sale of an amount of Metal equal to the aggregate Metal Entitlement of all Securities subject to Cash Redemption, the value of a Security at any time is expected to be influenced primarily by the value of an amount of Metal equal to the Metal Entitlement at such time.

Prospective investors should, however, note that the market price of the Securities may not match the market price of the Metal Entitlement relating to such Securities due to factors including those set out under the risk factor titled "*Market price of the Securities*" above.

Initial Metal Entitlement: In respect of a Series of Securities, the Metal Entitlement on the Series Issue Date (which was 7 April 2011), which is an amount of Metal per Security equal to:

(i) in respect of iShares Physical Gold ETC: 0.02 fine troy ounces;

(ii) in respect of iShares Physical Silver ETC: 1 troy ounce;

(iii) in respect of iShares Physical Platinum ETC: 0.015 troy ounces; and

(iv) in respect of iShares Physical Palladium ETC: 0.03 troy ounces.

Authorised Participants subscribing for Securities of the first Tranche of a Series will be required to transfer to the Custodian (or a Sub-Custodian) on behalf of the Issuer an amount of Metal equal to the product of the Initial Metal Entitlement and the number of Securities being subscribed.

Metal Entitlement:

In respect of a Series of Securities, on the Series Issue Date, the Metal Entitlement for each Security of such Series is the Initial Metal Entitlement.

On each subsequent day, the Metal Entitlement is decreased at a rate equal to the portion of the Total Expense Ratio applicable to such day.

The Issuer will publish the Metal Entitlement of each Series of Securities notified to it by the Administrator in respect of each day on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders from time to time).

Metal Entitlement of further Tranches of Securities

In respect of an issue of a further Tranche of a Series of Securities, the Metal Entitlement in respect of such Tranche is the Metal Entitlement of such Series on the Subscription Trade Date of such Tranche.

Authorised Participants subscribing for Securities of such Tranche will be required to transfer to the Custodian (or a Sub-Custodian) on behalf of the Issuer an amount of the relevant Metal equal to the product of the Metal Entitlement in respect of the Subscription Trade Date and the number of Securities being subscribed.

Total Expense Ratio:

Each Series of Securities pays an "all in one" operational fee to the Adviser, which accrues at a rate per annum equal to the Total Expense Ratio for such Series. The Adviser uses this fee to pay the agreed fees of other service providers of the Issuer.

The Total Expense Ratio is the rate set out below for each Series and is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of Metal from the Metal Entitlement:

(i) in respect of iShares Physical Gold ETC: 0.25% per annum;

(ii) in respect of iShares Physical Silver ETC: 0.40% per annum;

(iii) in respect of iShares Physical Platinum ETC: 0.40% per annum; and

(iv) in respect of iShares Physical Palladium ETC: 0.40% per annum.

The Total Expense Ratio in respect of a Series of Securities may be varied by the Issuer on the request of the Adviser from time to time, provided that no increase in the Total Expense Ratio in respect of a Series of Securities will take effect unless Securityholders of such Series have been given at least 30 calendar days' prior notice in accordance with Condition 18.

Interest:

The Securities are non-interest bearing.

Clearing and Settlement:

Securities will be cleared through CREST or such other Clearing System(s) as may be specified in the relevant Final Terms.

From the point at which Securities are admitted to listing and trading on the Frankfurt Stock Exchange, Securities traded on the Frankfurt Stock Exchange will be cleared through Clearstream Frankfurt and will be recorded on the Register in the name of Clearstream Frankfurt's nominee. Clearstream Frankfurt will maintain a record of persons holding through it and all such Securities will be eligible for settlement under the settlement system maintained by Clearstream Frankfurt.

From the point at which Securities are admitted to listing and trading

	on the Borsa Italiana, Securities traded on the Borsa Italiana will be recorded on the Register in the name of Euroclear Nominees Limited as agent for Monte Titoli. Monte Titoli will maintain a record of persons holding through it and all such Securities will be eligible for settlement under the settlement system maintained by Monte Titoli.
Listing and Admission to Trading:	Unless otherwise specified in the applicable Final Terms, application will be made for the Securities of a Series to be admitted for listing on the official list of the UK Listing Authority and to be admitted to trading on the regulated market of the London Stock Exchange. Application may also be made for the Securities of a Series to be admitted for listing on the official list of, and to be admitted to trading on the regulated market of, the Frankfurt Stock Exchange, the Borsa Italiana and/or any other relevant Stock Exchange as specified in the relevant Final Terms.
Status of the Securities:	Secured, limited recourse obligations of the Issuer.
Currency:	Securities will be denominated in USD.
Maturity:	Securities will be undated securities with no final maturity date.
Principal Amount:	Each Security of a Series will have the same Principal Amount, which operates as a minimum repayment amount payable by the Issuer at the election of the Securityholder on an Early Redemption of the Securities (subject to the limited recourse described at "*Limited Recourse and Non-Petition*" below). For the purposes of the Prospectus Directive, the Principal Amount of each Security of a Series shall be regarded as the denomination of such Security. The Principal Amount of each Security is: (i) in respect of iShares Physical Gold ETC: US$3.00; (ii) in respect of iShares Physical Silver ETC: US$4.50; (iii) in respect of iShares Physical Platinum ETC: US$3.00; and (iv) in respect of iShares Physical Palladium ETC: US$3.00.
Subscription and Buy-Back	
Subscription / Further Issues of Securities:	The Issuer may, from time to time, in accordance with the relevant Transaction Documents, create and issue further securities either: (i) as a new Series of Securities upon such terms as the Issuer may determine at the time of their issue; or (ii) having the same terms and conditions as an existing Series of Securities in all respects and so that such further issue will be consolidated and form a single series with such Series of Securities, subject to the suspension of subscriptions during a Suspension Period or after an Early Redemption Subscription/Buy-Back Cut-off Date or service of an Event of Default Redemption Notice. Any new securities forming a single series with Securities already in issue and which are expressed to be constituted by the same Trust Deed and secured by the same Security Deed will, upon issue thereof by the Issuer, be constituted by such Trust Deed and secured by such Security Deed without any further formality and will be secured by the

same Secured Property of such Series of Securities (as increased or supplemented in connection with such issue of new securities).

Only an Authorised Participant of a Series may request that the Issuer issue additional Tranches of Securities to such Authorised Participant by delivering a valid Subscription Order subject to and in accordance with the terms of the relevant Authorised Participant Agreement. The Issuer (or the Adviser or the Administrator on its behalf) has the absolute discretion to accept or reject in whole or in part any Subscription Order.

Authorised Participants subscribing for Securities will need to:

(a) deliver an amount of Metal equal to the Subscription Settlement Amount to the Issuer's relevant account with the Custodian (or to the Custodian's relevant account with a Sub-Custodian, as directed by the Custodian) by the relevant cut-off time on the Subscription Settlement Date; and

(b) pay the Subscription Fee (in cash) as set out in the relevant Authorised Participant Agreement by the relevant cut-off time on the Subscription Settlement Date (unless the relevant Registrar has agreed that the Subscription Fee may be paid following the Subscription Settlement Date).

The Subscription Settlement Amount is an amount of the relevant Metal equal to the product of the number of the additional Securities and the Metal Entitlement for such Series of Securities as at the relevant Subscription Trade Date.

The Issuer will only issue Securities to an Authorised Participant on the Subscription Settlement Date if all conditions precedent to an issue of the Securities are satisfied which includes (x) the Authorised Participant having satisfied all of its settlement obligations by the relevant cut-off times, and (y) the Custodian having confirmed to the Administrator and the Trustee that it has transferred or has procured the transfer of the Subscription Settlement Amount to the relevant Allocated Account.

Buy-back of Securities:

The Issuer may, from time to time, buy back all or some of the Securities, subject to the suspension of buy-backs during a Suspension Period or after an Early Redemption Subscription/Buy-Back Cut-off Date or service of an Event of Default Redemption Notice.

Only a Securityholder who is an Authorised Participant may request that the Issuer buy back Securities in respect of the relevant Series by delivering a valid Buy-Back Order subject to and in accordance with the terms of the relevant Authorised Participant Agreement, unless, as explained below, a Non-AP Buy-Back Notice has been issued by the Issuer and the related procedure has been followed.

The Issuer's agreement to buy back any Securities is conditional on a valid Buy-Back Order having been received and satisfaction of all conditions precedent applicable to a buy back of the Securities of the relevant Series, which shall include payment of a Buy-Back Fee unless the relevant Registrar has agreed that the Buy-Back Fee may be paid following the relevant buy back.

Securities bought back from Authorised Participants will only be by Physical Redemption.

Securities purchased by the Issuer will be purchased for the Buy-Back Settlement Amount which, for Physical Redemption, is an amount of the relevant Metal equal to the Metal Entitlement for such Securities as at the relevant Buy-Back Trade Date.

The Issuer will only transfer the Buy-Back Settlement Amount to an Authorised Participant for Securities redeemed by Physical Redemption once the Authorised Participant has (i) deposited the relevant Securities in such account as set out in the relevant Authorised Participant Agreement by the relevant cut-off time on the Buy-Back Settlement Date; and (ii) paid the Buy-Back Fee (in cash) as set out in the relevant Authorised Participant Agreement by the relevant cut-off time on the Buy-Back Settlement Date (unless the relevant Registrar has agreed that the Buy-Back Fee may be paid following the Buy-Back Settlement Date).

All Securities purchased by or on behalf of the Issuer will be cancelled. Any Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged. In accordance with the Security Deed, the Trustee will and will be deemed to release without the need for any notice or other formalities from such Security the relevant portion of the Secured Property relating to the Securities so purchased and cancelled.

Buy-back of Securities in limited circumstances:

The Issuer shall have the right, in its sole discretion (subject to compliance with relevant laws and regulations), by issuing a Non-AP Buy-Back Notice, to determine that Non-AP Securityholders (Securityholders who are not Authorised Participants) may, by delivering a valid Buy-Back Order and complying with the procedure set out in Condition 8(c) and any other conditions set out by the Issuer at the time of such notice, request that the Issuer buy back Securities in respect of the relevant Series.

A Non-AP Buy-Back Notice is expected to be issued only in limited circumstances including where no Authorised Participants are acting or willing to act in such capacity in respect of a Series.

In such circumstances, the Issuer's agreement to buy back any Securities is conditional on a valid Buy-Back Order having been received and satisfaction of all conditions precedent applicable to a buy back of the Securities of the relevant Series.

Securities bought back from Non-AP Securityholders will be by Cash Redemption only.

Securities purchased by the Issuer pursuant to a Buy-Back Order will be purchased for the Buy-Back Settlement Amount which, for a Cash Redemption, is an amount in USD equal to the product of the Metal Sale Proceeds per Security and the aggregate number of Securities to be purchased pursuant to such Buy-Back Order, provided that the Administrator or the relevant Registrar shall be entitled to deduct from such Buy-Back Settlement Amount an amount equal to the Buy-Back Fee.

The Issuer will only transfer the Buy-Back Settlement Amount less the Buy-Back Fee to a Securityholder for Securities redeemed by Cash

Redemption once the Securityholder has deposited the relevant Securities in an account notified by the Administrator on behalf of the Issuer by the relevant cut-off time on the Buy-Back Settlement Date.

All Securities purchased by or on behalf of the Issuer will be cancelled. Any Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged. In accordance with the Security Deed, the Trustee will and will be deemed to release without the need for any notice or other formalities from the Security the relevant portion of the Secured Property relating to the Securities so purchased and cancelled.

Disruption Events:

The Issuer, or the Adviser on its behalf, may postpone or suspend the issuance and/or buy back of Securities and/or the settlement of any issuance or buy back at any time after the occurrence and during the continuation of a Disruption Event by giving a Suspension Notice to each Transaction Party and the Securityholders of the relevant Series. The Suspension Notice may cover a single day or a period over which the Disruption Event continues. If the Suspension Notice is for a period of time, the Suspension Period will end when the Issuer notifies the Transaction Parties and the Securityholders of the relevant Series that it shall recommence the issue and buy-back of Securities.

If the Issuer, or the Adviser on its behalf, gives a Suspension Notice in relation to the suspension of the settlement of Subscription Orders and/or Buy-Back Orders, the settlement of any outstanding Subscription Order or Buy-Back Order (as applicable) will be postponed to the next Settlement Day which is a Non-Disrupted Day, as further detailed in Condition 10.

During a Suspension Period, the Issuer is entitled:

(i) not to accept Subscription Orders and Buy-Back Orders;

(ii) to postpone or cancel existing Subscription Orders and Buy-Back Orders; and

(iii) to postpone any Early Redemption Trade Date or payment or delivery of the Early Redemption Amount.

The Disruption Events include:

(a) the occurrence of a material suspension or limitation in the trading and/or settlement of the relevant Metal (including a permanent discontinuation of trading);

(b) if any of the Adviser, the Administrator, the Custodian, a Registrar, all of the Authorised Participants and/or all of the Metal Counterparties in relation to the relevant Series of Securities resign or their appointment in relation to the relevant Series of Securities 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;

(c) if an Issuer Call Redemption Notice or a Change in Law or Regulation Redemption Notice has been given in accordance with Condition 9(d);

(d) if the Issuer (or the Adviser on its behalf) determines that any Underlying Metal in respect of a Series of Securities is no longer held in a Allocated Account in respect of such Series, other than

in accordance with the Conditions and Transaction Documents; and/or

(e) any other event which the Issuer (or the Adviser on its behalf), in its sole discretion, considers to be a disruption event in relation to the Securities of the relevant Series.

Early Redemption

Early Redemption Events:

If an Early Redemption Event occurs and the relevant notice(s) (if applicable) are given, a Series of Securities will be redeemed at the Early Redemption Amount on the Early Redemption Settlement Date.

Early Redemption Events include:

(i) **Issuer Call Redemption Event**: the Issuer has elected to redeem all Securities of the relevant Series, having given no less than 10 calendar days' notice of such election;

(ii) **Change in Law or Regulation Redemption Event**: due to the adoption of or change in any applicable law or interpretation of such law:

(a) it has become (or the Issuer reasonably expects that it will become) illegal for the Issuer to (x) hold, acquire or dispose of the Underlying Metal, and/or (y) perform its obligations under the Securities; or

(b) the Issuer would (or would expect to) incur an increased cost in performing its obligations under the Securities;

(iii) **VAT Redemption Event**: if the Issuer is, or there is a substantial likelihood that it will be, on the next date on which a delivery of Metal is due in respect of a Subscription Order, Buy-Back Order or sale of TER Metal, required to register for VAT or otherwise make a payment in respect of VAT or be required to account for VAT on such delivery of Metal from or to an Authorised Participant, Metal Counterparty or the Custodian (in each case whether or not such VAT is recoverable); and

(iv) **Service Provider Non-Replacement Redemption Event**: any of the Adviser, the Administrator, the Custodian, a Registrar, all of the Authorised Participants and/or all of the Metal Counterparties in relation to the relevant Series of Securities resign or their appointment in relation to the relevant Series of Securities is terminated and no successor or replacement has been appointed within 60 calendar days of the date of notice of resignation or termination or the date the appointment was automatically terminated.

Events of Default:

If an Event of Default occurs and the Trustee gives the relevant notice, the Securities of the relevant Series will immediately become due and payable at their Early Redemption Amount (unless such Securities are already due and payable before such time). The Security over the Secured Property in respect of the relevant Series of Securities will also become enforceable upon the service of such notice.

The Events of Default are as set out below:

(i) the Issuer has defaulted for more than 14 calendar days in the payment of any sum or delivery of any Metal due in respect of the Securities of the relevant Series or any of them;

(ii) the Issuer does not perform or comply with any one or more of its material obligations under the Securities, the Trust Deed or the relevant Security Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 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); or

(iii) a Bankruptcy Event has occurred with respect to the Issuer.

Early Redemption Amount: On an Early Redemption, Securities will, by default, be redeemed by Cash Redemption. A Securityholder who is an Authorised Participant may elect for Physical Redemption if it certifies in writing to the satisfaction of the Issuer (or the Administrator acting on its behalf) that:

(i) it is not a UCITS Scheme; and

(ii) its appointment has not been terminated, including, without limitation, in accordance with Clause 4.3 (*Termination – Automatic Termination*) of the relevant Authorised Participant Agreement.

In respect of Securities subject to Cash Redemption, the Early Redemption Amount will be an amount in USD determined in accordance with Condition 9(a) equal to:

(a) the aggregate proceeds received by the Issuer from Metal Counterparties in respect of a sale of Metal equal to the Metal Entitlement (such Metal Entitlement being determined as at the Early Redemption Trade Date) for each Security subject to Cash Redemption of the relevant Series; divided by

(b) the number of Securities subject to Cash Redemption,

provided that the Administrator or the relevant Registrar shall be entitled to deduct from such Early Redemption Amount an amount equal to the costs incurred by or on behalf of the Issuer in connection with the early redemption of such Securities subject to Cash Redemption.

In respect of Securities subject to Physical Redemption, the Early Redemption Amount will be an amount of the relevant Metal equal to the Metal Entitlement as at the Early Redemption Trade Date.

The Issuer will only transfer the Early Redemption Amount to an Authorised Participant who has elected for Physical Redemption once the Authorised Participant has (i) deposited the relevant Securities in an account notified by the Administrator, and (ii) paid the Early Redemption Fee (in cash), provided that if the relevant Authorised Participant has not paid the Early Redemption Fee by the Early Redemption Settlement Date, the Issuer may (but is not obliged to) deduct an amount of Metal from the Early Redemption Amount to pay the Early Redemption Fee and transfer the remaining Early Redemption Amount to such Authorised Participant.

Notwithstanding the above, Securityholders may elect to receive an amount in USD equal to the Principal Amount in lieu of payment or delivery of the Early Redemption Amount on the Early Redemption Settlement Date. Any Authorised Participants who have elected to receive Physical Redemption in respect of Securities will also have elected not to receive the Principal Amount in respect of such Securities.

Securityholders should note that as payment of amounts owed to other creditors of the Issuer in respect of the relevant Series may rank in priority to payment or delivery of the Early Redemption Amount or Principal Amount to Securityholders, Securityholders may not receive the Early Redemption Amount or Principal Amount in full if the amounts due to such prior ranking creditors exceed the available assets of the Issuer in respect of the Series.

Other Information

Security and Secured Property:

With respect to each Series of Securities, the Issuer's main assets are its holdings of Underlying Metal in respect of such Series and its contractual rights under the Transaction Documents insofar as they relate to such Series.

The Secured Obligations of the Issuer in respect of each Series of Securities will be secured pursuant to an English law governed Security Deed by:

(i) an assignment by way of security in favour of the Trustee (for itself and the Secured Creditors) of all of the Issuer's rights, title, interest and benefit present and future against the Custodian and each of the Sub-Custodian(s) relating to the Underlying Metal in respect of the relevant Series of Securities under the Custody Agreement, each of the Sub-Custody Agreement(s) and otherwise;

(ii) a first fixed charge in favour of the Trustee (for itself and the Secured Creditors) over the Allocated Account (Custodian) and the Unallocated Account (Custodian) in respect of the relevant Series of Securities and all of the Underlying Metal held in the Allocated Account (Custodian), the Unallocated Account (Custodian) and each Allocated Account (Sub-Custodian) from time to time in respect of the relevant Series of Securities and all sums and assets derived therefrom;

(iii) an assignment by way of security in favour of the Trustee (for itself and the Secured Creditors) of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Advisory Agreement, the Administration Agreement (excluding provisions therein to the extent that they relate to the Profit Account(s)), the Registrar Agreement(s), the Agency Agreement(s), the Authorised Participant Agreements, the Metal Sale Agreement(s), the Corporate Secretarial Agreement and the Additional Secured Agreement (if any) (in each case, to the extent that they relate to the relevant Series of Securities);

(iv) a first fixed charge in favour of the Trustee (for itself and the Secured Creditors) over the Issuer Cash Account in respect of the relevant Series of Securities, all amounts from time to time

	standing to the credit thereof (together with all interest accruing from time to time thereon and the debts represented thereby); and (v) a first fixed charge in favour of the Trustee (for itself and the Secured Creditors) over (a) all sums held now or in the future by the Registrar(s) to meet payment obligations of the Issuer owed under the Transaction Documents and (b) all amounts of Metal held now or in the future by the Metal Counterparty(ies) on trust for the Issuer pending receipt by the Issuer of the relevant Metal Sale Proceeds in connection with the sale of Metal by the Issuer to such Metal Counterparty(ies) pursuant to the relevant Metal Sale Agreement(s) (in each case, to the extent that they relate to the relevant Series of Securities).
Enforcement of the Security created under the Security Deed:	The Security over the Secured Property in respect of a Series of Securities will become enforceable upon the service of an Event of Default Redemption Notice.
Limited Recourse and Non-Petition:	In respect of a Series of Securities, the Transaction Parties and the Securityholders will have recourse only to the Secured Property in respect of that Series only, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property of such Series and application of available assets, any outstanding claim against the Issuer relating to such Series remains unsatisfied, then such outstanding claim will be extinguished and no obligation will be owed by the Issuer in respect thereof. Following the extinguishment of any such claim, none of the Transaction Parties, the Securityholders or any other person acting on behalf of any of them will 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 amount in respect of the extinguished claim and no obligation will be owed to any such persons by the Issuer in respect of such further amount. None of the Transaction Parties, 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, and none of them will 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 Securities) or not attributable to any particular Series.
Unrated:	The Securities are unrated.
Withholding Tax:	All payments in respect of the Securities will 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 and/or deliveries in respect of the Securities of any Series, the Securityholders of such Securities will be subject to such Tax or deduction and will not be entitled to receive amounts to compensate for any such Tax or deduction. No Event of Default will occur as a result of any such withholding or

	deduction.
Governing Law:	In respect of a Series of Securities: (i) the Securities (and the Trust Deed constituting them) will be governed by Irish law; and (ii) the Security Deed and the other Transaction Documents will be governed by English law.
Selling Restrictions:	The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"). Subject to certain exceptions, the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**"). There are restrictions in relation to the offering and sale of Securities and the distribution of offering materials in certain jurisdictions. See the section entitled "*Subscription and Sale*". In the event that the Issuer becomes aware that any Securities are or may be legally or beneficially owned by a person who is not a Qualified Holder, it may compulsorily redeem such Securities following notice in writing to the Securityholder concerned and such Securityholder would receive the proceeds less costs incurred. "**Qualified Holder**" means any person, corporation or entity other than (i) a U.S. person as defined under Regulation S; (ii) an ERISA Plan (as defined below); (iii) any other person, corporation or entity to whom a sale or transfer of Securities, or in relation to whom the holding of Securities (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Issuer to be relevant) (a) would cause the Securities to be required to be registered under the Securities Act, (b) would cause the Issuer to become a "controlled foreign corporation" within the meaning of the US Internal Revenue Code of 1986, (c) would cause the Issuer to have to file periodic reports under Section 13 of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (d) would cause the assets of the Issuer to be deemed to be "plan assets" of a Benefit Plan Investor (as defined below), or (e) would cause the Issuer otherwise not to be in compliance with the Securities Act, the US Employee Retirement Income Security Act of 1974, the US Internal Revenue Code of 1986 or the Exchange Act; or (iv) a custodian, nominee, trustee or the estate of any person, corporation or entity described in (i) to (iii) above.
UCITS Eligibility:	The Securities are issued in the form of debt securities and are listed as non-equity securities in the United Kingdom. The Securities are "transferable securities" for the purpose of the UCITS Directive (as implemented in Ireland and the United Kingdom) that do not constitute a direct investment in precious

metals and do not attach a right for physical delivery of any precious metals for UCITS Schemes. The Securities are not units in a collective investment scheme for the purpose of the UCITS Directive (as implemented in Ireland and the United Kingdom).

The Securities are, subject to the below qualifications, believed to be eligible for investment by UCITS Schemes under the UCITS Directive in certain jurisdictions including Ireland, the United Kingdom, Austria, Finland, Germany, Italy, Luxembourg, Spain, Sweden and the Netherlands.

However, there can be no assurance that the courts or regulatory authorities in any jurisdiction would not apply a different interpretation, including recharacterising the Securities as units in a collective investment scheme or a fund or as regards to the eligibility of the Securities for investment by a UCITS Scheme. Any such difference in interpretation may have adverse consequences (including, without limitation, adverse tax consequences) for an investor.

The Securities are not believed to be eligible for investment by a UCITS Scheme in France.

Prospective investors that are UCITS Schemes need to satisfy themselves that an investment in the Securities would comply with the UCITS Directive and any laws, regulations or guidelines applicable to them and would be in line with their individual investment objectives. If in doubt, prospective investors are advised to contact/consult their regulator(s).

Prospective investors should consult their professional advisers on the implications, and in particular the tax implications, of investment in the Securities and any risk of recharacterisation of the Securities.

Prospective investors should also refer to the risk factor titled "*Recharacterisation of Collective Investment Schemes and Undertakings for Collective Investment in Transferable Securities (UCITS)"* in the Risk Factors section.

PRECIOUS METALS MARKET OVERVIEW

The information provided below does not purport to be a complete summary of information relating to gold, silver, platinum or palladium or their storage, trade associations or relevant legislation. Prospective purchasers of Securities are advised to conduct their own independent investigation of any precious metal forming part of the Secured Property for the relevant Series of Securities or consult with their relevant advisers as to the prospects and consequences of a purchase of Securities linked to a particular precious metal.

The information contained in the tables of this section have been extracted from the sources identified below in respect of each table. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced inaccurate or misleading.

Introduction

Gold, silver, platinum and palladium are classified as precious metals as they are considered to be rare and/or have a high economic value. The higher relative values of these metals are driven by various factors including their rarity, use in industrial processes and use as an investment commodity. Chemically, the precious metals are less reactive than most elements, have high lustre, are softer or more ductile, and have higher melting points than other metals.

Precious metals can be stored in a vault without deteriorating; and, whether as coins or jewellery, precious metals can be used as a store of value. All four of these precious metals are mined and can be recycled and their main sources of demand are investors (including central banks), industrial use, and jewellery.

Precious Metal Pricing

The prices of gold, silver, platinum and palladium are volatile and their fluctuations are expected to have a direct impact on the value of the Securities of the respective Series.

Pricing of precious metals can be impacted by fundamental issues of supply and demand, along with political and economic considerations, especially when precious metal producing countries are involved. Precious metals are considered a store of value, so any political and economic uncertainty, and deflation or inflation fears can stimulate accumulation and higher prices.

Market Participants

The participants in the world precious metals markets may be classified in the following sectors: the mining and producer sector, the banking sector, the official sector, the investment sector, and the manufacturing sector. A brief description of each follows.

Mining and Producer Sector

This group includes mining companies that specialise in gold, silver, platinum and palladium metal production; mining companies that produce these metals as a by product of other production (such as zinc and copper); scrap merchants and recyclers. It should be noted that palladium almost always occurs with other platinum group metals (which consists of palladium, rhodium, iridium, ruthenium and osmium.)

Banking Sector

Bullion banks provide a variety of services to the gold and silver market and its participants, thereby facilitating interactions between other parties. Services provided by the bullion banking community include traditional banking products as well as mine financing, physical gold and silver purchases and sales, hedging and risk management, inventory management for industrial users and consumers, and deposit and loan instruments.

Official Sector

The official sector is important to the gold market and it encompasses the activities of the various central banking operations of gold-holding countries.

Unlike gold, there are no official statistics published by the International Monetary Fund, Bank of International Settlements, or national banks on silver, platinum or palladium holdings by national governments. The main reason for this is that silver, platinum and palladium are not generally recognised as reserve assets.

Investment Sector

This sector includes the investment and trading activities of both professional and private investors and speculators. These participants range from large hedge and mutual funds to day-traders on futures exchanges and retail-level coin collectors.

Manufacturing Sector

The fabrication and manufacturing sector represents all the commercial and industrial users of precious metals for whom precious metals are a daily part of their business. The jewellery industry is a large user of precious metals.

In the following sections a brief overview of each precious metal relating to the Programme is set out, including information regarding the primary sources of demand and supply, an overview of historical pricing and the operation of the gold, silver, platinum and palladium markets.

Gold

World Gold Supply and Demand

A key distinguishing characteristic of gold is that virtually all the gold that has ever been mined still exists today in one form or another. The supply of gold can be sourced from either new mine production or from the recycling or mobilisation of existing above-ground gold stocks.

Historical Price of Gold

The price of gold is volatile and its fluctuations are expected to have a direct impact on the value of the Securities of iShares Physical Gold ETC. However, movements in the price of gold in the past, and any past or present trends, are not a reliable indicator of future movements. Movements may be influenced by various factors, including announcements from central banks regarding a country's reserve gold holdings, agreements among central banks, fluctuations in the value of the U.S. dollar, political uncertainties around the world, and economic concerns.

For this purpose, "gold prices" refers to London Gold PM Auction Price. The London Bullion Market Association (LBMA)[1] fixes the London spot price of gold twice daily (the AM Auction Price and the PM Auction Price, London time). The London Gold Auction Price is the most widely used benchmark for daily gold prices.

As at the date of the Base Prospectus, fixing prices for gold are published on the website of the LBMA (www.lbma.org.uk) and by various news agencies.

The LBMA announced on 7 November 2014 that ICE Benchmark Administration (IBA) had been selected to be the third-party administrator for the LBMA Gold Price. This took effect from 20 March 2015 and currently the IBA provides the auction platform methodology as well as overall independent administration

[1] London Bullion Market Association (LBMA) is the coordinator for activities conducted on behalf of its members and other participants in the London Bullion Market; it is the principal point of contact between the market and its regulators.

of the transparent electronic auction process.

Operation of gold market

The global trade in gold consists of over-the-counter ("**OTC**") and exchange based transactions. Unlike a futures exchange, where trading is based around standard contract units, settlement dates and delivery specifications, the OTC market allows flexibility. It also provides confidentiality, as transactions are conducted solely between the two principals involved.

Futures Exchanges

The most significant gold futures exchanges are COMEX, operated by Commodity Exchange, Inc., a subsidiary of New York Mercantile Exchange, Inc., and the Tokyo Commodity Exchange, Inc. ("**TOCOM**"). The COMEX is the largest exchange in the world for trading metals futures and options and has been trading gold since 1974. The TOCOM has been trading gold since 1982.

Futures contracts are defined by the exchange for each commodity. For each commodity traded, this contract specifies the precise quality and quantity standards. The contract's terms and conditions also define the location and timing of physical delivery.

An exchange does not buy or sell those contracts, but seeks to offer a transparent forum where members, on their own behalf or on the behalf of customers, can trade the contracts in a safe, efficient and orderly manner. During regular trading hours at COMEX, the commodity contracts are traded through open outcry; a verbal auction in which all bids, offers and trades must be publicly announced to all members. Electronic trading is offered by the exchange after regular market hours. Except for brief breaks to switch between open outcry and electronic trading in the evening and the morning, gold futures trade almost 24 hours a day, five business days a week.

In addition to the public nature of the pricing, futures exchanges in the United States are regulated at two levels, internal and external governmental supervision. The internal is performed through self-regulation and consists of regular monitoring of the following: the open-outcry process to ensure that it is conducted in conformance with all exchange rules; the financial condition of all exchange member firms to ensure that they continuously meet financial commitments; and the positions of commercial and non-commercial customers to ensure that physical delivery and other commercial commitments can be met, and that pricing is not being improperly affected by the size of any particular customer positions. External governmental oversight is performed by the U.S. Commodity Futures Trading Commission ("**CFTC**"), which reviews all the rules and regulations of United States futures exchanges and monitors their enforcement.

Over-the-Counter Market

The OTC market accounts for most global gold trading, including spot, forward and option and other derivative transactions conducted on a principal to principal basis. The OTC market trades on a 24-hour per day continuous basis with its main centres being London, New York and Zurich.

Ten members of the LBMA, the trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London Bullion Market, act as OTC market makers and most OTC market trades are cleared through London. The LBMA plays an important role in setting the OTC gold trading industry standards. The LBMA's "London Good Delivery Lists", identify approved refiners of gold. In the OTC market, gold that meets the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA-acceptable refiner) and appearance set forth in the "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA are "London Good Delivery Bars". A London Good Delivery Bar (typically called a 400 ounce bar) must contain between 350 and 430 fine troy ounces of gold (1 troy ounce = 31.1034768 grams), with a minimum fineness (or purity) of 995 parts per 1000 (99.5%), be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery Bar must also bear the stamp of one of the refiners who are on the LBMA approved list.

London Market Regulation

The Prudential Regulation Authority (the "**PRA**") at the Bank of England is responsible for prudential banking regulation of most of the financial firms that are active in the London gold market. The PRA works closely with the Financial Conduct Authority (the "**FCA**") which is responsible for consumer and competition issues. Trading in spot, forwards and wholesale deposits in the London gold market is underpinned by the Non-Investment Products Code, which has been drawn up by participants in the UK foreign exchange, money and bullion markets.

Silver

World Silver Supply and Demand

Silver is the least expensive and the most abundant among precious metals. One significant difference from gold, however, is that silver demand comes from both industrial use and discretionary spending, while the majority of gold demand is attributable to discretionary spending.

Mine production of silver provides the greatest source of silver supply, with the bulk of it mined as a by-product of gold, copper, lead and zinc. Scrap represents the second largest source of supply, with net government sales relatively low as most central banks tend to no longer hold silver.

Industrial applications comprise the largest share of silver consumption and include catalyst use, water purification, electrical applications, brazing and soldering, mirror and other coating and electroplating. The jewellery sector is the second largest consumer of silver, followed by coins and medals.

Historical Price of Silver

The price of silver is volatile and fluctuations are expected to have a direct impact on the value of the Securities of iShares Physical Silver ETC. However, movements in the price of silver in the past are not a reliable indicator of future movements. Movements may be influenced by various factors, including supply and demand, geo-political uncertainties, economic concerns such as inflation, and real or speculative investor interest.

Until 15 August 2014, the LBMA fixed the London spot price of silver once daily (12:00 noon London time). Formal participation in setting the London Silver Fix was traditionally limited to three members of the LBMA (which were Deutsche Bank AG, The Bank of Nova Scotia - ScotiaMocatta and HSBC Bank USA, N.A.), each of which is a bullion dealer.

The mechanism of pricing silver changed on 15 August 2014 when the LBMA Silver Price replaced the London Silver Fix.

The LBMA Silver Price auction is operated by CME and administered by Thomson Reuters. The price is set daily in US dollars per ounce at 12:00 noon London time and is displayed on the LBMA's website.

The LBMA Silver Price is set in a series of auction rounds with each round lasting 30 seconds. The auction begins at 12:00 noon London time and participants input their buy volume and sell volume orders in lakhs (100,000 ounces) or quarter lakhs (25,000 ounces). The initial price at the start of the process is close to the spot price. In the first round the system algorithm attempts to match buy and sell orders within the permitted tolerance level of 300,000 ounces (or 3 lakhs). If the buy and sell orders are out of tolerance, the auction price changes and the auction restarts. The process continues until the buy and sell volumes are in tolerance and the equilibrium price is set.

Thomson Reuters distribute the LBMA Silver Price in real-time through market data systems (Eikon and Elektron). They also provide access to the data through re-distribution via third party data vendors such as Bloomberg. The LBMA publishes the price shortly after 12:00 noon London time once the price is set using the process described above.

Operation of silver market

The global trade in silver consists of OTC and exchange based transactions. Unlike a futures exchange, where trading is based around standard contract units, settlement dates and delivery specifications, the OTC market allows flexibility. It also provides confidentiality, as transactions are conducted solely between the two principals involved.

Futures Exchanges

The most significant silver futures exchanges are COMEX and TOCOM.

Futures contracts are defined by the exchange for each commodity. For each commodity traded, this contract specifies the precise quality and quantity standards. The contract's terms and conditions also define the location and timing of physical delivery.

An exchange does not buy or sell those contracts, but seeks to offer a transparent forum where members, on their own behalf or on the behalf of customers, can trade the contracts in a safe, efficient and orderly manner. During regular trading hours at COMEX, the commodity contracts are traded through open outcry; a verbal auction in which all bids, offers and trades must be publicly announced to all members. Electronic trading is offered by the exchange after regular market hours. Except for brief breaks to switch between open outcry and electronic trading in the evening and the morning, silver futures trade almost 24 hours a day, five business days a week.

In addition to the public nature of the pricing, futures exchanges in the United States are regulated at two levels, internal and external governmental supervision. The internal is performed through self-regulation and consists of regular monitoring of the following: the open-outcry process to ensure that it is conducted in conformance with all exchange rules; the financial condition of all exchange member firms to ensure that they continuously meet financial commitments; and the positions of commercial and non-commercial customers to ensure that physical delivery and other commercial commitments can be met, and that pricing is not being improperly affected by the size of any particular customer positions. External governmental oversight is performed by the CFTC, which reviews all the rules and regulations of United States futures exchanges and monitors their enforcement.

Over-the-Counter Market

The OTC market includes spot, forward and option and other derivative transactions conducted on a principal to principal basis. The OTC market trades on a 24-hour per day continuous basis with its main centres being London, New York and Zurich.

The LBMA, the trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London Bullion Market, act as OTC market makers and most OTC market trades are cleared through London. The LBMA plays an important role in setting the OTC silver trading industry standards. The LBMA's "London Good Delivery Lists", identify approved refiners of silver.

In the OTC market, silver that meets the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA-acceptable refiner) and appearance set forth in the "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA are "London Good Delivery Bars". A London Good Delivery Bar must contain between 750 ounces and 1100 ounces of silver with a minimum fineness (or purity) of 999.0 parts per 1000. A London Good Delivery Bar must also bear the stamp of one of the refiners who are on the LBMA-approved list.

London Market Regulation

The PRA at the Bank of England is responsible for prudential banking regulation of most of the financial firms that are active in the London silver market. The PRA works closely with the FCA which is responsible for consumer and competition issues. Trading in spot, forwards and wholesale deposits in the London silver market is underpinned by the Non-Investment Products Code, which has been drawn up by participants in the UK foreign exchange, money and bullion markets.

Platinum

Historical Price of Platinum

The price of palladium is volatile and fluctuations are expected to have a direct impact on the value of the Securities of iShares Physical Platinum ETC. However, movements in the price of platinum in the past are not a reliable indicator of future movements. Movements in the platinum price may be influenced by various factors, including supply and demand, geo-political uncertainties, economic concerns such as inflation, and real or speculative investor interest.

The LBMA Platinum Price is set twice daily (at 09:45 and 14:00 London time) in US dollars per .9995 fine ounces and are independently administered by the London Metal Exchange (LME). As at the date of the Base Prospectus, prices for platinum are published on the website of the LBMA with a delay until midnight.

Operation of the Platinum & Palladium Market

The global trade in platinum and palladium consists of over the-counter (OTC) and exchange based transactions. Unlike futures exchange where trading is based around standard contract units, settlement dates and delivery specifications the OTC market allows flexibility. It also provides confidentiality, as transactions are conducted solely between the two principals involved.

Futures Exchanges

The most significant platinum futures exchanges are the Tokyo Commodity Exchange (TOCOM) and the COMEX, operated by Commodities Exchange, Inc., a subsidiary of New York Mercantile Exchange, Inc. Until 2000, when onerous restrictions were imposed on various contracts, the Tokyo Commodities Exchange was also the main exchange for trading palladium futures. However over the last 12 years COMEX, which forms part of NYMEX, has become the largest liquid exchange for trading palladium.

Futures contracts are defined by the exchange for each commodity. For each commodity traded, this contract specifies the precise quality and quantity standards. The contract's terms and conditions also define the location and timing of physical delivery.

An exchange does not buy or sell those contracts, but seeks to offer a transparent forum where members, on their own behalf or on the behalf of customers, can trade the contracts in a safe, efficient and orderly manner. During regular trading hours at COMEX, the commodity contracts are traded through open outcry; a verbal auction in which all bids, offers and trades must be publicly announced to all members. Electronic trading is offered by the exchange after regular market hours. Except for brief breaks to switch between open outcry and electronic trading in the evening and the morning, platinum futures trade almost 24 hours a day, five business days a week.

In addition to the public nature of the pricing, futures exchanges in the United States are regulated at two levels, internal and external governmental supervision. The internal is performed through self-regulation and consists of regular monitoring of the following: the open-outcry process to ensure that it is conducted in conformance with all exchange rules; the financial condition of all exchange member firms to ensure that they continuously meet financial commitments; and the positions of commercial and non-commercial customers to ensure that physical delivery and other commercial commitments can be met, and that pricing is not being improperly affected by the size of any particular customer positions. External governmental oversight is performed by the CFTC, which reviews all the rules and regulations of United States futures exchanges and monitors their enforcement.

Over-the-Counter Market

The OTC market includes spot, forward and option and other derivative transactions conducted on a principal to principal basis. The OTC market trades on a 24-hour per day continuous basis with its main centres being London, New York and Zurich.

The LPPM, the trade association that acts as the coordinator for activities conducted on behalf of its

members and other participants in the London Market, acts as OTC market makers and most OTC market trades are cleared through London. The LPPM plays an important role in setting the OTC platinum and palladium trading industry standards. The LPPM's "London/Zurich Good Delivery Lists", for platinum and palladium plates and ingots are accepted without question in settlement of transactions conducted in the market.

In the OTC market, platinum and palladium that meets the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LPPM-acceptable refiner) and appearance set forth in the "The Good Delivery Rules for Platinum and Palladium Plates and Ingots" published by the LPPM are London Good Delivery platinum or palladium plates or ingots. They must have a minimum fineness of 999.5 and a weight of between 1 kilogram (32.151 troy ounces) and 6 kilograms (192.904 troy ounces). The weight of the plate or ingot if in grams must be expressed to one decimal place and if in troy ounces to three decimal places. A London Good Delivery Plate or Ingot must also bear the stamp of one of the refiners who are on the LPPM-approved list.

London Market Regulation

The PRA at the Bank of England is responsible for prudential banking regulation of most of the financial firms that are active in the London platinum market. The PRA works closely with the FCA which is responsible for consumer and competition issues. Trading in spot, forwards and wholesale deposits in the London platinum market is underpinned by the Non-Investment Products Code, which has been drawn up by participants in the UK foreign exchange, money and bullion markets.

Palladium

Historical Price of Palladium

The price of palladium is volatile and fluctuations are expected to have a direct impact on the value of the Securities of iShares Physical Palladium ETC. However, movements in the price of palladium in the past are not a reliable indicator of future movements. Movements may be influenced by various factors, including supply and demand, geo-political uncertainties, economic concerns such as inflation, and real or speculative investor interest.

The LBMA Palladium Price is set twice daily (at 09:45 and 14:00 London time) in US dollars per .9995 fine ounces and are independently administered by the LME. As at the date of the Base Prospectus, prices for palladium are published on the website of the LBMA with a delay until midnight.

Traditional ways to access precious metals

Historically, investors looking to add precious metals exposure to their portfolios had three primary options to choose from. These are described below along with the fourth option of using exchange traded funds, notes or commodities.

Physical metal

Holding bullion (in the case of gold and silver), plates or ingots (in the case of platinum or palladium), jewellery, coins and certificates linked to the relevant precious metal provides pure access to the relevant precious metal. These forms of precious metal exposure, however, generally are not as liquid as holding a security (like a stock or futures contract) and may be impractical or costly to store, buy and/or secure.

Derivatives and futures contracts

Derivatives and futures contracts have predominantly been limited to large institutional investors with the resources and experience to administer these positions themselves.

Investments in the equities of mining stocks or in precious metal mutual funds

Prior to the introduction of exchange traded commodities and exchange traded funds, mutual funds provided convenient access to metal-linked investments in a generally cost-efficient manner and with low investment minimums. However, these vehicles typically have less historical correlation to the underlying metal and a higher historical correlation to the equity market than products that hold either physical metal or invest in metal futures.

Exchange traded funds and exchange traded commodities

These products represent a recent innovation for accessing the precious metals market. These investment vehicles typically offer the ability for investors to buy and sell their investment in precious metals through a brokerage account. Within exchange traded funds and exchange traded commodities, there are several approaches for delivering precious metals exposure:

- Equities

  These products typically gain exposure by investing in equities tied to the relevant precious metal market, such as gold, silver, platinum, or palladium mining companies. These products typically have less historical correlation to the relevant precious metal spot prices and higher historical correlation to the equity market than products holding physical precious metals or investing in precious metal futures.

- Metal-based futures

  These products hold gold, silver, platinum or palladium futures contracts and typically roll those forward as necessary to avoid taking physical delivery of the relevant precious metal. While these products are more directly linked to the price of the relevant precious metal, they may diverge from the actual spot price of the relevant precious metal because of the roll costs associated with accessing the relevant precious metal via the futures market.

- Physical metal

  These exchange traded commodities offer investors participation in a structure that holds actual physical gold or silver bullion or platinum or palladium plates or ingots. Because they hold physical precious metal, these products offer the most direct access to the current price of the relevant precious metal.

Investing in the Securities to gain exposure to precious metal prices

The Securities offer investors instant, easily-accessible and flexible exposure to the movement in spot prices of the relevant precious metal.

The Securities potentially offer:

- immediate, cost-efficient exposure to an asset class that has not always been easy to access;
- the potential to enhance a portfolio's risk-adjusted returns by lowering overall portfolio volatility;
- broadened asset class opportunities that expand the range and depth of possible investment strategies; and
- new levels of investment flexibility, with the liquidity provided by an exchange listing.

The Securities provide a simple and cost-effective means of gaining exposure very similar to a direct investment in the relevant precious metal. The objective is for the value of the Securities to reflect, at any given time, the price of the relevant precious metal underlying such Securities at that time, less fees and expenses. Investors who previously had difficulty purchasing, storing or insuring gold, silver, platinum and/or palladium or who may have been prohibited from holding physical commodities or derivatives, may now invest in securities that seek to track the price of gold, silver, platinum and/or palladium. Although the

Securities are not the exact equivalent of an investment in gold, silver, platinum or palladium, they provide investors with an alternative that allows a level of participation in the precious metals market through the securities market. The Securities may be traded, borrowed, and shorted, and settle into – and can be transferred between – brokerage accounts.

Storage, trade associations, documentation and regulation

Storage

Certain members of the London bullion market either use their own vaults for the storage of gold or silver or have the dedicated use of storage facilities with another party. Similarly, certain members of the London platinum and palladium market either use their own vaults for the storage of platinum and palladium or have the dedicated use of storage facilities with another party. Costs for storage and insurance of precious metals are subject to negotiation.

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

Trade associations

The relevant trade associations for the physical metals underlying the Securities are the London Bullion Market Association ("**LBMA**") for gold and silver and the London Platinum and Palladium Market ("**LPPM**") for platinum and palladium.

LBMA

The LBMA is the London-based trade association that represents the wholesale gold and silver bullion market in London. London is the focus of the international OTC market for gold and silver, with a client base that includes the majority of the central banks that hold gold, plus producers, refiners, fabricators and other traders throughout the world. The LBMA was formally incorporated in 1987 in close consultation with the Bank of England, which was the bullion market's regulator at that time. Since the passage of the FSMA, spot and forward trading in bullion in the UK have not been regulated activities. As a result of the passage of the Financial Markets Act 2012, regulation of the UK financial markets has been significantly changed. The Prudential Regulation Authority (the "**PRA**") at the Bank of England is now responsible for prudential banking regulation of most of the financial firms that are active in the bullion market. The PRA works closely with the Financial Conduct Authority (the "**FCA**") which is responsible for consumer and competition issues.

Members of the London bullion market typically trade with each other and with their clients on a principal-to-principal basis, which means that all risks, including those of credit, are between the two counterparties to a transaction, as opposed to an exchange traded environment. The London bullion market is a wholesale market, where minimum traded amounts for clients are generally 1,000 ounces of gold and 50,000 ounces of silver.

As of the date of this Base Prospectus, further information on the LBMA can be found on www.lbma.org.uk.

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. The Issuer will only accept gold and silver that meets the LBMA "Good Delivery" requirements.

LPPM

The LPPM is a trade association that acts as a co-ordinator for activities conducted by its members and other market participants in the London platinum and palladium markets. The LPPM has three categories:

full members, associate members and affiliate members.

Full membership of the LPPM is open to those companies in the UK currently engaged in trading and dealing in platinum and palladium and that are recognised by the Management Committee of the LPPM as offering additional services in the UK to the market, including market-making, clearing services, refining or manufacturing. All founding members of the LPPM are full members. Associate membership is open to companies in the UK that are recognised by the Management Committee of the LPPM as being currently engaged in trading and dealing in platinum and palladium and have an appropriate level of net assets and experience. Affiliation is open to those companies which fail to meet the normal requirements of full or associate membership as above but are recognised by the LPPM as being involved with or offering support to the global platinum and palladium markets.

The LPPM is managed by a Chairman and Management Committee, elected annually by members. Leading organisations dealing in platinum and palladium in major centres worldwide are represented on the LPPM.

London has always been an important centre for platinum and palladium. Trading was established in the early decades of the twentieth century, usually alongside the longer established bullion metals. In 1973 the London Platinum Quotation was introduced. It was the forerunner of the fixings; a twice-daily indication of the market price for spot platinum, reported by some of the principal companies dealing in the metal. In 1979 the leading London and Zurich dealers reached an agreement to standardise the specifications and provenance of metal which they would accept as good delivery. In 1987 the informal trading which had taken place for many years on a principal to principal basis was formalised via a Deed of Establishment into the LPPM. In 1989 the London Platinum and Palladium Quotations were expanded and upgraded to full fixings.

To facilitate trading among members, a list of acceptable melters and assayers is maintained by the LPPM. This is known as The London/Zurich Good Delivery List. The rules for "Good Delivery" can be found at http://www.lppm.com/display.aspx?type=gooddelivery. The Issuer will only accept platinum that meets the LPPM "Good Delivery" requirements.

Documentation

London Precious Metals Clearing Limited ("**LPMCL**") has published the standard forms of Allocated Precious Metals Accounts Agreement and Unallocated Precious Metals Accounts Agreement (latest versions dated 22 August 2008 and 5 October 2007 respectively) 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 precious metals the Issuer will, to the extent possible, use the standard LPMCL and LBMA documentation, amended as required in connection with the Securities.

Market 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/PRA/Pages/default.aspx) 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 the 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 the FSMA, which for the bullion market

covers derivatives.

The requirements upon firms in their dealings with market professionals are set out in the Markets in Financial Instruments Directive ("**MiFID**"), which became effective on 1 November 2007. For spot, forwards and deposits in gold, silver, platinum and palladium which are not covered by the FSMA, guidelines for the conduct of business are set out in The London Code of Conduct for Non-Investment Products (the "**Code**"). This 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 LBMA Silver 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.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the terms and conditions that, subject to completion by the provisions of the Final Terms of the relevant Series of Securities, shall be applicable to the Securities of such Series. As these terms and conditions apply separately to each Series of Securities, references in these terms and conditions to "Securities" are to the Securities of the relevant Series only.

Italicised wording contained in the Conditions is included as instructions, guidance or disclosure only and does not form part of the Conditions of the Securities.

A non-binding translation of the following text of the terms and conditions may be prepared in relation to each Series of Securities. The English language version of the terms and conditions shall be binding and shall prevail in all circumstances. Any such translations will not be reviewed and approved by the Central Bank or any another similar body in any other jurisdiction.

Securityholders are bound by and are deemed to have notice of all the provisions of the relevant Transaction Documents which are applicable to them.

Copies of the Principal Trust Deed, the relevant Supplemental Trust Deed, the relevant Security Deed, the Custody Agreement, the Agency Agreement(s), the Registrar Agreement(s) and the Metal Sale Agreement(s) referred to in these terms and conditions are available for inspection during normal business hours at the specified office of the Adviser.

References to any time in the Conditions are expressed using the 24-hour-clock convention. References in the Conditions to a party publishing any value, rate, level, notice or other information shall be deemed to include any agent, delegate or appointee of such party publishing such value, rate, level, notice or other information on behalf of that party.

1 Definitions

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

"**Additional Secured Agreement**" means, in respect of a Series of Securities, a letter agreement (if any) entered or to be entered into between the Issuer, Clearstream Frankfurt and any other parties pursuant to which, amongst other things, certain representations are given by Clearstream Frankfurt in favour of the Issuer in respect of the CBF Securities.

"**Administration Agreement**" means the administration agreement dated on or about 22 March 2011 entered into by the Issuer, the Administrator, the Adviser and any other parties thereto as amended, supplemented, novated or replaced from time to time.

"**Administrator**" means State Street Bank and Trust Company and any successor or replacement thereto.

"**Administrator Bankruptcy Event**" means a Bankruptcy Event has occurred with respect to the Administrator.

"**Adviser**" means BlackRock Advisors (UK) Limited and any successor or replacement thereto.

"**Adviser Bankruptcy Event**" means a Bankruptcy Event has occurred with respect to the Adviser.

"**Advisory Agreement**" means the advisory agreement dated on or about 22 March 2011 entered into by the Issuer, the Adviser and any other parties thereto as amended, supplemented, novated or replaced from time to time.

"**Affected Securities**" has the meaning given to it in Condition 8(d).

"**Affected Securities Metal Sale Notice**" has the meaning given to it in Condition 8(d).

"**Affected Securities Notice**" has the meaning given to it in Condition 8(d).

"**Affected Securities Redemption Metal**" has the meaning given to it in Condition 8(d).

"**Affected Securities Redemption Trade Date**" has the meaning given to it in Condition 8(d).

"**Affiliate**" means, in relation to any person or entity, any other person or entity controlled, directly or indirectly, by the person or entity, any other person or entity that controls, directly or indirectly, the person or entity or any other person or entity directly or indirectly under common control with the person or entity. For these purposes, "**control**" of any entity or person means the power, directly or indirectly, either to (i) vote 10 per cent. or more of the securities having ordinary voting power for the election of directors of the relevant person or entity or (ii) direct or cause the direction of the management and policies of such person or entity whether by contract or otherwise.

"**Agency Agreement**" means, in respect of a Paying Agent, the agency agreement entered into by the Issuer, the Adviser and the relevant Paying Agent and any other parties thereto relating to such Paying Agent's appointment as such, as amended, supplemented, novated or replaced from time to time. Further Paying Agents may be appointed under separate Agency Agreements or accede to an existing Agency Agreement from time to time if so required by the rules of any relevant Stock Exchange.

"**Agents**" means the Adviser, the Administrator, the Custodian, the Registrar(s), the Paying Agent(s) and such other agent(s) as may be appointed from time to time in relation to the Securities under the Advisory Agreement, the Administration Agreement, the Custody Agreement, the Registrar Agreement(s), the Agency Agreement(s) or any other agreement with the Issuer under which such agent is appointed from time to time in relation to the Securities, as applicable, and any successor or replacement thereto and "**Agent**" means any of them.

"**Allocated Account**" means, in respect of a Series of Securities, the Allocated Account (Custodian) and each Allocated Account (Sub-Custodian) (if any) in respect of such Series.

"**Allocated Account (Custodian)**" means, in respect of a Series of Securities, the segregated account held at the London vault of the Custodian in the name of the Issuer for the account of such Series for any and all Metal in allocated form that is deposited with or received by the Custodian from time to time to be held by the Custodian as bailee for the Issuer for such Series.

"**Allocated Account (Sub-Custodian)**" means, in respect of a Series of Securities for which the Custodian holds any Metal for the Issuer with a Sub-Custodian, each segregated account held at the London (or, with respect to Platinum Securities or Palladium Securities only, Zurich) vault of the relevant Sub-Custodian in the name of the Custodian for any and all Metal in allocated form that is deposited with or received by the relevant Sub-Custodian from time to time to be held by the Sub-Custodian for the Custodian.

"**amount**" with respect to (i) an amount of Metal; (ii) an amount of unallocated Metal; and (iii) an amount of Underlying Metal, means a quantity of Metal, unallocated Metal and Underlying Metal (respectively) expressed as a number of troy ounces or, in respect of Gold, fine troy ounces.

"**Arranger**" means BlackRock Advisors (UK) Limited in its capacity as arranger under the Programme and any successor and/or replacement thereto.

"**Authorised Participant**" means, in respect of a Series of Securities any authorised participant that is appointed as an Authorised Participant for such Series of Securities under an Authorised Participant Agreement, and any successor or replacement thereto.

"**Authorised Participant Agreement**" means, in respect of an Authorised Participant, the authorised participant agreement entered into by the Issuer, the Adviser, and the relevant Authorised Participant and any other parties thereto relating to such Authorised Participant's appointment as such, as amended, supplemented, novated or replaced from time to time.

"**Authorised Participant Bankruptcy Event**" means, in respect of an Authorised Participant, a Bankruptcy Event has occurred with respect to such Authorised Participant.

"**Bankruptcy Event**" means, with respect to an entity, (i) the entity becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, examiner, liquidator or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof or, if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, examiner, liquidator or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation, and/or (ii) an ISDA Credit Derivatives Determinations Committee announces that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to the entity.

"**Business Day**" means, in respect of a Series of Securities, each day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in London.

"**Buy-Back Cash Settlement Metal**" has the meaning given to it in Condition 8(c).

"**Buy-Back Cash Settlement Metal Sale Notice**" has the meaning given to it in Condition 8(c).

"**Buy-Back Fee**" has the meaning given to it in Condition 8(b).

"**Buy-Back Order**" means a request for the Issuer to buy back Securities from either (i) an Authorised Participant; or (ii) on a Non-AP Buy-Back Date, a Non-AP Securityholder delivered in accordance with the relevant Authorised Participant Agreement (in respect of Authorised Participants) or Condition 8(c) (in respect of Non-AP Securityholders).

"**Buy-Back Settlement Amount**" means, in respect of a buy back of Securities by the Issuer and the related Buy-Back Settlement Date:

(i) in relation to Securities subject to Physical Redemption, an amount of Metal determined by the Administrator as being equal to the product of the Metal Entitlement in respect of the relevant Buy-Back Trade Date and the aggregate number of Securities subject to Physical Redemption to be purchased pursuant to the relevant Buy-Back Order; and

(ii) in relation to Securities subject to Cash Redemption, an amount in USD determined by the Administrator as being equal to the product of the Metal Sale Proceeds per Security and the aggregate number of Securities subject to Cash Redemption to be purchased pursuant to the relevant Buy-Back Order.

"**Buy-Back Settlement Date**" means, subject to Condition 10(d), (a) in respect of a Physical Redemption, the third Business Day after the related Buy-Back Trade Date in accordance with the terms of the relevant Authorised Participant Agreement, provided that if such day is not a Settlement Day, the Buy-Back Settlement Date shall be the immediately following Settlement Day, or (b) in respect of a Cash Redemption, the fifth Business Day following the receipt by the Custodian of the Metal Sale Proceeds in respect of the last Metal Sale Date relating to the Buy-Back Cash Settlement Metal, provided that if such day is not a Settlement Day, the Buy-Back Settlement Date shall be the immediately following Settlement Day.

"**Buy-Back Trade Date**" means, subject to Condition 10(d), a Business Day on which a Buy-Back Order is submitted by the Authorised Participant (or a Non-AP Securityholder pursuant to Condition 8(c)) by the relevant cut-off time and determined to be valid and accepted by or on behalf of the Issuer in accordance

with the terms of the relevant Authorised Participant Agreement or, if the relevant Buy-Back Order has been delivered by a Non-AP Securityholder, Condition 8(c).

"**CASCADE**" means Clearstream Frankfurt's central settlement and book-entry accounting system for the holding and settlement of transactions in securities and/or interests in securities held in collective safe custody under the German Securities Deposit Act (*Depotgesetz*) and any successor or replacement thereto.

"**Cash Redemption**" means, in relation to a buy back or redemption of any Securities, settlement of the Issuer's buy back or redemption obligation by sale of the amount of the relevant Metal equal to the Metal Entitlement of the relevant Securities to one or more Metal Counterparties pursuant to the relevant Metal Sale Agreement(s) and payment of the proceeds of sale to the relevant Securityholder in accordance with Condition 8(c) (in respect of a buy back of Securities from a Non-AP Securityholder) or Condition 9(a) (in respect of an early redemption of Securities).

"**Cash Redemption Metal**" has the meaning given to it in Condition 9(a).

"**Cash Redemption Metal Sale Cut-off Date**" means the date falling 30 Business Days following the Early Redemption Trade Date.

"**Cash Redemption Metal Sale Notice**" has the meaning given to it in Condition 9(a).

"**Cash Redemption Securities**" means, in respect of a Series of Securities, Securities which are subject to Cash Redemption and are therefore termed "Cash Redemption Securities"; Securities to be redeemed (either by being bought back by the Issuer or on early redemption) which are held by Securityholders who have not satisfied the requirements for Physical Redemption will be Cash Redemption Securities.

"**CBF Register**" means, in respect of each Series of Securities, a record in Clearstream Frankfurt of the owners of entitlements to interests in CBF Securities from time to time, and which is kept by Clearstream Frankfurt.

"**CBF Securities**" means, without prejudice to Condition 2, the Securities (or interests therein) cleared in Clearstream Frankfurt.

"**CBF Terms**" means, with respect to CBF Securities of a Series and at any time, such terms, conditions, rules, procedures and/or practice of Clearstream Frankfurt (as agreed between the Issuer and Clearstream Frankfurt) prevailing at such time in relation to the form, nature, method for transfer and/or clearing of CBF Securities.

"**Certificated Securities**" means Securities in certificated registered form.

"**Change in Law or Regulation Redemption Event**" has the meaning given to it in Condition 9(d).

"**Change in Law or Regulation Redemption Notice**" has the meaning given to it in Condition 9(d).

"**Clearing System**" means (i) CREST, (ii) Clearstream Frankfurt or (iii) any other recognised clearing system in which Securities of a Series may be cleared.

"**Clearstream Frankfurt**" means Clearstream Banking Aktiengesellschaft, Frankfurt and any successor thereto.

"**Commodity Futures Trading Commission**" means the Commodity Futures Trading Commission created by the United States congress in 1974 as an independent agency with the mandate to regulate commodity futures and option markets in the United States and any successor or similar body thereto.

"**Commodity Regulatory Body**" means any government, commission, regulatory body or agency that has authority to regulate any of the following: commodities, commodity futures contracts, commodity options and/or transactions on or relating to commodities, commodity futures contracts, commodity options and commodity indices in any relevant jurisdiction.

"**Conditions**" means these terms and conditions, as completed by Part A of the relevant Final Terms and as amended, supplemented, novated and/or replaced from time to time.

"**Corporate Secretarial Agreement**" means the corporate secretarial agreement dated on or about 22 March 2011 entered into by the Issuer and the Corporate Secretary as amended, supplemented, novated or replaced from time to time.

"**Corporate Secretary**" means, with respect to the Issuer, Castlewood Corporate Services Limited, trading as Chartered Corporate Services whose registered office is at Sanne, 4th Floor, 76 Baggot Street Lower, Dublin 2, Ireland and any successor or replacement thereto.

"**CREST**" means the system for the paperless settlement of trades and the holding of uncertificated securities operated by EUI in accordance with the Uncertificated Regulations and any successor or replacement thereto.

"**CREST Securities**" means the Securities which are cleared in CREST.

"**Custodian**" means JPMorgan Chase Bank N.A., London Branch and any successor or replacement thereto.

"**Custodian Bankruptcy Event**" means a Bankruptcy Event has occurred with respect to the Custodian.

"**Custody Agreement**" means the custody agreement dated on or about 22 March 2011 entered into by the Issuer, the Custodian and the Adviser and any other parties thereto as amended, supplemented, novated or replaced from time to time.

"**Disruption Event**" has the meaning given to it in Condition 10(a).

"**Early Redemption**" means, in relation to a Series of Securities, a redemption of all outstanding Securities of such Series following the occurrence of an Early Redemption Event or Event of Default.

"**Early Redemption Amount**" has the meaning given to it in:

(i) in respect of Cash Redemption Securities, Condition 9(a)(i); and

(ii) in respect of Physical Redemption Securities, Condition 9(a)(ii).

"**Early Redemption Event**" has the meaning given to it in Condition 9(d).

"**Early Redemption Fee**" has the meaning given to it in Condition 9(a)(iv).

"**Early Redemption Settlement Date**" has the meaning given to it in Condition 9(a).

"**Early Redemption Subscription/Buy-Back Cut-off Date**" has the meaning given to it in Condition 9(e).

"**Early Redemption Trade Date**" means, subject to Condition 10(c), the earlier of (i) the date of occurrence of an Early Redemption Event as specified in Condition 9(d); and (ii) the date of an Event of Default Redemption Notice, or if such day is not a Business Day, the next following Business Day.

"**Eligible Assets Directive**" means Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions.

"**ERISA Plan**" means 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) a "plan" to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), applies, or (iii) an entity whose underlying assets include "**plan assets**" (as defined 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 or plan's investment in the entity (any such plan or entity described in (i), (ii) or (iii), a "**Benefit Plan Investor**") 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 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.

"**EUI**" means Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) incorporated in England and Wales under number 2878738 and any successor thereto.

"**Event of Default**" has the meaning given to it in Condition 15.

"**Event of Default Redemption Notice**" has the meaning given to it in Condition 15.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**Extraordinary Resolution**" means, in respect of a Series of Securities, a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast, provided that 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 Securities who for the time being are entitled to receive notice of a meeting held in accordance with the Trust Deed shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Securityholders duly convened and held in accordance with the relevant provisions of the Trust Deed.

"**Final Metal Entitlement**" has the meaning given to it in Condition 9(a).

"**Final Terms**" means the final terms issued specifying the relevant issue details of the relevant Securities, in the form set out in the Base Prospectus relating to such Securities or such other form as may be agreed between the Issuer and the Arranger.

"**FSA**" means the United Kingdom Financial Services Authority in its capacity as competent authority under the FSMA and any successor thereto.

"**FSMA**" means the United Kingdom Financial Services and Markets Act 2000 as amended and/or supplemented from time to time.

"**Full Member**" means, in relation to a Relevant Association, a full member of such Relevant Association, which shall include any full member reclassified as a market maker member.

"**Gold**" means (i) allocated gold bars complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect; and (ii) a contractual obligation against the Custodian to transfer an amount of gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect not including Gold included under (i) above.

"**Gold Securities**" means Securities of the iShares Physical Gold ETC Series.

"**holder**" has the meaning given to it in Condition 2.

"**Initial Metal Entitlement**" means, in respect of a Series of Securities, the Metal Entitlement on the Series Issue Date, which is specified in Condition 5(b).

"**Initial Registrar**" means Computershare Investor Services (Ireland) Limited and any successor or replacement thereto, in its capacity as Registrar.

"**Issue Date**" means, in respect of a Tranche of Securities, the date on which the Securities of the relevant Tranche are due to be issued to the relevant Authorised Participant(s) which has subscribed for such Tranche of Securities, as specified in the Final Terms relating to such Tranche.

"**Issuer**" means iShares Physical Metals plc, a public limited company incorporated in Ireland with

registration number 494646.

"**Issuer Call Redemption Event**" has the meaning given to it in Condition 9(d).

"**Issuer Call Redemption Notice**" has the meaning given to it in Condition 9(d).

"**Issuer Cash Account**" means an interest-bearing account of the Issuer in respect of the Securities, if needed, to be held with the Administrator in England or the United States into which amounts received by or on behalf of the Issuer shall be paid from time to time, including but not limited to Buy-Back Settlement Amounts and Early Redemption Amounts, in each case for Cash Redemption Securities.

"**Issuer Series Fees and Expenses**" means, in respect of a Series of Securities, any fees, expenses and other amounts payable by the Issuer pursuant to the Transaction Documents and/or properly incurred by the Issuer, but excluding any agreed fees and expenses payable by the Adviser in accordance with Clause 6 (*Payment of Fees and Expenses*) of the Advisory Agreement, in each case, relating to such Series of Securities.

"**LBMA**" means The London Bullion Market Association and any successor thereto.

"**LPPM**" means The London Platinum and Palladium Market and any successor thereto.

"**Metal**" means, in respect of a Series of Securities, the metal relating to such Series, being one only of Gold, Silver, Platinum or Palladium.

"**Metal Counterparty**" means such metal counterparty or counterparties which, from time to time, are party to a Metal Sale Agreement with the Issuer providing for the purchase of Metal from the Issuer in respect of a Series of Securities, and any successor or replacement thereto.

"**Metal Counterparty Bankruptcy Event**" means, in respect of a Metal Counterparty, a Bankruptcy Event has occurred with respect to such Metal Counterparty.

"**Metal Entitlement**" has the meaning given to it in Condition 5(c).

"**Metal Reference Price**" means, in respect of a Metal, the price of the Metal (expressed in USD) published by the Relevant Association in respect of such Relevant Association's official London pricing time for the Metal or, if there is more than one official pricing time for the Metal, the AM price or the PM price, as applicable.

"**Metal Reference Price Source**" means:

(i) the LBMA in respect of Gold Securities;

(ii) the LBMA in respect of Silver Securities;

(iii) the LPPM in respect of Platinum Securities; and

(iv) the LPPM in respect of Palladium Securities,

or any successor Metal Reference Price Source determined pursuant to Condition 11.

"**Metal Sale**" means the sale of Metal to a Metal Counterparty pursuant to the relevant Metal Sale Agreement and Condition 12.

"**Metal Sale Agreement**" means a metal sale agreement entered into by the Issuer and the relevant Metal Counterparty and any other parties thereto providing for the purchase of Metal from the Issuer in respect of a Series of Securities as amended, supplemented, novated or replaced from time to time.

"**Metal Sale Amount**" has the meaning given to it in Condition 12.

"**Metal Sale Date**" means, in relation to a Metal Sale, the day on which the Metal Reference Price relating to such Metal Sale is calculated by the relevant Metal Reference Price Source or, if the relevant Metal Sale

Amount is to be purchased at a market spot price, the day on which such market spot price is calculated.

"**Metal Sale Notice**" means a notice given by the Issuer (or the Adviser on its behalf) to a Metal Counterparty relating to the sale of all or a portion of (i) the Cash Redemption Metal; (ii) the Buy-Back Cash Settlement Metal; (iii) the Affected Securities Redemption Metal; or (iv) the amount of Underlying Metal determined by the Trustee to be required to be sold following service of an Event of Default Redemption Notice, as applicable.

"**Metal Sale Proceeds**" has the meaning given to it in Condition 12.

"**Metal Sale Proceeds per Security**" has the meaning given to it in Condition 12.

"**Metal Sale Quantity**" means (i) following service of a Cash Redemption Metal Sale Notice, the Cash Redemption Metal, (ii) following service of a Buy-Back Cash Settlement Metal Sale Notice, the Buy-Back Cash Settlement Metal, (iii) following service of an Affected Securities Metal Sale Notice, the Affected Securities Redemption Metal or (iv) following service of an Event of Default Redemption Notice, the amount of Underlying Metal determined by the Trustee to be required to be sold.

"**Metal Trading Disruption**" has the meaning given to it in Condition 10(a)(i).

"**Monte Titoli**" means Monte Titoli S.p.A. and any successor thereto.

"**Non-AP Buy-Back Dates**" has the meaning given to it in Condition 8(c).

"**Non-AP Buy-Back Notice**" has the meaning given to it in Condition 8(c).

"**Non-AP Minimum Buy-Back Amount**" has the meaning given to it in Condition 8(c).

"**Non-AP Securityholders**" has the meaning given to it in Condition 8(c).

"**Non-Disrupted Day**" means the Series Issue Date and each day thereafter that is a Business Day and is not a day which falls within a Suspension Period.

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

"**OECD**" means the Organisation for Economic Cooperation and Development and any successor thereto.

"**Operator**" means EUI or any successor thereto and shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator approved by the Issuer from time to time in accordance with the Uncertificated Regulations and notified to the relevant Securityholders in accordance with Condition 18.

"**outstanding**" or "**in issue**" means, in relation to Securities of a Series, (i) on the Series Issue Date, the Securities issued on such date, and (ii) on any Business Day thereafter, all the Securities issued on or prior to such Business Day except (a) those that have been redeemed in accordance with Condition 9; (b) those that have been cancelled for any reason; (c) those that have become void or in respect of which claims have become prescribed; (d) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Subscription Settlement Amount has not been transferred to the relevant Allocated Account; and (e) those that have been delivered to or to the order of the Issuer for cancellation, but only with effect from the relevant Buy-Back Settlement Date or Early Redemption Settlement Date, as the case may be, provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many Securities are outstanding for the purposes of the Conditions, the relevant Trust Deed and the relevant 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 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, Securities (if any) which the Issuer has agreed on or prior to such Business Day to issue but in respect of which the relevant Subscription

Settlement Amount has not been transferred to the relevant Allocated Account and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be "outstanding" or "in issue" on such Business Day.

"**Over-allocated Metal**" means, in respect of a Series of Securities, the amount of Metal in the relevant Allocated Account held for the Issuer which relates to an over-allocation of Metal by the Custodian or any Sub-Custodian to the relevant Allocated Account held for the Issuer in order to allow the balance of the relevant Unallocated Account to be reduced to zero in circumstances where such balance of the relevant Unallocated Account is less than the weight of a single Metal bar, plate, ingot or other relevant metal shape.

"**Palladium**" means (i) allocated palladium plates or ingots complying with the rules of the LPPM relating to good delivery and purity from time to time in effect; and (ii) a contractual obligation against the Custodian to transfer an amount of palladium complying with the rules of the LPPM relating to good delivery and purity from time to time in effect not including Palladium included under (i) above.

"**Palladium Securities**" means Securities of the iShares Physical Palladium ETC Series.

"**participating securities**" shall have the meaning given to it in the Uncertificated Regulations.

"**Paying Agent**" means, any paying agent appointed by the Issuer under an Agency Agreement and any successor or replacement thereto. There are no Paying Agents appointed by the Issuer as at the Programme Signing Date.

"**Physical Redemption**" means, in relation to a buy back or redemption of any Securities, settlement of the Issuer's buy back or redemption obligation by delivery of an amount of the relevant Metal to the relevant Authorised Participant in accordance with Condition 8(b) (in respect of a buy back of Securities) or Condition 9(a) (in respect of an Early Redemption of Securities);

"**Physical Redemption Election Notice**" has the meaning given to it in Condition 9(c).

"**Physical Redemption Election Securities**" has the meaning given to it in Condition 9(c).

"**Physical Redemption Securities**" means, in respect of a Series of Securities, Securities which are subject to Physical Redemption and are therefore termed "Physical Redemption Securities".

"**Platinum**" means (i) allocated platinum plates or ingots complying with the rules of the LPPM relating to good delivery and purity from time to time in effect; and (ii) a contractual obligation against the Custodian to transfer an amount of platinum complying with the rules of the LPPM relating to good delivery and purity from time to time in effect not including Platinum included under (i) above.

"**Platinum Securities**" means Securities of the iShares Physical Platinum ETC Series.

"**Principal Amount**" means:

(i) in respect of Gold Securities: US$3.00;

(ii) in respect of Silver Securities: US$4.50;

(iii) in respect of Platinum Securities: US$3.00; and

(iv) in respect of Palladium Securities: US$3.00.

"**Principal Trust Deed**" means the principal trust deed dated on or about 22 March 2011 entered into as a deed by the Issuer, the Trustee and any other parties thereto as amended, supplemented, novated or replaced from time to time.

"**Proceedings**" has the meaning given to it in Condition 21(b).

"**Profit Account(s)**" means an account opened in connection with a profit or rebate received by the Issuer or in connection with the administration and management of the Issuer which does not form part of the

Secured Property in respect of a Series.

"**Programme**" means the Secured Precious Metal Linked Securities Programme of the Issuer.

"**Programme Signing Date**" means 22 March 2011.

"**Qualified Holder**" means any person, corporation or entity other than (i) a U.S. person as defined under Regulation S; (ii) an ERISA Plan; (iii) any other person, corporation or entity to whom a sale or transfer of Securities, or in relation to whom the holding of Securities (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Issuer to be relevant) (a) would cause the Securities to be required to be registered under the Securities Act, (b) would cause the Issuer to become a "controlled foreign corporation" within the meaning of the US Internal Revenue Code of 1986, (c) would cause the Issuer to have to file periodic reports under Section 13 of the Exchange Act, (d) would cause the assets of the Issuer to be deemed to be "plan assets" of a Benefit Plan Investor, or (e) would cause the Issuer otherwise not to be in compliance with the Securities Act, the US Employee Retirement Income Security Act of 1974, the US Internal Revenue Code of 1986 or the Exchange Act; or (iv) a custodian, nominee, trustee or the estate of any person, corporation or entity described in (i) to (iii) above.

"**Register**" means, in respect of each Series of Securities, the register of Securityholders (which may comprise one or more segments each maintained by a Registrar), which records the holders of all Securities of the relevant Series issued by the Issuer, and which is maintained by the Registrar(s) on behalf of the Issuer.

"**Registrar**" means, in respect of a Series of Securities and a segment of the Register, the registrar that is appointed as a Registrar for such segment of the Register under a Registrar Agreement, and any successor or replacement thereto. As at the Programme Signing Date, the Initial Registrar is the only Registrar appointed by the Issuer.

"**Registrar Agreement**" means, in respect of a Registrar, the registrar agreement entered into by the Issuer, the Adviser, the relevant Registrar and any other parties thereto relating to such Registrar's appointment as such, as amended, supplemented, novated or replaced from time to time.

"**Regulation S**" means Regulation S under the Securities Act.

"**Relevant Association**" means:

(i) in respect of Gold and Silver, the LBMA; and

(ii) in respect of Platinum and Palladium, the LPPM.

"**Relevant Clearing System**" means, in respect of a Series of Securities, each Clearing System through which such Series of Securities is to be cleared, as specified in the Final Terms relating to such Series, and any additional Clearing System through which such Series of Securities is to be cleared from time to time.

"**Relevant Date**" has the meaning given to it in Condition 14.

"**Relevant Stock Exchange**" means, in respect of a Series of Securities, each Stock Exchange on which such Series of Securities is to be listed, as specified in the Final Terms of such Series, and any additional Stock Exchange which such Series of Securities is to be listed from time to time.

"**RIS**" means a regulated information service for the purposes of giving information relating to the Securities and/or the rules of the Relevant Stock Exchange chosen by the Issuer from time to time, including but not limited to the Regulatory News Service (the "**RNS**") of the London Stock Exchange.

"**Secured Creditor**" means, in respect of a Series of Securities, the Trustee, the Securityholders, the Corporate Secretary, the Adviser, the Administrator, the Registrar(s), the Paying Agent(s), the Custodian

and each person to whom Secured Obligations are owed by the Issuer, in each case relating to such Series of Securities.

"**Secured Obligations**" means, in respect of a Series of Securities, the obligations of the Issuer under the:

(i) Trust Deed;

(ii) each Security of such Series;

(iii) the Corporate Secretarial Agreement;

(iv) Advisory Agreement;

(v) Administration Agreement;

(vi) Registrar Agreement(s);

(vii) Agency Agreement(s);

(viii) Custody Agreement; and/or

(ix) any other agreement in respect of which the Issuer's obligations are from time to time agreed between the Issuer and the Trustee to be "Secured Obligations",

in each case to the extent such obligations relate to the relevant Series of Securities and "**Secured Obligation**" means any of them. For the avoidance of doubt, references to documents in this definition shall be interpreted as references to such documents as amended, supplemented, novated and/or replaced from time to time.

"**Secured Property**" means, in respect of a Series of Securities:

(i) (a) the Underlying Metal relating to such Series of Securities; and

(b) all property, assets and sums held by the Registrar(s), the Administrator, the Metal Counterparties and/or the Custodian, in each case, relating to such Series of Securities,

(ii) the rights and interest of the Issuer in and under the Advisory Agreement, the Administration Agreement, the Registrar Agreement(s), the Agency Agreement(s), the Metal Sale Agreement(s), the Custody Agreement, the Sub-Custody Agreements (if any), the Authorised Participant Agreement(s), the Corporate Secretarial Agreement, the Additional Secured Agreement (if any) and the rights, title and interest of the Issuer in all property, assets and sums derived from such agreements, in each case, as such rights relate to such Series of Securities; and

(iii) any other property, assets and/or sums which have been charged, assigned, pledged and/or otherwise made subject to the Security created by the Issuer in favour of the Trustee for itself and for the Secured Creditors pursuant to the Security Deed for such Series of Securities.

"**Securities**" means, in respect of a Series, each of the undated limited recourse debt securities of such Series issued pursuant to the Programme.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Security**" means, in respect of a Series of Securities, the security constituted by the Security Deed for such Series.

"**Security Deed**" means the security deed dated on or about the Series Issue Date of the relevant Series of Securities entered into as a deed by the Issuer, the Trustee and any other parties thereto as amended, supplemented, novated or replaced from time to time.

"**Securityholder**" has the meaning given to it in Condition 2.

"**Series**" means, in respect of Securities, all Securities having the same ISIN, WKN or other similar

identifier.

"**Series Issue Date**" means, in respect of a Series of Securities, the issue date of the first Tranche of such Series of Securities.

"**Service Provider Non-Replacement Redemption Event**" has the meaning given to it in Condition 9(d).

"**Service Provider Non-Replacement Redemption Notice**" has the meaning given to it in Condition 9(d).

"**Settlement Day**" means in respect of each Series of Securities, each day (other than a Saturday or a Sunday) on which commercial banks are generally open for business in London and New York, save that, in respect of Platinum Securities and Palladium Securities, where an Authorised Participant has successfully elected to deposit Platinum or Palladium representing the Subscription Settlement Amount in Zurich instead of London, "**Settlement Day**" in such context shall mean each day on which commercial banks are generally open for business in London, New York and Zurich.

"**Silver**" means (i) allocated silver bars complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect; and (ii) a contractual obligation against the Custodian to transfer an amount of silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect not including silver included under (i) above.

"**Silver Securities**" means Securities of the iShares Physical Silver ETC Series.

"**specified office**" means, in relation to any Agent, the office identified in respect of such Agent in the relevant Transaction Document or any other office approved by the Trustee and notified to Securityholders in accordance with Condition 18.

"**Stock Exchange**" means the London Stock Exchange, the Frankfurt Stock Exchange, the Borsa Italiana and/or any other recognised stock exchange on which a Series of Securities may be listed or to which an application for listing of the Securities of a Series may be made.

"**Sub-Custodian**" means any sub-custodian appointed by the Custodian in accordance with the Custody Agreement and in respect of a Series of Securities and any successor or replacement thereto from time to time.

"**Sub-Custody Agreement**" means an agreement between the Custodian and a Sub-Custodian pursuant to which the Sub-Custodian is appointed to act as sub-custodian in connection with the duties and obligations of the Custodian under the Custody Agreement as amended, supplemented, novated or replaced from time to time.

"**Subscription Fee**" has the meaning given to it in Condition 8(a)(v).

"**Subscription Order**" means a request for the Issuer to issue Securities delivered in accordance with the relevant Authorised Participant Agreement.

"**Subscription Settlement Amount**" means, in respect of a subscription for Securities and the related Subscription Settlement Date, an amount of Metal determined by the Administrator as being equal to the product of the Metal Entitlement in respect of the relevant Subscription Trade Date and the aggregate number of Securities to be issued pursuant to the relevant Subscription Order.

"**Subscription Settlement Date**" means, subject to Condition 10(d), the first, second or third Business Day after the Subscription Trade Date in accordance with the terms of the Authorised Participant Agreements, provided that if such day is not a Settlement Day, the Subscription Settlement Date shall be the immediately following Settlement Day.

"**Subscription Trade Date**" means, subject to Condition 10(d), a Business Day on which a Subscription Order is submitted by the Authorised Participant by the relevant cut-off time and determined to be valid and accepted and processed by or on behalf of the Issuer in accordance with the relevant Authorised

Participant Agreement.

"**Substituted Obligor**" has the meaning given to it in Condition 17(c).

"**Supplemental Trust Deed**" means, in respect of a Series of Securities, the supplemental trust deed dated on or about the Series Issue Date of such Series entered into as a deed by the Issuer, the Trustee and any other parties thereto as amended, supplemented, novated or replaced from time to time.

"**Suspension Period**" means the period during which the Issuer, or the Adviser on its behalf, has postponed or suspended the issuance and/or buy back of Securities and/or the settlement of issuance or buy back of Securities by providing a Suspension Notice in accordance with Condition 10.

"**Tax**" or "**Taxation**" means all forms of taxation levied by a Tax Authority and all penalties, charges, costs and interest relating thereto.

"**Tax Authority**" means any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world competent to impose, administer or collect any Taxation or make any decision or ruling on any matter relating to Taxation.

"**TER**" has the meaning given to it in Condition 5(d).

"**TER Metal**" has the meaning given to it in Condition 5(d).

"**TER Metal Sale Notice**" has the meaning given to it in Condition 5(d).

"**Total Expense Ratio**" has the meaning given to it in Condition 5(d).

"**Tranche**" means, in relation to Securities of a Series, the Securities that are subscribed on the same Subscription Trade Date (with the same Metal Entitlement as at such date) and issued on the same Issue Date.

"**Transaction Document**" means, in respect of a Series of Securities and to the extent such document relates to such Series, each of:

(i) the Trust Deed;

(ii) the Security Deed;

(iii) the Corporate Secretarial Agreement;

(iv) the Advisory Agreement;

(v) the Administration Agreement;

(vi) the Registrar Agreement(s);

(vii) each Agency Agreement;

(viii) the Custody Agreement;

(ix) each Authorised Participant Agreement;

(x) each Metal Sale Agreement; and

(xi) any other documents specified by the Issuer, from time to time, to be a "Transaction Document" in respect of such Series of Securities,

in each case as amended, supplemented, novated and/or replaced from time to time and "**Transaction Documents**" means all such documents.

"**Transaction Party**" means a party to a Transaction Document (other than the Issuer).

"**Trust Deed**" means, in respect of a Series of Securities, the Principal Trust Deed, as supplemented and

amended by the Supplemental Trust Deed in respect of such Series, each as amended, supplemented, novated or replaced from time to time.

"**Trustee**" means State Street Custodial Services (Ireland) Limited and any successor or replacement thereto.

"**UCITS Directive**" means Directive of 13 July 2009 of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (No 2009/65/CE), as amended, supplemented or replaced from time to time.

"**UCITS Scheme**" means a collective investment scheme which is established as an undertaking for collective investment in transferable securities under the UCITS Directive and includes a UCITS scheme (as defined in the glossary to the FSA's Handbook of Rules and Guidance (as amended)).

"**UK Listing Authority**" means the Financial Services Authority in its capacity as competent authority under the FSMA and any successor or replacement thereto.

"**Unallocated Account**" means, in respect of a Series of Securities, the Unallocated Account (Custodian) and each Unallocated Account (Sub-Custodian) (if any) in respect of such Series.

"**Unallocated Account (Custodian)**" means, in respect of a Series of Securities, the segregated account held with the Custodian in London in the name of the Issuer for the account of such Series recording Metal in unallocated form that is deposited with the Custodian which the Custodian shall hold on trust for the Issuer.

"**Unallocated Account (Sub-Custodian)**" means, in respect of a Series of Securities for which the Custodian holds any Metal for the Issuer with a Sub-Custodian, each segregated account held with a Sub-Custodian in London (or, with respect to Platinum Securities or Palladium Securities only, in Zurich) in the name of the Custodian recording Metal in unallocated form that is deposited with the Sub-Custodian, which the Sub-Custodian has an obligation to transfer to the Custodian (which in turn has an obligation to transfer to the Issuer).

"**Uncertificated Regulations**" means the Companies Act 1990 (Uncertificated Securities) Regulations 1996 and such other regulations having force within Ireland as are applicable to EUI and/or the CREST relevant system, in each case, as amended, supplemented or replaced from time to time.

"**Uncertificated Securities**" means Securities in dematerialised uncertificated registered form held in accordance with the Uncertificated Regulations and being participating securities for the purposes thereof.

"**Underlying Metal**" means, in respect of a Series of Securities, (i) all Metal in aggregate at any time held by the Custodian on behalf of the Issuer or by any Sub-Custodian on behalf of the relevant client of the Custodian, which for the Custodian's own purposes is the Issuer, whether in an Allocated Account or in an Unallocated Account in respect of such Series of Securities, provided that Underlying Metal shall exclude any Metal deposited in an Unallocated Account of such Series by an Authorised Participant in connection with a Subscription Order in respect of which the relevant Securities have not been issued to the relevant Authorised Participant; and (ii) all Metal which a Metal Counterparty is required, pursuant to the relevant Metal Sale Agreement, to hold on trust for the Issuer pending receipt by the Issuer of the relevant cash proceeds from such Metal Counterparty in respect of a Metal Sale.

"**Up To Global Note**" means, in respect of a Series of Securities, the up to global note which the Issuer may elect to issue in physical form to represent the CBF Securities of such Series and which is to be deposited with Clearstream Frankfurt in its vault.

"**VAT**" means (i) value added tax chargeable in accordance with (but subject to derogations from) Council Directive 2006/112/EC, (ii) any other tax of a similar fiscal nature and any other form of tax levied by reference to added value or sales (which, for the avoidance of doubt, shall include Swiss value added tax

(*Mehrwertsteuer*) including Swiss import value added tax according to the Federal Law with regard to Value Added Tax dated 12 June 2009 including any amendment, modification, variation, replacement or supplement thereof), (iii) any similar tax charged from time to time in substitution for or in addition to any of the above, and (iv) in the case of (i), (ii) and (iii) above, any interest, penalties, costs and expenses reasonably related thereto.

"**VAT Redemption Event**" has the meaning given to it in Condition 9(d).

"**VAT Redemption Notice**" has the meaning given to it in Condition 9(d).

2 Form and Title

(a) Securities cleared in CREST (referred to as "**CREST Securities**") are in dematerialised uncertificated registered form. Legal title to such Securities is represented by the Register held by the relevant Registrar in Ireland and is not evidenced by any physical document of title.

(b) From the point at which the Securities of a Series are admitted to listing and trading on the Frankfurt Stock Exchange, it is intended that the Securities which are traded on the Frankfurt Stock Exchange will be cleared in Clearstream Frankfurt in accordance with the requirements of Clearstream Frankfurt (such Securities cleared in Clearstream Frankfurt (the terms of which are subject to modification by the Issuer if necessary or advisable to take into account and/or comply with the then current CBF Terms and any other terms, conditions, rules, procedures and/or practice applicable to such Securities), the "**CBF Securities**"). The Issuer may issue an Up To Global Note in physical form representing the CBF Securities to Clearstream Frankfurt (or its nominee), to be deposited in Clearstream Frankfurt's vault, subject to the requirements of Clearstream Frankfurt. Legal title to CBF Securities will, unless otherwise agreed between the Issuer and Clearstream Frankfurt, be held by Clearstream Frankfurt's nominee.

It is intended that the CREST Securities and the CBF Securities relating to the same Series of Securities shall have the same ISIN.

The CREST Securities shall be held in uncertificated registered form in accordance with the Uncertificated Regulations and as such are dematerialised and not evidenced by any physical document of title. The CREST Securities are participating securities for the purposes of the Uncertificated Regulations.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Security shall be deemed to be and may be treated as its absolute owner for all purposes and regardless of any notice of ownership, trust or an interest in it, and no person shall be liable for so treating the holder. In the Conditions, "**Securityholder**" and "**holder**" means the person in whose name a Security of the relevant Series is registered in the Register.

Notwithstanding anything to the contrary in the Conditions, for so long as the Securities are participating securities: (i) the Register shall be maintained at all times outside of the United Kingdom, (ii) the CREST Securities may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Regulations and (iii) for the avoidance of doubt, the Conditions in respect of the Securities shall remain applicable notwithstanding that they are not endorsed on any certificate or document of title.

For the avoidance of doubt, this Condition 2 is subject to modification in accordance with Condition 17(a), which provides that modifications may be made by the Issuer to take into account and/or comply with the then current and applicable CBF Terms and any other terms, conditions, rules, procedures and/or practice applicable to CBF Securities.

3 Transfers

(a) Transfers

Legal title to the Securities will pass upon registration of the transfer in the Register maintained by the Registrar(s).

Legal title to the CBF Securities will, unless otherwise agreed between the Issuer and Clearstream Frankfurt, be held by Clearstream Frankfurt's nominee. It is intended that ownership of the entitlements to interests in the CBF Securities will, subject to the applicable rules, procedures and practice of Clearstream Frankfurt, transfer upon the entry of such transfer in Clearstream Frankfurt's systems and the associated crediting of book-entry accounts in Clearstream Frankfurt, as recorded in the CBF Register.

It is intended that Securities (or interests therein) will be transferable from CREST to Clearstream Frankfurt and vice versa, in accordance with the procedures agreed between the Issuer (or the Administrator or the Adviser on its behalf), the relevant Registrar(s) and Clearstream Frankfurt from time to time.

All transactions in respect of the Securities (including, without limitation, transfers of the Securities) in the open market or otherwise must be effected through an account with EUI (or, if applicable, Clearstream Frankfurt). All transfers of the Securities shall be subject to and made in accordance with the rules, procedures and practices in effect of (i) the relevant clearing system and (ii) in respect of CREST Securities, CREST and the Uncertificated Regulations. The Uncertificated Regulations and such rules, procedures and practices may change from time to time.

No provision of the Conditions shall (notwithstanding anything to the contrary herein) apply or have effect to the extent that it is in any respect inconsistent with: (i) the holding of title to the CREST Securities in uncertificated form, (ii) the transfer of title to the Securities by means of registration in the Register or (iii) the Uncertificated Regulations.

If at any time:

(i) Securities cease to be accepted for clearance through the Clearing System in which they were cleared immediately prior to such cessation, or notice is received by or on behalf of the Issuer that the Securities will cease to be so accepted for clearance ; and/or

(ii) 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); and/or

(iii) the relevant Clearing System announces an intention permanently to cease business or does in fact do so; and/or

(iv) a holder ceases to be a member or hold an account with the relevant Clearing System; and/or

(v) CREST Securities cease to be held in uncertificated form, or notice is received by or on behalf of the Issuer that CREST Securities will cease to be so held,

the affected Securities shall continue to be recorded on the Register and the Issuer (or the Adviser on its behalf), the relevant Registrar(s), the Administrator and any other relevant Transaction Party (other than the Authorised Participant(s)) may agree such procedures as they determine necessary, including in relation to the transfer of the affected Securities and shall as soon as reasonably practicable give notice thereof to the relevant Securityholders in accordance with Condition 18 and to the Authorised Participant(s).

(b) Transfer Free of Charge

Transfers of Securities shall be effected without charge by or on behalf of the Issuer, the Operator, the relevant Registrar(s), or (with respect to CBF Securities) Clearstream Frankfurt but upon payment by the relevant holder of any Tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Operator, the relevant Registrar(s), or (with respect to CBF Securities) Clearstream Frankfurt may require).

(c) Closed Periods

If the rules and procedures of the relevant Registrar(s) and/or for so long as the Securities are (i) held in CREST, the rules and procedures of CREST; or (ii) held in Clearstream Frankfurt, the rules and procedures of Clearstream Frankfurt, include any closed period in which no Securityholder may require the transfer of a Security to be registered in the Register or CBF Register (as applicable), such closed periods shall apply to the Securities. Details of any such closed period are available from the relevant Registrar(s) or Clearstream Frankfurt (as applicable).

For the avoidance of doubt, this Condition 3 is subject to modification in accordance with Condition 17(a), which provides that modifications may be made by the Issuer to take into account and/or comply with the then current and applicable CBF Terms and any other terms, conditions, rules, procedures and/or practice applicable to CBF Securities.

4 Constitution and Status

Each Series of Securities is constituted by the relevant Trust Deed and secured by the relevant Security Deed. The Securities 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 and recourse in respect of which is limited in the manner described in Condition 6(f) and Condition 16.

5 Metal Entitlement

(a) Determination of Metal Entitlement

The Administrator shall determine the Metal Entitlement in respect of each Series of Securities in accordance with Condition 5(c) for each day during the term of the relevant Securities up to (and including) the Early Redemption Trade Date and notify its determination of the Metal Entitlement to the Issuer and the Adviser on the immediately following Business Day.

(b) Initial Metal Entitlement

The "**Initial Metal Entitlement**" for each Series of Securities under the Programme shall be an amount per Security as follows:

(i) in respect of Gold Securities: 0.02 fine troy ounces;

(ii) in respect of Silver Securities: 1 troy ounce;

(iii) in respect of Platinum Securities: 0.015 troy ounces; and

(iv) in respect of Palladium Securities: 0.03 troy ounces.

(c) Metal Entitlement

The "**Metal Entitlement**" in respect of a Series of Securities on a particular day shall be an amount per Security determined by the Administrator as follows:

(i) if the relevant day is the Series Issue Date, the Metal Entitlement shall be equal to the Initial Metal Entitlement;

(ii) in relation to any subsequent day, the Metal Entitlement shall be an amount calculated by the Administrator in accordance with the formula below:

$$ME_t = ME_{t-1} \times (1 - TER_t)^{1/N}$$

Where:

"**ME_t**" means the Metal Entitlement in respect of the relevant day;

"**ME_{t-1}**" means the Metal Entitlement in respect of the immediately preceding day;

"**TER_t**" means the Total Expense Ratio as at the relevant day in respect of the relevant Series, expressed as a decimal; and

"**N**" means 365 (or 366 in a leap year).

(d) Total Expense Ratio

(i) The "**Total Expense Ratio**" or "**TER**" is the rate per annum at which the "all in one" operational fee which is payable to the Adviser in respect of each Series of Securities is calculated. The TER set out below for each Series is applied to the Metal Entitlement on a daily basis to determine a daily deduction of an amount of Metal from the Metal Entitlement:

(A) in respect of Gold Securities: 0.25% per annum;

(B) in respect of Silver Securities: 0.40% per annum;

(C) in respect of Platinum Securities: 0.40% per annum; and

(D) in respect of Palladium Securities: 0.40% per annum.

(ii) The TER in respect of a Series of Securities may be varied by the Issuer on the request of the Adviser from time to time, provided that, no increase in the TER in respect of a Series of Securities will take effect unless Securityholders of such Series have been given at least 30 calendar days' prior notice in accordance with Condition 18.

The TER in respect of each Series of Securities from time to time and any proposed change to the TER of any Series of Securities shall be published on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders in accordance with Condition 18 from time to time).

(iii) The accrued Metal representing the reduction in the Metal Entitlement due to application of the TER will be sold by the Issuer to the Custodian on a monthly or such other periodic basis as may be agreed between the Custodian and the Issuer (or the Adviser on its behalf) from time to time. The Custodian will, upon effective delivery (in accordance with the Custody Agreement) of a notice (such notice a "**TER Metal Sale Notice**") from the Administrator specifying the amount of Metal determined by the Administrator (the "**TER Metal**") to be sold on the date on which the TER Metal Sale Notice is effective, purchase an amount of Metal equal to the TER Metal from the Issuer in accordance with the Custody Agreement. The cash proceeds of a sale of TER Metal will be paid to an account of the Adviser, which will pay the agreed fees of other service providers to the Issuer out of such cash proceeds.

6 Security

(a) Security

(i) The Secured Obligations of the Issuer in respect of each Series of Securities are secured, pursuant to the relevant Security Deed, by:

(A) an assignment by way of security in favour of the Trustee (for itself and the Secured Creditors) of all of the Issuer's rights, title, interest and benefit present and future against the Custodian and each of the Sub-Custodian(s) relating to the Underlying Metal in respect of the relevant Series of Securities under the Custody Agreement, each of the Sub-Custody Agreement(s) and otherwise;

(B) a first fixed charge in favour of the Trustee (for itself and the Secured Creditors) over the Allocated Account (Custodian) and the Unallocated Account (Custodian) in respect of the relevant Series of Securities, all of the Underlying Metal held in the Allocated Account (Custodian), the Unallocated Account (Custodian) and each Allocated Account (Sub-Custodian) from time to time in respect of the relevant Series of Securities and all sums and assets derived therefrom;

(C) an assignment by way of security in favour of the Trustee (for itself and the Secured Creditors) of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Advisory Agreement, the Administration Agreement (excluding provisions therein to the extent that they relate to the Profit Account(s)), the Registrar Agreement(s), the Agency Agreement(s), the Authorised Participant Agreements, the Metal Sale Agreement(s), the Corporate Secretarial Agreement and the Additional Secured Agreement (if any) (in each case, to the extent that they relate to the relevant Series of Securities);

(D) a first fixed charge in favour of the Trustee (for itself and the Secured Creditors) over the Issuer Cash Account in respect of the relevant Series of Securities, all amounts from time to time standing to the credit thereof (together with all interest accruing from time to time thereon and the debts represented thereby); and

(E) a first fixed charge in favour of the Trustee (for itself and the Secured Creditors) over (I) all sums held now or in the future by the Registrar(s) to meet payment obligations of the Issuer owed under the Transaction Documents and (II) all amounts of Metal held now or in the future by the Metal Counterparty(ies) on trust for the Issuer pending receipt by the Issuer of the relevant Metal Sale Proceeds in connection with the sale of Metal by the Issuer to such Metal Counterparty(ies) pursuant to the relevant Metal Sale Agreement(s) (in each case, to the extent that they relate to the relevant Series of Securities).

(ii) The Security is granted to the Trustee as continuing Security for the Secured Obligations. In accordance with the relevant Security Deed, prior to any enforcement of the Security, the Trustee will be deemed to release from such Security without the need for any notice or other formalities, each of (A) and (B) below.

(A) Sums and/or Metal held by the Custodian or any Sub-Custodian, the Administrator and/or the Registrar(s), as applicable, to the extent required for payment of any sum or delivery of any Metal in respect of the Securities and/or under the Transaction Documents, which for the avoidance of doubt shall include, without limitation:

(I) TER Metal deliverable to the Custodian, the proceeds of a sale thereof payable to the Adviser pursuant to Condition 5 and the Custody Agreement;

(II) Buy-Back Settlement Amounts deliverable to Authorised Participants or payable to Non-AP Securityholders or non-Qualified Holders in accordance with Condition 8;

(III) Early Redemption Amounts payable or deliverable to Securityholders in accordance with Condition 9;

(IV) Metal deliverable to Metal Counterparties pursuant to Condition 12 and the relevant Metal Sale Agreement(s) for the purposes of effecting a Metal Sale, provided that such Metal shall, in accordance with the relevant Metal Sale Agreement(s), be held by the relevant Metal Counterparty(ies) on trust for the Issuer until such time as the Issuer is in receipt of the relevant Metal Sale Proceeds and such Metal shall only be released from such Security upon receipt by the Issuer of such Metal Sale Proceeds; and

(V) the return of any Over-allocated Metal held in the Allocated Account (Custodian) and any Allocated Account (Sub-Custodian) deliverable to the Custodian or a Sub-Custodian, as applicable, including, but not limited to, upon Early Redemption following the occurrence of an Early Redemption Event, the delivery of any Over-allocated Metal to the Custodian or a Sub-Custodian, as applicable, in priority to the payment or delivery of Early Redemption Amounts to Securityholders.

Any such release (other than in the case of (V) above) shall be subject to the condition that, in respect of a Series of Securities and the Allocated Account (Custodian) or any Allocated Account (Sub-Custodian), as applicable, holding Over-allocated Metal, an amount of Metal at least equal to such Over-allocated Metal shall at all times remain in such Allocated Account (Custodian) or Allocated Account (Sub-Custodian), as applicable. Where security is released over any Over-allocated Metal, it shall be delivered to the Custodian or the relevant Sub-Custodian only and not to any other Secured Creditor or other person.

(B) Any part of the Secured Property to the extent required to comply with and subject to the provisions of Conditions 6(c), 6(f) and 6(g).

(b) Application of Secured Property and Proceeds of Enforcement of Security

In respect of a Series of Securities, following (i) an Early Redemption Trade Date, the Issuer shall; or (ii) the service of an Event of Default Redemption Notice, the Trustee shall (subject to the provisions of the relevant Trust Deed and the relevant Security Deed) apply the Secured Property and proceeds derived from the realisation of the Secured Property in relation to such Series of Securities (whether by way of liquidation or enforcement and after taking account of any Taxes incurred, withheld or deducted by or on behalf of the Issuer) as follows:

(i) first, in delivery to the Custodian or relevant Sub-Custodian (as applicable) of the Over-allocated Metal;

(ii) secondly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee or any receiver in connection with an Early Redemption and/or an Event of Default relating to such Series of Securities under or pursuant to the relevant Security Deed, the relevant Trust Deed and/or any other Transaction Document (which for the purpose of this Condition 6(b) and the relevant Security Deed shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar tax in respect of the Trustee's remuneration) and the costs of enforcing or realising all or some of the Security, but shall exclude agreed fees and expenses of a standard and operational nature payable by the Adviser in accordance with Clause 6 (*Payment of Fees and Expenses*) of the relevant Advisory Agreement);

(iii) thirdly, in payment or satisfaction of any accrued and unpaid sale proceeds of TER Metal to the Adviser in accordance with Clause 5 (*Total Expense Ratio*) of the relevant Advisory Agreement in respect of such Series of Securities;

(iv) fourthly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of such Series of Securities;

(v) fifthly, in settlement of any valid Buy-Back Orders that have been accepted and processed but not yet settled through no fault of the relevant Securityholders;

(vi) sixthly, in payment or delivery of any Early Redemption Amount (after taking into account any deduction or payment of any applicable Early Redemption Fee) owing to the Securityholders *pari passu* (the number of Securities held by each individual Securityholder shall be aggregated in making such determination); and

(vii) seventhly, in payment of the balance (if any) to the Issuer.

(c) Delivery and Sale of Underlying Metal following an Early Redemption Event

The Issuer (or the Administrator or the Adviser acting on its behalf) may authorise and direct the Custodian to deliver or procure the delivery of the Underlying Metal held by the Custodian or Sub-Custodian to (x) the Metal Counterparties in accordance with Condition 12 to effect a Metal Sale; and (y) where Physical Redemption applies, unallocated Metal accounts held with Full Members of the Relevant Association specified by Authorised Participants in relation to deposit of the Early Redemption Amount.

Pursuant to the terms of the Security Deed, the Security described in Condition 6(a) shall automatically be released without further action on the part of the Trustee to the extent necessary to effect the Metal Sale or delivery of the Underlying Metal to Authorised Participants who hold (either directly or through a nominee) Securities and have elected to receive Physical Redemption; provided that nothing in this Condition 6(c) shall operate to release the charges and other security interests (i) over the Underlying Metal delivered to the Metal Counterparties for the purposes of effecting a Metal Sale until the proceeds of the Metal Sale are received by the Issuer; and (ii) over the proceeds of the Metal Sale until such proceeds are delivered to the Securityholders of Securities in respect of which Cash Redemption applies on the Early Redemption Settlement Date.

(d) Enforcement of Security Constituted under the Security Deed

The Security over the Secured Property in respect of a Series of Securities shall become enforceable upon the service of an Event of Default Redemption Notice.

(e) Realisation of Security

At any time after the Security has become enforceable in respect of a Series of Securities, the Trustee may, at its discretion, and shall, if so directed in writing by holders of at least one-fifth in number of the Securities of such Series then outstanding or by an Extraordinary Resolution of the Securityholders of such Series, in each case subject to it having been pre-funded and/or secured and/or indemnified to its satisfaction by one or more Securityholders of such Series (or otherwise to its satisfaction), enforce the Security constituted under the Security Deed relating to such Series.

To do this, the Trustee may, at its discretion, (i) enforce and/or terminate any Transaction Documents relating to the Securities in accordance with its or their terms, and/or take action against the relevant Obligor(s) and/or (ii) take possession of any Secured Property that is not in the form of Metal and/or realise all or part of the Secured Property over which the Security shall have become enforceable and may, in its discretion, but subject to the following sentence, sell, call in, collect and convert into money all or part of the Secured Property, in such manner 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 and the Trustee will not be obliged or required to take any action or step which may involve it in incurring any personal liability or expense unless pre-funded and/or secured and/or indemnified to its satisfaction by one or more

Securityholders of the relevant Series (or otherwise to its satisfaction). Notwithstanding anything to the contrary in the relevant Security Deed, the Trustee may not require any Metal to be delivered to or to the account of the Trustee (whether by physical delivery of the Metal or by book-entry transfer in an account) or any other person (other than directing the Custodian to sell Cash Redemption Metal or hold Metal for the account of holders of Physical Redemption Securities in accordance with the relevant Security Deed) where such delivery could result in an additional Tax liability as a result of the Trustee or such other person not being a member of the LBMA and/or the LPPM, as the case may be.

The Trustee may appoint a receiver in respect of all or part of the Secured Property relating to the Securities over which any Security 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.

Neither the Trustee nor any receiver appointed by it or any attorney or agent of the Trustee will, by reason of taking possession of any Secured Property relating to the Securities 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 Secured Property or from any act or omission in relation to such Secured Property or otherwise unless such loss or damage shall be caused by its own fraud, wilful default or negligence .

The Trustee shall not be required to take any action in relation to the enforcement of the Security that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction by one or more Securityholders of the relevant Series (or otherwise to its satisfaction).

(f) Shortfall after Application of Proceeds

In respect of a Series of Securities, the Transaction Parties and the Securityholders shall have recourse only to the Secured Property in respect of the Securities of such Series, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property of such Series (whether by way of liquidation or enforcement) and application of available assets as provided in this Condition 6, the Trust Deed and the Security Deed, as applicable, any outstanding claim against the Issuer relating to such Series remains unsatisfied, then such outstanding claim shall be extinguished and no obligation shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim in accordance with this Condition 6(f), none of the Transaction 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 amount in respect of the extinguished claim and no obligation shall be owed to any such persons by the Issuer in respect of such further amount.

None of the Transaction Parties, 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, 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 Securities) or not attributable to any particular Series.

The provisions of this Condition 6(f) shall survive notwithstanding any redemption of the Securities or the termination or expiration of any Transaction Document.

(g) Issuer's Rights as Beneficial Owner of Secured Property

Without prejudice to Condition 17(a), at any time before any Security in respect of the relevant Series of Securities becomes enforceable, the Issuer shall, if directed to do so by an Extraordinary Resolution or may, with the sanction of an Extraordinary Resolution or with the prior written consent of the Trustee:

(i) take such action in relation to the Secured Property relating to the Securities of such Series as it may think expedient; and

(ii) exercise any rights incidental to the ownership of the Secured Property of such Series which 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.

If any such direction or consent is given, the Issuer shall act only in accordance with such direction or consent, provided that, prior to the enforcement of the Security, the Issuer may release or modify the rights and assets which are comprised in the Secured Property without any further action or consent being required from Securityholders or the Trustee to the extent necessary in connection with any of the circumstances described in Condition 6(a) in relation to which the Security over such Secured Property is released.

7 Restrictions

In respect of a Series of Securities, so long as any of the Securities of such Series remain outstanding, the Issuer shall not, without the prior written consent of the Trustee:

(i) 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, exchange or repurchase and cancel or reissue or resell all or some only of the Securities of any Series under the Programme as may be provided in these Conditions and the relevant Trust Deed and the relevant Transaction Documents and in connection therewith enter into or amend Transaction Documents accordingly;

(B) acquire and own rights, property or other assets which are to comprise Secured Property for a Series of Securities issued under the Programme so as to enable it to discharge its obligations under such Series, and any relevant Transaction Document relating to such Series;

(C) perform its respective obligations under any Securities issued under the Programme, and any relevant Transaction Document entered into in connection with such Series, and any agreements incidental to the granting of Security relating to any such Series of Securities or incidental to the issue and constitution of any Series of Securities issued under the Programme;

(D) engage in any activity in relation to the Secured Property or any Transaction Document contemplated by the Conditions or such Transaction Document relating to any Series of Securities;

(E) subject as provided in the relevant Trust Deed, the relevant Security Deed and in the Conditions relating to any Series of Securities, enforce any of its rights, whether under the relevant Trust Deed, the relevant Security Deed, any other Transaction Document or otherwise under any agreement entered into in relation to any Series of Securities or any Secured Property relating to any such Series; and

(F) 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);

(ii) cause or permit the terms of the Security granted under the Security Deed for any Series of Securities and the order of priority specified in the Conditions, the relevant Trust Deed and the relevant 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 Securities);

(iii) release any party to the relevant Trust Deed, the relevant Security Deed or any other relevant Transaction Document relating to a Series of 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 Securities);

(iv) have any subsidiaries;

(v) sell, transfer or otherwise dispose of the Secured Property in respect of any Series of Securities 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 Securities of any such Series, the relevant Trust Deed, the relevant Security Deed and any other Transaction Document relating to any such Series as may be applicable;

(vi) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of the Conditions, the relevant Trust Deed, the relevant Security Deed or any other Transaction Document relating to any Series of Securities (other than as contemplated by the relevant Conditions and the relevant Transaction Documents relating to any such Series);

(vii) 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 and the Conditions for any Series of Securities);

(viii) have any employees;

(ix) issue any shares (other than 40,000 ordinary shares of €1 each all of which are fully paid up and are held by or to the order of Wilmington Trust SP Services (Dublin) Limited (the "**Share Trustee**") under the terms of a declaration of trust dated 21 March 2011 under which the Share Trustee holds them on trust for charitable purposes);

(x) open or have any interest in any account with a bank or financial institution unless such account (A) relates to a Series of Securities, the Custody Agreement, the Registrar Agreement(s), the Administration Agreement, any applicable CBF Terms or any Secured Property relating to a Series of Securities or any party thereto and (other than in respect of certain payment accounts with Clearing Systems which are not customarily charged in transactions similar to the Series of Securities) the Issuer's interest in such account is simultaneously charged in favour of the relevant Trustee so as to form part of the relevant Secured Property relating to such Series of Securities or (B) is a Profit Account and only moneys or Metal necessary for the purposes for which such account was opened are credited to it;

(xi) declare any dividends other than any dividends payable out of amounts standing to the credit of the Profit Account(s);

(xii) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);

(xiii) 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;

(xiv) 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;

(xv) except as contemplated by any relevant Transaction Document and/or the Conditions relating to a Series of Securities, 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 Securities, to any other entity or person;

(xvi) subject as provided in (i) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 and 8(a) of the relevant Series of Securities) issuing further Securities under the Programme (which may or may not form a single series with the Securities of any Series and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such Securities, provided that:

(A) such further Securities and obligations are secured on assets of the Issuer other than (I) the Secured Property relating to any other Series of Securities and (II) the Issuer's share capital;

(B) such further Securities and obligations are secured *pari passu* upon the Secured Property relating to the Series of Securities with which such Securities are to form a single series (as such Secured Property may be increased in connection with the issue of such further securities), all in accordance with Condition 8(a) of the relevant Series of Securities; and

(C) if further Securities which are to form a single series with a Series of Securities are being issued, the relevant Authorised Participant has transferred to or to the order of the Issuer an amount of Metal in respect of each further Security equal to the Metal Entitlement on the relevant Subscription Trade Date; or

(xvii) permit or cause any Underlying Metal to be transferred out of an Allocated Account in respect of the relevant Series other than a transfer made pursuant to Condition 6(a)(ii) or a transfer between Allocated Accounts in respect of the relevant Series,

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.

8 Subscription and Buy Back of Securities

(a) Subscription and Further Issues

(i) Subject to Condition 6 (*Security*), the Issuer may (without the consent of the Trustee or any Securityholder), from time to time, in accordance with the relevant Trust Deed, the Conditions, the Registrar Agreement(s) and the relevant Authorised Participant Agreements, create and issue further securities either:

(A) as a new Series of Securities upon such terms as the Issuer may determine at the time of their issue; or

(B) having the same terms and conditions as an existing Series of Securities in all respects and so that such further issue shall be consolidated and form a single series with such Series of Securities.

In respect of each Series of Securities and Securities of such Series which are CBF Securities represented by an Up To Global Note, the aggregate number of CBF Securities outstanding for such Series shall not at any time exceed the maximum number of CBF

Securities specified in the relevant Up To Global Note provided that the Issuer may from time to time increase the maximum number of CBF Securities so specified without requiring approval from Securityholders, the Trustee or any other Transaction Party.

(ii) Any new securities forming a single series with outstanding Securities of a Series and which are expressed to be constituted by the same Trust Deed and secured by the same Security Deed will, upon the issue thereof by the Issuer to one or more Authorised Participants, be constituted by such Trust Deed and secured by such Security Deed without any further formality and shall be secured by the same Secured Property (as increased and/or supplemented in connection with such issue of such new securities) and references in these Conditions to "**Securities**", "**Secured Property**", "**Secured Obligations**" and "**Secured Creditors**" shall be construed accordingly.

(iii) Pursuant to the relevant Authorised Participant Agreement, only an Authorised Participant in respect of the relevant Series of Securities may request that the Issuer issue additional Tranches of Securities of the relevant Series to the Authorised Participant by the Authorised Participant delivering a valid Subscription Order, subject to and in accordance with the terms of such Authorised Participant Agreement. Once submitted, a Subscription Order is irrevocable, unless otherwise agreed by the Issuer (or the Adviser or Administrator on its behalf). The Issuer (or the Adviser or Administrator on its behalf) has the absolute discretion to accept or reject in whole or in part any Subscription Order. The Issuer will only accept a Subscription Order if a valid Subscription Order is given by an Authorised Participant of the relevant Series. Prior to the Issuer's acceptance of a Subscription Order, a Subscription Order only represents an Authorised Participant's unilateral offer to subscribe and has no binding effect on the Issuer.

(iv) Authorised Participants subscribing for Securities are, pursuant to the relevant Authorised Participant Agreement, required to:

(A) deliver an amount of Metal that satisfies the rules of the Relevant Association relating to good delivery and purity from time to time in effect and which is equal to the Subscription Settlement Amount to the relevant Unallocated Account by the relevant cut-off time on or prior to the Subscription Settlement Date; and

(B) pay the Subscription Fee as set out in the relevant Authorised Participant Agreement(s) by the relevant cut-off time on the Subscription Settlement Date (unless the relevant Registrar has agreed that the Subscription Fee may be paid following the Subscription Settlement Date).

(v) The "**Subscription Fee**" is USD 170 per Subscription Order for each Series as at the Programme Signing Date. The Subscription Fee in respect of a Series of Securities may be changed from time to time by notice to the Authorised Participants in respect of the relevant Series.

(vi) The Issuer will only issue Securities to an Authorised Participant on the Subscription Settlement Date if all conditions precedent to an issue of the Securities are satisfied, which includes, without limitation:

(A) the Authorised Participant having satisfied all of its settlement obligations by the relevant cut-off times on the Subscription Settlement Date as set out in Condition 8(a)(iv); and

(B) the Custodian having confirmed to the Administrator and the Trustee that the amount of Metal delivered by the Authorised Participant as the Subscription Settlement Amount has been transferred to an Allocated Account in respect of the relevant Series of Securities.

(vii) In accordance with Condition 8(a)(iii), the Issuer is not obliged to accept any Subscription Order in respect of a Series of Securities, including if the Subscription Trade Date or Subscription Settlement Date would fall:

(A) within a Suspension Period;

(B) after an Early Redemption Subscription/Buy-Back Cut-off Date; or

(C) after service of an Event of Default Redemption Notice.

(viii) Any Subscription Order in respect of which the Subscription Settlement Date occurs after an Early Redemption Trade Date shall, if not already cancelled prior to such date, be automatically cancelled (for the avoidance of doubt, notwithstanding the acceptance of such Subscription Order prior to such date) with effect from the Early Redemption Trade Date. Any Securities issued on a Subscription Settlement Date which are pending settlement to the relevant Authorised Participant as at the Early Redemption Trade Date shall, if not already cancelled prior to such date, be automatically cancelled with effect from the Early Redemption Trade Date.

(b) Buy Back of Securities from Authorised Participants

(i) The Issuer may (without the consent of the Trustee or any Securityholder), from time to time, buy back all or some of the Securities of any Series.

(ii) Subject to Condition 8(c) and the terms of the relevant Authorised Participant Agreement, only an Authorised Participant in respect of the relevant Series of Securities may request that the Issuer buys back Securities of the relevant Series from the relevant Authorised Participant by the Authorised Participant delivering a valid Buy-Back Order subject to and in accordance with the terms of such Authorised Participant Agreement. Once submitted, a Buy-Back Order is irrevocable, unless otherwise agreed by the Issuer (or the Adviser or Administrator on its behalf).

(iii) Securities purchased by the Issuer from an Authorised Participant will be purchased by the Issuer for an amount of the relevant Metal equal to the Buy-Back Settlement Amount. The Issuer will only transfer Metal in an amount equal to the Buy-Back Settlement Amount to the relevant Authorised Participant on the Buy-Back Settlement Date in accordance with the terms of the relevant Authorised Participant Agreement including satisfaction by the Authorised Participant of its obligations to:

(A) deposit the relevant Securities subject to the Buy-Back Order in such account as set out in the relevant Authorised Participant Agreement by the relevant cut-off time on the Buy-Back Settlement Date; and

(B) pay the Buy-Back Fee as set out in the relevant Authorised Participant Agreement by the relevant cut-off time on the Buy-Back Settlement Date (unless the relevant Registrar has agreed that the Buy-Back Fee may be paid following the Buy-Back Settlement Date).

(iv) The "**Buy-Back Fee**" is USD 170 per Buy-Back Order for each Series as at the Programme Signing Date. The Buy-Back Fee in respect of a Series of Securities may be changed from time to time by notice to the Authorised Participants in respect of the relevant Series.

(v) Securities purchased by or on behalf of the Issuer pursuant to a Buy-Back Order will be cancelled Any Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged. In accordance with the relevant Security Deed, the Trustee will and will be deemed to release without the need for any notice or other formalities from such Security the relevant portion of the Secured Property

relating to the Securities so purchased.

(vi) The Issuer is not obliged to accept any Buy-Back Order or buy back any Securities in respect of a Series of Securities if the Buy-Back Trade Date or Buy-Back Settlement Date would fall:

(A) within a Suspension Period;

(B) after an Early Redemption Subscription/Buy-Back Cut-off Date; or

(C) after service of an Event of Default Redemption Notice.

(vii) In the event that an Early Redemption Trade Date has occurred and there are still outstanding Buy-Back Orders from Authorised Participants that have been accepted and processed but which have not yet settled, the Issuer will use reasonable endeavours to continue to settle such Buy-Back Orders to the extent possible, save in relation to any Buy-Back Order that has failed to settle on the relevant Buy-Back Settlement Date due to the relevant Authorised Participant having failed to satisfy its settlement obligations on such Buy-Back Settlement Date in which case such Buy-Back Order may be cancelled by the Issuer and the relevant Securities redeemed as part of the Early Redemption.

(c) Buy Back of Securities from non-Authorised Participant Securityholders

(i) The Issuer shall have the right, in its sole discretion, by notice to Securityholders in accordance with Condition 18 (subject to compliance with relevant laws and regulations), to determine that Securityholders who are not Authorised Participants ("**Non-AP Securityholders**") may, by delivering a valid Buy-Back Order (through a financial intermediary) and complying with the procedure set out in this Condition 8(c) and any other conditions set out by the Issuer at the time of such notice, request that the Issuer buy back Securities in respect of the relevant Series (such notice, a "**Non-AP Buy-Back Notice**").

(ii) In respect of any Series of Securities, the Issuer shall have the right to issue a Non-AP Buy-Back Notice from time to time at its discretion, although the Issuer expects to issue a Non-AP Buy-Back Notice only in limited circumstances including where no Authorised Participants are acting or willing to act in such capacity in respect of such Series.

The Issuer may, from time to time, appoint additional Authorised Participants or remove Authorised Participants in respect of the relevant Series of Securities.

The list of Authorised Participants in respect of a Series of Securities shall be published on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders in accordance with Condition 18 from time to time).

The Issuer shall use reasonable endeavours to ensure that there are at least two Authorised Participants appointed in relation to each Series at any time.

(iii) A Non-AP Buy-Back Notice will, amongst other things, state:

(A) the Business Day or Business Days on which the Issuer will accept Buy-Back Orders from Non-AP Securityholders (the "**Non-AP Buy-Back Dates**");

(B) the relevant cut-off time(s) by which any Buy-Back Order has to be submitted;

(C) the minimum aggregate number of Securities in respect of which valid Buy-Back Orders must be received in respect of a Non-AP Buy-Back Date before the Issuer (or the Administrator on its behalf) will accept valid Buy-Back Orders and carry out buy backs from Non-AP Securityholders in respect of such Non-AP Buy-Back Date (the "**Non-AP Minimum Buy-Back Amount**"); and

(D) such other terms relating to the acceptance of Buy-Back Orders from Non-AP

Securityholders as the Issuer shall determine in its sole discretion.

(iv) In order to be valid, a Buy-Back Order delivered by a Non-AP Securityholder (through its financial intermediary) must:

(A) be delivered to the Issuer (via the Administrator) by the relevant cut-off time on a Non-AP Buy-Back Date;

(B) specify the number and Series of the Securities to be bought back (provided that only one Series may be specified); and

(C) satisfy the terms specified in the relevant Non-AP Buy-Back Notice.

(v) All Non-AP Securityholders will receive Cash Redemptions for the purposes of this Condition 8(c).

(vi) Securities purchased by the Issuer from a Non-AP Securityholder will be purchased by the Issuer for an amount in USD equal to the Buy-Back Settlement Amount, less the Buy-Back Fee applicable to the relevant Buy-Back Order, payable on the relevant Buy-Back Settlement Date.

(vii) After issuing a Non-AP Buy-Back Notice, the Issuer will only accept a Buy-Back Order from a Non-AP Securityholder if:

(A) the relevant Buy-Back Order is valid;

(B) the conditions set out in the Non-AP Buy-Back Notice are satisfied; and

(C) the total number of Securities relating to Buy-Back Orders satisfying (A) and (B) above is equal to or greater than the Non-AP Minimum Buy-Back Amount.

For the avoidance of doubt, a Buy-Back Trade Date will only occur in relation to a Buy-Back Order delivered by a Non-AP Securityholder upon acceptance of such Buy-Back Order by the Issuer (or its Administrator on its behalf) in accordance with this Condition 8(c)(vii).

(viii) If, following the last Non-AP Buy-Back Date relating to a Non-AP Buy-Back Notice, the Issuer (or the Administrator on its behalf) determines that outstanding valid Buy-Back Orders received from Non-AP Securityholders will not satisfy Condition 8(c)(vii) above and therefore the requested buy backs will not be carried out, the Issuer will arrange for the return to the Non-AP Securityholders of the relevant Securities deposited (if any).

(ix) On the Buy-Back Trade Date in relation to which valid Buy-Back Orders from Non-AP Securityholders are accepted, the Issuer (or the Administrator on its behalf) will determine the amount of Metal to be sold to one or more Metal Counterparties (the "**Buy-Back Cash Settlement Metal**") as an amount equal to the product of:

(A) the total number of Cash Redemption Securities subject to Buy-Back Orders with such Buy-Back Trade Date; and

(B) the Metal Entitlement per Security of the relevant Series as at the Buy-Back Trade Date,

and shall notify the Custodian that the Buy-Back Cash Settlement Metal will be sold by the Issuer to the relevant Metal Counterparties in accordance with the terms of the relevant Metal Sale Agreements and Condition 12 (each such notice, a "**Buy-Back Cash Settlement Metal Sale Notice**").

(x) The Issuer (or the Administrator on its behalf) will notify the relevant Non-AP Securityholder of the Buy-Back Settlement Date relating to accepted Buy-Back Orders from Non-AP

Securityholders to such Non-AP Securityholders. The Administrator or the relevant Registrar may deduct the Buy-Back Fee from the Buy-Back Settlement Amount prior to the payment by the Issuer (or the Administrator or the relevant Registrar on its behalf) of the remaining proceeds to the relevant Non-AP Securityholders.

(xi) The Issuer will only pay the Buy-Back Settlement Amount, less the Buy-Back Fee, to the relevant Non-AP Securityholder on the relevant Buy-Back Settlement Date if the relevant Non-AP Securityholder has deposited the relevant Securities subject to the Buy-Back Order in an account notified by the Administrator on behalf of the Issuer by the relevant cut-off time on the relevant Buy-Back Settlement Date.

(xii) In the event that an Early Redemption Trade Date has occurred and there are still outstanding Buy-Back Orders from Non-AP Securityholders that have been accepted and processed but which have not yet settled, the Issuer will use reasonable endeavours to continue to settle such Buy-Back Orders to the extent possible, save in relation to any Buy-Back Order that has failed to settle on the relevant Buy-Back Settlement Date due to the relevant Non-AP Securityholder having failed to satisfy its settlement obligations on such Buy-Back Settlement Date in which case such Buy-Back Order may be cancelled by the Issuer and the relevant Securities redeemed as part of the Early Redemption.

(xiii) The provisions of Conditions 8(b)(v) and 8(b)(vi) shall apply equally to Buy-Back Orders of Non-AP Securityholders.

(d) Compulsory Buy Back of Securities from non-Qualified Holders

(i) Securities may not be legally or beneficially owned by any person who is not a Qualified Holder at any time. If the Issuer (or the Adviser acting on its behalf) becomes aware that any Securities are or may be legally or beneficially owned by a person who is not a Qualified Holder (such Securities, the "**Affected Securities**"), the Issuer (or the Adviser acting on its behalf) may, to the extent practicable, compulsorily redeem such Affected Securities following at least one Business Day's notice in writing to the Securityholder (copied to the Administrator) of such Affected Securities (such notice, an "**Affected Securities Notice**").

(ii) The Affected Securities shall, to the extent practicable, be redeemed by the Issuer as if a Buy-Back Trade Date had occurred in respect of a Buy-Back Order in respect of such Securities on the date designated by the Issuer in the Affected Securities Notice (such date, an "**Affected Securities Redemption Trade Date**"). For the purposes of determining the Buy-Back Settlement Amount relating to such Affected Securities Redemption Trade Date:

(A) the Affected Securities shall be deemed to be Cash Redemption Securities held by a Non-AP Securityholder;

(B) the Issuer (or the Administrator on its behalf) will determine the amount of Metal to be sold to one or more Metal Counterparties (the "**Affected Securities Redemption Metal**") as an amount equal to the product of:

(I) the total number of Cash Redemption Securities subject to the relevant Affected Securities Notice; and

(II) the Metal Entitlement per Security of the relevant Series as at the Affected Securities Redemption Trade Date,

and shall notify the Custodian that the Affected Securities Redemption Metal will be sold by the Issuer to the relevant Metal Counterparties in accordance with the terms of the relevant Metal Sale Agreements and Condition 12 (each such notice, an "**Affected Securities Metal Sale Notice**"); and

(C) any cost incurred in relation to such compulsory redemption may be deducted from the Buy-Back Settlement Amount.

To the extent possible, if a compulsory redemption is effected, Affected Securities may be cancelled notwithstanding any failure by a Securityholder of Affected Securities to deliver such Affected Securities to the Issuer by such method notified by the Administrator by the relevant cut-off time on the relevant Buy-Back Settlement Date.

(iii) Notwithstanding the above, if the Securityholder holding Affected Securities furnishes the Issuer with evidence that the Securities are legally and beneficially owned by a Qualified Holder to the satisfaction of the Issuer (or the Adviser or Administrator on its behalf) prior to the Affected Securities Redemption Trade Date, the Issuer will not redeem such Securities and such Securities shall not be treated as Affected Securities for the purposes of this Condition 8(d).

9 Early Redemption

(a) Early Redemption

If any of the Early Redemption Events listed in Condition 9(d) occurs with respect to a Series of Securities, subject to Condition 10(c), all Securities of the relevant Series outstanding as at the relevant Early Redemption Trade Date shall be redeemed on the related Early Redemption Settlement Date at the relevant Early Redemption Amount.

For the purposes of this Condition 9(a), all Securities are deemed to be subject to Cash Redemption unless held by an Authorised Participant (whether directly or through a nominee) which has elected for Physical Redemption in accordance with Condition 9(c) below.

Notwithstanding the above, Securities subject to a Buy-Back Order accepted by the Issuer (or the Administrator on its behalf) in accordance with Conditions 8(b) or 8(c) or subject to a deemed Buy-Back Order in accordance with Condition 8(d) prior to the relevant Early Redemption Trade Date shall continue to be subject to be bought back pursuant to Condition 8 and shall not be subject to Early Redemption under this Condition 9(a), provided that the Issuer (or the Adviser or Administrator on its behalf) may cancel the relevant Buy-Back Order (with the Securities subject to such Buy-Back Order being subject to Early Redemption pursuant to this Condition 9(a)) if such Buy-Back Order has not settled prior to the Early Redemption Trade Date due to a failure by the Authorised Participant, Non-AP Securityholder or holder of Affected Securities to satisfy its settlement obligations on such Buy-Back Settlement Date.

(i) **Early Redemption Amount (Cash Redemption)**:

(A) The "**Early Redemption Amount**" in respect of a Cash Redemption Security is an amount in USD per Cash Redemption Security determined by the Administrator equal to the Metal Sale Proceeds per Security (such amount per Cash Redemption Security, the "**Early Redemption Amount**"), provided that the Administrator or the relevant Registrar shall be entitled to deduct from such Early Redemption Amount an amount equal to the Early Redemption Fee.

(B) Payment of the Early Redemption Amount, less any Early Redemption Fee, shall satisfy in full the Issuer's obligation to make payment of the Early Redemption Amount in respect of Cash Redemption Securities.

(C) On the Early Redemption Trade Date in respect of a Series of Securities, the Administrator shall assist the Issuer to determine the amount of Metal to be sold to one or more Metal Counterparties (the "**Cash Redemption Metal**") by calculating such amount as an amount equal to the product of:

(I) the total number of Cash Redemption Securities subject to Early Redemption as at the Early Redemption Trade Date; and

(II) an amount of the relevant Metal equal to the Metal Entitlement of each Security of the relevant Series as at the Early Redemption Trade Date (the "**Final Metal Entitlement**"),

and shall notify the Issuer (or the Adviser acting on its behalf) of such amount of Cash Redemption Metal. The Issuer (or the Adviser acting on its behalf) will notify the Custodian that the Cash Redemption Metal will be sold by the Issuer to the relevant Metal Counterparties in accordance with the terms of the relevant Metal Sale Agreements and Condition 12 (each such notice, a "**Cash Redemption Metal Sale Notice**").

(D) In the event that the Issuer is unable to sell all of the Cash Redemption Metal on or before the Cash Redemption Metal Sale Cut-off Date, the Trustee shall be entitled to step in and the Issuer, the Trustee and the Adviser will work together to sell the remaining Cash Redemption Metal to pay the Early Redemption Amount to Securityholders.

(ii) **Early Redemption Amount (Physical Redemption)**:

(A) The "**Early Redemption Amount**" in respect of a Physical Redemption Security is an amount of Metal per Physical Redemption Security calculated by the Administrator to be equal to the Final Metal Entitlement (such amount of Metal per Physical Redemption Security, the "**Early Redemption Amount**").

(B) Notwithstanding anything in this Condition 9(a) to the contrary, the Issuer shall not be obliged to transfer the Early Redemption Amount to a Securityholder of Physical Redemption Securities unless such Securityholder has (I) deposited the Physical Redemption Securities by the relevant cut-off time on the Early Redemption Settlement Date in an account notified by the Administrator; and (II) paid the Early Redemption Fee in cash to the relevant Registrar. If a Securityholder of Physical Redemption Securities continues not to satisfy its obligation to pay the Early Redemption Fee on or after the Early Redemption Settlement Date, the Issuer shall be entitled (but is not obliged) to deduct an amount of Metal from the Early Redemption Amount to pay the Early Redemption Fee and to transfer the remaining Early Redemption Amount to such Securityholder in satisfaction of the Issuer's settlement obligation.

(C) Following the occurrence of an Early Redemption Event, the Administrator shall calculate the Final Metal Entitlement and notify the Issuer (or the Adviser acting on its behalf).

(D) The Issuer (or the Adviser acting on its behalf) shall instruct the Custodian to deliver on the Early Redemption Settlement Date an amount of Metal in accordance with the relevant Authorised Participant Agreement to each Authorised Participant who has elected to receive Physical Redemption equal to the product of (x) the Final Metal Entitlement; and (y) the number of Physical Redemption Securities of such Series held by such Authorised Participant. Such delivery shall be made to the Metal account(s) specified by the relevant Authorised Participant for such purpose.

(E) The obligations of the Issuer in respect of Physical Redemption Securities being redeemed shall be satisfied by transferring the Early Redemption Amount (in Metal) in accordance with the provisions of this Condition 9.

(iii) The "**Early Redemption Settlement Date**" shall be:

(A) in respect of Cash Redemption Securities, the earlier of:

(I) the fifth Business Day following the receipt by the Issuer of all the Metal Sale Proceeds in respect of all Cash Redemption Metal (including Metal sold on the last Metal Sale Date) into the Issuer Cash Account relating to the Cash Redemption Metal or, if such day is not a Settlement Day, the immediately following Settlement Day; and

(II) the Cash Redemption Metal Sale Cut-off Date, provided that if such day is not a Settlement Day, the Early Redemption Settlement Date shall be the immediately following Settlement Day,

provided that if any Cash Redemption Metal is not sold by the Cash Redemption Metal Sale Cut-off Date, Condition 9(a)(i)(D) shall apply and the Early Redemption Settlement Date shall be postponed accordingly; or

(B) in respect of Physical Redemption Securities, the third Business Day following the Early Redemption Trade Date, provided that:

(i) if such day is not a Settlement Day, the Early Redemption Settlement Date shall be postponed to the next following Settlement Day;

(ii) if any Securityholder elects to receive the Principal Amount in respect of the Early Redemption of the relevant Series, the Early Redemption Settlement Date shall be postponed to the day which is the Early Redemption Settlement Date for Cash Redemption Securities; and

(iii) if such day falls within a Suspension Period, the Early Redemption Settlement Date shall be postponed to the next following Settlement Day which does not fall within a Suspension Period unless the Issuer (or the Adviser on its behalf) has determined that the settlement of the Early Redemption Amount is not affected by the relevant Disruption Event(s).

(iv) The "**Early Redemption Fee**" shall be an amount per Security determined as follows:

(A) in respect of a Cash Redemption Security, an amount equal to the costs incurred by or on behalf of the Issuer in connection with the early redemption of all Cash Redemption Securities divided by the total number of Cash Redemption Securities; and

(B) in respect of a Physical Redemption Security, an amount equal to the costs incurred by or on behalf of the Issuer in connection with the early redemption of all Physical Redemption Securities divided by the total number of Physical Redemption Securities,

each as determined by the Issuer, or the Adviser on its behalf, and notified to Securityholders in accordance with Condition 18 on or prior to the second Business Day prior to the Early Redemption Settlement Date.

(v) The Issuer will, on or prior to the Early Redemption Settlement Date, make available to Securityholders of Cash Redemption Securities details of the determination of the Early Redemption Amount (which shall include publication of the price, volume and date of each sale of Underlying Metal and the determination of the Metal Sale Proceeds per Security).

(vi) Any obligation of the Issuer to make payment or delivery under this Condition 9(a) is subject to the limited recourse provisions of Condition 6(f).

(vii) The Issuer shall give notice to the Securityholders of the Early Redemption Trade Date and the Early Redemption Settlement Date of the Securities as soon as reasonably practicable in accordance with Condition 18.

(b) Principal Amount

(i) A Securityholder may, prior to 16:00 London time on the day falling two Business Days prior to the Early Redemption Trade Date, elect in writing to the Initial Registrar (acting for the Issuer) to receive in lieu of the Early Redemption Amount an amount in USD equal to the Principal Amount of the Securities held.

(ii) A payment by the Issuer of the Principal Amount to any Securityholder who has elected to receive such amount in lieu of the Early Redemption Amount shall be deemed to satisfy in full all of the Issuer's obligations to such Securityholder under the relevant Security.

(iii) Any obligation of the Issuer to make payment under this Condition 9(b) is subject to the limited recourse provisions of Condition 6(f).

(c) Election of Physical Redemption

Authorised Participants who hold Securities in respect of a Series of Securities (either directly or through a nominee) may elect to receive physical delivery of Metal at an account in London only (which account shall be an account of a Full Member of the Relevant Association, or, where the relevant Authorised Participant is not a Full Member of the Relevant Association, such account shall be an account with a custodian who is a Full Member of the Relevant Association) in respect of a specified number of their Securities on the relevant Early Redemption Settlement Date of such Series by notifying the Initial Registrar of such election using the form of notice prescribed from time to time by the Issuer (or the Administrator on its behalf), provided that such notice:

(i) is received by the Initial Registrar before 16:00 London time on the day falling two Business Days prior to the Early Redemption Trade Date in respect of such Series;

(ii) contains a certification in writing that:

(A) the Securityholder (or, if such Securityholder is a nominee holding on behalf of another holder, such holder) is an Authorised Participant in respect of such Series and not a UCITS Scheme; and

(B) the appointment of the Authorised Participant who holds the relevant Securities (either directly or through a nominee) has not been terminated, including, without limitation, in accordance with clause 4.3 (*Termination – Automatic Termination*) of the relevant Authorised Participant Agreement;

(iii) specifies that the Authorised Participant is electing to receive physical delivery of Metal at an account in London (which account shall be an account of a Full Member of the Relevant Association, or, where the relevant Authorised Participant is not a Full Member of the Relevant Association, such account shall be an account with a custodian who is a Full Member of the Relevant Association) on the Early Redemption Settlement Date in respect of either:

(A) all of the Securities of the relevant Series held by the Authorised Participant (either directly or through a nominee); or

(B) a specified number of securities held by the Authorised Participant (either directly or through a nominee),

together, the "**Physical Redemption Election Securities**";

(iv) specifies that if the Securities are held by the Authorised Participant through a nominee, that physical delivery of Metal shall be made directly to the Authorised Participant and not to the nominee Securityholder;

(v) if the Securities are held by the Authorised Participant through a nominee, contains evidence satisfactory to the Issuer (or the Initial Registrar acting on its behalf) of such holding;

(vi) specifies that the Authorised Participant is not electing to receive the Principal Amount in respect of any Physical Redemption Election Securities;

(vii) specifies an account in London (which account shall be an account of a Full Member of the Relevant Association, or, where the relevant Authorised Participant is not a Full Member of the Relevant Association, such account shall be an account with a custodian who is a Full Member of the Relevant Association) to which physical delivery of the Early Redemption Amount can be made on the Early Redemption Settlement Date; and

(viii) is signed by an authorised signatory on behalf of the Authorised Participant,

such notice being a "**Physical Redemption Election Notice**".

If:

(I) a Securityholder has delivered a valid Physical Redemption Election Notice to the satisfaction of the Issuer (or the Initial Registrar acting on its behalf); and

(II) as far as the Issuer is aware, the delivery of Metal to such Authorised Participant will not cause the Issuer to be required to register for VAT purposes,

then the Physical Redemption Election Securities shall be deemed to be "**Physical Redemption Securities**".

(d) Early Redemption Events

Each of the following events shall be an early redemption event in respect of a Series of Securities (each an "**Early Redemption Event**"):

(i) **Issuer Call Redemption Event**: the Issuer, on giving an irrevocable notice to the Transaction Parties and the Securityholders in accordance with Condition 18, elects to redeem all the Securities of the relevant Series and designate a date on which an Early Redemption Event occurs for such purposes, provided that such designated date shall not be earlier than the 10th calendar day following the date of the relevant notice (such notice an "**Issuer Call Redemption Notice**" and such event an "**Issuer Call Redemption Event**").

For the purposes of Condition 9(a), an Issuer Call Redemption Event will occur on the date so designated in the Issuer Call Redemption Notice;

(ii) **Change in Law or Regulation Redemption Event**: on or after the Series Issue Date, due to:

(A) the adoption of, or any change in any applicable law, regulation, rule, order, ruling, agreement, practice or procedure (including, without limitation, any Tax law and any regulation, rule, order, ruling, agreement, practice or procedure of any applicable regulatory authority, applicable market association, Tax authority and/or any exchange); or

(B) any change in the interpretation by any court, tribunal, regulatory authority with competent jurisdiction, applicable market association, Tax authority and/or any exchange (including, without limitation, the Commodity Futures Trading Commission, any Commodity Regulatory Body, the LBMA, the LPPM or any relevant exchange or

trading facility) of any applicable law, regulation, rule, order, ruling, agreement, practice or procedure (including, without limitation, any Tax law and any regulation, rule, order, ruling, agreement, practice or procedure of any applicable regulatory authority, applicable market association, Tax authority and/or any exchange),

the Issuer determines that:

(I) it has (or reasonably expects that it will) become illegal for the Issuer to (x) hold, acquire or dispose of all or some only of the Underlying Metal, and/or (y) perform its obligations under the Securities; or

(II) the Issuer would (or would expect to) incur an increased cost in performing its obligations under the 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, regulation, rule, order, ruling, agreement, practice or procedure), and

the Issuer, in its sole discretion, elects to give the Transaction Parties and the Securityholders in accordance with Condition 18 notice that all the Securities of the relevant Series are to be redeemed and designates a date on which an Early Redemption Event occurs for such purposes, provided that such designated date is at least four Settlement Days from the date of the relevant notice (such notice a "**Change in Law or Regulation Redemption Notice**" and such event a "**Change in Law or Regulation Redemption Event**").

For the purposes of Condition 9(a), a Change in Law or Regulation Redemption Event will occur on the date so designated in the Change in Law or Regulation Redemption Notice;

(iii) **VAT Redemption Event**: if the Issuer is, or there is a substantial likelihood that it will be, on the next date on which a delivery of Metal is due in respect of a Subscription Order, Buy-Back Order or sale of TER Metal, required to make a payment in respect of VAT or to register for VAT or otherwise account for VAT on such delivery of Metal from or to an Authorised Participant, a Metal Counterparty or the Custodian (in each case whether or not such VAT is recoverable), the Issuer may (but shall not be obliged to) give the Transaction Parties and the Securityholders in accordance with Condition 18 notice that all the Securities of the relevant Series are to be redeemed and designate a date on which an Early Redemption Event occurs for such purposes, provided that such designated date is at least four Settlement Days from the date of the relevant notice (such notice a "**VAT Redemption Notice**" and such event a "**VAT Redemption Event**").

For the purposes of Condition 9(a), a VAT Redemption Event will occur on the date so designated in the VAT Redemption Notice; and

(iv) **Service Provider Non-Replacement Redemption Event**: if any of the Adviser, the Administrator, the Custodian, a Registrar, all of the Authorised Participants and/or all of the Metal Counterparties in relation to the relevant Series of Securities resign or their appointment in relation to the relevant Series of Securities is terminated for any reason and no successor or replacement has been appointed within 60 calendar days of the date of notice of resignation or termination or the date the appointment was automatically terminated in accordance with the Advisory Agreement, the Administration Agreement, the Custody Agreement, the relevant Registrar Agreement, the Authorised Participant Agreements or the Metal Sale Agreements, the Issuer may (but shall not be obliged to) give the Transaction Parties and the Securityholders in accordance with Condition 18 notice that all the Securities of the relevant Series are to be redeemed and designate a date on which an Early Redemption Event occurs for such purposes, provided that such designated date is at least four Settlement Days from the date of the relevant notice (a "**Service Provider Non-**

Replacement Redemption Notice" and such event a "**Service Provider Non-Replacement Redemption Event**").

For the purposes of Condition 9(a), a Service Provider Non-Replacement Redemption Event will occur on the date so designated in the Service Provider Non-Replacement Redemption Notice.

(e) Early Redemption Subscription/Buy-Back Cut-off Dates

In respect of the Early Redemption Events listed in Condition 9(d) above, the last day on which the Issuer will accept a valid Subscription Order or Buy-Back Order (such day, an "**Early Redemption Subscription/Buy-Back Cut-off Date**") in respect of the relevant Series will be:

(i) in respect of an Issuer Call Redemption Event, the fourth Settlement Day preceding the related Early Redemption Trade Date; and

(ii) in respect of a Change in Law or Regulation Redemption Event, a VAT Redemption Event or a Service Provider Non-Replacement Redemption Event, the date on which a Change in Law or Regulation Redemption Notice, a VAT Redemption Notice or a Service Provider Non-Replacement Redemption Notice (as applicable) is delivered.

10 Disruption Events

(a) Disruption Events

The Issuer, or the Adviser on its behalf, may (but is not obliged to), with respect to a Series of Securities and any Business Day, determine that one or more of the following disruption events has occurred or exists (each such event a "**Disruption Event**"):

(i) trading and/or settlement in the relevant Metal is subject to a material suspension or material limitation on the over-the-counter market, the primary exchange or trading facility for trading of such Metal or such market, exchange or trading facility is not open for trading for any reason (including a scheduled closure) (a "**Metal Trading Disruption**");

(ii) if any of the Adviser, the Administrator, the Custodian, a Registrar, all of the Authorised Participants and/or all of the Metal Counterparties in relation to the relevant Series of Securities resign or their appointment in relation to the relevant Series of Securities 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;

(iii) if an Issuer Call Redemption Notice or a Change in Law or Regulation Redemption Notice has been given in accordance with Condition 9(d);

(iv) if the Issuer (or the Adviser on its behalf) determines that any Underlying Metal in respect of a Series of Securities is no longer held in an Allocated Account in respect of such Series, other than in accordance with the Conditions and the Transaction Documents; and/or

(v) any other event which the Issuer (or the Adviser on its behalf), in its sole discretion, considers to be a disruption event in relation to the Securities of the relevant Series.

(b) Determination of Suspension Periods

If the Issuer, or the Adviser on its behalf, determines that a Disruption Event has occurred or exists with respect to any Business Day, the Issuer, or the Adviser on its behalf, may (but shall not be obliged to) give notice of the postponement or suspension of the issuance and/or buy back of Securities and/or the settlement of the issuance and/or buy back of Securities (depending on the activity affected by the Disruption Event) to the Authorised Participants and the Trustee of the relevant Series on such Business Day (such notice, a "**Suspension Notice**"), specifying the

Disruption Event which has occurred or is existing on the relevant Business Day. The Suspension Notice may state that the suspension or postponement is for a single day or will continue for as long as the Disruption Event continues. If the Suspension Notice is for a period of time, the Suspension Period will end when the Issuer, or the Adviser on its behalf, notifies the Authorised Participants and the Trustee that it shall recommence the issue and buy-back of Securities.

Neither the Issuer nor the Adviser is under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to any Business Day unless a Suspension Notice has been given which will continue until the Disruption Event has ceased (and in such case, only until notification of the end of the Suspension Period) and shall have no liability to any Securityholder, Authorised Participant or any other person for any determination or non-determination that it makes of the occurrence or existence of a Disruption Event.

(c) Postponement of Early Redemption Trade Date and payment of Early Redemption Amount

If the Early Redemption Trade Date falls within a Suspension Period and the Issuer or the Adviser on its behalf determines that the relevant Disruption Event would disrupt the actions required to be performed by the Issuer or a relevant Transaction Party in connection with an Early Redemption, then the Early Redemption Trade 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 before the 10th Business Day following the Early Redemption Trade Date, the Issuer, acting in good faith and in consultation with the Trustee and the Adviser, shall determine an appropriate method for redeeming the Securities and determining the Early Redemption Trade Date.

No additional amount shall be payable or deliverable to any Authorised Participant or any Securityholder in connection with the postponement of an Early Redemption Trade Date or an Early Redemption Settlement Date.

(d) Postponement and cancellation of Subscriptions and Buy-Backs

(i) If a Suspension Period has commenced on a Business Day and the issuance of Securities is being suspended but not the settlement of any issuance of Securities, from such Business Day until the end of the Suspension Period:

(A) the Issuer is entitled not to accept Subscription Orders; and

(B) any Subscription Order that has been accepted and processed but not yet settled shall continue to be settled.

(ii) If a Suspension Period has commenced on a Business Day and the settlement of the issuance of Securities is being suspended, from such Business Day until the end of the Suspension Period:

(A) the Issuer is entitled not to accept Subscription Orders; and

(B) the settlement of any Subscription Order that has been accepted and processed but not yet settled at the time that the Suspension Period commenced shall be deemed to have been postponed until the first following Settlement Day that is a Non-Disrupted Day, provided that if such Non-Disrupted Day does not occur for 10 consecutive Business Days, the Issuer (or the Adviser or Administrator on its behalf) may cancel such Subscription Order.

(iii) If a Suspension Period has commenced on a Business Day and the buy-back of Securities is being suspended but not the settlement of any buy-back of Securities, from such Business Day until the end of the Suspension Period:

(A) the Issuer is entitled not to accept Buy-Back Orders; and

(B) any Buy-Back Order that has been accepted and processed but not yet settled shall continue to be settled.

(iv) If a Suspension Period has commenced on a Business Day and the settlement of the buy-back of Securities is being suspended, from such Business Day until the end of the Suspension Period:

(A) the Issuer is entitled not to accept Buy-Back Orders; and

(B) the settlement of any Buy-Back Order that has been accepted and processed but not yet settled at the time that the Suspension Period commenced shall be deemed to have been postponed until the first following Settlement Day that is a Non-Disrupted Day, provided that if such Non-Disrupted Day does not occur for 10 consecutive Business Days, the Issuer (or the Adviser or Administrator on its behalf) may cancel such Buy-Back Order.

One or more of the above may occur at the same time.

(v) No additional amount shall be payable or deliverable to any Authorised Participant or any Securityholder in connection with the cancellation or postponement of the settlement of a Subscription Order or Buy-Back Order.

11 Successor Metal Reference Price Source

If on any Business Day in respect of a Series of Securities, the Issuer or the Adviser on its behalf determines that the Metal Reference Price has not been calculated and announced by the Metal Reference Price Source but has been calculated and announced by a successor price source acceptable to the Issuer or the Adviser on its behalf, then the Issuer or the Adviser on its behalf will notify such determination to each Transaction Party and Securityholders in respect of such Series (in accordance with Condition 18) and, with effect from the first Business Day following the date of such notice, such successor price source shall be deemed to be the Metal Reference Price Source for the purposes of the Securities of the relevant Series.

12 Metal Sale

(a) Each Metal Counterparty has agreed under a Metal Sale Agreement to purchase Metal from the Issuer following effective delivery of a Metal Sale Notice specifying the amount of Underlying Metal to be sold to such Metal Counterparty.

The Issuer (or, in the case of (iv) below, the Trustee) may request that a Metal Counterparty purchase Underlying Metal in accordance with the relevant Metal Sale Agreement including, without limitation, in the following circumstances:

(i) following a Buy-Back Order, in circumstances where the Issuer has issued a Non-AP Buy-Back Notice such that Non-AP Securityholders may request the Issuer to buy back Securities, for liquidation of Underlying Metal to pay the Buy-Back Settlement Amount to Non-AP Securityholders;

(ii) following a deemed Buy-Back Trade Date in respect of Affected Securities, for liquidation of Underlying Metal to pay the Buy-Back Settlement Amount to Securityholders of Affected Securities;

(iii) following an Early Redemption Trade Date, for liquidation of Underlying Metal to pay the Early Redemption Amount to Securityholders of Cash Redemption Securities; or

(iv) after the Security under the Security Deed relating to the Securities has become enforceable,

for liquidation of Underlying Metal to pay the Early Redemption Amount to Securityholders of Cash Redemption Securities.

(b) If there is more than one Metal Counterparty, the Issuer (or the Adviser on its behalf) may determine the allocation of the Metal Sale Quantity among such Metal Counterparties (such specified amount of Underlying Metal to be sold to a Metal Counterparty being the "**Metal Sale Amount**" in respect of such Metal Counterparty).

(c) Each Metal Sale Agreement provides that the relevant Metal Counterparty will purchase the relevant Metal Sale Amount from the Issuer at the next available Metal Reference Price or, if a subsequent Metal Reference Price is specified in the Metal Sale Notice, at such subsequent Metal Reference Price for standard settlement in the relevant market. Without prejudice to the foregoing, at the request of the Adviser (or the Trustee), the Metal Counterparty and the Adviser (or the Trustee) may agree that the Metal Counterparty will purchase some or all of the Metal Sale Amount at a market spot price (subject to a spread that is in line with market standards).

(d) Each Metal Sale Agreement provides that settlement of a purchase of Metal will take place on the second Business Day following the relevant Metal Sale Date provided that such day is a Settlement Day. If such second Business Day is not a Settlement Day, settlement will be postponed to the immediately following Settlement Day. On the settlement day, in accordance with the relevant Metal Sale Agreement:

(i) the Metal Counterparty shall pay to the Issuer an amount in USD equal to the product of the Metal Reference Price (or such other price as may be agreed between the Metal Counterparty and the Adviser (or the Trustee) in accordance with the relevant Metal Sale Agreement) and the Metal Sale Amount (being the "**Metal Sale Proceeds**" in respect of such Metal Counterparty); and

(ii) the Issuer (or the Adviser acting on its behalf, or the Trustee) shall authorise and direct the Custodian to deliver Underlying Metal equal to the Metal Sale Amount to the Metal Counterparty on the basis that such Underlying Metal shall be held by the Metal Counterparty on trust for the Issuer until such time as the Issuer is in receipt of the relevant Metal Sale Proceeds. Pursuant to the terms of the Security Deed, the Security in respect of such Underlying Metal shall automatically be released upon receipt by the Issuer of the relevant Metal Sale Proceeds without further action on the part of the Trustee to the extent necessary to effect the realisation of such Underlying Metal, provided that nothing shall operate to release the charges and other security interests over the Metal Sale Proceeds.

(e) Following receipt by the Issuer (or the Custodian on its behalf) of the total Metal Sale Proceeds in respect of all Metal Counterparties and the relevant Metal Sale Quantity, the Administrator will calculate the "**Metal Sale Proceeds per Security**" in respect of the relevant Metal Sale Quantity as being an amount per Security equal to:

(i) the aggregate of all Metal Sale Proceeds relating to the Metal Sale Quantity; divided by

(ii) the relevant number of Securities, which is, as determined by the Administrator:

(A) in respect of a Metal Sale of Buy-Back Cash Settlement Metal, the number of Cash Redemption Securities relating to all Buy-Back Orders with the relevant Buy-Back Trade Date;

(B) in respect of a Metal Sale of Affected Securities Redemption Metal, the number of Affected Securities specified in the relevant Affected Securities Notice;

(C) in respect of a Metal Sale of Cash Redemption Metal, the total number of Cash Redemption Securities subject to Early Redemption following the occurrence of an

Early Redemption Event; and

(D) in respect of a Metal Sale of Underlying Metal following an enforcement of Security, the total number of Cash Redemption Securities subject to Early Redemption following the occurrence of an Event of Default.

13 Payments, Deliveries, Agents and Calculations

(a) Payments Net of Taxes

All payments in respect of the 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, reduction or deduction for, or on account of, any Tax applies to payments in respect of the Securities, the Securityholders will be subject to such Tax or reduction or deduction and shall not be entitled to receive amounts to compensate for any such Tax or reduction or deduction. No Event of Default shall occur as a result of any such withholding or reduction or deduction.

(b) Payments

The Issuer, the Administrator or the relevant Registrar on behalf of the Issuer, shall pay or cause to be paid all payments of cash under the Conditions in respect of the Securities to the relevant Securityholder.

(c) Deliveries

The Issuer (or the Adviser acting on its behalf) will instruct the Custodian to deliver or cause to be delivered all amounts of Metal to be delivered under the Conditions in respect of the Securities to the specified Metal account(s) of the relevant Authorised Participant holding (either directly or via a nominee) the relevant Securities.

All title and risks in Metal transferred to such Authorised Participant (x) in settlement of a Buy-Back Settlement Amount on a Buy-Back Settlement Date; or (y) in settlement of the Early Redemption Amount on the Early Redemption Settlement Date shall pass from the Buy-Back Settlement Date and the Early Redemption Settlement Date respectively to such Authorised Participant.

Any amount of Metal which is to be delivered by the Issuer under the Conditions shall be rounded down in accordance with Condition 13(g).

Any amount of Metal which is to be delivered by an Authorised Participant under the Conditions or an Authorised Participant Agreement shall be rounded up in accordance with Condition 13(g).

(d) Payments Subject to Fiscal Laws

All payments in respect of the 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.

(e) 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, Registrar Agreement(s), Advisory Agreement, Custody Agreement and/or Agency Agreement(s), to vary or terminate the appointment of the Administrator, the Registrar(s), the Adviser or the Custodian and to appoint one or more Paying 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 Transaction Documents, the Issuer shall use reasonable endeavours to at all times

maintain, (i) a Registrar in Ireland, (ii) a Custodian in London, (iii) an Adviser, (iv) an Administrator, (v) at least two Authorised Participants, (vi) at least one Metal Counterparty and (vii) such Paying Agents or other agents as may be required by any Stock Exchange on which the Securities may be listed, in each case, as approved by the Trustee. Notice of any change of Paying Agent or any change to the specified office of an Agent shall be given to the Securityholders by the Issuer in accordance with Condition 18.

(f) Business Day Convention and Non-Settlement Days

If any date for payment in respect of any Security is not a Settlement Day, the holder shall not be entitled to payment until the next following Settlement Day or to any interest or other sum in respect of such postponed payment.

(g) Rounding

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all amounts of Metal to be delivered to the Issuer shall be rounded up to the nearest 0.001 fine troy ounce in the case of Gold, 0.1 troy ounce in the case of Silver and 0.001 troy ounce in the case of Platinum and Palladium; (ii) all amounts of Metal to be delivered by the Issuer shall be rounded down to the nearest 0.001 fine troy ounce in the case of Gold, 0.1 troy ounce in the case of Silver and 0.001 troy ounce in the case of Platinum and Palladium; (iii) all amounts of cash in USD to be paid to the Issuer shall be rounded up to the nearest USD 0.01; and (iv) all amounts of cash in USD to be paid by the Issuer shall be rounded down to the nearest USD 0.01, in each case as may be adjusted by the Issuer (or the Adviser on its behalf) from time to time, including to reflect changes in rounding conventions for the trading of the relevant Metal or payments in USD.

14 Prescription

Claims against the Issuer for payment or delivery under the Conditions in respect of the Securities shall be prescribed and become void unless made within 10 years from the date on which the payment or delivery of the Early Redemption Amount (or, if applicable the Principal Amount) in respect of the Securities first became due or (if any amount of the money or Metal payable or deliverable was improperly withheld or refused) the date on which payment or delivery in full of the amount outstanding was made or (if earlier) the date seven 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**").

15 Events of Default

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, or shall, if so directed in writing by holders of at least one-fifth in number of the Securities of the relevant Series then outstanding or if so directed by an Extraordinary Resolution (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction by one or more Securityholders of the relevant Series, or otherwise to its satisfaction), give notice to the Issuer (copied to each Transaction Party and the Securityholders in respect of the relevant Series in accordance with Condition 18) (such notice an "**Event of Default Redemption Notice**") that the Securities of the relevant Series are, and they shall immediately become, due and payable at their Early Redemption Amount (less any applicable Early Redemption Fee) and that the Security relating to the Securities of the relevant Series has become enforceable:

(a) the Issuer has defaulted for more than 14 calendar days in the payment of any sum or delivery of any Metal due in respect of the Securities of the relevant Series or any of them;

(b) the Issuer does not perform or comply with any one or more of its material obligations under the Securities, the relevant Security Deed or the relevant Trust Deed, which default is incapable of

remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 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); or

(c) a Bankruptcy Event has occurred with respect to the Issuer.

An election by a Securityholder (including, for these purposes, Authorised Participants holding a Security via a nominee) to receive Physical Redemption or the Principal Amount in lieu of Cash Redemption which has been validly made in accordance with Condition 9 prior to the service of the Event of Default Redemption Notice shall be recognised for the purposes of redemption of the Securities or enforcement of the Security relating to the Securities in accordance with this Condition 15 and Condition 6.

The Issuer has undertaken in the Trust Deed that, within six months of the end of each financial year of the Issuer and also within 10 Business Days after any request by the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that as at a date not more than five calendar days prior to the date of the certificate no Event of Default has occurred.

16 Enforcement

Only the Trustee may, at its discretion and without further notice, 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 relevant Series of Securities against the Issuer, whether the same arise under general law, the relevant Trust Deed, the relevant Series of Securities, any other Transaction Document or otherwise, but, in each case, it need not take any such action or step or institute such proceedings unless (a) in accordance with the terms of the relevant 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 relevant Series of Securities then outstanding and (b) it is secured and/or pre-funded and/or indemnified to its satisfaction by one or more Securityholders of the relevant Series (or otherwise to its satisfaction). None of the holders of the relevant Series of Securities shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the relevant Trust Deed, fails or neglects to do so within a reasonable time and such failure is continuing.

Only the Trustee may enforce the Security over the Secured Property in respect of a Series of Securities in accordance with the Security Deed in respect of such Series and (other than as permitted by the relevant Trust Deed and the Conditions) only the Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer as it may think fit to enforce the Security over such Secured Property, but it need not take any such action or step or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or in writing by holders of at least one-fifth in number of the relevant Series of Securities then outstanding (in accordance with the relevant Security Deed) and (b) it shall have been secured and/or pre-funded and/or indemnified to its satisfaction by one or more Securityholders of the relevant Series (or otherwise to its satisfaction). None of the Secured Creditors, the Securityholders or the other Transaction Parties shall be entitled to proceed directly against the Issuer in respect of the relevant Security Deed unless the Trustee, having become bound to proceed in accordance with the terms of the relevant Security Deed, fails or neglects to do so within a reasonable time and such failure is continuing. The Trustee, the Securityholders and the Transaction Parties acknowledge and agree that only the Trustee may enforce the Security over the Secured Property in respect of the relevant Series in accordance with, and subject to the terms of, the relevant Security Deed.

The Trustee shall in no circumstances be obliged to take any action, step or proceeding that would involve any personal liability or expense without first being indemnified and/or secured and/or pre-funded to its satisfaction whether pursuant to the relevant Trust Deed, the relevant Security Deed, by one or more Securityholders of the relevant Series or otherwise; provided that if the Trustee becomes aware of the

occurrence of an Event of Default in respect of a Series of Securities, it shall at least consider whether or not to deliver an Event of Default Redemption Notice in respect of such Series.

17 Meetings of Securityholders, Modification, Waiver, Substitution and Restrictions

(a) Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the relevant Trust Deed. Such a meeting may be convened by Securityholders holding not less than 10 per cent of the number of the Securities of the relevant Series for the time being outstanding.

The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in the number of the Securities of the relevant Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the number of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Securities; (ii) to vary any method of, or basis for, calculating the Early Redemption Amount; (iii) to vary the currency or currencies of payment or denomination of the Securities; (iv) to take any steps that, as specified in the relevant Trust Deed, may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply; (v) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution; (vi) to modify the provisions of the relevant Trust Deed concerning the special quorum provisions; or (vii) to modify certain provisions of Condition 6 and/or the relevant Security Deed, in which case the quorum for such meeting is subject to the special quorum provisions set out in the Principal Trust Deed.

Notwithstanding anything to the contrary in these Conditions, neither the approval of Securityholders or the consent of the Trustee is required (without limitation) for:

(i) the transfer of Metal to a Metal Counterparty under a Metal Sale Agreement, to an Authorised Participant under an Authorised Participant Agreement, to the Custodian under the Custody Agreement and to Authorised Participants in respect of Securities subject to Physical Redemption and the related release of Security provided such transfer and release is effected in accordance with the terms of the relevant Metal Sale Agreement, Authorised Participant Agreement, Custody Agreement, Security Deed or the Conditions (as applicable);

(ii) any change to the Total Expense Ratio, the Subscription Fee, the Buy-Back Fee and/or the Early Redemption Fee at any time;

(iii) any appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);

(iv) the substitution of the Metal Reference Price Source with a successor Metal Reference Price Source pursuant to Condition 11;

(v) any amendment to any term of the Conditions or any Transaction Document which relates to an operational or procedural issue;

(vi) any increase in the maximum number of Securities which may be evidenced by an Up To Global Note; or

(vii) the Issuer to, by notice to the Trustee, the Registrar(s), the Administrator and the Adviser:

(A) modify the form, nature, method for transfer and/or clearing of CBF Securities;

(B) make any other related or consequential modifications to the Conditions or the Transaction Documents; and/or

(C) enter into any additional document,

in each case, which the Issuer determines, acting in good faith, is necessary or advisable to take into account and/or comply with the then current CBF Terms and any other terms, conditions, rules, procedures and/or practice applicable to CBF Securities, such actions to be, if the Trustee so requires, notified by the Issuer to the Securityholders in accordance with Condition 18.

(b) Modification of the Relevant Transaction Documents

Without prejudice to Condition 17(a), the Trustee may agree, without the consent of the Securityholders, to (i) any modification to these Conditions, the relevant Trust Deed, the relevant Security Deed and/or any other Transaction Document which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification, and any waiver or authorisation, of any breach or proposed breach of any of these Conditions or any of the provisions of the relevant Trust Deed, the relevant Security Deed and/or any other Transaction Document that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders, (iii) any adjustment to the Metal Entitlement for any Series of Securities in relation to which the Underlying Metal has been damaged, stolen or otherwise lost and/or (iv) any modification relating to changes required or additional documents to be entered into to comply with Clearing System or listing requirements. 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 18 as soon as reasonably practicable.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, without the consent of the Securityholders, to the substitution of any other company (the "**Substituted Obligor**") in place of the Issuer, or of any previous substituted company, as principal debtor under the relevant Trust Deed, the relevant Security Deed, the other Transaction Documents to which it is a party and the Securities.

In the case of such a substitution the Trustee may agree, without the consent of the Securityholders, to a change of the law governing the Securities and/or the relevant Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Securityholders.

Under the relevant Trust Deed, the Trustee may agree or require the Issuer to use all reasonable endeavours to procure the substitution of a company incorporated in some other jurisdiction as principal debtor under the Trust Deed, the relevant Security Deed, the other Transaction Documents to which it is a party and the Securities in the event of the Issuer becoming subject to any form of Tax on its income or payments in respect of the Securities.

An agreement by the Trustee pursuant to this Condition 17(c) and the relevant Trust Deed shall, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Securities and the other relevant Transaction 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 the relevant Trust Deed, the Substituted Obligor shall be deemed to be named in these Conditions, the relevant Trust Deed, the other Transaction Documents and the Securities as the principal debtor in place of the Issuer (or of any previous

substitute) and these Conditions, the relevant Trust Deed, the other Transaction Documents and the Securities shall be deemed to be amended as necessary to give effect to the substitution.

(d) Entitlement of the Trustee

In accordance with the terms of the relevant Trust Deed and the relevant Security Deed, in connection with the exercise of its functions (including, but not limited to, those referred to in this Condition 17) the Trustee will have regard to the interests of the Securityholders as a class 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.

18 Notices

All notices to holders of Securities shall be valid if:

(a)

(i) in respect of CREST Securities, delivered to the Initial Registrar and/or the Operator for communication to the holders of CREST Securities pursuant to the procedures for delivery of notices to accountholders in CREST as may be agreed between the Issuer, the Initial Registrar and the Operator from time to time; and/or

(ii) in respect of CBF Securities, delivered to Clearstream Frankfurt for communication to the holders of entitlements to interests in CBF Securities pursuant to the procedures for delivery of notices to accountholders in CASCADE as may be agreed between the Issuer and Clearstream Frankfurt from time to time; and/or

(iii) in respect of all Securities, 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; and/or

(b) for so long as the Securities are listed on any Relevant Stock Exchange, published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority.

If, in the opinion of the Trustee, any such publications above are not practicable, notice shall be validly given if published in a leading daily newspaper with general circulation in the relevant country.

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.

19 Rights, Obligations and Indemnification of the Trustee

In accordance with the relevant Trust Deed, the Trustee is not obliged or required to take any action, step or proceeding that would involve any personal liability or expense without first being pre-funded and/or secured and/or indemnified to its satisfaction.

The Trustee will accept without investigation, requisition or objection such right and title as the Issuer has to any of the Secured Property and need not examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Secured Property or any part of it, whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. The Trustee is not under any obligation to insure any property comprising the Secured Property or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

The Trustee will not be responsible for, nor will it have any liability with respect to any loss or theft or

reduction in value of any property comprising the Secured Property. The Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any other Transaction Party as regards any deficiency which might arise because (i) all or part of the property comprising the Secured Property is or will be held by the Custodian or a Sub-Custodian and/or (ii) the Trustee, the Custodian and/or any Sub-Custodian, as applicable, is subject to any Tax in respect of any of the Secured Property, any income therefrom and/or the proceeds thereof.

The Trustee will not be responsible or liable to the Issuer, any Securityholder, any Secured Creditor or any other Transaction Party for the validity, enforceability, value or sufficiency (which the Trustee will not investigate) of the Security relating to the Securities. The Trustee will not be liable to any Securityholder, any Secured Creditor, any other Transaction Party or any other person for any failure to make or cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee, mortgagee or assignee in relation to the Security relating to the Securities.

None of the Trustee, any receiver appointed by it or any attorney or agent of the Trustee will, by reason of taking possession of any Secured Property 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 Secured Property or from any act or omission in relation to such Secured Property or otherwise unless such loss or damage shall be caused by its own fraud.

In addition to the above, each Trust Deed also contains provisions for the indemnification of the Trustee, for its relief from responsibility including for the exercise of any voting rights in respect of the Securities.

20 Relevant Clearing System

None of the Issuer or any Transaction Party 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.

Where Securities are held in a Relevant Clearing System, a reference in these Conditions to a deposit or return of such Securities shall be deemed to refer to the taking of such action by an account holder in such Relevant Clearing System as is required to deposit or return such account holder's interest in the Securities in or to the relevant account in such Relevant Clearing System (or other Relevant Clearing System, as applicable).

21 Governing Law and Jurisdiction

(a) Governing Law

The relevant Trust Deed and the Securities, and any non-contractual obligations arising out of or in connection with them, are governed by Irish law. The relevant Security Deed and the other Transaction Documents and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Securities and, accordingly, any legal action or proceedings arising out of or in connection with any 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).

(c) Service of Process

The Issuer shall by executing the Supplemental Trust Deed irrevocably appoint for the time being the process agent specified in the relevant Supplemental Trust Deed to receive, for it and on its behalf, service of process in any Proceedings in England. Service of process on such process agent shall be deemed valid service upon the Issuer whether or not it is forwarded to and received by the Issuer. The Issuer shall inform the Trustee in writing of any change in its process agent's address within 28 calendar days of such change. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent in England and to deliver to it a copy of the substitute process agent's written acceptance of that appointment, within 14 calendar days.

SUMMARY OF TRANSACTION DOCUMENTS

The following is a summary of certain provisions of certain Transaction Documents relating to the Programme and the Securities and should be read in conjunction with the rest of this Base Prospectus. The summaries below are of certain provisions of the Transaction Documents and do not purport to be complete and are subject to the detailed provisions of the relevant Transaction Documents.

Capitalised terms used in the summaries below but not defined therein shall have the meanings given to such terms in Conditions.

Trust Deed

The Issuer, the Trustee and the Adviser have entered into an Irish law governed principal trust deed dated on or about the Programme Signing Date (the "**Principal Trust Deed**") in respect of the Programme. The Principal Trust Deed contains a form of an Irish law governed supplemental trust deed to be entered into between the Issuer and the Trustee prior to the Series Issue Date of the first Tranche of Securities of each Series (the "**Supplemental Trust Deed**" in respect of such Series and, together with the Principal Trust Deed, the "**Trust Deed**" in respect of such Series).

In respect of each Series of Securities, the relevant Trust Deed will constitute the Securities of the relevant Series and will set out the various obligations of the Issuer and the Trustee. It will contain covenants of the Issuer including, among others, its covenants to pay and to deliver, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated in the Trust Deed (most importantly, in relation to the issue of the Securities of the relevant Series) and its duties with respect to its obligations under such Securities.

Each Trust Deed will also set out the basis for the remuneration and indemnification of the Trustee in respect of its duties, the conditions for appointment, retirement and removal and provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties.

Security Deed

In respect of each Series of Securities, the Issuer and the Trustee will have entered into an English law governed security deed (the "**Security Deed**"). The Security in respect of a Series of Securities is constituted pursuant to the Security Deed relating to such Series. The Security Deed will set out, among other things, provisions relating to the creation and enforcement of the Security, the appointment of receivers, the rights of the Trustee in relation to Secured Property and provisions relating to the application of the net proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement). See Condition 6 for a description of the terms of the Security.

Administration Agreement

The Issuer has entered into an English law governed administration agreement with the Administrator and the Adviser relating to the provision of administration services in respect of each Series of Securities.

The Administration Agreement sets out the duties and obligations of the Administrator in relation to each relevant Series of Securities and the basis for its liability, remuneration and indemnification. It also sets out the standard of service expected of the Administrator, the procedure for the remediation of any breaches and the compensation payable by the Administrator in respect of such breaches.

Under the Administration Agreement, the Administrator is required to provide its services diligently with the level of skill, care and technical ability expected of a first class international financial services provider of administration, account bank and accounting services. The Administrator will be liable for any losses

suffered by the Issuer to the extent arising from the negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality obligations of the Administrator or its sub-contractors. The Administration Agreement also provides for certain indemnities from the Issuer in favour of the Administrator otherwise than due to the negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality obligations of the Administrator or its sub-contractors.

The Issuer may terminate the appointment of the Administrator on giving the relevant party not less than six months prior notice. Any variation in the appointment of the Administrator will not be effective unless the Administrator has consented to such variation. Notwithstanding the foregoing, the Issuer may, at any time, terminate the appointment of the Administrator with immediate effect if (among other things):

(i) the Administrator becomes insolvent or is unable to meet its debts as they mature, files a voluntary petition in bankruptcy or seeks reorganisation to effect a plan or other arrangement with creditors, fails to defend against an involuntary petition filed against it, is or will be adjudicated bankrupt, makes or will make an assignment for the benefit of its creditors, has a receiver or trustee appointed over all or a substantial part of its property which is not discharged within 30 days, or is unable to maintain itself as a going concern;

(ii) the Administrator commits a material or persistent breach of the provisions of the Administration Agreement which is either incapable of remedy or, if capable of remedy, has not been remedied within 30 days of notice requiring it to remedy the same;

(iii) the Administrator is in breach of applicable laws whether in the context of the fulfilment of its duties under the Administration Agreement or otherwise; or

(iv) the Administrator ceases to maintain any regulatory approval required to provide its services and does not rectify such cessation if permitted by the relevant regulator.

The Administrator may resign its appointment at any time by notice to the Issuer and the Adviser on the occurrence of certain events, including a breach by the Issuer or the Adviser of certain material obligations. The Administrator may also resign its appointment on giving at least 12 months prior notice to that effect, provided that such date of resignation falls after the agreed initial term unless the Issuer (or the Adviser on its behalf) agrees otherwise.

No resignation or termination of the appointment of the Administrator will take effect until a replacement Administrator has been appointed. Following service of a notice of termination, the Issuer (or the Adviser on its behalf) may give the Administrator notice that the Administrator is required to continue providing the relevant services for an additional period not exceeding 24 months from the original date on which termination would otherwise have taken effect under the relevant notice, until a successor administrator is found and the relevant services can be transitioned to the successor administrator.

Registrar Agreement

The Issuer has entered into an English law governed registrar agreement with Computershare Investor Services (Ireland) Limited (as Registrar), the Adviser and the Administrator. As at the Programme Signing Date, this is the only Registrar Agreement entered into by the Issuer and references in this summary to “Registrar Agreement” and “Registrar” shall be references to the registrar agreement pursuant to which the Issuer has appointed Computershare Investor Services (Ireland) Limited as Registrar, and Computershare Investor Services (Ireland) Limited acting in such capacity, respectively.

The Registrar Agreement sets out the duties and obligations of the Registrar in relation to each Series of Securities and the basis for its liability, remuneration and indemnification. It also sets out the conditions for appointment, resignation and termination of the Registrar.

The Registrar Agreement also sets out the terms for the appointment, resignation (by at least six months’

prior written notice to the Issuer) and termination of the appointment of the Registrar (by at least six months' prior written notice from the Issuer). The Issuer and/or the Registrar may also terminate the appointment of the Registrar on the occurrence of certain events, including where the relevant party is in persistent or material breach of the Registrar Agreement (and the relevant grace period has expired); goes into insolvency or liquidation or an administration or a receiver is appointed over any part of its undertaking or assets (and in each case if the relevant arrangement is not revoked within the relevant grace period); enters into an arrangement with its creditors, is or is deemed to be unable to pay its debts, ceases or threatens to cease to carry on its business or makes or threatens to make material alterations to the nature of its business; or shall cease to have the appropriate authorisations which permit it lawfully to perform its obligations under the Registrar Agreement. The Issuer also has the right to terminate the appointment of the Registrar on the occurrence of certain change of control events with respect to the Registrar.

Save in certain circumstances, no resignation or termination of the appointment of the Registrar will take effect until a replacement Registrar has been appointed. Following service of a notice of termination, the Issuer may give the Registrar notice that the Registrar is required to continue providing the relevant services for an additional period not exceeding six months from the original date on which termination would otherwise have taken effect under the relevant notice, until a successor Registrar is found and the relevant services can be transitioned to the successor Registrar.

Custody Agreement

The Issuer, the Trustee, the Adviser and the Custodian will have entered into an English law governed custody agreement relating to the Allocated Account(s) and Unallocated Account(s) of each Series.

The Custody Agreement sets out the duties of the Custodian in relation to the relevant Series of Securities including, among other things:

(i) the obligation to establish and maintain:

(a) (1) a segregated account in the name of the Issuer (as part of the Allocated Account (Custodian)) referencing the relevant Series of Securities for the deposit of Metal in allocated form to be held for the Issuer, and (2) in relation to each Series of Securities for which the Custodian holds Metal in allocated form for the Issuer with a Sub-Custodian in London, a segregated account with such Sub-Custodian in the name of the Custodian (as part of the Allocated Account (Sub-Custodian)) for the deposit of Metal in allocated form;

(b) in relation to each Series of Securities which are Platinum Securities or Palladium Securities only, a segregated account with a Sub-Custodian in a Swiss fiscal warehouse in Zurich in the name of the Custodian (as part of the Allocated Account (Sub-Custodian)) for the deposit of Metal in allocated form;

(c) (1) a segregated account in the name of the Issuer (as part of the Unallocated Account (Custodian)) referencing the relevant Series of Securities for the deposit of Metal in unallocated form which the Custodian shall hold on trust for the Issuer, and (2) in relation to each Series of Securities for which the Custodian holds Metal in unallocated form for the Issuer with a Sub-Custodian in London, a segregated account with such Sub-Custodian in the name of the Custodian (as part of the Unallocated Account (Sub-Custodian)) for the deposit of Metal in unallocated form which the Sub-Custodian has an obligation to transfer to the Custodian; and

(d) in relation to each Series of Securities which are Platinum Securities or Palladium Securities only, a segregated account with a Sub-Custodian in a Swiss fiscal warehouse in Zurich in the name of the Custodian (as part of the Unallocated Account (Sub-Custodian)) for the deposit of Metal in unallocated form which the Sub-Custodian has an obligation to transfer to the Custodian; and

(ii) in the case of Metal in allocated form, to segregate the Metal transferred to it or keep any Metal deposited pursuant to the relevant Custody Agreement separately identified from that deposited with it in relation to any other Series of Securities.

The Custody Agreement provides, among other things, that the Custodian will use all reasonable care in the performance of its duties and will indemnify the Issuer for any loss, liability, cost, claim, action, demand or expense that the Issuer may incur arising from, among other things, any physical loss, destruction or damage to the relevant Metal.

Pursuant to the terms of the Custody Agreement, the Custodian waives any right it has to acquire, combine, consolidate or merge any of the accounts established and maintained by it in relation to the relevant Series of Securities with any other account and agrees that it may not set-off, transfer, combine, consolidate or withhold delivery of any property standing to the credit of any such account towards any liabilities to it.

The terms of the Custody Agreement relating to a Series of Securities provide that the Custodian may hold Metal received, delivered or deposited with it in relation to a Series of Securities with any Sub-Custodian (selected with reasonable skill, care and diligence) provided that the Custodian, among other things:

(i) identifies such Metal in its books and records as being held on behalf of the Issuer for the relevant Series, referencing the Issuer and the relevant Series, and segregating such Metal in such books and records from property held by the Custodian for itself or for any other person, in relation to Metal in unallocated form in the custody of a Sub-Custodian, the Custodian shall hold such Metal on trust for the Issuer and shall be obliged to transfer such Metal to the Issuer;

(ii) notifies the Sub-Custodian, in advance of any deposit with or receipt by the Sub-Custodian of any Metal, that such Metal is held by the Custodian, in its capacity as Custodian, on behalf of one of its clients;

(iii) procures that the Sub-Custodian holds any Metal deposited with or received by the Sub-Custodian (a) in the case of Gold and Silver, in London, and (b) in the case of Platinum and Palladium, either in London or in a Swiss fiscal warehouse in Zurich; and

(iv) uses reasonable endeavours to procure that any such Sub-Custodian establishes and maintains one or more segregated account(s) or sub-account(s) in the name of the Custodian and the relevant Series of Securities; maintains full and complete records and separately identifies such property in its books and records and acknowledges the security in favour of the Trustee.

The terms of the Custody Agreement relating to a Series of Securities set out the basis for the remuneration and indemnification of the Custodian in respect of its duties. The Custody Agreement sets out the conditions for appointment, resignation (upon six months' prior notice to the Issuer, the Adviser, the Trustee and the Administrator) and termination of the appointment of the Custodian (by the Issuer upon three months' prior notice or immediately by the Issuer upon (i) the occurrence of a Custodian Bankruptcy Event, (ii) the Custodian no longer being able to provide the services pursuant to the Custody Agreement, (iii) the Custodian ceasing to be a Full Member of the Relevant Association, or (iv) material breach by the Custodian of its obligations under the Custody Agreement which, if such is capable of remedy, is not remedied to the satisfaction of the Issuer within 30 calendar days).

The terms of the Custody Agreement relating to a Series of Securities provide that the Custodian shall maintain insurance arrangements in connection with the Custodian's business, including in support of its obligations under the Custody Agreement. Such insurance arrangements will be made by the Custodian as it considers, in a commercially reasonable manner, to be appropriate and the Custodian will be responsible for all costs, fees and expenses (including any relevant taxes) in relation to any such insurance policy or policies. The Custody Agreement provides that in the event that (i) the Custodian elects to alter the terms of such insurance, or (ii) an existing insurance policy is due to expire, the Custodian will, as soon as is reasonably practicable prior to the effective date of such alteration or expiration, inform the Issuer, the Adviser and the Trustee.

The terms of the Custody Agreement in respect of a Series of Securities provide that unless otherwise agreed in writing by both the Issuer (or the Adviser acting on its behalf) and the Custodian, and without prejudice to the Custodian's obligation to maintain insurance in support of its obligations under the Custody Agreement, the Custodian will be under no obligation to maintain insurance specific to the Issuer or to the Underlying Metal held for the Issuer in respect of any loss, damage, destruction or misdelivery of such Metal. Under the Custody Agreement, the parties acknowledge that any insurance maintained in accordance with the Custody Agreement is held for the sole use and benefit of the Custodian and that no other party may submit any claim under the terms of such insurance. In the event that any claim is made under such insurance which results in a payment being made to the Custodian and such claim is in respect of property owned or held by the Custodian on behalf of a number of different parties, the Custody Agreement provides that the Custodian shall apply the proceeds of such claim, on a *pro rata* basis, between such holdings. According to the Custody Agreement, the Custodian acknowledges and agrees that, (a) if the Issuer and the Custodian agree that the Custodian will maintain insurance specific to the Issuer or to the Metal held in an Allocated Account or Unallocated Account relating to a Series of Securities, and (b) any claim is made under such insurance which results in a payment being made to the Custodian, the Custodian shall apply the proceeds of such claim to restore the balance of the relevant Allocated Account(s) and/or Unallocated Account(s) to the level(s) existing immediately prior to the event triggering such claim. Under the Custody Agreement, the parties acknowledge that the Custodian is not an insurer and does not provide insurance covering its obligations under the relevant Custody Agreement.

In accordance with the terms of the Custody Agreement relating to a Series of Securities, any Metal held for the Custodian on behalf of the Issuer with a Sub-Custodian shall not affect the Custodian's responsibilities and liabilities or in any way limit or relieve the Custodian of its responsibilities or liabilities under such Custody Agreement and the Custodian shall remain fully liable with respect to any Metal as if it had retained possession of it. In relation to the performance of the duties of the Custodian under the Custody Agreement by a Sub-Custodian or its agent, the terms of the Custody Agreement provide that the Custodian shall, upon request from the Issuer, assign to the Issuer any rights it may have in respect of such duties and in respect of Metal held for the Issuer with such Sub-Custodian. The terms of the Custody Agreement provide that, in the event that the Issuer obtains legal advice that such assignment would be ineffective to enable the Issuer to take such action as it, in its sole and absolute discretion, deems necessary, then the Custodian shall take such action as requested by the Issuer, including, where relevant, seeking appropriate damages or compensation from the Sub-Custodian or agent in order to compensate the Issuer. The terms of the Custody Agreement provide that the Custodian shall hold all amounts received in respect of such action taken by it on trust for the Issuer.

The terms of the Custody Agreement relating to a Series of Securities provide that none of the parties shall incur any liability if, by reason of any provision of any present or future law or regulation of the United Kingdom or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any act of God or war or terrorism or other circumstances beyond the Custodian's control, the Custodian is prevented or forbidden from, or would be subject to any civil or criminal penalty on account of, or is delayed in, doing or performing any act or thing which by the terms of the Custody Agreement it is provided shall be done or performed and, accordingly, the Custodian does not perform such act or does perform such act at a later time than would otherwise be required.

The terms of the Custody Agreement relating to a Series of Securities provide that the Custodian shall not have any responsibility or liability for any recitals, statements, representations or warranties given or made by any person other than the Custodian in relation to the issue or sale of the Securities including, without limitation, in relation to any offer document, marketing materials, filings or other documentation in connection therewith.

Advisory Agreement

In respect of each Series of Securities, the Issuer will have entered into an English law governed advisory

agreement with the Adviser.

The Advisory Agreement sets out the duties and obligations of the Adviser in relation to the relevant Series of Securities and the basis for its liability, remuneration and indemnification. It also sets out the conditions for appointment, resignation and termination of the Adviser.

Under the Advisory Agreement, the Issuer appoints the Adviser to act on behalf of the Issuer under the Conditions and relevant Transaction Documents. The Advisory Agreement sets out the obligation for the Issuer to sell TER Metal on a periodic basis and direct the payment of the proceeds to the Adviser. The Advisory Agreement also sets out the obligation of the Adviser to pay the agreed fees of the Issuer's service providers.

The Issuer may at any time vary the appointment of the Adviser or terminate the appointment of the Adviser relating to a Series of Securities on giving the Adviser not less than 180 calendar days' prior notice to that effect. No variation in the appointment of the Adviser will be effective unless the Adviser has consented to such variation. Notwithstanding the foregoing, the appointment of the Adviser shall automatically terminate if an Adviser Bankruptcy Event occurs.

The Adviser in respect of a Series of Securities may resign its appointment at any time without giving any reason by giving the Issuer and the Transaction Parties at least 180 calendar days' prior notice to that effect.

Without prejudice to the automatic termination of the Adviser in connection with an Adviser Bankruptcy Event, no resignation or termination of the appointment of the Adviser will take effect until a replacement Adviser has been appointed; provided that if the Issuer fails within a period of 30 calendar days of notice of resignation given pursuant to the preceding paragraph to appoint a successor to such Adviser, the resigning Adviser will be entitled to select such an entity and provided such entity is acceptable to the Issuer and the Trustee, the Issuer will appoint such entity as successor Adviser.

Authorised Participant Agreements

The Issuer and the Adviser will have entered into an English law governed authorised participant agreement with each of the Authorised Participants in relation to the Securities.

Pursuant to each Authorised Participant Agreement, the Issuer appoints the relevant Authorised Participant as an Authorised Participant under the Programme. An Authorised Participant will only have duties in respect of a particular Series of Securities if it is also appointed as an Authorised Participant in respect of that Series of Securities. Each Series of Securities in respect of which the relevant Authorised Participant is appointed will be listed in a schedule to the Authorised Participant Agreement.

Each Authorised Participant Agreement specifies the terms on which the relevant Authorised Participant may subscribe for and request that the Issuer buys back Securities of each Series. In respect of each Series of Securities for which it has been appointed Authorised Participant, the relevant Authorised Participant will be required to comply with the procedures set out in the Authorised Participant Agreement and the Base Prospectus.

Each Authorised Participant Agreement includes the conditions for the appointment of an Authorised Participant by the Issuer and the circumstances in which the Issuer may terminate such Authorised Participant Agreement and vice versa in certain cases (for example: (i) upon 60 calendar days' written notice to the other parties; (ii) with immediate effect if (a) the Issuer determines that the Authorised Participant has committed a material breach of the Authorised Participant Agreement and to the extent that such breach is capable of being remedied, the Authorised Participant fails to cure such breach within 15 calendar days, (b) the Issuer determines that the conduct of the relevant Authorised Participant is detrimental to the reputation or development potential of the business of the Issuer or the Arranger or the relationships of those entities with third parties, (c) the Issuer reasonably believes that the relevant

Authorised Participant poses a credit risk, or (d) an Authorised Participant Bankruptcy Event occurs).

Each Authorised Participant Agreement sets out the circumstances in which such Authorised Participant Agreement will terminate automatically, such circumstances include: (a) any of the Authorised Participant's representations, warranties and agreements ceasing to be true and accurate; and (b) the Issuer being, or there being a substantial likelihood that the Issuer will be, on the next date on which a delivery of Metal is due in relation to the relevant Authorised Participant Agreement in respect of a Subscription Order, Buy-Back Order, Early Redemption or payment of fees and/or expenses to service providers or the Adviser, required to register for VAT with any Tax Authority (other than a Tax Authority in Switzerland) or to make a payment in respect of VAT to any person or any Tax Authority (other than in respect of Swiss VAT) or to account for VAT (other than Swiss VAT) to any person or any Tax Authority on such delivery of Metal from or to the Authorised Participant.

Each Authorised Participant Agreement includes an indemnity from the relevant Authorised Participant relating to the representations and warranties given by it in such agreement.

Metal Sale Agreement

In respect of each Series of Securities, the Issuer will have entered into one or more English law governed Metal Sale Agreements in relation to the Securities with the Metal Counterparty (or Metal Counterparties), the Adviser and the Trustee.

Each Metal Counterparty will have agreed under a Metal Sale Agreement to purchase Metal from the Issuer following effective delivery of a Metal Sale Notice specifying the amount of Underlying Metal to be sold to such Metal Counterparty.

The Issuer (or, in the case of (iv) below, the Trustee) may request that a Metal Counterparty purchase Underlying Metal in accordance with the relevant Metal Sale Agreement including, without limitation, in the following circumstances:

(i) following a Buy-Back Order, in circumstances where the Issuer has issued a Non-AP Buy-Back Notice such that Non-AP Securityholders may request the Issuer to buy back Securities, for liquidation of Underlying Metal to pay the Buy-Back Settlement Amount to Non-AP Securityholders;

(ii) following a deemed Buy-Back Trade Date in respect of Affected Securities, for liquidation of Underlying Metal to pay the Buy-Back Settlement Amount to Securityholders of Affected Securities;

(iii) following an Early Redemption Trade Date, for liquidation of Underlying Metal to pay the Early Redemption Amount to Securityholders of Cash Redemption Securities; or

(iv) after the Security under the Security Deed relating to the Securities has become enforceable, for liquidation of Underlying Metal to pay the Early Redemption Amount to Securityholders of Cash Redemption Securities.

If there is more than one Metal Counterparty, the Issuer (or the Adviser on its behalf) may determine the allocation of the Metal Sale Quantity among such Metal Counterparties.

Each Metal Sale Agreement will have provided that the relevant Metal Counterparty will purchase the relevant Metal Sale Amount from the Issuer at the next available Metal Reference Price or, if a subsequent Metal Reference Price is specified in the Metal Sale Notice, at such subsequent Metal Reference Price for standard settlement in the relevant market. Without prejudice to the foregoing, at the request of the Adviser (or the Trustee), the Metal Counterparty and the Adviser (or the Trustee) may agree that the Metal Counterparty will purchase some or all of the Metal Sale Amount at a market spot price (subject to a spread that is in line with market standards).

Settlement of a purchase of Metal will take place on the second Business Day following the relevant Metal Sale Date provided that such day is a Settlement Day. If such second Business Day is not a Settlement

Day, settlement will be postponed to the immediately following Settlement Day. On the settlement day:

(i) the Metal Counterparty shall pay to the Issuer the Metal Sale Proceeds; and

(ii) the Issuer (or the Trustee) shall authorise and direct the Custodian to deliver Underlying Metal equal to the Metal Sale Amount to the Metal Counterparty on the basis that such Underlying Metal shall be held by the Metal Counterparty on trust for the Issuer until such time as the Issuer is in receipt of the relevant Metal Sale Proceeds.

Each Metal Sale Agreement will also have set out various representations to be made by the Metal Counterparty and provisions relating to automatic termination in the event that a Metal Counterparty Bankruptcy Event occurs or if the Metal Counterparty ceases to be a Full Member of the Relevant Association or breaches its representation, warranty and undertaking set out in the Metal Sale Agreement.

USE OF PROCEEDS

The net proceeds from the issue of a Series of Securities will be an amount of allocated Metal which will be held in Allocated Accounts in respect of such Series. Such Underlying Metal shall be used to meet the Issuer's obligations under the relevant Series of Securities.

DESCRIPTION OF THE ISSUER

General

iShares Physical Metals plc (the "**Issuer**") was incorporated on 7 February 2011 as a public limited company in Ireland under the Irish Companies Acts with registration number 494646. The Issuer has been incorporated for an indefinite period. The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The registered office of the Issuer is at JPMorgan House, International Financial Services Centre, Dublin 1, Ireland. The telephone number of the Issuer is +353 1 612 3000. The authorised share capital of the Issuer is €100,000 divided into 100,000 ordinary shares of €1 each, of which €40,000 divided into 40,000 ordinary shares of €1 each have been issued. All of the issued shares are fully-paid up and are held by or to the order of Wilmington Trust SP Services (Dublin) Limited (the "**Share Trustee**"), under the terms of a declaration of trust (the "**Declaration of Trust**") dated 21 March 2011 under which the Share Trustee holds them on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer.

Business

So long as any of the Securities remain outstanding, the Issuer shall not, without the prior written consent of the Trustee incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Secured Property, issuing further Series of Securities and entering into related agreements and transactions as provided for in Condition 6), or, *inter alia*, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed) or issue any shares (other than such shares as were in issue on 22 March 2011).

As of the date of this Base Prospectus, the Issuer has an issued and fully-paid up share capital of €40,000. 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 Securities and in respect of a Series of Securities, any rights, property, sums or other assets on which such Series of Securities issued under the Programme are secured.

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

Save in respect of the proceeds of any deposits and investments made from amounts representing the Issuer's issued and paid-up share capital and a small amount of profit in connection with the issue of Securities, the Issuer does not expect to accumulate any surpluses. Fees and expenses payable on a monthly basis by the Issuer to the Adviser will be paid out of the proceeds of the relevant Series of Securities and funded by way of the sale of Metal deducted on a daily basis from the Metal Entitlement of the Securities of such Series at a rate equal to the portion of the Total Expense Ratio applicable to each day. Agreed fees and expenses payable to the Issuer's service providers, including the Corporate Secretary, the Trustee, the Custodian, the Administrator, the Registrar(s) and other Agents will be paid by the Adviser out of the proceeds of the sale of Metal mentioned in the previous sentence. None of the above-mentioned Transaction Parties may have recourse to assets of the Issuer which are held as security for Securities of any Series other than the Securities of the Series in respect of which the claim arises. Additionally, the above-mentioned Transaction Parties have agreed that the payments of outstanding fees (if any) shall be limited to amounts available, following application in accordance with the terms of the Trust Deed, to discharge such liabilities.

In accordance with Article 41.6(c) of Directive 2006/43/EC of the European Parliament and of the Council and any relevant implementing measures of Ireland, the Issuer 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. This is because the Issuer's principal business consists of the issue of Securities and the application of the Secured Property towards making payments in respect of the relevant Securities and paying certain fees, expenses and other related amounts and as such, the Issuer is not conducting an operating business.

Directors

The Articles of Association of the Issuer provide that a majority of the directors on the board of the Issuer may not be directors, officers or employees of the Adviser and its affiliates.

As at the date of the Base Prospectus, the Directors of the Issuer are as follows:

Michael Griffin (Chairman, Irish): Mr Griffin has over 15 years of experience as a non-executive director of a wide range of fund companies and trusts listed in Dublin and Luxembourg. He was with the corporate banking arm of the Ulster Bank Group from 1973 to 1999 and was a director and member of the management committee of Ulster Investment Bank Limited from 1987 to 1996 with responsibility for Treasury trading. In 1995, Mr Griffin was appointed Head of Trading (with responsibility for Money Markets, Foreign Exchange & Sovereign Bond Trading) and from 1996 to 1999, he was a director and Head of Trading of Ulster Bank Markets Limited. Mr Griffin was Chairman of the Irish Bankers' Federation EMU Capital Markets Expert Group from 1997 to 1999. Mr Griffin is a fellow of the Institute of Bankers in Ireland.

Kevin O'Brien (Irish): Mr O'Brien graduated from University College Cork (The National University of Ireland) with an Honours degree in Commerce. He joined Coopers & Lybrand (now PricewaterhouseCoopers) where he qualified as a Chartered Accountant. He joined Lifetime Assurance (the bancassurance subsidiary of the Bank of Ireland Group) as a Senior Financial Accountant, before being appointed Operations Manager and subsequently Managing Director of the Bank of Ireland's general insurance business. He joined Bank of Ireland Asset Management in 2000, where he held a number of senior roles including Director - Wholesale Funds and Director - Business Strategy. In 2009 he completed a Certificate and a Diploma in Company Direction and was admitted by the Institute of Directors as a Chartered Director in 2013. He now works as an Independent Non-Executive Director within the investment funds and insurance sectors. Through his portfolio of directorships he has exposure to a fund services provider, the equity, fixed income, credit, precious metal and derivatives markets, together with life and non-life (re)insurance.

Barry O'Dwyer (Irish): Mr O'Dwyer is the Head of Funds Governance for BlackRock's European open-ended fund range and is the Chief Operating Officer for BlackRock's Irish business. He serves as a Director on a number of BlackRock corporate, fund, and management companies in Ireland, Switzerland and Germany and on BlackRock's UK Life company. He is a former Chairman of the Irish Funds Industry Association, a Board Director of Financial Services Ireland and a member of the Strategic group for An Taoiseach's Clearing House Group. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining BlackRock Advisors (UK) Limited, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He holds a Chartered Association of Certified Accountants qualification and an MBA from London City University Business School.

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

As at the date of this Base Prospectus, Mr O'Dwyer is connected with the Adviser and its affiliates. For the avoidance of doubt, he shall not be liable to account to the Issuer in respect of such conflict, for example, as a result of receiving remuneration as a director and employee of the Adviser and/or its affiliates.

Castlewood Corporate Services Limited, trading as Chartered Corporate Services, a company incorporated in Ireland with company registration number 396590, of Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland is the corporate secretary of the Issuer. Its duties include the provision of corporate secretarial services. The appointment of the corporate secretary may be terminated by the Issuer giving not less than three months' notice and the corporate secretary may retire upon not less than six months' notice.

Financial Statements

The financial year of the Issuer ends on 30 April in each year. The Issuer will publish half-yearly and yearly financial statements for each financial year, and has published its yearly audited financial statements in respect of the period ending 30 April 2016.

The Issuer will publish half-yearly financial statements for each financial year by 31 December in each year. The Issuer will publish yearly financial statements for each financial year by 31 August in each year.

The auditors of the Issuer are PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland. PricewaterhouseCoopers is a member of Chartered Accountants Ireland.

The yearly audited financial statements in respect of the periods ending 30 April 2015 and 30 April 2016 have been filed with the Central Bank.

CLEARING AND SETTLEMENT

CREST

General

The Issuer is a participating issuer in, and the CREST Securities are participating securities in, CREST. CREST is a paperless multi-currency electronic settlement platform enabling securities (including debt securities) to be (a) evidenced otherwise than by written instrument and (b) transferred electronically without a written instrument with effective delivery versus payment. The Register in respect of such Securities is held in Ireland and governed by Irish law, in particular the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 of Ireland (S.I. No. 68/1996), which means that there is a written instrument evidencing the CREST Securities, but any CREST Securities that are shown in the relevant Register as being Uncertificated Securities will be settled within the CREST system.

CREST Securities will only be shown in the relevant Register as being Certificated Securities if (a) the CREST system is closed for a continuous period of 14 calendar days or more; (b) CREST announces an intention permanently to cease business or does in fact do so; (c) a holder ceases to be a CREST member; or (d) if the CREST Securities need to be in the form of Certificated Securities for any other reason the Issuer deems necessary (for example, if it were required to effect a listing on another stock exchange or to permit trading on another electronic trading platform).

The Securities will have the following ISIN codes. Certificated Securities (including CBF Securities, if applicable) are intended to have the same ISIN code as Uncertificated Securities of the same Series.

It is intended that, should the Securities be admitted to the official list of the Frankfurt Stock Exchange and to trading on the Frankfurt Stock Exchange, interests in CREST Securities may be transferred for interests in CBF Securities in the same Series of Securities in accordance with the Conditions.

Securities	**ISIN**
Gold Securities	IE00B4ND3602
Silver Securities	IE00B4NCWG09
Platinum Securities	IE00B4LHWP62
Palladium Securities	IE00B4556L06

Settlement and delivery on the ETFplus market of the Borsa Italiana S.p.A.

All Securities traded on the Borsa Italiana S.p.A. will be shown in the CREST system (and also the Register) in the name of Euroclear Nominees Limited as agent for Monte Titoli S.p.A. and held beneficially for persons who have bought through the Borsa Italiana S.p.A. For those persons Monte Titoli S.p.A. will maintain its own record of holders ("**Italian Sub-Register**"). All Securities traded on the Borsa Italiana S.p.A. are eligible for settlement through the normal Monte Titoli S.p.A. settlement systems on the deposit accounts opened with Monte Titoli S.p.A. Market makers and other account holders at Monte Titoli S.p.A. will be permitted to transfer securities between the Register and the Italian Sub-Register and any other sub-registers applicable to other markets to which the Securities may be admitted to trading, and thereby be able to move securities between the London Stock Exchange, such other markets and Monte Titoli S.p.A.

For the purposes of discharging any obligations under the Securities held through Monte Titoli S.p.A., the Issuer will treat Euroclear Nominees Limited as agent for Monte Titoli S.p.A. as the single security holder of such Securities and the holders recorded in the Italian Sub-Register must look to Monte Titoli S.p.A. to receive any and all entitlements under such Securities.

Clearstream Frankfurt

Settlement and delivery on the Xetra electronic trading platform of the Frankfurt Stock Exchange

It is intended that all Securities traded on the Xetra electronic trading platform of the Deutsche Börse Group (also referred to as the "**CBF Securities**") will be cleared in Clearstream Frankfurt in accordance with applicable rules of Clearstream Frankfurt. For the purpose of listing the Securities on the Frankfurt Stock Exchange and trading on the Xetra electronic trading platform of the Deutsche Börse Group, the Issuer may issue an Up To Global Note in physical form to be deposited with Clearstream Frankfurt in its vault in accordance with the requirements of Clearstream Frankfurt.

Legal title to the CBF Securities will, unless otherwise agreed between the Issuer and Clearstream Frankfurt, be held by Clearstream Frankfurt's nominee.

It is intended that CBF Securities will have the same ISIN as CREST Securities of the same Series and that interests in CBF Securities may be transferred for interests in CREST Securities in the same Series in accordance with the Conditions.

The form, nature, method for transfer and/or clearing of CBF Securities may from time to time be modified by the Issuer without the approval of Securityholders or the consent of the Trustee in order to take into account and/or comply with the then current and applicable rules, procedures and/or practice of Clearstream Frankfurt (which the Issuer agrees with Clearstream Frankfurt shall apply to the CBF Securities) and any other terms, conditions, rules, procedures and/or practice applicable to CBF Securities.

TAXATION

The following is a general outline of certain tax considerations relating to the Securities, including a summary of the withholding tax position in respect of payment of the income from the Securities by the Issuer (or an agent appointed by it) in accordance with the terms and conditions of such Securities, based on the laws, published case law and practices currently in force which are subject to change after the date of this Base Prospectus and which changes could be made on a retrospective basis. It is limited to the country of incorporation of the Issuer and those countries in which admission to trading may be sought or in which offers for which a prospectus is required under the Prospectus Directive may be made pursuant to this Base Prospectus. It does not purport to be a complete analysis of all tax considerations relating to the Securities in those countries and is subject to any qualifications and limitations set out below in respect of those countries.

It does not relate to any other tax consequences or to withholdings in respect of payments by other persons (such as custodians, depositaries or other intermediaries) unless otherwise specified. Particular rules may apply to certain classes of taxpayers holding the Securities. The summary does not purport to be exhaustive and does not constitute tax or legal advice and the comments below are of a general nature only. With respect to certain structured financial instruments, such as the Securities, it may be the case that in certain jurisdictions there is currently neither case law nor comments of the financial authorities as to the tax treatment of such financial instruments. Accordingly, there is a risk that the relevant financial authorities and courts or the paying agents in such jurisdictions may adopt a view different from that summarised below. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from the purchase, holding, sale and redemption of the Securities and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

All payments in respect of the Securities by the Issuer or by an agent appointed by the Issuer will be subject to any applicable withholding taxes.

None of the Issuer, the Adviser or any Transaction Party makes any representation or warranty as to the tax consequences to any investor of the acquisition, holding or disposal of the Securities. The tax consequences for each investor in the Securities can be different and therefore investors and counterparties are advised to consult with their tax advisers as to their specific consequences.

EU Directive on the Taxation of Savings Income

The EU has adopted the EU Council Directive 2003/48/EC (the "**Savings Directive**") regarding the taxation of savings income. The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established, in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

The Council of the European Union has adopted a Directive (the "**Amending Savings Directive**") which would, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above, including by expanding the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or secured for) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the Savings Directive, as amended. The Amending Savings Directive requires EU Member

States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

The European Commission has published a proposal for a Council Directive repealing the Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Savings Directive.

Austria

The following is a general overview of certain Austrian tax aspects in connection with the Securities. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Securities nor does it take into account the Securityholders' individual circumstances or any special tax treatment applicable to the Securityholders. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors should consult their legal and tax advisors as to the particular tax consequences of the acquisition, ownership, disposition or redemption of the Securities. This overview is based on Austrian law as in force when drawing up this Base Prospectus. It is based on the currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described.

Austrian resident Holders

Income from the Securities derived by individuals, whose domicile or habitual abode is in Austria, is subject to Austrian income tax pursuant to the provisions of the Austrian Income Tax Act (*Einkommensteuergesetz*).

Securities held privately by Austrian resident Individuals

Any realized capital gain (*Einkünfte aus realisierten Wertsteigerungen*) from the Securities is subject to Austrian income tax at a rate of 27.5%. Realized capital gain means any income derived from the sale or redemption of the Securities. The tax base is, in general, the difference between the sale proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Expenses and costs which are directly connected with income subject to the special tax rate of 27.5% are not deductible. For Securities held as private assets, the acquisition costs shall not include ancillary acquisition costs. For the calculation of the acquisition costs of Securities held within the same securities account and having the same securities identification number but which are acquired at different points in time, an average price shall apply.

Where an Austrian custodian (*depotführende Stelle*) or an Austrian paying agent (*auszahlende Stelle*) is involved and pays out or settles the capital gain, also any realized capital gain from the Securities is subject to a 27.5% withholding tax. The 27.5% withholding tax deduction will result in final income taxation for private investors (holding the Securities as private assets) provided that the investor has evidenced the factual acquisition costs of the Securities to the securities depository. If the realized capital gain is not subject to Austrian withholding tax because there is no Austrian custodian or paying agent, the taxpayer will have to include the realized capital gain derived from the Securities in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

Capital gains are not only subject to withholding tax upon an actual disposition or redemption of the Securities, but also upon a deemed realization.

- A deemed realization takes place due to a loss of the Austrian taxing right in the Securities (e.g. move abroad, donation to a non-resident, etc). In case of relocation of a Securityholder to another EU Member State the possibility of a tax deferral exists, to be elected for in the tax return of the Securityholder in the year of his relocation. In case that the Securities are held on an Austrian securities account the

Austrian withholding agent (custodian or paying agent) has to impose the withholding tax and such withholding tax needs to be deducted only upon actual disposition of the Securities or withdrawal from the account. If the holder of the Securities has timely notified the Austrian custodian or paying agent of his or her relocation to the other EU Member State, not more than the value increase in the Securities until relocation is subject to Austrian withholding tax. An exemption of withholding tax applies in case of moving to another EU Member State if the Securityholder presents to the Austrian custodian or paying agent a tax assessment notice of the year of migration in which the option for a deferral of tax has been exercised.

- A deemed realization also takes place upon withdrawals (*Entnahmen*) from an Austrian securities account and other transfers of Securities from one Austrian securities account to another one. Exemptions apply in this case for a transfer of the Securities to another deposit account, if certain information procedures are fulfilled and no loss of the Austrian taxing right is given (e.g. no donation to a non-resident).

Taxpayers, whose regular personal income tax is lower than 27.5% may opt for taxation of the income derived from the Securities at the regular personal income tax rate. Any tax withheld will then be credited against the income tax. Such application for opting into taxation at the regular personal income tax rate must, however, include all income subject to the special 27.5% tax rate. Expenses in direct economical connection with such income are also not deductible if the option for taxation at the regular personal income tax rate is made. Whether the use of the option is beneficial from a tax perspective, should be determined by consulting a tax advisor.

Income from Securities which are not offered to the public within the meaning of the Austrian Income Tax Act are not subject to withholding tax and final taxation but subject to the normal progressive personal income tax rate of up to 55% in the highest bracket (for income exceeding €1 million/p.a.).

Losses from Securities held as private assets may only be set off with other investment income subject to the special 27.5% tax rate (excluding, inter alia, interest income from bank deposits and other claims against banks) and must not be set off with any other income. Austrian tax law provides for a mandatory set-off by the Austrian custodian of losses against investment income from securities accounts at the same securities depository (subject to certain exemptions). However, a carry-forward of such losses is not permitted.

Securities held as business assets by Austrian resident Individuals

Capital gains derived from the Securities which are held by individuals as business assets are also subject to the special income tax rate of 27.5% deducted by way of the withholding tax. However, realized capital gains have to be included in the annual income tax return and must not be a main focus of the taxpayer's business activity. Write-downs and losses derived from the sale or redemption of Securities held as business assets must primarily be set off against positive income from realized capital gains of financial instruments of the same business and only 55% of the remaining loss may be set off or carried forward against any other income. Custodian banks do not generally implement the offsetting of losses with respect to deposit accounts that are not privately held; instead losses are taken into account upon assessment. The acquisition costs of Securities held as business assets may also include ancillary costs incurred upon the acquisition.

Securities held by Austrian resident corporations

Income including capital gains from the Securities derived by corporate Securityholders, whose seat or place of effective management are based in Austria, are subject to Austrian corporate income tax at a rate of 25% pursuant to the provisions of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*). Corporate Securityholders deriving business income from the Securities may avoid the application of Austrian withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian

withholding tax agent. There is, inter alia, a special tax regime for private foundations established under Austrian law (*Privatstiftungen*) (interim tax, no withholding tax).

The Issuer does not assume responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Non-resident Holders

Capital gains derived from the Securities by individuals who do not have a domicile nor their habitual abode in Austria or corporate investors who do not have their corporate seat nor their place of management in Austria ("non-residents") are not taxable in Austria provided the capital gains are not attributable to an Austrian permanent establishment.

Austrian capital gains tax being deducted by a custodian bank or by a paying agent located in Austria may be avoided, if the beneficiary demonstrates to the custodian bank (or to the paying agent), by supplying corroborating evidence, that he or she qualifies as non-resident for tax purposes and that he or she is therefore subjected to limited (corporate) income tax liability. Non-residents will have to confirm their non-resident status to the paying agent or the custodian bank located in Austria in accordance with the provisions of the Austrian income tax guidelines. The provision of evidence that the Securityholder is not subject to Austrian withholding tax is the responsibility of the Securityholder.

If any Austrian withholding tax is deducted by a paying agent or a custodian bank located in Austria and Austria does not have the right to tax e.g. according to double tax treaties, the tax withheld shall be refunded to the non-resident Securityholder upon his application, which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax. Applications for refunds may only be filed after the end of the calendar year when the withholding was made.

Where non-residents receive income from the Securities as part of business income taxable in Austria (e.g. permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

Risk of qualification of Securities as foreign investment fund units

Under certain conditions particular Securities might be qualified as investment fund units by the tax authorities and be considered as units of an investment fund whose home Member State is not Austria or as units of an undertaking subject to foreign law investing in accordance with the principles of risk-diversification. Pursuant to the Austrian Investment Fund Act, any undertaking subject to foreign law whose assets are invested in accordance with the principles of risk-spreading is qualified as foreign investment fund for tax purposes, without regard to its legal form, if one of the following requirements are fulfilled:

(i) the undertaking is neither directly nor indirectly subject to a tax in the foreign country comparable to Austrian corporate tax;

(ii) the profits of the undertaking are in the foreign country subject to a tax comparable to Austrian corporate tax the applicable rate of which is more than 10%-points lower than the Austrian corporate tax;

(iii) the undertaking is subject to a comprehensive tax exemption in the foreign state.

Income from investment funds is taxed at a flat rate tax at the level of the investors and includes distributions as well as retained earnings of the fund deemed to be distributed to the investor ("*ausschüttungsgleiche Erträge*").

Pursuant to the Investment Fund Guidelines 2008 published by the Austrian Federal Ministry of Finance a qualification of index and other reference linked securities into investment fund units requires, inter alia, (i) that an investment is effected in line with the principle of risk diversification and (ii) that the Issuer (or a

trustee mandated by the Issuer) factually and predominantly acquires the (underlying) securities or that the investment qualifies as actively managed portfolio.

Please note that it may be derived from a ruling of the European Court of Justice regarding the flat-rate taxation of foreign investment funds in Germany that such flat-rate taxation violates EU law.

EU Savings Directive and EU Directive on Administrative Cooperation in the Field of Taxation

The EU Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("**EU Savings Directive**") provides for an exchange of information between the authorities of EU Member States regarding interest payments made in one Member State to beneficial owners who are individuals and resident for tax purposes in another Member State.

Austria has implemented the EU Savings Directive by way of the EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provides for a withholding tax as an alternative to an exchange of information if the investor decides to remain anonymous. Such EU withholding tax is levied on interest payments within the meaning of the EU Withholding Tax Act made by a paying agent located in Austria to an individual resident for tax purposes in another EU Member State or certain dependent and associated territories. The EU withholding tax rate amounts to 35%.

No EU withholding tax is deducted if the EU-resident Securityholder provides the paying agent with a certificate drawn up in his name by the tax office of his Member State of residence. Such certificate has to indicate, among other things, the name and address of the paying agent as well as the bank account number of the Securityholder or the identification of the Securities (Section 10 EU Withholding Tax Act).

The Savings Directive was repealed by the Council of the European Union ("**Council**") on 10 November 2015. Instead of the Savings Directive Council Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation was adopted, pursuant to which Member States are required to apply other new measures on mandatory automatic exchange of information from 1 January 2016. Transitional measures concern in particular a derogation granted to Austria under the Council Directive on Administrative Cooperation in the Field of Taxation, allowing it to apply that Directive one year later than other EU Member States. Austria will continue to apply the transitional withholding tax under the EU Savings Directive during 2016 with the exception of a limited set of bank accounts that will be reported by Austria in 2017 under the Council Directive on Administrative Cooperation in the Field of Taxation (such reporting obligation will only be applicable for new accounts opened on or after 1 October 2016).

Please note that payments in relation to commodity linked debt Securities are not considered as interest for EU-withholding tax purposes according to the Austrian tax authorities.

Other Taxes

There is no transfer tax, registration tax or similar tax payable in Austria by holders of the Securities as a consequence of the acquisition, ownership, disposition or redemption of the Securities. The sale and purchase of the Securities as well as the redemption of the Securities is in general not subject to Austrian stamp duty.

Austria does not levy inheritance or gift tax. However, it should be noted that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation entry tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entry Tax Act (*Stiftungseingangssteuergesetz*).

In addition, a special notification obligation to the tax authorities exists for gifts from or to Austrian residents. Not all gifts are covered by the notification obligation: In case of gifts among relatives, a threshold of Euro 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of Euro 15,000 during a period of five years.

Denmark

The Securities are governed by the provisions of the Danish Capital Gains Tax Act etc. (in Danish: *Kursgevinstloven*) and qualify for taxation as financial instruments.

Investors are taxed in accordance with the mark-to-market principle. This means that investors are subject to current taxation of both realised and unrealised gains and losses on an annual basis.

Individuals must pay tax on gains as capital income with a tax rate between generally 37.7 per cent and 42.7 per cent., depending on the individual investor's tax bracket. If the individual investor is considered a professional trader for tax purposes, the investor must pay tax on gains and losses as personal income.

The right for individual investors to deduct losses is limited to similar income sources (unless the individual investor is considered a professional trader for tax purposes in which case losses are fully deductible).

Hence, individual investors may deduct a loss on the Securities to the extent it does not exceed gains on financial instruments taxed in the present income year. If the loss exceeds the taxable gains in the present year, the loss can be offset against taxable gains on financial instruments from previous years (until 2002). If the loss exceeds current and previous income it may be offset against a spouse's current year income on financial instruments and only then may an excessive loss be carried forward to be offset against future gains on financial instruments.

For corporate investors the general provisions of the Danish Capital Gains Tax Act do not apply and capital gains and losses will be fully included in the investor's taxable income and taxed in accordance with the mark-to-market principle at a rate of 22 per cent.

Regarding pension fund investors, gains and losses will be subject to taxation in accordance with the Danish Act on Taxation of Pension Yields, which means that the gains and losses arising from the Securities are taxed in accordance with the mark-to-market principle at an annual tax rate of 15.3 per cent.

Transfers of the Securities are not subject to any stamp duty and/or transfer tax.

Dubai International Financial Centre

As at the date of this Base Prospectus, no taxes (including capital gains tax, stamp duty or other taxes) are imposed on holders of the Securities as a result of Dubai International Financial Centre law or regulation.

Finland

The following is a general description of certain tax considerations relating to the Securities. The following does not address tax considerations applicable to investors that may be subject to special tax rules. Such investors include, among others, tax exempt entities or general or limited partnerships, financial institutions and insurance companies. Further, the following does not address possible Finnish inheritance and gift tax or VAT considerations to investors. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Finland or elsewhere. Prospective Investors should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries. This description is based upon the law as in effect and applied on the date of this Base Prospectus, as well as on the current tax practice, and is subject to any changes in laws and their interpretation that may take effect after such date, including changes with retroactive effect.

Income Tax – Finnish Resident Corporate Investors

For tax purposes Finnish resident corporate investors ("**Finnish Corporate Investors**") are subject to national corporate income tax on their global income. The taxation of gains and losses realised from the sale or redemption of the Securities depends on whether they belong to business assets ("**Business Income Source**") or to passive assets ("**Other Income Source**") of a Finnish Corporate Investor. The taxable income of a Finnish Corporate Investor is determined separately in relation to its business activities and in relation to its other activities, both of which are taxed at a flat rate of currently 20 per cent.

If the Securities are attributable to Business Income Source, proceeds realised from the sale or redemption of the Securities are taxable income, and the acquisition cost of the Securities as well as any costs attached to the sale or redemption are deductible from the taxable income.

If the Securities are attributable to Other Income Source, and the Securities are considered as securities for tax purposes, capital gains are taxable income and capital losses are deductible, however only from capital gains realised in Other Income Source. Capital losses may be carried forward for five consecutive years. Taxable capital gains and deductible capital losses are calculated as the difference between the sales or redemption price and the aggregate of the actual acquisition cost of the securities and related expenses.

Income Tax – Finnish Resident Individual Investors

Provided that the Securities are considered as securities for tax purposes, gains realised from the sale or redemption of the Securities is considered as taxable capital gains for Finnish resident individual investors ("**Finnish Individual Investor**") and any loss is considered as tax deductible capital loss.

Capital gains are considered as capital income taxed at a flat tax rate of, as at the date of this Base Prospectus, 30 per cent for capital income under EUR 30,000 and 34 per cent for capital income exceeding EUR 30,000. Capital gains are, however, tax exempt if the total amount of the transfer prices of the assets sold by a Finnish Individual Investor does not exceed EUR 1,000 in a tax year.

Capital losses arising from the transfer of securities are deductible from capital income in the same year or during the following five years. The capital losses will not, however, be tax deductible if the total amount of the acquisition prices of the assets sold by the Finnish Individual Investor does not exceed EUR 1,000 in a tax year.

Taxable capital gains and deductible capital losses of a Finnish Individual Investor realised on the sale of the securities in the secondary market are calculated as the difference between the sales price and the aggregate of the actual acquisition cost of the securities and sales-related expenses. When calculating capital gains, Finnish Individual Investors may in case of sale of the securities choose to apply the so-called presumptive acquisition cost instead of the actual acquisition cost if the securities do not belong to the business activities of the Finnish Individual Investor. The presumptive acquisition cost is normally 20 per cent of the sales price, but is 40 per cent of the sales price for securities that have been held by the Finnish Individual Investor for a period of at least ten years. If the presumptive acquisition cost is applied instead of the actual acquisition cost, any sales-related expenses are deemed to be included and, therefore, cannot be deducted separately.

If the Securities belong to the business assets of the Finnish Individual Investor, the capital gain is divided to be taxed as earned income at progressive tax rates and capital income at a flat tax rate of, as at the date of this Base Prospectus, 30 per cent for capital income under EUR 30,000 and 34 per cent for capital income exceeding EUR 30,000. Capital losses belonging to business activities are deductible from the business income as discussed above in relation to the taxation of Business Income Source of Finnish Corporate Investors.

Finnish Individual Investors must include in their pre-completed tax return information on the sale or redemption of the Securities that has taken place during the tax year.

Non-Residents

Investors that are not resident in Finland for tax purposes are not subject to Finnish tax on gains they receive from the sale or redemption of the Securities unless the Securities are attributable to a permanent establishment of these investors in Finland for income tax purposes, in which case such investors are taxed in a similar way to resident investors.

Transfer Tax

Transfers of the Securities are not subject to Finnish transfer tax or stamp duty.

France

This summary is based on the laws, their interpretation by the tax authorities and published case law, currently in force as at the date of this Base Prospectus, which are subject to change after this date. In particular, according to published provisions of the Finance Bill for 2017 which are still subject to changes in the course of parliamentary discussions, personal income tax is expected to be levied by way of withholding tax as from 2018 and a progressive reduction in the rate of French corporate income tax has been announced.

This summary addresses only the French tax consequences of the purchase, ownership, Cash Redemption and disposal of the Securities. It does not cover in particular the French tax consequences that may arise upon Physical Redemption.

In particular, this tax summary does not address the tax treatment of Securityholders who are Authorised Participants or of Securityholders that are subject to special rules, such as partnerships, trusts or regulated investment companies, international organisations, banks or other financial institutions, insurance companies, among others. Prospective investors should consult their tax advisers as to the French and foreign tax treatment especially in light of their particular circumstances.

The tax treatment described below is based on the assumption that the Securities will be characterised as bonds (obligations) or other similar debt securities under French law.

Withholding Tax

To the extent that the Issuer is not domiciled or established in France, and does not fall to be treated as resident in France for tax purposes, the payments made on the Securities to a beneficial holder of Securities which is not a French resident for tax purposes and does not hold the Securities in connection with a permanent establishment or a fixed base in France will not be subject to a withholding tax (*retenue à la source*) in France.

French Resident Individuals

The following is an overview of the French tax rules applicable to individuals, resident in France for tax purposes, who hold Securities as part of their private assets, who do not trade in securities on a regular basis and, accordingly, who are not considered as professional traders. Individuals who engage in professional trading transactions should consult their tax advisers concerning the tax rules applicable in their specific case.

Profits (or losses) derived in France by individuals from transactions involving Securities are subject to the following tax treatment.

Where the Securities are sold on a regulated market before their redemption, profits, equal to the difference between the selling price of the Securities and their purchase price, are subject (a) to personal income tax at the progressive rates (with a marginal rate of 45 per cent.), (b) to a 3 per cent. or 4 per cent. contribution if the taxpayer's reference income exceeds certain thresholds, and (c) to social security contributions

(CSG, CRDS, social levy, contributions payable in addition to the social levy) at the aggregate rate of 15.5 per cent. The losses may be set off against capital gains of the same nature realised in the course of that year and of the ten following years.

Where the Securities are redeemed, the redemption premium, equal to the difference between the redemption value of the Securities and their purchase price, is subject (a) to personal income tax at the progressive rates (with a marginal rate of 45 per cent.), (b) to a 3 per cent. or 4 per cent. contribution if the taxpayer's reference income exceeds certain thresholds, and (c) to the social security contributions (as listed above) at the global rate of 15.5 per cent. Losses derived from the redemption of the Securities cannot be deducted from the holder's taxable income. Subject to certain limited exceptions, the gross amount of such redemption premium received by persons fiscally domiciled in France is subject to a 24 per cent. advance tax (payable either by way of withholding or by the recipient themselves), which is deductible from their personal income tax liability in respect of the year in which the payment has been made.

French Wealth Tax

Securities held by individuals as private assets are included in the basis of assessment for French wealth tax (*impôt de solidarité sur la fortune*). As at 1 January 2016, French wealth tax is applicable to individuals who own personal assets with a net asset value in excess of €1,300,000.

Duties on Inheritance and Gift Tax

Securities inherited or received as gifts by individuals are subject to inheritance and gift taxes in France.

French Resident Entities subject to French Corporate Tax

Taxation of the redemption premium

Redemption premium, defined as the difference between all sums to be received under the Securities and the sums paid upon subscription or acquisition of such Securities, is generally included in the taxable income of the fiscal year of its payment and subject to corporate income tax at the standard rate of 33 1/3 per cent. (or at the reduced rate of 15 per cent. within the limit of €38,120 of taxable income per 12-month period, for small and medium companies under certain conditions). A social contribution of 3.3 per cent. may also be applicable to certain French companies on the amount of their corporate income tax, reduced by €763,000 per 12-month period, thus resulting in an effective corporate income tax rate of 34.43 per cent. For fiscal years ending up to 30 December 2016, another tax surcharge of 10.7 per cent. assessed on the corporate income tax liability is also applicable to certain French companies whose annual turnover, broadly, is in excess of €250,000,000 resulting in a maximum corporate income tax rate of 38 per cent.

Specific rules, set out in Article 238 *septies* E II 3° of the FTC, apply for the determination of the redemption premium where the redemption amount is linked to an index.

Under Article 238 *septies* E of the FTC, where the redemption premium exceeds 10 per cent. of the issuance or acquisition price of the Securities and where the average issuance price of such Securities does not exceed 90 per cent. of its value upon redemption, the taxation of the redemption premium is spread over the holding period of the Securities.

Capital gains or losses from the disposal of Securities

Capital gain or losses realised upon the disposal of the Securities, and equal to the difference between (a) the sale price and (b) their subscription or acquisition value reduced by, as the case may be, the fraction of the redemption premium already taxed but not already received, are included in the taxable income of the fiscal year of the sale and subject to corporate income tax under the conditions mentioned above.

Stamp duties

The transfer or buy-back of Securities should not be subject to any stamp or registration duty, or similar tax, in France, unless the deed evidencing such transfer or buy-back is voluntarily registered with the

French tax authorities, in which case a fixed €125 fee will be due.

Germany

Income Tax

Securities Held by Individual Tax Residents as Private Assets

Where the Securities are held by an individual investor who has a residence or his habitual abode in Germany among his private assets for tax purposes (*steuerliches Privatvermögen* – "**German Private Investor**"), any income received with respect to the Securities (in particular capital gains realised upon the sale or the redemption of the Securities) is taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a flat tax rate of 25 per cent. (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and church tax, if applicable). German Private Investors are entitled to a lump-sum tax allowance (*Sparer-Pauschbetrag*) for their entire investment income of up to €801 per year (€1,602 for German Private Investors filing jointly). A deduction of related expenses for tax purposes is not possible. In addition, German Private Investors will only be able to offset losses realised upon the sale of the Securities against other investment income (e.g. interest income) but not against other types of income (e.g. employment income). Losses not utilised in one year may be carried forward into subsequent years but may not be carried back into preceding years. According to the view of German tax authorities losses suffered upon a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) (to the extent the waiver does not qualify as a hidden contribution) shall, in general, not be deductible for tax purposes. With respect to a bad debt loss a German lower fiscal court has recently confirmed the view of the German tax authorities in a non-final decision. Furthermore capital losses might not be recognised by the German tax authorities if the Securities are sold at a market price, which is lower than the transaction costs or if the level of transaction costs is restricted because of a mutual agreement that the transaction costs are calculated by subtracting a certain amount from the sales price. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court.

As a matter of principle, the tax on the investment income is collected by way of withholding. If the Securities are kept or administered in a domestic securities deposit account by a German credit or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm (*Wertpapierhandelsunternehme*n) or a German securities trading bank (*Wertpapierhandelsbank*) (together, the "**Domestic Paying Agent**") from the time that they are acquired, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the German Private Investor, church tax, is levied on capital gains from the sale or the redemption of the Securities, resulting in a total withholding tax charge of 26.375 per cent. If the Securities are sold after being transferred to a Domestic Paying Agent, the 25 per cent. withholding tax (plus 5.5 per cent. solidarity surcharge thereon and, if applicable to the German Private Investor, church tax) would be levied on 30 per cent. of the proceeds from the sale, unless the German Private Investor or the previous account bank was able and allowed to provide evidence of the German Private Investor's actual acquisition costs to the Domestic Paying Agent. The applicable withholding tax rates is in excess of the aforementioned rates if church tax is applicable to and collected for a German Private Investor. In the case of capital gains from the sale or redemption of the Securities as of 1 January 2015, the collection of church tax, if applicable, is provided as standard procedure by a Domestic Paying Agent unless a German Private Investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). The lump-sum tax allowance mentioned above will be taken into account in determining the withholding tax if the German Private Investor files a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent where the securities deposit account, to which the Securities are allocated, is held.

To the extent the flat tax was accurately withheld and paid by the Domestic Paying Agent, any income tax liability of the German Private Investor will generally be satisfied (i.e. in such case, a German Private

Investor is not obliged to include the respective investment income in its tax return or to pay additional taxes thereon). Notwithstanding such final withholding flat tax concept, a German Private Investor may apply for a tax assessment at the flat tax rate (*Wahlveranlagung zum pauschalen Steuersatz*); such optional tax assessment can lead to a favourable tax treatment (e.g. in cases where the lump-sum tax allowance or tax-losses from other investment income has not been taken into consideration for determination of the withholding tax at the level of the Domestic Paying Agent). Further, a German Private Investor may apply for a tax assessment in respect of his entire investment income (including income from the Securities) at his individual tax rate if such individual tax rate is lower than 25 per cent. (*Wahlveranlagung zum individuellen Steuersatz*).

If no Domestic Paying Agent is involved in the payment process or no or not sufficient withholding tax was withheld, a German Private Investor will have to include his income on the Securities in his tax return and the flat income tax of 25 per cent., plus a 5.5 per cent. solidarity surcharge thereon and church tax, if any, will be collected by way of tax assessment (*Pflichtveranlagung zum pauschalen Steuersatz*). Also, a German Private Investor may apply for a tax assessment at his individual tax rate in respect of his entire investment income in the event that his individual income tax rate is lower than 25 per cent.

Securities held by Tax Residents as Business Assets

If the Securities are held by an individual investor who has a residence or his habitual abode in Germany among its business assets for tax purposes (*steuerliches Betriebsvermögen;* such an investor a "**German Business Investor**") any income from the Securities is subject to German trade tax (*Gewerbesteuer*) at an effective trade tax rate between approximately 7 per cent. and 17.5 per cent. depending on the municipal trade tax levy factor; trade tax is only levied to the extent the entire business income exceeds a tax exemption amount of €24,500. Further, income from the Securities is subject to individual income tax at a progressive rate of up to 45 per cent. (plus solidarity surcharge thereon and, if applicable, church tax). The trade tax burden may not be deducted from the tax base for income tax purposes; however, the German Business Investor may set off trade tax effectively levied on his business income on a lump-sum basis against his individual income tax liability depending on the particular circumstances. Losses realised on the sale of the Securities may be offset in particular against other items of positive income subject to the general tax rules.

If the Securities are held by a corporate investor that is tax resident in Germany (i.e. a fully taxable corporation with its statutory seat or place of effective management in Germany – "**German Corporate Investor**"), any income from the Securities is subject to German trade tax (*Gewerbesteuer*) at an effective trade tax rate between approximately 7 per cent. and 17.5 per cent. depending on the municipal trade tax levy factor. Further, income from the Securities is subject to corporate income tax at a rate of 15 per cent. (plus solidarity surcharge thereon leading to an effective corporate income tax rate of 15.825 per cent.); any trade tax levied at the level of the German Corporate Investor may not be deducted for the purposes of determining the corporate income tax base. Any losses realised upon the sale or redemption of the Securities may generally be offset against other items of positive income subject to the general tax rules.

In the case of a German Corporate Investor and – upon formal application – in the case of a German Business Investor, no withholding tax on capital gains from the sale of Securities will be levied by a Domestic Paying Agent. Any withholding tax effectively levied by a Domestic Paying Agent is generally fully creditable against the German Business Investor's individual income tax liability or refundable, as the case may be.

Securities Held by Non-Tax Residents

Income derived from the Securities by holders who are not tax resident in Germany is in general outside the scope of German taxation, and no withholding tax shall be levied, provided however that (a) the Securities are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, and (b) the Securities are not presented for payment or

credit at the offices of a German credit or financial services institution including a German branch of a foreign credit or financial services institution (over-the-counter transaction).

If the income derived from the Securities is subject to German taxation under (a) above, the income is subject to taxation similar to that described above under "*Germany – Income Tax - Securities Held by Tax Residents as Business Assets*". If the income derived from the Securities is subject to German taxation under (b) above, the payment of withholding tax will generally satisfy any German income tax liability of the Securityholders in respect of such investment income. In certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Investment Tax Act

The Issuer takes the view that it does not qualify as an investment fund within the meaning of the German Investment Tax Act (*Investmentsteuergesetz*). Therefore, it does not intend to fulfil the reporting and publication requirements applicable to investment funds under the German Investment Tax Act. In addition, the Issuer takes the view that it does not qualify as an investment fund under the German Investment Tax Act as amended by the Investment Tax Reform Act (*Investmentsteuermodernisierungsgesetz*), which is applicable as of 1 January 2018. German investors are nevertheless urged to seek their own legal advice on the general application and any tax implications of the German Investment Tax Act.

Inheritance and Gift Tax

The transfer of Securities is subject to German inheritance/gift tax if the decedent/donor and/or the beneficiary qualify as a German tax resident for the purposes of the German inheritance/gift tax rules. Such German tax residency is in particular assumed if (a) the relevant person has a residence or his habitual abode in Germany or (b) is a German citizen living outside of Germany for less than 5 years; further, certain expatriates may also be regarded as tax resident for the purposes of German inheritance/gift tax. In addition hereto, the (indirect) transfer of Securities may also be subject to German inheritance/gift tax if the Securities are attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany.

The transfer is subject to inheritance/gift tax at a rate between 7 per cent. and 50 per cent. depending on (a) the relationship between the decedent/donor and the beneficiary and (b) the total value of the assets transferred; further, inheritance/gift tax is subject to *de minimis* tax exemptions (also depending on the relationship between the decedent/donor and the beneficiary). Where the Securities are attributable to a German trade or business, particular exemptions may apply.

Other Taxes

No stamp, issue, registration, value added, capital transfer or similar taxes or duties are payable, at present, in Germany in connection with the issuance, delivery or execution, or the purchase, sale or other disposal of the Securities. However, under certain circumstances entrepreneurs may choose liability to German value added tax with regard to the sales of the Securities to other entrepreneurs which would otherwise be tax exempt. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

Ireland

The following is a summary of the position of persons who are the absolute beneficial owners of Securities and may not apply to certain classes of persons such as dealers and certain tax exempt bodies. This general summary is based upon Irish taxation laws currently in force, regulations promulgated thereunder, specific proposals to amend any of the foregoing publicly announced prior to the date hereto and the currently published administrative practices of the Irish Revenue Commissioners, all as of the date hereof. Taxation laws are subject to change, from time to time, and no representation is or can be made as to whether such laws will change or what impact, if any, such changes will have on the statements contained in this summary. It is assumed for the purposes of this summary that any proposed amendments will be

enacted in the form proposed.

The Directors have been advised that the Issuer is resident in Ireland for Taxation purposes and it is intended that the Issuer will continue to be tax resident in Ireland. On this basis, the Taxation position of the Issuer and Securityholders is as set out below.

Residence

Individual

An individual will be regarded as being resident in Ireland for a particular twelve month tax year if they (a) spend 183 days or more in Ireland in that twelve month tax year; or (b) they have a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence by an individual of not more than 30 days in Ireland in a twelve month tax year will be disregarded for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

Company

Irish tax legislation provides that a company incorporated in Ireland will be regarded for all tax purposes as being tax resident in Ireland. A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where (a) the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the European Union or in a taxation treaty country; or (b) the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

The Issuer

The Issuer will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Issuer is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Issuer will be conducted in such a manner as to ensure that it is resident in Ireland for tax purposes.

The Issuer will be taxable as a securitisation company pursuant to Section 110 of the Taxes Consolidation Act 1997. Profits arising to the Issuer shall be taxable at a rate of 25 per cent. The rules applicable in order to calculate this tax are generally the same as those applicable to a regular trading company. All expenses that are not capital in nature and are wholly and exclusively for the purposes of the Issuer's activities and are not specifically prohibited by statute will be deductible from income in order to determine taxable profits. Any losses incurred by the Issuer will be available for set off against profits for any subsequent accounting period for so long as the Issuer continues to be subject to the Section 110 taxation regime. It is expected that the Issuer will generate a nominal amount of taxable profits as it is a special purpose vehicle established for the sole purpose of issuing the Securities of each Series. As a result of this it is expected that the Issuer will suffer a nominal liability to Irish corporation tax.

The activities of the Issuer constitute exempt financial services for Irish VAT purposes and as such, the Issuer will not be required to charge Irish VAT on services provided by it, and will only be entitled to recover Irish VAT that is charged on services purchased by it to the extent that such services relate to qualifying activities.

Fees paid by the Issuer in respect of the management services rendered in relation to the Issuer will be exempt from Irish VAT.

The Issuer will be required to account for Irish VAT at the standard rate in respect of services received which fall outside the definition of management services.

Withholding Tax

No payments made by the Issuer to Securityholders are required to be made under deduction or withholding for or on account of Irish tax.

Securityholders

Securityholders who are neither Irish Resident nor Irish Ordinary Resident

No Irish income or capital gains tax shall arise on the occasion of an early redemption, buy-back or disposal in respect of a Security if (a) the Securityholder is neither resident in Ireland for tax purposes nor ordinarily resident in Ireland for tax purposes[2], and (b) the Securities are not secured over Irish land or real property.

Securityholders who are Irish Resident or Irish Ordinary Resident

Individual Securityholders who are resident in Ireland for tax purposes or ordinarily resident in Ireland for tax purposes will be liable to Irish capital gains tax at a rate of 33 per cent. on any gains arising on an early redemption, buy-back or disposal in respect of a Security. Reliefs and allowances may be available in computing the Securityholder's liability. Where such tax arises, the obligation falls on the Securityholder to account on a self-assessment basis to the Irish Revenue Commissioners for such payment of taxes.

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

General

Where a currency gain is made by a Securityholder on an early redemption, buy-back or disposal of such Securities, the Securityholder may also be liable to Irish capital gains tax with respect to such gain in the year of assessment in which the Securities are disposed of.

Stamp Duty

Stamp duty will not be imposed on the issue or transfer of the Securities provided the money raised by the Securities is used in the course of the Issuer's business.

Capital Acquisitions Tax

A gift or inheritance comprising Securities will be within the charge to capital acquisitions tax if either (a) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland for tax purposes (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (b) if the Securities are regarded as property situate in Ireland. This tax is charged on gifts and inheritances above a certain threshold determined both by the relationship between the disponer and the donee/successor and previous gifts or inheritances received.

Italy

The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does

[2] An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident.

not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as, by way of example, dealers in securities or commodities and funds) may be subject to special rules.

General

Provided the Securities qualify as derivative instruments for the purposes of Italian tax law, pursuant to Article 67 of Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997 ("**Decree 461**"), as subsequently amended, where an Italian resident securityholder is (a) an individual not engaged in an entrepreneurial activity to which the securities are connected, (b) a non-commercial partnership or (c) a non-commercial private or public institution, any capital gains realised by such securityholder from the disposal or redemption of the securities would be subject to the *imposta sostitutiva* (substitute tax), levied at a rate of 26%.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt, under certain conditions, for one of the following regimes:

(a) under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian-resident individuals not engaged in an entrepreneurial activity to which the securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual securityholders holding the securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in their annual tax return and pay the *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward and set off against capital gains of the same nature realised in any of the four succeeding tax years. Due to a recent change of rates, capital losses may be carried forward to set off capital gains for an overall amount of 76.92% if realised from 1 January 2012 to 30 June 2014; or

(b) as an alternative to the tax declaration regime, Italian resident individual securityholders holding the securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each disposal or redemption of the securities (the *risparmio amministrato* regime) according to Article 6 of Decree 461. Such separate taxation of capital gains applies when:

   i. the securities are deposited with an Italian bank, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries (each an "**Intermediary**"); and

   ii. an express election for the *risparmio amministrato* regime is made in a timely manner in writing by the relevant securityholder.

   The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each disposal or redemption of the securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the *imposta sostitutiva* to the Italian tax authorities on behalf of the securityholder, deducting a corresponding amount from the proceeds to be credited to the securityholder or using funds provided by the securityholder for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a disposal or redemption of the securities may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Due to a recent change of rates, capital losses may be carried forward to set off capital gains for an overall amount of 76.92% if realised from 1 January 2012 to 30 June 2014. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains/losses in its annual tax return.

(c) in the risparmio gestito regime, any capital gains realised by Italian resident individuals holding the

securities not in connection with an entrepreneurial activity and who have entrusted the management of their financial assets (including the securities) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at tax year-end, subject to a 26% substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the tax year-end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Due to a recent change of rates, depreciation of the managed assets accrued at tax year-end may be carried forward against increases in value of the managed assets for an overall amount of 76.92% if accrued from 1 January 2012 to 30 June 2014. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains or losses realised in its annual tax return.

Any gain obtained from the disposal or redemption of the Securities will be treated as part of taxable income (and, in certain circumstances, depending on the "status" of the noteholder, also as part of net value of the production for IRAP (i.e. regional tax) purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Securities are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

A 26% *imposta sostitutiva* on capital gains may be payable on capital gains realised on the disposal or redemption of the securities by non-Italian resident persons or entities without a permanent establishment in Italy to which the securities are effectively connected, if the securities are held in Italy.

However, pursuant to Article 23, letter f), no. 3 of Decree 917 of 22 December 1986, capital gains realised by non-Italian resident securityholders without a permanent establishment in Italy to which the securities are effectively connected from the disposal or redemption of securities traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, in certain cases (in particular, where the *risparmio amministrato* regime applies or where option is made for the *risparmio gestito* regime) subject to timely filing of required documentation (in particular, a self-declaration that the Securityholder is not resident in Italy for tax purposes).

Capital gains realised by non-Italian resident Securityholders without a permanent establishment in Italy to which the Securities are effectively connected from the disposal or redemption of Securities, even if the securities are not traded on a regulated market, are not subject to the *imposta sostitutiva*, *provided that* the Securityholder is:

(a) a beneficial owner resident, for tax purposes, in a country allowing an adequate exchange of information with Italy;

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy;

(c) an "institutional investor", whether or not subject to tax, which is established in a country allowing an adequate exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of establishment; or

(d) a central bank or an entity which manages, inter alia, the official reserves of a foreign State.

If the conditions above are not met, capital gains realised by non-Italian resident Securityholders without a permanent establishment in Italy to which the Securities are effectively connected from the disposal or redemption of Securities not traded on a regulated market may be subject to the *imposta sostitutiva* at the current rate of 26%. However, Securityholders may be able to benefit from an applicable double tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Securities are taxed only in the country where the recipient is tax resident, subject to satisfying certain conditions. In order to benefit from the applicable treaty regime, such non-Italian resident Securityholders may in certain cases (in particular, where the *risparmio amministrato* regime applies or where option is made for the *risparmio gestito* regime) be required to file a certificate of tax residence issued by the foreign competent tax

authority.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Securities deposited with an Intermediary, but non-Italian resident Securityholders retain the right to waive its applicability.

In order to engross payment, such non-Italian resident Securityholders may in certain cases (in particular where the *risparmio amministrato* regime applies or where option is made for the *risparmio gestito* regime) be required to file a self-declaration.

The tax treatment of the Securities described above has been confirmed by the Italian tax authorities decision No. 72/E July 2010 dealing with the Italian tax treatment of investment in secured exchange commodities. Nevertheless, should the Italian tax authority and/or tax courts take the view that, regardless of the previous position taken by the Italian tax authority in its decision No. 72/E, the Securities are to be characterised as debt instruments representing so-called "atypical securities" pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 (as subsequently amended and supplemented) a different tax treatment would apply. In particular payments relating to the Securities made to certain categories of Securityholders would be subject to an Italian withholding tax, levied at the rate of 26%.

In the event the Securities were deemed to constitute units in a foreign investment fund established in a State of the European Union, but not subject to supervision therein, income from capital deriving from the Securities should instead be included in the taxable income of the Italian resident recipient subject to income tax at the ordinary progressive income tax rates and municipal and regional surcharges, where applicable, and may be subject to a 26% advance withholding tax applied by Italian resident entities, if any, which intervene in the payment of the relevant proceeds as well as in the repurchase or negotiation of the Securities.

Italian inheritance and gift tax

Pursuant to Law Decree No. 262 of October 3, 2006, as subsequently amended, subject to certain exceptions, the transfer of the Securities by reason of gift, donation or succession proceedings is generally subject to Italian inheritance tax and gift tax as follows:

(a) 4% for transfers in favour of spouses and direct descendants and ascendants on the value of the inheritance or the gift exceeding, for each beneficiary, a threshold of € 1,000,000;

(b) 6% for transfers in favour of siblings on the value of the inheritance or the gift exceeding, for each beneficiary, a threshold of €100,000;

(c) 6% for transfers in favour of relatives up to the fourth degree and to all relatives in law in direct line and to other relatives in law up to the third degree, on the entire value of the inheritance or the gift; and

(d) 8% for transfers in favour of any other person or entity, on the entire value of the inheritance or the gift.

If the heir/heiress and/or the donee is a person with a severe disability, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds €1,500,000.

Wealth Tax

According to Article 19 of Law Decree No. 201 of December 6, 2011 ("Decree No. 201"), Italian-resident individuals holding financial assets – including the Securities – outside of Italy without the involvement of an Italian financial intermediary are required to pay a wealth tax currently at the rate of 0.20%. The wealth tax applies on the market value at the end of the relevant year or, in the absence of a market value, on the nominal value or redemption value of such financial assets held outside Italy. Taxpayers are entitled to deduct from the wealth tax a tax credit equal to any wealth taxes paid in the country where the financial

assets are held (up to the amount of the Italian wealth tax due).

Stamp taxes and duties

According to Article 19 of Decree No. 201, a proportional stamp duty generally applies on a yearly basis currently at the rate of 0.20% calculated on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product or financial instruments (including the Securities) deposited by either Italian or non-Italian residents with an Italian financial intermediary. For investors other than individuals, the annual stamp duty cannot exceed €14,000. Based on the law and the implementing decree issued by the Italian Ministry of Finance on May 24, 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on June 20, 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Certain reporting obligations for Italian resident Securityholders

Pursuant to Law Decree No. 167 of June 28, 1990, individuals, non-profit entities and certain partnerships (in particular, *società semplici* or a similar partnership in accordance with Article 5 of Decree 917) resident in Italy holding financial assets, including the Securities, outside Italy (without the intervention of an Italian resident intermediary) are required to report, in their Italian tax return, the value of their financial assets held abroad. The requirement applies also where the persons above, not being the direct holders of the financial instruments, are the beneficial owners of the instrument.

The above reporting requirement is not required to be complied with in respect of Securities deposited for management or administration with qualified Italian financial intermediaries, subject to the condition that the items of income derived from the Securities have been subject to withholding or substitute tax by the same intermediaries.

Implementation in Italy of the Savings Directive

Under the Savings Directive, each EU Member State is required to provide to the competent authorities of another EU Member State details of payments of interest or other similar income paid or secured by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other EU Member State. For a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain EU Member States have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in an EU Member State.

On 10 November 2015, the Council of the European Union approved the Council Directive 2015/2060/EU which has repealed the Savings Directive with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States. The repeal of the Savings Directive is needed in order to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive No. 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive No. 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Cooperation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

Luxembourg

Please be aware that the residence concept used below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*), a temporary equalisation tax (*impôt d'équilibrage budgétaire temporaire*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

There are compelling arguments to say that payments made at the redemption of the Securities (which by definition depend on the value of the underlying commodity) should be treated as capital gains subject to Luxembourg income tax as explained below under section 1. Should such payments under the Securities however be qualified as interest for Luxembourg tax purposes, they may be subject to withholding tax as explained below under section 2.

Qualification of the income earned on the Securities as capital gains

Taxation of Luxembourg non-residents

Holders of Securities who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Securities is connected, would not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal, payments received upon redemption, repurchase or exchange of the Securities or capital gains realised upon disposal or repayment of the Securities.

Taxation of Luxembourg residents

Holders of Securities who are residents of Luxembourg would not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident individual Securityholders would not be subject to taxation on capital gains upon the sale, redemption or exchange of the Securities, unless the sale, redemption or exchange of Securities precedes the acquisition of the Securities or the Securities are disposed of within six months of the date of acquisition of these Securities.

Luxembourg resident corporate Securityholders, or Securityholders who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Securities is connected, must for income tax purposes include in their taxable income the difference between the sale or redemption price and the lower of the cost or book value of the Securities sold or redeemed. The same inclusion applies to Luxembourg resident individual Securityholders, acting in the course of the management of a professional or business undertaking.

Luxembourg resident corporate Securityholders which are companies benefiting from a special tax regime (such as family estate management companies subject to the law of 11 May 2007, as amended, undertakings for collective investment subject to the law of 17 December 2010, as amended or specialised investment funds subject to the law of 13 February 2007, as amended) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

Qualification of the income earned on the Securities as interest income

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Securityholders or so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest), nor is any Luxembourg withholding tax payable upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Securities.

Corporate holders of Securities

The same treatment as set out in section 1 will apply regardless of the qualification of the income as capital gains or as interest income.

Individual holders of Securities

Taxation of Luxembourg non-residents

In accordance with the law of 25 November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Savings Directive as from 1 January 2015. Payments of interest by Luxembourg paying agents to non resident individual Securityholders and to certain residual entities are thus no longer subject to any Luxembourg withholding tax.

Taxation of Luxembourg residents

Under the Luxembourg law dated 23 December 2005, as amended (the "**December 2005 Law**"), interest payments made by paying agents established in Luxembourg (as defined in the December 2005 Law) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC as replaced by Directive 2009/65/EC of the European Parliament and of the Council or for the exchange of information regime) are subject to a 10 per cent. withholding tax (the "**10 per cent. Withholding Tax**"). Responsibility for the 10 per cent. Withholding Tax will be assumed by the Luxembourg paying agent.

Pursuant to the December 2005 Law Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive (the "**10 per cent. Self-Declared Tax**").

The 10 per cent. Withholding Tax or the 10 per cent. Self-Declared Tax represents the final income tax liability for a Luxembourg resident individual acting in the course of the management of his/her private wealth.

Net Wealth Taxation

Luxembourg net wealth tax will not be levied on a corporate Securityholder, unless: (a) such holder of Securities is a Luxembourg resident other than a holder of Securities governed by (i) the laws of 17 December 2010 on undertakings for collective investment, as amended; (ii) the law of 13 February 2007 on specialised investment funds, as amended; (iii) the law of 22 March 2004 on securitisation, as amended; (iv) the law of 15 June 2004 on venture capital vehicles, as amended; or (iv) the law of 11 May 2007 on family estate management companies, as amended; or (b) the Securities are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

Individual holders of Securities are not subject to Luxembourg net wealth tax.

Other Taxes

Neither the issuance nor any subsequent transfer of Securities will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties, unless the documents relating to the Securities are voluntarily registered in Luxembourg.

Where a holder of Securities is a resident of Luxembourg for tax purposes at the time of his/her death, the Securities are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Securities if embodied in a Luxembourg deed or recorded in Luxembourg.

The Netherlands

For the purpose of this paragraph, "the Netherlands" shall mean that part of the Kingdom of the Netherlands that is in Europe.

For the purpose of this paragraph it is assumed that the place of effective management of the Issuer is not situated in the Netherlands and that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes.

Scope

Regardless of whether or not a Securityholder is, or is treated as being, a resident of the Netherlands, this summary does not address the Dutch tax consequences for such a holder:

(a) having a substantial interest (*aanmerkelijk belang*) in the Issuer (such a substantial interest is generally present if an equity stake of at least 5 per cent., or a right to acquire such a stake, is held, in each case by reference to the Issuer's total issued share capital, or the issued capital of a certain class of shares);

(b) who is a private individual and may be taxed in box 1 for the purposes of Dutch income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Securities are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Securities;

(c) which is a corporate entity and a taxpayer for the purposes of Dutch corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer (such a participation is generally present in the case of an interest of at least 5 per cent. of the Issuer's nominal paid-in capital);

(d) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Dutch corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes,

(e) that is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten, or

(f) which is not considered to be the beneficial owner (*uiteindelijk gerechtigde*) of proceeds from the Securities.

This summary does not describe the Netherlands tax consequences for a person to whom the Securities are attributed on the basis of the separated private assets provisions (*afgezonderd particulier vermogen*) in the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and/or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).

Withholding tax

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political

subdivision or taxing authority thereof or therein.

Income tax

Resident Securityholders

A Securityholder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Dutch income tax, must record the Securities as assets that are held in box 3. Taxable income with regard to the Securities is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4 per cent. of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as this yield basis exceeds a certain threshold. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities, less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Securities will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30 per cent. The fixed rate of 4% of deemed return of the individual's yield basis and the threshold are likely to be amended as from January 2017.

Non-resident Securityholders

A Securityholder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Dutch income tax, will not be subject to such tax in respect of benefits derived from the Securities.

Corporate income tax

Resident Securityholders or Securityholders having a Dutch permanent establishment

A Securityholder who is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands, is taxed in respect of benefits derived from the Securities at rates of up to 25 per cent.

Non-resident Securityholders

A Securityholder who is a corporate entity and for the purposes of Dutch corporate income tax is neither a resident, nor treated as being a resident, of the Netherlands, has no permanent establishment in the Netherlands (and is not treated as having such a permanent establishment), will not be subject to such tax in respect of benefits derived from the Securities.

Gift and inheritance tax

Resident Securityholders

Dutch gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Securities by way of a gift by, or on the death of, a holder of Securities who is a resident, or treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

Non-resident Securityholders

No Dutch gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Securities by way of a gift by, or on the death of, a holder of Securities who is neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Dutch gift and inheritance tax.

Other taxes

No Dutch turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the issue of Securities, with respect to any cash settlement of Securities or with respect to the delivery of Securities. Furthermore, no Dutch registration tax, capital tax, transfer tax or stamp duty (nor any other similar tax or duty) will be payable in connection with the issue or acquisition of the Securities.

Norway

Classification

Norwegian tax law is based on substance over form. Thus the economic reality might overrule the formalities for income tax purposes. As the Issuer does not carry a debt obligation exceeding the Secured Property (precious metal) in respect of a Series of Securities, and the Securityholder under some conditions might receive an amount of the relevant Metal instead of cash redemption, it cannot be ruled out that the Securityholder could be considered as a co-owner of the precious metal.

In the following we assume that the Securities do not qualify as a co-ownership of precious metal for income tax purposes. The description below is based on the assumption that the debentures are considered as debt instruments for tax purposes.

Investors should consult their professional tax advisers regarding the Norwegian tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Securities in their particular circumstances.

Norwegian Securityholders

This section summarises Norwegian tax rules relevant to Securityholders that are residents of Norway for Norwegian tax purposes ("**Norwegian Securityholders**").

Taxation upon realisation of Securities

The sale or other disposal of debentures is considered a realisation for Norwegian tax purposes for both personal and corporate Securityholders. A capital gain or loss generated by a Norwegian personal Securityholder on a realisation of debentures is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Securityholder's general income in the year of disposal. The tax rate for general income is currently 25 per cent (2016).

The taxable gain/deductible loss on the realisation of Securities is calculated as the difference between the consideration received and the tax purchase price of the Security less costs incurred in relation to the acquisition or realisation of the Security.

Norwegian Securityholders may claim credit for foreign withholding taxes. However, such double tax credit relief would be limited to the applicable withholding tax rate under the applicable tax treaty, as no credit is given for withholding tax exceeding the treaty tax rate.

Net wealth tax

Norwegian limited liability companies and certain similar entities are exempt from Norwegian net wealth tax.

For other Norwegian Securityholders, Securities will form part of their basis for calculation of Norwegian net wealth tax. Listed Securities are valued at 100 per cent. of their quoted value as of 1 January in the assessment year (the year after the income year). The current marginal wealth tax rate is 0.85 per cent.

Foreign Securityholders

Taxation upon realisation of Securities

Capital gains on the realisation of Securities by a foreign Securityholder will not be subject to taxation in Norway unless the holding of the Securities is in connection with the conduct of business activities in Norway.

Net Wealth tax

A foreign Securityholder is not subject to net wealth tax in Norway on Securities in Norwegian companies

unless the holding of Securities is effectively connected with business activities carried out by the Securityholder in Norway.

Duties on the transfer of Securities

No stamp or similar duties are currently imposed in Norway on the transfer or issuance of Securities.

Inheritance tax

Norway does not impose inheritance tax or similar tax on inheritance or gifts. However, the heir acquires the donor's tax input value of the Securities based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realisation of the Securities. However, gifts distributed to other persons than heirs according to law or testament, will be able to revalue the received Securities to market value.

Spain

The following general summary does not consider all aspects of income taxation in Spain that may be relevant to a holder of the Securities in the light of the holder's particular circumstances and income tax situation. This summary applies to Securityholders, who are solely tax resident in Spain, and it is not intended to be, nor should it be construed to be, legal or tax advice. It is based on Spanish tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

Prospective Securityholders are urged to consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Securities, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Spain.

Taxation of a Spanish Tax Resident Individual

Personal Income Tax ("Impuesto sobre la Renta de las Personas Físicas") ("PIT")

Any income derived from the Securities constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of article 25 of the PIT Law, and will therefore, form part of the so-called savings income tax base pursuant to the provisions of the PIT Law. For 2016 tax year, the saving income tax base will be subject to the following tax rates: (i) income up to €6,000 will be taxed at 19 per cent. (ii) any excess up to €50,000 will be taxed at 21 per cent. and (iii) any excess over €50,000 will be taxed at 23 per cent.

In case of transfer, redemption or cash settlement, the income obtained by the investor would be the difference between the amount received (reduced by the expenses related to the transfer) and the acquisition cost or subscription value (increased by the costs related to the acquisition).

As regards income obtained by Spanish resident individuals under the Securities, no Spanish withholding taxes should be deducted by the Issuer if it is an Irish tax resident entity which does not have a permanent establishment in Spain.

However, Spanish withholding taxes on income obtained under the Securities may have to be deducted by other entities as follows:

(i) Interest paid to investors who are Spanish resident individuals will be subject to Spanish withholding tax at the rate applicable from time to time (currently, 19 per cent.) to be deducted by the depositary entity of the Securities or the entity in charge of collecting the income derived there under, provided such entities are resident for tax purposes in Spain or have a permanent establishment in the Spanish territory.

(ii) Income obtained upon transfer of the Securities will be subject to Spanish withholding tax at the rate applicable form time to time (currently, 19 per cent.) to be deducted by the financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.

(iii) Income obtained upon redemption of the Securities will be subject to Spanish withholding tax at the rate applicable from time to time (currently, 19 per cent.) to be deducted by the financial entity appointed by the Issuer (if any) for redemption of the Securities, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.

Amounts withheld may be credited against the final Spanish resident individuals PIT liability.

*Inheritance and Gift Tax ("Impuesto sobre Sucesiones y Donaciones") ("**IGT**")*

Spanish tax resident individuals who acquire ownership or other rights over any Securities by inheritance, gift or legacy will be subject to IGT in accordance with the Spanish IGT Law, without prejudice to the specific legislation applicable in each autonomous region. The effective tax rate, after applying all relevant factors, ranges from 7.65 per cent. to 81.6 per cent. Some tax benefits could reduce the effective tax rate.

Net Wealth Tax ("*Impuesto sobre el Patrimonio*") *("**NWT**")*

For tax year 2016, Spanish tax resident individuals are subject to NWT, which imposes a tax on property and rights in excess of €700,000 held on the last day of any year.

According to Spanish NWT Law (subject to any exceptions provided under relevant legislation in an autonomous region), Spanish tax resident individuals whose net worth is above €700,000 and who hold Securities on the last day of any year would therefore be subject to NWT for such year at marginal rates varying between 0.2% and 2.5% of the average market value of the Securities during the last quarter of such year.

In accordance with article 66 of the Law on Spanish General Budget for the year 2016 (*Ley de Presupuestos Generales del Estado para el año 2016*), during year 2016 the 100% relief of this tax will continue to be repealed; but from the year 2017 a full exemption on NWT would apply (*bonificación del 100%*).

Taxation of a Spanish Tax Resident Company

Corporate Income Tax ("Impuesto sobre Sociedades") ("CIT")

According to article 10.3 of the Spanish CIT Law, income obtained by a Spanish entity from the investment in the Securities would be included in the taxable base of the said entities in accordance with the accounting standards, being taxed at the rate corresponding to the Securityholder (currently, general CIT rate is 25 per cent.).

According to article 61.s of the CIT Regulations in case of Securities negotiated in official markets of OECD countries no withholding tax shall be withheld.

Indirect taxes

The acquisition and transfer of the Securities will be exempt from indirect taxes in Spain (i.e. exempt from Transfer Tax and Stamp Duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September 1993, and exempt from Value Added Tax, in accordance with Law 37/1992 of 28 December 1992 regulating such tax).

Sweden

The summary does not address situations where Securities are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. Further, the summary does not address credit of foreign taxes. Investors should consult their

professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Securities in their particular circumstances.

Securityholders resident in Sweden

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Securities) will be taxable. Specific tax consequences, however, may be applicable to certain categories of corporations, e.g. life insurance companies. Further, specific tax consequences may be applicable if, and to the extent that, a Securityholder realises a capital loss on the Securities and to any currency exchange gains or losses.

If amounts that are considered to be interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes are normally withheld also on other return on Securities (but not capital gains), if the return is paid out together with an amount that is considered to be interest for Swedish tax purposes.

Stamp taxes and duties

No stamp duty, transfer tax or similar tax or duty will apply in Sweden in connection with a transfer of the Securities.

Switzerland

Swiss Tax Resident Securityholders

If the Securities are held as private (as opposed to business) assets, any income derived from the Securities is subject to ordinary Swiss income tax in the hands of the Securityholders, whereas any capital gain is exempt from Swiss income tax. The income tax rate is progressive and varies depending on the canton and commune of residence of the Securityholders.

Commodities certificates are deemed to generate tax-exempt capital gains or non-tax-deductible capital losses, so that Securities held as private assets should in principle not generate taxable income (or tax deductible losses). However, it cannot be ruled out that, depending on the specific terms of the relevant Securities, the Swiss tax authorities would treat the Securities as structured products, combining bond and option components. In that case and provided that the Securities qualify as transparent products within the meaning of the practice of the Swiss Federal Tax Administration (which is the case for most structured products), any proceeds received by the Securityholders upon sale or early redemption of the Securities would have to be allocated between the bond and option component of the Securities (with the income attributed to the bond component being, in principle, characterised as taxable income and the income attributed to the option component as tax-exempt capital gain).

If the Securities are held as business assets or where a Securityholder does qualify as a so-called professional securities dealer for tax purposes (*gewerbsmässiger Wertschriftenhändler*), any income derived from the Securities in excess of their book value is subject to ordinary (individual or corporate) income tax. Contrary to individual income tax, corporate income tax is generally a flat tax (which rate also varies depending on the cantons and commune of seat of the corporation).

Swiss Withholding Tax

Payments under the Securities will not be subject to Swiss withholding tax (of currently 35 per cent.), provided that the Issuer of the Securities is at all times domiciled and effectively managed outside of Switzerland.

A process regarding an amendment of the Swiss withholding tax legislation, which, if enacted, may require a paying agent in Switzerland, subject to certain exceptions, to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Security to a beneficiary resident in Switzerland has currently been put on hold, but shall be restarted at a later stage.

Final Foreign Withholding Taxes

On January 1, 2013 treaties with the United Kingdom and Austria (each a "**Contracting State**") on a final withholding tax (*Abgeltungssteuer)* of Switzerland entered into force.

According to the treaties, a Swiss paying agent may, inter alia, levy a final withholding tax on certain income items, including capital gains, interest and dividends, deriving from assets held on accounts or deposits with a Swiss paying agent, including, as the case may be, Securities. The final withholding tax will substitute the ordinary income tax due by an individual resident of a Contracting State on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency and the treaties provide for a carve-out for interest payments to the extent such interest payments are subject to the EU Savings Tax for Swiss paying agents. It is expected that the treaty with Austria will be terminated once the automatic exchange of information regime between the European Community and Switzerland has been implemented. The future status of the treaty with the United Kingdom is open.

Neither the Issuer nor the Paying Agent nor any other person would be obliged to pay additional amounts with respect to the Securities as a result of the deduction or imposition of final withholding taxes.

Stamp Taxes (Issuance Stamp Tax, Securities Transfer Tax)

The issue of the Securities is not subject to the Swiss federal issuance stamp tax.

The sale or purchase of Securities may be subject to Swiss federal securities transfer stamp tax (0.3 per cent. in relation to foreign securities) if a Swiss securities dealer (e.g. a Swiss bank or broker) is involved as an intermediary or as a counterparty in such transactions and if no specific (full or half) exemption is available. Exemptions may be available in relation to specific parties (e.g. a half exemption applies in relation to a party qualifying as an exempt investor, e.g. collective investment schemes or foreign pension funds) or in relation to specific transactions (e.g. full exemption applies in case of redemptions, or in relation to specific types of securities).

European Directive on the Taxation of Savings Income

Under the Savings Directive, EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted the Amending Savings Directive amending and broadening the scope of the requirements described above. The Amending Savings Directive requires EU Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in an EU Member State must be reported or subject

to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union. In connection with the Amending Savings Directive, Switzerland and the European Community have signed on 27 May 2015, an amendment protocol to the agreement between the European Community and Switzerland dated as of 26 October 2004, which would introduce, if ratified, an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014 in lieu of the withholding system, starting from 2018, and expand the range of payments covered.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, EU Member States will not be required to apply the new requirements of the Amending Savings Directive.

United Kingdom

The comments below are of a general nature based on current United Kingdom law and HMRC practice as at the date this Base Prospectus (which are subject to change, possibly with retrospective effect) and are not intended to be exhaustive. They do not necessarily apply where income is deemed for tax purposes to be the income of any other person. They relate only to the position of United Kingdom resident and domiciled investors, who are the absolute beneficial owners of their Securities and may not apply to certain classes of persons such as dealers or certain professional investors. The following general summary does not constitute legal or tax advice. Any Securityholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

United Kingdom Withholding Tax

On the basis that the Securities do not carry a right to interest, payments in respect of the Securities should be payable without withholding or deduction for or on account of United Kingdom income tax.

Companies within the charge to United Kingdom corporation tax

It is unclear whether the Securities fall to be taxed under the loan relationships legislation contained in Part 5 to the Corporation Tax Act 2009 or under the derivative contracts legislation contained in Part 7 to the Corporation Tax Act 2009.

If the Securities are treated as constituting loan relationships, any profits or losses arising on the Securities would be included in computing the Securityholder's income profits or losses, generally on the basis on which these are recognised in the holder's accounts in accordance with generally accepted accounting practice.

Alternatively the Securities may be treated as prepaid contracts for differences that fall within the derivative contracts legislation. In this case any profits or losses arising on the contract as determined for the purposes of the derivative contracts legislation would be brought into account in computing the Securityholder's income profits.

On the basis that any profits or losses arising on the Securities will be treated as income profits for holders within the charge to corporation tax, the Securities will not fall to be treated as an interest in an offshore fund.

United Kingdom resident individuals

Were the Securities to fall to be treated as deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005, Securityholders within the charge to income tax would be liable to tax as income on any gains realised on disposal (including redemption) of the Securities but would be unable to obtain relief for any losses.

The Issuer has been advised that on the basis of current HMRC practice the Securities should not be treated as debt securities for tax purposes in the hands of individual Securityholders who hold the Securities otherwise than for the purposes of a trade. On this basis the Securities would not fall to be treated as deeply discounted securities. Provided this is the case any gains or losses arising on the Securities would fall to be treated as capital gains or allowable losses, so long as the Securities do not constitute an interest in a non-reporting offshore fund (see below). It is expected that unless any special circumstances apply to an individual Securityholder, HMRC should consider any gains arising on the Securities as capital gains.

In calculating any capital gain or allowable loss on the Securities which are issued in a currency other than sterling, the sterling equivalent of the purchase price, determined using the exchange rate at the date of purchase, will be compared with the sterling equivalent of the disposal proceeds, determined using the exchange rate at the date of disposal.

An individual Securityholder domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to UK Inheritance Tax on their Securities in the event of death or on making certain categories of lifetime transfer.

The attention of individual Securityholders resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, as amended. These provisions are aimed at preventing the avoidance of income tax by UK resident individuals through transactions resulting in the transfer of assets or income to persons (including through non-UK resident companies or trusts) domiciled outside the United Kingdom and may render them liable to taxation in respect of undistributed income and profits of the Issuer on an annual basis. Individuals resident in the United Kingdom but domiciled outside the United Kingdom who are assessed to United Kingdom income tax on the remittance basis of taxation may not be subject to UK income tax under these provisions.

Offshore Funds Rules

Each Series of Securities may constitute an interest in an offshore fund for United Kingdom tax purposes. Unless HMRC approves each Series of Securities as a "**Reporting Fund**" for the purposes of the United Kingdom offshore funds rules and the Reporting Fund status is maintained for each period of account of the Issuer, any gain arising on a disposal of Securities in that Series (for example, by way of transfer or redemption) will constitute income for all purposes of United Kingdom taxation.

The Issuer intends to apply to HMRC for Reporting Fund status in respect of each Series of Securities that it issues and to satisfy the necessary conditions on an ongoing basis. If approval is given by HMRC, Reporting Fund status will apply in relation to each Series of Securities for each period of account of the Issuer provided the Issuer continues to comply with the applicable rules and does not elect in relation to any Series of Securities to become a non-Reporting Fund. For so long as Reporting Fund status is maintained, any profit on a disposal of Securities of a relevant Series (for example, by way of transfer or redemption) by a Securityholder should fall to be taxed as a capital gain.

Stamp Duty

No UK stamp duty will be payable on the issue of the Securities. UK stamp duty will be payable, however, if an instrument of transfer in respect of a Security is executed in the UK.

No UK stamp duty reserve tax will be payable so long as the Register for the Securities is not maintained in the UK. Under the terms of the Principal Trust Deed the Issuer has covenanted at all times to maintain the Register for the Securities outside the UK.

FATCA and other cross-border reporting systems

The US-Ireland Agreement to Improve International Tax Compliance and to Implement FATCA (the "**US-Ireland IGA**") was entered into with the intention of enabling the Irish implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("**FATCA**"), which impose a new reporting regime and potentially a 30 per cent. withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a "**foreign financial institution**" or "**FFI**") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("**reporting financial institutions**") are required to provide certain information about their US accountholders to the Irish Revenue Commissioners (which information will in turn be provided to the US tax authority) pursuant to the US-Ireland IGA (which is expected to be implemented by Irish regulations in due course). It is expected that the Company will constitute a reporting financial institution for these purposes. The Issuer will not, however generally need to report any information to the Irish Revenue Commissioners in respect of US Shareholders, on the basis that the Shares are expected to be treated as being regularly traded on an established securities market and should not, therefore, constitute financial accounts for FATCA purposes for so long as the Shares are listed on the London Stock Exchange or any other recognised stock exchange for Irish tax purposes. It may, however, still need to file a nil return with the Irish Revenue Commissioners. It is the intention of the Issuer and the manager to procure that the Issuer is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-Ireland IGA. No assurance can, however, be provided that the Issuer will be able to comply with FATCA and, in the event that it is not able to do so, a 30 per cent. withholding tax may be imposed on payments it receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to it to make payments to its Shareholders.

Ireland and a number of other jurisdictions have also announced that they propose to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). If implemented into Irish law, this would also require the Issuer to provide certain information to the Irish Revenue Commissioners about Shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

In light of the above, Shareholders in the Issuer will be required to provide certain information to the Issuer to comply with the terms of the reporting systems.

OFFERS

An investor intending to acquire or acquiring any Securities from an Authorised Participant will do so, and offers and sales of the Securities to an investor by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between such Authorised Participant and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Arranger will be a party to any such arrangements with investors (except where the Arranger itself offers Securities to an investor) and, accordingly, this Base Prospectus and any Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Authorised Participant or the Arranger, as applicable. Investors should however note the following:

Amount of the offer: The number of Securities subject to the offer will be determined on the basis of the demand for the Securities and prevailing market conditions and be published.

Offer Price: The offer price per Security will be the delivery of the Metal Entitlement specified in the Final Terms, subject to any applicable fees and commissions of the person offering such Security.

Offer Period: Securities may be offered at any time between the Issue Date of the first Tranche of a Series of Securities and the Maturity Date of such Series.

Publication of a Supplement: If the Issuer publishes a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the Issuer or the Securities, investors who have already agreed to purchase Securities before the supplement is published shall have the right to withdraw their acceptances by informing the relevant distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

SUBSCRIPTION AND SALE

Only Authorised Participants may subscribe for Securities from the Issuer. The Authorised Participant(s) in respect of each Series of 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 Directive. The Issuer has requested the Central Bank to provide the competent authorities in Austria, Finland, Germany, Luxembourg, Spain, Sweden, the Netherlands and the United Kingdom, with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuer may in due course request the Central Bank to provide competent authorities in additional Member States within the European Economic Area with such certificates. The provisions set out in this section "*Subscription and Sale*" should be construed accordingly.

Selling Restrictions

United States

The Securities have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Issuer has not and will not be registered under the Investment Company Act. Subject to certain exceptions, the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has not offered or sold and will not offer and sell Securities within the United States or to or for the account or benefit of, any U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Relevant Member State, each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(a) if the relevant Final Terms in relation to the Securities specify that an offer of those Securities may be made by the Authorised Participant(s) other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of the Base Prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable;

(b) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants appointed by the Issuer for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in paragraphs (b) to (d) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

Austria

In addition to the cases described in the Public Offer Selling Restrictions under the Prospectus Directive in which the Securities may be offered to the public in a Relevant Member State (including Austria), each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it will only make an offer of Securities to the public in Austria in compliance with the Austrian Capital Market Act (Kapitalmarktgesetz, the "**CMA**").

For the purposes of this Austrian selling restriction, the expression "an offer of the Securities to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Denmark

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Securities to the public in Denmark unless in compliance with Chapter 6 or Chapter 12, as applicable, of the Danish Securities Trading, etc. Act (Consolidation Act no 831 of 12 June 2014, as amended) and the Danish executive order no. 1257 dated 6 November 2015 or the Danish executive order no. 811 dated 1 July 2015, as amended, supplemented or replaced from time to time, issued pursuant thereto.

For the purposes of this provision, an offer of the Securities to the public in Denmark means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Dubai International Financial Centre

Each Authorised Participant represents and agrees that it has not offered and will not offer the Securities to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules Module of the DFSA Rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

Finland

Each Authorised Participant Manager represents and agrees in the relevant Authorised Participant Agreement that it has not offered or sold and will not offer or sell, directly or indirectly, any of the Securities to the public in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (746/2012) and any regulation or rule made thereunder, as supplemented and amended from time to time.

France

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that:

(a) ***Offer to the public in France***:

it has only made and will only make an offer of Securities to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* ("**AMF**") of the approval of the Base Prospectus relating to the Securities by the Central Bank under the Prospectus Directive, all in accordance with Articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; and

(b) ***Private placement in France:***

it has not offered or sold and will not offer or sell, directly or indirectly, any Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account and, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

Ireland

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that:

(a) it has not and will not underwrite the issue of, or place, any Securities, otherwise than in conformity than with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007, including, without limitation, Parts 6, 7 and 12 thereof and the provisions of the Investor Compensation Act 1998;

(b) it has not and will not underwrite the issue of, or place, any Securities, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2010 and any codes of conduct rules made under Section 117(1) of the Irish Central Bank Act 1989;

(c) it has not and will not underwrite the issue of, or do anything in Ireland in respect of any Securities otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank; and

(d) it has not and will not underwrite the issue of, place or otherwise act in Ireland in respect of any Securities, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank.

Italy

The offering of the Securities has not and will not be registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to the Italian securities legislation and each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that, accordingly, no Securities may be offered, sold or delivered, nor may this Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 26, first paragraph, letter (d) of CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) ("**Regulation No. 16190**") pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) ("**Regulation No. 11971**");

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Services Act and Article 34-ter of Regulation No. 11971; or

(c) upon notification of the Base Prospectus to CONSOB and completion of the passporting procedure pursuant to the Prospectus Directive, provided that the Base Prospectus has subsequently been completed by the final terms contemplating a Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in the Base Prospectus or the final terms, as applicable.

As at the date of this Base Prospectus, the Issuer has not submitted a request to the Central Bank to provide CONSOB, as competent authority in Italy, with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive for the purpose of making a public offer or for admission to trading of all or any Series of Securities on a regulated market in Italy or both.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that, until such time as the Base Prospectus is notified to CONSOB and the passporting procedure pursuant to the Prospectus Directive has been completed, Authorised Participants shall comply with (a) and (b) above.

Moreover, and subject to the foregoing, each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that any offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus or any other document relating to the Securities in the Republic of Italy shall be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, Regulation No. 16190 and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"); and

(ii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy.

Pursuant to Article 100-*bis* of the Italian Financial Services Act, where no exemption from the rules on public offerings applies, the Securities which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

The Netherlands

Each Authorised Participant has represented and agreed in the relevant Authorised Participant Agreement that it will not make an offer of Securities which are outside the scope of the approval of this Base

Prospectus, as completed by the Final Terms relating thereto, to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Prospectus Directive (as defined under "Public Offer Selling Restriction under the Prospectus Directive") or (ii) standard exemption wording and logo are disclosed as required by Section 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Securities shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Spain

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that until the Base Prospectus has been registered with the Comisión Nacional del Mercado de Valores (the "**CNMV**"), no Securities may be offered or sold in Spain nor any document or offer material be distributed in Spain or targeted at Spanish resident investors save in compliance and in accordance with the requirements set out in the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*), and Royal Decree 1310/2005, both as amended, and any regulation issued thereunder.

Once the Base Prospectus has been passported into Spain, any offer of Securities in Spain made pursuant to such passported Base Prospectus shall be addressed only, and offer material will be solely made available, to those investors to which the offer is addressed according to the terms of the Base Prospectus as passported into Spain.

Switzerland

The Securities do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (the "**CISA**"). Therefore, the Securities are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority ("**FINMA**") and investors in the Securities will not benefit from protection under the CISA or supervision by FINMA.

Neither this Base Prospectus nor any other offering or marketing material relating to the Securities constitute a prospectus within the meaning of (i) Articles 652a or 1156 of the Swiss Federal Code of Obligations, (ii) Article 5 CISA and its implementing regulations or (iii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange.

The Securities may not be distributed (such term including any advertising type of activity whose object is the purchase of Securities by an investor) to non-qualified investors within the meaning of the CISA (the "**Non-Qualified Investors**") in or from Switzerland. The Securities may only be distributed, and any Final Terms, term sheets, fact sheets, or any other marketing material relating to the Securities may only be made available to qualified investors according to Article 10 paras. 3, 3^{bis}, 3^{ter} and 4 CISA and its implementing provisions, as amended (the "**Qualified Investors**"), in or from Switzerland. Qualified Investors specifically include:

(a) regulated financial intermediaries such as banks, securities traders, fund management companies, asset managers of collective investment schemes, or central banks;

(b) regulated insurance institutions;

(c) public entities or retirement benefits institutions with professional treasury operations;

(d) companies with professional treasury operations;

(e) high-net-worth-individuals pursuant to Article 10 para. 3bis CISA in connection with Article 6 para. 1 of the Ordinance on Collective Investment Schemes of 22 November 2006 ("**CISO**") who have declared in writing that they wish to be deemed Qualified Investors;

(f) investors who have concluded a written discretionary management agreement as defined in Article 3 paras. 2b and c CISA unless they have declared in writing that they not wish to be deemed Qualified Investors; or

(g) other categories of investors deemed by the Swiss Federal Council to be qualified.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it will only distribute the Securities to Qualified Investors in or from Switzerland.

United Kingdom

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement 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 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 Securities in, from or otherwise involving the United Kingdom.

General

These selling restrictions may be modified by the agreement of the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification may be set out in a supplement to this Base Prospectus if required.

None of the Issuer or any Authorised Participant represents that the Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Authorised Participant agrees in the relevant Authorised Participant Agreement that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

The Issuer consents to the use of this Base Prospectus, and has accepted responsibility for the content of this Base Prospectus, with respect to the subsequent resale or final placement of Securities by any Authorised Participant and any Authorised Distributor appointed by an Authorised Participant that complies with the Authorised Distributor Terms in Ireland and the United Kingdom and, subject to the public offer selling restrictions under the Prospectus Directive, applicable local regulations and/or completing the appropriate passporting procedure pursuant to the Prospectus Directive, any of Austria, Finland, Germany, Luxembourg, Spain, Sweden the Netherlands and, in respect of resales or final placements to qualified investors (as defined in the Prospectus Directive) only, any of Belgium, Denmark, France, Italy, Norway and Portugal. This consent is valid for 12 months from the date of publication of the Base Prospectus.

Investors should be aware that information on the terms and conditions of the offer by any Authorised Participant or Authorised Distributor shall be provided at the time of the offer by such Authorised Participant or Authorised Distributor. Any Authorised Participant or Authorised Distributor using this Prospectus for the purpose of any offering must state on its website that it uses this Prospectus in accordance with the consent given and the conditions attached thereto.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

iSHARES PHYSICAL METALS PLC

Issue of [*specify number of Securities comprising the relevant Tranche*] Securities of iShares Physical [Gold/Silver/Platinum/Palladium] ETC

being the Tranche Number [*Insert Tranche Number*] of iShares Physical [Gold/Silver/Platinum/Palladium] ETC issued under its Secured Precious Metal Linked Securities Programme (the "**Securities**")

Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 12 December 2016 [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the final terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [(as so supplemented)]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and any Supplement to the Base Prospectus are available for viewing on the website maintained on behalf of the Issuer at www.ishares.com, at the registered office of the Issuer and at the specified office of the Initial Registrar [and the Paying Agent(s)] and copies may be obtained from the office of the Initial Registrar [or the Paying Agent(s)]. A summary of the individual issue is annexed to these Final Terms.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. 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 the Base Prospectus under Article 16 of the Prospectus Directive.*]

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.

1	Issuer:		iShares Physical Metals plc
2	(i)	Series:	iShares Physical [Gold/Silver/Platinum/Palladium] ETC
	(ii)	Tranche Number:	[●]*[(If fungible with an existing Series, include details of that Series, including the date on which the Securities become fungible).]*
3	Aggregate Number of Securities of the Series:		
	(i)	Prior to the issue of the Tranche of Securities to which these Final Terms relate:	[●]
	(ii)	Immediately following the	[●]

		issue of the Tranche of Securities to which these Final Terms relate:	
	(iii)	Comprising the Tranche of Securities to which these Final Terms relate:	[●]
4	Metal Entitlement pertaining to the Subscription Trade Date of the Tranche of Securities to which these Final Terms relate (if not the first Tranche of Securities of the Series):		[●]
5	(i)	Issue Date of this Tranche of Securities:	[●]
	(ii)	Date on which Board approval for issuance of Securities obtained:	[●]

TRANSACTION PARTIES

6	Authorised Participant(s):	As at the Issue Date of the Tranche of Securities to which these Final Terms relate: [*Give name and address of institution(s)*] The full list of Authorised Participants in respect of the Series from time to time will be published on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders).
7	Metal Counterparty(ies) (as at the Issue Date of the Tranche of Securities to which these Final Terms relate):	[●] [*Give name and address of institution(s)*]
8	[Paying Agent(s):]	[*Where a Paying Agent is applicable* [●]]/[●] *[Give name and address of institution(s)]*

PROVISIONS RELATING TO FEES

9	Total Expense Ratio (as at the Issue Date of the Tranche of Securities to which these Final Terms relate):	[●]
10	Subscription Fee (as at the Issue Date of the Tranche of Securities to which these Final Terms relate):	[●] per Subscription Order
11	Buy-Back Fee (as at the Issue Date of the Tranche of Securities to which these Final Terms relate):	[●] per Buy-Back Order

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

12	Non-exempt Offer:	An offer of the Securities may be made by the Authorised Participant(s) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported*] and any other Relevant Member State where the Base Prospectus (and any supplements) have been notified to the competent authority in that Relevant Member State and published in accordance with the Prospectus Directive.

LISTING AND ADMISSION TO TRADING APPLICATION

[These Final Terms comprise the final terms required to list and have admitted to trading the Tranche of Securities described herein pursuant to the Secured Precious Metal Linked Securities Programme.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

Part B – Other Information

1 **LISTING**

(i) Listing and admission to trading:	[Application has been made for the Securities to be admitted to the official list of the UK Listing Authority and for the Securities to be admitted to trading on the regulated market of the London Stock Exchange.]/[Application has also been made for the Securities to be admitted to the official list of the Frankfurt Stock Exchange, the Borsa Italiana and [*insert any others*] and for the Securities to be admitted to trading on the regulated market thereof.] [The earliest date on which the Securities will be admitted to trading on the regulated market of [the London Stock Exchange]/ [the Frankfurt Stock Exchange]/ [the Borsa Italiana]/ [*insert any others*] will be [●].] Application may be made for the Securities to be listed on additional Stock Exchanges and admitted to trading on additional markets from time to time. [As at the date of these Final Terms, Securities of this Series have been admitted to trading on [the London Stock Exchange]/[and the Frankfurt Stock Exchange]/[and the Borsa Italiana]/[*insert any others*].]
(ii) Relevant Stock Exchange(s):	[●]/[Not Applicable]

2 **[NOTIFICATION**

The Central Bank [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [*include names of competent authorities of host EU Member States*] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.]

4 **REASONS FOR THE OFFER**

Reasons for the offer:	See section headed "*Use of Proceeds*" in the Base Prospectus.

5 **PERFORMANCE OF THE METAL AND OTHER INFORMATION CONCERNING THE METAL**

See description of the Metal in the section entitled "*Precious Metals Market Overview*" in the Base Prospectus.

6 **OPERATIONAL INFORMATION**

ISIN:	[●]
SEDOL:	[●]
WKN (if applicable):	[●]
Relevant Clearing System:	[●]
Delivery:	[Delivery free of payment.]
Intended to be held in a manner which would allow Eurosystem	No

eligibility:

7 **GENERAL**

Applicable TEFRA exemption: Not Applicable

Annex – Issue Specific Summary

[Issue specific summary to be inserted]

GENERAL INFORMATION

1 The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Ireland at the date of the Base Prospectus in connection with the establishment and update of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 21 March 2011 and the update of the Programme was last authorised by a resolution of the Board of Directors of the Issuer passed on 7 December 2016.

2 There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer, in each case, since the publication of the last yearly financial statements of the Issuer.

3 The Issuer is not involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of the Base Prospectus, a significant effect on its financial position or profitability nor is the Issuer aware that any such proceedings are pending or threatened.

4 The Securities represent indebtedness of the Issuer. Securities may be accepted for clearance through any Clearing System including CREST and, from the date on which the Securities are admitted to listing and trading on the Frankfurt Stock Exchange, Clearstream Frankfurt.

The International Securities Identification Number (ISIN), the Stock Exchange Daily Official List (SEDOL) and (where applicable) the WKN and identification number for each Series of Securities will be set out in the relevant Final Terms.

The address for CREST is Euroclear UK and Ireland Limited, 33 Cannon Street, London EC4M 5SB.

The address of Clearstream Frankfurt is Neue Börsenstrasse 1, 60487 Frankfurt am Main, Germany.

The address of Monte Titoli S.p.A. is Piazza degli Affari, 6 – 20123 Milan (Italy).

The address of any other Clearing System that is a Relevant Clearing System for a Series of Securities will be specified in the relevant Final Terms.

5 The Issuer will provide post-issuance information in relation to the Metal Entitlement of the Securities in respect of each day on the immediately following Business Day on the website maintained on behalf of the Issuer at www.ishares.com (or such other website as may be notified to Securityholders in accordance with Condition 18).

6 The Arranger will pay the expenses of the Issuer relating to the admission to trading of Securities on the relevant Stock Exchanges on which the Securities are traded.

7 For so long as Securities may be issued pursuant to the Base Prospectus (in respect of paragraphs 7.1 to 7.7) and for so long as any listed Securities remain outstanding, copies of the current version of each of the documents specified below (together with all earlier versions of such documents to the extent that there are Securities of any Series outstanding in respect of which the version in question of such document is still relevant) will be available in physical format, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of the Adviser:

7.1 the Principal Trust Deed;

7.2 the Custody Agreement;

7.3 the Registrar Agreement(s);

7.4 the Agency Agreement(s);

7.5 each Metal Sale Agreement;

7.6 the Memorandum and Articles of Association of the Issuer;

7.7 the Base Prospectus together with any supplement hereto;

7.8 each Supplemental Trust Deed;

7.9 each Security Deed;

7.10 each set of Final Terms;

7.11 the annual and interim reports of the Issuer for the period from the date of incorporation to 31 October 2016; and

7.12 such other documents (if any) as may be required by the rules of any Relevant Stock Exchange.

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REGISTERED OFFICE OF THE ISSUER

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Ireland

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Ireland

ADMINISTRATOR

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Ireland

ARRANGER AND ADVISER

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