

Brit.Gold (& Brit.Cash)

Gold Terms and Conditions

The Brit.Gold and Brit.Cash Gold Terms and Conditions (hereinafter “**BRIT.GOLD Agreement**” or “**BRIT.GOLD Terms and Conditions**”) constitute an addendum to the General Terms and Conditions for the provisions of and use of the gold denominated and backed token managed by Brit.Gold known as PAX Gold (“**BRIT.GOLD**”). These terms apply to each electronic form or contract executed by users and/or members who use BRIT.GOLD, unless expressly stipulated otherwise in the Brit.Gold Contractual Documentation. To the extent there is a conflict between the BRIT.GOLD Agreement and the General Terms and Conditions, the terms of this BRIT.GOLD Agreement shall govern and control. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the General Terms and Conditions.

1. PRELIMINARY PROVISIONS

• 1.1. Terms and Conditions

- 1.1.1. You must agree to all of the terms of this BRIT.GOLD Agreement. If you do not agree to or accept all of the terms of this BRIT.GOLD Agreement, please immediately discontinue access to, and use of, all Brit.Gold services and products. This BRIT.GOLD Agreement applies to all users and/or customers of BRIT.GOLD, whether as a guest or a registered Member.
- 1.1.2. By agreeing to the BRIT.GOLD Terms and Conditions, you agree to be bound by the General Terms and Conditions and the rest of the Brit.Gold Contractual Documentation, as applicable.
- 1.1.3. If you are under the age of eighteen (18) or the legal age for entering legally binding contracts under applicable laws, you are not permitted to use any Brit.Gold services and products. By continuing to access or use the Site, you indicate that you are 18 years of age or older or have the legal capacity to enter legally binding contracts under applicable laws. Misrepresentation of your age to gain access to any of the Brit.Gold services and products is a breach of this Agreement.

• 1.2. Definitions

“**Account**” means a Member’s account with Brit.Gold.

“**Allocated Gold**” means a specific gold bar held in an LBMA-approved security carrier vault, identifiable by a unique serial number, weighting and purity percentage.

“**LBMA**” means the London Bullion Market Association.

“**Loco London**” means gold bullion that is physically held in London as defined by the LBMA.

“**London Good Delivery**” has the meaning as ascribed to it by the LBMA, as may be updated from time to time.

“**Platform**” means the online software platform operated by Brit.Gold for the issuance and redemption of BRIT.GOLD.

“**Unallocated Gold**” means gold deposits held by an LBMA approved institution, which is a liability of such institution whereby the holder of unallocated gold owns a claim to an equivalent balance of gold.

2. DISCLAIMER; RISK FACTORS

- 2.1. The Ethereum blockchain may experience backlogs, higher than normal transaction fees, changes to the network, failure or a fork in the protocol. We do not own or control the Ethereum blockchain and are not responsible for the operation of the Ethereum network and make no guarantees regarding the network’s security, functionality, or availability.
- 2.2. Because BRIT.GOLD is an ERC20 token, it may be compatible with software or other technology provided by third parties. The Company does not guarantee the security or functionality of any third-party software or technology and is not responsible for any losses of BRIT.GOLD due to the failure of third-party software or technology.

- 2.3. The value of BRIT.GOLD tokens relies substantially on the value of London Good Delivery gold. The price of London Good Delivery gold does fluctuate against currency and may result in a loss against currency.
- 2.4. BRIT.GOLD tokens may be sold at a discount to certain Members for market making purposes. Certain market makers and other market participants may receive incentives to purchase BRIT.GOLD tokens.
- 2.5. Please also review the General Terms and Conditions for additional risk factors, including regarding the risks of loss associated with any digital asset.

3. THE PLATFORM

Subject to the terms of the Brit.Gold Contractual Documentation, the Platform is an online platform that allows Members to convert US dollars or Unallocated Gold for BRIT.GOLD and convert BRIT.GOLD for US dollars, Unallocated Gold, and Allocated Gold.

4. BRIT.GOLD

- 4.1. BRIT.GOLD tokens are not money or legal tender and are not monetary instruments. Once you have BRIT.GOLD tokens, you can transfer them, trade them, keep them, use them to pay persons that will accept BRIT.GOLD, or convert them for US dollars, Unallocated Gold and Allocated Gold with the Company, subject to the limitations below.
- 4.2. Each BRIT.GOLD token is equal to one fine troy ounce of London Good Delivery gold.
- 4.3. BRIT.GOLD tokens represent fractional ownership of London Good Delivery gold bars, which are held by Brit.Gold Trust Company, LLC on a segregated basis within LBMA-approved security carrier vaults.
- 4.4. The US dollars used to purchase BRIT.GOLD are promptly converted into an equivalent amount of London Good Delivery gold, as described below, to maintain a one-to-one ratio of BRIT.GOLD to the amount of London Good Delivery Allocated Gold bars. For example, if you purchase five BRIT.GOLD, Brit.Gold Trust Company will hold in custody an additional five troy ounces of London Good Delivery Allocated Gold.
- 4.5. Brit.Gold Trust issues BRIT.GOLD pursuant to specific approval from the New York Department of Financial Services (the "NYDFS").
- 4.6. BRIT.GOLD is available on the Exchange for trading, for custody with the Company, and for withdrawal. BRIT.GOLD was approved for customers of Brit.Gold Trust through specific approval from the NYDFS. Restrictions may apply in accordance with applicable law.
- 4.7. Brit.Gold Global serves as a reseller of BRIT.GOLD.
- 4.8. BRIT.GOLD is an ERC20 token on the Ethereum public blockchain. Because of this, BRIT.GOLD may be compatible with existing third-party software that supports ERC20 tokens.
- 4.9. In order to facilitate processing and to hedge against price risk, you may be purchasing BRIT.GOLD tokens that are owned by the Company. BRIT.GOLD tokens owned by the Company, like all BRIT.GOLD tokens, represent ownership of Allocated Gold and will be sold at market rate.
- 4.10. The Company may, at its sole discretion, engage market makers to provide liquidity for BRIT.GOLD markets, both on the Exchange and on third-party platforms.
- 4.11. Only verified Members may purchase BRIT.GOLD from us or convert or redeem BRIT.GOLD from us. We may also refuse to issue BRIT.GOLD to, or convert or redeem BRIT.GOLD from, a verified Member in the event of any circumstances in violation of the Brit.Gold Contractual Documentation, including, without limitation, where we believe that the issuance or redemption of BRIT.GOLD would be contrary to applicable law or would otherwise expose us to legal liability. **Absent a reasonable justification not to convert or redeem BRIT.GOLD, and provided that you are a fully verified Member of the Company, your BRIT.GOLD are freely convertible, subject to the conversion requirements described herein.**

5. OWNERSHIP AND ALLOCATION

- 5.1. Your BRIT.GOLD tokens are akin to a warehouse receipt representing your beneficial ownership of a pro rata portion of Allocated Gold. This means that you, the token holder, hold all of the economic value of the gold represented by your tokens, and all of the risk and reward related to ownership of that gold.
- 5.2. You will be able to view the serial number, purity, and gross weight of the London Good Delivery gold bars represented by the BRIT.GOLD tokens held in your public

Ethereum address on the Brit.Gold public website at www.Brit.Gold.com/BRIT.GOLDold. The Company may reallocate your BRIT.GOLD tokens to different bars from time to time, in order to take into account transfers of BRIT.GOLD tokens, new conversions of BRIT.GOLD tokens, redemptions, and other BRIT.GOLD transactional activity. This reallocation process will be automated and instantaneous, such that all BRIT.GOLD tokens will be allocated to specific gold bars at all times.

- 5.3. The Company will make commercially reasonable efforts to allocate your BRIT.GOLD tokens to the fewest number of gold bars possible, and there may be a reallocation to consolidate your (and others') BRIT.GOLD tokens to the fewest number of bars on a frequent basis. In the event you are not allocated ownership of a full gold bar, you will own a pro rata share of that bar as determined by your BRIT.GOLD token holdings.

6. FUNDING YOUR ACCOUNT WITH US DOLLARS

After creating your Account with the Company, you will be able to fund your Account with US dollars.

- 6.1. You may fund your Account with US dollars transferred from your account(s) with financial institutions. Once we receive your funds and validate that they are from a bank account owned by you, we will credit your Account with those funds. If a US dollar deposit does not originate from a bank account owned by you, it will be rejected and returned immediately. US dollar deposits sent before 3 p.m. will typically be credited to your Account on the same day or next business day. US dollar deposits may not be credited outside of normal banking hours. Transfer times are subject to bank holidays, the internal processes and jurisdiction of your bank, and the internal processes of our banks.
- 6.2. You represent and warrant that all funds that you transfer to us do not represent the proceeds of any criminal or fraudulent activity. You are not allowed to receive funds in your Account from a sender other than yourself, unless you receive specific prior approval otherwise from us. If we reasonably determine that you are not the owner of the funds in your Account, we reserve the right to dispose of those funds in accordance with applicable law and in our sole discretion, which may include returning the funds to the originator or to a charity of our choosing.

7. FUNDING YOUR ACCOUNT WITH BRIT.GOLD

- 7.1. To fund the Account with BRIT.GOLD, you may transfer BRIT.GOLD from your account(s) with third-party crypto asset provider(s) into your Account operated by the Company to your BRIT.GOLD deposit address.
- 7.2. You represent and warrant that all BRIT.GOLD that you transfer to us do not represent the proceeds of any criminal or fraudulent activity. You are not allowed to receive BRIT.GOLD in your Account from a sender other than yourself, unless you receive specific prior approval otherwise from us. If we reasonably determine that you are not the owner of the BRIT.GOLD in your Account, we reserve the right to dispose of those BRIT.GOLD in accordance with applicable law and in our sole discretion, which may include returning the BRIT.GOLD to the originator or to a charity of our choosing.

8. PURCHASING BRIT.GOLD

- 8.1. Converting US dollars into BRIT.GOLD
 - 8.1.1. After your Account has been funded, you may begin the process to convert US dollars into BRIT.GOLD.
 - 8.1.2. You will be shown a streaming price quote for the price of one troy ounce of London Good Delivery gold (the "**Streaming Price Quote**"). The Streaming Price Quote is only valid for five (5) seconds. Prior to your decision to convert, you will be shown an estimate of the conversion price for BRIT.GOLD tokens.
 - 8.1.3. Prior to the placement of a purchase order on our Platform, you will be required to review the following information: the amount of the purchase, the commission (if any) to be charged by the Platform, and the Ethereum address to which the BRIT.GOLD will be sent. You will also be shown an updated Streaming Price Quote.
 - 8.1.4. You will have five (5) seconds to review and submit your purchase order. If your Streaming Price Quote expires, you must obtain a new price quote.

- 8.1.5. During periods of extreme volatility and at Brit.Gold' sole discretion, the Streaming Price Quote may update faster than every five (5) seconds.
- 8.1.6. Once an issuance of BRIT.GOLD has been executed and the appropriate assets have been credited and debited, the transaction may not be reversible.
- 8.1.7. The Company may require a minimum amount for conversion, which may be updated from time to time.
- 8.1.8. Once a purchase request has passed Compliance checks, it will be processed according to the conversion schedule as set forth in the Brit.Gold User Guide, available at <https://help.Brit.Gold.com>. Provided a purchase request was made by 5:00 p.m. London time and has passed the necessary Compliance checks, your BRIT.GOLD tokens will be delivered the next business day following a purchase request.
- 8.1.9. All conversions will be rounded down to the nearest 1/100th of a troy ounce.

- 8.2. Converting Unallocated Gold into BRIT.GOLD

You may not hold Unallocated Gold balances indefinitely on the Company's platform. All Unallocated Gold deposits will be treated by the Company as pending BRIT.GOLD deposits. You may transfer Unallocated Gold to the Company's custody using your Loco London Unallocated Gold account by instructing the institution managing your account to send Unallocated Gold to the Company's clearing bank. Once Unallocated Gold is received by the Company's clearing bank, you will receive a credit on the Company's platform that may be converted to BRIT.GOLD tokens. Once your conversion of Unallocated Gold into BRIT.GOLD clears, your account will be fully credited with the appropriate number of BRIT.GOLD tokens. Unallocated Gold balance in your account at the daily cut-off time of 4:30 PM London time will be converted to BRIT.GOLD. For additional information on this process, please refer to the Brit.Gold User Guide, available at <http://help.Brit.Gold.com>.

Unallocated Gold balances held on the Company's platform are issued by a third party bank (a "Clearing Bank"). Your balance on the Company's platform entitles you to convert your Unallocated Gold balances to BRIT.GOLD, or transfer this balance in unallocated form to another account, subject to the Clearing Bank's solvency and ability to perform a transfer. Unallocated Gold balances may be subject to risk associated with the Clearing Bank that issues those balances. Brit.Gold is not responsible for any losses associated with any default by a Clearing Bank, or any unavailability of your unallocated balance, either temporarily or permanently, due to non-performance of the Clearing Bank for any reason, including but not limited to, insolvency, default, or operational error. Please refer to the Clearing Bank's terms and conditions and other disclosures to ensure that holding Unallocated Gold balances is appropriate for you.

9. CANCELLED ORDERS

The Company reserves the right to cancel or nullify orders in the event that the order contains a bug, mistake, or an actual or suspected breach of this Agreement.

10. CONVERSION OF BRIT.GOLD

- 10.1. In order to convert BRIT.GOLD through the Platform, you must have an Account. Your Account will have a unique deposit address to which you can send your BRIT.GOLD in accordance with Section 7. Upon sending your BRIT.GOLD to your deposit address, the Company will credit your Account a corresponding amount of BRIT.GOLD.
- 10.2. Conversion of BRIT.GOLD into US Dollars.
 - 10.2.1. You will be shown a streaming price quote for the price of one troy ounce of London Good Delivery gold (the "**Streaming Price Quote**"). The Streaming Price Quote will be updated every five (5) seconds.
 - 10.2.2. Prior to the placement of a conversion order on our Platform, you will be required to review the following information: the amount of the conversion and the commission (if any) to be charged by the Platform. You will also be shown an updated Streaming Price Quote.
 - 10.2.3. You will have five (5) seconds to review and submit your purchase order. If your Streaming Price Quote expires, you must obtain a new price quote.

- 10.2.4. During periods of extreme volatility and at Brit.Gold' sole discretion, the Streaming Price Quote may require you to request a new quote faster than every five (5) seconds.
 - 10.2.5. Once a conversion of BRIT.GOLD has been executed and the appropriate assets have been credited and debited, the transaction may not be reversible.
 - 10.2.6. The Company may require a minimum amount for conversion, which may be updated from time to time.
 - 10.2.7. All conversions will be rounded down to the nearest US cent.
- 10.3. Conversion of BRIT.GOLD into Unallocated Gold
 - 10.3.1. You will be given the option to convert the BRIT.GOLD tokens you have deposited in your Account into Unallocated Gold.
 - 10.3.2. In order to convert BRIT.GOLD into Unallocated Gold, you will enter the quantity of BRIT.GOLD tokens you wish to convert, along with your Loco London Unallocated Gold account details (if your account is not held directly with a Loco London clearing member you will also include the details of your intermediary bank). Once the request has been submitted and processed, the Company will send via wire withdrawal the corresponding Unallocated Gold ounces to your account.
- 10.4. Redemption of BRIT.GOLD into Allocated Gold
 - 10.4.1. You will be given the option to redeem the BRIT.GOLD tokens you have deposited in your Account into Allocated Gold.
 - 10.4.2. In order to redeem your BRIT.GOLD into Allocated Gold, you must redeem 430 BRIT.GOLD tokens plus the fee set forth in the Brit.Gold User Guide (available at <https://help.Brit.Gold.com>) per London Good Delivery gold bar.
 - 10.4.3. You may be subject to additional due diligence if you choose to redeem your BRIT.GOLD tokens into Allocated Gold.
 - 10.4.4. You will receive further instructions by email as to how to receive delivery of your London Good Delivery gold bar(s). You are responsible for delivery and once your bars are in the possession of the delivery service you choose, then Brit.Gold will have been deemed to have fulfilled its obligation for delivery.
 - 10.4.5. Once the specific London Good Delivery gold bars are determined, the BRIT.GOLD tokens in excess of the actual weight of the delivered bars will be credited to your account, net any applicable fees.
- 10.5. The Company will make commercially reasonable efforts to convert and/or redeem your BRIT.GOLD quickly. It may take up to several business days for your Account balance to reflect the conversion, depending on your method of conversion or redemption. Once a conversion request has passed Compliance checks, it will be processed according to the conversion schedule in the Brit.Gold User Guide, available at <https://help.Brit.Gold>

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11. WITHDRAWING US DOLLARS

- 11.1. Members may withdraw some or all of their US dollars from their Accounts at any time, upon request to us. US dollars will be transferred from the Member's Account with the Platform to the bank account designated by, and owned by, the Member.
- 11.2. The Company may impose withdrawal limits on your Account as per the Brit.Gold User Guide, available at <https://help.Brit.Gold.com>.
- 11.2. Please note that any withdrawal of US dollars may be delayed as necessary to comply with applicable law and/or the Platform's Compliance Program, including verification of customer identification and anti-money laundering procedures. Withdrawals may take up to two (2) days to complete, provided that larger withdrawals may take substantially longer to complete.

12. FORKS

- 12.1. You understand, acknowledge and agree that the underlying operating rules of the Ethereum blockchain may change from time to time in such a way as to result in more than one related version of Ethereum (each instance of any such change, a "**Fork**"). If a Fork occurs, it will result in the creation of a new branch of the Ethereum blockchain. The Company will evaluate all forks and make a determination, based on a number of factors, to support BRIT.GOLD on one, and only one, of the Forks. The Company will continue to provide Services for, support and hold US dollars against, BRIT.GOLD held on the supported Fork only.
- 12.2. If a Fork occurs, you understand, acknowledge and agree that we may temporarily suspend the operations of the Platform.

13. FREEZES AND UPGRADES

As part of the ERC20 smart contract and as part of the Services, the Company has the ability and the right to freeze and upgrade all BRIT.GOLD tokens (on an aggregate basis), regardless of where the BRIT.GOLD is being held. The Company will make commercially reasonable efforts to provide prior notice of any material freeze or upgrade and inform holders of BRIT.GOLD of the reasons and consequences of such freeze and/or upgrade. The Company will make commercially reasonable efforts to use the freeze and/or upgrade feature only under limited circumstances.

14. FEES

- 14.1. Fees on Conversion

Fees will be charged upon the conversion of BRIT.GOLD tokens. An overview of our fees on conversion and redemption is set forth in the Brit.Gold User Guide, available at <https://help.Brit.Gold.com>.

- 14.2. Fees on Transfer

The Company will charge a fee equal to 0.02% of the BRIT.GOLD transferred in each transaction of BRIT.GOLD over the ethereum blockchain. This fee will be automatically collected on all BRIT.GOLD transactions over the Ethereum blockchain.

The transfer fees are an obligation of all BRIT.GOLD token holders, regardless of whether such token holder is a Member. By purchasing BRIT.GOLD tokens, you agree to assign the obligation to pay any and all storage fees tied to the BRIT.GOLD tokens to subsequent holders of such BRIT.GOLD tokens, and by receiving transfers of BRIT.GOLD tokens, token holders agree to accept the assignment of such obligation.

- 14.3. Storage Fees

The Company may charge storage fees to all token holders starting no sooner than March 1, 2023 by issuing to the Company new BRIT.GOLD tokens, thereby diluting the value of existing BRIT.GOLD tokens. The storage fee will be in line with industry practice, and such storage fee will be passed on to all BRIT.GOLD token holders on a pro rata basis. The full methodology and exact timing of the storage fee will be disseminated at least thirty (30) days prior to the implementation of such storage fees.

The storage fees are an obligation of all BRIT.GOLD token holders, regardless of whether such token holder is a Member. By purchasing BRIT.GOLD tokens, you agree to assign the obligation to pay any and all storage fees tied to the BRIT.GOLD tokens to subsequent holders of such BRIT.GOLD tokens,

and by receiving transfers of BRIT.GOLD tokens, token holders agree to accept the assignment of such obligation.

- **14.4. Banking Fees**

Your financial institution and/or the provider of your crypto-asset wallet may charge transaction and other fees related to the transfer of funds to your Account. To the extent the Company is charged any banking fees by your financial institution or the Company's financial institution for the deposit or withdrawal of US dollars to or from your Account, the Company will deduct an amount equal to any such fees from the amount being transferred.

- **14.5. Certain Incentive Fees**

The Company may offer incentives or reduced fees to certain clients at the Company's sole discretion.

- **14.6. Additional Fees for Certain Accounts**

Due to the cost of maintaining and supporting your Account and subject to applicable law, you will incur a monthly charge of two US dollars (or equivalent amount in BRIT.GOLD, if applicable) if you maintain a non-zero balance and there has been no issuance or redemption activity on the Account for twelve months or longer. Such fee will be auto-debited from your account on a periodic basis in US dollars.

- **14.6. Right to Change Fees and Fee Structure**

We reserve the right to change or modify our fee structure or increase any of our fees at any time and from time to time. Any such changes, modifications or increases will be effective upon posting such changes, modifications or increases on our Site. Your first use of your Account following the posting on the Site of any changes to the fees will constitute your acceptance of such changes. If you do not agree to the posted changes, you may close your Account as provided in this Agreement.

15. ILLEGAL USE OF BRIT.GOLD

WE MAY FREEZE, TEMPORARILY OR PERMANENTLY, YOUR USE OF, AND ACCESS TO, BRIT.GOLD OR THE LONDON GOOD DELIVERY GOLD BARS BACKING YOUR BRIT.GOLD, WITH OR WITHOUT ADVANCE NOTICE, IF WE ARE REQUIRED TO DO SO BY LAW, INCLUDING BY COURT ORDER OR OTHER LEGAL PROCESS.

YOUR BRIT.GOLD AND THE LONDON GOOD DELIVERY GOLD BARS BACKING YOUR PAX MAY BE SUBJECT TO SEIZURE OR FORFEITURE BY LAW ENFORCEMENT, AND WE WILL COMPLY WITH LEGAL PROCESS IN RESPECT THEREOF.

IF WE DETERMINE AFTER INVESTIGATION THAT BRIT.GOLD HAS BEEN USED, OR IS BEING USED, FOR ILLEGAL (OR SANCTIONED) ACTIVITY, WE MAY NOT PERMIT YOU TO REDEEM YOUR BRIT.GOLD FROM BRIT.GOLD, AND, IF PRESENTED FOR REDEMPTION, SUCH BRIT.GOLD AND THE ASSETS BACKING SUCH BRIT.GOLD MAY BE FORFEITED.

ANY BRIT.GOLD OR FIAT CURRENCY UNDERLYING BRIT.GOLD THAT IS SUBJECT TO FREEZE, SEIZURE, FORFEITURE OR SIMILAR LIMITATION ON ITS USE IMPOSED BY LAW MAY BECOME WHOLLY AND PERMANENTLY UNRECOVERABLE AND UNUSABLE, AND IN APPROPRIATE CIRCUMSTANCES, MAY BE DESTROYED.

THIS SECTION APPLIES TO ALL HOLDERS, REGARDLESS OF WHETHER THE HOLDER IS A MEMBER OF BRIT.GOLD.

BY USING BRIT.GOLD, YOU AGREE THAT WE MAY TAKE THE ACTIONS SET FORTH IN THIS SECTION AND THAT WE WILL NOT BE LIABLE TO YOU THEREFORE.