



## PRECIOUS METALS TRADING AGREEMENT

THIS AGREEMENT (the "Agreement") is made on the \_\_\_\_\_ day of \_\_\_\_\_

BETWEEN

- (1) **TWENTY FOUR GOLD DMCC** (hereinafter referred to as "24GOLD"), whose address is situated at 11<sup>th</sup> Floor, Unit 11-J, Silver Tower, Jumeirah Lakes Towers, P.O. Box 385160, Dubai, United Arab Emirates; and
- (2) \_\_\_\_\_ (Hereinafter referred to as the "Customer") whose address is situated in \_\_\_\_\_

Collectively referred to herein as the "Parties" and severally as the "Party".

### PREAMBLE

This Agreement governs all transactions relating to Precious Metals Transactions, in as much as they support trading in, and hedging of, physical precious metals (each a "Transaction") between 24GOLD and the Customer. The agreement provides a summary of key points and should be read in conjunction with the 24GOLD General Terms and Conditions of Business and any annexes, which can be found on the 24GOLD website [www.24gold.com](http://www.24gold.com) and supersede the terms of any previous written agreement that may have been entered into between the Parties.

NOW IT IS HEREBY AGREED as follows:

#### 1. Customer's Declaration and Experience

- 1.1. The Customer warrants and represents that the Precious Metals and Related Accounts provided by 24GOLD to the Customer are to be used for the sole purposes of physical bullion trading and, or, the hedging of physical inventory and any such accounts are not being used for speculative financial trading activities. By signing this agreement the Customer acknowledges that it has read and fully understood the 24GOLD Standard Terms and Conditions of Business including any Annexes.
- 1.2. The Customer warrants and represents that it enters into each Transaction solely upon its own judgment. The Customer acknowledges and understands that 24GOLD does not provide trading or investment advice to the Customer before it enters into any Transaction. 24GOLD shall have no liability whatsoever for any view or opinion expressed to the Customer by 24GOLD, its employees or representatives regardless of whether such views or opinions are expressed at the specific request of the Customer.

#### 2. Initial Positive Account Balance before Trading

- 2.1. Prior to executing any Transactions under this Agreement the Customer will, unless otherwise agreed with 24GOLD, make an Initial Down Payment (IDP) to 24GOLD of cash and/or other assets, which may be acceptable at the sole discretion of 24GOLD, in order to establish a positive Account Balance before the Customer enters into Transactions.

#### 3. Account Maintenance Provisions

- 3.1. An Initial Down Payment Percentage ('IDPP') is set by 24GOLD that is subject to change at any time by 24GOLD at its sole discretion. The Customer may at any time request from 24GOLD a schedule of the 'IDPP' applicable at that time. The Customer may not open a new position unless, immediately thereafter, the Customer Equity will be at least equal to the aggregate of the 'IDPP' required to cover all open positions. For the sake of clarity, this may require the Customer to make additional Down Payments to support existing open positions even though the Customer's Equity has not fallen below the Call Level.

#### 4. Sales and Purchases of Precious Metals Transactions by the Customer

- 4.1. The Customer may enter into Transactions with 24GOLD for the sale and purchase of Precious Metals up to the Maximum Nominal Volume Limits of the Facility and within the Maximum Term of the Facility. These transactions may include spot, forwards and options in as much as they relate to the hedging or mitigation of price risk for underlying physical precious metals. Each Transaction is subject to the 24GOLD standard terms and conditions.

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## 5. Maximum Facility and Further Security

5.1. The Maximum Facility is subject to periodic reviews based on updated financial information and Precious Metals market conditions. Notwithstanding any provisions in this Agreement, 24GOLD has the right at its sole discretion to modify, cancel or terminate the Maximum Facility at any time, to Close Out any and all Transactions in whole or in part and to demand immediate repayment of any and all Indebtedness.

## 6. Transactions and Settlement

6.1. 24GOLD may agree with the Customer to enter into any Transaction on a physical delivery basis. In that case, 24GOLD and the Customer will agree on the terms of the Transaction including but not limited to, the quantity, quality and form of the Precious Metal to be delivered, its price and premium or discount, and the date, place and method of delivery.

6.2. All Options transactions are subject to the following provisions:

6.2.1. The Customer hereby warrants and represents and 24GOLD accepts that any Options transactions the Customer enters into with 24GOLD is solely for the purposes of hedging or mitigating the price risk of underlying physical precious metals and the transactions are not being undertaken for financial speculation.

6.2.2. 24GOLD and The Customer shall agree on the terms of each Option including but not limited to, the Premium, the Strike Price, the relevant Precious Metal and its quantity, the Premium Payment Date, the Expiration Date and the Expiration Settlement Date.

6.2.3. Unless otherwise agreed between 24GOLD and the Customer:

- a. Payment of the Premium and all other amounts payable by the Buyer shall be made in U.S. dollars; and
- b. 24GOLD is authorized by the Customer to effect such payment by crediting or debiting the Account Balance without further notice to or consent from the Customer.

6.2.4. The Buyer shall be entitled to exercise an Option on or before the Expiration Date by giving written notice of exercise in a form mutually agreed to the Seller which must be received by the Seller no later than 09.30 a.m. New York time on the Expiration Date, or at any such other time as may be mutually agreed between the parties. A written notice of exercise, once given, is irrevocable. The Option is deemed to have expired unless the Seller receives a written notice of exercise from the Buyer prior to the specified expiry time.

## 7. Payments

7.1. All payments due to be made by the Customer under or pursuant to this Agreement shall be made in immediately available funds at the agreed time and date and no payment will be recorded as a credit to the Customer's account until 24GOLD has received the funds with good value in its bank account.

7.2. All payment to be made by the Customer under or pursuant to this Agreement shall be made in full, without any set-off, deduction or withholding whatsoever. If by law the Customer is unable to make any payment without a deduction or withholding being made, it shall forthwith pay to 24GOLD such additional amount so that the net amount received and retained by 24GOLD will equal the full amount of funds, which 24GOLD expected to receive had no such deduction or withholding been made.

## 8. Communications Indemnity and Authority

8.1. Any communication from the Customer to 24GOLD shall be deemed irrevocable and shall not be effective until confirmation of receipt has been given by 24GOLD. In addition, and without prejudice to the specific means of communication set out in the other provisions of this Agreement, any communication by 24GOLD to the Customer shall be deemed to have been received as soon as if it has been personally delivered or sent by other means of communication to the address of the Customer stated above or as from time to time notified in writing to, and received by, 24GOLD. Where the Customer comprises more than one person, any communication by 24GOLD to the Customer shall be effective if made to any of them and any communication by the Customer to 24GOLD shall be effective only if made by each of them.

8.2. The Customer may give instructions to 24GOLD by telephone, SMS, facsimile, e-mail, Reuters Dealing, Reuters Messenger, Bloomberg, SWIFT, E-Trading platforms or other electronic or such other means, which may be specified by 24GOLD subject to the execution of the relevant documents. 24GOLD will not consider these instructions to have been received by unless the Customer provides them in a manner satisfactory to 24GOLD and further that 24GOLD has confirmed receipt of such instructions.



8.3. Any instruction by the Customer once given is irrevocable and 24GOLD is entitled to rely on its belief in good faith that any such instruction, given by whatsoever means, emanates from the Customer, whether or not such instruction is given personally or authorized by the Customer and notwithstanding any error or misunderstanding or lack of clarity in the terms of any such instructions. The Customer agrees to be bound by all instructions which 24GOLD believes in good faith to have been given or authorized by the Customer and shall indemnify 24GOLD for all Indebtedness, liabilities, obligations, losses, damages, penalties, actions, suits, judgments, costs, charges and expenses arising from or in connection with any Transactions or action taken by 24GOLD or its correspondents and agents in accordance with or pursuant to any such instructions. The benefit of this indemnity is held by 24GOLD for itself and on behalf of its correspondents and agents.

## 9. Acting as Principal and Assignment of Rights

9.1. 24GOLD shall enter into Transactions as principal only and 24GOLD may assign any of its rights under this Agreement without the Customer's consent.

9.2. The Customer warrants that it enters into this Agreement and will enter into all Transactions as a principal only and not as a broker, trustee or agent. This Agreement and every Transaction shall be personal to the customer and shall not be assignable (whether absolutely, by way of security or otherwise) by the Customer and no third party interest whatsoever shall be permitted to arise in respect thereof except with the prior written consent of 24GOLD.

## 10. Default

10.1. If an Event of Default has occurred and is continuing 24GOLD shall have the right at any such time or at any time thereafter with or without prior notice to the Customer, and without prejudice to any of its other rights or remedies:

10.1.1. To suspend or terminate this Agreement and call for immediate payment of all Indebtedness then outstanding; and, or

10.1.2. To Close Out all open positions; and, or

10.1.3. To enforce the security immediately and, without prejudice to its rights to sell, liquidate or otherwise dispose of, on any such terms as 24GOLD may determine, and to realize and apply in such order as 24GOLD may determine and without demand, notice, legal process or other action with respect to the Customer, all or any of the Account Balances or any part thereof or the net proceeds from sale or disposal, in or towards satisfaction of the Indebtedness. 24GOLD shall not be liable for any loss arising out of such sale, liquidation, disposal, realization or application.

10.2. Any suspension or termination of this Agreement for any other reason, shall be without prejudice to the rights of 24GOLD against the Customer in respect of any obligations of the Customer hereunder incurred before such suspension or termination, or any provisions of this Agreement, including and without limitation, the indemnities given by the Customer which are intended to come into force or continue in force on or after such suspension or termination.

## 11. Representation, Warranties and Undertakings

11.1. The Customer represents and warrants that it has received a copy of this Agreement, its General Terms and Conditions of Business and the Risk Disclosure Statements and has read, understands and accepts that all terms and conditions contained therein shall govern its business relationship with 24GOLD, and declare that it has adequate Precious Metals experience, expertise and resources to comply with them.

11.2. The Customer represents and warrants that all information provided by or on behalf of the Customer to 24GOLD in connection with this Agreement from time to time is and shall be accurate and comprehensive. The Customer hereby undertakes to notify 24GOLD and 24GOLD undertakes to notify the Customer of any material change to the information provided in this Agreement.

11.3. The Customer represents and warrants that it has the requisite capacity to enter into and perform this Agreement (including the granting of the security interests created herein), it has all applicable licenses and approvals to enter into and perform this Agreement and, where applicable, is duly authorized to do so under its constitutional documents.

11.4. The Customer represents and warrants that no Event of Default or potential Event of Default has occurred and is continuing in respect of the customer or any applicable security provider.

11.5. The Customer represents and warrants that the Customer is sole beneficial owner of all assets transferred to 24GOLD is free and clear of any security or other interest of any other person.

11.6. The Customer represents and warrants that the above representations and warranties will be true and accurate on the date it enters into any Transaction.

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- 11.7. 24GOLD and the Customer each represent and warrant they are in full compliance with the Dubai Multi Commodity Centre's (DMCC) Rules on Responsible Supply Chain Management for Gold and other Precious Metals and will continue to comply with these rules for the duration of this Agreement.
- 11.8. Further 24GOLD and the Customer each represent and warrant that they shall comply with all other International regulatory rules with respect to Precious Metals Transactions as may be issued from time to time.
- 11.9. The Customer understands that it may be affected by any curtailment of, or restriction on, the capacity of 24GOLD to deal in respect of open positions as a result of action taken by any relevant regulatory authority and, in such circumstances, the Customer may be required to reduce all or any of its open positions at that time and 24GOLD shall be entitled to Close Out all or any open position(s) to such extent so as to comply with the requirements of any relevant regulatory authority.

## 12. Risk and other Disclosure Statements

- 12.1. The risk of loss in undertaking Precious Metals and Related Transactions on a Down Payment or Leveraged basis can be substantial. The Customer shall be solely responsible for all losses arising from such Transactions. These risks include but are not limited to the following:
- 12.1.1. The Customer may sustain a total loss of the cash or other assets that the Customer has placed with 24GOLD as security to establish or maintain a position(s) in Precious Metals. If the respective market moves against the Customer's positions, the Customer may be called upon by 24GOLD to make further down payments of money, which may be substantial, as additional security at short notice, in order to support the Customer's positions. 24GOLD has the right to, but is not obliged to, close out the Customer's positions without prior notice to the Customer at its sole discretion in any circumstances, including but not limited to cases where the Customer does not provide the required funds to meet a call for additional funds within the prescribed time. The Customer's positions may be closed out at a loss without any further notice being given to the Customer and the Customer will be liable to pay to 24GOLD further sums to cover any shortfall if the loss exceeds the down payments made.
- 12.1.2. Under certain market conditions, the Customer may find it difficult or impossible to liquidate a position. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily cap the Customer's loss to the intended amounts, since market conditions may make it impossible to execute such orders at the designated price in time or at all.
- 12.1.3. The high degree of leverage that trading in physical Precious Metals Transactions on the basis of a down payment can provide because of the relatively small initial up front payment requirements can work against the Customer's best interests as well as for the Customer. The use of leverage can lead to substantial losses as well as gains. Therefore, before trading, the Customer should carefully consider whether any such physical Precious Metals Transactions are suitable in the light of the Customer's own financial position and investment objectives.
- 12.2. 24GOLD computerized machinery, which is accessed by the Customer via the Internet might become inaccessible for periods of time due to whatever reason on both sides. This could prevent the Customer from executing a transaction, which it would otherwise have made. System or component failure may result in the loss of orders or order priority.
- 12.3. If the Customer's Trading Account number and password are compromised, the Customer is at risk of unauthorized access to such account. The most serious risk arising from the theft of a password are the loss of privacy and the entering of mischievous orders on trading platform. 24GOLD advises the Customer to keep passwords securely.
- 12.4. 24GOLD system contains data in electronic form which could be lost in a widespread and catastrophic machinery failure. 24GOLD operates a redundant machinery policy, which means that every component of its data storing capability is protected by both local and remote data duplication. The likelihood of a simultaneous loss of all data copies is extremely low; in addition to this the system prints out a complete system balance once a week, sends an encrypted copy to remote data vaults, and during each week logs in paper format all transactions, ensuring that data loss is a temporary inconvenience.
- 12.5. The Customer hereby irrevocably confirms that it has a complete understanding of the risks involved and accepts the above risk disclosure statements.

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### 13. Exclusion of Liability

13.1. 24GOLD shall have no responsibility or liability of any kind for any losses or expenses whatsoever incurred by the Customer as a result of:

- 13.1.1. Any delay in or failure to transmit funds for reasons beyond its control, including and without limitation the non-availability of Precious Metals or Foreign Currencies, or
- 13.1.2. 24GOLD's failure to obtain instructions from the Customer due to circumstances beyond its control, or
- 13.1.3. 24GOLD's failure (whether total or partial) to promptly execute orders placed or to transact business or Close Out any open positions to any extent in the manner contemplated by this Agreement for reasons beyond its control, including and without limitation:
  - a. Exchange control or other government restrictions, adverse market conditions or disruptions;
  - b. Exchange or market rulings or suspension of trading, any act of force majeure, war riot, civil commotion;
  - c. Any breakdown or failure of transmission, communication or computer facilities, postal or other strikes, or similar industrial action and the failure of any exchange, market or clearing house or the failure of any person or party to perform any its obligations arising out of any transaction to which the terms of this Agreement apply or any act or default by any such party or person.

13.2. For the sake of clarity, 24GOLD will not be held responsible for any loss or other consequences arising from, or in connection with, 24GOLD not exercising its right to Close Out any Transaction when 24GOLD is entitled to do so or any delay in exercising such right.

13.3. Further 24Gold will not be held responsible for any loss or other consequences arising from technical and security problems that may arise from time to time.

### 14. No Waiver

14.1. No failure or delay on the part of 24GOLD to exercise any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise by 24GOLD of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies provided in this Agreement are cumulative and are not exclusive of any other rights or remedies provided by law or otherwise.

### 15. Illegality and Severability

15.1. In the event that any one or more of the provisions contained in this Agreement shall be held invalid, illegal or Unenforceable in any respect under the law of any applicable jurisdiction, the validity, legality and enforceability of the remaining provisions under the law of such jurisdiction shall not in any way be affected or impaired thereby.

### 16. Disclosure of Information

16.1. The Customer irrevocably authorizes 24GOLD to disclose as and when 24GOLD is required to do so by applicable law or when 24GOLD regards such disclosure as necessary or expedient, including but not limited to disclosures for the purposes of credit review of any account held by the Customer with 24GOLD.

16.2. The Customer further agrees that to enable 24GOLD to centralize its data processing operations, any information pertaining to the Customer, the Customer's accounts or any Transactions effected for the Customer or the Customer's account may be given to and processed by 24GOLD's affiliates or third parties engaged by 24GOLD.

### 17. Confidentiality

17.1. The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as Confidential Information.

17.2. Disclosure of any confidential information by the staff members or agencies hired by any Party shall be deemed disclosure of such confidential information by such Party, which Party shall be held liable for breach of this Agreement.



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17.3. This Clause shall survive the termination of this Agreement for any reason.

**18. Termination**

18.1. Notwithstanding any other provisions in this Agreement, 24GOLD shall have the right to terminate this Agreement if not less than three months have elapsed since the date of the last Transaction.

**19. Law and Jurisdiction**

19.1. This Agreement shall be governed by and construed in accordance with the laws of "The United Arab Emirates".

19.2. The Customer hereby:

19.2.1. Agrees for the benefit of 24GOLD that the Courts of The United Arab Emirates shall have exclusive jurisdiction of any claim or dispute hereunder except that 24GOLD may take proceedings in any place where the Customer shall now or hereafter hold assets.

19.2.2. Irrevocably appoints the person(s) whose details appear below to be its process agent in The United Arab Emirates. If no such person is so designated, or such appointment ceases to be effective, 24GOLD is hereby authorized, as agent of the Customer, to appoint such a process agent on behalf, and at the expense of, the Customer. Service of any legal process on such process agent shall constitute service on the Customer.

Name

Address

19.2.3. Consents to service of process including any writ, judgment or other notice by mail to its address as stated above or as from time to time in the future notified in writing to, and received by, 24GOLD.

19.3. Unless otherwise provided in this Agreement, a person who is not a party to this Agreement has no right to enforce any term of this Agreement.

***IN WITNESS whereof the parties hereto have executed this Agreement the day and year first above written***

**TWENTY FOUR GOLD DMCC**

**THE CUSTOMER**

Signed By: \_\_\_\_\_ Signed By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

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## Annex No. 1

### Schedule to the terms and conditions of this Precious Metals Trading Agreement (This section is to be filled by 24GOLD)

The following terms and conditions have been approved by 24GOLD as set out below and will apply to your precious metal trading accounts and, if applicable, precious metals consignment facilities. 24GOLD may at its sole discretion, change the below-mentioned terms without prior notice.

#### Trading Accounts (if applicable)

Initial Down Payment Required %		Account Valuation Loss Limits US\$	
Variation or Call Level %		Nominal Volume Limit USD Mio	
Close Out Level %		Maximum Term of Deals	

#### Consignment Accounts (if applicable)

Consignment Limit USD Mio		Consignment Payment Term	
Consignment Interest % p.a.		Interest Free Period	