



## **CUSTOMER ACCOUNT TERMS AND CONDITIONS**

This Agreement (“Agreement”) made and entered into on the date set forth next to customer’s signature on the PRECIOUS METALS INTERNATIONAL LTD. Customer Account Agreement by and between PRECIOUS METALS INTERNATIONAL LTD. (hereafter referred to as PMI), a Cayman corporation, George Town, Grand Cayman, Cayman Islands, B.W.I., and the CUSTOMER (S) whose signature(s) and names(s) appear on the PRECIOUS METALS INTERNATIONAL LTD. Customer Account Agreement, is made with reference to the following facts, terms and conditions:

- A. PMI is engaged in the business of being a wholesaler of certain products, including but not limited to silver bullion, gold bullion, silver coins, gold coins, platinum, palladium, and other forms of product (but NOT Securities, Futures Contracts, or Options on Futures Contracts.)
- B. CUSTOMER wishes to purchase and/or sell said products using the services of PMI upon the terms and subject to the conditions set forth herein below.
- C. Unless or until this Agreement is terminated in accordance with its provisions, this Agreement shall govern all of the terms and conditions under which CUSTOMER shall conduct transactions through the services of PMI. It is understood and agreed that no such transaction between PMI and CUSTOMER shall become effective until or unless the customer hereto shall have fully executed this Agreement.

NOW, THEREFORE, it is understood and agreed as follows:

### **I. WARRANTIES AND REPRESENTATIONS OF CUSTOMER**

CUSTOMER hereby warrants and represents each of the following:

- A. That Customer has received, read and understands the Risk Disclosure Statement, Customer Account Terms and Conditions, and Administrative Charges, heretofore delivered by PMI, all of which are by this reference fully incorporated herein, as though fully set forth herein. Further, customer acknowledges that all schedules are subject to change without notice.
- B. That Customer is of legal age and capacity to enter into this Agreement, and is financially able to enter into this Agreement with the ability to sustain losses equivalent to at least the value of the customer’s account maintained with PMI, which if said losses occurred, same would have nothing more than a minimal effect on customer’s net worth.
- C. That Customer has read and understands this Agreement and desires to open an account with PMI for the purpose of conducting purchase and/or sell transactions of products upon the terms and subject to the conditions herein set forth, or set forth in any other document or disclosure delivered to customer by PMI.
- D. That Customer is independently aware of the numerous risks associated with the purchase and sale of Precious Metals Products, notwithstanding the disclosure of same as in the Risk Disclosure Statement, and other documents provided to the customer by PMI.

### **II. AGREEMENT COVERING PURCHASE AND SALE TRANSACTIONS**

- A. Single Transactions. During the terms of this Agreement each and every transactions between the parties shall be governed by the terms and conditions of this Agreement and all orders whether written or oral entered into by customer with PMI shall be entered in accordance with the terms hereof. Notwithstanding the foregoing, and except as expressly provided herein below, each such transaction shall be deemed a separate transaction, and shall be dealt with as such by the parties hereto.
- B. Principles. PMI and CUSTOMER are each acting as principals and on their own behalf with respect to all

transactions made by them in accordance with the provisions of this Agreement, and the customer hereto hereby agrees that no such transaction will be entered into on behalf of or for the benefit of others.

- C. Not Assignable. The rights and obligations of the parties hereto are not assignable by either party without the prior written consent of the other. However, in the event that PMI stock or assets either in whole or in part are transferred, this Agreement and the rights and obligations of PMI pursuant thereto are assignable by PMI to the transferee without the necessity of any consent of the CUSTOMER. This Agreement and customer account shall be deemed an asset of PMI.
- D. Specific Quantities. All purchases or sales transactions will relate to such specific types and quantities as PMI and CUSTOMER shall agree at the time CUSTOMER shall place an order.
- E. Purchase Price. The price at which all products will be purchased by CUSTOMER from PMI shall be the price specified by PMI and/or the customer's selected Independent Broker (Retail Dealer), and agreed upon by CUSTOMER at the time each order is placed. Such price, at each instance, shall be in confirmation to the then existing, current price list, commission and administration fee schedules which may be promulgated by PMI or the customer's selected Independent Broker (Retail Dealer), from time to time, and which are subject to change without prior notice to the customer.
- F. Payment. Payment for the product is to be paid by CUSTOMER to PMI in full at the time of the purchase, as more fully described in section III, herein below.
- G. Placing of Order Required. PMI will accept no order, written or oral, from a customer, unless the same is placed by CUSTOMER himself, or by his duly authorized legal representative. CUSTOMER herein acknowledges that all verbal instructions will be tape recorded by PMI and CUSTOMER specifically agrees to allow PMI the use of each tape recording as evidence of the CUSTOMER'S instructions, as well as the authority to so tape record the customer's conversations with PMI in each instance.
- H. Confirmation of Transaction. With respect to each transaction PMI will deliver to customer a written confirmation, or reflect the activity via the Internet Website. CUSTOMER shall be required to notify PMI of any error in any confirmation so received by CUSTOMER within 72 hours after delivery thereof by PMI. All confirmations shall be conclusively presumed to be true and accurate in all respects if no correction is communicated by CUSTOMER to PMI within 72 hours after delivery of a confirmation by PMI.
- I. Suspension of the Company's Obligations. PMI's obligation to sell and/or purchase and/or deliver product to CUSTOMER or CUSTOMER'S third party designate may be suspended during any period of trading restriction, suspension, or halt, or for any other reasons beyond the reasonable control of PMI.

### **III. TERMS OF PAYMENT**

- A. All transactions conducted by CUSTOMER through or from PMI shall be transactions for immediate delivery to or from the CUSTOMER or process to or from the CUSTOMER'S account with PMI.
- B. All purchases shall require payment by cash or cleared funds in the full amount of the agreed upon purchase price, plus any or all applicable delivery charges, commissions and sales taxes to PMI, on or before the day of the transaction.
- C. If the CUSTOMER fails to timely make all required payments as described in the section III B., then PMI shall have the right to liquidate sufficient portions of the CUSTOMER'S product in the CUSTOMER'S account to pay for all amounts owed to PMI. To this purpose, CUSTOMER hereby grants PMI power of attorney over CUSTOMER'S products.

### **IV. FORCE MAJEURE**

If PMI is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Agreement, then it shall give to the CUSTOMER prompt written notice of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of PMI, so far as it is affected by the force majeure, shall be suspended during, but no longer than the continuance of the force majeure.

The term "force majeure" as herein employed, shall mean an act of God, strike lockout, or other industrial disturbance,

act of the public enemy, war blockade, public riot, lightning, fire, storm, flood, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment or product, and any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of PMI.

## **V. TERM OF AGREEMENT**

This agreement shall have a term of ten (10) years commencing on the date on which this agreement has been executed by CUSTOMER, and shall renew automatically for successive ten (10) year terms on the anniversary of each term, unless terminated in accordance with the terms of this Agreement. This Agreement may be terminated by either party upon written notice, without cause, provided however, such termination shall in no way affect the rights or obligations of the parties hereto with respect to any purchase and/or sell orders which remain uncompleted.

## **VI. JOINT ACCOUNT**

In the event that this Agreement is executed by more than one CUSTOMER, having joint or several rights in or to the Physical Product which may be purchased or sold hereunder, or with respect to this Agreement, CUSTOMER has agreed, individually and collectively, that each have the right, power and authority to purchase or sell Physical Product on behalf of both of them and to take whatever action that may be necessary or appropriate to this Agreement or under any agreement entered into with respect to the purchase or sale of products through PMI as if each of them alone were the CUSTOMER of record with respect thereto. The actions of any one of them shall bind all. CUSTOMERS herein agree to save, hold harmless and indemnify PMI, its affiliates or assigns, from any actions taken or refrained from by PMI, its affiliates or assigns, in reliance upon this representation, whether said representation was made orally or in writing. Notwithstanding the foregoing, the liability of each CUSTOMER as a result of any transactions entered into pursuant hereto shall be joint and several.

## **VII. DELIVERY OF PRODUCTS**

The customer, when purchasing under the terms and subject to the conditions of this Agreement, has the following options of delivery available.

### **1. Cash Paid for Product:**

#### **(a) Immediate Home Delivery.**

This option will include additional expense for delivery and handling.

#### **(b) Immediate delivery to Customer's Account with PMI. PMI maintains omnibus facilities segregated from PMI's assets. Such segregated omnibus accounts shall be separate and apart from the general accounts of PMI, but shall be aggregated with the accounts of the other customers of PMI. The paid for products of the customers may at the option of the customer, be placed in such omnibus accounts, and if so, shall become susceptible to a storage fee of ½ of 1% of the weighted average value of the product on an annual basis or such other fee as PMI may, from time to time, establish without prior notice.**

The customer herein agrees to pay PMI said billings upon presentation to the CUSTOMER. ((Said billings are sent monthly to the customer.) The Customer may utilize PMI's credit facilities for the Accrual of the storage fees. The customer further grants PMI a general lien and security interest in all product owned by the customer held in such accounts. The customer can request home delivery or sell products held in such accounts provided all applicable storage fees and obligations of the customer due to PMI have been paid to PMI. This general lien and security interest shall be continuing in nature and the customer shall not place or allow to be placed, any lien or other security interest on product held for customer in such omnibus accounts.

### **2. Credit Purchases:**

In the event the customer wishes to purchase from PMI, wherein the customer wishes to pay a portion of the purchase to PMI, the following terms and conditions shall apply to the unpaid balance (Refer to Credit Line, Account Terms and Conditions.)

## **VIII. CREDIT LINE ACCOUNT TERMS AND CONDITIONS**

1. Customer and PMI shall agree upon the quantity and type of product ordered by customer.

2. Immediately upon placing an order, customer shall pay to PMI a minimum of twenty (20%) percent of the total market value of the customer's purchase.

3. Credit Fee

- (a) The credit fee which might also be referred to as a finance charge is the dollar amount that the credit (i.e., the balance due to PMI) will cost the customer. The credit fee will consist solely of credit fees on the customer's total outstanding balances due to PMI, from time to time, and it will be charged to the customer's unpaid balance, monthly. The credit fee will begin to accrue from the date of inception of each transaction wherein the customer's order results in a "net balance due" to PMI.
- (b) The CREDIT FEE RATE is a variable rate, which may change daily. In computing your monthly charges, PMI will apply the CREDIT FEE RATE for each day of the month (the daily periodic rate), to your daily outstanding balance due, which is described below. To learn the rate currently in effect on your outstanding credit balance, contact PMI or call your Independent Broker (Retail Dealer)
- (c) The amount of the CREDIT FEE CHARGE will be determined as follows:

On all outstanding balances due PMI, credit fee at the rate of Chase Manhattan Prime or base Rate plus 5% per annum, of which 1% is rebated to Guildhall Wealth Management. This rebate does not constitute any Agency Relationship between Guildhall Wealth Management and Precious Metals International, Ltd. In computing your monthly credit fee charges, PMI will apply the credit fee rate for each day of the month to your total daily outstanding balance due to PMI.

To determine your daily outstanding balance due PMI will start with the opening balance for the day, add the amount of any new balances due, or other charges incurred on that day and subtract any payments received or credits attributable to that day. PMI will then apply the credit fee to the net balance due to PMI for that day and add each day's charges to obtain the monthly credit fee charge.

Annual Percentage Rate

As the credit fee may also be referred to as a finance charge, it is necessary to express the credit fee in terms of a yearly rate (ANNUAL PERCENTAGE RATE).

The ANNUAL PERCENTAGE RATE is the total CREDIT FEE charge expressed as a yearly rate. It is the rate stated in terms that reflects the Chase Manhattan Prime or Base Rate plus 5%. Because the Chase Manhattan Prime or Base Rate may change daily, it is not possible to state an ANNUAL PERCENTAGE RATE in this Agreement, but your monthly statements will show what your ANNUAL PERCENTAGE RATE would be if your credit fee charges for the rest of the year duplicated those for the period reflected in the monthly statement. (For example if the Chase Manhattan Prime or Base Rate throughout the entire year is 5% the ANNUAL PERCENTAGE RATE would be 10%).

4. Security Interest

Any and all assets, equity therein, of the customer and any other property and assets of whatsoever nature and kind, both present and future, that the customer has in any account with PMI or affiliates thereof, shall be subject to a general lien and security interest for the discharge of obligations of the customer to PMI.

Notwithstanding the above, the customer agrees that customer shall not have any claim or demand against any affiliate or affiliates of PMI arising out of this Agreement, and customer further acknowledges that customer shall look solely to PMI for any, and all claims which might occur.

5. Equity Requirements

The customer will at all times maintain in the account of the customer such equity as is required by PMI, from time to time, and the customer will promptly meet all Equity Calls.

6. Satisfaction of Obligations

The customer shall at any time upon demand from PMI, whether made orally or in writing, discharge all obligations of the customer to PMI. Whenever PMI shall deem it necessary for its protection, to sell any or all of the customer product in order to satisfy any obligation of the customer to PMI, in part or in whole, such sale may be made according to PMI's sole judgment and may be made at PMI's sole discretion on any exchange, or other market where transaction in such products are ordinarily transacted, or a public auction or private sale, without advertising the same and without notice to the customer, and without prior tender, demand or call of any kind upon the customer.

7. Title of Product on Credit Line Purchase

Title of products on credit terms will be passed on to the customer immediately upon initial purchase by the customer. Same shall be evidenced by PMI's confirmation to the customer. Likewise, when the customer sells product from his account to PMI, title will immediately transfer to PMI or its assigns. During such times as the customer's product remains in the customer's account with PMI, with outstanding balances due PMI, the customer grants PMI the right of full and equal offsetting hypothecation of the product and balances due PMI. In doing so, the customer acknowledges that PMI may cover its obligation of product and provision of credit to the customer either through PMI's own inventory, bank loans or loans from other financial institutions, or other sources deemed appropriate by PMI. PMI herein warrants to the customer that at all times customer maintains product in customer's account with PMI, that PMI shall maintain through a combination of any or all of the above methods of hypothecation, full and complete ability to deliver, or sell all product in customer's account (except as previously discussed and under "Force Majeure" and in the Risk Disclosure Document). At no time shall PMI have any liens on customer's product in excess of customer's balances due to PMI, or affiliated companies or combination of both.

8. Credit Line Equity Requirement

PMI currently provides credit terms to a maximum of 80% of the market value of product held in the customer's account (loan to value ratio). PMI reserves the right to alter, change, or otherwise modify its credit terms at any time without prior notice to the customer.

9. Equity Call

Should the total credit balances due PMI in the customer's account become 85% or more of the market value of the products held in the customer's account, the customer must immediately take the necessary steps to restore the equity in the account to a minimum of 20%. This may be accomplished by the following methods:

- (a) Providing additional product (either fully paid for or on credit terms);
- (b) Reduction of credit balance due to PMI;
- (c) Partial or complete liquidation.

10. Warning

Equity calls will be issued to the customer by PMI either orally or in writing. However, PMI is neither responsible nor required to make such demand. It is the responsibility of the customer to monitor the values of customer's product and to communicate with PMI, and to be aware of his/her equity levels. Non response of the customer to restore the equity in the customer's account to the minimum then required by PMI, (currently 20%) within 24 hours of achieving 15% equity or less, may result in partial or total liquidation of the customer's product.

**IX. TAXES**

Any applicable federal, state, or local taxes imposed upon transactions will be the sole responsibility of the CUSTOMER.

**X. ARBITRATION**

The Customer agrees that any disputes relating to this Agreement will be submitted to binding arbitration. The venue for any such arbitration shall be exclusively in the Cayman Islands, and all parties agree that any arbitration award shall be binding and convertible to a Cayman Islands judgment subject to the laws of the Cayman Islands and further subject to any modifications thereof permissible there under.

The Customer hereby accordingly waives the right to any other remedy or to proceed with any court action and further hereby waives jurisdiction and venue other than as set forth in this Agreement.

**XI. ENTIRE AGREEMENT**

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to said matter, and the customer acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in the Agreement shall be valid or binding.

**XII. NOTICES**

All written notices served by either party hereunder shall be sent by certified mail, return receipt requested, or by telegraph or telefax or email communication. All notices served by CUSTOMER shall be sent to PMI at the addresses set forth herein. All notices served by PMI shall be sent to the CUSTOMER at the addresses provided by the CUSTOMER herein, or to such other addresses as Customer shall specify in writing.

**XIII. MISCELLANEOUS**

- (a) Non-Waiver. Any failure or delay by PMI in exercising any right, power, or remedy hereunder shall not operate as a

waiver, and no single or partial exercise of any right, power, or remedy by PMI hereunder shall preclude any other further exercise of any right, power, or remedy.

- (b) Governing Law and Venue. This Agreement and the activities contemplated hereunder shall be governed by the substantive and procedural laws of Cayman Islands without respect to Cayman conflict of law rules, and venue of any dispute resolution shall likewise be in the Cayman Islands without respect to Cayman conflict of law rules.
- (c) Severability. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provision of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the existing statute, law, ordinance or regulation. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the entire Agreement shall not fail on account thereof and the balance of the Agreement shall continue in full force and effect. If any arbitration deems any provision hereof (other than for the payment of money) unreasonable, said arbitration may declare a reasonable modification thereof and this Agreement shall be valid and enforceable and the parties hereto agree to be bound by and perform the same as thus modified.
- (d) Titles. The titles and subtitles for the various sections and paragraphs of this Agreement are inserted for convenience of the parties and shall not be deemed to affect the meaning or construction of any terms, provisions, and conditions of this Agreement.

**PMI ADDRESSES**

Mailing:	P. O. Box 866, Anderson Square Bldg. George Town, Grand Cayman Cayman Islands, BWI
Fax:	1-888-869-3414 1-242-394-5528
E. Mail:	<a href="mailto:pmi@pmilimited.com">pmi@pmilimited.com</a>
Website:	<a href="http://www.pmilimited.com">http://www.pmilimited.com</a>
Customer Service:	1-866-764-2878 1-242-394-5527

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