



Position Paper | Client Ownership of Bullion Krugerrands

Clear Title at SA Bullion

Clients of SA Bullion own their gold bullion Krugerrands outright. They have 'Clear Title'.

SA Bullion only deals in fully-allocated accounts – that is to say, the Krugerrands are actual, tangible and present in the vault. Clients of SA Bullion own their Krugerrands outright and no sharing of interest in a Krugerrand is permitted (or permissible).

SA Bullion does not issue securities (e.g. shares, debentures) or act as a counterparty. Clients and their gold are not intermediated by a trust or a company or any entity whatsoever.

Gold bullion assets are the legal property of the owner whose Clear Title rights are protected by a bailment contract which governs the commercial arrangement which the company enters into with each client. Bailment describes the legal relationship whereby the physical possession of the personal property (Krugerrands) is transferred from one person ('bailor' or Client) to another person ('bailee' or Company) that subsequently holds possession of the gold for safekeeping. Even though possession is transferred, the outright legal ownership of the Krugerrands is not transferred. Bailment ensures that you always remain the sole and exclusive owner of your Krugerrands.

South African Law: Contract of Bailment (Deposit)

Bailment, or 'deposit', as it is more generally called, is commonly defined in South African law as a contract in terms of which a person delivers a thing to another for safekeeping, and in terms of which the same thing must be returned upon demand.

The duties of the depositary, are to keep and take due care of the property and to restore it on demand or when otherwise agreed upon, in an uninjured state and with any fruits or profits. The depositary may not use the property.

Clients of SA Bullion enjoy the following conditions of Clear Title ownership:

- Direct ownership of Krugerrands protected by bailment law
- No credit or counterparty risk
- The right to take physical delivery at any time
- Secure vault-custody within a Chain of Integrity
- Inventory audits performed by a 'Big Four' third-party accounting firm
- An asset insured to its full market value
- Full reporting support offering accurate financial reports

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