

FREQUENTLY ASKED QUESTIONS (FAQ) ON GHAP GOLD OFFERS
Only for gold offers from WESAM GOLDEN MARKET

Please read this FAQs before asking for Zoom Meeting

1) Buyer needs a copy of the SKR from the Seller, and the buyer will show POF. Can the Seller show Proof of Product i.e., the SKR?

We don't sell based on bank-to-bank, PoP vs PoF kind of transaction procedures.

The procedure says that the Buyer will be sent a copy of SKR via MT 600, an invitation for TTM and ATV to view and assay the gold **AFTER the payment guarantee is emplaced**, NOT before.

POP/SKR via Swift 600 is the only way to ascertain that the Seller is REAL and has the gold. With the help of modern technology, SKRs can be falsified to look real. So, it is really pointless to request for hardcopy of the SKR.

2) Can the buyer get a copy of the SKR as proof that the Seller has the gold?

This is a question of which one comes first. In Swiss procedures, the POP comes first then POF. But this Seller like most other sellers is not selling based on Swiss Procedures. In many cases, buyers have to demonstrate their financial capability to buy the gold first even before moving to SPA stage. This seller is flexible in the sense that after LOI is approved by the Seller, SPA will be given to the buyer within 24 hours. **Buyer will only get the SKR, invitation for TTM and ATV to inspect the gold direct from the seller's fiduciary bank after placement of payment guarantee.**

3) Buyer wants ledger-to-ledger transaction procedures. Is that possible?

No. The transaction procedures are NOT negotiable. **It is payment-guarantee based** but buyer can opt for options without payment guarantee i.e., refundable cash indemnity deposits will revolve for the entire contract period.

4) Why doesn't the Seller sell based on a ledger-to-ledger basis? Why need to have a payment guarantee.

A payment guarantee is needed to ensure only those serious buyers who are RWA-ready can submit their LOIs to buy gold from the seller. There are just too many FAKE buyers shopping around for Seller's details pretending to be buyers. **Buyer facilitators got no commission from fake deals so it's better to work on offers with a payment guarantee which are genuine.**

5) My buyer wants to buy based on Swiss procedures. Is that possible with this Seller?

No. We don't sell based on Swiss procedures. We sell strictly based on payment-guarantee-based procedures. There are not many Sellers who sell based on Swiss Procedures as most sellers prefer the assurance of getting paid rather than be exposed to the risk of non-payment.

6) The buyer is in Dubai now. Can the buyer meet the seller in Dubai?

The meeting via TTM can only take place **AFTER the payment guarantee is emplaced by the buyer.**

7) Where is the gold now?

The gold stock is held in a Prime Custodian Bank's Security Vaults / Warehouse in Singapore, Hong Kong, Zurich and a few other locations. Exact location will only be made available to buyers via SKR from seller's fiduciary banks only after payment guarantee is emplaced. For

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security reasons, Seller will not disclose the exact location of the gold to the buyers until buyer's payment guarantee has been emplaced.

8) What is the exact quantity of the gold in each location?

When the buyer's LOI is accepted by the Seller, it will mean that the Seller has the quantity needed to supply to the buyer per buyer's LOI. Exact quantity fluctuates over time and such information will not be disclosed due to security reasons. It is also not relevant for buyers to know in advance.

9) Is this offer real and how do you know that the Seller is legit?

The Seller is easily accessible and contactable but through his authorized mandate. He is from UK but residing in Spain. He has over 30 years' experience in gold business. If you look at the procedures, there is a fiduciary party involved in these gold transactions which adds to the safety of the deal. **A fiduciary party is a trustee who acts for both the investor (s) who financed the gold purchase and the Seller-Owner. The procedures have been vetted and approved by both the Seller-Owner and investors/financiers and compliance to be strictly enforced by the fiduciary party or fiduciary bank so that the interest of the financiers/investors, seller owner as well as the buyers are protected.** The seller can only act within the ambit of the approved procedures and that explains why the procedures are Not Negotiable.

10) We want to know who the FIDUCIARY parties are and where they are.

A lot of confusion arises on the role of fiduciary party. Some think that a fiduciary party is seller's OTG representative and hence wanted to meet him face-to-face.

A fiduciary party in this case is not an individual but **a registered body** or a **corporation** who has been appointed with certain mandates or tasks by both the seller-owner and the investors or financiers. The fiduciary in this case is actually **a trustee** to both seller-owner and investors/financiers and they control the SKR, and funds from sale of the gold and the administration of the sales procedures. **This is by far the safest transaction procedures for gold deals as the fiduciary party or trustee ensure everything goes by the book and the interest of seller-owner, investors/financiers and the end buyer is protected.**

11) The Seller uses fiduciary party account in the SPA which may create confusion that it is a third-party account, hence may be rejected by bankers. What should the buyer do in this circumstance?

The SPA is a legal contract and as such it is legally correct for the buyer's bank to send payment guarantee or actual payment to the seller's fiduciary account which is provided in the seller's banking coordinates in the SPA.

Payment to the seller's fiduciary account is legally taken as payment to the seller and the seller is obligated to perform the contract and deliver the gold upon conformation of receipt of the payment guarantee (and actual payment).

Seller can provide permission upon request for the buyer's bank officer to contact the seller's bank officer to determine that the Seller is real and that upon remitting of the Swift payment guarantee, the buyer's bank will get MT 600 SKR, TTM invitation to the buyer and ATV to

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inspect the gold. We encourage buyers to go for small trial with the objective of getting buyers to meet the Seller during TTM so that all doubts, fears and suspicion can be erased.

12) What type of payment guarantees are accepted by the Seller?

The Seller accepts SBLC 760, DLC 700, and MT 103/202 (direct swift only and not IP to IP download). Different payment guarantees requires SPA sets, so buyer needs to confirm the type of payment guarantee chosen. There is no 2% PB for DLC 700, BLOCKED FUND MT 799, and MT 103/202.

Only SBLC MT 760 attracts 2% PB.

We however encourage buyers to opt for DLC 700 both as payment guarantee and as payment method meaning after assay, the buyer need not pay using MT 103 / TT. Seller will draw on the DLC for the invoice value of each tranche. In drawing down on the DLC, the Seller is required to comply with the terms of DLC and submit all the documents stipulated by the buyer (as per SPA).

13) Is there any other option that does not come with payment guarantee?

Yes, buyer can choose an option to pay refundable cash deposits of Euro 360,000. This sum of Euro 360,000 is to be paid to the seller's fiduciary account and is to be used for insurance payment and logistics only when the buyer defaults. The transaction will need to go through the same procedures of LOI / CIS, RWA and SPA. Once payment by buyer has been confirmed by the fiduciary bank, the seller will begin the gold shipment to the buyer's destination. This option is suitable for quantities up to 200 MT per month. This option must be clearly stated in the LOI.

This option is by far the safest and cheapest option as the deposits is refundable and is paid to the seller's fiduciary account, not the account of the Seller.

14) Is option by cash indemnity deposits safe?

Yes, the money is safe. It is purely to be used for insurance premium payment and logistics to lift the gold back to the seller's gold vaults if the buyer defaults and is paid not to the seller personal account but to the seller's fiduciary account which is under control by the fiduciary party or trustee. The money will be kept in the fiduciary account and cannot be touched by the Seller until Seller has provided relevant supporting documents that the buyer has defaulted in paying for the gold. Once the contract has expired and both buyer and seller have fulfilled their respective obligations, the cash indemnity deposits will be refunded by the fiduciary bank direct to the buyer.

15) My buyer doesn't want offers with any "upfront".

Refundable insurance indemnity deposits are different from the so-called "upfront" payment.

This indemnity payment is revolving and replace the payment guarantee whereas "upfront" is not. Upfront is not revolving and is normally paid directly to the seller whereas in this case the indemnity payment is paid to the 'trustee' or fiduciary party.

When the buyer opts for other payment guarantee like SBLC, the buyer still has to pay SBLC

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fees to their banks and this is also considered 'upfront payment'.

16) What is the minimum and maximum order quantity?

Minimum trial is 500 kg.

Minimum monthly is 2 MT

Maximum monthly is 10K MT

Minimum contract period is 12 months. Maximum contract period is 5 years.

17) Which destinations is FOB and which destinations are CIF?

DELIVERY

FOB – Dubai, Hong Kong, Singapore, London, Switzerland or

CIF – Anywhere in the world reachable by international forwarders

18) What is the difference between in procedures for FOB and CIF?

Both requires payment guarantee and follows the same procedures except for FOB, there is no airways bills provided in the list of seller's documents given by seller to the buyer.

19) This offer is based on payment guarantee procedures. What if the Seller failed to deliver and the buyer already incurred the cost for payment guarantee?

There is a 1% penalty charge imposed on the seller if the seller defaults.

20) The buyer wants the seller to sign the SPA in wet ink instead of using an electronic signature. Is that possible?

The SPA will be signed in wet during the TTM and the seller's details such as the copy of buyer's passport, business registration copy etc are given to the buyer during the TTM for security reasons.

21) Can the Seller go on zoom with the buyer?

The Seller's procedures have been clearly laid out and as stated above, the only areas that can be "discussed" is when buyer decided to change the type of payment guarantee as this will require different SPA format to be sent to the buyer. There is really not much to be discussed via Zoom and that's explained why seller will not go into zoom or ConCall. Any questions will be answered by the seller's mandate.

22) What are the documents that the Seller will provide to the buyer?

All transfers of TITLE of OWNERSHIP of Au Gold Bullion shall be accompanied by the following documents:

- a) A verifiable Safe Keeping Receipt (SKR) issued by the Custody Bank of the gold with Full Banking Responsibility.

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- b) Certificate of Origin
- c) Certificate of Legal Ownership
- d) Commercial Invoice: Four (4) copies will be provided
- e) The Seller's Certificate stating that the AU Gold Bullion is free and clear of all Liens, encumbrances and that the AU Gold Bullion is Freely tradable, exportable, and of non-criminal origin.
- f) Certified Weight List with the following description:
 - a. Receipt of customs duties and taxes
 - b. Receipt of storage
- g) Airway bill (Not Applicable for FOB Transaction).
- h) Packing List (Not Applicable for FOB Transaction).
- i) Insurance Certificate
- j) **Title Owner Holder's International Passport Copy & certificate of company registration.**
- k) The Title of the Gold Bullion Bars shall pass from The Seller to The Buyer immediately upon Full settlement (receipt of payment in full to The Seller by way of T/T or SWIFT MT103 for each Delivery).

Any request from the buyer to obtain the above documents upfront will invalidate the contract / SPA.

23). **Can we request for the seller's CIS? We do not want to deal with a ghost.**

The seller's documents will only be shown to the buyer during TTM. If this is not acceptable, please do not send any LOI. And any request for modification of the procedures will only make the deal not doable. The procedures are strictly not amendable nor negotiable.

Those buyers who are willing and able to follow the seller's procedures are welcome to submit their LOIs.

24. Again, the issue of SKR: Bank-to-Bank

We faced numerous questions regarding the Seller's SKR. If you understand the Seller's procedures well, SKR is done on bank-to-bank basis i.e. after payment guarantee is emplaced, the Seller's bank will send MT 600 SKR, TTM invitation and ATV to inspect the gold. **There is no reason not to trust the banks to do a proper job to verify that the Seller is real and has the gold** and that after payment guarantee is emplaced, the Buyer will get MT 600 SKR, TTM Invitation and ATV to inspect the Seller's gold.

Yes, most buyers prefer bank-to-bank, ledger to ledger procedures and only few will accept payment-guarantee based procedures. But how many of those offers in the market based on bank-to-bank procedures are REAL?

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25. The way forward !!

We understand the security concerns of the buyers especially in the current environment where frauds and scams are everywhere.

That's why before placing large orders, we recommend that the buyers opt for small order first, say, **1 MT** using refundable cash indemnity deposits and when confidence is developed, buyer can go for higher quantity using, say, SBLC 760. The SPA for both options can be done simultaneously with the 2nd SPA signed during the TTM for the first deal i.e. TTM for refundable cash indemnity deposits.

The whole idea is to get the buyer to meet the Seller during TTM as there is limit to confidence and trust building when the deal is done virtually.

Thank you and warmest regards.

Seller Mandate

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