

# **SILVER BULLION TRUST**

**(the "Trust")**

## **CODE OF CONDUCT AND ETHICS**

### **I. INTRODUCTION**

We require high standards of professional and ethical conduct not only from our Trustees but from the officers of the Trust and the officers and employees of Silver Administrators Limited (the "Administrator") which provides the services of Officers to us. Our reputation with our Unitholders and prospective investors for honesty and integrity in our dealings is important to the success of our affairs. We intend that the Trust's practices will be compatible with the economic and social priorities of each location in which we operate. Although customs and standards of ethics may vary in different environments, honesty and integrity must always characterize our affairs.

This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all Trustees and Officers of the Trust and directors, officers and employees of the Administrator are expected to comply. Please read this Code carefully. No Trustee or Officer of the Trust or director, officer or employee of the Administrator will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings. Violations of any part of this Code can lead to discipline up to and including dismissal.

In addition to following this Code in all aspects of your activities, you are expected to seek guidance in any case where there is a question about compliance with our policies and applicable laws. This Code sets forth general principles and does not supersede separate specific policy statements.

Your cooperation is necessary to our continued success and the cultivation and maintenance of our strong reputation.

### **II. CONFLICTS OF INTEREST**

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any material way with the interests of the Trust or the Administrator in relation to its activities on behalf of the Trust. A conflict situation can arise when an Officer or employee takes actions or has interests that may make it difficult to perform his or her work effectively other than where he or she, or a firm of which he or she is a partner, acts in a professional legal capacity on behalf of the Trust or the Administrator. Conflicts of interest also arise when an Officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Trust. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of

interest, as are transactions of any kind between the Trust and any other organization in which you or any member of your family have an interest.

Activities that could give rise to a material conflict of interest are prohibited unless specifically approved by the Trustees or the Chairman of the Audit Committee. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests should be reported immediately to the Trust's general legal counsel.

### **III. CORPORATE OPPORTUNITIES**

Trustees or Officers of the Trust and directors, officers or employees of the Administrator are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain.

### **IV. CONFIDENTIALITY**

Trustees or Officers of the Trust and directors, officers or employees of the Administrator must not disclose confidential information or the private affairs of the Trust entrusted to them by or through the Trust or received in the course of their employment by the Administrator, except when disclosure is authorized or legally mandated. The obligation to preserve confidential information continues even after you leave the Trust or the Administrator, as applicable.

Confidential information includes all non-public information that may be of use to competitors or harmful to the Trust, if disclosed.

### **V. PROTECTION AND PROPER USE OF TRUST ASSETS**

All Trustees and Officers of the Trust and directors, officers and employees of the Administrator should endeavor to protect the Trust's assets and those of the Administrator and ensure their efficient use. Theft, carelessness and waste have a direct adverse impact on the Trust's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Trust assets may only be used for legitimate purposes associated with the Trust's affairs or other purposes approved by the senior executive officers.

### **VI. INSIDER TRADING**

Insider trading is unethical and illegal under applicable securities laws. Trustees and Officers of the Trust and directors, officers and employees of the Administrator are not allowed to trade in securities of the Trust while in possession of material non-public information regarding the Trust. It is also illegal to "tip" or pass on inside information to

any other person who might make an investment decision based on that information or pass the information on further. Trustees and Officers of the Trust and directors, officers and employees of the Administrator are also expected to comply with any separate policy in force from time to time respecting black out periods for trading in securities of the Trust.

## **VII. FAIR DEALING**

Each Trustee and Officer of the Trust and director, officer and employee of the Administrator should endeavor to deal fairly with the Trust's investors, prospective investors, regulators and suppliers. No such Trustee, director, officer or employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

## **VIII. COMPLIANCE WITH LAWS**

Compliance with all material laws, rules and regulations applicable to our affairs is critical to our reputation and continued success. All Trustees and Officers of the Trust and directors, officers and employees of the Administrator must respect and obey the laws of the cities, provinces, states and countries in which we now or may hereafter operate and avoid even the appearance of impropriety.

## **IX. ACCURACY OF CORPORATE RECORDS**

Honest and accurate recording and reporting of information is critical to our financial reporting and our ability to make responsible decisions. The Trust's accounting records are relied upon to produce reports for the Trust, Unitholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must accurately reflect all Trust transactions and conform to all legal and accounting requirements and our system of internal controls.

All Officers of the Trust and officers or employees of the Administrator have a responsibility to ensure that the Trust's records, including accounting records, do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

## **X. COMPLIANCE PROCEDURES**

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of

action. In those circumstances we encourage you to use your common sense, and to contact the President and Chief Financial Officer, J. C. Stefan Spicer, or the Secretary, John S. Elder.

Approved: June 8, 2009