

SILVER BULLION TRUST

ADVANCE NOTICE RULE

1. Background

Pursuant to Subsection 9.2(p) of the Amended and Restated Declaration of Trust dated July 9, 2009 (the "**DOT**"), the Trustees (the "**Trustees**") of Silver Bullion Trust (the "**Trust**") are permitted to enact from time to time without the approval or confirmation of the Unitholders of the Trust (the "**Unitholders**") binding rules and procedures not inconsistent with the DOT containing provisions relating to the Trust and the conduct of affairs of the Trust. Such power and authority may be exercised by the Trustees in such manner and upon such terms and conditions as they may from time to time determine proper.

In accordance with such power and authority, the Trustees have determined that it is in the best interests of the Trust and its Unitholders to enact this Advance Notice Rule of the Trust (the "**Rule**").

2. Purpose of Rule

The purpose of this Rule is to provide a transparent process for Unitholders to follow for the nomination of Trustees and to ensure that all Unitholders receive adequate notice of the nominations to be considered at a meeting of Unitholders and can thereby exercise their voting rights in an informed manner.

3. Definitions

For the purposes of this Rule, unless otherwise defined herein, the following terms shall have the following meaning:

"**Administrator**" has the meaning specified in Section 1.1 of the DOT;

"**Applicable Securities Laws**" means all applicable securities laws in each of the Provinces of Canada and all rules, regulations, policy statements, instruments, notices and blanket orders or rulings thereunder;

"**Business Day**" has the meaning specified in Section 1.1 of the DOT;

"**NI 54-101**" means National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer, as amended, supplemented, restated or replaced from time to time;

"**Nominating Unitholder**" has the meaning specified in Subsection 4(c) below;

"**notice-and-access**" has the meaning specified in NI 54-101;

"**proxy-related materials**" has the meaning specified in NI 54-101;

"**Public Announcement**" means disclosure by the Trust in a press release reported by a national news service in Canada, or in a document publicly filed by the Trust under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com;

"**Register**" has the meaning specified in Section 1.1 of the DOT; and

"**Units**" has the meaning specified in Section 1.1 of the DOT.

4. Nomination of Trustees

Subject to Section 8.1 of the DOT and the right of the Administrator to nominate and elect up to two Trustees as described in Section 7.1 of the DOT, only persons who are nominated in accordance with this Rule shall be eligible for election as Trustees of the Trust. Nominations of persons for election to the

Board of Trustees may be made at any annual meeting of Unitholders, or at any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of Trustees:

- (a) by or at the direction of the Board of Trustees, including pursuant to a notice of meeting authorized by them;
- (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of Unitholders made in accordance with the DOT; or
- (c) by any person (a "**Nominating Unitholder**") who (A) at the close of business on the date of giving of the notice provided for in Section 5 below and at the close of business on the record date for notice of such meeting, is entered in the Register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Section 4.

5. Timely Notice

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in the proper form to the Trustees in the manner prescribed by this Rule. Furthermore, if such notice is made on a day which is not a Business Day or later than 5:00 p.m. (Toronto time) on a day which is a Business Day, then such notice shall be deemed to have been made on the subsequent day that is a Business Day.
- (b) To be timely, a Nominating Unitholder's notice to the Trustees must be made:
 - (i) in the case of the annual and special meeting of Unitholders called for May 20, 2015, not less than 10 days after the first Public Announcement that this Rule has been adopted by the Trustees of the Trust;
 - (ii) subject to clauses (i) and (iv), in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of such annual meeting; provided, however, that in the event that such annual meeting is to be held on a date which is less than 50 days after the date on which the first Public Announcement of the date of such annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the 10th day thereafter;
 - (iii) subject to clauses (i) and (iv), in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for any other purposes), not later than the close of business on the 15th day following the day on which the first Public Announcement of the date of such special meeting of Unitholders was made; and
 - (iv) in the case of an annual or special meeting of Unitholders where notice-and-access is used for delivery of proxy-related materials, not less than 40 days prior to the date of such annual or special meeting.

The Trustees may, in their sole discretion, amend the time periods for the giving of a Nominating Unitholder's notice set forth above in order to comply with changes to applicable laws or recommended best practices.

6. Proper Form of Timely Notice

To be in proper written form, a Nominating Unitholder's notice to the Trustees must set forth:

- (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, citizenship, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the number of Units which are controlled or which are owned beneficially, directly or indirectly, or of record by the person as of the record date for notice of the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to Applicable Securities Laws; and
- (b) as to the Nominating Unitholder (which, for the purpose of this Subsection 6(b), includes the Nominating Unitholder's affiliates): (i) the Units which are controlled or directed or which are owned beneficially, directly or indirectly, or of record by the Nominating Unitholder as of the record date for notice of the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (ii) full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units; (iii) full particulars of any derivatives, hedges or other economic or voting interests (including short positions) relating to the Nominating Unitholder's interest in Units; and (iv) any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to Applicable Securities Laws.

In addition, to be considered timely and in proper written form, a Nominating Unitholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

7. General

- (a) Nothing in this Rule shall be deemed to preclude discussion by a Unitholder (as distinct from the nomination of Trustees) at a meeting of Unitholders of any matter in respect of which such Unitholder would have been entitled to vote at the meeting under the terms of the DOT. The Chairman of the applicable meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any nominee is not in compliance with the foregoing provisions, to declare that such defective nomination shall be disregarded.
- (b) Notwithstanding the foregoing, the Board of Trustees may, in their sole discretion, waive any requirement in this Rule.

Authorized and approved this 22st day of April, 2015
by the Trustees of Silver Bullion Trust