

**SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES
("SIMPLE PLAN")
FOR USE WITH A
SIMPLE INDIVIDUAL RETIREMENT ACCOUNT ("SIMPLE IRA")**

Sponsored By

**U.S. GLOBAL INVESTORS, INC.
7900 Callaghan Road
San Antonio, Texas 78229**

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SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES FOR USE WITH A SIMPLE INDIVIDUAL RETIREMENT ACCOUNT

The Sponsor hereby makes available this Savings Incentive Match Plan for Employees ("SIMPLE Plan") for use, in conjunction with an Internal Revenue Service approved Simple Retirement Account ("SRA"), by Employers who wish to establish an SRA-based SIMPLE plan for their Employees. A SIMPLE Account is established for the exclusive benefit of the individual or his or her beneficiaries. To establish a SIMPLE, the Employer executes the Adoption Agreement which is accepted by the Sponsor and which incorporates this document by reference, (hereinafter, collectively referred to as the "Plan"). The Sponsor of the SIMPLE may act as Custodian or Trustee of all or some of the SRAs established by eligible Employees. The Employer may designate a Trustee or Custodian of all or some of the SRAs established by Employees. This Plan is intended to comply with §408(p) of the Internal Revenue Code of 1986, as amended, and applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), including the regulations issued thereunder.

ARTICLE I DEFINITIONS

1.1 Adoption Agreement

The document accompanying to this Plan through which the Employer establishes a SIMPLE Plan.

1.2 Automatic Contribution Arrangement

An Automatic Contribution Arrangement is an arrangement under which, in the absence of an affirmative election by an Eligible Employee, a certain percentage of Compensation will be withheld from the Eligible Employee's pay and contributed as an Elective Deferral to the SIMPLE IRA established under this SIMPLE IRA Plan for the Eligible Employee.

1.3 Catch-Up Contribution

In the case of salary deferral contribution to a SIMPLE IRA Account, an amount not to exceed the lesser of:

- (a) the Applicable Deferral Amount as defined in Code §414(v)(2)(A) or
- (b) the excess, if any, of the Participant's Compensation [as defined in paragraph 1.6] for the year, over any other Elective Deferrals made by the Participant for the Plan Year (other than Catch-Up Contributions).

Catch-Up Contributions that may be made by or on behalf of a Participant for any taxable year to an established under this Plan shall be reduced by the amount of Catch-Up Contributions made by or on behalf of the same Participant to any other SIMPLE IRA for the same taxable year except that, in the case of Catch-Up Contributions made as salary deferral contributions to a SIMPLE IRA Account, the amount of such Catch-Up Contributions allowed for any taxable year shall be reduced by the amount of Catch-Up Contributions made by or on behalf of the same Participant to any other Retirement Plan described in Code §401(a), §403(b), §408(p) or §457. Catch-Up Contributions may be made by or on behalf of a Participant who has attained the age of fifty (50) on or before the last day of the year for which the contribution is made. The Plan shall be interpreted to deem any Participant's contribution that exceeds the maximum annual contribution or the salary deferral limit but not an amount greater than the Applicable Amount or the Applicable Deferral Amount to be a Catch-Up Contribution unless the Participant elects to treat such amount as an Excess Contribution described in Article VI.

1.4 Beneficiary

A "Beneficiary" is the recipient designated by the individual to receive the SIMPLE IRA Plan benefits payable upon the individual's death, or the recipient designated by a Beneficiary to receive any benefits which may be payable in the event of the Beneficiary's death prior to receiving the entire death benefit to which the Beneficiary is entitled. A "Designated Beneficiary" is any individual designated or determined in accordance with Code §401(a)(9) and the Regulations issued thereunder, except that it shall not include any person who becomes a beneficiary by virtue of the laws of inheritance or intestate succession.

1.5 Code

The Internal Revenue Code of 1986, including any amendments thereto. Reference to any section or subsection of the Code, includes reference to any comparable or succeeding provisions of any legislation which amends, supplements or replaces such section or subsection, and also includes reference to any Regulation issued pursuant to or with respect to such section or subsection.

1.6 Compensation

Wages, tips and other compensation from the Employer subject to Federal income tax withholding under Code §3401(a), and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §6041(d) and §6051(a)(3). Compensation must be determined without regard to any rules



under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

Compensation also includes the Elective Deferrals made under this Plan and, if applicable, Compensation deferred under a Code §457 plan. Compensation does not include any amounts deferred by the Employee pursuant to a Code §125 cafeteria plan, or §132(f)(4) plan. Compensation also includes amounts paid for domestic service [as described in Code §3401(a)(3)].

In determining an Employee's Compensation for prior years, the Employee's Elective Deferrals under a Code §401(k) plan, SARSEP or Code §403(b) arrangement are also counted as Compensation.

For Self-Employed Individuals, Compensation is defined as Earned Income from self-employment as determined under Code §1402(a), without regard to Code §1402(c)(6), prior to subtracting any contributions made pursuant to the Plan on behalf of the Employee. The definition of Compensation also includes net earnings from a trade or business that is not subject to self-employment tax for those individuals who have elected out of the self-employment system based on religious grounds for purposes of establishing and contributing to the SIMPLE Plan.

1.7 Custodian/Trustee

An approved institution named by the Employer or a Participant to hold his or her SRA.

1.8 Default Percentage

The percentage of an Employee's Compensation contributed to the Plan as Default Salary Deferral Contributions for a calendar year. The default percentage is specified in the Adoption Agreement.

1.9 Default Salary Deferral Contributions

The Salary Deferral Contributions made to the SIMPLE IRAs of Eligible Employees subject to the Automatic Contribution Arrangement.

1.10 Designated Financial Institution

The financial institution selected by the Employer to which all SIMPLE IRA contributions on behalf of Eligible Employees are made.

1.11 Earned Income

For a self-employed individual, Compensation means the net earnings from self-employment with respect to the Employer determined under Code §1402(a) prior to subtracting any contributions made pursuant to the Plan on behalf of the individual.

1.12 Effective Date

The date on which the Plan, or an amendment thereto, becomes effective. The Effective Date must be January 1 of the applicable year. If this is the first year for which the Employer is adopting a SIMPLE IRA Plan, the Effective Date may be any date between January 1 and October 1, inclusive of the applicable year.

No Elective Deferrals may be made by an Employee on the basis of Compensation that the Employee received or had a right to receive before the date on which the Employee commences participation in the Plan and the Employee's execution of a Salary Deferral Agreement.

1.13 Elective Deferrals

Employer contributions made at the election of a Participant via a Salary Deferral Agreement in lieu of cash Compensation. Elective Deferrals must be made pursuant to a Salary Deferral Agreement.

1.14 Eligible Employee

Any individual including a Self-Employed Individual who is determined to be an Employee of the Employer as defined in paragraph 1.15.

1.15 Eligible Employer/Employer

The eligible entity adopting this Plan, including any eligible entity or assign which succeeds the Employer and adopts this Plan. For the purpose of this Plan, Employer shall also mean the Employer that adopts this Plan and all members of a controlled group of corporations [as defined in Code §414(b), as modified by Code §415(h)], all commonly controlled trades or businesses [as defined in Code §414(c), as modified by Code §415(h)], leased employees as described in Code §414(n) and all affiliated service groups [as defined in Code §414(m)] of which the adopting Employer is a part. Employer shall also include any other entity required to be aggregated with the Employer pursuant to Code §414(o).

1.16 Matching Contributions

Employer contributions made to a Participant's SRA attributable to the amount of a Participant's Elective Deferrals made to the Plan.



1.17 Non-Elective Contributions

Employer contributions made to a Participant's SRA in proportion to a Participant's Compensation.

1.18 Participant

An Employee who is eligible for Plan participation and has completed a Salary Deferral Agreement.

1.19 Plan

This Savings Incentive Match Plan for Employees contained in this document as may be amended from time to time including the accompanying Adoption Agreement and corresponding SIMPLE Individual Retirement Custodial Account Agreement.

1.20 Plan Administrator

The party, designated by the Employer, who is required to perform administrative functions under this Plan.

1.21 Plan Year

The Plan Year is defined as the calendar year.

1.22 Retirement Plan

An employer-sponsored pension, profit sharing or stock bonus plan described in Code §401(a) that includes a trust exempt from tax under Code §501(a), a qualified cash or deferred arrangement under Code §401(k), an annuity described in Code §403(a), a tax deferred annuity described in Code §403(b), a plan established for its employees by the United States, by a state or political subdivision thereof, or by an agency or instrumentality of any of the foregoing [but not an eligible deferred compensation plan within the meaning of §457(b)]; a SEP or SARSEP described in Code §408(k); a SIMPLE IRA described in Code §408(p), except that, for purposes of Rollover Contributions defined in paragraph 1.23, a SIMPLE IRA, shall only be a Retirement Plan if at least two (2) years have passed since the Participant first participated in the SIMPLE IRA, or an eligible deferred compensation plan described in Code §457(b) which is maintained by an eligible employer described in Code §457(e)(1)(A). Retirement Plan shall not mean a Roth IRA or a Coverdell Savings Account.

1.23 Rollover Contribution

A contribution by a Participant that consists of cash or property distributed by the Individual from another Retirement Plan.

1.24 Salary Deferral Agreement

The written agreement between the Employer and a Participant in which the Participant authorizes the Employer to withhold and deposit a portion of such Participant's Compensation to the Participant's SRA on his or her behalf.

1.25 SARSEP

An IRA established by an Individual whose employer has adopted a Salary Reduction Simplified Employee Pension Plan pursuant to Code §408(k) and to which both the employee and employer make contributions.

1.26 Self-Employed Individual

A person who has Earned Income for the taxable year from the trade or business for which the Plan is established including an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the taxable year.

1.27 SIMPLE IRA

The Participant's Simple Retirement Account (SRA) that accepts SIMPLE IRA contributions made by the individual and the Employer.

1.28 Sponsor

The institution or entity and any of its affiliates or any successors or assigns thereto who sponsors this Savings Incentive Match Plan for Employees (SIMPLE Plan), or any successor thereto.

**ARTICLE II
ELIGIBILITY REQUIREMENTS**

2.1 Eligible Employer

The Employer will be eligible to maintain this Plan if, with respect to any year, the Employer had no more than 100 Employees who received at least \$5,000 of Compensation from the Employer for the preceding calendar year.

Additionally, the Employer may not maintain any other qualified plan [as defined in Code §219(g)(5)(A) or (B)] with respect to which contributions were made, or benefits were accrued, in any year in the period beginning with the year this Plan became effective and ending with the year for which a determination is being made. However, if the Employer maintains a qualified retirement plan for collective bargaining employees, he may still establish a SIMPLE IRA Plan for other Employees.



An existing Employer may establish a SIMPLE IRA Plan effective on any date between January 1 and October 1 of a year beginning after December 31, 1996, provided that the Employer (or any predecessor employer) did not previously maintain a SIMPLE Plan. If however, an Employer (or predecessor employer) previously maintained a SIMPLE, it may only establish a SIMPLE Plan effective on January 1.

2.2 Two (2) Year Grace Period

An Employer who properly establishes and maintains this Plan for one or more years, and who subsequently fails to be an Eligible Employer in a calendar year pursuant to paragraph 2.1, shall be treated as an Eligible Employer for the two (2) years following the last year the Employer was eligible. If, after the expiration of the two (2) year grace period, the Employer fails to comply with the eligibility requirement of paragraph 2.1, the Employer must terminate the Plan. However, if such failure is due to an acquisition, disposition or similar transaction involving the Employer, the preceding sentence shall apply only in accordance with rules similar to the rules of Code §410(b)(6)(C)(i).

If the failure to meet the one plan requirement is due to an acquisition or similar transaction, the Employer is treated as meeting the one plan requirement through the end of the following two (2) calendar years, if permitted by Code §408(p) provided that, during this period, Employees who would be employed by another employer involved in the transaction had the transaction not occurred are not eligible to participate in this Plan.

2.3 Participation

Employees shall be eligible to participate in this Plan on the first day of the first Plan Year after they have met the Plan's eligibility requirements, as set forth in the Adoption Agreement. No Employee receiving \$5,000 or more in Compensation (or such lesser amount, if provided in the Adoption Agreement) from the Employer during any two (2) prior years, (or such lesser period if provided in the Adoption Agreement), and who is reasonably expected to receive at least \$5,000 in Compensation, (or such lesser amount, if provided in the Adoption Agreement), during the current year be excluded from Plan Participation unless he or she is a member of a class which has been excluded by the Employer in the Adoption Agreement. There are no age or service requirements for an eligible Employee to participate in this SIMPLE Plan.

2.4 Exclusions From Eligibility

If elected in the Adoption Agreement, the following classification of Employees may be excluded from participation in the Plan:

- (a) Employees who are part of a collective bargaining unit if retirement benefits have been the subject of good faith bargaining; and/or
- (b) Nonresident aliens with no taxable income from U.S. sources.

2.5 Change In Employment Class

If an Employee who is not a member of an eligible class of Employees becomes a member of such class, the Employee shall participate as of the first day of the first Plan Year immediately following the Employee's change to an eligible class. If a Participant becomes ineligible because he or she is no longer a member of an eligible class of Employees, such Participant shall participate as of the first day of the first Plan Year immediately following the Employee's return to an eligible class of Employees. A former Participant shall again become a Participant as of the first day of the first Plan Year immediately following his or her date of rehire by the Employer.

2.6 Employment Rights

Participation in the Plan shall not confer upon a Participant any employment rights, nor shall it interfere with the Employer's right to terminate the employment of any Employee.

2.7 Plan Notice

The Employer shall notify each Eligible Employee immediately before each sixty (60) day election period of the Employee's opportunity to make an election. The notice shall include a copy of the summary description as described in Code §408(1)(2)(B). Code §6693(c)(1) provides that if the Employer fails to provide one or more notices, such Employer may be subject to a penalty of \$50 per day for each day there is a failure to provide such notice.

2.8 Modified Notice Requirement

The Notice provided to Eligible Employee immediately prior to the sixty (60) day election period must include, for Employees subject to the Automatic Contribution Arrangement above, a comprehensive explanation of the Employee's rights and obligations under the Automatic Contribution Arrangement, written in a manner calculated to be understood by the average Employee subject to the Automatic Contribution Arrangement. The notice must accurately describe:



- (a) the amount of Default Salary Deferral Contributions that will be made on the Eligible Employee's behalf in the absence of an affirmative election and when Default Salary Deferral Contributions will start.
- (b) the Eligible Employee's right to elect to have no salary deferral contributions made on his or her behalf or to have a different amount of salary deferral contributions made.
- (c) how Default Salary Deferral Contributions will be invested in the absence of the Eligible Employee's investment instructions; and
- (d) if not already permitted under the SIMPLE IRA Plan, the additional period to make a transfer without cost or penalty from the SIMPLE IRA established for the Eligible Employee at the Designated Financial Institution.

ARTICLE III EMPLOYEE CONTRIBUTIONS

3.1 Elective Deferrals

An Eligible Employee may elect to have his or her Compensation reduced by a percentage or a fixed dollar amount. The salary deferral election shall be in writing and delivered to the Employer. The total amount of the reduction in the Eligible Employee's Compensation cannot exceed \$11,500 in 2010. This maximum amount may be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §408(p)(2)(E). Elective Deferrals may not be based on Compensation a Participant has received, or had a right to receive, prior to the date on which such Employee commenced participation in this Plan and the execution of the Participant's Salary Deferral Agreement.

An Eligible Employee who would attain age fifty (50) during the calendar year can elect to have his or her Compensation reduced by an additional amount of \$2,500 in 2010. This maximum additional amount may be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §414(v)(2)(c).

An Employee who is an Eligible Employee for a particular calendar year must be permitted to make or modify a Salary Deferral Agreement during the sixty (60) day period immediately preceding the calendar year, effective as soon as practical after receipt by the Employer (or, if later, the date specified by the Employee in the Salary Deferral Agreement) but not earlier than the first pay period beginning in the calendar year. In the case of an Employee who becomes an Eligible Employee other than at the beginning of a calendar year because:

- (a) this Plan does not impose a prior-year-Compensation requirement,
- (b) the Employee satisfied this Plan's prior-year-Compensation requirement during a prior period of employment with the Employer,
- or
- (c) this Plan is first effective after the beginning of a calendar year,

The Eligible Employee must be permitted to make or modify a Salary Deferral Agreement during the sixty (60) day period that begins on the day the Plan notice is provided to the Employee and that includes the day the Employee becomes an Eligible Employee or the day before. In this case, the Salary Deferral Agreement will become effective as soon as practical after receipt by the Employer (or, if later, the date specified by the Employee in the Salary Deferral Agreement) but any election made by the Eligible Employee may be modified prospectively any time during the sixty (60) day period.

In addition to the elections allowed above, an Employee may make or change his or her deferral election as provided in the Adoption Agreement. If an election is made or modified during one of these other election periods, it will become effective as soon as practical after receipt of the election by the Employer or if later, the date specified by the Employee in the Salary Deferral Agreement. An Employee may elect to stop participating in the Plan at any time during the year. If elected in the Adoption Agreement, an Employee who terminates his or her Salary Deferral Agreement may resume participation prior to the beginning of the next year.

If the Plan offers an Automatic Contributions Arrangement, default salary deferral contributions being made on behalf of an Eligible Employee will cease as soon as administratively feasible after the Eligible Employee makes an affirmative election.

3.2 Contribution Of Elective Deferrals

The Employer must deposit the Elective Deferrals to each Participant's SIMPLE Retirement Account ("SRA") as of the earliest date on which those contributions can reasonably be segregated from the Employer's general assets, but in no case later than the close of the thirty (30) day period following the last day of the month to which such Elective Deferrals relate.



ARTICLE IV EMPLOYER CONTRIBUTIONS

4.1 Contribution Requirement

The Employer is required to make a contribution on behalf of eligible Participants in accordance with the requirements of either paragraph 4.2 or 4.3 below. This SIMPLE IRA Plan will accept only:

- (a) a cash contribution made by the Employer on behalf of the individual under a SIMPLE IRA Plan that meets the requirements of Code §408(p), and
- (b) a rollover contribution or a transfer of assets from another SIMPLE IRA of the Participant.

No other Contributions will be accepted.

4.2 Matching Contribution

The Employer may elect to match each Participant's Elective Deferrals on a dollar-for-dollar basis up to 3% of each Participant's Compensation. As an alternative, the Employer may elect to match Elective Deferrals on a dollar-for-dollar basis on a lower percentage of Compensation (not less than 1%) for any year. If the Employer makes this election for any calendar year, the Employer must notify Employees of the election within a reasonable period before the sixtieth day preceding the beginning of such year.

The election to match on a lower percentage for any year may not result in the Matching Contribution being less than 3% of Compensation for more than two (2) years in the five (5) calendar year period ending with such year. If any year in the five (5) year period is a year prior to the Effective Date of this Plan, the Employer shall be treated as if it had made a 3% Matching Contribution for such year.

4.3 Non-Elective Contribution

In lieu of the Matching Contribution described at paragraph 4.2, the Employer may elect to make a Non-Elective Contribution of 2% of Compensation for each Eligible Employee for the current year. For purposes of the 2% Non-Elective Contribution, the Compensation taken into account for any year shall not exceed the Compensation limit in effect for such year under Code §401(a)(17). If the Employer makes this election for any calendar year, the Employer must notify Employees of the election within a reasonable period before the sixtieth day preceding the beginning of such year.

Compensation taken into account in determining the 2% Non-Elective Contribution cannot exceed the Compensation limit described in Code §401(a)(17) as adjusted for increases in the cost of living in accordance with §401(a)(17)(B).

4.4 Timing Of Employer Contributions

Matching Contributions and Non-Elective Contributions must be deposited to each Participant's SRA by the Employer's tax filing due date, plus extensions. Matching Contributions and Non-Elective Contributions are deductible in the taxable year of the Employer ending with or within the calendar year for which such contributions were made. Matching and Non-Elective Contributions shall be treated as made for a taxable year if they are made on account of the taxable year and are made not later than the Employer's tax filing due date, plus extensions, for the taxable year that includes the last day of the calendar year for which the contribution is made.

4.5 No Other Contributions

Employee Elective Deferrals, Matching and Non-Elective Contributions are the only contributions that may be made to this Plan. An Employer may not make contributions under a SIMPLE IRA plan for a calendar year if the Employer, or a predecessor employer, maintains an employer-sponsored plan under which any of its Employees receives an allocation of contributions (in the case of a defined contribution plan) or has an increase in a benefit accrued or treated as an accrued benefit under Code Section 411(d)(6) (in the case of a defined benefit plan) for any Plan Year beginning or ending in that calendar year.

4.6 Employer Deduction

For purposes of determining the amount of an Employer's deduction for contributions to specified qualified retirement plans, certain Elective Deferrals are no longer deemed Employer Contributions and they are, therefore, not subject to the Employer deduction limitations. The Elective Deferrals affected are:

- (a) salary deferral contributions to a qualified cash or deferred arrangement under a Code §401(k) plan;
- (b) salary deferral contributions to a SARSEP under Code §408(k)(6);
- (c) salary deferral contributions to a tax-sheltered annuity plan under Code §403(b); and
- (d) salary deferral contributions to a SIMPLE account to a Code §408(p).



**ARTICLE V
VESTING**

A Participant is 100% vested at all times in his or her Elective Deferrals, Matching Contributions and Non-Elective Contributions, including the earnings thereon.

**ARTICLE VI
TREATMENT OF EXCESS CONTRIBUTIONS**

The maximum amount of Elective Deferrals that may be contributed to each Participant's SRA in a calendar year is limited to \$11,500, as adjusted. If excess Elective Deferrals are made to a Participant's SRA for a calendar year, he or she must withdraw the excess from the SRA (plus investment earnings thereon) by the April 15 immediately following the end of the calendar year in which the excess was deferred.

If the excess Elective Deferrals (plus investment earnings thereon) are distributed within the time period provided above, the Excess Elective Deferrals are included in the Participant's gross income for the calendar year in which contributed and any income thereon is taxable in the calendar year withdrawn. If the excess Elective Deferrals (plus investment earnings thereon) are not distributed within the specified time period, the excess Elective Deferrals are subject to the contribution limits of Code §219 and §408 and may be considered an excess contribution to the Participant's SRA. Such excess Elective Deferrals may be subject to the 6% tax on excess contributions pursuant to Code §4973. Income on the excess Elective Deferrals withdrawn from the SRA after the time period provided above may be subject to the 10% tax on early distributions pursuant to Code §72(t) if the recipient Participant has not yet attained age 59½.

If less than 100% of the excess Elective Deferrals and any income thereon is distributed, the distribution is treated as if ratably received from the excess Elective Deferrals and the income thereon.

The 10% excise tax on nondeductible contributions will not apply when the sole reason that a contribution is considered nondeductible is that it is not made in connection with the Employer's trade or business. These contributions may remain nondeductible, although the 10% excise tax will not be imposed on these contributions.

**ARTICLE VII
PARTICIPANT ACCOUNTS**

7.1 SIMPLE Retirement Accounts

This Plan must be used in conjunction with an Internal Revenue Service model IRA or an IRS approved master or prototype IRA which offers SIMPLE Retirement Accounts under Code §408(p). Each Employee, upon becoming a Participant under the Plan, shall establish an SRA in accordance with the rules and regulations established by agreement between the Sponsor and the Employer.

The SRA is established for the exclusive benefit of the Employee as a Plan Participant and his or her Beneficiary. If the SRA becomes an inherited IRA within the meaning of Code §408(d)(3)(c) maintained for the benefit of a designated Beneficiary of a deceased individual, references in this document to the "individual" are to the deceased individual.

7.2 Determination Of Deposit

When making a contribution under the Plan, the Employer shall calculate each Participant's proportionate share of the Employer's contribution for that Plan Year. The Employer shall then deliver the contribution to the Custodian/Trustee indicating the amount to be credited to each Participant's SRA.

7.3 Control Of The Account

The Employer shall contribute to each Participant's SRA the amount of the Elective Deferrals designated in his or her Salary Deferral Agreement, up to the contribution limits allowed by the Plan or applicable law. All contributions made under the Plan by the Employer shall be irrevocable. After allocation to a Participant's SRA, the Employer shall have no further control of such contribution and the terms of the Participant's SRA shall be fully effective and controlling.



ARTICLE VIII POWERS AND RESPONSIBILITIES

8.1 In General

The Custodian or Trustee acts only as a passive Custodian/Trustee and shall have only such powers and responsibilities with respect to the SIMPLE IRA Custodial or Trust Account as set forth in the separate custodial or trust agreement.

8.2 Investment Options

Permissible investment alternatives may include stocks, bonds, money market instruments, savings accounts, certificate of deposit, mutual funds, (including funds for which the Custodian or Trustee, or any affiliate serves as investment advisor), obligations issued or guaranteed by the United States, or in any other investment alternative available for acquisition through the Custodian or Trustee in the regular course of business and approved by the Custodian or Trustee for investment through this IRA Account. Notwithstanding the above, the Custodian or Trustee reserves the right to limit the investment vehicles available to include securities or savings accounts or certificate of deposits issued by the Custodian or Trustee and/or any affiliate. The Code prohibits the Custodian or Trustee from investing any part of an IRA in life insurance contracts or in collectibles. Investment in gold, platinum and silver coins issued under the laws of the U.S. government or any state, and certain bullion are not considered collectibles and are permitted as an investment.

8.3 Written Instructions

Any written instructions required in this document must be in a form acceptable to the Custodian or Trustee. The Custodian or Trustee shall be fully protected acting upon any written instructions from the Employer or Participant, or any other notice, request, consent, certificate or other instrument or paper believed to be genuine or properly executed, or to take or omit any action, so long as the Custodian or Trustee acts in good faith.

8.4 Investment Discretion

Except as otherwise agreed in writing between the Custodian or Trustee or an affiliate or affiliates and the Employer, the Custodian or Trustee shall have no discretion to direct any investments of your IRA Account, and are merely authorized to acquire and hold the particular investments specified by you. The Custodian or Trustee is not obligated to act upon each and every investment direction and may within normal and customary practices, decline to act upon a given investment direction.

8.5 Investment Instructions

Investment instructions provided by the Participant or Employer shall be accepted by the Custodian or Trustee in accordance with established customs and procedures. The Custodian/Trustee shall not be liable for holding all or part of the SIMPLE IRA Custodial or Trust Account(s) uninvested in cash in the absence of any investment instructions from the Participant or the Participant's legal representatives. In general, all transactions directed by the Participant or Employer shall be subject to the rules, regulations, customs, and usages of the exchanges, market or clearinghouse where made, applicable Federal and state laws, and the policies and procedures of the Custodian/Trustee.

8.6 Records

The Custodian or Trustee shall keep accurate records of all receipts, investments, distributions, disbursement and other transactions with respect to the SIMPLE IRA Custodial or Trust Account.

8.7 Proxies And Voting

The Custodian or Trustee shall deliver or cause to be delivered to the Participant, all notices, prospectuses, financial statements, proxies and proxy solicitations relating to securities held in the SIMPLE IRA Custodial or Trust Account.

Unless otherwise provided by a directive, pursuant to paragraph 8.5, the Custodian or Trustee will pass through shareholder rights. If no directive is provided, the Custodian or Trustee shall exercise any shareholder rights (including voting rights) with respect to any securities held but only in accordance with the instructions of the person or persons responsible for the investment of such securities subject to and as permitted by, any applicable rules of the securities and exchange commission and any national securities exchange.

Pursuant to the Participant's direction, the Custodian or Trustee shall have the power and the authority to participate in distributions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by it.

8.8 Right To Request Judicial Assistance

The Custodian or Trustee shall have the right at any time to apply to a court of competent jurisdiction for judicial settlement of its accounts or for determination of any questions or constructions that may arise or for instructions. The only necessary party defendant to any such action shall be the Participant establishing the SIMPLE IRA, but the Custodian or Trustee may join any other person or persons as a party defendant. The costs, including attorney fees, of any other such proceeding shall be charged as an administrative expense under the Participant's SIMPLE IRA Custodial or Trust Account.



8.9 Indemnification

Any provision of this document to the contrary notwithstanding, the Participant and the Employer shall duly indemnify and hold harmless the Custodian or Trustee, its successors and assigns from any and all liability which may arise with respect to the SIMPLE IRA Custodial or Trust Account, except liability arising from the gross negligence or willful misconduct of the Custodian/Trustee.

8.10 Right To Adjudicate Claims Of Multiple Beneficiaries

Should two (2) or more Beneficiaries of an IRA give conflicting instructions or should two (2) or more individuals or entities raise conflicting claims that they are each a Beneficiary of an IRA, the Trustee/Custodian is authorized in its sole discretion and without liability because of fluctuating market conditions or otherwise to do any one or more of the following:

- (a) select which instructions to follow or claims to honor and which to disregard;
- (b) suspend all activity in the SIMPLE, refuse to buy, sell or trade any security or commodity, and refuse to disburse any monies or properties, except upon written instructions signed by all Beneficiaries or claimants;
- (c) close the SIMPLE and send any and all securities, monies or other property by ordinary mail to the owner and address of record, reporting such transaction as a distribution to the owner of record; or
- (d) take action pursuant to paragraph 8.8 above including but not limited to an interpleader action in any appropriate court.

**ARTICLE IX
ADMINISTRATION**

9.1 Plan Administrator

The Employer shall be the Plan Administrator, unless such duties are delegated to another party. The duties of the Plan Administrator shall include:

- (a) carrying out the provisions of the Plan, including determining eligibility of Employees, allocating contributions and interpreting the Plan when necessary;
- (b) delivering all contributions to each particular Custodian/Trustee, showing the amount to be allocated to each Participant's SRA;
- (c) communicating with Employees regarding their participation and benefits under the Plan;
- (d) advising Employees in writing of all contributions to their SRAs;
- (e) performing any other duties required of the Plan Administrator;
- (f) insuring that no contribution exceeds the limits imposed by Code §408(p) or any other applicable law, regulation or order;
- (g) executing necessary documents to establish a SRA with a financial institution for Eligible Employees; and
- (h) providing the Plan notice described in paragraph 2.7, and paragraph 2.8 if applicable, to Eligible Employees.

9.2 Custodian/Trustee

A Custodian/Trustee, as applicable, shall be the depository for individual SRAs established for Participants. As depository, the Custodian/Trustee shall:

- (a) accept for deposit contributions transmitted by the Employer;
- (b) administer each individual SRA in accordance with the provisions of the Custodian/Trustee's SIMPLE IRA document; and
- (c) furnish annual calendar year reports concerning the status of the account and information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue.

The Custodian/Trustee need not verify the amount of the contributions received or the amounts allocated to individual SRAs.



9.3 Designated Financial Institution

Pursuant to the provisions of Code §408(p)(7), the Designated Financial Institution will notify Eligible Employees in writing (either separately or as part of the Plan notice described in paragraph 2.7 of the SIMPLE IRA Plan document) that their SIMPLE IRA balances may be transferred without cost or penalty to another IRA of the Eligible Employee that is qualified under §408(p)(7), to another IRA of the individual that is qualified under §408(a), (b) or (p), or to another eligible retirement plan described in Code §402(c)(8)(B), in accordance with the withdrawal provisions under Code §408(d)(3)(G).

Notwithstanding any limitation on an Eligible Employee's right to transfer without cost or penalty the balance in his or her SIMPLE IRA maintained at a Designated Financial Institution to another SIMPLE IRA, an Employee subject to the Automatic Contribution Arrangement may request such transfer during the sixty (60) days immediately following the Employee's first sixty (60) day election under the Automatic Contribution Arrangement. This period is in addition to any other periods provided under this SIMPLE IRA Plan, and the transfer request can apply to the entire balance accrued since default salary deferral contributions were first made on the Employee's behalf and to the balance attributable to future contributions at the Employee's request.

9.4 Withdrawals

A Participant may withdraw contributions made to the Participant's SRA, including the earnings thereon, at any time. However, if the Participant makes any withdrawals prior to the time he or she attains age 59½, the Participant will be subject to a penalty. The penalty is contingent on the Participant's period of participation in the Plan. If the Participant has been participating in the Plan for two (2) years or less, withdrawals prior to age 59½ will be subject to a 25% penalty, unless an exception applies under the Internal Revenue Code. Similarly, if the Participant has been participating in the Plan for more than two (2) years, withdrawals prior to age 59½ will be subject to a 10% penalty, unless an exception applies under the Code.

9.5 Rollovers

A Participant may rollover contributions made to the Participant's SRA, including the earnings thereon, to another SIMPLE IRA at any time. Effective January 1, 2002, if the Participant has attained age 59½ and such Participant would like to rollover his or her SRA to an IRA which is qualified under Code §408(a), (b) or (p), or to another eligible retirement plan described in §402(c)(8)(B), the Employee may only do so after a two (2) year period beginning from the time he or she first participated in the Plan.

9.6 Transfers

The Employer may require that all contributions under the Plan be deposited with a single designated IRA Custodian/Trustee. If the Employer requires the deposit of all contributions with a single designated IRA Custodian/Trustee, all contributions under the Plan, including the earnings thereon, may be transferred without cost or penalty to another IRA of the individual that is qualified under Code §408(a), (b) or (p), or to another eligible retirement plan described in Code §402(c)(8)(b).

ARTICLE X FEES AND EXPENSES

10.1 Compensation To Trustee/Custodian

We shall be entitled to reasonable compensation for our services hereunder and to reimbursement for all reasonable expenses incurred in the management of the SRA. The Trustee/Custodian shall notify you in writing of our fees and any changes in fees.

10.2 Payment Of Fees And Expenses

The initial annual fee shall be paid when an SRA is established. All subsequent fees shall be due and payable in accordance with the Trustee/Custodian fee agreement. In the event an Account is terminated or transferred, a termination or transfer fee may be due and payable on the date of the termination or transfer. Reimbursement for expenses shall be due and payable upon demand.

10.3 Deduction Of Fees And Expenses

The Trustee/Custodian may deduct from and charge against an SRA all reasonable fees and expenses incurred in the management of the Account that have not been timely paid. Commissions will be deducted directly from the IRA Account and may not be reimbursed.

ARTICLE XI AMENDMENT AND TERMINATION

11.1 Amendment By Sponsor

The Sponsor may amend this SIMPLE IRA Plan at any time without obtaining the approval or consent of the Employer or Participant(s) provided that no amendment shall authorize or permit any Plan asset to be used for or diverted to purposes other than for the exclusive benefit of Participants and their beneficiaries. The Sponsor will inform each adopting Employer of any amendments to or termination of the Plan.



11.2 Amendment By Employer

The Employer may amend any option elected in the Adoption Agreement provided that no amendment shall authorize or permit any part of the Employer's contribution to be used for or diverted to purposes other than for the exclusive benefit of Participants.

11.3 Plan Amendments

Any amendment to this SIMPLE IRA Plan can become effective only at the beginning of a calendar year and must conform to the content of the Plan notice for the calendar year.

11.4 Termination

The Employer may terminate the Plan upon sixty (60) days written notice to the Sponsor. In such event, each applicable Custodian/Trustee shall continue to administer each Participant's SRA, as applicable, as provided under the SRA agreement. The Sponsor may also terminate the Plan upon written notice to the Employer.

11.5 Substitution Of Non-Bank Trustee Or Custodian

The non-bank trustee or custodian shall substitute another trustee or custodian if the non-bank trustee or custodian receives notice from the Commissioner of Internal Revenue that such substitution is required because it has failed to comply with the requirements of §1.408-2(e) of the Income Tax Regulations.

11.6 IRS Qualification

The Sponsor intends that this document will meet the requirements set forth in the Internal Revenue Code and the regulations issued thereunder. This IRA document has been amended for tax years beginning after January 1, 2010 and has been submitted to the IRS for approval. Should the Commissioner of Internal Revenue or any delegate of the Commissioner at any time determine that this document fails to meet the requirements of Code §408, we will amend the document to maintain its qualified status.

11.7 Right To Resign

The resignation of the Sponsor as Trustee/Custodian will be effective sixty (60) days after the date on which written notice of such resignation is mailed. In the event of such resignation, the Employer must appoint a new custodian or trustee. No further contributions will be accepted once the resignation becomes effective. The Trustee/Custodian will transfer the balance held in the IRA directly to the successor custodian or trustee on the effective date of resignation or as soon thereafter as practical. If the Employer fails to appoint a new custodian or trustee by the end of the sixty (60) day notification period, the Employer will be deemed to have closed the SIMPLE IRA Account under paragraph 4.8 hereof and to have instructed the Trustee/Custodian to make distribution of the Accounts in cash for purposes of a rollover to another IRA. If the Accounts cannot be reduced to cash because the assets held are not readily marketable or if the sale of assets would result in substantial loss in value, the Trustee/Custodian will distribute such assets in the Account in kind.

11.8 Your Right To Terminate

Participants have the right to terminate their SIMPLE IRA at any time upon written notice to the Trustee/Custodian. If the SIMPLE IRA is terminated within seven (7) days of the date on which the IRA Account was established, the Trustee/Custodian will return any contributions made to the Account without adjustment for fees, sales commissions, administrative expenses or any fluctuations in market value. No termination charge, fee, or similar penalty for a termination within this seven (7) day period will be assessed.

**ARTICLE XII
GOVERNING LAW**

Construction, validity and administration of this Plan shall be governed by Federal law to the extent applicable and to the extent not applicable by the laws of the State or Commonwealth containing the principal office of the Employer.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Plan Description: Prototype SIMPLE IRA Plan 002
FFN: 50970511900-002 Case: 201100307 EIN: 74-1598370
Letter Serial No: M993186a

U S GLOBAL INVESTORS INC
7900 CALLAGHAN ROAD
SAN ANTONIO, TX 78229

Contact Person:
Ms. Roslynn B. Perry
Telephone Number:
(202) 283-9624
In Reference To: SE:T:EP:RA
Date: 08/24/2011

Dear Applicant:

In our opinion, the form of your Savings Incentive Match Plan for Employees of Small Employers (SIMPLE IRA Plan) is acceptable under section 408(p) of the Internal Revenue Code. This SIMPLE IRA Plan is approved for use only in conjunction with one or more SIMPLE Individual Retirement Arrangements (SIMPLE IRAs), each of which meets the requirements of Code section 408(p) and has received a favorable opinion letter, or is a model SIMPLE IRA (Form 5305-S or 5305-SA).

An employer that adopts this approved prototype will be considered to have a SIMPLE IRA Plan that satisfies the requirements of Code section 408(p) provided that the terms of the plan are followed and that it is used in conjunction with one or more approved SIMPLE IRAs. Please provide a copy of this letter to each adopting employer.

Code section 408(l)(2) requires an employer that adopts a SIMPLE IRA Plan to provide to employees certain information about the SIMPLE IRA Plan.

Your prototype may have to be amended to include or revise provisions to comply with future changes in the law or regulations.

If you, the sponsoring organization, have any questions concerning the IRS processing of this case, please call the above telephone number. This number is only for use of the sponsoring organization. Individual participants and/or adopting employers with questions concerning the plan should contact the sponsoring organization. The sponsoring organization must provide its address and telephone number for inquiries by individual participants and adopting employers.

If you write to the IRS regarding this plan, please provide your telephone number and the most convenient time for us to call in case we need more information. Whether you call or write, please refer to the File Folder Number (FFN) shown in the heading of this letter.

You should keep this letter as a permanent record. Please notify us in writing if you modify or discontinue sponsorship of this prototype plan.

Sincerely Yours,

Andrew E. Zuckerman
Director, Employee Plans Rulings and Agreements