

**SAM PRECIOUS METALS FZ-LLC  
INDEPENDENT REASONABLE  
ASSURANCE REPORT  
(ISAE 3000 ENGAGEMENTS)  
ON THE REFINER'S COMPLIANCE  
REPORT FOR THE YEAR ENDED  
31 DECEMBER 2023**



**RSM Turkey Uluslararası  
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## **To the Board of Directors SAM Precious Metals FZ-LLC**

### **Independent Reasonable Assurance Report to SAM Precious Metals FZ-LLC (ISAE 3000 engagements)**

We were engaged by the Management of SAM Precious Metals FZ-LLC (SAM, the Company or the Refiner) to provide a reasonable assurance on its Refiner's Compliance Report for the year ended 31 December 2023.

The assurance scope consists of the Refiner's Compliance Report (the Report).

### **Responsibilities**

The management of the Company is responsible for the preparation and presentation of the Refiner's Compliance Report in accordance with the **Emirates Bullion Market Committee (EBC) Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1 / 2021)** and its **Annex 2 - EBC Review Protocol**. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by the management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Compliance Report.

Our responsibility is to carry out a reasonable assurance engagement in order to express an opinion as to whether the Refiner's Compliance Report, in all material respects, describes fairly the activities undertaken during the year to demonstrate compliance, and that management's overall conclusion contained therein is in accordance with the requirements of the Guidance. We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and **Emirates Bullion Market Committee (EBC) Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1 / 2021)** and its **Annex 2 - EBC Review Protocol**.

Our work has been undertaken so that we report to SAM Precious Metals FZ-LLC on those matters that we have agreed to state to them in this report. Our tests are related to SAM Precious Metals FZ-LLC as a whole rather than performed to meet the needs of any particular customer.

Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the SAM Precious Metals FZ-LLC for our work, for this report or for the opinions we have formed.

### **Subject matter**

This report covers the SAM Precious Metals FZ-LLC general level of compliance in accordance with the **EBC Rules for RBDG** for market participants in the gold and precious metals industry and its **Annex 2 - EBC Review Protocol** as described in Refiner's Compliance Report, dated 30 January 2024.

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## Summary of assurance procedures

We planned and performed our work to obtain all evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

- Enquiries of management to gain an understanding of SAM's Gold Supply Chain Policy and Risk Management protocols. Questions about the Refinery's Compliance System were asked and required disclosures were obtained,
- Enquiries of relevant, responsible staff for the preparation of the Report and the required disclosures were obtained,
- Refiner's production site visited. The complete Gold Supply Chain process observed, the required disclosures obtained and necessary audits and controls performed regarding the functionality of the system. It was observed that the refinery is producing according to domestic and international standards and certificates,
- Procedures, documents and information related to gold suppliers, buyers and other related parties were selected in order to assess if the Refinery has an effective compliance system. As a result of the assessments, it was seen that the Refinery has established an effective compliance system that is in accordance with Emirates Bullion Market Committee (*EBC Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1 / 2021)*),
- It was observed that the Refinery has established and put into force an effective management system regarding with the Refinery's Gold Supply Chain, which is in harmony with domestic and international standards. It was also observed that the Refinery has adopted appropriate internal control and intercommunication systems. The Refinery has formed a set of procedures and applications in order to identify risks in the supply chain. It was observed that the Refinery formed an appropriate "Know Your Client" (KYC) policy and "Risk Management Plan" within the context of KYC and is maintaining the system's operation.
- Above procedures have been evaluated in accordance to the interviews with the Managing Director, General Manager, Compliance, Refinery, Production, Import, Export, Accounting and Internal Audit Managers and key personnel.

## Scope based on Reasonable assurance:

The review procedures undertaken by us will cover to the following:

- i. We have observed that SAM Precious Metals FZ-LLC has established a robust sustainable Supply Chain Management System. SAM's Gold and Precious Metals Supply Chain Policy includes a scope, distributed responsibilities and has customer acceptance policy. They have also trained their staff regularly about the supply chain policy. SAM has assigned a dedicated compliance officer who has deep information regarding supply chain policies and due diligence procedures in the precious metals industry. SAM's Compliance Officer conducts all monitoring and applications of statutes related to adaptation. At the same time, SAM Compliance Officer is also the Chief Compliance Trainer. A Company Compliance Committee has been formed to operate under the supervision of the Chairman of the Board. Its operational aspect is indicated in the Compliance Directive of SAM.

Every unit and all employed personnel engaged in gold and gold containing metal business within SAM Precious Metals FZ-LLC are responsible for meeting the requirements of corporate Gold Supply Chain Policy, informing on any problems or shortcomings within the shortest period, and carrying out appropriate corrective actions. Moreover, all personnel have access to a grievance and whistleblowing platform that allows them to disclose complaints anonymously if they wish, easily and efficiently.

## Scope based on Reasonable assurance: (Continued)

### ii. Audit Observations:

A physical inspection and audit of KYC and transaction documents of Recycled and Mined Gold has been conducted by us as follows:

- We audited 7,23 % of non-high-risk transactions, which amounted to 37,25 % of non-high-risk transactions value within the period 1 January 2023 – 31 December 2023 which was subject to audit;
- We audited 100 % of high-risk transactions, which amounted to 100 % of high-risk transactions amounts within the period 1 January 2023 – 31 December 2023 which was subject to audit;
- We audited all of the high-risk customers onboarding “Know Your Client” (KYC) files.

We audited 25,49 % of the non-high risk customers KYC files.

We collected and audited KYC files of 52,50 % of the new customers.

We collected and audited KYC files of 33,72 % of the old customers.

- We audited the transactions according to their geographical source and the sampling covers all the countries -.
- We audited the geographical origin of the gold transactions and if they are Mined or Recyclable Gold.

### iii. SAM Precious Metals FZ-LLC is able to identify and assess the risks in the supply chain. SAM uses a strong management system in order to identify and assess the risks associated with gold and precious metals which they produce, distribute, transport, export and/or purchase.

SAM Precious Metals FZ-LLC conducts a risk assessment on each party included in the supply chain from the mines (mined gold and precious metals) to the company including suppliers, exporters and transporters (mined/recycled gold and precious metals) using a risk-based approach.

SAM's risk assessment methodologies have developed and improved, that adheres to EBC guidelines and incorporated,

- Geographical risk
- Counterparty risk and
- Transactional risk factors

SAM has developed a measured approach to calculate risk which allows it to classify suppliers' risk levels consistently and respond adequately.

Due diligence and risk assessment for each new and existing customer start upon account opening and continuously monitored on every shipment and transaction basis. KYC (Know Your Client) documents, information, research, and transaction/shipment history that have been gathered and well-kept and recorded are used to calculate and measure risk level with the use of SAM'S multiple-step in the risk assessment process.

SAM's risk assessment was carefully crafted to take into consideration all the requirements of EBC Rules in identifying red flags according to (a) Location-based (b) Supplier-based, or (c) Circumstances-based red flags.

### Scope based on Reasonable assurance: (Continued)

Formulated Overall risk ranking Matrix includes risk factors - such as;

- Location of the Supplier's business
- Beneficial owner's nationality
- Country of origin/transportation of precious metal
- Number of Years in the Industry,
- Compliance Structure of the Company
- Other Businesses of the Beneficial Owner
- Politically Exposed Person (PEP)
- Adverse Media News
- Type of Gold – Mined, Recycled or Grandfathered

The country risk assessment takes into consideration various factors such as governance-related risk, money laundering/terrorist financing risk, international sanction risk, conflict-affected and high-risk areas, corruption risk, narcotics major risk, human trafficking, and financial transparency risks.

With this objective, SAM Precious Metals FZ-LLC (SAM) has put into effect the Gold Supply Chain Policy and through sharing, achieves a common collective consciousness among all company personnel, clients, business partners and other concerned third parties. All units of the Company involved in gold business have implemented a Gold Supply Chain Risk Management Plan and conduct client relationships within the principles of Client Acceptance Policy.

iv. The following steps have been taken to mitigate any risk that is identified.

- All customers are required to open an account with SAM before doing any transaction. Account Opening procedure requires the submission of all necessary required documents that are required to perform the necessary due diligence.
- SAM Precious Metals Risk assessment methodology has been developed taking into consideration the geographical, counterparty, and transactional risk. The risk associated with the supply chain and transactions are continuously communicated to the Senior Management. The Senior Management takes into consideration the view of the Compliance Officer and expert opinions from independent third-party consultants before taking the final decision on whether to accept or reject the risk.
- Account will not be opened and no gold/metals shipment will be processed or accepted if there is incomplete information or documents.
- All suppliers at SAM Precious Metals are subject to a risk assessment, and risk ratings are recorded in the file. Customers are designated as – High, Medium or Low Risk, based on the risk profile of the client. Due diligence requirements commensurate with the risk level associated with the client and enhanced due diligence will be necessary for all high-risk customers.
- Any shipment is subjected to ongoing, proactive, and reactive due diligence in order to detect, avoid, and minimize risks that could have a negative effect on the business. If the compliance officer believes the risk associated with a transaction is high at any point during the process, an investigation is conducted and a management decision must be made.
- SAM Precious Metals has implemented a cutting-edge cloud-based digital system designed to revolutionize the operational workflow and control mechanisms. This advanced platform is engineered to streamline every aspect of the operations, beginning with the initiation of shipments to the final stages of compliance approvals and quality control checks. At the core of this transformation is the seamless integration of the operational phases into a cohesive, cloud-enabled framework across customer service, operations, compliance, quality control, finance, vault, and lab departments. This allows for a unified process where each department can access and process their relevant part of the transaction in real time, enhancing collaboration and efficiency.
- All shipments are kept physically segregated until the Compliance Officer approves and the Quality Check Officer passes the shipment.

## Scope based on Reasonable assurance: (Continued)

### iv. The following steps have been taken to mitigate any risk that is identified. (Continued)

- The type of precious metals (such as mined gold, melted recyclable gold, etc.) is taken into consideration while assessing the risk associated with a supplier and, during the transaction monitoring. The Client Risk Matrix takes into consideration the form of precious metals, with the mined gold and melted recyclable gold having a higher risk rating as compared to unprocessed recyclable gold.
  - With each shipment, the Supplier is required to provide a Customer Declaration Form, which must include details about the Origin of Precious Metals, Purity, Weight, and Type of Gold/Silver, specifying whether it is Recyclable or Mined. For recyclable metals, the Supplier must further classify the material as LBMA Good Delivery Bar, UAE Good Delivery Bar, Non-Good Delivery Bar (Au ≥ 995.0 / Ag ≥ 999.9), Rudimentary Bars, Coins, Jewellery, Broken Jewellery, Ornaments, Collected Waste, or other categories. In the case of mined metal, the Supplier is obliged to specify whether the metal originates from a Large Scale Mine (>100,000 oz/year), Medium Scale Mine (30,000 to 100,000 oz/year), or Artisanal and Small Scale Mine (<30,000 oz/year), and provide essential mine details such as mine name, mine license number, mining site, and transport route.
  - Before processing any shipment, a visual inspection is conducted by the Quality Check Officer to verify the type of precious metal. Subsequently, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal. If any discrepancy is found, the shipment is automatically put on hold and sent back to the Compliance Department for further verification. Only after the final approval is obtained from the Compliance Department can the shipment be processed.
- If a Red Flag is identified, the shipment is put on hold and physically segregated till the matter is investigated by the Compliance Officer, and a final decision is made.
 

A colour-coded segregation system has been instituted to establish a segregated processing line for mined and recycled metal within the refinery. This segregation system is designed to prevent cross-contamination between mined and recycled metal. The color-coded system provides a clear visual aid to ensure that the separation is maintained throughout the entire process. By establishing a separate processing line for each type of metal, SAM Precious Metals ensures the integrity of each supply chain is effectively maintained during the processing of the materials.
- SAM does not accept and directly discontinue transactions with upstream suppliers which were identified as high-risk due to involvement and or participation in non-state armed groups through the extraction, transport, trade, handling, or export of minerals which includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who;
  - a) Illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
  - b) Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
  - c) Illegally tax or extort intermediaries, export companies or international traders.
- SAM Precious Metals does not engage in offering, promising, giving, or demanding bribes and resists the solicitation of bribes to conceal or disguise the origin of precious metals, or to misrepresent taxes, fees, and royalties paid to governments for the extraction, trade, handling, transport, and export of such materials.
- SAM Precious Metals reports to the relevant authorities any Uncooperative Suppliers and/or suspicious individual, entities, and transactions as soon as possible.
- If Red flag has been identified - it is mandatory to carry out additional and more in-depth due diligence procedures. Shipment will be put on hold till necessary information is provided. Temporary suspending trading activities with the specific supplier where a red flag has been identified.
- If within 3 months, the supplier fails to comply with the mitigating control plan and fails to reduce the risk associated with its shipment, SAM will disengage.

**Scope based on Reasonable assurance: (Continued)**

- v) SAM has conducted enhanced due diligence that is in accordance with Emirates Bullion Market Committee (EBC) Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1 / 2021) to mitigate any risk associated with high-risk customers and high-risk transactions. SAM has put in place a robust due diligence process and effective controls. Enhanced Due Diligence goes beyond the normal requirements applied to the approval and monitoring of customers. SAM is effectively able to manage risk through rigorous risk assessment and investigation (Enhanced Due Diligence) and mitigate and remediate any risk associated with its precious metal supply chain.
- vi) In addition, as part of its risk management framework, SAM Precious Metals has engaged the services of a reputable firm, Crif Gulf DWC LLC (Dun and Bradstreet) and other supply chain experts, to perform third-party due diligence on existing and potential suppliers. Dun and Bradstreet conducts an independent investigation on suppliers, which involves a site visit and analysis of a comprehensive set of data and information from a diverse range of open and paid sources. The report resulting from this investigation undergoes a rigorous evaluation process before any decision is made to onboard a supplier. This process ensures that SAM Precious Metals' high standards for supplier selection and risk management are consistently maintained, ensuring the reliability and integrity of its supply chain.
- vii) During the reporting period, SAM Precious Metals engaged AKW Consultants to conduct enhanced due diligence of their supply chain across different locations. The reports prepared by AKW Consultants demonstrate SAM Precious Metals' commitment to ethical practices and compliance with international standards. The depth and breadth of these evaluations showcase an extensive effort in identifying, mitigating, and monitoring risks in accordance with the OECD Due Diligence Guidance and EBC rules. These efforts are critical for ensuring that SAM Precious Metals remains at the forefront of responsible sourcing, contributing positively to economic development while mitigating environmental impact and fostering a safe and respectful working environment.
- viii) During the reporting period, SAM Precious Metals demonstrated its commitment to ensuring a robust and effective compliance department, and as such, took significant steps to enhance its capabilities.

To begin with, SAM Precious Metals invested in expanding the capacity of the compliance department. This involved providing the department with advanced tools, technologies, and software that would enable it to handle its functions optimally. Furthermore, SAM Precious Metals heavily increased the manpower of the Compliance Department. The company recognized that having the right people in the right positions was crucial to the compliance department's success. In addition to this, SAM Precious Metals focussed on providing the team with specialized training in industry-specific knowledge, regulatory requirements, and best practices to ensure they stay up to date with the latest developments.

By enhancing the department's expertise, SAM Precious Metals is focussed on improving its compliance standards, reducing the likelihood of regulatory issues, and demonstrating its commitment to responsible and ethical practices.

- ix) SAM executes internal and independent third-party audits within the framework of tracking and controlling activities through Compliance Unit and Compliance Committee in order to raise personnel awareness, to refresh information with training offered and for the purpose of tracking and controlling implementations.

SAM has formed an internal audit system jointly with regular clients who conduct continuous business. Through annual controls at different periods, it audits regular supplier clients' administrative applications and conducts localized area inspections; thus, achieving risk evaluation of trade carried out.

- x) SAM Precious Metals engaged Padmakala Management Services LLP to perform an internal audit review on SAM Precious Metals' compliance with the provisions of UAE AML/CFT laws and regulations for the period from 1 January 2023 to 31 December 2023. Based on the internal audit review, Padmakala Management Services provided a report stating that SAM Precious Metals has complied with the provisions of the UAE AML/CFT laws and regulations for the period from 1 January 2023 to 31 December 2023. Further, SAM Precious Metals has maintained the relevant records including purchase, sales and bank transaction records as required by the law.

**Scope based on Reasonable assurance: (Continued)**

xi) During the reporting period, SAM Precious Metals also engaged ISOQAR, a UAEGD reviewer, to conduct an External audit on SAM Precious Metals for OECD Compliance. Based on the review of documentation, ISOQAR's has given a report stating that SAM Precious Metals has developed adequate systems and processes to ensure compliance with the applicable UAE laws (Federal Decrees) and OECD Compliance and no issues were found.

xii) In order to create a culture of responsible business conduct, SAM aims to understand the requirements of the various stakeholders by constantly engaging with them and educating them on several aspects related to the business, product and services and compliance matters including supply chain. The company adopts a proactive approach to respond to the needs of the customers in a timely manner and promotes regular communication with them.

- To enhance industry-wide knowledge, SAM actively participates in various forums and sponsors events focused on subject matters to educate the broader industry. This initiative contributes significantly to the growth of the gold, silver, and precious metals sector not only within the UAE but also across the GCC region and globally. Through these efforts, SAM plays a pivotal role in advancing industry standards and promoting sustainable practices within the precious metals market. During the reporting period, SAM Precious Metals was instrumental in supporting various industry initiatives, including the India Gold Conference 2023 organised by Eventell Global Advisory, Dubai Precious Metals Conference 2023 organised by Dubai Multi Commodities Centre, and University of Bradford's COP28 sustainability challenge.

SAM's vision includes creating a support system for the Gold and Precious Metals Industry organisations to be compliant with the OECD Due Diligence Guidance on Responsible Supply Chain. Thus, SAM Precious Metals has employed various channels to communicate with their suppliers and the wider industry participants with a view to raising awareness about the OECD guidelines, best international practices and supervisory expectations. SAM has worked with a wide variety of stakeholders, providing support in developing improved regulatory outcomes and a strong compliance culture within the Gold and Precious Metals Industry. The focus is to prevent shortcomings, identify issues before they become a concern, and lead to more efficient compliance solutions. The top leadership actively supports and understands compliance efforts.

xiii) SAM Precious Metals FZ-LLC supports all preventative measures, efforts and applications to obstruct contributing to conflict, Money Laundering, Terrorism Financing, or serious Human Rights abuses during the entire process covering mineral extraction, transportation, trade stages, including applications at points of passage to mining areas, export and taxation.



### **Inherent limitations**

Non-financial information, such as that included in the Refiner's Compliance Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The methods used by Refiners to comply with the Guidance may differ. It is important to read the SAM Precious Metals FZ-LLC 's Gold Supply Chain Policy available on SAM's website [www.sampreciousmetals.com](http://www.sampreciousmetals.com)

### **Independence and competency statement**

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

### **Conclusion**

In our opinion, in all material respects, the accompanying Refiner's Compliance Report dated 30 January 2024 for the period from 1 January 2023 to 31 December 2023 and prepared by the directors of SAM Precious Metals FZ-LLC, describes fairly the level of general compliance and management's overall conclusion contained therein is in accordance with the requirements of the **Emirates Bullion Market Committee (EBC) Rules for Risk Based Due Diligence in the Gold Supply Chain (EBC Rules for RBDG / Version 1 / 2021)** and its **Annex 2 - EBC Review Protocol**.

RSM Turkey Uluslararası Bağımsız Denetim A.Ş.  
Member, RSM International

Eray YANBOL  
Engagement Partner

Istanbul  
5 March 2024



Enclosure:  
- *Refiner's Compliance Report*



## SAM PRECIOUS METALS

### Compliance Report – EBC 2023 30 January 2024

The Emirates Bullion Market Committee (EBC) Rules for Risk Based Due Diligence in the Gold Supply Chain Version 1/2021 (the “Rules for RBDG”) issued by the EBC have been established to ensure responsible global supply chain management of gold and assist Accredited Members to adopt and maintain a high level of due diligence in order to fight Money Laundering (AML), combat Terrorism Financing (CFT), avoid Contributing to Conflict, and prevent Human Right Abuses, along with developing a constructive relationship with suppliers to source responsibly from Conflict-Affected and High-Risk Areas.

The objective of this report is to demonstrate the efforts taken by ‘SAM Precious Metals FZ LLC’ to comply with the requirements the EBC Rules for RBDG for responsible sourcing and ethical standards during the calendar year 2023.

**TABLE 1. DETAILS OF REPORTING ENTITY**

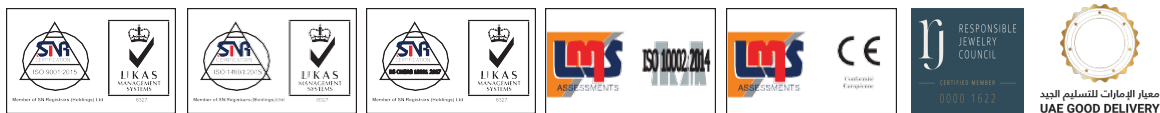
Name	SAM Precious Metals FZ LLC
Location	PBU B36/B37/C39/C40, Dubai Production City, Dubai, United Arab Emirates.
Contact Details	<a href="mailto:compliance.officer@sampreciousmetals.com">compliance.officer@sampreciousmetals.com</a>
Reporting Period	1 <sup>st</sup> January 2023 – 31 <sup>st</sup> December 2023
Senior Manager Responsible for the report	Sami Riyad Mahmoud Abu Ahmad

**TABLE 2. SUMMARY OF ACTIVITIES UNDERTAKEN TO DEMONSTRATE COMPLIANCE**

### Summarized Conclusion:

The primary goal of SAM Precious Metals is to create sustainable value for clients, investors, people, society, and other stakeholders, while operating in a culture of responsible sourcing, adhering to regulations, and demonstrating excellence in performance, innovation, governance, trust, and respect.

Operating a Responsible Supply Chain is pivotal to the sustainable success of the company’s business and to the sustainable development of the countries from which the raw materials originate from. Thus, SAM Precious Metals ensures that any material, whether recycled or mined products, entering the refinery is from responsible and sustainable sources.





## SAM PRECIOUS METALS

In every aspect of business, SAM Precious Metals strictly ensures adherence to ethical and moral standards and follows the process of responsible sourcing. SAM Precious Metals has put in place a comprehensive internal system of due diligence, control, and transparency over precious metal supply chain, including traceability. Internal audit and independent third-party assurances are conducted periodically to verify and ensure that the policy and procedures are consistently implemented, and proper controls have been established. Further, SAM transparently communicates and discloses factually backed information about its supply chain operations internally and externally to regulators, accreditation bodies and other relevant third-party stakeholders.

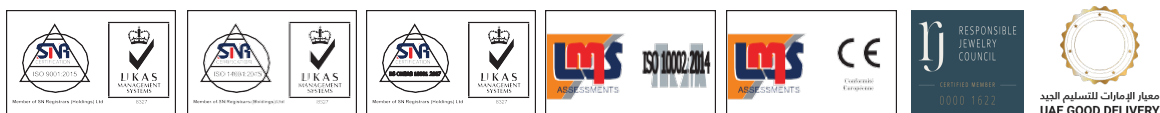
‘Responsible Sourcing’ is a fundamental and highly significant principle for SAM Precious Metals. Thus, in order to assess and monitor the risk, SAM Precious Metals conducts thorough due diligence on the gold, silver and precious metals supply chain including both new and existing counterparts, corporate customers and individual members of corporate customers, the location of the operations and the country of origin of the gold, silver and precious metals. A detailed Know Your Customer (“KYC”) process has been put in place by the company under the supervision of the in-house Legal and Compliance department to ensure that strict compliance is maintained with all relevant Regulatory requirements and international best practices and standards around Supply Chain Management, Anti Money -Laundering / Countering Financing of Terrorism (AML/CFT), and Anti Bribery and Corruption (ABC).

SAM Precious Metals continuously operates and strongly recommends and regularly seeks confirmations from its Suppliers to operate in accordance with the UAE Federal Decree-Law No. (20) Of 2018 On ‘Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations’, UAE Due Diligence Regulations for Responsible Sourcing of Gold, OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, RJC Code of Practices, RJC Chain of Custody, the LBMA Responsible Gold Guidance and the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain.

Sam Precious Metals has fully complied with each of the rules in the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain version 1/2021 during the calendar year 2023 and the company is, thus, in total compliance with the EBC Rules for RBDG for the above-mentioned period.

### Evaluation:

The tables and statements which are listed below demonstrate our evaluation of the compliance to each sub-points of the Rules 1-5 of the EBC Rules for RBDG.



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SAM PRECIOUS METALS FZ-LLC



## SAM PRECIOUS METALS

### RULE 1. SUPPLY CHAIN MANAGEMENT SYSTEMS

#### Rule 1.1 Overriding Principle

Each Accredited Member conducting business in the supply chain relating to Mined Gold and Recycled Gold must implement and maintain systems and procedures which are sufficiently robust to conduct effective due diligence on the Accredited Member’s supply chain. The complexity of the management system should depend on the volume of business, location, type of supplies processed, and complexity in the supply chain. Members should evaluate the objectives of their management system against performance to ensure attainment of the expected outcome in a periodic manner.

Compliance Statement	Fully Compliant
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#### Demonstration of Compliance

As an established organisation conducting business in the gold and precious metals sector, SAM Precious Metals is committed to responsible sourcing and supply chain management. SAM Precious Metals maps its supply chain in order to identify and assess the risks of contributing to conflict, money laundering, terrorism financing, or serious human rights abuses, associated with gold or precious metals which they produce, distribute, transport, export, sell and/or purchase.

SAM Precious Metals commits to adhere to following the guidelines and codes:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and Gold Supplement to the OECD Due Diligence Guidance
- UAE Due Diligence Regulations for Responsible Sourcing of Gold
- EBC Rules for Risk Based Due Diligence in the Gold Supply Chain
- RJC Code of Practice Standard
- RJC Chain of Custody Standard
- LBMA Responsible Gold Guidance

SAM Precious Metals has implemented a risk-based approach for managing the risks associated with its supply chain. This includes identifying, assessing, and understanding risks that SAM Precious Metals faces and developing mitigating measures commensurate to those risks to ensure the integrity and sustainability of its supply chain operations. This approach involves risk identification, risk assessment, risk control plan, ongoing monitoring, and enhanced due diligence, in cases where the risk is higher.

SAM Precious Metals is committed to follow its Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organization Compliance Policy (AML/CFT Policy), Anti-Bribery and



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## SAM PRECIOUS METALS

Corruption Policy, and Supply Chain Policy, which are consistent with the requirements set out in the OECD Due Diligence Guidance, UAE Due Diligence Regulations for Responsible Sourcing of Gold and the EBC Rules for RBDG. All policies are approved by the Senior Management and updated on a regular basis.

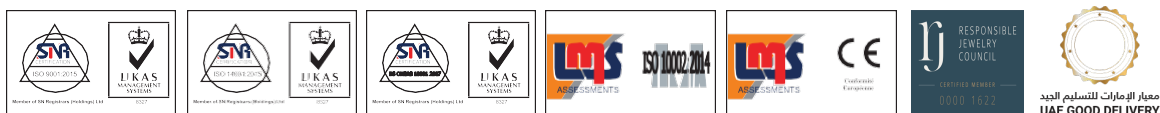
The above-mentioned policies are published on SAM Precious Metals' website <https://sampreciousmetals.com/responsible-sourcing/>.

Policies are developed to meet the highest compliance with statutory regulations and international best practices about human rights, health and safety, child labour, forced labour, environmental protection, business ethics. The roles and responsibility of the Management Team, the Compliance Officer, the Staff, and the Suppliers are clearly defined in order to ensure that the policy and procedures are effectively implemented.

SAM Precious Metals' Supply Chain Policy outlines the company's responsibility and commitment to conducting risk-based due diligence, monitoring of transactions, and establishing a governance system, in order to achieve a responsible supply chain of minerals. The company has adopted a comprehensive on-going, proactive, and reactive process that is being implemented and maintained by the Compliance Department. The policies and procedures, which covers in depth all aspects of our internal and external processes towards KYC processes, supply chain risk identification, country risk assessment, reporting, and risk mitigation plan, serves as guidance to all departments involved in the supply chain to successfully comply with the company's policies.

Prior to onboarding any new Supplier, the policy and procedures are discussed with the Supplier and our commitment and expectations with respect to responsible sourcing of precious metals is clearly communicated to the Supplier. SAM Precious Metals' Supply Chain Policy is shared with all Suppliers who wish to work with SAM Precious Metals and a written confirmation is obtained from them that they will comply with all the provisions of the policy. Identification (ID), Verification (VR), and Know-Your-Customer (KYC) together form the first key step in the Procedures and Controls and is carried out before onboarding any client. Following applicant screening and background information check, along with review of business plan, source of funds and expected levels of activity, an initial decision is made with respect to the application status, that is the client may be accepted, rejected, or more information may be required.

A robust supply chain management system has been developed, which includes centralized information and several departments participating in daily transaction and shipment verification leading to strong monitoring and surveillance of all shipment. Unique reference numbers are used to identify incoming / outgoing shipment and a track-to-back traceability method has been put into practice which matches





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each finished product with the incoming shipment. A colour-coded segregation system has been instituted to establish a segregated processing line for mined and recycled metal within the refinery.

SAM Precious Metals has implemented a cloud based digital system to enhance our operational workflow and control mechanisms. This sophisticated platform streamlines every phase of our operations, from initial shipment creation to compliance approvals, and quality control. By integrating these processes into a unified, cloud-enabled framework, we not only bolster our workflow efficiency but also elevate our control standards, reinforcing our commitment to compliance and quality standards in every transaction.

Internal audit and independent third-party assurances are conducted periodically, which help to verify and ensure that the policy and procedures are consistently implemented, and proper controls have been established to mitigate the risks. Further, it helps to identify any gaps in the controls, and maintain the integrity and reliability of the organization's internal controls.

SAM Precious Metals' Supply Chain Policy has been communicated to all employees working in the company. Regular training sessions have been organized for all staff involved with or holding responsibilities related to the precious metals supply chain, as well as the management team.

Senior Management approves and establishes comprehensive and prudent guidelines, policies, and methods towards responsible sourcing while the in-charge Compliance Officer has the responsibility to execute the content of the policies, guidelines, and protocol. All risks associated with a supply chain and transactions is communicated to the Senior Management at SAM Precious Metals, who takes a final decision on the acceptance of risk level and the risk mitigation plan. The Senior Management actively monitors the Risk Control Plan, and all new information and facts are regularly updated. Revised risk mitigation plans are developed and implemented after a change of circumstances.

Additionally, SAM Precious Metals policies and procedures towards responsible sourcing are reviewed and updated annually. The annual review process evaluates the legislative developments pertaining to supply chain, anti-money laundering, and counter-terrorist financing, while also considering the policy's implementation during the past 12 months, with a focus on improvement.

### Rule 1.2 Supply Chain

Any reference to the “supply chain” or “Suppliers” in these Rules shall include clients, suppliers, agents, intermediaries and any other relevant entities participating in supply of gold to the Accredited Member.



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Any reference to an “ultimate beneficial owner (UBO)” shall mean any natural person holding 25% or more of the share capital in any corporate entity.

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
During the reporting period, SAM Precious Metals used the Business Policy, Supply Chain Policy, and AML/CFT Policy, which included terms supply chain, suppliers, and ultimate beneficial owner. Any reference to the “supply chain” or “Suppliers” includes clients, suppliers, agents, intermediaries, and any other relevant entities participating in supply of precious metals of SAM Precious Metals. Also, any reference to an “ultimate beneficial owner (UBO)” means any natural person holding 25% or more of the share capital in any corporate entity.

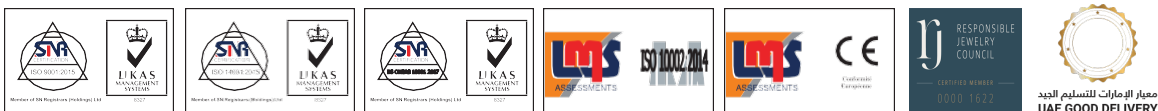
### Rule 1.3 Policy and Process Implementation

Each Accredited Member must implement and maintain a robust documented policy and detailed processes (Policy) to include common principles, standards, and processes for responsible supply chain management. The Policy should be consistent with the standard set forth in the model supply chain policy in Annex II of the OECD Guidance and should, as a minimum, include the following:

(i) scope;

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals is committed to: <ul style="list-style-type: none"> <li>● Abide with the rules and regulations that govern the precious metals industry</li> <li>● Adhere to internationally recognized best practices and market standards</li> <li>● Operate in accordance with the following Guidance and Standards:                 <ul style="list-style-type: none"> <li>▪ OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and Gold Supplement to the OECD Due Diligence Guidance</li> <li>▪ UAE Due Diligence Regulations for Responsible Sourcing of Gold</li> <li>▪ EBC Rules for Risk Based Due Diligence in the Gold Supply Chain</li> <li>▪ RJC Code of Practice Standard</li> <li>▪ RJC Chain of Custody Standard</li> <li>▪ LBMA Responsible Gold Guidance</li> </ul> </li> </ul>



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SAM Precious Metals strictly ensures adherence to highest levels of ethical and moral standards in carrying out our operations and follows the process of responsible sourcing. SAM Precious Metals' Business Policy, Supply Chain Policy, and AML/CFT Policy sets out the company's responsibility and commitment to attain a responsible supply chain of minerals. The policies are consistent with the standard set forth in Annex II of the OECD Guidance and clearly defines the scope.

The processes, procedures, and controls outlined in these documents are mandatory and applies to:

- All employees, regardless of their function or location of work;
- All Suppliers, including suppliers, clients, buyers, sellers, miners, refiners, financial institutions, gold & precious metals trading companies, agents, intermediaries, and any other relevant entities participating in supply of gold to SAM Precious Metals.

### (ii) responsibilities;

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

Duties, roles, and responsibilities for implementing the adopted policies and supporting procedures, and for managing the due diligence process, are clearly defined and both the Staff and the Management are expected to undertake their due diligence responsibilities as prescribed by the Management.

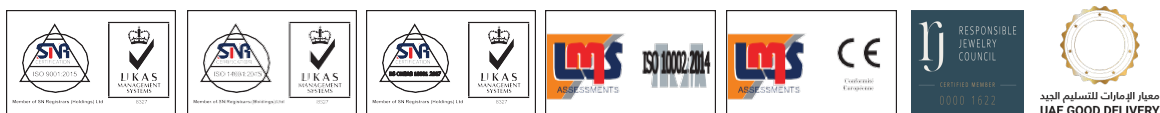
Each employee's job description outlines their specific roles and responsibilities towards Responsible Sourcing and due diligence process, which is monitored closely by the Compliance Officer and the Management.

### (iii) criteria for supply chain due diligence;

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals regularly identifies the risks associated with its supply chain and the criteria for supply chain due diligence takes into consideration the adequate risk assessment parameters as specified in the OECD guidelines, UAE Due Diligence Regulations for Responsible Sourcing of Gold, RJC Code of Practice Standard, RJC Chain of Custody Standard, LBMA Responsible Gold Guidance, and EBC Rules for RBDG.







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SAM Precious Metals regularly updates its Policy to include the latest guidelines from OECD, RJC, EBC, and the Ministry of Economy, UAE along with aligning these policies with the best industry practices. This has further strengthened and fine-tuned our efforts in the area of supply chain due diligence.

**(iv) main elements of Know-Your-Customer (KYC) processes;**

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**

The SAM Policy outlines comprehensive Know-Your-Customer (KYC) processes, detailing the steps and measures taken to thoroughly verify the identity of the Suppliers and assess potential risks associated with maintaining business relationships. Identification (ID), Verification (VR), and Know-Your-Customer (KYC) are key elements of an effective due diligence process and together form the first key step in the Procedures and Controls, which is conducted prior to onboarding any potential Supplier.

SAM Precious Metals obtains and records competent evidence of the true and full identity of the Supplier, Ultimate Beneficiary Owner, representative capacity, domicile, legal capacity, occupation, country of origin of precious metals, public or high-profile position, or business purposes of the Supplier, as well as other identifying information on all Suppliers, using documents detailed in the KYC Checklist.

An integral part of the KYC process is carrying out of customers screening and relative risk assessment. Screening ensures that a Supplier is not listed on the official sanctions lists issued by government and law enforcement agencies. Background checking is designed to identify any adverse information about the past conduct of an individual that may influence their suitability as a Supplier.

Following applicant screening and background information check, along with review of business plan, source of funds and expected levels of activity, an initial decision is made with respect to the application status, that is the Supplier may be accepted, rejected, or more information may be required.

**(v) risk management**

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**

The SAM Policy clearly outlines the necessary measures and controls designed to effectively manage and mitigate risks in the supply chain. SAM Precious Metals takes every effort to protect the integrity and





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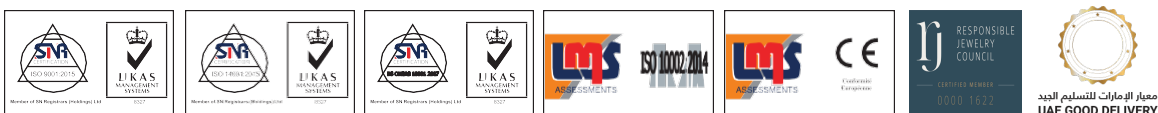
reputation of the company by sourcing from Suppliers that adhere to the highest standards of good practice, ensuring our supply chain is responsible. Furthermore, we make every attempt to contribute to good governance, health and safety, environmental protection, and the development of the communities in which we operate, through engaging with only sustainably responsible Suppliers.

SAM Precious Metals works hard to establish and maintain strong relationships with its supply chain partners based on ethics, integrity, and professionalism. Our Supply Chain and Business Policy Statement formalises our commitment to engaging with all our stakeholders and taking a relationship-based approach. We regularly create awareness about our ethical sourcing requirements for our supply chain, share the applicable regulation and standards with our Suppliers, study the applicable laws in relevant nations where our Suppliers operate, and understand the additional information which can authenticate that the source is conflict free and how our Suppliers can be more compliant. We closely engage with all our Suppliers for obtaining – further supply chain information and supporting them in achieving ethical and conflict free sourcing in precious metal industry. We conduct the KYC and due diligence process prior to onboarding any Supplier and at periodic intervals, carry out transaction monitoring on a regular basis, create training sessions for our Suppliers, and obtain Supplier self-declaration for conflict free supply.

From the perspective of Supplier assessment, our key focus is to thoroughly investigate and respond to substantial actual or potential negative impacts in the supply chain. We screen all new and active Suppliers on a regular basis using the third-party screening tools. Screening is conducted using relevant internationally recognised and published screening databases for recorded transgressions, as well as for adverse media news, against an array of pre-defined criteria, including but not limited to sanctions, regulatory compliance, bribery corruption and fraud, labour practices, discrimination, worker's rights issues, health and safety issues, workforce disputes, and environmental impacts.

Following the screening process, an internal risk calculator is applied to assign a risk rating, incorporating various specified risk management parameters. This process applies to all Suppliers and forms an integral part of the Suppliers risk management process.

In addition, as part of its risk management framework, SAM Precious Metals has engaged the services of a reputable firm, Crif Gulf DWC LLC (Dun and Bradstreet), and other supply chain experts, to perform third-party due diligence on existing and potential Suppliers. Dun and Bradstreet conducts an independent investigation on Suppliers, which involves a site visit and analysis of a comprehensive set of data and information from a diverse range of open and paid sources. The report resulting from this investigation undergoes a rigorous evaluation process before any decision is made to onboard a Supplier. This process ensures that SAM Precious Metals' high standards for Supplier selection and risk





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management are consistently maintained, ensuring the reliability and integrity of its supply chain.

Every accepted Supplier is required to give a written declaration that they will abide by all the provisions of OECD Guidelines and SAM Precious Metals' Supply Chain Policy, which contains commitment to comply with international best practices on health and safety, environmental management, governance, anti-money laundering and ethical business principles and practices (such as anti-bribery, human rights, etc.) and other regulatory requirements.

Building and nurturing good relationships with Suppliers, and other stakeholder groups (through involvement and dialogue) is critical in raising understanding of possible economic, social, and environmental challenges facing the business. High-risk economic, social, and environmental consequences are typically sensitive, diversified, or unprecedented. For example, among the 'sensitive' issues would include the loss of significant natural habitat (e.g., permanent damage), the forcible relocation and resettlement of ethnic groups and minorities, and the impact on culturally significant historical sites.

SAM Precious Metals undertakes regular risk assessments of all active and potential Suppliers. If we detect any higher than usual risk(s), we work with the Supplier in question to agree and implement a set of corrective actions.

We may from time-to-time undertake site visits or facility inspections to build a stronger bond with our supply chain partners and verify a Supplier's conformance with SAM Precious Metals Supply Chain Policy. We also engage third-party reviewers to audit relevant facilities and documentation, in addition to interviewing the Supplier's workforce.

Furthermore, SAM Precious Metals has established a clear policy to disengage from Suppliers who are unwilling or unresponsive with respect to implementing corrective action plans.

### (vi) monitoring and surveillance; and

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

With regards to established business relationships, SAM Precious Metals undertakes ongoing supervision of customers' activity, including auditing transactions executed throughout the course of the relationship following a risk-based approach to ensure that they are consistent with the information, types of activity,



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and risk profiles of the customers.

In keeping with the level of risk involved, SAM Precious Metals evaluates the specifics of the transactions examined in relation to the customer's due diligence information or profile and obtains sufficient information on the counterparties and/or other parties involved (including but not limited to information from public sources, such as internet searches), in order to determine whether the transactions appear to be:

- Normal (that is, the transactions are typical for the customer, for the other parties involved, and for similar types of customers).
- Reasonable (that is, whether the transactions have a clear rationale and are compatible with the types of activities that the customer and the counterparties are usually engaged in).
- Legitimate (that is, whether the customer and the counterparties are permitted to engage in such transactions, such as when specific licenses, permits, or official authorisations are required).

Our Monitoring and Surveillance program comprise a robust supply chain management system that centralizes information and involves numerous departments in daily transaction and shipment verification. No shipment from a Supplier is accepted until a clearance is obtained from the compliance department and no shipment is processed until the Quality Check Officer and the Compliance Officer approves the shipment. Unique reference numbers are assigned to incoming / outgoing precious metal shipments and a track-to-back system has been implemented to ensure traceability of finished products to the original shipments. A color-coded segregation system has been instituted to establish a segregated processing line for mined and recycled metal within the refinery.

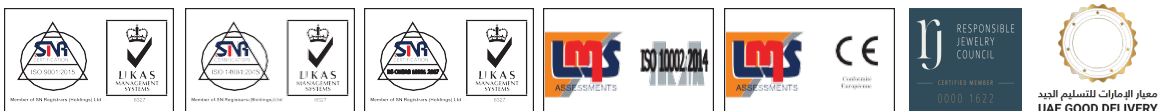
Periodic internal audit and independent third-party audit is conducted to check and ensure that the Policy is implemented, and procedures are being consistently followed.

(vii) training.

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals' commitment to fostering a culture of continuous learning and development is demonstrated through the attendance of several training sessions by its staff during the reporting period. These training sessions, hosted by reputable organizations such as the UAE Ministry of Economy, OECD, Executive Office for Control & Non-Proliferation, LSEG, LBMA, and DMCC, reflect the company's adherence to industry best practices and its proactive approach towards responsible supply chain. By



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investing in employee training and development, SAM Precious Metals ensures that its workforce is equipped with the necessary knowledge and skills to support the company's ongoing efforts towards achieving an ethical supply chain.

Further, multiple training sessions were conducted by SAM Precious Metals' Compliance Officer and third-party organisations for all staff involved with or holding responsibilities related to the precious metals supply chain, as well as the management team. Different training programs have been developed based on the level of risk exposure of each employee in the supply chain. During the reporting period, the Compliance Officer was responsible for carrying out a training plan. Also, the Compliance Officer worked closely with the supervisor of each department to monitor if additional or refresher trainings were needed.

### Rule 1.4 Minimum KYC Requirements

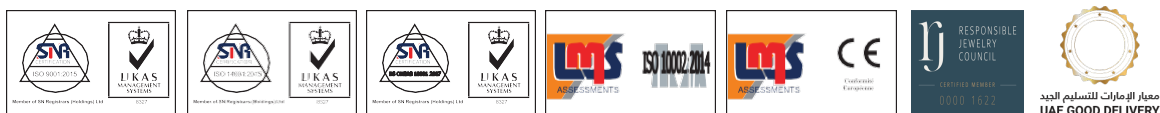
For the purposes of these Rules for RBDG, the standards of KYC requirements set out in the Applicable Laws and Regulations shall be considered as the minimum KYC standards (Minimum KYC Standards) to be achieved by the Accredited Members.

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals has achieved the standards of KYC requirements set out in the following Applicable Laws and Regulations:

- Federal Decree-Law No. (20) Of 2018 On 'Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations'
- Federal Decree Law No (26) of 2021 to 'amend certain provisions of Federal Decree Law No (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organisations'
- Cabinet Decision No. (10) Of 2019 Concerning the Implementing Regulation of Decree Law No. (20) Of 2018 On 'Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations'.
- Cabinet Resolution No (24) of 2022 Amending some provisions of Cabinet Resolution No (10) of 2019 On the Executive Regulations of Federal Decree-Law No (20) of 2018 on Combating Money Laundering and the Financing of Terrorism and Illegal Organizations
- Guidelines for Designated Non-Financial Businesses and Professions issued by the Ministry of Economy, United Arab Emirates



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- Guidelines for Designated Non-Financial Businesses and Professions - Supplemental Guidance for Dealers in Precious Metals and Stones issued by the Ministry of Economy, United Arab Emirates
- Financial Action Task Force (FATF) Recommendations

### Rule 1.5 Implementation of KYC Systems and Processes

Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall fully satisfy the Minimum KYC Standards and any other KYC requirements set out in these Rules for RBDG.

Compliance Statement	Fully Compliant
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#### Demonstration of Compliance

It is mandatory for SAM Precious Metals to apply all the provisions of its Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations (AML/CFT) Compliance Policy, which defines the KYC Process and the minimum KYC Requirements for onboarding Suppliers.

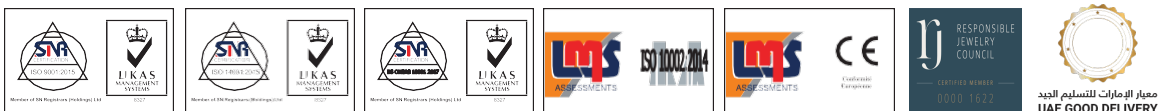
Identification (ID), Verification (VR), and Know-Your-Customer (KYC) together form the first key step in the Procedures and Controls and is carried out before onboarding any client. Following applicant screening and background information check, along with review of business plan, source of funds and expected levels of activity, an initial decision is made with respect to the application status, that is the client may be accepted, rejected, or more information may be required.

SAM Precious Metals has established an independent compliance department headed by the Compliance Officer, which is responsible for effective implementation of the KYC Systems and Process. During the reporting period, an independent third-party organization conducted a detailed audit of the Suppliers of SAM Precious Metals to ensure that we have fulfilled the KYC requirements in accordance with our Policy and the Applicable Laws and Regulations.

### Rule 1.6 Specific KYC Requirements

Each Accredited Member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:

- each supplier and supplier's supplier where applicable;



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<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**  
 As a part of our due diligence process, SAM Precious Metals is able to identify each Supplier and Supplier’s supplier where applicable. Depending on the nature and source of the gold, we ask for additional supporting documentation in order to be able to determine the origin of precious metals. In case of mined metal, we acquire the KYC documentations for all relevant parties in the supply chain, including the Suppliers, aggregators, and the mines.

**(b) Each supplier’s legal and operating structure; and**

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**  
 As a part of our onboarding process, each prospective Supplier is required to fill an Account Opening Form and a Supply Chain Questionnaire. These forms capture all the relevant information about the Supplier’s legal and operating structure. This information is further verified with all the legal and ID documentations provided by the Suppliers. Furthermore, wherever possible the legal and operating structure of each Supplier is confirmed through official government sources providing such information.

**(c) Each supplier’s UBO(s).**

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**  
 As a part of our onboarding process, each prospective Supplier is required to fill an Account Opening Form and a Supply Chain Questionnaire, which compulsorily requires each Supplier to provide information about their UBO(s). After verifying all legal documentations of the Supplier, an organizational chart is prepared for each Supplier, which identifies the UBO(s) for that Supplier. It is mandatory for each Supplier to provide the ID documentations of every UBO(s) before the Supplier is onboarded.

For gold and/or precious metals sourced from ASM, each Accredited Member shall ensure that its Policy and the implementation of its Policy shall be adequate to identify:

**(a) ASM supplies originating from non-Conflict-Affected or High-Risk Areas identifying and the area from where the supply originated with, at least, the following information:**



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(i) KYC on the immediate counterparty:

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<b>Demonstration of Compliance</b>
<p>In case of mined metal originating from non-Conflict-Affected or High-Risk Areas, SAM Precious Metals acquires the KYC documentations for all relevant parties in the supply chain, including the Suppliers, aggregators, and the mines. A robust due diligence is conducted on each party in the supply chain by the compliance department before giving the approval to accept the precious metals from the Suppliers.</p> <p>For ASM supplies from non-Conflict-Affected or High-Risk Areas, SAM Precious Metals conducts an enhanced due diligence. Enhanced Due Diligence goes beyond the normal requirements applied to the approval and monitoring of Suppliers. As the reasons for designation as high risk will vary from Supplier to Supplier, the nature and level of enhancement is determined separately as and when high risk Suppliers are identified.</p> <p>The Compliance Officer provides the management with a detailed risk report and each high-risk case is thoroughly reviewed and assessed along with the risk mitigating factors. SAM Precious Metals' Senior Management, in consultation with the Compliance Officer, determines whether the level of risk is acceptable.</p>

(ii) the export license/permit for the aggregator who exports the supply:

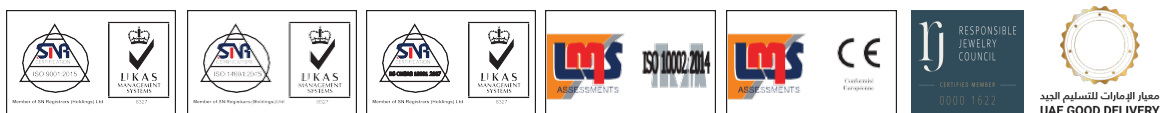
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
In case of mined metal originating from non-Conflict-Affected or High-Risk Areas, SAM Precious Metals acquires all relevant permits and legal documentations of the aggregator who exports the supply.

(iii) proof of the supply being legally exported from the origin country with appropriate weight, purity and adequate tax/royalty being paid; and

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
In case of mined metal originating from non-Conflict-Affected or High-Risk Areas, for each shipment SAM



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Precious Metals collects the shipment and custom documentations, which includes the following:

- Commercial /Export Invoice from Supplier
- Airway Bill
- Packing List
- Certificate of Origin
- Customer Declaration stating the Origin of Precious Metals, Type of Gold, Sub-classification of Recycled / Mined Gold, Mine Details (if applicable)
- Delivery Order
- Bill of Entry

The above-mentioned documents are analysed by the compliance department and only after the approval of the Compliance Officer is the shipment accepted by SAM Precious Metals.

(iv) the mine location.

<b>Compliance Statement</b>	Fully Compliant
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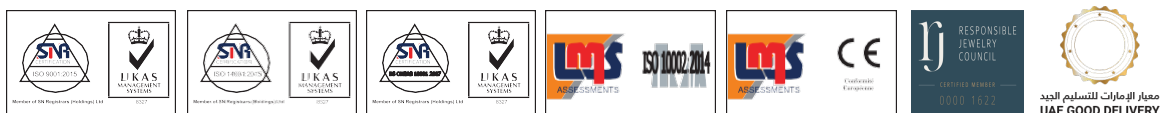
<b>Demonstration of Compliance</b>
In case of mined metal originating from non-Conflict-Affected or High-Risk Areas, SAM Precious Metals acquires all relevant permits and legal documentations of the mine, including the mine locations.

(b) the origin of each ASM’s supply from Conflict-Affected or High Risk Areas;

- (i) to the extent possible, each ASM’s legal and operating structure conforming to the applicable legal framework (where it exists) as well as their engagement in opportunities for formalization as they become available; and

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
In case of mined metal originating from Conflict-Affected or High-Risk Areas, each prospective Supplier is required to fill a Supply Chain Questionnaire for Mined Metal. These forms capture all the relevant information about the Supplier’s legal and operating structure. This information is further verified with all the legal and ID documentations provided by the Suppliers. Furthermore, wherever possible the legal and operating structure of each Supplier is confirmed through official government sources providing such information.





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For ASM supplies from Conflict-Affected or High-Risk Areas, SAM Precious Metals conducts an enhanced due diligence, which goes beyond the normal requirements applied to the approval and monitoring of Suppliers. As the reasons for designation as high risk will vary from customer to customer, the nature and level of enhancement is determined separately as and when high risk customers are identified.

The Compliance Officer provides the management with a detailed risk report and each high-risk case is thoroughly reviewed and assessed along with the risk mitigating factors. SAM Precious Metals' Senior Management, in consultation with the Compliance Officer, determines whether the level of risk is acceptable.

- (ii) each ASM's third party service provider(s) (i.e. logistics, processors, transportation, intermediaries, security, etc.) UBO(s) for ASM located in Conflict Affected or High-Risk Areas.

Compliance Statement	Fully Compliant
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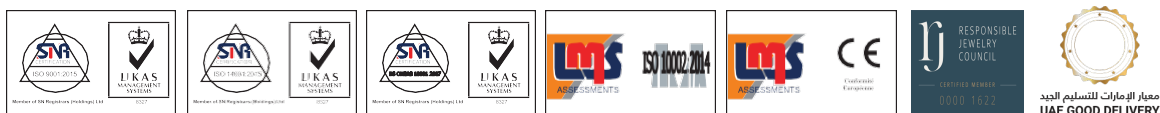
Demonstration of Compliance
In case of mined metal originating from Conflict-Affected or High-Risk Areas, we collect all relevant information regarding the mining practices using Supply Chain Questionnaire for Mined Metal.

### Rule 1.7 Record Keeping and Updating of Information

Each Accredited Member shall keep records of, and continually on an ongoing basis update, the following information:

Compliance Statement	Fully Compliant
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Demonstration of Compliance
Identification (ID), Verification (VR), and Know-Your-Customer (KYC) are key elements of an effective due diligence program. SAM Precious Metals obtains and keeps record of the true and full identity of the Supplier, Ultimate Beneficiary Owner, representative capacity, domicile, legal capacity, occupation, or business purposes of Suppliers, as well as other identifying information on all Suppliers, using documents detailed in the KYC Checklist. Following applicant screening and background information check, along with review of business plan, source of funds and expected levels of activity, an initial decision will be made with respect to the application status, that is the Supplier may be accepted, rejected, or more information may be required.



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SAM Precious Metals is required to conduct KYC and due diligence procedure when:

- Establishing a new business relationship.
- Carrying out occasional transactions above the applicable designated threshold.
- There is suspicion of contributing to conflict, money laundering, terrorist financing, Human Rights abuses, or environmental violations.
- If SAM Precious Metals has doubts about the veracity or adequacy of the previously obtained Supplier identification data.
- It is necessary to obtain additional information from existing Suppliers based on the conduct of the account.
- When there are changes to signatories, mandate holders, beneficial owners, and other relevant key personnel.

In addition to trigger-based reviews, SAM Precious Metals conducts a periodic review of Supplier's KYC and conduct a due diligence based on the risk profile of the customer:

- High Risk Customers: Every 12 months
- Medium Risk Customers: Every 18 months
- Low Risk Customers: Every 24 months

(a) for every supplier or UBO that is a natural person, his/her:

- full name (as shown on a national identity card or passport);
- nationality;
- physical address (place of residence and original domicile);
- employer details (if any); and
- a complete and accurate copy of a valid identity card or passport (any copy should be certified);

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

For every Supplier or UBO that is a natural person, SAM Precious Metals keep records of, and continually, on an ongoing basis, update his/her:

- full name (as shown on a national identity card or passport);
- nationality;
- physical address (place of residence and original domicile);



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- employer details (if any); and
- a complete and accurate copy of a valid identity card or passport

(b) for every supplier or UBO of a supplier that is a corporate entity:

- (i) its legal status and category of entity;
- (ii) its full name;
- (iii) its domicile or country of registration;
- (iv) a description of its principal business activities;
- (v) the address of its registered office and principal place of business (if different);
- (vi) the KYC requirements of each legally authorised representative that is a natural person (in accordance with (a) above);
- (vii) a copy of the instrument(s) authorising each of its legally authorised representatives;
- (viii) the KYC requirements of each UBO (in accordance with (a) above for natural persons and in accordance with this (b) for corporate entities), except for government entities and publicly listed companies for which such information is publicly available;
- (ix) a copy of its constitutional documents; and
- (x) a copy of its valid commercial or professional licence or registration.

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

For every Supplier or UBO of a Supplier that is a corporate entity, SAM Precious Metals keep records of, and continually on an ongoing basis update:

- its legal status and category of entity;
- its full name;
- its domicile or country of registration;
- a description of its principal business activities;
- the address of its registered office and principal place of business (if different);
- the KYC requirements of each legally authorised representative that is a natural person;
- a copy of the instrument(s) authorising each of its legally authorised representatives;
- the KYC requirements of each UBO, except for government entities and publicly listed companies for which such information is publicly available;
- a copy of its constitutional documents; and
- a copy of its valid commercial or professional licence or registration.





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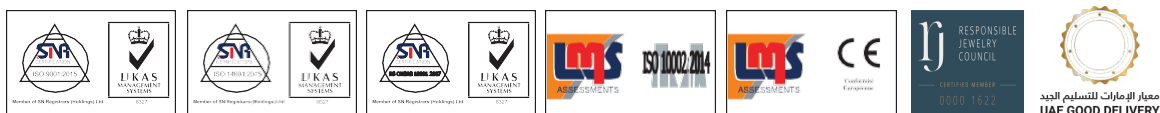
### Rule 1.8 KYC Requirements for Politically Exposed Persons

If a supplier or any UBO of a supplier is considered to be a politically exposed person (PEP), each Accredited Member must document and follow specific internal escalation procedures to ensure that the matter is addressed at the appropriate internal authority level and dealt with in accordance with the Minimum KYC Standards.

In addition to meeting the Minimum KYC Standards, each Accredited Member must establish the source of wealth of PEPs and their families and associated persons and are required to implement adequate transaction monitoring systems for the transactions of PEPs, as further described in the Applicable Laws and Regulations.

Compliance Statement	Fully Compliant
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<p><b>Demonstration of Compliance</b></p> <p>All Suppliers at SAM Precious Metals are subject to a risk assessment, and risk ratings are recorded in the file. Suppliers are designated as – High, Medium or Low Risk, based on their risk profile. Due diligence requirements commensurate with the risk level associated with the client and enhanced due diligence are necessary for all high-risk customers.</p> <p>Adverse risk is created for PEPs as they might use their public position, or find that their public position is unknowingly used, for their own personal benefit or the benefit of others who may be involved in illegal activities such as corruption, bribery, and fraud. Adverse risk is increased considerably when a PEP is located in a high-risk country.</p> <p>In the event that a PEP is identified, SAM Precious Metals:</p> <ul style="list-style-type: none"> <li>• Assigns a rating of high risk to the Supplier</li> <li>• Complete a Compliance Report, ensuring that the Senior Management approves establishing a business with the Supplier</li> <li>• Conduct enhanced due diligence and be vigilant in monitoring the business relationship</li> <li>• Ensures reasonable measures are taken to establish source of wealth and source of funds</li> <li>• PEP relationships are tracked for the purposes of reporting and monitoring</li> </ul> <p>A High-Risk Supplier will be one who presents a higher-than-normal adverse potential risk, and to mitigate the increased risks associated with the High-Risk Suppliers, SAM Precious Metals conducts an enhanced due diligence for those Suppliers. SAM Precious Metals’ Senior Management, in consultation with the</p>
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## SAM PRECIOUS METALS

Compliance Officer, determines whether the level of risk is acceptable.

Enhanced Due Diligence goes beyond the normal requirements applied to the approval and monitoring of Suppliers. As the reasons for designation as high risk will vary from Supplier to Supplier, the nature and level of enhancement is determined separately as and when high risk Suppliers are identified.

To perform enhanced due diligence on our Suppliers, the additional documents that may be required to be collected by SAM Precious Metals for the High-Risk Supplier may include, but not limited to, the following:

- Audited Financial Statement
- Tax Return
- Bank Statements
- AML/CFT Policy
- Bank Reference Letter
- UAE Good Delivery / LBMA / RJC Certificates
- Independent Assurance Report
- Business Profile
- Third Party Due Diligence Report
- Site Visit Reports

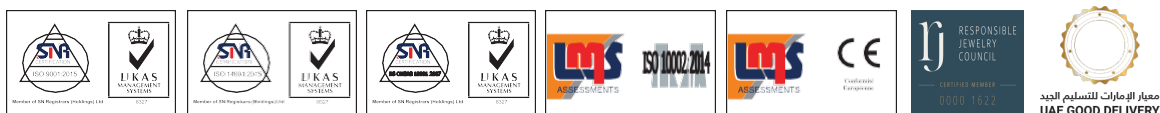
The above-mentioned additional documents, if collected in full or partially, assists the Compliance team to perform further checks to identify controls within the Supplier's organization to help gauge the risk and obtain a comfort on engaging with such Supplier. The source of wealth of PEPs and their families and associated persons must be established.

In case, SAM Precious Metals is not satisfied with the mitigating controls identified during the EDD, the Supplier is rejected and not onboarded.

### Rule 1.9 Appointment of a Dedicated Supply Chain Officer

Each Accredited Member must appoint a person to carry out the role of a dedicated compliance or risk officer (Supply Chain Officer). The Supply Chain Officer must:

- (a) be a senior member of staff of the Accredited Member;



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<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>	
The Compliance Officer is a senior member of the staff whose duties and responsibilities with respect to the Supply Chain Due Diligence and implementation of the Policy and Procedures are clearly defined. He has been working with SAM Precious Metals since 15 May 2022.	

(b) have the necessary competence, knowledge, experience and training in supply chain due diligence and KYC processes;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>	
<p>SAM Precious Metals’ Compliance Officer and the compliance team members have the necessary competence, knowledge, experience, and training. Our Compliance Officer has over 10 years of experience and a strong background in Anti-Money Laundering and Supply Chain Compliance. He has attended various trainings and webinars on AML and supply chain.</p> <p>During the reporting period, he has completed various trainings and skills development programmes, including the sessions on ‘An Introduction to LBMA Responsible Sourcing’ conducted by LBMA, ‘Responsible Sourcing Training’ conducted by DMCC, ‘Countering the Financing of Proliferation’ conducted by Executive Office for Control &amp; Non-Proliferation, and ‘TFS Implementation, Ownership &amp; Control, and Combating Sanction Evasion’ conducted by Executive Office for Control &amp; Non-Proliferation. Further, he has attended a number of training session conducted by Ministry of Economy to represent UAE in front of the assessors of the Joint Group of African and Middle Eastern States of the Financial Action Task Force (FATF).</p> <p>Apart from attending the trainings, the Compliance Officer has also achieved the Certified Anti-Money Laundering Specialist (CAMS) Certificate awarded by ACAMS, Certificate in Money Laundering awarded by The Association of Governance, Risk and Compliance, Certified Financial Crime Specialist (CFCS) Certificate awarded by Association of Certified Financial Crime Specialists (ACFCS).</p>	

(c) be provided with all resources necessary to perform his/her functions and role in accordance with these Rules; and





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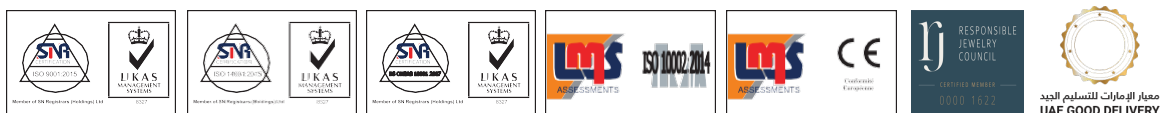
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
<p>The Compliance Officer has been given adequate resources and management support to establish and maintain a robust supply chain management system with the use of the following resources and compliance toolkits:</p> <ul style="list-style-type: none"> <li>• Trainings</li> <li>• LSEG World Check Subscription</li> <li>• Knowyourcountry Subscription</li> <li>• Crif Gulf DWC LLC (Dun and Bradstreet) Due Diligence Report</li> <li>• Countryrisk Subscription</li> <li>• Google alerts and research</li> <li>• Conflict Barometer</li> <li>• World Gold Council</li> <li>• Financial Action Task Force (FATF)</li> <li>• United Arab Emirates and United Nations Legal Framework for Economic Sanctions</li> <li>• RAND Europe (European Commission) List</li> <li>• Dodd Frank Act</li> <li>• U.S. Department of State - Trafficking in Person Report</li> <li>• Other Reference Materials</li> <li>• Third-party audit and due-diligence consulting services</li> </ul>

**(d) be able to communicate critical information to Senior Management, staff and suppliers.**

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
<p>The Compliance Officer has a direct access to all levels of management, the regulatory agencies, and the SAM Precious Metals’ employees and Suppliers. As a part of the due diligence process, prior to onboarding any Supplier, the Compliance Officer is required to prepare a Compliance Review Report for each Supplier with his recommendation. This report is presented to the Senior Management, which is responsible for giving the final approval for accepting any new Supplier. The Compliance Officer is responsible for preparing the Annual Compliance Report and Business Responsible Report. During the annual review, the Senior Management team evaluates each supply chain to determine whether to maintain the business relationship with a particular Supplier.</p>







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**Rule 1.10 Functions and Duties of the Supply Chain Officer**

The Supply Chain Officer shall:

(a) review and sign off on each gold supply chain due diligence exercise;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
The Compliance Officer is responsible for reviewing and signing off the Supplier Account Opening Form, AML/CFT Questionnaire, Supply Chain Questionnaire, Client Risk Matrix, Compliance Review Report, Transaction Monitoring – Compliance Approval.

(b) continually monitor and assess the Accredited Member’s supply chain due diligence processes;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
It is the responsibility of the Compliance Officer to continually monitor and assess SAM Precious Metals’ supply chain due diligence processes. He is responsible for implementing the company’s policies and procedures, as well as reporting risk assessment results and suggesting risk mitigation plans to the Board of Directors, Senior Management, and heads of each department. No Supplier is onboarded as SAM Precious Metals’ client without the approval of the Compliance Officer. He is fully immersed in the daily activities of the company, able to witness, check the documentation, and inspect any shipment received by the operation team. The Compliance Officer works closely with and has a direct access to all staff exposed in the supply chain. No shipment from a Supplier is accepted until a clearance is obtained from the compliance department and no shipment is processed until the Quality Check Officer and the Compliance Officer approves the shipment.

(c) ensure that the Policy and each associated due diligence exercise carried out by an Accredited Member are adequate for the purposes of these Rules for RBDG;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
The Compliance Officer ensures that the Policy and each associated due diligence exercise carried out by





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SAM Precious Metals are adequate for the purposes of these Rules for RBDG.

(d) train staff and promote awareness within the Accredited Member’s organisation with respect to responsible supply chain due diligence, the Accredited Member’s Policy, KYC requirements and applicable laws; and

Compliance Statement	Fully Compliant
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**Demonstration of Compliance**

The Compliance Officer is in-charge of training staff and promoting awareness within SAM Precious Metals with respect to responsible supply chain due diligence, the SAM Precious Metals’ Policy, KYC requirements and applicable laws.

During the reporting period, the Compliance Officer, with support from third party experts, conducted various educational and training session for all the staff and personnel, including Senior Management and head of departments, to ensure that they are fully aware of their personal obligations and responsibilities in achieving a responsible supply chain.

(e) update the Policy and related processes as and when required.

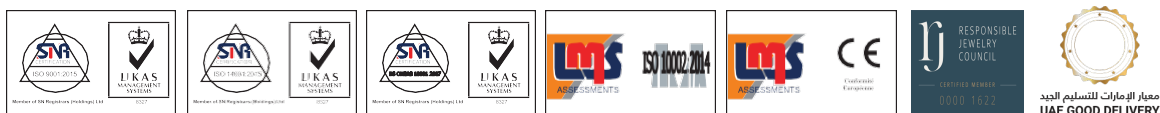
Compliance Statement	Fully Compliant
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**Demonstration of Compliance**

The Compliance Officer is responsible to update the Policy and related processes as and when required to ensure that the due diligence process at SAM Precious Metals complies with the relevant guidelines and applicable laws. During the reporting period, various elements of the Policy were updated and approved by the Senior Management. There is an established procedure for documenting any revisions to the due diligence Policy at SAM Precious Metals.

### Rule 1.11 Appointment of a Compliance Officer

Each Accredited Member may be required to appoint a “Compliance Officer” (Compliance Officer) to carry out the functions of such role as set out in the Applicable Laws and Regulations. For the purposes of these Rules, the Compliance Officer may be the same person as the Supply Chain Officer.





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Compliance Statement	Fully Compliant
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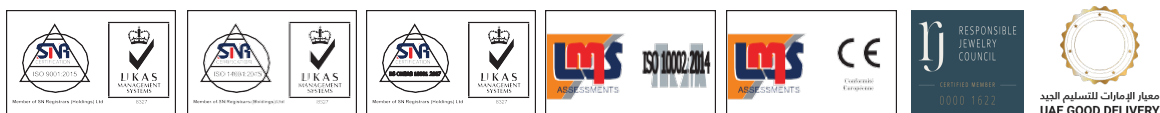
<p><b>Demonstration of Compliance</b></p> <p>SAM Precious Metals has appointed a Compliance Officer, who also functions as the Supply Chain Officer. He has been working with SAM Precious Metals since 15 May 2022 and is responsible for the implementation and supervision of the Supply Chain Due Diligence Program at SAM Precious Metals.</p> <p>The Compliance Officer is independent from other departments and has a direct access to all levels of management, the regulatory agencies, and the SAM Precious Metals’ employees and Suppliers.</p>
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### Rule 1.12 Functions and Duties of the Compliance Officer

Each Accredited Member shall ensure that its Compliance Officer is familiar with and carries out its role and function in accordance with the requirements of the applicable laws and regulations.

Compliance Statement	Fully Compliant
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<p><b>Demonstration of Compliance</b></p> <p>SAM Precious Metals ensures that its Compliance Officer is familiar with and carries out his role and function in accordance with the requirements of the applicable laws and regulations. The Compliance Officer’s roles and responsibilities is clearly defined and includes, without limitation, the following:</p> <ul style="list-style-type: none"> <li>• Implementing and supervising SAM Precious Metals’ Business Policy, Supply Chain Policy, and AML/CFT Policy, which sets out the company’s responsibility and process to attain a responsible supply chain;</li> <li>• Assisting with the development of policies, procedures, and training plans;</li> <li>• Conducting due diligence for each supply chain;</li> <li>• Conducting due diligence for each country in the supply chain and understanding the risks associated;</li> <li>• Supplier onboarding and KYC documentation;</li> <li>• Conducting Customer Due Diligence and Enhanced Due Diligence;</li> <li>• Communicating sourcing policy to the Suppliers and ensuring the compliance of the same by them</li> <li>• Liaising with other companies to obtain documents and information as required;</li> <li>• Monitoring day-to-day transactions of SAM Precious Metals for any unusual, structured, suspicious, and blacklisted ones;</li> <li>• Monitoring money laundering and tracing suspicious transactions;</li> </ul>
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- Monitoring of suspicious accounts periodically;
- Providing guidance to the compliance team on how to identify suspicious activities and transactions;
- Providing support and advice to other departments in relation to the application of the Supply Chain Due Diligence Program;
- Providing training to the entire staff of the organization;
- Reviewing and addressing Watch list and alerts;
- Liaising with compliance department of other companies;
- Liaising with government authorities, regulators, and industry programme representatives;
- Conducting site visits;
- Creating sound internal controls and monitoring adherence to them;
- Developing a preventative or due diligence programme ensuring the programmes are fit for purpose;
- Reporting on the state of the company's compliance effectiveness, identifying areas of risk, recommending solutions, and obtaining guidance & support to implement improvements;
- Developing strategic risk management plans that encompass the entire supply chain, including geopolitical risks, environmental factors, and social governance issues, to anticipate and mitigate potential disruptions;
- Monitoring compliance activities of all departments to identify trends;
- Obtaining feedback from all participants in the supply chain;
- Establishing a comprehensive communication strategy to engage with stakeholders, including Suppliers, government agencies, and civil society organizations, about the company's supply chain due diligence practices and achievements;
- Offering capacity-building support and resources to Suppliers, particularly in developing countries, to help them meet compliance and ethical sourcing standards.
- Participating in and contribute to forums, consortia, and partnerships aimed at improving ethical sourcing practices within the industry, sharing best practices, and collaborating on common challenges;
- Staying abreast of evolving regulations and standards related to responsible sourcing and advocate for policies that advance industry-wide commitment to ethical practices;
- Developing and implementing crisis management and contingency plans to address supply chain disruptions, ensuring rapid response and minimal impact on compliance and ethical sourcing commitments.;
- Maintaining records as required by applicable laws and regulations.





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### Rule 1.13 Records of Internal Inventory and Transactional Documentation

Each Accredited Member must develop and maintain internal documentation and records of supply chain due diligence to cover internal inventory and transactional documentation which shall include:

Compliance Statement	Fully Compliant
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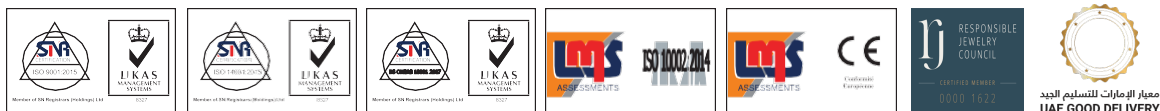
#### Demonstration of Compliance

SAM Precious Metals has put in place a comprehensive internal system of due diligence, control, and transparency over precious metal supply chain, including traceability.

SAM Precious Metals' record-keeping policy requires all documents to be retained in SAM Precious Metals database servers (soft copy) and designated filing room (hard copy). SAM Precious Metals maintains all documents and records for each shipment under the track and trace mechanism for tracing products back to the purchased source. In compliance with EBC rules for records of internal inventory and transactional documents, SAM Precious Metals uses a manual and an online cloud-based filing system. SAM Precious Metals maintains a file for each Supplier that contains all KYC documents such as beneficial owners' identity, business license, sources of metals, an approximate amount of metals to be sent in the refinery, authorized signatories, and bank details as well as the transaction history of the client that serves as a reference for verifying the customer's consistency and supply chain.

SAM Precious Metals has introduced a cutting-edge cloud-based digital system designed to revolutionize our operational workflow and control mechanisms. This advanced platform is engineered to streamline every aspect of our operations, beginning with the initiation of shipments to the final stages of compliance approvals and quality control checks. At the core of this transformation is the seamless integration of our operational phases into a cohesive, cloud-enabled framework across customer service, operations, compliance, quality control, finance, vault, and lab departments. This allows for a unified process where each department can access and process their relevant part of the transaction in real time, enhancing collaboration and efficiency.

A key feature of our new system is its robust compliance and quality control capabilities. By automating compliance checks at various stages of the workflow, the system ensures that all transactions meet regulatory requirements before progressing. This includes automated real-time monitoring of transactions against compliance criteria, and automatic flagging of anomalies for review. This automation not only reduces the likelihood of human error but also significantly speeds up the approval process, ensuring that our products meet the strictest compliance standards. The system further integrates quality



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control checks into the workflow, allowing for automated and manual assessment of shipments, ensuring that only shipments that meet SAM Precious Metals' high compliance standards are processed.

The system provides real-time reporting capabilities and alerts to relevant departments about potential issues or non-compliance. This enables quick resolution of problems, ensuring that operations run smoothly and in compliance with regulations. Further, every action and transaction within the system is logged, creating a comprehensive audit trail that enhances transparency and accountability. This feature is invaluable for compliance purposes, providing clear evidence of adherence to regulations and internal policies.

Prior to accepting any shipments containing precious metals, SAM Precious Metals obtains all supporting documentation, and the shipment details are entered into the cloud-based system and a unique shipment reference number is generated that is used throughout the process to serve as shipment tracking and tracing number. The Compliance Department conducts a due diligence in accordance with the existing policies and procedures and approves the shipments before any shipment can be sent for processing. A colour-coded segregation system has been instituted to establish a segregated processing line for mined and recycled metal within the refinery. This segregation system is designed to prevent cross-contamination between mined and recycled metal. The color-coded system provides a clear visual aid to ensure that the separation is maintained throughout the entire process. By establishing a separate processing line for each type of metal, SAM Precious Metals ensures the integrity of each supply chain is effectively maintained during the processing of the materials.

Once the Compliance Department approves the shipment, it is opened under a CCTV camera in the presence of the Quality Check Officer and the Production Supervisor. A visual inspection is conducted by the Quality Check Officer to verify the type of precious metal. Subsequently, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal. If any discrepancy is found, the shipment is automatically put on hold and sent back to the Compliance Department for further verification. Only after the final approval is obtained from the Compliance Department can the shipment be processed.

(a) details of physical form, type (i.e. Mined Gold and/, or Recycled Gold) and physical description of gold including any imprints and/or hallmarks; and

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<b>Demonstration of Compliance</b>
Each shipment that is entered into the cloud-based system contains the unique reference number assigned to that shipment, type of precious metal, customer invoice weight, precious metals before and after melting weight, and purity report from laboratory and XRF.
Also, SAM Precious Metals’ Analysis Report contains detailed information about the shipment including the shipment unique reference number, type of metal received (Recycled/Mined), gross & pure weight, and purity.

(b) details of weight and purity of gold after proper internal verification and/or third-party verification;

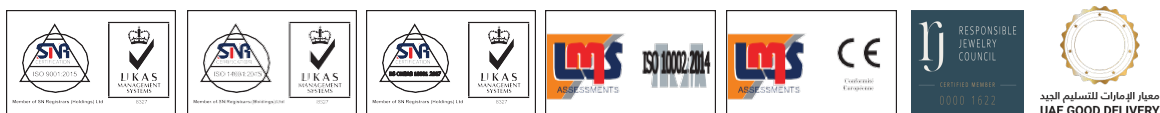
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
For each shipment that is approved by the Compliance Department, the shipment is opened under a CCTV camera in the presence of Quality Check Officer and the Production Supervisor. A visual inspection is performed by the Quality Check Officer to verify the type of precious metal. Thereafter, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal. If any discrepancy is found, the shipment is automatically put on hold and sent back to the Compliance Department for further verification. Only after the final approval is obtained from the Compliance Department can the shipment be processed.
Once the shipment is processed, the before and after melting weight, and purity report from laboratory and XRF are entered into the system. Also, SAM Precious Metals’ Analysis Report contains detailed information about the shipment including the gross & pure weight, and purity.

(c) full KYC due diligence of all suppliers including their due diligence practices e.g. information on suppliers’ due diligence process and KYC requirements. Accredited Members shall encourage their suppliers to, adopt processes and policies similar to the Policy and the Minimum KYC Standards;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
Full KYC due diligence is conducted for all Suppliers, including an examination of their due diligence





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practices. This encompasses detailed information on Suppliers' due diligence processes and KYC requirements, which are fully documented and updated as and when required.

As a part of our onboarding process, SAM Precious Metals' Supply Chain Policy and due diligence procedures are discussed with the Suppliers, and our commitment and expectations with respect to responsible sourcing of precious metals is clearly communicated to the Suppliers. SAM Precious Metals' Supply Chain Policy is shared with all Suppliers who wish to work with us, and a written confirmation is obtained from them that they will comply with all the provisions of the Policy.

**(d) the unique reference number of each entry/input and exit/output;**

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>	
For each shipment, details are entered into the cloud-based system and a unique shipment reference number is generated that is used throughout the process to serve as shipment tracking and tracing number.	
For all deliveries, a Delivery Note is issued that contains transaction reference number, date of delivery, type of metal delivered, weight and purity of the metal, and bar numbers.	

**(e) the name, stamp and logo of the refiner/producer/manufacture (if applicable);**

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>	
SAM Precious Metals Final Products are imprinted with SAM Precious Metals' logo, unique serial number, weight, and purity.	

**(f) the year of refining/production (if applicable);**

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>	
Each final product produced by SAM Precious Metals is accompanied by a product certificate that mentions the date of production. The serial number of the finished products also indicates the year of	



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production.

All finished products are well recorded and tracked, ensuring traceability to whom they are delivered. For all deliveries, a Delivery Note is issued that contains transaction reference number, date of delivery, type of metal delivered, weight and purity of the metal, and bar numbers.

- (g) the dates of applicable purchases and sales including financial transaction information (such as payment amount, currency, mode of payment, etc.);

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

At SAM Precious Metals, all purchases and sales are recorded on the accounting system along with financial information such as payment amount, currency, and mode of payment.

- (h) an inventory list classified as per supplier;

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

Each Supplier is registered on the accounting system with a unique account code. All relevant information about each shipment received from a Supplier is entered into the system. The purchase, sales, metal receipt and metal returned are all recorded in the accounting system. At any point of time, the inventory list as per Supplier is readily available on the system. SAM Precious Metals regularly reconciles the inventory list for each Supplier.

- (i) a “Track and Trace” mechanism for tracing products back to purchased material, which shall include (where applicable):

- (i) shipping/transportation documents;
- (ii) sales documents with specific lot numbers;
- (iii) mining licence(s) and related permissions (for mined gold);
- (iv) import/export licence(s) and form(s); and
- (v) reconciliation of documentation.





## SAM PRECIOUS METALS

<b>Compliance Statement</b>	Fully Compliant
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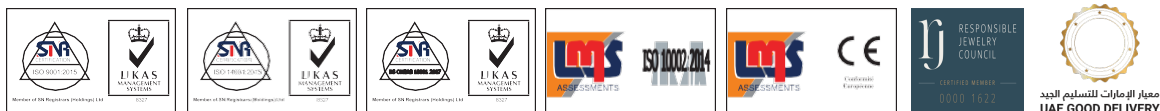
### Demonstration of Compliance

A comprehensive supply chain management system has been developed, which includes centralized information and several departments participating in daily transaction and shipment verification leading to strong monitoring and surveillance of all shipment. Unique reference numbers are used to identify incoming / outgoing shipment and a track-to-back traceability method has been put into practice which matches each finished product with the incoming shipment.

SAM Precious Metals' record-keeping policy requires all documents to be retained in SAM Precious Metals database servers (soft copy) and designated filing room (hard copy). SAM Precious Metals maintains all documents and records for each shipment under the track and trace mechanism for tracing products back to the purchased source. In compliance with EBC rules for records of internal inventory and transactional documents, SAM Precious Metals uses a manual and an online cloud-based filing system.

SAM Precious Metals has developed a "Track and Trace" system for tracing products back to purchased material, which includes (where applicable) collecting and storing the following documents and information:

- (i) shipping/transportation documents: For all shipments, the shipping/transportation documents are mandatorily required and verified by the Compliance Department before approving any shipment for processing.
- (ii) sales documents with specific lot numbers: All sales invoice and documents issued by Suppliers to SAM Precious Metals include specific lot numbers, along with weight and purity of the precious metal supplied. SAM Precious Metals maintains a comprehensive record of each shipment received, ensuring traceability and accountability throughout the supply chain.
- (iii) mining licence(s) and related permissions (for mined gold): In case of mined precious metals, SAM Precious Metals compulsorily requires the Suppliers to provide the mining licence(s) and related permissions before accepting the shipment. A due diligence is conducted on the mine(s) before supplies from that mine (s) can be accepted.
- (iv) import/export licence(s) and form(s): All custom documentations, including import/export licence of the Supplier is collected before accepting any shipment from any Supplier.
- (v) reconciliation of documentation: For each shipment, all transaction related documents are maintained in a file, which is verified by the Compliance Department. Depending on whether it is a local or import shipment, the type of precious metals (Recycled/Mined),





## SAM PRECIOUS METALS

and whether we are purchasing and/or refining a shipment, we are collecting the following documents (whichever is applicable):

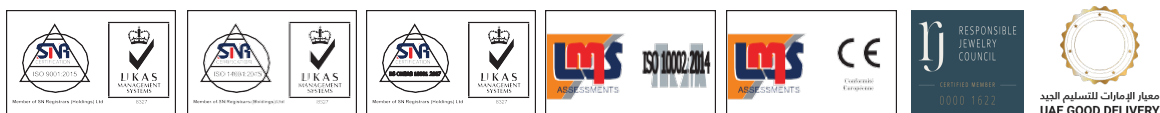
- Commercial /Export Invoice from Supplier
- Airway Bill
- Packing List
- Certificate of Origin
- Export Declaration
- Customer Declaration stating the Origin of Precious Metals, Type of Gold, Sub-classification of Recycled / Mined Gold, Mine Details (if applicable)
- Delivery Order
- Bill of Entry
- Job Card
- Analysis Report
- Tax Invoice issued by SAM for Refining
- Precious Metal Delivery Note
- Metal Receipt Confirmation / Logistics Company Delivery Confirmation
- Tax Receipt Stock
- Tax Invoice from Client

All documents are reconciled and entries into the system is matched with the data on the documents.

Accredited Members shall avoid, where practicable, cash purchases and ensure that all unavoidable cash purchases of minerals are supported by verifiable documentation and preferably routed through official banking channels. Cash purchases shall, in any event, be made in compliance with Applicable Laws and Regulations.

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
As a policy, SAM Precious Metals does not deal in cash purchases or sales. Thus, during the reporting period, there were no cash purchases or sales.





**SAM PRECIOUS METALS**

**Rule 1.14 Record Keeping**

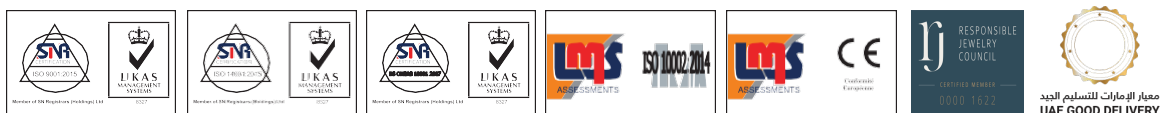
Each Accredited Member must keep relevant records, files, documents, papers, communications and forms related to its compliance with these Rules for RBDG and its KYC obligations for at least five (5) years from the latest of:

- (a) the date of the most recent transaction in respect of the latest material intake from a supplier;
- (b) the date of conclusion of a complete inspection by an EBC approved reviewer;
- (c) the date of closing of the account of the supplier or termination of the relationship with the supplier; and
- (d) date of closing of an investigation on a particular transaction or supplier.

<b>Compliance Statement</b>	Fully Compliant
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<p><b>Demonstration of Compliance</b></p> <p>As per our record keeping policy, SAM Precious Metals keep relevant records, files, documents, papers, communications, and forms related to its compliance with these Rules for RBDG and its KYC obligations, including the following:</p> <ul style="list-style-type: none"> <li>• All Supplier’s documentation as provided in KYC checklist and/or correspondences, including the documents obtained during client due diligence and/or enhanced due diligence;</li> <li>• All shipping/transportation documents for each shipment;</li> <li>• All Compliance Approval documents;</li> <li>• All documentation concerning a Red Flag together with any response or follow up;</li> <li>• All Purchase and Sales documents;</li> <li>• All Delivery Notes confirming the delivery of precious metal to clients;</li> </ul> <p>All the above-mentioned records are maintained and safely stored, physically or in electronic form, in an easily accessible place for at least five (5) years from the latest of:</p> <ul style="list-style-type: none"> <li>(a) the date of the most recent transaction in respect of the latest material intake from a Supplier;</li> <li>(b) the date of conclusion of a complete inspection by an EBC approved reviewer;</li> <li>(c) the date of closing of the account of the Supplier or termination of the relationship with the Supplier; and</li> <li>(d) date of closing of an investigation on a particular transaction or Supplier.</li> </ul>
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Each Accredited Member is advised to keep relevant records, files, documents, papers, communications and forms related to relations with potential suppliers that were not entered into or progressed due to





## SAM PRECIOUS METALS

a high-risk evaluation by the Accredited Member, for at least two (2) years from the date the decision was taken not to enter into or progress the relationship.

Compliance Statement	Fully Compliant
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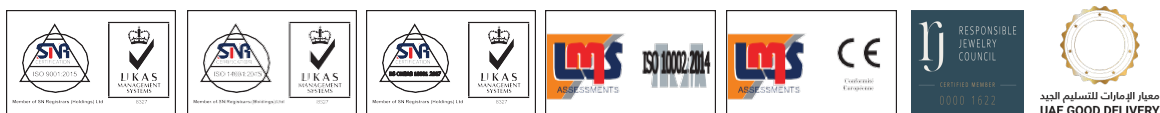
<b>Demonstration of Compliance</b>
As per our record keeping policy, SAM Precious Metals keeps relevant records, files, documents, papers, communications, and forms related to relations with potential Suppliers that were not entered into or progressed due to a high-risk evaluation by SAM Precious Metals, for at least five (5) years from the date the decision was taken not to enter into or progress the relationship.

### Rule 1.15 Enhanced Relationships with Suppliers

Each Accredited Member must continually attempt to enhance communications and relationships with each of its suppliers and encourage each supplier to commit to a supply chain policy consistent with the Rules for RBDG and Annex II of the OECD Guidance. This can be achieved through the following means:

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals’ Supply Chain Policy outlines the company’s responsibility and commitment to conducting risk-based due diligence, monitoring of transactions, and establishing a governance system, in order to achieve a responsible supply chain of minerals. The company has adopted a comprehensive on-going, proactive, and reactive process that is being implemented and maintained by the Compliance Department. SAM Precious Metals works hard to establish and maintain strong relationships with its supply chain partners based on ethics, integrity, and professionalism. Our Supply Chain and Business Policy statement formalises our commitment to engaging all our stakeholders and taking a relationship-based approach.
We regularly create awareness about our ethical sourcing requirements for our supply chain, share the applicable regulation and standards with our Suppliers, study the applicable laws in relevant nations where our Suppliers operate, and understand the additional information which can authenticate that the source is conflict free and how our Suppliers can be more compliant. We closely engage with all our Suppliers for obtaining the further supply chain information and supporting them in achieving ethical and conflict free sourcing in precious metal industry. We conduct the KYC and due diligence process before





## SAM PRECIOUS METALS

opening an account and at periodic intervals, monitor transactions on a regular basis, create training sessions for our Suppliers, and obtain Supplier self-declaration for conflict free supply.

In order to foster a culture of responsible business conduct, SAM is committed to understanding the requirements the needs of its diverse stakeholders through continuous engagement and education on various aspects related to the business, products and services, and compliance matters, including the supply chain. The company adopts a proactive approach to respond to the needs of the customers in a timely manner and promotes regular communication with them.

To enhance industry-wide knowledge, SAM actively participates in various forums and sponsors events focused on subject matters to educate the broader industry. This initiative contributes significantly to the growth of the gold, silver, and precious metals sector not only within the UAE but also across the GCC region and globally. Through these efforts, SAM plays a pivotal role in advancing industry standards and promoting sustainable practices within the precious metals market. During the reporting period, SAM Precious Metals was instrumental in supporting various industry initiatives, including the India Gold Conference 2023 organised by Eventell Global Advisory, Dubai Precious Metals Conference 2023 organised by Dubai Multi Commodities Centre, and University of Bradford’s COP28 sustainability challenge.

SAM’s vision involves creating a support system for organisations in the gold and precious metals industry to comply with the OECD Due Diligence Guidance on Responsible Supply Chain. SAM Precious Metals has utilized various channels to engage with their Suppliers and the wider industry participants, aiming to raise awareness about the OECD guidelines, best international practices, and supervisory expectations. SAM has collaborated with a wide array of stakeholders, providing support in developing improved regulatory outcomes and a strong compliance culture within the gold and precious metals industry. The focus is on preventing shortcomings, identifying issues before they become a concern, and facilitating more efficient compliance solutions. The top management actively supports and is fully engaged with these compliance efforts.

(a) maintaining adequate KYC due diligence processes for suppliers in accordance with these Rules for RBDG, and reviewing suppliers’ own due diligence practices;

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals implements robust KYC due diligence processes for its Suppliers in accordance with



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these Rules for RBDG. which is regular audited by third-party. These processes undergo regular audits by third-party entities to ensure compliance and effectiveness. Additionally, the KYC procedures are frequently reviewed and updated to meet evolving requirements and standards, ensuring that SAM Precious Metals maintains high levels of diligence and compliance in its operations.

Full KYC due diligence is conducted for all Suppliers, including an examination of their due diligence practices. This entails a regular review and assessment of Suppliers' due diligence processes and KYC requirements to ensure adherence to industry best practices and standards.

### (b) establishing long-term relationships with each supplier;

Compliance Statement	Fully Compliant
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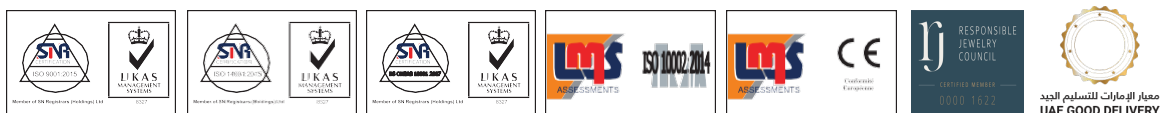
### Demonstration of Compliance

SAM Precious Metals is focussed on establishing long-term, sustainable business relationships with each Supplier. This goal is achieved by consistently meeting customer needs to the highest ethical and moral standards, ensuring that every interaction and transaction upholds our core values. This approach not only fosters trust and loyalty but also promotes a culture of integrity throughout the supply chain.

With a focus on building strong relationships with our customers, the Senior Management drives the core values of SAM Precious Metals which are as follows:

- Building Trust: We rely on building trusting relationships to ensure sustainable growth
- Quality: Our gold and silver are tested at qualified testing laboratories and facilities by industry professionals
- Cost: Cost efficient without compromising on quality
- Purity: We ensure fineness of our precious metals to meet the highest standards
- Excellence: We believe in the pursuit of excellence in everything we do

SAM Precious Metals prioritizes achieving leadership positions in business areas where it can create substantial value for customers, employees, society, and other stakeholders. The company is committed to business growth through the expertise of its people, operational excellence, a responsible supply chain, and technological innovation. This strategic focus aims to enhance its competitive edge and contribute positively to its broader community of stakeholders.





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(c) sharing with each supplier the Rules for RBDG and the Accredited Member’s obligations under the Rules for RBDG;

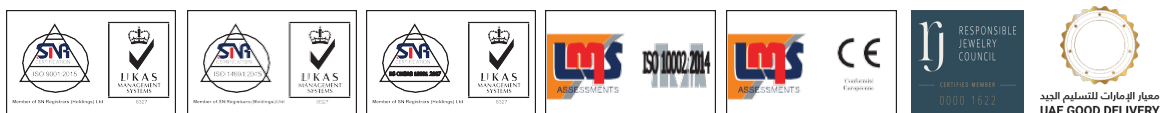
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
<p>SAM Precious Metals’ Supply Chain Policy and EBC Rules for RBDG is shared with all Suppliers who wish to work with SAM Precious Metals and a written confirmation is obtained from them that they will comply with all the provisions of the policy and EBC Rules for RBDG.</p> <p>To enhance the understanding of Suppliers on responsible practices in the gold and precious metals supply chain, SAM Precious Metals has implemented a comprehensive Supplier training program. The program includes online and in-person sessions, where the company shares information on the OECD Guidelines, EBC Rules for RBDG, and the company's obligations under these guidelines. The sessions are led by SAM's Compliance Officer and other third-party experts who provide detailed training on different aspects of the EBC Rules for RBDG. Moreover, these sessions provide an opportunity for Suppliers to engage with the experts and ask questions about the guidelines. Through this program, SAM Precious Metals aims to ensure that its Suppliers adhere to ethical standards and conduct their business in a responsible and sustainable manner.</p>

(d) communicating expectations that each supplier commits to the compliance and undertakes mineral supply chain due diligence and risk management consistent with the Rules for RBDG and Annex II of the OECD Guidance;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
<p>Prior to onboarding any new Supplier, the policy and procedures are discussed with the Supplier and our commitment and expectations with respect to responsible sourcing of precious metals is clearly communicated to the Supplier. Each Supplier commits to adhering to the EBC Rules for RBDG and Annex II of the OECD Guidance, ensuring their mineral supply chain due diligence and risk management practices meet established standards for responsible sourcing. Each Supplier commits to the compliance and undertakes mineral supply chain due diligence and risk management consistent with the EBC Rules for RBDG and OECD Due Diligence Guidance. SAM Precious Metals only works with those Suppliers who commits to achieve a responsible supply chain of precious metals.</p>







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(e) incorporating the provisions of the Rules for RBDG and audit and monitoring rights into contracts and/or agreements and KYC forms with each supplier; and

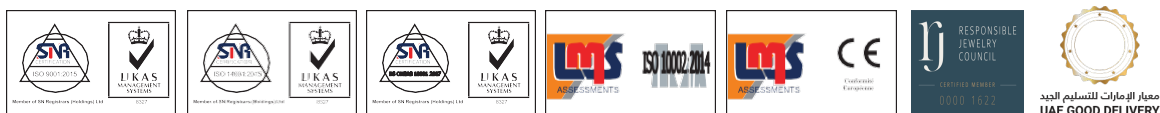
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
<p>As a part of our onboarding process, each prospective Supplier is required to fill an Account Opening Form and a Supply Chain Questionnaire. The Account Opening Form contains a declaration where the Supplier undertakes to have understood and comply with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, RJC Code of Practices, RJC Chain of Custody, the LBMA Responsible Gold Guidance and the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain. Further, the Supplier also undertakes to comply with SAM Precious Metals’ Supply Chain Policy and AML/CFT Policy, which are also shared with the Supplier prior to onboarding.</p> <p>Additionally, from time-to-time, we undertake site visits or facility inspections to build a stronger bond with our supply chain partners and verify a Supplier’s conformance with SAM Precious Metals Supply Chain Policy. We also engage third-party reviewers to audit relevant facilities and documentation, in addition to interviewing the Supplier’s workforce.</p>

(f) considering ways to support and build capabilities of suppliers to ensure compliance with the Accredited Member’s Policy and the Rules for RBDG.

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
<p>SAM Precious Metals has led various initiatives to raise awareness on responsible supply chain amongst its Suppliers and continuously supports its Suppliers to ensure that they comply with the provisions of the OECD Due Diligence Guidance and EBC Rules for RBDG.</p> <p>A collaboration between refineries and the precious metals Suppliers is key to raising awareness about and mitigating the risks involved in the precious metals industry. By utilizing diverse communication methods, SAM Precious Metals aims to educate its Suppliers on compliance with regulatory requirements and international best standards, encouraging a culture of responsible sourcing and adherence to regulatory frameworks.</p> <p>Working with a diverse range of stakeholders, SAM Precious Metals focuses on developing improved</p>





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regulatory outcomes and cultivating a strong commitment to responsible supply chains. This proactive approach aims to address potential issues early, enhancing compliance efficiency and reinforcing the company's leadership in ethical practices.

To further strengthen our relationship with Suppliers, SAM Precious Metals offers comprehensive support, including regular training and due diligence assistance. This initiative strengthens the supply chain, ensuring Suppliers meet the high standards required for responsible and ethical sourcing in the precious metals industry.

### Rule 1.16 Uncooperative Suppliers

If any Accredited Member reasonably concludes that a supplier is not providing a sufficient degree of cooperation to enable it to carry out its obligations under the Rules for RBDG (Uncooperative Supplier), the Accredited Member is recommended to seek disengagement from such supplier and is required to:

Compliance Statement	Fully Compliant
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#### Demonstration of Compliance

SAM Precious Metals has established a robust supply chain management and due diligence system that includes a mechanism for identifying and reporting uncooperative Suppliers and/or suspicious activities or transactions.

As part of its Policy, SAM Precious Metals has instituted a system for the mandatory reporting of Uncooperative Suppliers and suspicious activities/transactions, including any additional information required in relation to them, to the FIU through the goAML system, the Executive Office for Control and Non-Proliferation (EOCN), and to the Executive Office of the EBC.

Whenever an employee, personnel, director, or officer of SAM Precious Metals suspects or becomes aware of any suspicious activity related to a Supplier or transaction, they are required to report the issue promptly to the Compliance Department

The Compliance Department evaluates the matter, and if there's sufficient evidence, escalates the issue to the Compliance Officer for further review and decision on reporting. Throughout this review process, the Compliance Officer keeps the Senior Management informed.

Directors, officers, and employees of SAM Precious Metals are mandated to refrain from alerting





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customers about the reporting or potential reporting of their information, nor may they communicate such information, either directly or indirectly, to any other individual. Any violation of this confidentiality provision shall render them liable for criminal, civil and administrative sanctions.

SAM Precious Metals has a strict policy to disengage with any Uncooperative Supplier.

(a) document the Accredited Member’s efforts in accordance with these Rules (including Rule 1.15);

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

If SAM Precious Metals determines that a Supplier is not providing sufficient cooperation to enable it to carry out its obligations under the Rules for RBDG, or if there are suspicions about the Supplier's activities or transactions, SAM Precious Metals disengages with the Supplier and reports the matter to the appropriate authorities.

The Compliance Officer is required to maintain a register of all Uncooperative Suppliers and suspicious activities/transactions. This register includes the date each report was made, the identity of the person reporting to the Compliance Department, a detailed account of the suspicions raised, and sufficient details to identify the relevant documents.

(b) report the matter to the Executive Office of the EBC, upon request by the Executive Office of the EBC; and

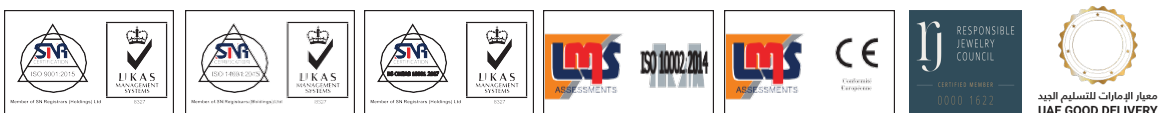
Compliance Statement	Fully Compliant
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### Demonstration of Compliance

As part of its Policy, SAM Precious Metals has instituted a system for the mandatory reporting of Uncooperative Suppliers and suspicious activities/transactions, including any additional information required in relation to them, to the FIU through the goAML system, the Executive Office for Control and Non-Proliferation (EOCN), and to the Executive Office of the EBC.

(c) details of such disengagement of suppliers should be included in the management report by the EBC approved reviewer.

Compliance Statement	Fully Compliant
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**SAM PRECIOUS METALS**

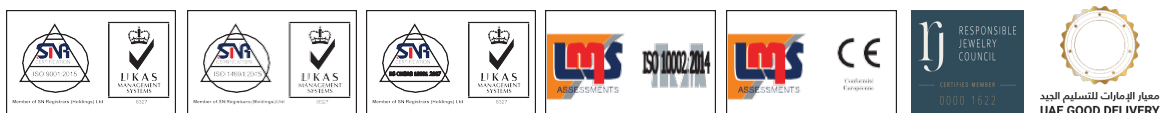
<b>Demonstration of Compliance</b>
The details of all disengagements with Uncooperative Supplier are included in the management report by the EBC approved reviewer.

**Rule 1.17 Security Requirements**

Each Policy must include adequate security requirements to ensure compliance with these Rules for RBDG, in particular, in relation to material sourced from LSM or ASM mining companies. These requirements may include any of the following:

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
<p>SAM Precious Metals has put in place a comprehensive internal system encompassing due diligence, control, security, and transparency to ensure compliance with EBC Rules for RBDG.</p> <p>Prior to accepting any shipments containing precious metals, SAM Precious Metals obtains all supporting documentation, and the shipment details are entered into the cloud-based system and a unique shipment reference number is generated that is used throughout the process to serve as shipment tracking and tracing number. The Compliance Department conducts a due diligence in accordance with the existing policies and procedures and approves the shipments before any shipment can be sent for processing.</p> <p>A colour-coded segregation system has been instituted to establish a segregated processing line for mined and recycled metal within the refinery. This segregation system is designed to prevent cross-contamination between mined and recycled metal. The color-coded system provides a clear visual aid to ensure that the separation is maintained throughout the entire process. By establishing a separate processing line for each type of metal, SAM Precious Metals ensures the integrity of each supply chain is effectively maintained during the processing of the materials.</p> <p>Once the Compliance Department approves the shipment, it is opened under a CCTV camera in the presence of the Quality Check Officer and the Production Supervisor. A visual inspection is conducted by the Quality Check Officer to verify the type of precious metal. Subsequently, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal. If any discrepancy is found, the shipment is automatically put on hold and sent back to the Compliance Department for further verification. Only after the final approval is obtained from the Compliance Department can the shipment be processed.</p>





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(a) using identifiable sealed security boxes for each shipment to avoid any tampering or removal of content;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
Each shipment is stored in a secured place in identifiable, sealed security boxes to prevent any tampering or removal of content. The seal on these security boxes is broken by the Production Supervisor, in the presence of the Quality Check Officer, only after the approval has been obtained from the Compliance Department.

(b) physically segregating different shipments until verification is adequately completed and confirmed in accordance with Rule 1.13;

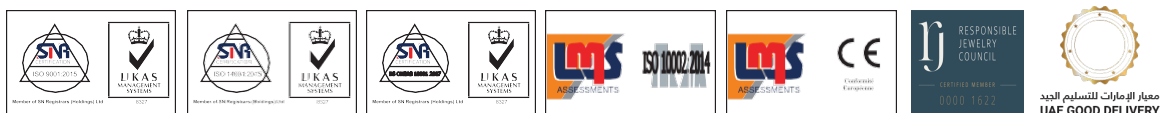
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
All shipments are kept physically segregated until the Compliance Officer approves and the Quality Check Officer passes the shipment.

(c) reporting any inconsistencies to Senior Management, the Supply Chain Officer and/or the Compliance Officer (as appropriate);

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals has implemented a robust risk management system designed to identify and report potential risks or suspicious activities/transactions to the Compliance Officer and Senior Management. This system includes a detailed risk control plan, outlining necessary protocols and procedures for addressing and reporting identified risks. The plan specifies the guidelines and procedures that need to be followed by employees and stakeholders to identify and report any risk or suspicious activities/transactions. Moreover, the company has instituted standard operating procedures to ensure timely and accurate reporting of any identified risks, maintaining stringent oversight and response mechanisms within its operations.
A shipment is processed only after approval of the Compliance Department has been received. Each





**SAM PRECIOUS METALS**

shipment is opened under a CCTV camera in the presence of Quality Check Officer and the Production Supervisor. A visual inspection is conducted by the Quality Check Officer to verify the type of precious metal. Subsequently, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal. If any discrepancy is found, the shipment is automatically put on hold and sent back to the Compliance Department for further verification. Only after the final approval is obtained from the Compliance Department can the shipment be processed.

The responsibility of monitoring, analysing, and reporting risks falls under the purview of the Compliance Officer and the Senior Management. They are tasked with reviewing any reported risks, investigating suspicious activities/transactions, and ensuring that the necessary steps are taken to mitigate and manage any identified risks.

**(d) regarding any supplier with whom problematic issues recur as an Uncooperative Supplier in accordance with these Rules for RBDG;**

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
A record of inconsistencies is maintained by the Compliance Department. SAM Precious Metals has established a policy to designate any Supplier with whom problematic issues recur as an Uncooperative Supplier in accordance with these Rules for RBDG.

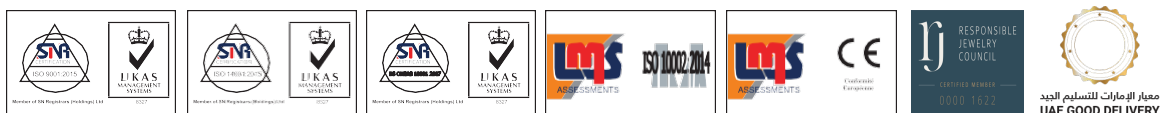
**(e) ensuring that any assessor of a shipment is independent from any conflict of interest; and**

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals ensures that any assessor of a shipment is independent from any conflict of interest. To minimize potential conflicts, various independent departments—including Compliance, Quality Check, Production, and Laboratory—are involved in the assessment process. Moreover, all Suppliers are assigned unique codes, accessible only to limited staff, to further prevent conflicts of interest.

**(f) if applicable, verify a supplier’s participation in the Extractive Industry Transparency Initiative (EITI).**

<b>Compliance Statement</b>	Fully Compliant
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**SAM PRECIOUS METALS**

<b>Demonstration of Compliance</b>
SAM Precious Metals has established a process to verify a Supplier’s participation in the Extractive Industry Transparency Initiative (EITI), if applicable.

**Rule 1.18 Cooperation with law enforcement agencies**

Each Accredited Member must cooperate fully and transparently at all times with law enforcement agencies and customs officials (Officials) regarding gold transactions. Each Accredited Member must provide any necessary access to information required by Officials, regarding shipments that cross international borders, or shipments to which an Official has jurisdiction, in compliance with applicable laws.

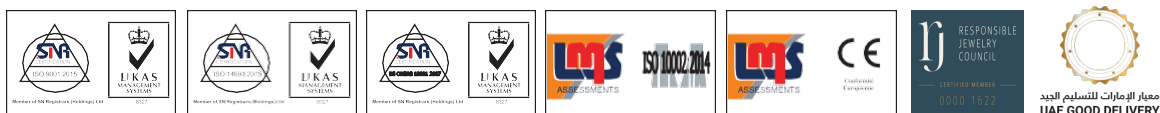
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals maintains a strict policy of full and transparent cooperation with law enforcement agencies and customs officials regarding all transactions. As a responsible organisation in the precious metals industry, SAM Precious Metals is willing to provide any necessary access to information required by Officials, regarding shipments that cross international borders, or shipments to which an Official has jurisdiction, in compliance with applicable laws.
SAM Precious Metals is committed to ensuring that all necessary information, documents, and records are readily available to law enforcement agencies and customs officials upon request.

**Training of staff and KYC**

Each Accredited Member must perform a KYC check on its relevant staff for example the compliance/supply chain officer, members of operations directly involved in the intake of material etc. during the staff on-boarding process and thereafter an update, on an on-going basis, at least every twelve months. Such KYC checks shall include checking an employee’s full name, date and place of birth, nationality, residence, contact details, previous activities and occupations, copy of identity document and searches on sanctions list.

<b>Compliance Statement</b>	Fully Compliant
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## SAM PRECIOUS METALS

### Demonstration of Compliance

As part of its HR policy, SAM Precious Metals conducts KYC checks on all its relevant staff members. These checks include verifying an employee’s full name, date and place of birth, nationality, residence, contact details, previous activities and occupations, copy of identity document and searches on sanctions list. Additionally, SAM Precious Metals also requires relevant employees to provide a police clearance certificate as part of the background and compliance verification process.

Each Accredited Member must implement a training programme (Training Programme) for all persons involved in the responsible supply chain due diligence, which shall include regular training for new staff and refresher sessions for existing staff to be conducted based on the level of risks and job profiles in engaging with the supply chain participants.

Compliance Statement	Fully Compliant
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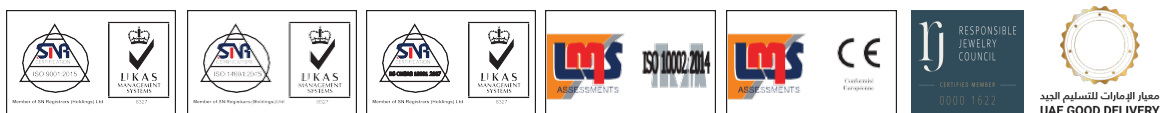
### Demonstration of Compliance

SAM Precious Metals’ Supply Chain Policy has been communicated to all employees working in the company. Multiple training sessions were conducted by SAM Precious Metals’ Compliance Officer and third-party organisations for all staff involved with or holding responsibilities related to the precious metals supply chain, as well as the management team. Different training programs have been developed based on the level of risk exposure of each employee in the supply chain. During the reporting period, the Compliance Officer was responsible for carrying out a training plan. These training sessions, hosted by reputable organizations such as the UAE Ministry of Economy, OECD, Executive Office for Control & Non-Proliferation, LSEG, LBMA, and DMCC, reflect the company's adherence to industry best practices and its proactive approach towards responsible supply chain. By investing in employee training and development, SAM Precious Metals ensures that its workforce is equipped with the necessary knowledge and skills to support the company's ongoing efforts towards achieving an ethical supply chain.

The Compliance Officer worked closely with the supervisor of each department to monitor if additional or refresher trainings were needed. The Compliance Officer organised refresher training to remind key staff and officers of their Supply Chain Due Diligence responsibilities and to make them aware of current developments and any changes in the guidelines and rules relating to the AML/CFT and Supply Chain Due Diligence.

### Rule 1.19 Grievance Mechanism

Each Accredited Member must establish a grievance mechanism for internal and external stakeholders



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## SAM PRECIOUS METALS

who are impacted by the Accredited Member’s operations to enable those stakeholders to voice concerns relating to an Accredited Member’s risk management processes and supply chain policy to the Senior Management.

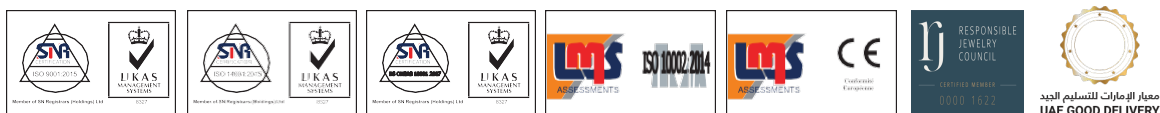
Compliance Statement	Fully Compliant
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<p>Demonstration of Compliance</p> <p>SAM Precious Metals has put in place a company-wide communication system aimed at encouraging widespread staff involvement in identifying and reporting potential risks. As a part of our on-going dialogue with all key stakeholders, internal and external, SAM Precious Metals has established a Grievances and Whistleblowing Mechanism, reinforcing its commitment to transparency, accountability, and ethical business practices by providing a structured process for raising concerns and reporting potential issues.</p> <p>In addition to the different internal channels for raising compliance violations, any interested party (employees, stakeholders, or Suppliers) can express concerns and report violations, anonymously or otherwise, linked to SAM Precious Metals’ supply chain and associated risks through a dedicated mailbox – <a href="mailto:compliance.officer@sampreciousmetals.com">compliance.officer@sampreciousmetals.com</a></p> <p>All employees and Suppliers have been made of the Grievances and Whistleblowing Process, and it is also publicly available online on SAM Precious Metals website - <a href="https://sampreciousmetals.com/grievances-and-whistleblowing/">https://sampreciousmetals.com/grievances-and-whistleblowing/</a></p> <p>During the reporting period, no concerns were raised, or issues reported either by employees or external parties.</p>
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### RULE 2. SUPPLY CHAIN RISK IDENTIFICATION AND ASSESSMENT

#### Rule 2.1 Overriding Principle

Each Accredited Member conducting business in the gold supply chain is required and be individually responsible for applying and implementing its Policy and management system and mapping its supply chain in order to identify and assess the risks of contributing to conflict, Money Laundering, Terrorism Financing serious Human Rights abuses or environmental damage associated with gold which they produce, distribute, transport, export, sell and/or purchase.



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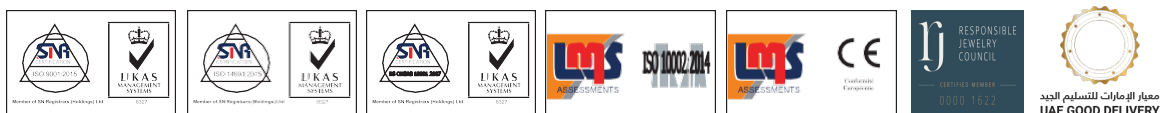
## SAM PRECIOUS METALS

If the Accredited Member can reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold mined, transported or traded in a Conflict-Affected and High-Risk Area, no additional due diligence is required. The management systems established in Rule 1 should be maintained and regularly reviewed and the Member is expected to improve its due diligence practices and risk assessment process over time.

If the Accredited Member is not able to reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold mined, transported or traded any in a Conflict-Affected and High-Risk Area, it is mandatory to carry out an additional, more in- depth due diligence in accordance with Rule 2.

Compliance Statement	Fully Compliant
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<p><b>Demonstration of Compliance</b></p> <p>SAM Precious Metals consistently and proactively refines its risk assessment methodologies, ensuring alignment with EBC Rules for RBDG. This continuous improvement process has led to a more sophisticated and structured approach, allowing for precise risk classification of Suppliers, and enabling tailored responses to identified risks.</p> <p>Client due diligence and risk assessment for each Supplier at Sam Precious Metals begin prior to account opening and continue with continuous monitoring on every shipment and transaction. KYC documents, country-specific information, research, and the history of transactions/shipments are collected and recorded. These data points are utilized in a multi-step risk assessment process to calculate and assess the risk level, ensuring a comprehensive and ongoing evaluation of Supplier relationships and transactions.</p> <p>SAM Precious Metals risk assessment methodology has been carefully crafted to take into consideration all the requirements of the OECD Guidelines, UAE Due Diligence Regulations for Responsible Sourcing of Gold, EBC Rules for RBDG, UAE AML/CFT Law, LBMA Guidelines, and RJC standards in identifying red flag according to (a) Location-based (b) Supplier-based, or (c) Circumstances-based red flags.</p> <ul style="list-style-type: none"> <li>• Location-based Red Flags: risk assessment conducted focuses on the main location of the source of the metals, routes, and mode of transportation used before it reaches the counterparty.</li> <li>• Supplier-based Red Flag: risk assessment conducted focuses on the Supplier or other participant in the supply chain of gold operates in any location that could give rise to a Location-based Red Flag</li> </ul>
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## SAM PRECIOUS METALS

- Circumstances-based Red Flag: risk assessment conducted focuses on any unusual transaction. Any transactions that are not consistent with the documents provided and history of transactions are considered suspicious and requires urgent explanation and proper documentation support.

SAM Precious Metals has taken the following measures to identify, assess and manage any risk associated with a Supplier and/or any transaction:

- SAM Precious Metals does not accept any shipment from Suppliers who do not have an active account with the company.
- SAM Precious Metals does not open accounts for Suppliers who fail to fully disclose their beneficial owner/s.
- All prospective Suppliers are required to submit all requested KYC documents and provide all information to facilitate a thorough understanding of their supply chain.
- The Client Risk Rating Matrix includes risk factors such as:
  - Location of the Supplier's business
  - Beneficial owner's nationality
  - Country of origin/transportation of precious metal
  - Number of Years in the Industry
  - Compliance Structure of the Company
  - Other Businesses of the Beneficial Owner
  - Politically Exposed Person (PEP)
  - Adverse Media News
  - Type of Gold – Mined, Recycled or Grandfathered
- The country risk assessment takes into consideration various factors such as governance-related risk, money laundering/terrorist financing risk, international sanction risk, conflict-affected and high-risk areas, corruption risk, narcotics major risk, human trafficking, and financial transparency risks.
- Each Supplier, including their beneficial owners and controlling persons, is screened through the LSEG World-Check system to determine if they are named on any sanction lists or identified as PEP (Politically Exposed Persons). If there is a positive match for PEP, enhanced due diligence is conducted to verify the source of funds/wealth and understand the purpose of the business relationship.
- SAM Precious Metals has engaged the services of a reputable firm, Crif Gulf DWC LLC (Dun and Bradstreet), and other supply chain experts, to perform third-party due diligence on existing and potential Suppliers. Dun and Bradstreet conducts an independent investigation on Suppliers, which involves a site visit and analysis of a comprehensive set of data and information from a diverse range of open and paid sources. The report resulting from this investigation undergoes a





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rigorous evaluation process before any decision is made to onboard a Supplier. This process ensures that SAM Precious Metals' high standards for Supplier selection and risk management are consistently maintained, ensuring the reliability and integrity of its supply chain.

- After completing due diligence on a prospective Supplier, the Compliance Officer presents a Compliance Review Report to Senior Management, which then decides whether to accept or refuse to do business with them.
- Every shipment is subjected to ongoing, proactive, and reactive due diligence to identify, prevent, and mitigate any risks that could negatively impact the business. If at any stage of the process the Compliance Officer deems the risk associated with a transaction to be high, an investigation is launched, necessitating a management decision on how to proceed.
- Suppliers with multiple sources are required to provide detailed information about each supply, and due diligence is performed on all of them to ensure compliance and mitigate risks associated with the supply chain.
- SAM Precious Metals does not accept and directly discontinue transactions with upstream Suppliers identified as high-risk due to involvement and or participation in non-state armed groups through the extraction, transport, trade, handling or export of minerals which includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who;
  - Illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
  - Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
  - Illegally tax or extort intermediaries, export companies or international traders
- SAM Precious Metals does not engage in offering, promising, giving, or demanding bribes and resists the solicitation of bribes to conceal or disguise the origin of precious metals, or to misrepresent taxes, fees, and royalties paid to governments for the extraction, trade, handling, transport, and export of such materials.
- SAM Precious Metals reports to the relevant authorities any Uncooperative Suppliers and/or suspicious individual, entities, and transactions as soon as possible.
- If a red flag is identified, it is mandatory to carry out additional and more in-depth due diligence procedures. The shipment is put on hold and the Supplier's account is suspended until further investigation is conducted. If within three months, the Supplier fails to comply with the mitigating control plan and reduce the risk associated with its supply chain, SAM Precious Metals will disengage.
- During the reporting period, SAM Precious Metals, with support from third-party supply chain experts, conducted on-site visits to many of its Suppliers. We educated Suppliers by offering supply





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chain assistance, training, and support on the latest policies and procedures for a responsible supply chain, thereby strengthening our relationships with the Suppliers.

- Each supply chain connected to SAM Precious Metals underwent a comprehensive due diligence process, meticulously designed to assess and mitigate potential risks. This rigorous approach ensured that all associated supply chains were thoroughly vetted for compliance with the highest standards of responsible sourcing and ethical practices. Following thorough evaluations conducted during the reporting period, SAM Precious Metals concluded that sufficient measures had been applied to ensure the integrity and safety of its supply chains.

### Rule 2.2 Risk-based Approach

Each Accredited Member must conduct an internal risk assessment carried out on a risk- based approach (Risk Assessment) on each party, included or third parties involved in the supply chain for gold from the mine(s) to the Accredited Member including third party service providers (i.e. logistics, transporters, processors and intermediaries).

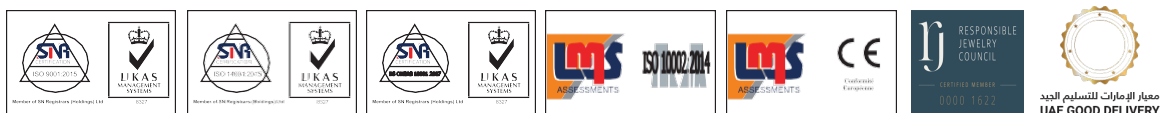
Compliance Statement	Fully Compliant
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Demonstration of Compliance
<p>Once a Supplier completes all the initial requirements to open an account and all relevant information is obtained and validated, the Supplier is subjected to a risk assessment, and risk ratings are recorded in the file. Suppliers are designated as – High, Medium or Low Risk, based on their risk profile. Due diligence requirements commensurate with the risk level associated with the Supplier and enhanced due diligence are necessary for all high-risk Suppliers. The Compliance Officer provides the management with a detailed risk report, and each high-risk case is thoroughly reviewed and assessed along with the risk mitigating factors.</p> <p>Once a Supplier is onboarded, as part of the ongoing monitoring, the Compliance Department carefully monitors every shipment for any inconsistencies with the Supplier’s profile or their transactional history.</p>

### Rule 2.3 Considerations of Risk Assessments

In carrying out any Risk Assessment, each Accredited Member shall take into account the following considerations (as applicable to the circumstances of the Risk Assessment):

- (a) the geographical origin and location of gold, based on reasonable and good faith efforts, including consideration of:





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<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals employs a systematic approach to risk assessment, enabling consistent classification of Suppliers' risk levels and ensuring appropriate responses. The process of client due diligence and risk assessment begins prior to account opening and continues with ongoing monitoring of every shipment and transaction. This comprehensive approach utilizes KYC documents, country information, research, and transaction/shipment history, which are all collected and recorded. These elements are then analysed through a multi-step risk assessment process to accurately calculate and assess the risk level associated with each Supplier.

(i) the origin, location and transportation;

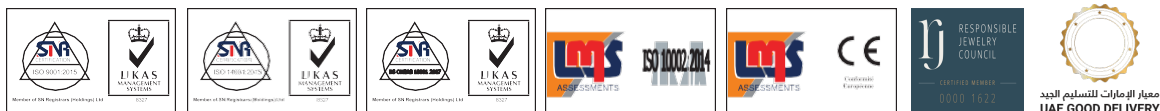
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
The Client Risk Matrix takes into consideration the following key factors to give a risk assessment for the Supplier:
<ul style="list-style-type: none"> <li>• the country of origin/transportation of precious metal,</li> <li>• location of the Supplier's business, and</li> <li>• the beneficial owner's nationality.</li> </ul>

(ii) the level of government regulation and supervision;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
The overall risk score of the country is determined using the KnowYourCountry methodologies and sources, which takes into consideration:
<ul style="list-style-type: none"> <li>• Transparency International's Corruption Perception Index</li> <li>• World Bank's Governance Indicator scores for control of corruption</li> <li>• Global Organized Crime Index, which covers factors such as Human Trafficking, Human Smuggling, Arms Trafficking, Flora Crimes, Fauna Crime, Non-Renewable Resource Crimes, Heroin Trade,</li> </ul>





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Cocaine Trade, Cannabis Trade, Synthetic Drug Trade, Mafia-Style Groups, Criminal Networks and State-Embedded Actors

- Resilience indicator, which includes factors such as Political Leadership and Governance, Government Transparency and Accountability, International Cooperation, Cites, National Policies and Laws, Judicial System and Detention, Law Enforcement, Territorial Integrity, Anti-Money Laundering, Economic Regulatory Capacity, Victim and Witness Support, Prevention of Crime, and Non-State Actors

Further, the Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for six dimensions of governance:

- Voice and Accountability
- Political Stability and Absence of Violence/Terrorism
- Government Effectiveness
- Regulatory Quality
- Rule of Law
- Control of Corruption

Information about the risk factors associated with a country is also determined from Countryrisk.io.

We look into the Sovereign Risk Scores, which are based on four risk determinant sections:

- economic growth prospects and monetary stability,
- institutions and governance,
- public finances, and
- external debt sustainability.

Also, the ESG Sovereign Risk Scores are considered, which are based on twelve risk determinant sections:

- economic growth prospects,
- institutions and governance,
- monetary stability,
- fiscal solvency and public debt,
- sovereign liquidity,
- external debt sustainability,
- private sector strength,
- climate change and renewable energy,
- biodiversity,





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- education,
- health, food insecurity and poverty and
- labour market, social safety nets and equality.

(iii) the extent of cash transactions used in the country;

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

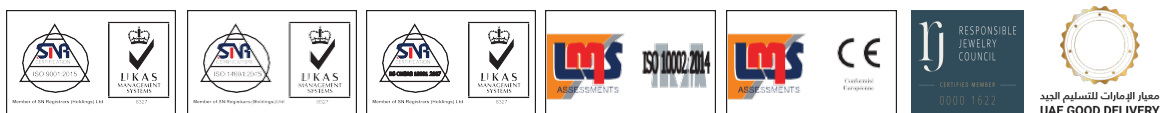
The overall risk score of the country from KnowYourCountry takes into consideration:

- FATF Uncooperative / AML Deficient
- FATF Compliance with 40 / 40+9 Recommendation
- US State ML Assessment
- Offshore Finance Centre Score which is made from the composite of three different data sources: Eurostat, CORPNET research group, and the US State Department INCSR

Thus, the extent of cash transactions used in the country is taken into consideration while evaluating the risk associated with a country.

We also look at AML Country Risk Score determined by Countryrisk.io, which uses the following 19 indicators to evaluate the risk score:

- Sanctions by UN, EU, OFAC, HMT
- Global Forum on Transparency and Exchange of Information for Tax Purposes from OECD
- FATF country lists (black and grey lists)
- FATF effectiveness assessment
- FATF technical assessment
- Financial Secrecy Index by Tax Justice Network
- Financial Secrecy Index: Anti-Money Laundering by Tax Justice Network
- International Narcotics Control Strategy Report (INCSR): Major Money Laundering Jurisdictions by US State Department
- Freedom in the World by Freedom House
- Rule of Law by World Bank Worldwide Governance Indicators (WGI)
- Regulatory Quality by World Bank Worldwide Governance Indicators (WGI)
- Financial Development Index by World Justice Project (WJP)
- Rule of Law Index by World Justice Project (WJP)







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- Regulatory Quality by World Justice Project (WJP)
- Corruption Perception Index (CPI) by Transparency International
- Control of Corruption by World Bank Worldwide Governance Indicators (WGI)
- Business extent of disclosure index by World Bank
- International Development Association’s Resource Allocation Index (IRAI) by World Bank International Development Association (IDA)
- IRAI: Transparency, accountability, and corruption in the public sector sub-index by World Bank International Development Association (IDA)
- Open Budget Index (OBI) by International Budget Partnership (IBP)

(iv) the level of conflicts or Human Rights abuses in any location comprising part of the supply chain;

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**

The overall risk score of the country from KnowYourCountry takes into consideration:

- Human Trafficking
- Human Smuggling
- Victim And Witness Support

The Client Risk Matrix also incorporates data from the U.S. Department of State - Trafficking in Person Report to evaluate the risks associated with a country.

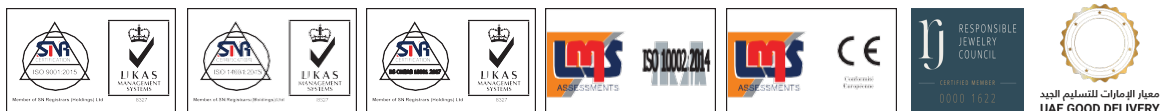
Information about country risks is also determined from Countryrisk.io in which Sovereign Risk Scores is examined, which considers respect for human rights as one of the factors under Institutions and governance to evaluate the risk score.

(v) payment systems used;

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**

The evaluation of the risk score associated with a country using the KnowYourCountry methodologies considers:





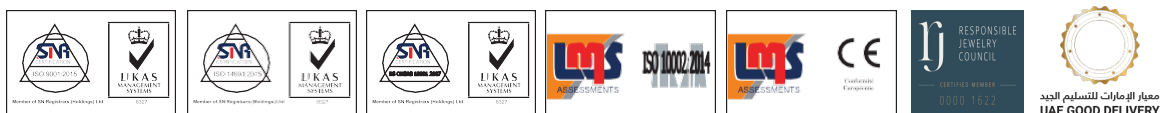
## SAM PRECIOUS METALS

- FATF Uncooperative / AML Deficient
- FATF Compliance with 40 / 40+9 Recommendation
- US State ML Assessment
- Offshore Finance Centre Score which is made from the composite of three different data sources:
- Eurostat, CORPNET research group, and the US State Department INCSR

We also look at AML Country Risk Score determined by Countryrisk.io, which uses the following 19 indicators to evaluate the risk score:

- Sanctions by UN, EU, OFAC, HMT
- Global Forum on Transparency and Exchange of Information for Tax Purposes from OECD
- FATF country lists (black and grey lists)
- FATF effectiveness assessment
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- Open Budget Index (OBI) by International Budget Partnership (IBP)

These indicators take into consideration the payment systems used in a country while evaluating the risk associated with a country.





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(vi) the level of involvement or potential involvement of any criminal organisation;

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**

The evaluation of the risk score associated with a country using the KnowYourCountry methodologies considers:

- Criminal Markets
- Criminal Actors
- Human Trafficking
- Human Smuggling
- Cannabis Trade
- Synthetic Drug Trade
- Mafia-Style Groups
- Criminal Networks
- State-Embedded Actors
- Government Transparency and Accountability
- Territorial Integrity
- Economic Regulatory Capacity

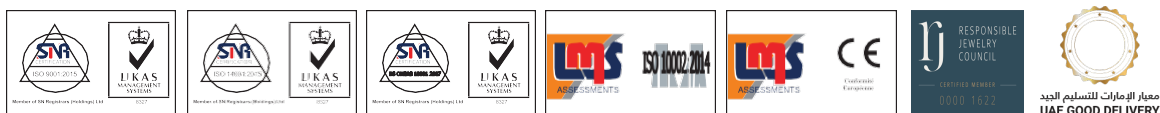
We also look at AML Country Risk Score determined by Countryrisk.io, which uses the following indicators to evaluate the risk score:

- International Narcotics Control Strategy Report (INCSR): Major Money Laundering Jurisdictions by US State Department which considers efforts to combat all aspects of the international drug trade, chemical control, money laundering and financial crime;
- Rule of Law by World Bank Worldwide Governance Indicators (WGI), which considers the likelihood of crime and violence.

Thus, the level of involvement or potential involvement of any criminal organisation in the country is considered while evaluating the risks associated with a country.

(vii) the level of involvement or potential involvement of any high-risk businesses (such as gaming and casinos, etc.);

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## SAM PRECIOUS METALS

### Demonstration of Compliance

The evaluation of the risk score associated with a country using the KnowYourCountry methodologies considers:

- FATF Uncooperative / AML Deficient
- FATF Compliance with 40 / 40+9 Recommendation
- US State ML Assessment
- Offshore Finance Centre Score which is made from the composite of three different data sources:
- Eurostat, CORPNET research group, and the US State Department INCSR

We also look at AML Country Risk Score determined by Countryrisk.io, which uses the following 19 indicators to evaluate the risk score:

- Sanctions by UN, EU, OFAC, HMT
- Global Forum on Transparency and Exchange of Information for Tax Purposes from OECD
- FATF country lists (black and grey lists)
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- IRAI: Transparency, accountability and corruption in the public sector sub-index by World Bank International Development Association (IDA)
- Open Budget Index (OBI) by International Budget Partnership (IBP)





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These indicators consider the level of involvement or potential involvement of any high-risk businesses (such as gaming and casinos, etc.) in a country while evaluating the risk associated with a country.

- (viii) the level of access from a location comprising part of the supply chain to nearby markets or processing operations that are termed as conflict and/or high-risk areas;

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

The Client Risk Matrix incorporates data from RAND Europe (European Commission) List and Dodd Frank Act to evaluate the risk associated with Conflicted-Affected and High-Risk Areas (CAHRA).

While understanding the country risk, the level of access from a location comprising part of the supply chain to nearby markets is understood. The possibility that precious metals may be smuggled across borders into neighbouring countries, which can then act as transit points for conflict-affected precious metals, is also considered when evaluating country risk.

- (ix) the level of enforcement of laws addressing significant criminal activity; and

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

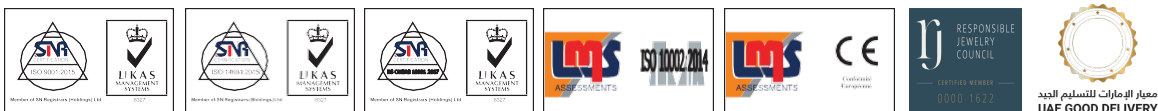
The evaluation of the risk score associated with a country using the KnowYourCountry methodologies considers:

- National Policies and Laws
- Law Enforcement
- Economic Regulatory Capacity

Information about the risk factors associated with a country is also determined from Countryrisk.io which considers rule of law, control of corruption, government effectiveness, and regulatory quality to evaluate the risk score.

- (x) the existence of sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country.

<b>Compliance Statement</b>	Fully Compliant
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## SAM PRECIOUS METALS

### Demonstration of Compliance

The overall risk score of the country is determined using the KnowYourCountry methodologies and sources, which takes into consideration:

- International sanctions, which includes the UN, the US (OFAC), and the EU.
- EU Tax Blacklist

We also look at AML Country Risk Score determined by Countryrisk.io, which uses the following indicators to evaluate the risk score:

- Sanctions lists issued by the European Union, United Nations, UK, and US.

The Client Risk Matrix also incorporates sanction information from United Arab Emirates and United Nations Legal Framework for Economic Sanctions - to evaluate the risk associated with a country.

Furthermore, each Supplier, including their beneficial owners and controlling persons, is screened through the LSEG World-Check system to determine if they are named on any sanction lists.

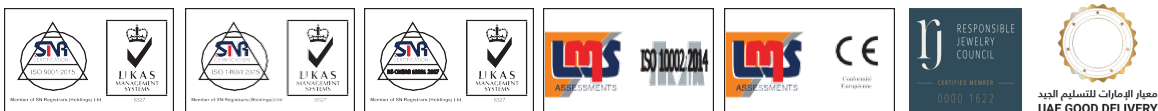
### (b) counterparties in the supply chain, including consideration of:

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals does not open an account or process shipments for any Supplier who fails to provide the required information or documentation. Before onboarding a Supplier, SAM Precious Metals conducts a thorough due diligence, which includes understanding:

- Supplier’s business history and profile;
- Organisation structure of the Supplier;
- Management structure and beneficial owners of the Supplier;
- Profile of the Supplier’s supplier;
- Origin of precious metals;
- Destination of precious metals delivered once refined;
- Types, forms, expected quantity and purity of precious metals to be sent to SAM Precious Metals;
- Client Due Diligence program followed by the Supplier;
- Type of information collected by the Supplier from its precious metals Suppliers;
- Level of due diligence performed by the Supplier on its suppliers;



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SAM PRECIOUS METALS FZ-LLC



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- Management System, Governance, and Internal Controls of the Supplier;
- Payment methods used by the Supplier to pay its precious metals suppliers;
- Whether the Supplier has procedures in place to ensure that the precious metals purchased have not financed conflict; and
- Adherence to OECD Due Diligence Guidance and other industry standards for responsible sourcing of precious metals.

SAM Precious Metals' Supply Chain Policy and EBC Rules for RBDG is shared with all Suppliers who wish to work with SAM Precious Metals and a written confirmation is obtained from them that they will comply with all the provisions of the policy and EBC Rules for RBDG.

- (i) **KYC information of the Accredited Member's suppliers as identified under Rule 1 (including information about the origin and transportation of the gold);**

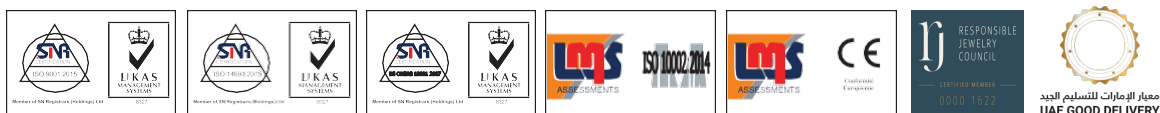
<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

As part of our onboarding process, each prospective Supplier is required to fill an Account Opening Form and a Supply Chain Questionnaire. These forms capture all the relevant information about the Supplier's legal and operating structure. This information is further verified with all the legal and ID documentations provided by the Suppliers. Furthermore, wherever possible the legal and operating structure of each Supplier is confirmed through official government sources providing such information.

All prospective Suppliers are required to submit all requested KYC documents and provide all information to facilitate a thorough understanding of their supply chain and the associated risks. Each Supplier, including their beneficial owners and controlling persons, is screened through the LSEG World-Check system to determine if they are named on any sanction lists or identified as PEP (Politically Exposed Persons). If there is a positive match for PEP, enhanced due diligence is conducted to verify the source of funds/wealth and understand the purpose of the business relationship.

In addition, as part of its risk management framework, SAM Precious Metals has engaged the services of a reputable firm, Crif Gulf DWC LLC (Dun and Bradstreet), and other supply chain experts, to perform third-party due diligence on existing and potential Suppliers. Dun and Bradstreet conducts an independent investigation on Suppliers, which involves a site visit and analysis of a comprehensive set of data and information from a diverse range of open and paid sources. The report resulting from this investigation undergoes a rigorous evaluation process before any decision is made to onboard a Supplier.



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This process ensures that SAM Precious Metals' high standards for Supplier selection and risk management are consistently maintained, ensuring the reliability and integrity of its supply chain.

After completing due diligence on a prospective Supplier, the Compliance Officer presents a Compliance Review Report to Senior Management, which then decides whether to accept or refuse to do business with them.

SAM Precious Metals does not accept any shipment from Suppliers who do not have an active account with the company.

- (ii) any Red Flags (as defined in Rule 2.4 below) identified in any part of the entire supply chain;

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

Once the prospective Suppliers have submitted all requested KYC documents and provided all relevant information, the Compliance Officer analyses the information to identify any potential red flags. As part of the due diligence process, before onboarding any Supplier, the Compliance Officer is required to prepare a Compliance Review Report for each Supplier, which includes his recommendations. This report is then presented to Senior Management, which is responsible for giving the final approval for accepting any new Supplier.

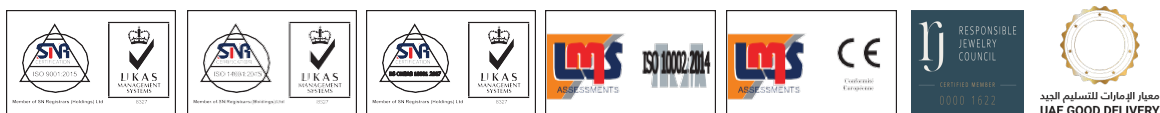
After a Supplier has been onboarded, if a red flag is identified, it is mandatory to carry out additional and more in-depth due diligence procedures. The shipment is put on hold and the Supplier's account is suspended until further investigation is conducted. If within three months, the Supplier fails to comply with the mitigating control plan and reduce the risk associated with its supply chain, SAM Precious Metals will disengage.

- (iii) the number of participants in the supply chain (i.e. the greater the number, the higher the risk);

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

As part of our due diligence process, SAM Precious Metals focuses on understanding all participants in







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the supply chain. For Suppliers with a greater number of suppliers in their supply chain, the risk associated with such Suppliers is considered higher.

In case of mined metal, we acquire the KYC documentations and conduct the due diligence for all relevant parties in the supply chain, including the Suppliers, aggregators, and the mines. In case of recycled metals, we aim to collect information on our Supplier's supplier, where applicable, and conduct a high level of due diligence on the same.

**(iv) the level of control that a counterparty has over its own suppliers;**

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals collects information on the degree of control a Supplier has over their own suppliers. As part of our standard procedure, we consistently ask our Suppliers to supply necessary information and documentation regarding their suppliers. If a Supplier fails to provide this information and/or documentation, we may decide to disengage with such Suppliers.

**(v) the level and adequacy of the due diligence practices of a counterparty;**

<b>Compliance Statement</b>	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals focusses on determining the level and adequacy of the due diligence practices of its Suppliers. Before onboarding any Supplier, SAM Precious Metals conducts a thorough due diligence on the Supplier, which includes understanding:

- whether the Supplier is subjected to Anti-Money Laundering /Combating Financial Terrorism laws and regulations;
- whether the Supplier has developed a compliance program that includes AML/CFT policies and procedures, in line with both internal and international laws, rules, and standards;
- whether the Supplier has implemented a responsible sourcing program in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, UAE Due Diligence Regulations for Responsible Sourcing of Gold, RJC Code of Practices, RJC Chain of Custody, the LBMA Responsible Gold Guidance and the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain;
- the type of information that the Supplier requests from its precious metals suppliers;





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- whether the Supplier conducts a risk-based assessment of its precious metals suppliers (e.g. Low, Medium, High);
- whether the Supplier screens its precious metals suppliers against lists of persons, entities, or countries issued by government/competent authorities;
- whether the Supplier performs an enhanced due diligence for high-risk precious metals suppliers;
- whether the Supplier performs a risk-based assessment to understand the normal and expected transactions of its suppliers (in order to identify the unusual transactions)
- whether the Supplier maintains a monitoring program for unusual and potentially suspicious activity, covering aspects such as funds transfers, monetary instruments (e.g. traveller’s cheques), or third-party payments;
- whether the Supplier has procedures in place to prevent, detect and report suspicious transactions from its suppliers to the relevant Authority

(vi) whether a counterparty’s due diligence practices have been audited by a qualified third-party auditor;

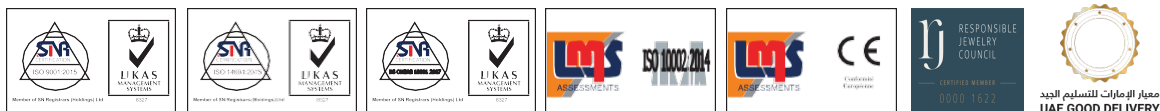
<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**  
 SAM Precious Metals focuses on determining whether the due diligence processes of a Supplier are audited by an independent third-party auditor, or governmental agencies.  
  
 The Client Risk Matrix incorporates the Certifications, Accreditations, and Audit Reports of Suppliers, including evaluations of their due diligence practices conducted by qualified third-party auditors.

(vii) for how long the counterparty has been carrying out activities in the gold business;

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**  
 SAM Precious Metals assesses the number of years that a Supplier has been involved in the gold and precious metals industry, and this information is incorporated into the Client Risk Matrix to evaluate the risk associated with a Supplier.





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(viii) a counterparty’s willingness to disclose its beneficial owners;

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**Demonstration of Compliance**  
 As part of the onboarding process, all Suppliers are required to disclose their beneficial owners. SAM Precious Metals does not open accounts for Suppliers who fail to fully disclose their beneficial owner/s.

(ix) a counterparty’s attempts to be or remain anonymous (e.g. through the use of third - party intermediaries such as lawyers, accountants, etc.);

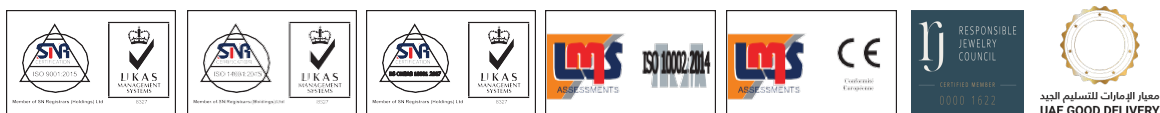
<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**  
 Identification (ID), Verification (VR), and Know-Your-Customer (KYC) are key elements of an effective due diligence process and together form the first key step in the Procedures and Controls, which is conducted prior to onboarding any potential Supplier.  
  
 It is essential for any potential Supplier to declare and provide proof of their identity. Failure to do so results in SAM Precious Metals refusing to engage in business with them. SAM Precious Metals does not conduct business with or open accounts for Suppliers who wish to remain anonymous or use third-party intermediaries, such as lawyers or accountants, to obscure their identity.

(x) the scale of mining operations of a supplier (ASM or LSM), if applicable; and

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**  
 In case of mined metal, SAM Precious Metals acquires the KYC documentations for all relevant parties in the supply chain, including the Suppliers, aggregators, and the mines. We also collect all relevant permits and legal documentations of the mine, including the mine locations. A robust due diligence is conducted, including understanding the scale of mining operations of a Supplier (ASM or LSM), where applicable.





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- (xi) the involvement of any PEPs that have been entrusted with prominent public functions or individuals who are closely related to such persons;

Compliance Statement	Fully Compliant
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Demonstration of Compliance
<p>All Suppliers at SAM Precious Metals are subject to a risk assessment, and risk ratings are recorded in the file. Suppliers are designated as – High, Medium or Low Risk, based on their risk profile. Due diligence requirements commensurate with the risk level associated with the client and enhanced due diligence are necessary for all high-risk customers.</p> <p>Adverse risk is created for PEPs as they might use their public position, or find that their public position is unknowingly used, for their own personal benefit or the benefit of others who may be involved in illegal activities such as corruption, bribery, and fraud. Adverse risk is increased considerably when a PEP is located in a high-risk country.</p> <p>In the event that a PEP is identified, SAM Precious Metals:</p> <ul style="list-style-type: none"> <li>• Assigns a high-risk rating to the Supplier;</li> <li>• Completes a Compliance Report, ensuring that Senior Management approves establishing business relations with the Supplier;</li> <li>• Conduct enhanced due diligence and remains vigilant in monitoring the business relationship;</li> <li>• Ensures reasonable measures are taken to establish the source of wealth and source of funds;</li> <li>• Tracks PEP relationships for the purposes of reporting and monitoring.</li> </ul> <p>A High-Risk Customer is one who presents a higher-than-normal adverse potential risk. To mitigate the increased risks associated with High-Risk Customers, SAM Precious Metals conducts enhanced due diligence for those Supplier. SAM Precious Metals’ Senior Management, in consultation with the Compliance Officer and third-party consultants, determines whether the level of risk is acceptable.</p> <p>Enhanced Due Diligence extends beyond the standard requirements for approving and monitoring Suppliers. Since the reasons for designating a Supplier as high risk can differ significantly, the nature and extent of the enhanced due diligence are determined on a case-by-case basis whenever high-risk Suppliers are identified. This tailored approach ensures that SAM Precious Metals effectively manages and mitigates the specific risks associated with each high-risk customer.</p> <p>To perform enhanced due diligence on our Suppliers, the additional documents that SAM Precious Metals</p>





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may require for a High-Risk Customer include, but are not limited to, the following:

- Audited Financial Statement
- Tax Return
- Bank Statements
- AML/CFT Policy
- Bank Reference Letter
- UAE Good Delivery / LBMA / RJC Certificates
- Independent Assurance Report
- Business Profile
- Third Party Due Diligence Report
- Site Visit Reports

The collection of the aforementioned additional documents, whether in full or partially, aids the Compliance team in conducting further checks. These checks help identify controls within the Supplier's organization to accurately gauge the risk and establish a level of comfort in engaging with such Suppliers. The source of wealth of PEPs and their families and associated persons must be established.

In the event that SAM Precious Metals is not satisfied with the mitigating controls identified during the Enhanced Due Diligence process, the Supplier is rejected and not onboarded.

### (c) applicable transactions, including consideration of:

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

The company has adopted a comprehensive on-going, proactive, and reactive process that is being implemented and maintained by the Compliance Department in order to identify, prevent, and mitigate any risks that could negatively impact SAM Precious Metals and/or its stakeholders. A comprehensive supply chain management system has been developed, which includes centralized information and several departments participating in daily transaction and shipment verification leading to strong monitoring and surveillance of all shipment.

If a red flag is identified or the Compliance Officer determines that a transaction carries a high level of risk, it is mandatory to carry out additional and more in-depth due diligence. The Compliance Officer present his report to the Senior Management, which is then responsible for giving the final approval for



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accepting or rejecting the transaction.

- (i) the proportionality of the due diligence to the identified risks and severability and probability of adverse impacts of the applicable transaction;

Compliance Statement	Fully Compliant
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**Demonstration of Compliance**

The level of due diligence conducted is proportional to the identified risks and severability and probability of adverse impacts of the applicable transaction. For instance, the greater the quantity of the shipment, the higher is the risk associated, and hence, higher is the level of due diligence required. Similarly, if the country of origin of the precious metal is considered a High-Risk Area, the level of due diligence required is higher.

- (ii) gold that are transported and/or exported which are not reasonably reconciled with the declared location of the origin;

Compliance Statement	Fully Compliant
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**Demonstration of Compliance**

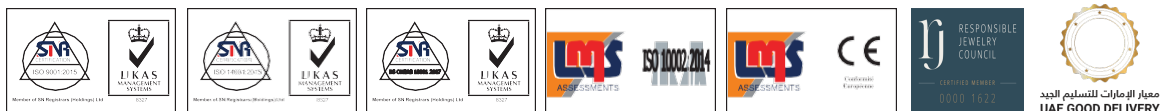
For each shipment, the information on the supporting documentations must reconcile with the declared location of the origin of precious metals. In case of any discrepancy, a red flag is raised, and the shipment is put on hold until the matter is investigated by the Compliance Officer.

- (iii) unexplained geographic distance in the supply chain;

Compliance Statement	Fully Compliant
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**Demonstration of Compliance**

Any unexplained geographic distance regarding the origin of precious metal is considered during transaction monitoring. An anomaly in the geographic distance from the location of origin of precious metal, transaction route and the final destination could raise a red flag, resulting in the shipment being put on hold while the matter is investigated by the Compliance Officer.





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- (iv) the nature of the underlying assets (for example melted recyclable gold transactions may be higher in risk than unprocessed recyclable gold);

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<p><b>Demonstration of Compliance</b></p> <p>The nature of the underlying assets (such as mined gold, melted recyclable gold, etc.) is an important factor while assessing the risk associated with a Supplier and, during the transaction monitoring. The Client Risk Matrix takes into consideration the form of precious metals, with the mined gold and melted recyclable gold having a higher risk rating as compared to unprocessed recyclable gold.</p> <p>With each shipment, the Supplier is required to provide a Customer Declaration Form, which must include details about the Origin of Precious Metals, Purity, Weight, and Type of Gold/Silver, specifying whether it is Recyclable or Mined. For recyclable metals, the Supplier must further classify the material as LBMA Good Delivery Bar, UAE Good Delivery Bar, Non-Good Delivery Bar (Au ≥ 995.0 / Ag ≥ 999.9), Rudimentary Bars, Coins, Jewellery, Broken Jewellery, Ornaments, Collected Waste, or other categories. In the case of mined metal, the Supplier is obliged to specify whether the metal originates from a Large Scale Mine (&gt;100,000 oz/year), Medium Scale Mine (30,000 to 100,000 oz/year), or Artisanal and Small Scale Mine (&lt;30,000 oz/year), and provide essential mine details such as mine name, mine license number, mining site, and transport route.</p> <p>Before processing any shipment, a visual inspection is conducted by the Quality Check Officer to verify the type of precious metal. Subsequently, the gross weight of the precious metal is measured, and indicative purity is determined using the XRF to verify the type of metal. If any discrepancy is found, the shipment is automatically put on hold and sent back to the Compliance Department for further verification. Only after the final approval is obtained from the Compliance Department can the shipment be processed.</p>
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- (v) the level of concentration of gold;

<b>Compliance Statement</b>	Fully Compliant
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<p><b>Demonstration of Compliance</b></p> <p>According to the type of gold, such as mined or recycled, SAM Precious Metals maintains reference standards for the purities of gold and elemental compositions. For each shipment, a visual inspection is</p>
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conducted by the Quality Check Officer to verify the type of precious metal. Thereafter, the indicative purity and other elemental concentration is determined using the XRF. If any discrepancy is found, the shipment is automatically put on hold and sent back to the Compliance Department for further verification. Only after the final approval is obtained from the Compliance Department can the shipment be processed.

- (vi) any unusual circumstances that are not consistent with the local or market practices (amount, quality, potential profit, etc.);

Compliance Statement	Fully Compliant
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**Demonstration of Compliance**  
For each shipment, a thorough due diligence is conducted to identify any unusual circumstances or anomalies that are not consistent with the local or market practices, which includes amount, quality, and potential profit, amongst other factors.

- (vii) the use of cash in excess of government thresholds;

Compliance Statement	Fully Compliant
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**Demonstration of Compliance**  
As a policy, SAM Precious Metals does not deal in cash.

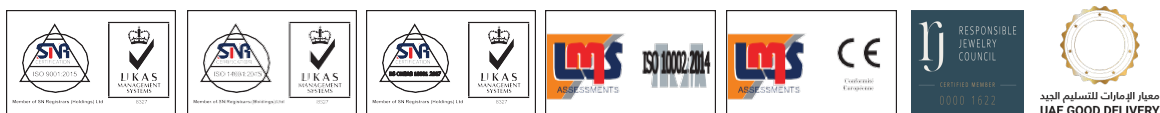
- (viii) payment by cash and/or physical delivery to unrelated third parties; and

Compliance Statement	Fully Compliant
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**Demonstration of Compliance**  
As a policy, SAM Precious Metals does not make or accept payments in cash. Also, SAM Precious Metals does not deliver precious metals to third parties on behalf of the Suppliers.

- (ix) transaction structuring to make payments in smaller multiple transactions to avoid government thresholds.

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals has established a robust due diligence process capable of identifying transactions structured to make payments in smaller, multiple transactions to avoid government thresholds. If such structured transactions are detected, the matter is investigated by the Compliance Officer. Should these transactions be deemed suspicious, the matter is reported to the Financial Intelligence Unit (FIU) through the goAML system and to the Executive Office of the EBC.

### Rule 2.4 Red Flags

For the purposes of these Rules, a Red Flag shall be any (including a combination or aggregate of more than one) of the following:

- (a) Location-based Red Flag, as further described below;
- (b) Supplier-based Red Flag, as further described below; or
- (c) Circumstances-based Red Flag, as further described below.

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals risk assessment methodology has been carefully crafted to take into consideration all the requirements of the OECD Guidelines, UAE Due Diligence Regulations for Responsible Sourcing of Gold, EBC Rules for RBDG, UAE AML/CFT Law, LBMA Guidelines, and RJC standards in identifying red flag according to (a) Location-based (b) Supplier-based, or (c) Circumstances-based red flags.

- Location-based Red Flags – risk assessment conducted focuses on the main location of the source of the metals, routes, and mode of transportation used before it reaches the counter party.
- Supplier-based Red Flag – risk assessment conducted focuses on the Supplier or other participant in the supply chain of gold operates in any location that could give rise to a Location-based Red Flag
- Circumstances-based Red Flag – risk assessment conducted focuses on any unusual transaction. Any transactions that are not consistent with the documents provided and history of transactions are considered suspicious and requires urgent explanation and proper documentation support.

### Rule 2.5 Location-based Red Flags

A Location-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:



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(a) the gold originates from or have been transported through a Conflict-Affected and High- Risk Area;

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<b>Demonstration of Compliance</b>
The Supplier risk assessment methodology and transaction monitoring system take into consideration the country of origin and transportation route of gold and precious metals. If any red flags are identified, the shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

(b) the gold is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold (for example where the declared volumes of gold from that country are in excess of its known reserves and/or expected production levels);

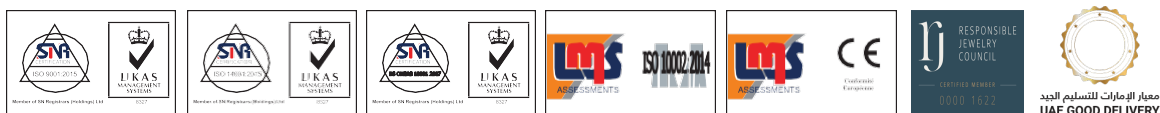
<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
As part of the due diligence process, the Compliance Department analyses data from various sources, including the World Gold Council and U.S. Geological Survey, to understand the total gold production from different countries. In the event, gold is claimed to originate from a country that has limited known reserves or stocks, likely resources, or expected production levels of gold (for example where the declared volumes of gold from that country are in excess of its known reserves and/or expected production levels), a red flag is raised, and the matter is investigated by the Compliance Officer. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

(c) the gold is claimed to originate from a country through which gold from Conflict- Affected and High-Risk Areas are known or reasonably suspected to transit;

<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
The Supplier risk assessment methodology and transaction monitoring system take into consideration the country of origin and transportation route of gold and precious metals. If the gold is claimed to originate from a country through which gold from Conflict- Affected and High-Risk Areas are known or reasonably





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suspected to transit, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

(d) the gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from Conflict-Affected and High-Risk Area is known or reasonably suspected to transit; or

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**

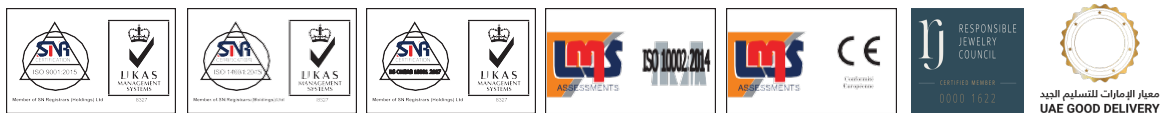
For each shipment, a visual inspection is conducted by the Quality Check Officer to verify the type of precious metal. Thereafter, the indicative purity and other elemental concentration is determined using the XRF. In case of fine gold, additional due diligence procedures are adopted to identify where the gold has been refined. If the gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from Conflict-Affected and High-Risk Area is known or reasonably suspected to transit, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

(e) the gold originating from countries under sanction or embargos.

<b>Compliance Statement</b>	Fully Compliant
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**Demonstration of Compliance**

The Supplier risk assessment methodology and transaction monitoring system take into consideration the country of origin of gold and precious metals. If the gold originates from countries under sanction or embargos, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.





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### Rule 2.6 Supplier-based Red Flags

A Supplier-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:

- (a) a supplier or other participant in the supply chain of gold operates in any location that could give rise to a Location-based Red Flag, or has a shareholder or other interests in any supplier of gold from one of the above-mentioned locations; or

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
If a Supplier or any participant in the supply chain of gold operates in a location that could trigger a Location-based Red Flag, or if they have a shareholder or interests in any gold Supplier from such location, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

- (b) a supplier or other participant in the supply chain of gold is known to have sourced gold from any location that could give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction.

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
If a Supplier or other participant in the gold supply chain is known to have sourced gold from any location that could trigger a Location-based Red Flag in the twelve (12) months prior to the applicable transaction, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

### Rule 2.7 Circumstances-based Red Flags

A Circumstances-based Red Flag shall be the occurrence of any anomalies or unusual circumstances that are identified through the information collected under Rule 1 to give rise to reasonable suspicion that the gold applicable to any transaction of the Accredited Member may contribute to any conflict or serious abuses associated with the extraction, transportation of and/or trading in gold.



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<b>Compliance Statement</b>	Fully Compliant
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<b>Demonstration of Compliance</b>
If any anomalies or unusual circumstances are identified through the information collected during Supplier onboarding and/or shipment processing giving rise to reasonable suspicion that the gold applicable to any transaction of SAM Precious Metals may contribute to conflict or serious abuses associated with the extraction, transportation of and/or trading in gold, a red flag is raised, and the Compliance Officer investigates the matter. The shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. Any transactions that are not consistent with the documents provided and the history of transactions are considered suspicious and require urgent explanation and proper documentation support. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

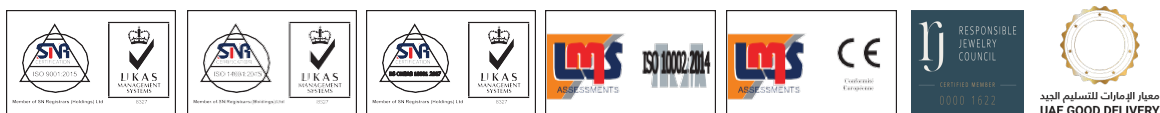
**Rule 2.8 Procedures relating to Red Flags**

(a) Accredited Members must review all Red Flags in an in-depth and detailed manner;

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<b>Demonstration of Compliance</b>
All Red Flags are investigated in an in-depth and detailed manner. During onboarding a Supplier, if any Red Flags are identified, the Compliance Officer conducts a thorough investigation into the matter. The Supplier’s account is not opened until the Compliance Officer and SAM Precious Metals’ management are satisfied that the Red Flags have been satisfactorily addressed, ensuring that all potential risks are mitigated before establishing a business relationship. If any red flags are identified during a transaction, the shipment is put on hold and the Supplier’s account is suspended till further investigation is conducted. All documents, communications, and evidence pertaining to red flags and associated actions are kept on record.

(b) if an Accredited Member has reasonable grounds to suspect that a prospective transaction with a supplier may result in a Red Flag, it must conduct enhanced research prior to engaging in and concluding the transaction. Such enhanced research is aimed at obtaining evidence of any factual circumstances of the supply chain in order to determine any risks. Such research should include the research methods specified below taking into account the risk-based proportionalities to the level of the risks identified in Rule 2.3 to 2.7;





## SAM PRECIOUS METALS

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
If SAM Precious Metals has reasonable grounds to suspect that a prospective transaction with a Supplier may trigger a Red Flag, it undertakes enhanced research prior to engaging in and concluding the transaction with the Supplier. Enhanced Due Diligence goes beyond the normal requirements applied to transaction monitoring and approval. Given that Red Flags differ from one Supplier to another, the nature and extent of enhanced due diligence are tailored to each case as high-risk customers are identified. This enhanced research is designed to uncover factual circumstances within the supply chain to assess any associated risks. The research methodology adheres to the EBC Rules for RBDG, with the level of due diligence being proportional to the identified risks and severability.

(c) the research methods that shall comprise Desk Research, On-Site Visits and Random Sample Verification;

Compliance Statement	Fully Compliant
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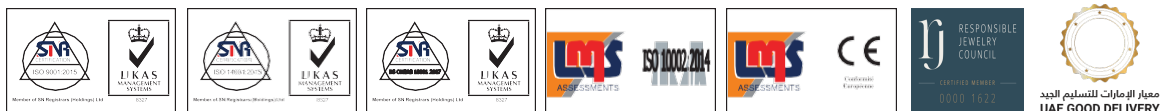
<b>Demonstration of Compliance</b>
The research methods adopted by SAM Precious Metals comprise Desk Research, On-Site Visits and Random Sample Verification as specified in the EBC Rules for RBDG.

(d) Desk research includes (where available):

- (i) identifying each company in the supply chain;
- (ii) identifying the UBO(s) of each company in the supply chain;
- (iii) obtaining financial information (such as balance sheets, annual reports, rating agencies' reports, insolvency information) on each company in the supply chain;
- (iv) ensuring that each company in the supply chain holds the necessary permits and licences;
- (v) ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list; and

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
As a part of our due diligence process, each prospective Supplier is required to fill an Account Opening





## SAM PRECIOUS METALS

Form and a Supply Chain Questionnaire. These forms capture all the relevant information about the Supplier's legal structure and the supply chain.

SAM Precious Metals conducts desk research on each Supplier that is aimed at:

- identifying each company in the supply chain;
- identifying the UBO(s) of each company in the supply chain;
- obtaining financial information (such as balance sheets, annual reports, rating agencies' reports, insolvency information) on each company in the supply chain;
- ensuring that each company in the supply chain holds the necessary permits and licences;
- ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list.

This information is further verified with all the legal and ID documentations provided by the Suppliers. Furthermore, each Supplier, including their beneficial owners and controlling persons, is screened through the LSEG World-Check system to determine if they are named on any sanction lists. Also, wherever possible the legal and operating structure of each Supplier is confirmed through official government sources providing such information.

(e) On-Site Visits includes individual visits to gold suppliers, or joint on-the-ground assessment teams, teaming up with industry or multi-stakeholder mechanisms or initiatives, or using suitably qualified, knowledgeable and independent assessors, to generate and maintain information on the circumstances and processes of the following activities listed in the OECD Guidance:

- gold extraction (for LSM whether mined by medium and large-scale mining in red flagged operations or LSM gold purchased from other sources), physical access to mines, mine capacity against recorded mine production and discrepancies);
- gold processing (consolidation, blending, crushing, milling, smelting, refining, etc. and recording any discrepancies in the processing and/or production and related capacity of the facility to perform relevant activities);
- handling of gold (inventory, trans-shipment, relabelling, etc.);
- transportation of gold;
- trading of gold (including importing and exporting); and
- the weight and assayed quality characteristics of the gold that are used in the above-mentioned activities;



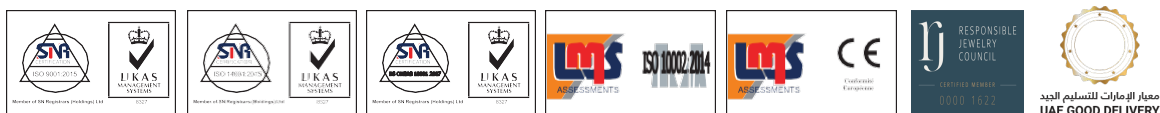


## SAM PRECIOUS METALS

- (vii) taxes, fees, royalties, compensation or other payments to governments which relate to the extraction, trade, transport and export of gold;
- (viii) where applicable, request information from mining suppliers about their participation in the EITI;
- (ix) payments made to public or private security forces or other armed groups;
- (x) use or presence of security services, training of security personnel, associated risks;
- (xi) evidence of serious abuses of Human Rights;
- (xii) relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;
- (xiii) for ASM gold only, identification of the suppliers of ASM gold , mine of origin, transportation, processing, taxes, royalties and other payments to governments, KYC information, evidence of serious abuses of Human Rights, information on any direct or indirect support to non-state armed groups or public or private security forces; and
- (xiv) for recyclable gold, value and place of transaction, type of material, type and organisation of supplier, manufacturing facilities, and unusual circumstances.

Compliance Statement	Fully Compliant
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Demonstration of Compliance
<p>SAM Precious Metals has established a process to undertake On-Site Visits or facility inspections of our gold Suppliers to generate and maintain information on the circumstances and processes of the following activities listed in the OECD Guidance:</p> <ul style="list-style-type: none"> <li>• gold extraction (for LSM whether mined by medium and large-scale mining in red flagged operations or LSM gold purchased from other sources), physical access to mines, extraction techniques, including chemical products used, mine capacity against recorded mine production and discrepancies;</li> <li>• gold processing (consolidation, blending, crushing, milling, smelting, refining, etc. and recording any discrepancies in the processing and/or production and related capacity of the facility to perform relevant activities), processing technique including chemical products used;</li> <li>• handling of gold (inventory, trans-shipment, relabelling, etc.);</li> <li>• transportation of gold;</li> <li>• trading of gold (including importing and exporting); and</li> <li>• the weight and assayed quality characteristics of the gold that are used in the above-mentioned activities;</li> <li>• taxes, fees, royalties, compensation, or other payments to governments which relate to the extraction, trade, transport, and export of gold;</li> </ul>







## SAM PRECIOUS METALS

- where applicable, information from mining Suppliers about their participation in the EITI;
- payments made to public or private security forces or other armed groups;
- use or presence of security services, training of security personnel, associated risks;
- evidence of serious abuses of Human Rights;
- relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;
- for ASM gold only, identification of the Suppliers of ASM gold, mine of origin, transportation, processing, taxes, royalties and other payments to governments, KYC information, evidence of serious abuses of Human Rights, information on any direct or indirect support to non-state armed groups or public or private security forces; and
- for recyclable gold, value and place of transaction, type of material, type and organisation of Supplier, manufacturing facilities, and unusual circumstances.

Further, SAM Precious Metals has engaged the services of a reputable firm, Crif Gulf DWC LLC (Dun and Bradstreet), and other supply chain experts, to perform third-party due diligence on existing and potential Suppliers. Dun and Bradstreet conducts an independent investigation on Suppliers, which involves a site visit and analysis of a comprehensive set of data and information from a diverse range of open and paid sources. The report resulting from this investigation undergoes a rigorous evaluation process before any decision is made to onboard a Supplier. This process ensures that SAM Precious Metals' high standards for Supplier selection and risk management are consistently maintained, ensuring the reliability and integrity of its supply chain.

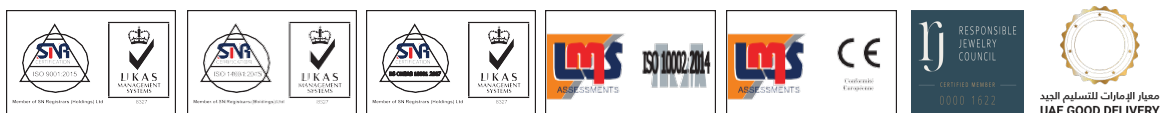
(f) Random Sample Verification involves the verification of transactional records.

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
As part of its due diligence process, SAM Precious Metals regularly conducts Random Sample Verification that involves the verification of transactional records.

### Rule 2.9 Policy Updating and Suitability

Each Accredited Member's Policy should contain suitable systems, procedures and processes for risk identification and assessment (including suitably addressing Red Flags) and such systems, procedures and processes should be updated continually on an ongoing basis upon the occurrence of the change of any relevant circumstances.



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### SAM PRECIOUS METALS

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<b>Demonstration of Compliance</b>
SAM Precious Metals’ policies and procedures towards responsible sourcing undergo an annual review and update process. This process assesses legislative developments related to the supply chain, anti-money laundering, and counter-terrorist financing, and evaluates the implementation of the Policy over the past 12 months, focusing on areas for improvement. This ensures that the company's practices remain aligned with the latest legal standards and best practices in responsible sourcing.
To regularly keep the management updated regarding the effectiveness of the risk assessment policies, procedures, and guidelines, a quarterly meeting with the Compliance Officer is conducted.

### RULE 3. RISK CONTROL PLAN

#### Rule 3.1 Overriding Principle – Development of Risk Control Plan

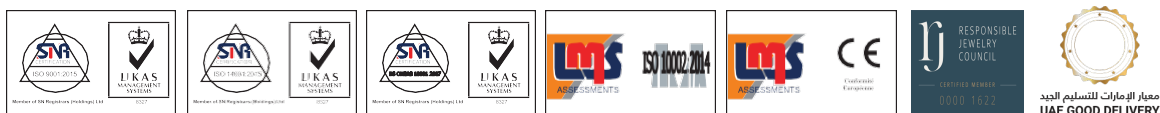
Each Accredited Member must develop and implement a plan and policy to evaluate and control any identified risk(s), including emerging risks and incident reporting, and mitigate against any adverse implications of such risk(s) (Risk Control Plan). The Risk Control Plan is designed to assist Accredited Members in making informed decisions in respect of:

- (a) continuing to trade but with measurable risk mitigation for low risk situations;
- (b) temporarily suspending trade while mitigation is implemented for medium risk situations; or
- (c) ceasing to trade with a concerned supplier for high risk situations in accordance with the OECD Guidance.

Members are encouraged to take into account the potential social and economic impacts of risk mitigation. Members should engage and support relevant industry programmes while understanding the impact that this may have on developing countries and the relevance to other existing international recognized standards.

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<b>Demonstration of Compliance</b>
SAM Precious Metals participates in the global precious metals market, ensuring strict adherence to all



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relevant laws, regulations, national and international conventions, alongside best international practices, and standards. We strictly adhere to the highest levels of ethical and moral standards in carrying out our operations and follow the process of responsible sourcing. We have developed and implemented a Risk Control Plan and Policy to evaluate and control any identified risks, including emerging risks and incident reporting, to mitigate against any adverse implications of such risks. SAM Precious Metals is fully committed to ensuring that we do not engage in gold and precious metals supply chain that contributes to conflict, money laundering, terrorist financing, human rights abuses, or environmental violations. We make every effort to contribute to good governance, health and safety, safeguarding human rights, environmental protection, and the development of the communities in the regions where we operate, by utilizing only responsible supply chains. SAM Precious Metals' operations undergo periodic audits by third parties in accordance with the EBC Rules for RBDG, UAE Due Diligence Regulations for Responsible Sourcing of Gold, RJC Code of Practices, and RJC Chain of Custody, which are international standards for responsible business practices for the precious metals industry.

- SAM Precious Metals' risk control plan encompasses the necessary procedures for reporting and handling any identified risks, ensuring a comprehensive approach to risk management within the organization.
- All Suppliers are required to open an account with SAM Precious Metals before conducting any transaction. The account opening procedure requires the submission of all relevant documents and information necessary to perform the necessary due diligence.
- SAM Precious Metals Risk Assessment methodology is developed taking into consideration the geographical, counterparty, and transactional risks. The risk associated with the supply chain and transactions are continuously communicated to the Senior Management, which makes the final decision on whether to accept or reject the risk, ensuring that strategic decisions are informed by comprehensive risk evaluations.
- An account will not be opened, nor will any gold/precious metals shipment be accepted or processed, if there is incomplete information or documents, ensuring that all engagements and transactions meet SAM Precious Metals' stringent compliance requirements.
- All Suppliers at SAM Precious Metals are subject to a risk assessment, and risk ratings are recorded in the file. Suppliers are designated as – High, Medium or Low Risk, based on their risk profile. Due diligence requirements commensurate with the risk level associated with the client and enhanced due diligence are necessary for all high-risk customers.
- SAM Precious Metals has engaged the services of a reputable firm, Crif Gulf DWC LLC (Dun and Bradstreet), and other supply chain experts, to perform third-party due diligence on existing and potential Suppliers. Dun and Bradstreet conducts an independent investigation on Suppliers, which involves a site visit and analysis of a comprehensive set of data and information from a





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diverse range of open and paid sources. The report resulting from this investigation undergoes a rigorous evaluation process before any decision is made to onboard a Supplier. This process ensures that SAM Precious Metals' high standards for Supplier selection and risk management are consistently maintained, ensuring the reliability and integrity of its supply chain.

- Every shipment is subjected to ongoing, proactive, and reactive due diligence to identify, prevent, and mitigate any risks that could negatively impact the business. If at any stage of the process the Compliance Officer deems the risk associated with a transaction to be high, an investigation is launched, necessitating a management decision on how to proceed.
- All shipments are kept physically segregated until the Compliance Officer approves and the Quality Check Officer passes the shipment.
- If a Red Flag is identified, the shipment is put on hold and physically segregated until the matter is investigated by the Compliance Officer, and a final decision is made.
- A colour-coded segregation system has been instituted to establish a segregated processing line for mined and recycled metal within the refinery. This segregation system is designed to prevent cross-contamination between mined and recycled metal. The color-coded system provides a clear visual aid to ensure that the separation is maintained throughout the entire process. By establishing a separate processing line for each type of metal, SAM Precious Metals ensures the integrity of each supply chain is effectively maintained during the processing of the materials.
- SAM Precious Metals does not accept and directly discontinue transactions with upstream Suppliers identified as high-risk due to involvement and or participation in non-state armed groups through the extraction, transport, trade, handling, or export of minerals which includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who;
  - Illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
  - Illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
  - Illegally tax or extort intermediaries, export companies or international traders
- SAM Precious Metals does not engage in offering, promising, giving, or demanding bribes and resists the solicitation of bribes to conceal or disguise the origin of precious metals, or to misrepresent taxes, fees, and royalties paid to governments for the extraction, trade, handling, transport, and export of such materials.
- SAM Precious Metals reports to the relevant authorities any Uncooperative Suppliers and/or suspicious individual, entities, and transactions as soon as possible.





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- If a red flag is identified, it is mandatory to carry out additional and more in-depth due diligence procedures. The shipment is put on hold and the Supplier's account is suspended until further investigation is conducted. If within three months, the Supplier fails to comply with the mitigating control plan and reduce the risk associated with its supply chain, SAM Precious Metals will disengage.

### Rule 3.2 Alignment with International Standards

Each Accredited Member must develop or adapt on a continuing basis its Risk Control Plan to include internationally accepted common principles, standards and processes for responsible supply chain management. In particular, Accredited Members should carry out at least one annual review of the Policy and management systems, and a further review when there is a major change in circumstances, their business, operations or supply base, risk nature, or a major change in applicable rules and regulations. In developing Risk Control Plans, each Accredited Member should engage in or support, where appropriate, industry or other programmes on responsible supply chain management. For instance, Refiners are encouraged to support legitimate ASM producers to build secure, transparent and verifiable gold supply chains (consistent with the OECD Guidance).

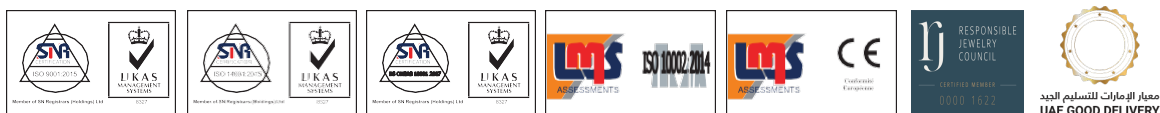
Compliance Statement	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals acknowledges the inherent risks within the precious metals industry, underscoring the necessity for a continuous, both proactive and reactive, approach to risk mitigation. The company has developed its Risk Control Plan to encompass internationally recognized principles, standards, and processes for responsible supply chain management, demonstrating its commitment to ethical practices and sustainability.

SAM Precious Metals' policies and procedures towards responsible sourcing undergo an annual review and update process. This process assesses legislative developments related to the supply chain, anti-money laundering, and counter-terrorist financing, and evaluates the implementation of the Policy over the past 12 months, focusing on areas for improvement. This ensures that the company's practices remain aligned with the latest legal standards and best practices in responsible sourcing.

SAM Precious Metals endeavours to engage in or support, where appropriate, industry or other programmes on responsible supply chain management in developing its Risk Control Plans.





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To regularly keep the management updated regarding the effectiveness of the risk assessment policies, procedures, and guidelines, a quarterly meeting with the Compliance Officer is conducted.

### Rule 3.3 Content Requirements

Each Risk Control Plan should include the following (Content Requirements):

- (a) reporting mechanisms for identified risks to the Accredited Member's Senior Management, Supply Chain Officer and Compliance Officer
- (b) enhanced engagement with the internal functions of the Accredited Member, in charge of transparency, information collection and control over the supply chain;
- (c) enhanced engagement with suppliers through establishing a chain of custody and/or traceability system where a Red Flag has been identified;
- (d) enhancement of the physical security practices as referred to in Rule 1.17;
- (e) physical segregation and security of shipments where a Red Flag has been identified;
- (f) incorporation of rights of the Accredited Member to conduct additional checks on any supplier or UBO where a Red Flag has been identified;
- (g) continuity of trading activities while developing risk mitigation controls (including measurable steps, monitoring, review of performance, and reporting to Senior Management), such as:
  - (i) building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks;
  - (ii) temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and
  - (iii) disengaging for at least 3 months, with a specific supplier who fails to comply with the mitigating controls within a period of 6 months, and/or disengaging entirely if such controls are not feasible and/or unacceptable in light of the cost-benefit analysis and the capabilities of the Accredited Member conducting the due diligence;
- (h) consulting with suppliers and affected stakeholders and agreeing on the risk mitigation controls which should be adapted to the Accredited Member's specific suppliers and the contexts of their operations, state clear performance objectives and provide for sufficient time for affected stakeholders to review and implement;
- (i) reviewing on a regular basis the results of the mitigation measures, undertaking additional fact and risk assessment for risks requiring mitigation or after a change of circumstances, as per Rule 2;
- (j) communicating to Senior Management.





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Compliance Statement	Fully Compliant
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### Demonstration of Compliance

The Risk Control Plan includes the following as per the Content Requirements of EBC Rules for RBDG:

- As a part of the due diligence process, prior to onboarding any Supplier, the Compliance Officer is required to prepare a Compliance Review Report for each Supplier with his recommendation. This report is presented to the Senior Management, which is responsible for giving the final approval for accepting any new Supplier. The Compliance Officer is responsible for preparing the Annual Compliance Report and Business Responsible Report. During the annual review, the Senior Management team evaluates each supply chain to determine whether to maintain the business relationship with a particular Supplier.

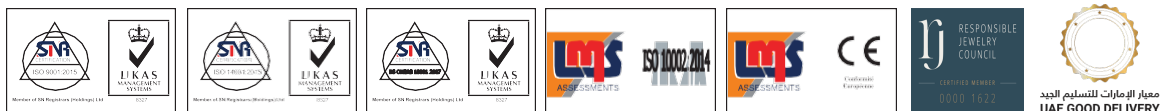
All shipments are kept physically segregated until the Compliance Officer approves and the Quality Check Officer passes the shipment. If any red flags are identified, the shipment is kept on hold until the Compliance Officer conducts an investigation. If the risk associated with the shipment is high, the Compliance Officer informs the Senior Management, which then takes a final decision.

SAM Precious Metals has put in place a company-wide communication system aimed at encouraging widespread staff involvement in identifying and reporting potential risks. As a part of our on-going dialogue with all key stakeholders, internal and external, SAM Precious Metals has established a Grievances and Whistleblowing Mechanism, reinforcing its commitment to transparency, accountability, and ethical business practices by providing a structured process for raising concerns and reporting potential issues.

In addition to the different internal channels for raising compliance violations, any interested party (employees, stakeholders, or Suppliers) can express concerns and report violations, anonymously or otherwise, linked to SAM Precious Metals' supply chain and associated risks through a dedicated mailbox – [compliance.officer@sampreciousmetals.com](mailto:compliance.officer@sampreciousmetals.com)

All employees and Suppliers have been made of the Grievances and Whistleblowing Process, and it is also publicly available online on SAM Precious Metals website - <https://sampreciousmetals.com/grievances-and-whistleblowing/>

- SAM Precious Metals' Supply Chain Policy has been communicated to all employees working in the company. Regular training sessions have been organized for all staff involved with or holding responsibilities related to the precious metals supply chain, as well as the management team.





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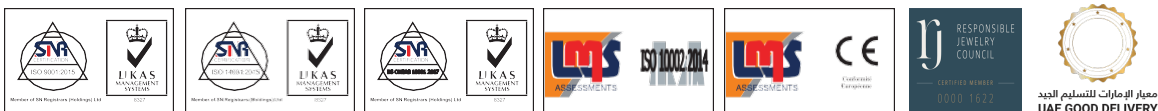
- SAM Precious Metals works hard to establish and maintain strong relationships with its supply chain partners based on ethics, integrity, and professionalism. Our Supply Chain and Business Policy Statement formalises our commitment to engaging with all our stakeholders and taking a relationship-based approach. We regularly create awareness about our ethical sourcing requirements for our supply chain, share the applicable regulation and standards with our Suppliers, study the applicable laws in relevant nations where our Suppliers operate, and understand the additional information which can authenticate that the source is conflict free and how our Suppliers can be more compliant. We closely engage with all our Suppliers for obtaining – further supply chain information and supporting them in achieving ethical and conflict free sourcing in precious metal industry. We conduct the KYC and due diligence process prior to onboarding any Supplier and at periodic intervals, carry out transaction monitoring on a regular basis, create training sessions for our Suppliers, and obtain Supplier self-declaration for conflict free supply.

A comprehensive supply chain management system has been developed, which includes centralized information and several departments participating in daily transaction and shipment verification leading to strong monitoring and surveillance of all shipment. Unique reference numbers are used to identify incoming / outgoing shipment and a track-to-back traceability method has been put into practice which matches each finished product with the incoming shipment. Thus, SAM Precious Metals has established a chain of custody and traceability system.

- SAM Precious Metals has put in place a comprehensive internal system of due diligence, control, and transparency to ensure compliance with EBC Rules for RBDG.

Each shipment is stored in a secured place in identifiable, sealed security boxes to prevent any tampering or removal of content. The seal on these security boxes is broken by the Production Supervisor, in the presence of the Quality Check Officer, only after the approval has been obtained from the Compliance Department.

- All shipments are kept physically segregated until the Compliance Officer approves and the Quality Check Officer passes the shipment. If a Red Flag is identified, the shipment is put on hold and physically segregated until the matter is investigated by the Compliance Officer, and a final decision is made.
- As a part of our onboarding process, SAM Precious Metals' Supply Chain Policy and due diligence procedures are discussed with the Suppliers, and our commitment and expectations with respect







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to responsible sourcing of precious metals is clearly communicated to the Suppliers. SAM Precious Metals' Supply Chain Policy is shared with all Suppliers who wish to work with us, and a written confirmation is obtained from them that they will comply with all the provisions of the Policy.

In the SAM Account Opening Form, the Supplier provides written consent to SAM Precious Metals, its subsidiaries, agents, and authorized staff, as well as any third-party service providers, for the disclosure, sharing, usage, processing, and searching of their information and records. This enables SAM Precious Metals to conduct further checks to accurately gauge the risk associated with a Supplier when a Red Flag has been identified, ensuring thorough due diligence and risk assessment processes.

- If a risk has been identified in a supply chain, SAM Precious Metals will only continue engaging with the Supplier, while developing risk mitigation controls (including measurable steps, monitoring, review of performance, and reporting to Senior Management), as per the following recommendation of the EBC Rules for RBDG:
  - building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks;
  - temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and
  - disengaging with a specific Supplier who fails to comply with the mitigating controls within a period of 3 months, and/or disengaging entirely if such controls are not feasible and/or unacceptable in light of the cost-benefit analysis and the capabilities of SAM Precious Metals in conducting the due diligence.

SAM Precious Metals has maintained records of its disengagements with all Supplier who posed a high risk in light of the cost-benefit analysis and the capabilities of SAM Precious Metals in conducting the due diligence.

- SAM Precious Metals closely engages with Suppliers while developing risk mitigation controls, which are tailored to specific Suppliers and the context of their operations. The risk mitigation plan outlines clear performance objectives and allows sufficient time for affected stakeholders to review and implement the controls, ensuring a collaborative approach to risk management.
- SAM Precious Metals regularly reviews the outcomes of the risk mitigation measures. The Risk Control Plan is actively monitored, ensuring that all new information and facts are updated





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regularly. Should there be a change in circumstances, revised risk mitigation plans are developed and implemented, demonstrating the company's commitment to dynamic and responsive risk management.

- The Senior Management at SAM Precious Metals plays an active role in the Risk Control Plan. All risks associated with a supply chain and/or transactions are communicated to them, who takes a final decision on the acceptance of risk level and the risk mitigation plan.

### RULE 4. INDEPENDENT THIRD-PARTY AUDITS

#### Rule 4.1 Overriding Principle

Each Accredited Member is required to ensure its own compliance with these Rules for RBDG and arranging at their own cost for this compliance to be reviewed by an independent third-party reviewer as stipulated in Rule 4.2.

Compliance Statement	Fully Compliant
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#### Demonstration of Compliance

SAM Precious Metals has engaged RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. to conduct an independent third-party review of our compliance with the EBC Rules for RBDG as per the EBC Review Protocol.

#### Rule 4.2 EBC Review Protocol

EBC Review Protocol (Annex 2) sets out the methodology EBC requires each auditor (when acting as a “reviewer” in the meaning given to that term in the EBC Review Protocol) (Reviewer) to comply with when conducting any independent third-party audit (if instructed to do so) of an Accredited Member (Review).

Compliance Statement	Fully Compliant
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#### Demonstration of Compliance

SAM Precious Metals has engaged RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. as an independent reviewer of our compliance with the EBC Rules for RBDG. RSM Turkey Arkan Ergin





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Uluslararası Bağımsız Denetim A.Ş. have confirmed that they will be complying with the methodology EBC requires each auditor (when acting as a “reviewer” in the meaning given to that term in the EBC Review Protocol) to comply with when conducting the independent third-party audit of SAM Precious Metals.

### Rule 4.3 Minimum Review Requirements

In carrying out any Review, each Reviewer must verify the following:

- (a) the adequacy of the related policies and processes to implement these Rules for RBDG (as well as the obligations stemming from the Resolution);
- (b) the adequacy of external and internal controls to mitigate risks;
- (c) the conformity to and compliance with these Rules for RBDG in all communications with participants across the entire supply chain;
- (d) the establishment of the chain of custody and traceability of information for all activities; and
- (e) the implementation of on-going risk assessment using a risk-based approach including the adequacy (considering both timing and method) of the Accredited Member’s response to the outcome(s) of the risk assessments.

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

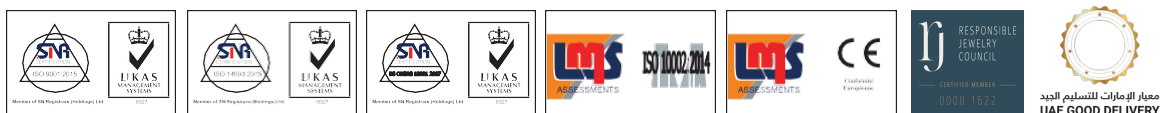
SAM Precious Metals is totally transparent and will be fully cooperative with RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. to conduct an independent third-party review of SAM Precious Metals’ compliance with the EBC Rules for RBDG in accordance with the Minimum Review Requirements.

### Rule 4.4 Minimum Requirements of Reviewers

Each Reviewer must have the following characteristics:

- (a) independence from the Accredited Member subject to the relevant Review;
- (b) no conflict of interest between the Reviewer and the Accredited Member subject to the relevant Review;
- (c) no specific services being provided by the Reviewer to the Accredited Member in relation to any due diligence exercise (other than general related guidance); and
- (d) the competence to carry out the relevant Review.

Each Reviewer must keep confidential the confidential information of the Accredited Member, subject



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## SAM PRECIOUS METALS

to any legal requirements of disclosure or any other reasonable requirements of the Accredited Member, taking into account all circumstances (including the nature and ownership of the information and any previous dissemination of such information).

Any auditing entity that wishes to become a Reviewer must submit a completed EBC Approved Reviewer Application Form (Annex 1) and meet the minimum criteria for Reviewers as set out in EBC Review Protocol. Such application is subject to the terms and conditions of an EBC Approved Reviewer Application Form.

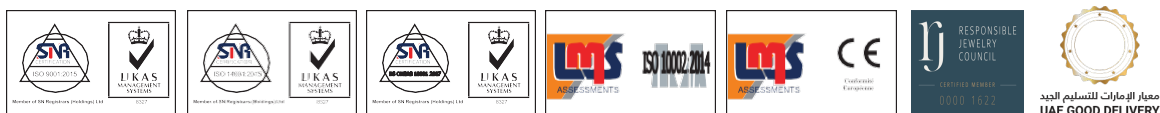
Compliance Statement	Fully Compliant
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Demonstration of Compliance
<p>SAM Precious Metals understands the Minimum Requirements of the Reviewers. We also confirm that:</p> <ul style="list-style-type: none"> <li>RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. is independent from SAM Precious Metals</li> <li>there exists no conflict of interest between RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. and SAM Precious Metals</li> <li>RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. does not provide any other service to SAM Precious Metals except for the EBC Rules for RBDG Review</li> <li>RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. is an approved reviewer of the EBC</li> </ul>

### Rule 4.5 Composition of the Review

The following activities shall be included in each Review:

- sufficient preparation of the Review, including the development of a detailed audit plan;
- on-site investigations of the Accredited Member, including:
  - review of the Accredited Member’s facilities; and
  - review of a list of the Accredited Member’s suppliers;
- consultations with the Accredited Member’s risk assessment team, Supply Chain Officer and Compliance Officer (as applicable);
- audit conclusion, including the validation, reporting and recording of findings that determine the level of conformity of the Accredited Member’s supply chain due diligence with the Rules for RBDG; and
- provide recommendations to the Accredited Member to improve its due diligence practices.



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Compliance Statement	Fully Compliant
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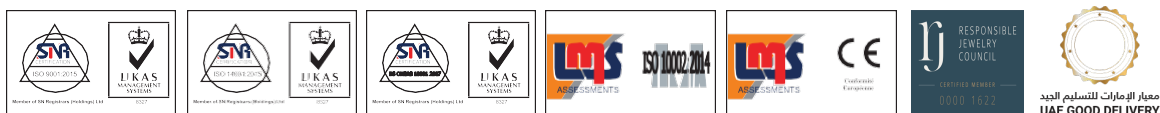
<p><b>Demonstration of Compliance</b></p> <p>The following activities shall be included in the Review to be conducted by RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.:</p> <ul style="list-style-type: none"> <li>• sufficient preparation for the Review has been done by RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş., which has included several rounds of discussion with the Senior Management and the Compliance Officer. RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. has developed a detailed audit plan.</li> <li>• on-site investigations of SAM Precious Metals will be conducted by RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. from 11 February 2024 till 14 February 2024. <ul style="list-style-type: none"> <li>○ complete access to every part of SAM Precious Metals facilities, including the refinery, will be provided to RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.</li> <li>○ full access to the list of Suppliers and transactions of SAM Precious Metals will be provided to RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.</li> </ul> </li> <li>• SAM Precious Metals’ risk assessment team, including the Senior Management and the Compliance Officer, will be open to consultations with RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.</li> <li>• We understand that the composition of the review will consist of audit conclusion, including the validation, reporting, and recording of findings that determine the level of conformity of SAM Precious Metals’ supply chain due diligence with the EBC Rules for RBDG</li> <li>• SAM Precious Metals is always keen to improve its due diligence process and we will welcome any recommendations made by RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. that will allow us to improve our due diligence practices.</li> </ul>
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#### Rule 4.6 Annual Report on Supply Chain Due Diligence

Each Accredited Member shall produce an annual report. This shall include a summary of the Review in accordance with Step 5 of the OECD Guidance and Sections 16 and Section 19 (as applicable) of EBC Review Protocol (Annex 2).

Compliance Statement	Fully Compliant
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<p><b>Demonstration of Compliance</b></p> <p>For independent third-party review of SAM Precious Metals’ compliance with the EBC Rules for RBDG conducted by a Reviewer based on the ISAE 3000 standard, the Review Reports will include:</p>
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## SAM PRECIOUS METALS

- the Comprehensive Management Report,
- SAM Precious Metals' Compliance Report, and
- the Reviewer's Assurance Statement

SAM Precious Metals' Compliance Report and the Reviewer's Assurance Statement will be published on our website.

### Rule 4.7 Review Programmes of Accredited Members

Each Accredited Member must demonstrate its compliance with these Rules for RBDG to the Executive Office of the EBC. In carrying out such obligation, each Accredited Member must implement an audit programme, which shall include:

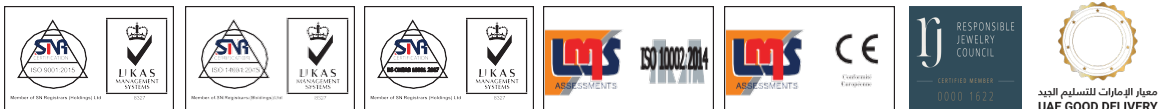
- ensure conformity with these Rules for RBDG;
- selecting and engaging its Reviewer(s) in conformity with these Rules for RBDG;
- observing and fully cooperating with each Reviewer;
- implementing all recommendations provided by any Reviewer; and
- upon request, providing a copy of any Review report to the Executive Office of the EBC or any authority that regulates or otherwise governs the Accredited Member.

Compliance Statement	Fully Compliant
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### Demonstration of Compliance

SAM Precious Metals has engaged RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. to conduct an audit of our compliance with the EBC Rules for RBDG. We have implemented an audit programme, which includes the following:

- ensuring conformity with the EBC Rules for RBDG
- we have selected RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş. and will engage with them in conformity with the EBC Rules for RBDG
- we will observe and fully cooperate with RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş.
- we will implement all recommendations provided by RSM Turkey Arkan Ergin Uluslararası Bağımsız Denetim A.Ş., and
- upon request, we will provide a copy of any Review report to the Executive Office of the EBC or any authority that regulates or otherwise governs SAM Precious Metals.





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### RULE 5. ANNUAL REPORTING ON RESPONSIBLE SUPPLY CHAIN DUE DILIGENCE

#### Rule 5.1 Overriding Principle

Each Accredited Member is required to publicly report annually on its supply chain due diligence in compliance with Step 5 of the OECD Guidance, in order to generate public confidence in the measures that it has implemented.

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals has established a policy to publicly report annually on its supply chain due diligence compliance, in order to generate public confidence in the measures that it has implemented.

#### Rule 5.2 Minimum Requirements of Public Reporting

At minimum, each Accredited Member shall:

- (a) publicly acknowledge its requirements under these Rules; and
- (b) comply with Rule 4.6.

Compliance Statement	Fully Compliant
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<b>Demonstration of Compliance</b>
SAM Precious Metals acknowledges its responsibility in complying with the EBC Rules for RBDG and in achieving a responsible supply chain of gold and precious metals. Our supply chain policy is published on our website <a href="https://sampreciousmetals.com/responsible-sourcing/">https://sampreciousmetals.com/responsible-sourcing/</a> .
A copy of previous years Compliance Report and Independent Reasonable Assurance Report are available on our website. Once the audit for the current reporting period has been concluded, SAM Precious Metals' Compliance Report and the Reviewer's Assurance Statement will be published on our website.





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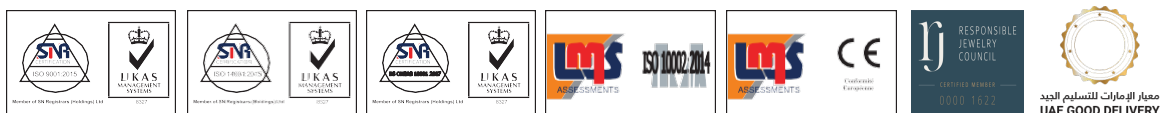
TABLE 3. MANAGEMENT CONCLUSION

RULES	SAM PRECIOUS METALS' SELF RATING
Rule 1 – Supply Chain Management Systems	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low-Risk Deviations <input type="checkbox"/> Non-compliant with Medium-Risk Deviations <input type="checkbox"/> Non-compliant with High-Risk Deviations
Rule 2 – Supply Chain Risk Identification and Assessment	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low-Risk Deviations <input type="checkbox"/> Non-compliant with Medium-Risk Deviations <input type="checkbox"/> Non-compliant with High-Risk Deviations
Rule 3 – Risk Control Plan	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low-Risk Deviations <input type="checkbox"/> Non-compliant with Medium-Risk Deviations <input type="checkbox"/> Non-compliant with High-Risk Deviations
Rule 4 – Independent Third-Party Audits	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low-Risk Deviations <input type="checkbox"/> Non-compliant with Medium-Risk Deviations <input type="checkbox"/> Non-compliant with High-Risk Deviations
Rule 5 – Annual Reporting on Responsible Supply Chain Due Diligence	<input checked="" type="checkbox"/> Fully compliant <input type="checkbox"/> Compliant with Low-Risk Deviations <input type="checkbox"/> Non-compliant with Medium-Risk Deviations <input type="checkbox"/> Non-compliant with High-Risk Deviations

### SAM PRECIOUS METALS' OVERALL CONCLUSION

As mentioned earlier in this report, the primary goal of SAM Precious Metals to create sustainable value for clients, investors, people, society, and other stakeholders, while operating in a culture of responsible sourcing, adhering to regulations, and demonstrating excellence in performance, innovation, governance, trust, and respect.

'Responsible Sourcing' is a fundamental and highly significant principle for SAM Precious Metals. We have demonstrated that we have established and maintained a robust supply chain management system procedures, processes, and practices to achieve a responsible and conflict-free supply chain of gold and precious metals.



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SAM Precious Metals continuously operates and strongly recommends and regularly seeks confirmations from its suppliers to operate in accordance with the UAE Federal Decree-Law No. (20) Of 2018 On 'Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations', UAE Due Diligence Regulations for Responsible Sourcing of Gold, OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, RJC Code of Practices, RJC Chain of Custody, the LBMA Responsible Gold Guidance and the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain.

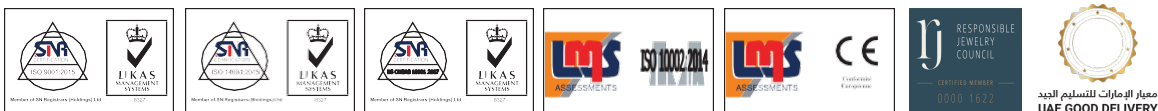
SAM Precious Metals has fully complied with each of the rules in the EBC Rules for Risk Based Due Diligence in the Gold Supply Chain version 1/2021 during the calendar year 2023 and the company is, thus, in total compliance with the EBC Rules for RBDG for the above-mentioned period.

### TABLE 4. OTHER REPORT COMMENTS

If users of this report wish to provide any feedback to SAM Precious Metals with respect to this report, they can contact the Compliance Officer on [compliance.officer@sampreciousmetals.com](mailto:compliance.officer@sampreciousmetals.com)

30 January 2024  
Dubai, United Arab Emirates

Sami Riyad Mahmoud Abu Ahmad  
Managing Director  
SAM Precious Metals FZ LLC



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