SAM PRECIOUS METALS FZ-LLC

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM AND PROLIFERATION FINANCING (AML/CFT/CPF) COMPLIANCE AND KYC POLICY

AML/CFT/CPF and KYC Compliance Policy

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• GLOSSARY OF TERMS USED IN THE AML/CFT/CPF AND KYC COMPLIANCE POLICY

Term	Meaning
AML	Anti-Money Laundering
AMLD	Anti-Money Laundering and Combatting the Financing of Terrorism Supervision Department
CAHRA	Conflict-Affected and High-Risk Areas
CBUAE	Central Bank of the UAE
CDD	Customer Due Diligence
CFT	Combating the Financing of Terrorism
Counterparty	Any customer, supplier, buyer, seller, miner, refiner, intermediary, transporter, agent, or other party connected with a business relationship or transaction
CPF	Combating Proliferation Financing
DNFBP	Designated Non-Financial Business and Profession
EBC	Emirates Bullion Market Committee
EDD	Enhanced Due Diligence
EOCN	Executive Office for Control & Non-Proliferation
EU	European Union
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FT	Financing Terrorism
GS	Gold and Silver
ID	Identification
INTERPOL	International Police Organization
KRI	Key Risk Indicator
KYC	Know Your Customer
LBMA	London Bullion Market Association
ML	Money Laundering
MLRO	Money Laundering Reporting Officer

Term	Meaning
OECD	Organization for Economic Co-operation and Development
OFAC	Office of Foreign Assets Control
PEP	Politically Exposed Person
PF	Proliferation Financing
PMS	Precious Metals and Stones
RCP	Risk Control Plan
RJC	Responsible Jewellery Council
SAR	Suspicious Activity Report
STR	Suspicious Transaction Report
TFS	Targeted Financial Sanctions
UAE	United Arab Emirates
UAEGD	UAE Good Delivery
UBO	Ultimate Beneficial Owner
UN	United Nations
VR	Verification

1 INTRODUCTION

In recent years, rapid globalization and accelerating technological disruptions have led to combating of money laundering and the financing of terrorism becoming a challenge of unprecedented magnitude. Everyday organizations, across the globe, see new threats arise because of their global presence and vast diversity of products, markets, business lines, and distribution channels. Several factors such as development of an integrated and interconnected global economy, free trade, establishment of global banking and financial systems, increasing proliferation of new non-cash payment methods, and less restricted movement of human capital have opened new avenues for money launders. An internationally coordinated and coherent at various levels is required to protect the integrity and stability of the international financial system, cut off the resources available to terrorists, and make it more difficult for those engaged in crime to profit from their criminal activities.

In this Policy, the terms Money Laundering, Financing of Terrorism and Proliferation Financing have the same meaning as in Federal Decree-Law No. (10) of 2025 and its Executive Regulations.

1.1 Money Laundering

Money laundering is defined as any financial or banking transaction aimed at concealing or changing the identity of illegally obtained funds by passing them through the financial and banking system to make them appear as originating from legitimate sources, and then re-pumping and investing them in a legal manner contrary to their real nature. Simply put, money laundering is the process of making dirty money look clean. Criminals launder money so they can avoid detection by law enforcement authorities and make personal use of illicit proceeds – including further criminal activity and investment in legitimate businesses.

Under Federal Decree-Law No. (10) of 2025, a person commits Money Laundering if they deliberately do any of the following with funds that come, fully or partly, from a crime (a predicate offence), and they know, or have good reason to believe, where the funds came from:

- Converting, transferring, or carrying out any transaction involving the proceeds for the purpose of concealing or disguising their illicit origin.
- Concealing or disguising the true nature, source, location, disposition, movement, ownership of, or rights relating to the proceeds.
- Acquiring, possessing, or using the proceeds upon receipt.
- Assisting the perpetrator of the predicate offence in evading punishment.

Money Laundering is an independent offence. Conviction for the predicate offence is not required, and knowledge may be inferred from factual and objective circumstances.

1.1.1 Stages of Money Laundering

Money laundering often involves a complex series of transactions that are difficult to separate. However, it is common to think of money laundering as occurring in three stages:

- **Placement:** This is the first stage in separating the illicit funds from their illegal source. During this phase, initial proceeds derived from illegal activity is introduced into the financial system. Typically, this is executed

by placing the funds into circulation through formal financial institutions, casinos, real estate sector, gold and precious metal industry, restaurant, and other legitimate businesses, both domestic and international.

- **Layering:** Once the proceeds from illicit activities has entered into the financial system, the next stage in the process involves converting the illegal funds into another form and creating complex layers of financial transactions to conceal the origin and ownership of funds, making it difficult to associate the funds to the predicate crime.
- **Integration:** This is the third stage that completes the money laundering cycle. By this stage, the laundered fund appears to be legitimate, and it is exceedingly difficult to distinguish between legal and illegal wealth. The integration schemes are designed to place the laundered proceeds back into the economy in what appears to be normal business or personal transactions.

1.2 Financing of Terrorism

Over time, the number and type of terrorist groups and related threats have changed, but the basic need for terrorists to raise, move and use funds has remained the same. As the size, scope and structure of terrorist organizations have evolved, so too have their methods to raise and manage funds. Terrorists regularly adapt how and where they raise and move funds and other assets in order to circumvent safeguards that jurisdictions have put in place to detect and disrupt this activity. Terrorist financing involves dealing with funds and assets, in any form, that may be used for financing terrorist activities. The funds and assets may be from either legitimate or criminal sources.

Under Article (3) of Federal Decree-Law No. (10) of 2025, Financing of Terrorism includes intentionally providing, collecting, or making funds available, directly or indirectly and by any means, with knowledge that the funds will be used wholly or partly for a terrorist act, by a terrorist or terrorist organisation, or for specified terrorist-travel purposes.The offence may involve funds from legitimate or illegitimate sources and does not depend on the funds being used for a specific terrorist act. Knowledge may be inferred from factual and objective circumstances.

1.3 Proliferation Financing

- Except where permitted or authorised under applicable UAE legislation or treaties, Proliferation Financing includes intentionally providing, collecting, or making funds available, directly or indirectly, with knowledge that such funds will be used wholly or partly for the manufacture, possession, acquisition, development, production, sale, supply, export, trans-shipment, brokerage, transport, transfer, storage, or use of weapons of mass destruction, their means of delivery, or related materials, including dual-use technologies and goods when employed for such purposes. It also includes acts falling within relevant United Nations Security Council resolutions concerning the prevention, suppression and cessation of proliferation and its financing. Knowledge may be inferred from factual and objective circumstances.

- SAM shall therefore assess PF risk as a standalone risk category, including sanctions exposure, dual-use goods, front companies, trade-route anomalies, opaque intermediaries, unusual shipping patterns and links to jurisdictions or persons associated with proliferation activity.

2 NEGATIVE EFFECTS OF MONEY LAUNDERING, TERRORIST AND PROLIFERATION FINANCING

Money laundering, terrorist and proliferation financing can destabilise communities, economic sectors, or national economies. Criminals and terrorist networks may be able to carry out their criminal and potentially destructive activities via a multitude of mechanisms and structures by transforming the proceeds of illicit activities into legitimate money.

- Money laundering has potentially devastated economic, security, and social consequences. Money laundering is a process to make crime worthwhile. It provides the fuel for drug dealers, smugglers, terrorists, illegal arms dealers, corrupt public officials, and others to operate and expand their criminal enterprises. This drives up the cost of government due to the need for increased law enforcement and health care expenditures (for example, for treatment of drug addicts) to combat the serious consequences that result. Crime has become increasingly international in scope, and the financial aspects of crime have become more complex due to rapid advances in technology and the globalization of the financial services industry.
- Money laundering impairs the development of the legitimate private sector through the supply of products priced below production cost, making it therefore difficult for legitimate activities to compete. Money launderers often use front companies, which comingle the proceeds of illicit activity with legitimate funds, to hide the ill-gotten gains. These front companies have access to substantial illicit funds, allowing them to subsidize front company products and services at levels well below market rates. Criminals may also turn enterprises which were initially productive into sterile ones to launder their funds leading ultimately to a decrease in the overall productivity of the economy. Furthermore, the laundering of money can also cause unpredictable changes in money demand as well as great volatility in international capital flows and exchange rates.
- In any country, strong financial institutions – such as banks, non- bank financial institutions (NBFIs), and equity markets – are critical to economic growth. While the financial sector is an essential constituent in the financing of the legitimate economy, it can be a low-cost vehicle for criminals wishing to launder their funds. Consequently, the flows of large sums of laundered funds poured in or out of financial institutions might undermine the stability of financial markets. Also, there is often a correlation between money laundering and fraudulent activities undertaken by employees. In addition, money laundering may damage the reputation of financial institutions involved in the scheming resulting in a loss in trust and goodwill with stakeholders. In worst case scenarios, money laundering may also result in bank failures and financial crises.
- Money laundering also reduces tax revenue as it becomes difficult for the government to collect revenue from related transactions which frequently take place in the underground economy. This loss of revenue generally means higher tax rates than would normally be the case if the untaxed proceeds of crime were legitimate. More taxes are also paid for public works expenditures inflated by corruption.
- The socio-economic effects of money laundering are various because as dirty money generated from criminal activities are laundered into legitimate funds; they are used to expand existing criminal operations and finance new ones. Further to that money laundering may lead to the transfer of economic power from the market, the government and the citizens to criminals, abetting therefore crimes and corruption. Furthermore, the sheer magnitude of the economic power that accrues criminals from money laundering has a corrupting effect on all elements of society.

- The social and political costs of laundered money are also serious as laundered money may be used to corrupt national institutions. Bribing of officials and governments undermines the moral fabric in society, and, by weakening collective ethical standards, corrupts our democratic institutions. When money laundering goes unchecked, it encourages the underlying criminal activity from which such money is generated.

3 AML / CFT / CPF LEGAL AND REGULATORY FRAMEWORK

3.1 International Legislative and Regulatory Framework

Fighting against money laundering and financing terrorism is critical for international security, integrity of the financial system and sustainable growth. In response to the threats posed by money laundering and terrorist activities, the international community has acted on many fronts, including the creation of various organizations that are viewed as the international standard setters. The AML/CFT/CPF legislative and regulatory framework of the UAE is part of a larger international AML/CFT/CPF legislative and regulatory framework made up of a system of intergovernmental legislative bodies and international and regional regulatory organizations.

Among the major intergovernmental legislative bodies, international and regional regulatory organizations are:

- The United Nations (UN)
- Financial Action Task Force (FATF)
- Afghanistan: Financial Transactions and Reports Analysis Center of Afghanistan (FinTRACA)
- African Development Bank (AfDB)
- Anti-Money Laundering Liaison Committee of the Franc Zone (CLAB)
- Asian Development Bank (ADB)
- Asia/Pacific Group on Money-Laundering (APG)
- Asset Recovery Interagency Network Asia Pacific (ARIN-AP)
- Asset Recovery Interagency Network for Southern Africa (ARINSA)
- Asset Recovery Interagency Network for West Africa (ARINWA)
- Association of Certified Anti-Money-Laundering Specialists
- Australian Transaction Reports and Analysis Centre (AUSTRAC)
- Basel Committee on Banking Supervision
- Camden Asset Recovery Inter-Agency Network (CARIN)
- Caribbean Financial Action Task Force (CFATF)
- Council of Europe – Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)
- Directorate General Justice (European Commission)
- Directorate General for International Co-operation and Development (DG DEVCO)
- Directorate General for Migration and Home Affairs (DG HOME)
- Directorate General for Neighbourhood and Enlargement Policy (DG NEAR)

- Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)
- Egmont Group of Financial Intelligence Units
- Eurasian Group (EAG)
- European Banking Federation
- European Bank for Reconstruction and Development (EBRD)
- European Central Bank (ECB)
- European Commission
- European Counter Terrorism Centre (ECTC)
- European External Action Service (EEAS)
- European Judicial Training Network (EJTN)
- European Union
- European Police Office (EUROPOL)
- European Union's Judicial Cooperation Unit (EUROJUST)
- Financial Action Task Force of South America Against Money Laundering (GAFISUD)
- Financial Action Task Force of Latin America (GAFILAT)
- Financial Stability Board
- FIU.NET
- European Border and Coast Guard Agency (FRONTEX)
- Gambling Regulatory Authority (GRA)
- GIZ Global Programme "Combatting Illicit Financial Flows" (GP IFF)
- Global Counterterrorism Forum (GCTF)
- Global NPO Coalition on FATF
- Group of International Finance Centre Supervisors (GIFCS)
- Joint committee of the European Supervisory Authorities
- Middle East and North Africa Financial Action Task Force (MENAFATF)
- Northern Ireland Co-operation Overseas (NI-CO)
- Office of Foreign Assets Control (OFAC)
- Offshore Group of Banking Supervisors (OGBS)
- Organization of American States / Inter-American Committee Against Terrorism (OAS/CICTE)
- Organization of American States / Inter-American Drug Abuse Control Commission (OAS/CICAD)
- Organization for Security and Co-Operation in Europe (OSCE)
- Organisation for Economic Co-operation and Development (OECD)
- Stolen Asset Recovery Initiative (StAR)
- Task Force on Money Laundering in Central Africa (GABAC)
- UN Counter-Terrorism Committee (CTC)

- UN Alliance of Civilizations (UNAOC)
- United Nations Development Programme (UNDP)
- United Nations Office on Drugs and Crime (UNODC)
- United Nations Educational, Scientific and Cultural Organisation (UNESCO)
- United Nations High Commissioner for Refugees (UNHCR)
- United Nations Interregional Crime and Justice Research Institute (UNICRI)
- United Nations Security Council (UNSC)
- United Nations World Tourism Organisation (UNWTO)
- United Nations Counter-Terrorism Committee and Executive Directorate (UNCTED)
- Wolfsberg Group
- World Bank
- World Customs Organization (WCO)
- World Health Organization (WHO)

3.2 National and International Legislative and Regulatory Framework

SAM Precious Metals must comply with all UAE laws, regulations, decisions, circulars and guidance that apply to its business as a refiner and service provider in the precious metals sector. Because its business and supply chain are international, the Company also takes into account the foreign laws, sanctions and international standards that apply to its customers, suppliers, transactions and supply chains.

The main UAE laws and rules are:

- Federal Decree-Law No. (10) of 2025 on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing.
- Cabinet Resolution No. (134) of 2025 on the Executive Regulations of Federal Decree-Law No. (10) of 2025.
- Cabinet Resolution No. (74) of 2020 on terrorism lists and UN Security Council resolutions, as amended, together with updates to the UAE Local Terrorist List and UN lists.
- Cabinet Resolution No. (109) of 2023 on Beneficial Owner procedures, as amended or replaced.
- Ministry of Economy guidance, decisions and circulars for DNFBPs, including the current administrative penalties.
- UAE Good Delivery (UAEGD) and EBC responsible sourcing rules, OECD guidance, and any free zone, licensing, customs or supervisory requirements.

International Rules and Responsible Sourcing Standards

- UN Security Council resolutions and sanctions on terrorism, terrorist financing and proliferation financing.
- FATF Recommendations, as updated from time to time.
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the Supplement on Gold.
- LBMA Responsible Gold Guidance, where applicable.

- Responsible Jewellery Council (RJC) Code of Practices and Chain-of-Custody Standard, where applicable.
- Foreign AML/CFT/CPF, sanctions, anti-bribery, customs, trade and export control laws that apply because of where the Company does business, or because of the counterparty, bank, currency, origin or destination involved in a transaction.
- Other recognised international standards on responsible sourcing, sanctions and supply chains.

Where a foreign or international rule is not legally binding on the Company, it may still be used in the Company's risk assessment, responsible sourcing checks, contracts, banking relationships and review of international counterparties.

Federal Decree-Law No. (20) of 2018 has been replaced by Federal Decree-Law No. (10) of 2025, and Cabinet Resolution No. (10) of 2019 has been replaced by Cabinet Resolution No. (134) of 2025. The old laws are referred to only where a transitional rule keeps them in force, and only where they do not conflict with the current laws.

4 AML/CFT/CPF PENALTIES AND ADMINISTRATIVE SANCTIONS UNDER FEDERAL DECREE-LAW NO. (10) OF 2025

Federal Decree-Law No. (10) of 2025 sets out both administrative and criminal penalties. This section is only a short summary to help staff understand the consequences of not complying. It is not legal advice. If there is any difference, the official text of the Decree-Law and its Executive Regulations applies. The penalties in the Decree-Law do not affect any heavier penalty under another law.

4.1 Administrative Penalties (Article 17)

The Supervisory Authority may impose one or more of the following penalties on a financial institution, DNFBP, virtual asset service provider or non-profit organisation that breaches the Decree-Law, its Executive Regulations or related decisions:

1. A warning.
2. A fine of AED 10,000 to AED 5,000,000 for each violation.
3. A ban from working in the related sector.
4. Restricting the powers of, or suspending, board members, managers or owners who are responsible for the violation.
5. Suspending or restricting the business activity.
6. Cancelling the licence.

The detailed list of violations and fines for businesses supervised by the Ministry of Economy is set out in the current administrative penalties framework.

4.2 Duty to Report Suspicious Transactions (Articles 18 and 28)

Under Article (18), the Company must report to the Financial Intelligence Unit (FIU), without delay, any transaction or funds of any value where it suspects, or has reasonable grounds to suspect, a link to a crime. The report must include all available information about the transaction and the parties, and the Company must give the FIU any

further information it asks for. Confidentiality cannot be used as a reason not to report. The Company's internal reporting steps are set out in Section 33.

Under Article (28), anyone who deliberately or through gross negligence fails to report can be punished with imprisonment and/or a fine of AED 100,000 to AED 1,000,000.

4.3 Criminal Penalties for Individuals (Article 26)

Offence	Penalty	Article
Money Laundering	Imprisonment of 1 to 10 years and a fine of AED 100,000 to AED 5,000,000, or a fine equal to the value of the criminal property, whichever is higher.	26(1)
Money Laundering with aggravating circumstances (see below)	Temporary imprisonment and a fine of AED 1,000,000 to AED 10,000,000, or twice the value of the criminal property, whichever is higher.	26(2)
Financing of Terrorism	Life imprisonment or temporary imprisonment of at least 10 years, and a fine of AED 1,000,000 to AED 10,000,000, or twice the value of the criminal property, whichever is higher.	26(3)
Proliferation Financing	Temporary imprisonment and a fine of AED 1,000,000 to AED 10,000,000, or twice the value of the criminal property, whichever is higher.	26(4)
Attempt to commit any of the above	The same penalty as the completed offence.	26(5)

The higher Money Laundering penalty applies where the offender:

(a) misuses their influence or the power of their job or profession;

(b) uses a non-profit organisation;

(c) uses an organised crime group;

(d) launders the proceeds of certain serious crimes listed in Federal Decree-Law No. (31) of 2021 (Crimes and Penalties Law) or Federal Decree-Law No. (30) of 2021 (Narcotic Drugs and Psychotropic Substances); or

(e) is a repeat offender.

Under Article 26(6), the Court may reduce or cancel the penalty for an offender who voluntarily gives information that helps to uncover the crime, identify or arrest the offenders, prove the crime or seize the criminal property.

4.4 Criminal Penalties for Companies (Article 27)

- A company can be fined AED 5,000,000 to AED 100,000,000, or the value of the criminal property, whichever is higher, if its representatives, directors or agents commit Money Laundering, Financing of Terrorism or Proliferation Financing on its behalf or in its name (Article 27(1)).
- If a company is convicted of Financing of Terrorism or Proliferation Financing, the Court must order it to be dissolved and its premises closed (Article 27(3)).

- If a company is convicted of Money Laundering or of breaching Article (10), the Court may order it to be dissolved and its premises closed (Article 27(4)).
- The person who actually manages the company can also be held liable if it is proven that they knew about the offence and failed in their duties (Article 27(5)).
- On conviction, the Court may order a summary of the judgment to be published at the company's expense (Article 27(6)).

4.5 Other Offences

Offence	Penalty	Article
Tipping off: warning a person, or revealing information about a suspicious transaction report or investigation, in breach of Article (24)	Imprisonment and/or a fine of at least AED 50,000	29(1)
Breaching duties on the seizure or freezing of funds	Penalties set out in Article 29, with heavier consequences if the funds are lost, destroyed or lose value as a result	29(2)–(3)
Dealing in fully anonymous virtual assets	Imprisonment of at least 3 months and/or a fine of at least AED 50,000	30
Holding or hiding suspicious funds	Penalties set out in Article 30	30
Operating without the required licence or authorisation (breach of Article 20)	Imprisonment and/or a fine of AED 200,000 to AED 10,000,000	32
Breaching Targeted Financial Sanctions instructions	Imprisonment and/or a fine of at least AED 20,000	33
Breaching disclosure duties under Article (10): not disclosing, refusing to give more information, hiding information or knowingly giving false information	Imprisonment and/or a fine (no fixed amount). The Court may also confiscate the seized funds.	34
Giving false or misleading Beneficial Owner information	A fine of at least AED 20,000	35
Misuse of accounts and certain breaches of Article (19)	A fine of at least AED 10,000	35

Other consequences: The Decree-Law provides for the confiscation of criminal property, the tools used in the crime and property of equal value, without affecting the rights of third parties acting in good faith (Article 31). It also provides for the deportation of convicted foreign nationals, protects people who report suspicions in good faith, and states that these crimes do not lapse with time (Articles 36 and 37).

5 SAM PRECIOUS METALS PRODUCTS AND SERVICES

SAM Precious Metals is a precious metals refinery in the UAE. It refines, tests, melts and mints gold, silver and other precious metals, and recovers precious metals from scrap and other material. Knowing the Company's products, services and delivery channels helps staff to understand its ML/TF/PF risks (see Sections 14 and 23).

5.1 Services

SAM Precious Metals offers the following services related to precious metals:

- **Refining**

  Using raw material with as little as 10% gold content or 5% silver content (in some cases even lower), SAM Precious Metals guarantees a 100% recovery of gold, silver and other precious metals.

  The refining process is carried out at the Company's state-of-the-art facilities and with the team's deep technical knowledge. The refineries are operated by a team of specialists and accomplished professionals. The refining process and the end products produced by SAM Precious Metals are of the highest international standard worldwide.

- **Testing**

  SAM Precious Metals is considered as one of the most notable assayers of gold and silver in the Middle East Region. To offer the highest calibre of gold and silver products, the Assaying Laboratories and quality control department at the SAM Precious Metals facilities provide an end-to-end service.

  Gold is tested by the method of combination of the cupellation, ICP machines, advanced X-ray fluorescence spectrometers (XRF), SPARK spectrometers, and other methods to achieve the highest accuracy in testing gold.

  For silver, SAM Precious Metals uses a combination of the cupellation method, ICP machines, advanced X-ray fluorescence spectrometers (XRF), SPARK spectrometers, and, in addition, titration techniques are applied for testing silver.

- **Melting**

  SAM Precious Metals has installed specially designed induction melting units that offer a full range of gold and silver melting services that cover the customer requirements. The Company specialises in converting all types of gold good delivery bars, silver good delivery bars, and silver grains to smaller units with differing purity levels.

  SAM Precious Metals also produces standard 100gm bars, Kilo bars, and other bars and deliver products of levels up to 995, 999, and 999.9 for gold and up to 999, and 999.9 for silver.

- **Minting**

With unique expertise and state-of-the-art minting facilities, SAM Precious Metals can produce standard minted gold and silver bars of purity of 999.9. for gold and 999 or 999.9 for silver.

We produce souvenirs of all types of minted bars and coins depending on our customers' requirements. The minting services also customize two dimensional and three-dimensional designs.

All SAM Precious Metals products are hallmarked with a trademark for quality assurance. The Company offers speedy turnaround times and the highest standard of quality at a very competitive premium.

- **Diamond Separation**

SAM Precious Metals offers bespoke diamond and gold separation services. Equipped with a state-of- the-art refining department dedicated to treatment of material and diamond recovery, we offer the highest quality of inspection, transparency and unmatched precision through every step of the process.

Our team specializes in using innovative techniques for diamond and gold separation. Stubborn designs can be worked loose and even the most intricately placed diamonds can be extracted from gold and silver jewellery. Backed by a highly experienced and skilled team, we aim to provide a quick and customised solution that exceeds the customers' expectations.

- **Buying and Selling**

SAM Precious Metals is fully capable of purchasing and selling any quantity of physical gold and silver products at the most competitive prices. The company offers 24/7 hedging services for gold, silver and other precious metals.

- **Value Added Services**

SAM Precious Metals plays an important role in enhancing customer's knowledge and impression about the two futuristic goods – gold and silver. The specialists at the company provide training to the staff members of their customers at no cost. The transfer of knowledge and training on the product details enable the customer's staff to gain a detailed understanding of the product and the process which, in turn, helps the customers to follow robust compliance, due diligence and supplier chain management system. In addition, the company also provides value added services to the customers including consultation and assistance with logistics, insurance, and compliance. Kindly make an appointment for the same at compliance@sampreciousmetals.com

Besides precious metals, SAM Precious Metals is also engaged in providing different types of precious chemicals to various players in the industry.

5.2 Products

SAM Precious Metals offers the following products:

Gold Cast Bars & Grains

- One Kilo bars – 995 / 9999
- Half Kilo bars – 995 / 999 / 9999

- Quarter Kilo bars – 995 / 999 / 9999
- Large bars – 995+
- TT bars – 999
- 100 gram bars – 995 / 999 / 9999
- Grains – 995 / 999 / 9999

Gold Minted Products (Purity: 999.9)

Round	
1 ounce	20 grams
½ ounce	8 grams

Oval	
1 ounce	20 grams
½ ounce	

Rectangle	
1 ounce	100 grams
1 tola	50 grams
20 grams	10 grams
5 grams	2.5 grams
1 gram	

Pendant	
1 ounce	20 grams
½ ounce	10 grams
5 grams	2.5 grams

Silver Minted Bars (Purity: 999)

Round	
1 ounce	

Rectangle	
1 ounce	100 grams

Pendant	
10 grams	5 grams
2.5 grams	

6 SAM PRECIOUS METALS' COMMITMENT

1. As a responsible organization and in its capacity as a free zone limited liability company established in Dubai Creative Clusters under Dubai Development Authority, Government of Dubai, SAM Precious Metals is committed to supporting both domestic and international efforts and initiatives aimed at combating money laundering, the financing of terrorism and proliferation financing in addition to implementing such internal measure as may be deemed necessary.
2. The compliance to regulatory requirements and supporting efforts to combat money laundering and terrorist financing is a top priority with SAM Precious Metals and is directed by their Senior Management. Through this Policy Document, SAM Precious Metals wishes to convey its position on AML/CFT/CPF and reiterate that the Company shall conduct business operations in total compliance with all applicable laws, regulations, and worldwide best practices in the domain of AML/CFT/CPF. SAM Precious Metals considers and shall continue to consider the fight against money laundering and/or counter terrorist financing as highly important for the organization and recognize it as a team effort. The issuance of this Policy together with the implementation and operation of the procedures and controls therein, reflects SAM Precious Metals' commitment in this regard.
3. SAM Precious Metals is willing to support and co-operate with:
    - Government agencies; and
    - Recognized law enforcement agencies, domestic or international, including global regulatory bodies such as FATF, OFAC, UN, EU, and the local regulatory authority, namely the Central Bank of the UAE (CBUAE), Anti-Money Laundering and Combatting the Financing of Terrorism Supervision Department (AMLD), Financial Intelligence Unit (FIU), and Executive Office for Control & Non- Proliferation (EOCN) as part of any effort in combating money laundering and/or the financing of terrorism.
4. SAM Precious Metals shall maintain the highest operating standards to safeguard the interest of all stakeholders including customers, shareholders, employees, business partners, and the jurisdiction in which the Company operates. This shall be accomplished through ongoing and continual development of staff members, use of up-to-date technology and systems that support the efforts to combat money laundering and counter terrorist financing and other related financial crimes.
5. As an established organization conducting business in the gold and/or precious metals sector, SAM Precious Metals is committed to responsible sourcing and supply chain management. SAM Precious Metals must map its supply chain to identify risks of conflict, money laundering, terrorism financing, or serious human rights abuses linked to their gold or precious metals activities.
6. SAM Precious Metals commits to adhere to the following 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
    - EBC Rules for Risk Based Due Diligence in the Gold Supply Chain
    - UAE Due Diligence Regulations for Responsible Sourcing of Gold
    - RJC Code of Practice Standard
    - RJC Chain of Custody Standard
    - LBMA Responsible Gold Guidance

7 POLICY CUSTODIAN

SAM Precious Metals' Senior Management Team shall be the appointed custodian of this AML/CFT/CPF Compliance program, policy, and procedures. The ultimate responsibility for the implementation and enforcement of the policy shall lie with the Chairman of SAM Precious Metals and he is assisted by the Compliance Officer in doing so.

8 GOVERNANCE OF RISK: THREE LINES OF DEFENCE

To mitigate and control the risk involved, AML/CFT/CPF program at SAM Precious Metals will create three lines of defence:

1. **Operations –** This is the first line of defense – function that own and manage risks. As the frontline for KYC and CDD, they will handle customer onboarding, identification, and due diligence – all processes that require collection and analysis of immense amounts of data, primarily acquired through lengthy customer questionnaires and investigations.
2. **Compliance –** This is the second line of defense – function that oversee risks. The compliance department has developed policies and procedures, devised customer questionnaires and requirements, and maintained the technologies necessary to streamline KYC and CDD processes. They will be responsible for training and guiding all relevant staff at SAM Precious Metals on AML/CFT/CPF program. They will also design the criteria to divide the clients into risk categories and monitor ongoing Suspicious Transactions.
3. **Internal Audit –** This is the third line of defense – function that provide independent assurance. This will determine if everyone has established proper controls. They must ensure that KYC and CDD programs are based on complete, correct information, and approved protocols have been followed at the time of customer onboarding and the execution of transactions. In the event of any perceived gaps, they will discuss the shortfall with management and develop remediation plans.

9 POLICY GOVERNANCE

SAM Precious Metals' AML/CFT/CPF Policy will be governed by the AML/CFT/CPF Committee, which will act as a forum for coordination and implementation of AML/CFT/CPF procedures within SAM Precious Metals. The AML/CFT/CPF Committee will have a wide-ranging mandate be assigned, including the task of monitoring, and coordinating the identification, assessment, and response of the risks that SAM Precious Metals is or might be exposed to pertaining to money laundering and terrorism financing thereby building a strong and sustainable AML/CFT/CPF and Compliance structure in SAM Precious Metals.

The AML/CFT/CPF Committee must meet at least once every quarter. It must also meet earlier if there is a serious incident, a change in law, a major audit finding, a sanctions issue, a new risk or a major change in suppliers. There should be no more than four months between meetings.

Reference: https://rulebook.centralbank.ae/en/rulebook/69-committees

The Committee must keep written minutes of its meetings, and the minutes must be shared with all Committee members. Approval and policy changes must also be recorded in the Revision Record at the start of this Policy.

Changes to this Policy will be controlled as follows:

- Each approved version will show a version number, effective date, owner, approver and classification.
- A change log will record what was changed and why, who prepared and reviewed it, and the approval and effective dates.
- Old versions will be kept, together with proof that the new version was shared with staff, explained in training and put into practice.
- The Policy will be reviewed every year. It will also be reviewed after any major change, such as a new law, an audit finding, a new product or technology, a change in the business, a serious incident, a new risk trend, a change in suppliers or countries, or a change in the Company's risk appetite.
- A new version takes effect only after written approval by Senior Management. Urgent temporary controls may be applied earlier, but they must be documented and approved as soon as possible.

The AML/CFT/CPF Committee's structure will be as mentioned below:

Structure of SAM Precious Metals' AML/CFT/CPF Committee		
Position	**Designation**	**Name**
Head	Chairman	Details maintained separately in the Committee's internal records
Member	Director	
Member	Director	
Member	Global Head – Compliance Officer	
Member	Supply Chain Officer	
Member	Compliance Advisor	

10 ROLE OF THE KEY MEMBERS OF THE AML/CFT/CPF COMMITTEE

10.1 Grievance Handling and Procedure

Grievances and Whistleblowing Policy

Grievances and Complaints Committee: The Committee has established a function to deal with Grievances, concerns and complaints submitted by the employees, clients, customers, and other affected end user and stakeholders.

A written objection to the business operation resolution issued concerning the employees, clients, customers, and other affected end-user and stakeholders. It is submitted by him/her to remove the injustice or wrongdoing he/she claims to have been witnessed or inflicted.

The Objectives of the Grievances:

- Ensures that materials acquired and services provided are obtained with adherence to human rights, labor, environmental and highest business ethics.
- Ensures to achieve justice, employment satisfaction and the stability of the legal status of the employees.
- Ensures that business activities meet the international market ethics and standard.
- Ensures that business operates in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its Supplement on Gold, DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain.
- Maintain the business status in providing the highest standard in operating in the gold and silver industry.

Grounds for the Grievance and Procedure for Submission:

- Human rights violations; force and child labor, torture, serious abuses, etc.
- Contravention of the law, regulations or by-laws
- Accounts and financial Manipulation
- Fraud, bribery, corruption and solicitation
- Falsification of documents
- Tolerates law and regulation violators and supporters of non-state armed group and all forms of criminal activities.
- Employee misconduct and labor practices.
- Health and safety; working conditions.

We encourage all to submit reports along with solid proof of documents and provide as much information as possible for the investigation. Reports may be submitted to the following email address:

compliance.officer@sampreciousmetals.com

10.2 Confidentiality

Committee will guarantee with the utmost capability of SAM Precious Metals to keep the identity of the concern person confidential with respect to all events. Documents and files, they view and all information that comes from their knowledge will solely be used for the purpose of investigating illegal activities or non-compliance allegations to SAM Precious Metals policies.

Escalation Procedure and Timeline for Grievances and Whistleblowing:

1. **Submission of Grievance**
   - Responsible Party: Complainant (employee, client, customer, stakeholder, or end-user)
   - Method: Submission via email to compliance.officer@sampreciousmetals.com
   - Content Required:
     - Full details of the grievance or complaint
     - Supporting documentation and evidence (if available)
     - Name and contact information (optional for anonymous reporting)

- Timeline: At any time
- Confidentiality: Full confidentiality guaranteed by SAM Precious Metals

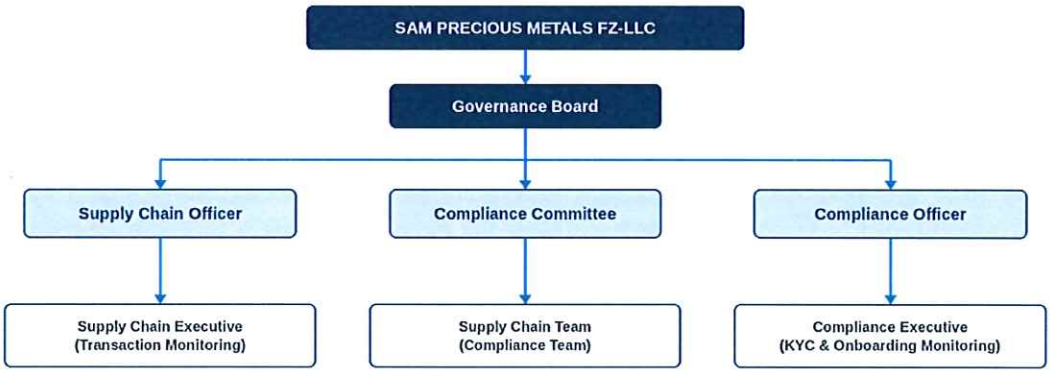
2. **Acknowledgement of Receipt**
   - Responsible Party: Compliance Officer
   - Action: Issue written acknowledgement of grievance receipt
   - Timeline: Within 3 working days of submission
3. **Preliminary Review and Risk Assessment**
   - Responsible Party: Grievances and Complaints Committee
   - Actions:
     - Assess completeness of submission
     - Evaluate urgency and severity
     - Determine if the issue falls under Committee jurisdiction
   - Timeline: Within 7 working days from acknowledgement
4. **Initiation of Investigation**
   - Responsible Party: Assigned Investigators (from Compliance or Legal Department)
   - Actions:
     - Conduct internal investigation
     - Request clarifications or additional documents (if needed)
     - Interview relevant parties (when applicable)
   - Timeline: Investigation must be initiated within 10 working days from the preliminary review
   - Duration: Completed within 20 working days, unless extended due to complexity
5. **Escalation (if necessary)**
   - If the issue cannot be resolved internally or requires higher authority or external reporting, escalation to:
     - Senior Management
     - Board Compliance Sub-Committee
     - External Auditor (if legally required or high-risk breach)
   - Timeline for escalation decision: Within 5 working days of investigation conclusion
6. **Issuing Final Decision and Corrective Actions**
   - Responsible Party: Grievances and Complaints Committee
   - Actions:
     - Issue a reasoned written decision
     - Recommend corrective or disciplinary actions
     - Notify the complainant (unless anonymous)
     - Update internal risk management systems

- Timeline: Within 10 working days from conclusion of investigation

7. **Follow-Up and Monitoring**
   - Responsible Party: Compliance Officer
   - Actions:
     - Ensure implementation of corrective measures
     - Monitor resolution progress
     - Re-assess for recurrence risk
   - Timeline: Periodic check-ins at 30, 60, and 90 days after decision

Web link of the policy : https://sampreciousmetals.com/grievances-and-whistleblowing/

Compliance Organisation Structure



10.3 Roles and Responsibilities of the Compliance Officer

1. **Governance and Appointment**
   - Serve as the designated Compliance Officer as required under EBC Rule 1.11 and applicable UAE laws and regulations.
   - Act as the central point of contact for all matters related to compliance, responsible sourcing, and supply chain due diligence.
   - Ensure that the organization's policies and procedures comply with EBC Rules, OECD Guidance, and Federal Decree-Law Regarding Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing.
   - Report directly to senior management and the Board (or Compliance Committee) regarding compliance performance and risk findings.
2. **Legal and Regulatory Compliance**

- Ensure adherence to all Applicable Laws and Regulations, including Anti-Money Laundering (AML) under Federal Decree-Law Regarding Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing, and sanctions obligations.
- Maintain up-to-date knowledge of EBC Good Delivery Rules, UAE Ministry of Economy regulations, and other relevant frameworks.
- Implement and monitor an internal control system that ensures compliance with regulatory obligations and EBC membership requirements.
- Facilitate periodic review of policies and ensure timely updates in line with regulatory amendments.

3. **Supply Chain Due Diligence Implementation**
   - Ensure that all suppliers are screened and approved through the established Know Your Counterparty (KYC) and Due Diligence procedures prior to engagement.
   - Maintain supplier master data and ensure that all supplier files remain current with updated documentation and declarations.
   - Conduct Know Your Counterparty (KYC) checks and risk-based due diligence on all suppliers.
   - Identify and assess potential risks associated with Conflict-Affected and High-Risk Areas (CAHRAs).
   - Ensure all transactions are traceable and supported by proper documentation (invoices, declarations, assay reports, etc.).
4. **Monitoring, Review, and Reporting**
   - Implement ongoing monitoring of transactions and supplier relationships to detect anomalies or red flags.
   - Review and validate due diligence files before approving any new supplier or counterpart.
   - Prepare periodic compliance reports for internal management and external audits (EBC, Ministry of Economy, or Independent Assurance).
   - Promptly report suspicious transactions or potential breaches to the relevant authority (e.g., UAE FIU) in accordance with AML requirements.
   - Ensure proper record-keeping of all compliance and due diligence documentation for a minimum of five (5) years.
5. **Training and Awareness**
   - Develop and conduct training programs for employees involved in sourcing, procurement, and refining on responsible sourcing and AML/CFT/CPF obligations.
   - Promote awareness across the organization on ethical sourcing, EBC compliance, and regulatory expectations.
   - Maintain all the necessary records of training and competence of Supply chain team
6. **Internal Audit and Continuous Improvement**
   - Facilitate or coordinate internal compliance audits and EBC annual assurance reviews.
   - Ensure timely closure of audit findings and implementation of corrective actions.
   - Continuously evaluate and enhance compliance controls and the due diligence framework to align with evolving best practices and EBC updates.

7. **Coordination and Communication**
   - Liaise with external auditors, regulatory authorities, and EBC secretariat during compliance reviews or membership assessments.
   - Coordinate with procurement, refining, and finance departments to ensure alignment between operational and compliance controls.
8. **Confidentiality and Integrity**
   - Maintain confidentiality of all supplier and customer information.
   - Uphold the highest ethical standards and ensure impartial decision-making in compliance-related matters.

10.4 Roles and Responsibilities of the Supply Chain Officer

1. **Purpose of the Role**
   - The Supply Chain Officer is responsible for the day-to-day oversight and continuous monitoring of all transactions within the gold supply chain to ensure alignment with the refinery's responsible sourcing policy and the Emirates Bullion Market Committee (EBC) requirements.
2. **Ongoing Monitoring, Review, and Reporting**
   - Conduct daily and periodic transaction monitoring to identify any unusual, inconsistent, or high-risk activities within the gold supply chain.
   - Review each transaction to ensure it aligns with the supplier's known profile, declared origin, and business activity.
   - Flag and report any deviations, red flags, or discrepancies (e.g., inconsistent quantities, unusual frequency, or mismatched documentation) to the Compliance Officer for further review.
   - Maintain logs of all reviewed transactions, including approvals, rejections, Red Flag records and escalation records.
   - Ensure traceability of gold movement within the supply chain from receipt to refining and final dispatch.
   - Promptly report suspicious transactions or potential breaches to the relevant compliance officer and ensure that corrective actions are effective.
3. **Documentation and Record Management**
   - Maintain complete and accurate records of supply chain transactions, invoices, supplier declarations, Refinery purity certificate and related correspondence.
   - Ensure that transaction monitoring and supporting documents are readily retrievable for internal audit and EBC assurance reviews.
   - Support in preparing supply chain due diligence summaries for annual independent assurance as required under EBC membership obligations.
   - Ensure proper record-keeping of all compliance and due diligence documentation for a minimum of five (5) years.
4. **Coordination and Communication**

- Liaise closely with the Compliance Officer to share findings from transaction monitoring and escalate potential non-compliance cases.
- Coordinate with procurement, refining, and logistics teams to ensure that operational records align with supply chain traceability requirements.
- Communicate effectively with suppliers when additional information or clarification is needed on transactions or documentation.

5. **Training and Awareness**
   - Attend internal training sessions on responsible sourcing, due diligence, and EBC transaction monitoring requirements.
   - Support the Compliance Officer in promoting awareness among procurement and logistics staff regarding due diligence obligations.
6. **Confidentiality and Integrity**
   - Maintain strict confidentiality of supplier information, transaction details, and due diligence findings.
   - Uphold high standards of professional integrity, impartiality, and accuracy while reviewing supply chain data.
7. **Reporting and Accountability**
   - Reports To: Compliance Officer / Board of Directors
   - Scope: Supply Chain Monitoring for inward of Bullion Bars and recycled gold/ scrap received for refining.
   - Key Deliverables: Monthly Compliance dashboard, Transaction Monitoring Reports, Supplier Risk Alerts, Escalation Logs (Red- Flags if any).

10.5 Roles and Responsibilities – Compliance Committee

1. **Governance and Oversight**
   - Provide strategic direction and oversight for ethical sourcing and compliance with EBC Rules, OECD guidance, and UAE Ministry of Economy regulations.
   - Approve the appointment and ensure independence of the Compliance Officer and Supply Chain Officer.
   - Review and endorse the company's Responsible Sourcing Policy, Due Diligence Framework, and Risk Assessment Procedures.
   - Ensure management commitment and resources for EBC Good Delivery membership compliance.
2. **Ethical Sourcing and Supply Chain Integrity**
   - Oversee implementation of the Responsible Supply Chain Due Diligence System across the organization both for recycled supply chain and mined metal supply chain.
   - Ensure all Metal procurement activities comply with EBC ethical sourcing requirements and due diligence protocols of Sam Precious Metals.
   - Support the Supply Chain Officer in maintaining supplier traceability and data accuracy.
   - Promote sourcing only from legitimate and conflict-free suppliers.

3. **Transaction Oversight and Monitoring**
   - Review periodic supply chain monitoring reports shared by the Supply Chain Officer.
   - Evaluate transaction trends and identify potential red flags or anomalies.
   - Support the Compliance Officer in escalating significant supply chain risks.
   - Ensure all sourcing transactions are transparent, traceable, and documented as per EBC/OECD requirements.
4. **Coordination and Support to Compliance Functions**
   - Assist the Compliance Officer in implementing compliance controls and due diligence reviews.
   - Facilitate coordination between procurement, refining, logistics, and finance departments.
   - Ensure timely submission of records for internal/external audits (EBC or assurance reviews).
   - Participate in compliance review meetings and continuous improvement activities.
5. **Risk Identification and Mitigation**
   - Contribute to supplier and transaction risk mapping and assessment.
   - Review supplier risk classifications and recommend preventive actions.
   - Ensure mitigation measures identified by the Compliance Officer are effectively implemented.
6. **Reporting and Review**
   - Review periodic compliance dashboards and due diligence summaries.
   - Ensure progress reports on ethical sourcing and risk monitoring are submitted to top management.
   - Approve or recommend decisions on supplier onboarding, suspension, or termination.
7. **Training, Awareness, and Capacity Building**
   - Oversee the annual training calendar on EBC Rules, OECD due diligence, and ethical sourcing.
   - Ensure all relevant employees undergo periodic refresher training.
   - Promote a culture of ethical behaviour, transparency, and accountability.
8. **Record-Keeping and Confidentiality**
   - Ensure all committee deliberations, approvals, and reports are recorded and securely maintained.
   - Maintain confidentiality of supplier and risk assessment data.
   - Facilitate access to records during EBC or Ministry of Economy audits.
9. **Continuous Improvement**
   - Review audit outcomes and corrective action progress.
   - Recommend enhancements to due diligence systems and controls.
   - Benchmark against international best practices (LBMA, RJC, RMI).
10. **Committee Composition and Accountability**
    - Committee to include Compliance Officer, Supply Chain Officer, Head–Procurement/Refining, Finance Representative, and Management Representative.
    - Meet quarterly to review supply chain risks, compliance status, and EBC audit readiness.

- Maintain signed minutes for all meetings.

10.6 General Procedure

The AML/CFT/CPF Committee shall:

- To maintain a policy and procedure framework implementing Federal Decree-Law No. (10) of 2025, Cabinet Resolution No. (134) of 2025 and other applicable AML/CFT/CPF and responsible-sourcing requirements.
- To ascertain the proper implementation and effectiveness of the procedures and processes on fighting money laundering and terrorism financing operations within SAM Precious Metals.
- To prepare a staff training program on the methods of controlling financial and banking operations, in accordance with the control procedure guide, and with other legal and regulatory texts in force.
- To review periodically the above-mentioned procedures and processes, and to develop them in line with up-to-date methods and guidance on combatting of money laundering and financing of terrorism.
- To assess periodically the Company's approach to and results of risk identification, assessment and mitigation plans for the principal legal and regulatory compliance risks facing the Company.
- To prepare effective customer identification and due diligence program for onboarding a new customer as well as updating CDD throughout the relationship with the customer.
- To periodically review resources, systems, and tools available to the Compliance Officer and ensure that they are appropriate to the nature, size and complexity of the business.
- Review findings of internal audit and suggest necessary modifications to the Compliance Program.
- To review ongoing challenges / issues in implementation of the AML/CFT/CPF procedures and processes and ensure proper controls are in place.
- Take corrective / preventive actions if any gaps are identified.
- To discuss information about current and emerging legal and regulatory compliance risks and enforcement trends that may affect the Company's business operations, performance, or strategy.
- To review the reports submitted by the Compliance Unit on adopted procedures, unusual operations, and high-risk customers.
- To define the process to be followed by senior management team for approving business relationship with high-risk customers or executing the high-risk transaction by SAM Precious Metals.
- Discuss on developing internal programs focused on promoting an ethical culture within the organization.
- Review any data suggesting significant non-compliance involving any of the Company's officers. The Chief Compliance Officer will report to the Committee any data suggesting significant non – compliance that could affect the Compliance Program or the Company.
- Review on a regular basis the company's significant risk exposures or compliance violations and the steps that have been taken to monitor, correct and/or mitigate such violations or risks.
- Discuss the following areas and decide whether any actions need to be taken:
  - Updates on Sanctions.
  - Notices / Circulars received from Regulatory Authority.
  - Suspicious Activity Reports (SARs) raised.

- Enhanced CDD conducted.
- Training conducted and attendance records of the staff.
- Feedback / Queries received from Regulatory Authority.
- Pattern Analysis conducted.
- Any new risks associated with AML/CFT/CPF that is identified.

The ultimate responsibility for proper supervision, reporting, and compliance pursuant to AML/CFT/CPF shall rest with SAM Precious Metals and its Board of Directors.

10.7 Competence Required for the Compliance Officer and Supply Chain Officer

The Competences required for the compliance officer and supply chain officer shall be as follows:

1. **Competence of Compliance Officer:** The Compliance Officer is suitably qualified and experienced to oversee the AML/CFT/CPF framework in line with UAE regulations and Emirates Bullion Market Committee (EBC) requirements. The Compliance Officer holds a postgraduate qualification in a relevant discipline and has a minimum of five (5) years of hands-on experience in AML/CFT/CPF compliance within a regulated environment such as a bank, financial institution, or DNFBP, including the precious metals or bullion sector. The role holder demonstrates strong knowledge of UAE AML/CFT/CPF laws, Cabinet Decisions, MoE DNFBP Guidelines, and EBC expectations, with proven capability in customer and supplier due diligence, UBO verification, sanctions and adverse media screening, transaction monitoring, and suspicious activity reporting. The Compliance Officer applies a risk-based approach to financial crime screening, maintains auditable compliance records, supports regulatory inspections and audits, and operates with sufficient independence, authority, and professional judgment to escalate AML/CFT/CPF risks to senior management where required.
2. The compliance officer should be independent from the board of directors and should not have direct or indirect relationship with the management and supply chain partners.
3. **Competence of Supply Chain Officer:** The Supply Chain Officer is suitably qualified and experienced to manage bullion and precious metals supply chain activities in accordance with Emirates Bullion Market Committee (EBC) Responsible Sourcing expectations. The Supply Chain Officer holds a postgraduate qualification in a relevant discipline and has a minimum of five (5) years of relevant experience in bullion, precious metals, or mining supply chain operations. The role holder demonstrates practical understanding of gold supply chain structures, sourcing channels, logistics, and traceability requirements, and is familiar with key supply chain risks, including country-of-origin risk, recycled and mined material streams, use of intermediaries, and supply chain transparency challenges. The Supply Chain Officer supports the identification, assessment, and mitigation of supply chain risks and works in coordination with the Compliance function to ensure effective due diligence, responsible sourcing controls, and alignment with EBC requirements.

SAM Precious Metals shall appoint a Chief Compliance Officer, either in-house or outsourced, having a relevant experience in the field of AML/CFT/CPF and who will be responsible for the Compliance functions of the organization. The Chief Compliance Officer will be the authorized Money Laundering Reporting Officer (MLRO) of the company.

10.8 Appointment Procedure – Compliance Officer

1. The Compliance Officer shall be appointed by Senior Management through a formal approval process, ensuring independence from operational and commercial functions.
2. The appointed Compliance Officer shall meet the defined competence and fit-and-proper criteria, including relevant academic qualifications, minimum professional experience in AML/CFT/CPF compliance, and familiarity with bullion and precious metals sector risks, in line with EBC expectations.
3. Prior to appointment, the individual's qualifications, experience, and integrity shall be verified through documented review of credentials, employment history, and background checks.
4. The appointment shall be formally documented through an appointment letter or board/management resolution, clearly defining roles, responsibilities, authority, and reporting lines.
5. The Compliance Officer shall be granted sufficient authority, resources, and access to information to effectively discharge AML/CFT/CPF and responsible sourcing obligations.
6. Any change in the Compliance Officer position shall be subject to a handover process, ensuring continuity of compliance oversight and retention of records, in line with EBC and regulatory expectations.

11 INTERNAL AUDIT

SAM Precious Metals will appoint an internal auditor who will be responsible for independently assessing the effectiveness of the AML/CFT/CPF compliance and ensuring AML/CFT/CPF processes comply with regulatory and management requirements. The internal auditor will also play an important role in improving the controls by regularly tracking potentially identified weaknesses. Internal audit employees should have sufficient AML/CFT/CPF expertise and auditing experience. Internal audit function should be independent and have sufficient authority within the SAM Precious Metals to be able to perform the responsibilities with objectivity. The Internal Auditor should report to the AML/CFT/CPF Committee.

The Compliance Officer must not audit any control that he or she designed, runs or supervises.

11.1 AML/CFT/CPF-Related Responsibilities of the Internal Auditor

The AML/CFT/CPF-related responsibilities of the Internal Auditor should include:

- Regularly review AML/CFT/CPF program documents, including KYC, CDD, EDD policies, and procedures for handling suspicious transactions.
- The compliance team provides a monthly compliance dashboard to compliance officers and compliance committee members. An informal meeting is conducted for status check of compliance and if needed actions identified shall be reported to the senior management.
- The Frequency of internal audit is at a minimum once every six months, with results reported to senior management, however frequency may change based on business need or reporting of certain incidents in supply chain.
- Conducting testing of AML/CFT/CPF controls and processes carried out by both first and second lines of defense, such as KYC/CDD/EDD, training, suspicious-activity reporting, record keeping, and retention, among others;

- Conducting periodic evaluation of the SAM Precious Metals' AML/CFT/CPF risk assessment; and
- Following up on any remedial actions arising from independent audit or regulatory findings.

12 PURPOSE AND RATIONALE

The purpose of this Policy is to establish SAM Precious Metals' mandatory provisions, procedures and controls for Anti-Money Laundering, Combating the Financing of Terrorism and Combating Proliferation Financing. All relevant personnel must understand the Policy and promptly escalate AML/CFT/CPF concerns to the Compliance Officer or other designated reporting channel.

The rationale behind the Policy is unequivocally clear. SAM Precious Metals will only accept those Business Relationships:

- Whose sources of funds can be reasonably established as legitimate; and
- Who do not pose any risk (actual or potential) to SAM Precious Metals' reputation and commitment towards AML/CFT/CPF.

SAM Precious Metals will also ensure that all its staff are aware of the Policy and its contents, including the penalty for any non-compliance, and will not tolerate any involvement in illegal activities by its staff/management.

13 POLICY STATUS AND SCOPE

The provisions, procedures and controls detailed below are mandatory and shall apply to:

- All employees, regardless of their function or location of work;
- All clients, including Suppliers, Buyers, Sellers, Miners, Refiners, Financial Institutions, Gold & Precious Metals Trading Companies

Employees of SAM Precious Metals shall ensure that they adhere to the standards to comply with norms set forth by local as well as international regulatory authorities and to protect SAM Precious Metals and its reputation from being misused for any illicit activity.

Breach of the Policy by any SAM Precious Metals' employees, or affiliates shall constitute a disciplinary offence and SAM Precious Metals reserves the right to take any additional action as it, in its sole discretion, deems fit in securing the diligent and proper implementation and enforcement of this Policy.

If SAM Precious Metals, its personnel and/or premises are inadvertently used for money laundering or other illegal activities, SAM Precious Metals can be subject to potentially serious civil and/or criminal penalties. Therefore, it is imperative that every member, officer, director, and employee is familiar with and complies with the processes and procedures set forth in this Policy.

If any client of SAM Precious Metals is found to have violated any provisions of this Policy, then SAM Precious Metals may take any of the following measures:

- Warning;
- Temporary suspension of the operations of the Client's account;

- Termination of the Client's account;
- Reporting to the relevant Authorities.

14 RISK FACTORS OF SPECIFIC CONCERN TO SAM PRECIOUS METALS

As a Gold and Silver Refinery Company in the UAE, in addition to the generalized AML/CFT/CPF risk factors, there are several additional risks factors which SAM Precious Metals should be aware of and take into consideration while identifying and assessing the ML/FT risks to which it is exposed.

Some of these risk factors depend on the specific stage of the Gold and Silver (GS) supply chain, and the role of the dealer in regard to the business relationships associated with each stage. Other risk factors relate to the nature and type of the customer or transaction involved.

The FATF Mutual Evaluation Report of the UAE issued in April 2020 identified the precious metals and stones sector as highly important in terms of risk and materiality in the UAE.

- **Attractiveness to illicit finance.** The Precious Metals and Stones sector is an important part of the UAE's economy, and provides important, legitimate goods and services to the UAE population and global trading partners. Nevertheless, experience shows that these sectors offer services that are particularly attractive to illicit actors.
- **Facilitation of the international movement of value.** The Precious Metals and Stones sector allows individuals to move large values across international borders, sometimes with only minimal involvement from the formal financial system. For example, a courier carrying a valuable diamond can move millions of AED of value simply by taking a short international flight. In addition, the Precious Metals and Stones sector allows individuals to hold value in a form that retains value over time (such as gold) without having to maintain an account in the formal financial system. These facilities are useful to many legitimate businesses but are also highly sought-after by illicit actors.
- **Varying regulatory regimes.** The extent and nature of regulation on this sector varies widely between jurisdictions. In some jurisdictions, participants such as dealers in precious metals and stones (DPMS) are required to be licensed or registered, and to comply with AML/CFT/CPF requirements that are similar to those imposed on Licensed Financial Institutions. These include, at a minimum, the requirement to perform CDD on customers and to report suspicious transactions. Despite the existence of these requirements, however, sector participants are in many cases not closely supervised or monitored for compliance. Their understanding of their risk and of their compliance obligations may not be well- developed or accurate. In other jurisdictions, there are limited or no obligations placed on these actors, and they may not have any understanding of how they can be abused by illicit actors, or the steps they should take to protect themselves.

Subsequently, the FATF/MENAFATF Enhanced Follow-Up Report issued in 2023 noted that the UAE had strengthened its understanding of Money Laundering and Terrorist Financing risks through additional sectoral risk assessments, including the Dealers in Precious Metals and Stones (DPMS) sector, which was identified among the higher-risk sectors. The Report also noted the implementation of risk-based measures to mitigate the identified risks relating to the misuse of DPMS. Accordingly, the UAE's rating for assessing risks and applying a Risk-Based Approach was upgraded from Partially Compliant to Largely Compliant.

14.1 Stages Involved in the GS Supply Chain and Role of Dealers in Gold and Silver (DGS)

The trade in GS consists of a complex ecosystem or supply chain from extraction of the raw mineral to eventual sale to the final customer, in which numerous participants are involved. DGS may perform a wide variety of roles or functions relating to the trade in GS, and in order to understand these roles and the potential ML/FT risks they entail, it is necessary to have a basic understanding of the stages of the supply chain. It should be understood that the supply chains for different GS may have certain characteristics which are unique to that particular GS or category of GS. Furthermore, the supply chain is not necessarily a strictly vertical one, in that different participants may trade with each other in multiple directions at different stages of the chain, and certain stages may run concurrently or be skipped altogether. However, in general, these stages, and some of the major ML/FT risks to which each stage is vulnerable, may be simplified as follows:

Extraction / Production: In this stage, the raw minerals containing the GS are extracted, whether through mechanised industrial means (as in underground or open pit mining) or through artisanal methods (as in alluvial manual collection). This stage may also include the sorting and grading of raw minerals, and their preparation for sale. Key ML/FT risks at this stage include but are not limited to the infiltration of the extraction/production process by criminal or terrorist organisations; vulnerability of the supply chain to the introduction of illicit GS, or "commingling"; over-, under-, or false invoicing and accounting fraud. References to this type of fraud throughout this section include but are not limited to misrepresentations of quantity, quality/purity, origin, or price, and the substitution of GS with other (fake) materials, for the purpose of ML/FT. This stage is also vulnerable to numerous predicate offences, such as theft, embezzlement, smuggling, and bribery/corruption. Thus, the extraction/production process may be used as a vehicle for both the creation of and the laundering of illicit proceeds.

Trading in raw minerals: In this stage, raw ores are obtained from the extraction source and traded by dealers. This stage of the supply chain may also involve the export and import of raw ores. Moreover, the market for different types of raw GS may have different characteristics and regulatory regimes. For example, the gold trade in the UAE is strongly impacted by the requirements and compliance of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, RJC Code of practice, EBC Rules for Risk Based Due Diligence in the Gold Supply Chain, or LBMA Gold Guidance.

DGS may participate in this stage of the supply chain as traders of raw materials, either as importers, exporters, or as wholesalers or intermediaries in transactions between other physical or legal persons. Such transactions may take place on a direct party-to-counterparty basis, through tenders or auctions, or via electronic or internet exchanges.

This stage of the GS supply chain can be one of the most vulnerable to ML/FT risks, in that the number and variety of participants (including street vendors and regional dealers) can be high, and raw minerals may pass through numerous traders' hands before moving on to the next stage of the supply chain. Moreover, in the case of some categories of GS, operational, accounting, and fiscal controls can often be decentralised over multiple geographic regions and legal jurisdictions, making them vulnerable to exploitation by fraudsters, criminals, and terrorists. Key ML/FT risks include but are not limited to:

- Commingling or entry of conflict minerals into the supply chain, benefitting criminal or terrorist organisations;

- Infiltration of criminal or terrorist organizations among raw mineral traders;
- Prevalence of cash (or cash equivalent) transactions;
- Vulnerability to smuggling.

Beneficiation: In this stage of the GS supply chain, raw minerals are transferred to technically specialized intermediaries for purification and preparation for sale by various processes, such as refining/smelting in regard to precious metal ores. This stage can also include the recycling of existing GS (e.g., the re-smelting of precious scrap metals). DGS may participate in this stage of the supply chain as technical specialists (refiners, cutters, polishers, etc.), or as wholesalers, agents, buyers, or sellers trading with, or on behalf of, such specialists.

Key ML/FT risks at this stage include but are not limited to the obscuring of traceability of GS through the beneficiation process; trade-based ML; the prevalence of cash/cash-equivalent transactions; and vulnerability to commingling.

Wholesale Trade: In this stage, processed GS (that is, refined precious metals), as well as finished goods (that is, jewellery) are traded on a wholesale basis for a variety of purposes, and through diverse channels, some of which may entail the physical exchange of goods and others of which may be virtual in nature (for example, through certificates or various derivative products). These purposes may include but are not limited to transactions involving:

- Sales to manufacturers/fabricators (e.g. jewellers, factories) for use in various finished products or industrial processes;
- Sales to/from other wholesaler dealers/intermediaries or retail merchants for inventory, stockpiling, or speculation/trading;
- Sales related to Financial Institutions or commodity exchanges for trading or investment purposes.

DGS may participate in this stage of the supply chain as wholesale traders or intermediaries, as well as agents/buyers/sellers on behalf of industrial and retail end users.

Key ML/FT risks at this stage include but are not limited to commingling, trade-based ML, and other known typologies and methods associated with placement, layering and integration.

Retail Trade: In this stage, beneficiated GS or finished goods (in particular jewellery fabricated from GS) are sold to, or acquired from, retail customers in the primary or secondary markets. DGS involved in this stage are usually retail merchants involved in selling or buying directly to/from the public. This stage is particularly vulnerable to ML/FT risks connected with commingling, as well as to the classic ML/FT risks associated with placement, layering and integration, and to predicate offences such as fraud, theft and robbery or embezzlement, among others.

14.2 Risks of Precious Metals and Stones

The characteristics of precious metals and stones make them uniquely appropriate as media to store, transfer, and exchange value:

- Precious metals and stones are generally compact, durable, odorless, and of high value.
- Certain metals and stones (e.g., gold or diamond) are widely accepted as a method of exchange or currency.
- Precious metals and stones retain their value over time and have roughly the same value all over the world.

In addition to these properties, precious metals and stones have characteristics that make them particularly attractive to criminals seeking to launder funds and others engaged in illicit behaviour:

- Differentiating precious metals and stones often requires laboratory techniques, so it can be difficult or impossible to trace their movement;
- Precious metals and stones can be transformed (through re-cutting or recycling) into different objects while retaining their value, interrupting known custody and transfer chains;
- Purchase, sale, and exchange of precious metals and stones often takes place outside the formal financial system.

For these reasons, DPMS may be targeted by illicit actors seeking to abuse their services and exploit the advantages of precious metals and stones. Although the majority of transactions involving DPMS are legal, these businesses may trade in items that could be the proceeds of crime, purchased with the proceeds of crime, and/or used to launder the proceeds of crime, unknowingly or complicitly.

14.3 Features of DPMS that Increase Risk

Not all DPMS pose equal risk. A DPMS is likely to be considered higher risk when it provides products or services that are attractive to illicit actors, has operations in high-risk jurisdictions, or does not apply appropriate anti-money laundering/combatting the financing of terrorism (AML/CFT/CPF) controls.

Regulatory Environment

In many jurisdictions, DPMS are not required to comply with requirements related to identification of customers and reporting suspicious activities. In other jurisdictions, these requirements are nominally in place, but DPMS are not subject to effective supervision and enforcement. Even in a jurisdiction that imposes and enforces such requirements, they frequently apply only to DPMS that engage in cash transactions above a certain value threshold. Where DPMS are unregulated or under-regulated, they are unlikely to be taking effective measures to protect themselves from abuse.

In contrast, an effective AML/CFT/CPF framework and supervisory regime for DPMS can protect DPMS by effectively imposing AML/CFT/CPF requirements and by detecting, deterring, and prosecuting ML/TF crimes. It is important to note that certain DPMS in the UAE are required to comply with all requirements of the UAE AML/CFT/CPF legislation, including the requirement to perform Customer Due Diligence (CDD) and report suspicious transactions.

Products, Services, and Delivery Channels

Products, services, and delivery channels that facilitate the rapid, efficient, anonymous movement of value on a large scale will be more attractive to illicit actors and may put a DPMS at a higher risk of abuse. Such products, services, and delivery channels may include:

- Products (such as bullion and uncut stones) that are particularly hard to trace, retain or even increase in value despite being transformed into new forms (melted down, re-cut, etc.), and offer high value by weight.
- Services, such as metal accounts, that allow customers to rapidly purchase and sell precious metals or stones.
- Delivery channels that allow transactions to be carried out quickly and anonymously, such as accepting cash or virtual assets and conducting transactions online or through intermediaries.

Customer Base

The types of customers that a DPMS serves can also impact risk. For example, a DPMS that primarily deals with PEPs may be higher risk than one that serves a lower-profile clientele.

Geography

DPMS may be based, or may trade internationally, in jurisdictions that are higher risk for money laundering, the financing of terrorism, and the financing of proliferation. Such DPMS may pose heightened risk. Higher-risk jurisdictions may be characterized by:

- A low level of government oversight and regulation of the precious metal and stone value chain;
- Low economic and political stability;
- High use of the informal banking system;
- High levels of corruption;
- The presence of terrorist and other non-state armed groups;
- Weak border control measures; and/or
- Sanctions and embargoes

14.4 Typologies

Precious metals and stones may be involved in a wide variety of illicit finance schemes. The following are some of the most common.

1. **Illegal mining or mining supported by the proceeds of crime**

In jurisdictions where precious metals or stones are mined, illicit actors may operate small-scale 'artisanal' mines without receiving a license or paying taxes to the state. The products of these mines are then exported to a refining or cutting hub for processing into saleable goods, like gold bullion and cut stones.

In many cases, criminal organizations control a mine or a network of small-scale miners. They may invest the proceeds of other illegal activities, such as drug trafficking, into the illegal mines and take the majority share of the resulting production as a return on investment. When the resulting precious metals or stones are processed, the criminal organization can sell them on world markets. The proceeds fund further illicit activities and may also support terrorism.

2. **Use of precious metals and stones in sanctions evasion**

The tradable nature, liquidity, wide availability, and anonymity of precious metals and stones have made them popular with individuals, organizations, and governments seeking to evade sanctions imposed by the United Nations or other jurisdictions. This activity may involve mining precious metals or stones under the control of the sanctioned person; the resulting products are then injected into legal trade using front companies and complicit DPMS, earning money for the sanctioned group. Or sanctioned actors may use precious metals and stones to disrupt a transaction chain involving the formal financial system and thus hide their interest in a transaction.

3. **Evasion of duties on precious metals and stones**

Precious metals and stones are often the subject of heavy customs duties and other taxes. As a result, illicit actors will frequently seek to smuggle these goods from high-tax to low-tax jurisdictions or may declare artificially low values for the goods by misrepresenting their quality or purity.

4. **Trade-based money laundering (TBML)**

The value of precious metals and stones varies highly based on their quality and purity, features which may not be apparent to the naked eye. In addition, the value of certain precious stones, particularly diamonds, can differ for different non-industry customers based on their personal preferences. This makes precious metals and stones particularly vulnerable to TBML, in which illicit actors use supposedly or actually licit trade to hide illicit finance. This can take a variety of forms:

- **Trading the same goods:** Goods, often precious stones, are traded repeatedly between co-conspirators to justify funds transfers between members of a criminal network, or between companies owned by the same individual(s). In these schemes, a single precious stone may be repeatedly sold between members of the network, or a single stone may be sold to multiple "purchasers" at the same time, each time with a different description.
- **Inflation or deflation of value:** The value of traded stones is inflated or deflated to provide justification for cross-border transfers. A merchant may sell low-value precious metals or stones to a purchaser, but invoice for higher-quality goods and thus a higher sum. The purchaser pays the full invoice price, justifying the transaction to financial institutions, and also receives illicit goods such as drugs or smuggled items.

5. **Use of precious metals and stones as security for fraudulent loans**

In a typology that is often related to TBML, precious metals or stones may be repeatedly sold or falsely valued between members of a network in order to justify loans and other forms of financing.

14.5 ML/TF/PF Risks to be Considered by SAM Precious Metals

When required to apply AML/CFT/CPF measures, SAM Precious Metals, acting in any of the roles mentioned above, should carefully consider factors such as customer risk, geographic risk, channel risk, and product, service, and transaction risk. In particular, consideration should be given to such factors as:

- Counterparty/customer type, complexity and transparency (e.g. whether the counterparty or customer is a physical person, a legal person or a legal arrangement; if a legal person or arrangement, whether part of a larger, more complex group; and whether there is any association with a PEP) – particularly in relation to whether the party appears to be acting on their own or at the behest of a third party, and whether their knowledge and experience level in regard to the product or service and transaction type is appropriate;
- Country of origin of the GS—particularly in relation to whether the country is a known production or trading hub for the type of GS; has adequate regulations and controls; is a High-Risk Country (e.g. is subject to international financial sanctions, has a poor transparency or corruption index, or is a known location for the operation of criminal or terrorist organisations).
- Country of origin or residence status of the counterparty or customer (whether a UAE national or a foreign customer, and in the case of the latter, whether associated with a High-Risk Country)— particularly in relation to the locations where the transaction is conducted, and the goods are delivered.

- Channel by which the counterparty/customer is introduced (e.g. referrals versus walk-in, international versus domestic, in-person or via the internet or other media) and communicates (e.g. remote or personal contact, direct or indirect through a proxy).
- Type, nature and characteristics of the products and/or services, including but not limited to quantity, quality/level of purity, price/value, form (whether physical or virtual, raw or processed/finished, etc.), rarity, portability, potential for anonymity.
- Type, size, complexity, cost and transparency of both the transaction (including whether the physical or virtual exchange of merchandise is involved) and the means of payment or financing—particularly in relation to whether they appear to be consistent with the counterparty or customer's socio-economic profile, local market practices, and the degree of expertise required.
- Novelty or unusual nature of the transaction or financial arrangements (including, for example, requirements to expedite the transaction beyond what is customary, unusual delivery requirements, or unusual requests for secrecy), particularly compared with what is normal practice in the local market.

The following risks must each be assessed and documented separately, and not only as part of an overall risk score:

- **Proliferation financing risk:** links to sanctions, dual-use goods, unclear intermediaries, front companies, unusual trans-shipment, or countries and persons connected with proliferation.
- **Onboarding and delivery channel risk:** non-face-to-face onboarding, use of intermediaries, agents or introducers, digital platforms, and reliance on third parties.
- **Transit route risk:** shipments passing through CAHRAs or sanctioned or high-risk countries, unexplained long distances, or routes that do not match the declared origin or destination.
- **Recycled and scrap gold risk:** source material that cannot be verified, descriptions that do not match the material, unusual purity, suppliers without the capacity to support the volumes, and weak supplier due diligence.
- **Supplier activity and behaviour risk:** changes over time in volumes, values, frequency, payment methods, origin, routes, counterparties or weight and purity, and activity that does not match the supplier's declared financial or operational capacity.
- **Social risk:** child labour, forced labour, human trafficking, unsafe working conditions, discrimination, serious human rights abuses, exploitation of workers or local communities, and support to non-state armed groups.
- **Environmental risk:** illegal mining, pollution, poor handling of waste or hazardous materials, missing environmental permits, and serious environmental violations linked to mining, recycling, refining or other supply chain activities.

14.6 Sourcing from Conflict-Affected and High-Risk Areas (CAHRAs)

If precious metals come from, are bought from or pass through a Conflict-Affected and High-Risk Area (CAHRA), or have any other material link to a CAHRA, the supply chain is treated as high risk and Enhanced Due Diligence (EDD) must be carried out.

EDD will include, where relevant:

- Identifying and verifying the supplier, its UBOs, authorised signatories and relevant upstream parties.

- Verifying the country and source of origin of the metal (mine details for mined material and source details for recycled material).
- Reviewing the supplier's business and financial information, licences, import and export permits, AML/CFT/CPF controls, responsible sourcing practices and the purpose of the business relationship.
- Reviewing chain of custody and traceability records, transport routes, shipping documents, and assay and weight records, and checking that the material matches the supplier's profile.
- Assessing the risk of sanctions, terrorist financing, proliferation financing, bribery and corruption, serious human rights abuses, support to armed groups, involvement of security forces, and other responsible sourcing risks.
- Reviewing, where relevant, taxes, royalties and other payments made to government authorities, security forces or other parties in the supply chain.
- Visiting the mine, source or supplier site where the responsible sourcing rules require it, to confirm the KYC information and assess the risks.

Transactions involving CAHRA exposure shall be subject to enhanced monitoring. This shall include review of transaction volumes, type and concentration of material, transportation routes, invoices, shipping records, assay results, weights and other supporting documentation. Where material inconsistencies or suspicions are identified, the material may be segregated and secured pending investigation and resolution

The Compliance Officer and/or Senior Management shall review and approve high-risk relationships in accordance with the Company's risk-based approach. Where the identified risks can be mitigated, SAM Precious Metals shall establish and monitor a documented risk-mitigation or improvement plan with measurable actions and periodic reassessment. Where the risk requires temporary suspension, the relationship or transaction shall remain suspended until satisfactory mitigation is demonstrated. Where EDD identifies Money Laundering, Terrorist Financing, serious human-rights abuses, direct or indirect support to illegitimate non-state armed groups, fraudulent misrepresentation of origin, or other risks that cannot be adequately mitigated, SAM Precious Metals shall reject, suspend or terminate the relationship or transaction, as applicable, and make any required regulatory report.

All due-diligence assessments, supporting evidence, approvals, site-visit reports, mitigation measures, monitoring performed and decisions taken shall be documented and retained in accordance with the Company's responsible-sourcing, AML/CFT/CPF and record-keeping requirements.

Reference: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition – Supplement on Gold, Steps 2 and 3; and LBMA Responsible Gold Guidance Version 9 – Sections 2.1, 2.2, 2.3 and Step 3.

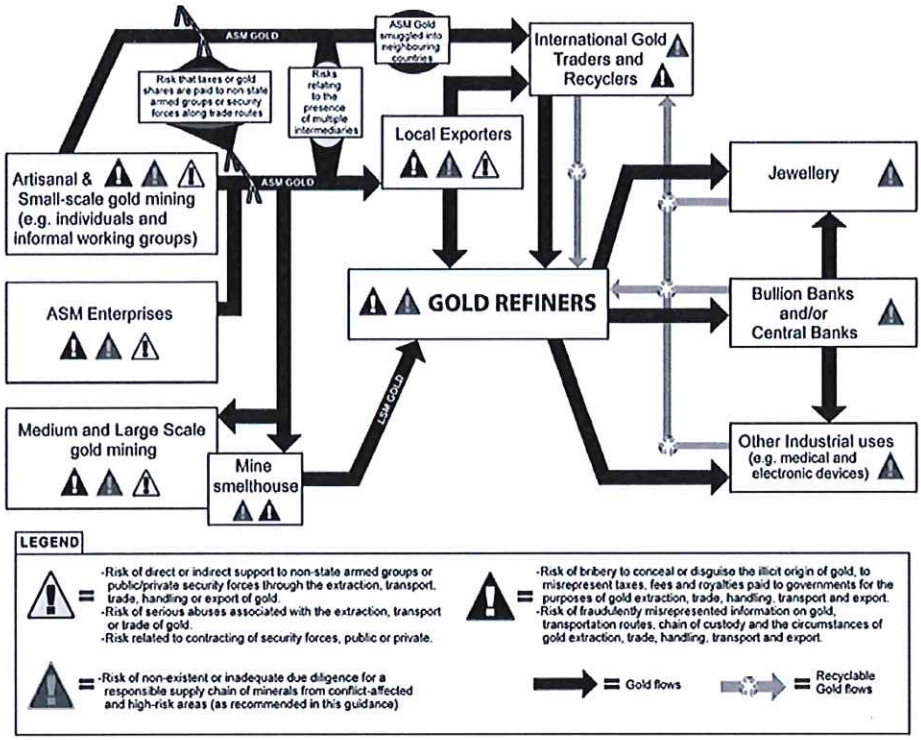


Figure: Risks in the supply chain of gold from conflict-affected and high-risk areas. Source: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

15 KEY RISK INDICATORS

SAM Precious Metals tracks the following Key Risk Indicators (KRIs). If a KRI is triggered, the escalation action shown below must be taken and recorded in the compliance dashboard.

#	Key Risk Indicator (KRI)	Objective	Escalation Action	Reporting Frequency
1	Clients / Suppliers from High-Risk Jurisdictions (HRJ)*	Clients / Suppliers incorporated or operating in high-risk jurisdiction	Mandatory EDD; Senior Compliance approval	Upon Onboarding and change in Risk
2	Missing or Expired KYC Documents	Supplier with expired mandatory KYC documents > 30 days	Freeze supplier account and halt new shipments until records are updated.	Immediate
3	Supplier Refusal to Provide Information	Delay or refusal exceeding 30 business days	Escalation and rejection of the potential customer / active customer	Monthly
4	Unverified Source of Funds / Wealth	Inability to verify SOF/SOW satisfactorily	Escalation to MLRO; reject the potential client and halt the onboarded client	Immediate

#	Key Risk Indicator (KRI)	Objective	Escalation Action	Reporting Frequency
5	Negative Media	(i) Allegations; (ii) Found guilty	(i) Enhanced monitoring, risk reassessment and temporary hold on the active client. (ii) Reject / close the application and report SAR / STR.	Immediate
6	Sanctions Exposure	Direct or indirect sanctions linkage identified	Immediate escalation to MLRO and file SAR	Immediate
7	PEP Exposure	Identification of undeclared or newly identified PEP involvement	Mandatory EDD and management approval	Immediate
8	Third-Party Payments	Payment received from unrelated third party	Management approval required; shipment to be rejected	Immediate
9	Gold Origin Mismatch	Supplier declaration inconsistent with shipping/trade documents or Missing origin, mine, exporter, or chain of custody documentation	Immediate compliance investigation & Transaction hold pending clarification	Immediate
10	Smuggling / Illicit Trade Indicators	Indicators of unofficial export routes, hand-carry activity, or customs inconsistencies	Immediate escalation and transaction suspension	Immediate
11	Suppliers Without Independent Audit	Mined suppliers not independently audited within required cycle	Escalation to Senior Management	Quarterly
12	Regulatory Inquiries or Customs Issues	Law enforcement, customs, or inquiry involving supplier / client	Immediate escalation to Senior Management	Immediate
13	Unusual Transaction Volume Increase	Transaction volume increases exceeding 30% from historical average without justification	EDD review and source verification	Immediate
14	Discrepancies in Weight/Purity/Origin	An unexplained mismatch identified during shipment review	Transaction suspension pending investigation	Immediate
15	Cash Transactions	Cash transactions exceeding 25% of the business or showing structuring indicators	Compliance review and STR consideration	Immediate
16	Cumulative Supplier Activity Deviation	Rolling 3-, 6- or 12-month value, volume or frequency exceeds the approved profile or historical baseline by the defined threshold without satisfactory explanation	Event-driven risk reassessment, EDD, documented variance analysis and Senior Management escalation where material	Monthly / Event-driven

#	Key Risk Indicator (KRI)	Objective	Escalation Action	Reporting Frequency
17	Recurring Weight or Purity Variances	Two or more unexplained discrepancies, or an adverse trend, within a rolling 90-day period	Hold affected shipment, root-cause analysis, corrective action, supplier risk-rating update and possible on-site review	Per shipment / Monthly trend
18	Transit Route / CAHRA Exposure	Shipment passes through a high-risk area, sanctioned jurisdiction, unexplained third country, or route inconsistent with declared origin/destination	Transaction hold, route verification, enhanced supply-chain due diligence and management approval	Per shipment
19	Proliferation Financing Indicators	Potential designated-party linkage, dual-use concerns, opaque intermediaries, unusual trans-shipment or other PF indicator	Immediate compliance escalation, sanctions/TFS review, EDD and STR/SAR consideration	Immediate
20	Screening Alert Ageing	Potential sanctions, PEP or adverse-media alert remains unresolved before onboarding or transaction execution	Do not onboard or process transaction until documented investigation and authorised closure	Immediate / Weekly ageing
21	Supplier Capacity Mismatch	Cumulative purchases, declared production or supplied material are inconsistent with verified financial or operational capacity	Financial/operational assessment, upstream verification, on-site visit or independent evidence and risk reassessment	Monthly / Quarterly

** High-Risk Jurisdictions (HRJ) are countries identified as CAHRAs or on the FATF list of jurisdictions under increased monitoring (grey list).*

16 PROCEDURES AND CONTROLS (GENERAL)

SAM Precious Metals shall establish and implement internal controls designed to prevent and detect Money Laundering, Financing of Terrorism and Proliferation Financing. This Policy forms part of the Company's AML/CFT/CPF control framework and shall be supported by documented procedures, forms, risk matrices, monitoring rules and escalation records.

Such procedures shall, among other things, ensure that all stakeholders are aware of the provisions of the law, its implementing rules, and regulations, as well as all reporting and control procedures established by SAM Precious Metals and the supervising authority.

SAM Precious Metals shall see to it that their respective policies and procedures for dealing with AML/CFT/CPF are clearly set out and reflected in their operating manual.

The Procedures & Controls are as follows:

- Identification, Verification and Know-Your-Customer ("KYC")
- Updating of KYC information

- Activity Monitoring
- Reporting of Suspicious Activities
- Training and Awareness
- Record Keeping

Detailed information on the above procedures is provided in the succeeding sections.

17 NEW PRODUCTS, DELIVERY MECHANISMS AND TECHNOLOGIES

Before launching or making a major change to any product, service, business practice, delivery channel or technology (for example, a digital onboarding tool, a screening or monitoring system, an API, an automated decision tool or any use of virtual assets), SAM Precious Metals must carry out and document an ML/TF/PF risk assessment.

The assessment must be completed before launch or use. It must cover customer and supplier risk, product and transaction risk, delivery channel risk, country and sanctions risk, data quality, system limits, cyber security, privacy, outsourcing, audit trails, override controls, business continuity, alert handling and regulatory requirements.

The Compliance Officer must approve the risk assessment and the controls needed. Major or high-risk changes also need Senior Management approval. The controls must be checked within an agreed period after launch, and again whenever a serious weakness or incident is found.

Reference: Cabinet Resolution No. (134) of 2025, Article (24), Clause (10).

18 PERIODICAL REVIEW

This Policy, the Enterprise-wide risk assessment, supplier/customer risk methodology, KRI thresholds, screening procedures, transaction-monitoring scenarios and Risk Control Plan shall be formally reviewed at least annually. An event-driven review shall also occur promptly following a material regulatory change, audit or inspection finding, new product or technology, material change in business model or supply base, change in ownership/UBO/management, licence or jurisdiction, sanctions or adverse-media event, material increase in transaction value/volume/frequency, unusual route or payment change, recurring shipment discrepancy, significant incident, or other emerging risk indicator. Each review shall be documented, approved by Senior Management and reflected in the change log.

Approved changes shall be communicated to relevant employees and stakeholders, and additional training or procedural guidance shall be provided where the amendments affect their roles or responsibilities. The Compliance Department shall retain the review records, approval evidence, previous policy versions and evidence of communication in accordance with the Company's record-retention requirements.

19 IDENTIFICATION, VERIFICATION AND KNOW-YOUR-CUSTOMER

Identification (ID), Verification (VR), and Know-Your-Customer (KYC) are effective defense against laundering money and/or financing of terrorism and together form the first key step in the Procedures and Controls. Carrying out of ID, VR and KYC procedures are mandatory.

SAM Precious Metals shall establish, document, and maintain a written identification, verification, and KYC program, (hereinafter referred to as "Customer Identification Program") appropriate for its size and business that, at a minimum, includes each of the requirements under KYC Checklist. The Customer Identification Program shall be part of the SAM Precious Metals' AML/CFT/CPF compliance program.

SAM Precious Metals shall obtain and record competent evidence of the true and full identity of the client, Ultimate Beneficial Owner, representative capacity, domicile, legal capacity, occupation, or business purposes of clients, as well as other identifying information on those clients, whether they be occasional or usual, 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 client may be accepted, rejected, or more information may be required.

Clients should be made aware of the SAM Precious Metals' explicit policy that business transactions will not be conducted with applicants who fail to provide competent evidence of their activities and identity, but without derogating from SAM Precious Metals' legal and ethical obligations to report suspicious transactions. Where initial verification fails to identify the applicant or gives rise to suspicious that the information provided is false, additional verification measures should be undertaken to determine whether to proceed with the business. Details of the additional verifications are to be recorded.

If during the business relationship, SAM Precious Metals has reason to doubt (i) the accuracy of the information relating to the customer's identity; or (ii) that the customer is the beneficial owner; or (iii) the intermediary's declaration of beneficial ownership; or (iv) if there are any signs of unreported changes, SAM Precious Metals shall take further measures to verify the identity of the customer or the beneficial owner, as applicable. Such measures may include the following:

- referral of names and other identifying information to criminal investigating authorities; and
- review of disciplinary history and disclosure of past relevant sanctions.

The Customer Identification Program must include procedures for responding to circumstances in which the Compliance Monitoring Team cannot form a reasonable belief that it knows the true identity of a customer. These procedures should describe, among others, the following:

- When SAM Precious Metals should not do business with a client
- The terms under which a customer may conduct business transactions while SAM Precious Metals attempts to verify the customer's identity
- When SAM Precious Metals should file a Suspicious Activities / Transaction Report

The Customer Identification Program must include procedures for providing customers adequate notice that SAM Precious Metals is requesting information to verify their identities.

In rare events or incidences where a Customer fails to provide adequate KYC information or appears hesitant/unwilling to provide information as required to establish adherence to KYC norms, SAM Precious Metals shall not proceed with a transaction for such a Customer and flag the case as a High-Risk customer. Such cases are marked for reporting to the Regulator through Suspicious Transaction Report (STR), and for increased monitoring.

20 CUSTOMER ONBOARDING

As a policy, SAM Precious Metals only conducts business with corporate customers. However, there are indirect business relationships with individuals who are members of corporate customers of SAM Precious Metals.

The onboarding process depends on the type of business relationship and the services the customer will use, such as refining, assaying, melting, minting or other approved precious metals services.

20.1 Corporate Customers

1. Before establishing a business relationship, a company search and/or other commercial inquiries shall be made to ensure that the corporate/other business applicant has not been, or is not in the process of being dissolved, struck off, wound-up or terminated. In case of doubt as to the veracity of the corporation or identity of its directors and/or officers, or the business or its partners, a search or inquiry with relevant Supervising Authority/Regulatory Agency shall be made.
2. SAM Precious Metals employs an internal digital KYC onboarding and compliance management system called "Keepstar" to streamline the onboarding, verification, screening, review, and continuous monitoring of customers. The digital KYC onboarding system is designed to improve the effectiveness of the Company's AML/CFT/CPF compliance framework by providing a centralized, secure digital environment for collecting, storing, verifying, and monitoring customer due diligence documentation and information
3. Through the digital KYC onboarding platform, prospective customers are required to electronically submit their KYC information, corporate documents, identification documents, declarations, questionnaires, and supporting documentation as part of the onboarding process.
4. The system supports the Company's compliance work, including:
    - Digital customer onboarding and KYC data collection
    - Collection and secure storage of customer documentation
    - Verification and review of corporate and individual KYC information
    - Risk classification and customer risk assessment
    - Screening against sanctions lists, Politically Exposed Persons ("PEPs"), adverse media, and watchlists
    - Monitoring of document validity and expiry dates
    - Tracking of pending, missing, or expired documentation
    - Maintenance of customer profiles and transaction-related information
    - Periodic KYC review and ongoing monitoring processes
    - Audit trail and record retention functionalities
    - Internal compliance approvals and workflow management

- The system assists the Compliance Department in ensuring that customer onboarding is conducted in accordance with applicable UAE AML/CFT/CPF laws and regulations, internal policies and procedures, and responsible sourcing obligations.

Access to the Keepstar system is restricted to authorized personnel only and is subject to internal information security, confidentiality, and data protection controls.

SAM Precious Metals shall obtain from all corporate customers the following information:

- Incorporated name and Trade name
- Valid Trade/Business License and Certificate of Incorporation
- Shareholders (to include 'active', 'silent', 'nominee' or 'sleeping' partners).
- Ultimate Beneficial Owners (the Beneficial Owner shall be any natural person who ultimately owns or controls the Legal Person, whether directly through a chain of ownership or control or by other means of control such as the right to appoint or dismiss the majority of its Directors, 25% or more of the shares or 25% or more of the voting rights in the Legal Person).
- Managers (That person having day-to-day control of the company if not a shareholder/partner).
- Authorised Signatories.
- Passport of All shareholders, Ultimate beneficial owners, Managers, Signatories, Power of Attorney holders.
- National Identity Document of Shareholders, Ultimate Beneficial Owners, Managers, Signatories (Emirates ID, if a customer is a resident/citizen of UAE).
- Memorandum and Articles of Association or equivalent constitutional documents
- Power of Attorney (if applicable).
- Proof of physical business address (such as tenancy contract or utility bill)
- Business activities (type and volume).
- Source of funds and wealth information and supporting documentation
- Latest Audited Financial Statements / Auditor's letter detailing profits of the company
- Corporate bank account details and banking references, where applicable
- AML/CFT/CPF Policy and Responsible Sourcing / Supply Chain Policy, where applicable
- Tax registration documents, import/export licenses, or other regulatory approvals, where applicable

Note: The above list is a summary of the information required. A detailed checklist is attached in Appendix A.

20.2 Individual Members of Corporate Customers

SAM Precious Metals shall obtain from all individual members of corporate customers, including shareholders, beneficial owners, directors, managers, authorised signatories, power of attorney holders, and other key managerial people, the following information:

- Individual's full name (as per passport)
- Date and place of birth
- Nationality
- Passport Number

- National Identity Document (Emirates ID, for UAE nationals / resident)
- Physical Address (residential and business / home country and UAE)
- Contact details
- Detailed CV
- Declaration regarding Beneficial Ownership, that is, the person who has ultimate ownership or entitlement over funds
- Whether customer is Politically Exposed Person (PEP) or Close Associate of a PEP

Note: The above list is a summary of the information required. A detailed checklist is attached in Appendix B.

20.3 KYC – Trusts & Foundations (Brief Checklist)

Legal & Purpose

- Legal name and type of Trust / Foundation
- Country of establishment and governing law
- Registered address
- Purpose and nature of activities

Key Parties

- Identification of settler / founder
- Identification of trustees / council members
- Identification of beneficiaries (named or class)
- Identification of protector or controllers (if any)

Beneficial Ownership

- Declaration of ultimate beneficial owner(s)
- Description of control structure

Authorisation

- List of authorised signatories
- Trustee / board resolution or power of attorney

AML, PEP & Sanctions

- Sanctions and adverse media screening
- PEP status confirmation for all key parties

Ongoing Review

- Risk classification and EDD where required
- Periodic KYC review and transaction monitoring

20.4 Customer's Supplier Due Diligence

Due diligence shall be conducted on the Customer's Supplier ("Customer's Customer") to identify and verify the true origin, source, and legitimacy of the precious metals supplied through the Customer. The Company shall obtain relevant documentation either directly from the supplier or through the Customer, in line with applicable AML/CFT/CPF laws, OECD Due Diligence Guidance, LBMA Responsible Sourcing Guidance, and other responsible sourcing requirements.

20.4.1 Mined Precious Metals

For suppliers dealing in mined precious metals, the following documentation shall be obtained where applicable:

- Valid Business/Trade License and Certificate of Incorporation
- Memorandum and Articles of Association (MOA/AOA) or equivalent constitutional documents
- Certificate of Share Capital or equivalent ownership document
- Shareholding structure and details of Directors, Shareholders, and Ultimate Beneficial Owners (UBOs)
- Taxpayer Identification Number (TIN/TPIN) Certificate
- Import/Export License or equivalent authorization
- Registered business address proof (latest utility bill, tenancy contract, or equivalent)
- Valid passport, national identification document, and proof of address for all Directors, Shareholders, Authorized Signatories, and UBOs
- AML/CFT/CPF Policy and Supply Chain / Responsible Sourcing Policy
- Mining license, mining concession, exploitation agreement, or mining permit
- Mining site details and operational information
- Environmental and social impact reports
- Due Diligence Report, Independent Supply Chain Audit Report, or On-Site Visit Report
- LBMA Mined Gold Questionnaire
- Source of Funds and Source of Wealth documentation for high-risk suppliers, where applicable

20.4.2 Recycled Precious Metals

For suppliers dealing with recycled precious metals, the following documentation shall be obtained, where applicable:

- Valid Business/Trade License and Certificate of Incorporation
- Memorandum and Articles of Association (MOA/AOA) or equivalent constitutional documents
- Certificate of Share Capital or equivalent ownership document
- Shareholding structure and details of Directors, Shareholders, and Ultimate Beneficial Owners (UBOs)
- Taxpayer Identification Number (TIN/TPIN) Certificate
- Import/Export License or equivalent authorization
- Registered business address proof (latest utility bill, tenancy contract, or equivalent)

- Valid passport, national identification document, and proof of address for all Directors, Shareholders, Authorized Signatories, and UBOs
- AML/CFT/CPF Policy and Supply Chain / Responsible Sourcing Policy
- LBMA Recycled Gold Questionnaire
- Invoices, purchase records, and supporting documentation evidencing recycled source, where applicable
- Due Diligence Report or On-Site Visit Report, where applicable
- Source of Funds and Source of Wealth documentation for high-risk suppliers, where applicable

The Company reserves the right to request any additional documentation or information deemed necessary to complete the due diligence assessment and to comply with applicable regulatory and responsible sourcing obligations.

In the event SAM Precious Metals, after screening and conducting the risk assessment, rejects or declines onboarding of any of its prospective customers and its suppliers with the prior approval of the Senior Management, the rejection of such customers and its suppliers shall be documented, and a separate record/register of such rejected customers shall be maintained. This record should specifically include and mention the reason for rejection.

21 KYC PROCESS

SAM Precious Metals maintains clear customer acceptance policies and procedures, including a description of the types of customers that are likely to pose a higher risk than average risk. Before accepting a potential client, KYC and due diligence procedure are followed, by examining factors such as customers' background, country of origin, public or high-profile position, business activities or other risk indicators.

KYC is to be carried out according to the mandatory Customer KYC checklist:

- Corporate KYC Checklist (Refer to Appendix A)
- Individual Members of Corporate Client KYC Checklist (Refer to Appendix B)

SAM Precious Metals shall conduct KYC and CDD procedure when:

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

If the customer is unable to comply with these requirements, SAM Precious Metals should:

- Not open the account, commence business relations, or perform the transaction.
- Terminate the business relationship.

- Consider filing a suspicious-transaction report in relation to the customer.

SAM Precious Metals is strictly forbidden to do business with shell companies. Shell companies shall mean an institution that has no physical presence in any country, no active business and which merely exists on paper.

An integral part of the KYC process is the carrying out of customers screening and relative risk assessment. Screening ensures that a customer 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 customer.

When conducting the KYC process, there shall be no reliance on third party information or "hearsay". For applicants introduced to SAM Precious Metals by a third party, SAM Precious Metals must carry out and perform all identification, verification, and KYC procedures.

It should be borne in mind that KYC is more than a procedure and is a discipline that is to be encouraged and developed. For example, KYC should become second nature so that in addition to the foregoing, any significant information related to the customer obtained during meetings, telephone discussion, visits, online search, etc. and which is deemed to be relevant for the purposes of the Policy should be recorded. Fresh due diligence should be undertaken, especially if it appears that the veracity or accuracy of previous information is doubted.

22 DETAILED PROCEDURE

22.1 Supplier Onboarding Procedure (AML/CFT/CPF Compliant)

22.1.1 Initiation of Supplier Onboarding

All new suppliers of precious metals or related materials shall undergo formal onboarding prior to commencement of any business relationship. No transaction shall be conducted until onboarding is completed and approved.

22.1.2 Supplier Identification & Documentation

Supplier identification and documentation requirements shall be applied with reference to the applicable KYC Checklists and Procedures (see Section 20 and Appendices A and B). The Compliance Team shall collect and verify the following:

- Legal name, registration number, and trade license
- Registered address and country of incorporation
- Ownership structure and identification of Ultimate Beneficial Owners (UBOs)
- Authorized signatories and key controlling persons

22.1.3 Risk Assessment

Each supplier shall be assessed using a risk-based approach, considering:

- Country of operation and jurisdiction risk
- Nature of business and source of material

- Ownership of all UBOs holding 25% or more, and of any other relevant UBOs regardless of their percentage, to spot risks in the ownership structure or links with other parties
- Ownership complexity and UBO profile
- UBO country of registration
- Transaction type, volume, and delivery routes
- Form of metal received that is mined, recycled/ scrap / investment gold
- Onboarding channel, and any risk from intermediaries or introducers
- Proliferation financing and Targeted Financial Sanctions risk
- Whether the supplier's financial and operational capacity matches its expected and actual activity
- The supplier's own due diligence on its suppliers and buyers, its audit status, and its willingness to share ownership, origin and supply chain information

22.1.4 Screening & Sanctions Checks

Suppliers, UBOs, and authorized persons shall be screened against:

- UN Security Council sanctions list
- Terrorism and proliferation financing lists
- Adverse media and regulatory enforcement databases
- Politically Exposed Persons ("PEPs"), their relatives and close associates

Any potential match shall be escalated to the Compliance Officer for review and resolution prior to onboarding.

22.1.5 Screening Alert Lifecycle and Case Closure

SAM Precious Metals uses LSEG World-Check for screening and risk information. It is also registered with the Executive Office for Control and Non-Proliferation (EOCN) to receive updates on the UAE Local Terrorist List and UN sanctions lists. Screening is carried out in line with UAE AML/CFT/CPF and Targeted Financial Sanctions (TFS) requirements and the Company's screening procedures.

No customer or supplier may be onboarded, and no transaction may go ahead, while a possible sanctions or TFS match is still open. Each alert must be given a case number and recorded in the alert register.

Each alert record must show: the name screened and any aliases or identifiers; the list or database used and the date; the match score or reason; the transaction or relationship affected; who investigated it; the evidence reviewed; the review of ownership, control and related parties; the outcome (false positive, or full or partial match) and the reason; any escalation; the decision and who approved it; the action taken; the closure date; and the next review date, if any.

Possible matches must be investigated promptly using reliable identifiers and independent sources. A false positive can only be closed with a written reason and an approved review. A confirmed or partial match against the UAE Local Terrorist List or a UN list must be handled under the TFS rules (freeze, stop and report) without giving the person any advance notice.

OFAC, UK and other non-UAE lists may also be used for risk screening. A match on one of these lists is assessed under the Company's risk appetite and any contract or banking requirements. It does not create a legal duty to freeze in the UAE unless the person is also on a UAE or UN list, or another binding law applies.

Open, overdue and repeatedly reopened alerts must be reported in the compliance dashboard and checked regularly for quality.

22.1.6 Risk Assessment Framework

The Company has established a risk-based framework under which each new onboarding application is scrutinised through the Client Risk Matrix set out below.

CLIENT RISK MATRIX						
Client Name				**Date of Assessment**		
Criteria	**Select Variables**	**Values**	**Score without Weightage**	**Weightage**	**Weighted Score**	**Risk Factor**
Client's Business Country						
Beneficial Owner Nationality						
Source of Precious Metals						
Establishment Year						
Client's Compliance Framework						
Certification, Accreditations, and Reports						
Client's Relationship History with SAM						
Other Businesses of the Client						
Shareholder / Beneficial Owner / Key Managerial Person Screening						
Delivery Route						
Form of Precious Metals						
Proliferation Financing Risk						
Delivery / Onboarding Channel Risk (distinct from Delivery Route)	Face-to-face, remote, agent, introducer, digital or third-party reliance					

Payment Method / Third-Party / Cash Risk	Payment transparency, account ownership, cash and structuring risk					
Risk Outcome						
This risk matrix is intended to classify the client's risk as per AML/CFT/CPF requirements.						
Notes:						

	Name	Date	Signature
Prepared by			
Reviewed by			

Client Risk Guide		Client Risk Matrix – Revision Control Dates	
Rating Criteria	**Score Range**	**Established**	1-Oct-2020
High Risk	51 – 100	**Last Revision**	07-Aug-2026
Medium Risk	26 – 50		
Low Risk	0 – 25		

23 RISK-BASED APPROACH

A risk-based approach (RBA) is central to the effective implementation of the AML/CFT/CPF legislation. It means that SAM Precious Metals can identify, assess, and understand the ML/TF risks to which it is exposed, and implement the most appropriate mitigation measures. An RBA requires SAM Precious Metals to have systems and controls that are commensurate with the specific risks of money laundering and terrorist financing facing them. Assessing this risk is, therefore, one of the most important steps in creating a good AML/CFT/CPF compliance program and will enable SAM Precious Metals to focus their resources where the risks are higher. In this regard, SAM Precious Metals can take into account its business nature, size and complexity.

SAM Precious Metals will conduct an annual internal risk assessment to identify, assess, and understand the inherent ML/FT risks (i.e., the risks that SAM Precious Metals is exposed to if there were no control measures in place to mitigate them) across all business lines and processes with respect to the following risk factors: customers, products, services and transactions, delivery channels, geographic locations, and any other risk factors.

With the inherent risks as a basis, SAM Precious Metals will determine the nature and intensity of risk mitigating controls to apply to the inherent risks. The assessment of inherent ML/FT risks and of the effectiveness of the risk mitigation measures will result in a residual risk assessment, i.e., the risks that remain when effective control measures are in place. In case the residual risk falls outside the risk appetite of SAM Precious Metals, additional control measures will need to be implemented to ensure that the level of ML/FT risk is acceptable to SAM Precious Metals.

Customers will be reviewed, assessed, and allocated an appropriate level of risk of money laundering. Customers will be designated as – High, Medium or Low Risk.

All customers are subject to a risk assessment and risk ratings will be recorded in the file. Due diligence requirements must be commensurate with the risk level associated with the customer and enhanced due diligence will be necessary for all higher risk customers.

- High risk customer will be subjected to enhanced levels of due diligence that go beyond the core policies and principles contained in this policy as defined in the next section on Enhanced Due Diligence.
- Medium risk customers will be subjected to standard level of due diligence in accordance with the core policies and procedures contained within this policy. With regards to a Medium Risk Customer, the Company shall include additional steps to mitigate the medium risk identified for their clients. Some of the documents that may be required to be obtained to provide additional comfort over the risk factors may include, but not limited to, the following:
  - Audited Financial Statement
  - Tax Returns, if available
  - AML Framework, if required by law in their jurisdiction
  - Supply Chain Policy and adherence to the supply chain regulations
- Low risk customer may be subjected to simplified due diligence procedures in accordance with the core policies and procedures contained within this policy. However, great care should be exercised to ensure that the Company continues to meet its legal obligations.

Although it is accepted that failure to provide satisfactory due diligence documentation might be indicative of a money laundering concern, it is also recognized that due to the geographic diversity of businesses, on occasion it might prove difficult or impossible to obtain documentation that exactly meets the criteria set out in this policy. In such cases, alternative due diligence methods shall be adopted to mitigate the risks.

If the situation described in the preceding paragraph occurs and there are no reasons to suspect money laundering, the customer documentation should be referred to senior management and/or the Chief Compliance Officer, together with an explanation as to the type of issues that arose. Senior management, in consultation with the Chief Compliance Officer, will review the documentation and consider the risks associated with acceptance of identification evidence that falls outside these procedures.

The risks considered in the assessment and decision process, and the conclusions reached should be properly documented for the customer KYC file, with appropriate sign-off by the individuals involved. Only Senior Management, in consultation with the Chief Compliance Officer, may determine the High-risk level to be attributed

to any customer and/ or approve documentation that does not meet the exact requirements of the Company's anti-money laundering policy.

In addition to trigger-based reviews, SAM Precious Metals shall conduct periodic review of Customer's KYC and conduct CDD based on the risk profile of the customer:

- High Risk Customers: Every 06 months
- Medium Risk Customers: Every 12 months
- Low Risk Customers: Every 18 months

In relation to customers who did not trigger an alert, SAM Precious Metals may consider refreshing required information and conducting a simplified due diligence by asking the customer to confirm baseline information on file along with documentary proofs.

For customers who triggered an alert, a more in-depth assessment, and review of the customer activity, may be required.

23.1 Dynamic and Event-Driven Risk Reassessment

Counterparty risk ratings are not static. SAM shall perform transaction-level assessment and cumulative supplier-activity analysis throughout the relationship and shall reassess the profile whenever emerging information indicates that the original risk assumptions may no longer be valid.

Cumulative analysis shall compare rolling value, volume, frequency, material type, purity, weight variances, country of origin, transit route, delivery channel, payment method, third-party involvement and counterparties against the approved expected-activity profile, historical behaviour, available financial information and verified operational capacity..

Trigger events include changes in ownership, UBOs, management, licensing, address, business activity, bank account, jurisdiction, source of material, route, payment pattern, adverse media, sanctions/PEP status, audit/certification status, unusual transaction characteristics, recurring discrepancies, law-enforcement/regulatory enquiries, unexplained growth, or inability/refusal to provide information.

Each reassessment shall record the trigger, analysis performed, evidence obtained, conclusion, revised inherent/residual risk, updated risk score and classification, due-diligence measures, monitoring frequency, escalation, approval and Risk Control Plan actions. Outcomes shall be reflected promptly in the KYC file, risk matrix, screening/monitoring systems and management reporting.

24 ENHANCED DUE DILIGENCE

A High-Risk Customer or Supplier is one that presents a higher than normal risk of Money Laundering, Financing of Terrorism, Proliferation Financing, sanctions breaches, responsible sourcing concerns or other serious financial crime or supply chain risks.

To mitigate the increased risks associated with the High-Risk Customers, it will be necessary to consider the application of a level of enhanced due diligence for those customers. SAM Precious Metals' Senior Management, in consultation with the Chief Compliance Officer, will determine whether the level of risk is acceptable.

Enhanced Due Diligence ("EDD") will need to go beyond the normal requirements applied to the approval and monitoring of customers, as contained within this policy. As the reasons for designation as high risk will vary from customer to customer, the nature and level of enhancement will need to be determined separately as and when high risk customers are identified.

To perform EDD on their customers, the additional documents that may be required to be collected by SAM Precious Metals for the High-Risk Customer may include, but not limited to, the following:

- Audited Financial Statement
- Tax Return
- Bank Statements
- AML/CFT/CPF Policy
- Bank Reference Letter
- Dubai Good Delivery / LBMA / RJC Certificates
- Independent Assurance Report
- Business Profile

The above-mentioned additional documents, if collected in full or partially, will assist the team to perform further checks to identify controls within the client organization to help gauge the risk and obtain a comfort on engaging with such client.

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

All High-Risk customer files must be approved by Senior Management.

SAM Precious Metals shall perform Enhanced Due Diligence in the following scenarios:

- Customer entities incorporated in High-risk countries.
- Politically Exposed Persons (PEPs) and Close Associates of PEPs.
- If the customer/transaction is found to be suspicious/unusual.
- Any other suspicious cases alerted based on the rule violation(s).

The above scenarios are reviewed periodically and updated as required through the Quarterly Compliance Committee Meeting.

24.1 Ongoing Due Diligence

Continuous monitoring of transactions and business relationships to ensure consistency with customer risk profile and business activity.

- Company maintains ongoing monitoring of counterparties and transactions, especially for:
  - Unusual transaction patterns

- Changes in trading behaviour and transaction volume change (projected volume and frequency of transactions)
- High-risk suppliers, customers, or jurisdictions or geography

- Continuous review of KYC data is done based on risk classification as High, Medium or Low.
- Company Maintains KYC review tracker and KYC status and data base is updated based on the same.

24.2 Enhanced Due Diligence (EDD)

Company conducts the enhanced due diligence where High & Medium Risk ML/TF/PF risk is identified (e.g., PEPs, high-risk jurisdictions, complex structures) and/or negative media hits are reported during ongoing screening.

- The risk-based escalation includes:
  - Enhanced checks for high-risk suppliers or customers
  - Senior management oversight for elevated risk relationships
  - Additional verification of source of funds and ownership structures (collect additional documents)
  - Re-KYC and collecting additional documents
  - On site visits by the compliance team or third parties to review the impact
  - Media search and collect additional information from counter party.

24.2.1 EDD Techniques Used

- ***Risk-Based Enhanced Due Diligence***
  - High-risk customers are identified through jurisdictional risk, PEP exposure, adverse media, transaction behavior, and supply chain risk indicators.
  - EDD scope and intensity are determined case-by-case under a documented risk-based approach. List of additional documents , onsite visits and additional media search are followed as a part of EDD.
- ***Senior Management Involvement***
  - All High-Risk Customer onboarding, continuation, or exit decisions are reviewed and approved by Senior Management in consultation with the Chief Compliance Officer.
  - Risk acceptance and mitigation rationale are formally documented (the decision to discontinue, continue or continue or hold is conveyed through a management note).
- ***Enhanced Customer & Beneficial Ownership Verification***
  - Multi-layer ownership mapping is conducted to identify UBOs.
  - Corporate registries, shareholder declarations, and independent databases are used to detect nominee shareholders, shell entities, or opaque ownership structures.
- ***Source of Funds & Source of Wealth***
  - Enhanced assessment of source of funds and source of wealth using audited financials, tax returns, bank statements, and transaction history.
  - Consistency checks are performed between declared business activity and financial capacity.

- ***Adverse Media & Reputational Risk Screening***
  - Deep-dive adverse media and open-source intelligence (OSINT) reviews covering regulatory actions, court records, NGO reports, ESG risks, and enforcement actions.
  - Findings are assessed for severity, credibility, and relevance.
- ***Transaction Monitoring & Trade Pattern Analysis***
  - Review of transaction patterns, pricing, volumes, payment methods, trade routes, and counterparties.
  - Cash transactions are usually allowed for payment of refining charges only; no payment for metal takes place in cash.
  - Identification of red flags such as over/under-invoicing, circular trading, third-country routing, or inconsistent trade behavior.
- ***Supply Chain Transparency & Responsible Sourcing***
  - Enhanced scrutiny of supply chain disclosures, origin declarations, logistics routes, and intermediaries.
  - Assessment of upstream risks related to conflict, ASM exposure, sanctions, and human rights.
- ***Onsite Visits & Operational Validation***
  - Onsite visits are conducted to validate operational existence, refining or trading capacity, internal controls, and AML governance.
  - Findings are documented and used to refine the risk assessment.
- ***Independent Assurance & Certifications***
  - Review of LBMA, Dubai Good Delivery, RJC, or equivalent certifications and independent assurance reports.
  - Assessment includes scope, auditor credibility, findings, and remediation status.
- ***Enhanced Ongoing Monitoring & Periodic Review***
  - High-risk customers are subject to more frequent reviews, refreshed documentation, and enhanced transaction monitoring.
  - Risk profiles are updated based on activity and emerging risks.
- ***Escalation, Restriction & Exit***
  - Escalation to Senior Management where residual risk remains high.
  - Reporting to senior management and taking immediate action as necessary which may include transaction restrictions, temporary suspension, or termination of the business relationship.

25 POLITICALLY EXPOSED PERSONS ("PEPs")

A Politically Exposed Person or PEP is a term that is used to describe a person who holds a public position that may be exposed to corruption. The following list contains examples of persons who may be considered PEPs, although this list should not be viewed as exhaustive:

- Current and Ex - Head & Deputy Head of state or National Government (President, Prime Minister, Government Ministers, Provincial Governors, Cabinet Members their Deputies (assistants), Senior Ministerial staff, and Secretaries.
- Current and ex-Members of National and Provincial Assemblies and Senate.
- Senior Civil Servants including Senior Government Officials, Heads of Government Departments, and Police Service.
- Senior Judicial & Military officials
- Senior Executives of state-owned Corporations.
- Influential Religious leaders of National / International repute.
- High ranking Officers in Diplomatic Service (Ambassadors, High Commissioners, Envoys, Attachés, Consul Generals, Consuls, Honorary Consuls, Counsellors etc)
- Senior Political Party Officials and functionaries such as Leader, Chairman, Deputy leader, Secretary General, and Executive Committee or any other Senior ranks in party (does not include middle ranking or more junior individuals).
- Close family members of PEPs include Spouses, children, parents, siblings and may also include other blood relatives and relatives by marriage.
- Closely associated persons include Close business colleagues and personal Advisors / Consultants to the politically exposed person as well as persons who are expected to benefit significantly by being close to such a person.

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.

SAM Precious Metals will ensure that each underlying beneficial owner or controller is not a PEP by performing searches on official national and international databases to screen names against its database or referring to publicly available information. The results of such verification will be recorded.

In the event that a PEP is identified, SAM Precious Metals will:

- Assign a rating of high risk to the customer;
- Complete PEP Report, ensuring that the Head of AML/CFT/CPF Committee approves establishing a business with the customer;
- Conduct enhanced due diligence and be vigilant in monitoring the business relationship;
- Ensure reasonable measures will be taken to establish source of wealth and source of funds;
- PEP relationships will be tracked for the purposes of reporting and monitoring.

26 SANCTIONED INDIVIDUALS/ENTITIES

SAM Precious Metals will take all required steps to ensure that all customers with whom a business relationship is established are screened against relevant notices such as:

- United Nations Sanctions (UN)
- UAE (Local Terrorist List)
- The Office of Foreign Assets Control (OFAC)
- His Majesty's Treasury – UK (HMT)

Any confirmed matches to sanctions lists will be declined a business relationship, and the necessary reports will be made to Financial Intelligence Unit (FIU).

SAM Precious Metals shall document and record all the actions that were taken to comply with the sanction's regime and the rationale for such action. AML/CFT/CPF Committee will consider if any further action is required such as freezing of funds.

26.1 Actions on Adverse Media Screening

- All adverse media alerts identified during screening of suppliers, UBOs, or authorized persons shall be reviewed by the Compliance Officer to determine relevance, credibility, severity, and recency of the information.
- The Compliance Officer shall distinguish between substantiated allegations, regulatory actions, convictions, and unverified media reports, applying a documented risk-based assessment.
- Where adverse media relates to financial crime, corruption, sanctions breaches, human rights violations, environmental crimes, or illicit gold sourcing, the case shall be treated as high risk.
- The Compliance Officer shall document the assessment outcome, rationale for risk classification, and decision taken, including any escalation to Senior Management where required.

26.2 Risk Mitigation Actions by the Refiner

Depending on the nature and severity of the adverse media, the refiner shall implement one or more of the following measures:

- Enhanced Due Diligence (EDD), including additional information requests, source-of-funds and source-of-material verification, and independent validation of explanations provided by the counterparty.
- Management approval prior to onboarding or continuation of the business relationship for all high-risk adverse media cases.
- Transaction restrictions, including volume caps, advance payment controls, or temporary suspension of transactions pending clarification.
- Ongoing enhanced monitoring, including more frequent screening updates and review of transactions and sourcing patterns.
- Rejection or termination of the business relationship where risks cannot be adequately mitigated or where adverse media is confirmed and material.
- Regulatory escalation, including filing of a Suspicious Transaction/Activity Report (STR/SAR), where required under UAE AML/CFT/CPF laws.

All actions taken shall be fully documented and retained to demonstrate compliance with EBC Responsible Sourcing expectations and UAE AML/CFT/CPF regulatory requirements.

27 TARGETED FINANCIAL SANCTIONS (TFS)

Targeted Financial Sanctions includes both asset freezing without delay and prohibition from making funds or other assets or services, directly or indirectly, available for the benefit of sanctioned individuals, entities, or groups.

Asset freezing without delay: Freezing is the prohibition to transfer, convert, dispose, or move any funds or other assets that are owned and controlled by designated individuals, entities, or groups in the Local Terrorist List or UN Consolidated List. It includes:

- The freezing of funds and other financial assets and economic resources, and includes preventing their use, alteration, movement, transfer, or access.
- The freezing of economic resources also includes preventing their use to obtain funds or other assets or services in any way, including, but not limited to, by selling or mortgaging them.

Prohibition from making funds or other assets or services available: This means the prohibition to provide funds or other assets to or render financial or other services to, any designated individual, entity, or group.

SAM Precious Metals is committed to apply policies, procedures, and controls to implement TFS to those sanctioned and designated in the:

- UAE Local Terrorist List
- United Nations Security Council Consolidated List

The purpose of TFS is to deny certain individuals, entities, or groups the means to violate international peace and security, support terrorism or finance the proliferation of weapons of mass destruction and further to ensure that no funds or other assets or services of any kind are made available.

TFS are implemented in the UAE pursuant to UNSCRs in relation to:

- Terrorism and Terrorist Financing
- The Proliferation of Weapons of Mass Destruction (WMD)
- Other UN Sanctions Regimes with Targeted Financial Sanctions

The freezing measures, including the prohibition of making funds available, apply to:

A. Any individual, group, or legal entity listed in the Local Terrorist List defined by the Federal Cabinet or listed by the UNSC in its Consolidated Sanctions List.

B. Any legal entity, directly or indirectly owned or controlled by an individual or legal entity listed under A.

C. Any individual or legal entity acting on behalf of or at the direction of any individual or legal entity listed under A & B.

28 IMPLEMENTATION OF TARGETED FINANCIAL SANCTIONS (TFS)

SAM Precious Metals will comply with the following general obligations with respect to TFS:

1. **Step 1 – Subscribe:** SAM Precious Metals will subscribe to the Executive Office Notification System to receive automated email notifications on any updates to the Sanctions Lists (Local Terrorist List or UN Consolidated List)
2. **Step 2 – Screen:** SAM Precious Metals will undertake regular and ongoing screening on the latest Local Terrorist List and UN Consolidated list.
3. **Step 3 – Apply Targeted Financial Sanctions:**
    - **Freezing of all funds:** SAM Precious Metals will freeze, without delay (within 24 hours) and without prior notice, all the funds:
        (a) Owned or controlled, wholly or jointly, directly, or indirectly, by an individual or legal entity designated by the UAE Cabinet or pursuant to a relevant UNSC Resolution.
        (b) Derived or generated from funds under item (a); or
        (c) Owned or controlled by individuals or legal entities acting on behalf of, or at the direction of, an individual or legal entity designated in the Local Terrorist List or pursuant to the UN Consolidated List.
    - **Prohibition of making funds available:** No individual or legal person in the UAE is permitted to provide funds to or render financial services or other services related to, whether in whole or in part, directly or indirectly, or for the benefit of any individual or legal entity listed in the Local Terrorist List or the UN Consolidated List pursuant to a relevant UNSC Resolution.
4. **Step 4 – Report:** SAM Precious Metals should report any freezing or suspension measures taken upon identifying confirmed or partial name matches through the goAML platform within five (5) days from taking such measures.

29 ONGOING SCREENING

The Targeted Financial Sanctions (TFS) restrictions published in the Local Terrorist List and UN Consolidated Lists are subject to change.

SAM Precious Metals is committed to ensure relevant measures and procedures are in place to maintain relevant and up-to-date controls in order to effectively implement Targeted Financial Sanctions (TFS) restrictions.

SAM Precious Metals will undertake regular and ongoing screening on the latest Local Terrorist List and UN Consolidated List. The following databases will be included in the screening process:

- Existing customer databases. All systems containing customer data and transactions need to be mapped to the screening system to ensure full compliance.
- Potential customers before conducting any transactions or entering a business relationship with any Person.
- Names of parties to any transactions (e.g., buyer, seller, agent, freight forwarder, etc.)
- Ultimate beneficial owners, both natural and legal.

- Names of individuals, entities, or groups with direct or indirect relationships with them.
- Directors and/or agents acting on behalf of customers (including individuals with power of attorney).

SAM Precious Metals will ensure that screening is undertaken in the following circumstances:

- Upon any updates to the Local Terrorist List or UN Consolidated List. In such cases, screening must be conducted immediately and without delay to ensure compliance with implementing freezing measures without delay (within 24 hours).
- Prior to onboarding new customers.
- Upon KYC reviews or changes to a customer's information.
- Before processing any transaction.

30 UPDATING KYC INFORMATION

KYC is an ongoing process. The foundation of any customer due diligence and monitoring procedures lies in the initial collection of KYC information and the ongoing updating of that information.

SAM Precious Metals will take reasonable steps to ensure that KYC information and documents are updated as and when required.

KYC information must be updated based on the customer's risk rating, and also immediately after any trigger event. High-risk files must be reviewed at least every six months, medium-risk files at least once a year, and low-risk files at least every eighteen months, unless a law, regulation, regulator, specific risk or the Compliance Officer requires a shorter period.

Trigger-based refresh shall include changes in ownership/UBO/management, licences, address, business activity, bank accounts, jurisdictions, expected activity, origin or route of material, sanctions/PEP/adverse-media status, financial condition, operational capacity, certification/audit status, transaction behaviour or any concern about the accuracy, adequacy or currency of existing information. The refresh outcome and any unresolved discrepancy shall be documented and integrated into the risk rating, EDD requirements, transaction controls, screening frequency, monitoring scenarios and RCP. KYC information shall be refreshed according to the risk-based cycles established in this Policy and immediately following a trigger event. High-risk files shall be reviewed at least every six months, medium-risk files at least annually, and low-risk files at least every eighteen months, unless a shorter period is required by law, regulation, supervisory guidance, a specific risk factor or the Compliance Officer

31 MONITORING OF CLIENTS' ACTIVITIES

With regards to established Business Relationships, SAM Precious Metals is obliged to undertake ongoing supervision of customers' activity, including auditing transactions executed throughout the course of the relationship to ensure that they are consistent with the information, types of activity, and risk profiles of the customers.

In the case of customers or Business Relationships identified as high risk, SAM Precious Metals will obtain more information about the purpose of transactions and enhance ongoing monitoring and review of transactions in order to identify potentially unusual or suspicious activities.

In keeping with the level of risk involved, SAM Precious Metals will evaluate the specifics of the transactions examined in relation to the customer's due diligence information or profile and obtaining 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 authorizations are required).

31.1 Structured Transaction-Level and Cumulative Monitoring

SAM Precious Metals monitors each transaction and shipment, and also each supplier's total activity over time. Monitoring uses set indicators, thresholds and escalation triggers that suit the size and nature of the business.

As a minimum, monitoring must look at:

- Transaction value, quantity, purity, weight, price and profit, and whether these are in line with market practice.
- Supply volumes and delivery frequency, trends over time, sudden increases or decreases, activity restarting after a quiet period, and heavy reliance on one supplier, origin, route or bank account.
- Repeated differences in weight, purity, origin, invoices, customs records, assay results or chain of custody records, both for single shipments and over time.
- Payment behaviour, including cash use, structuring, third-party payments, unrelated accounts, refunds, advance payments, round amounts, fast movement of funds and changes in payment method.
- Changes in supplier behaviour, such as delays or refusal to give information, repeated document problems, changes in UBO, management or bank account, negative information, and unexplained use of intermediaries.
- Country of origin, transit and destination, including unexplained distances, high-risk or CAHRA links, route changes, trans-shipment, and whether routes match the declared origin and the customs and shipping records.
- Whether the supplier's total activity matches its expected profile, audited financial statements, verified facilities, licences, production or trading capacity, and sourcing practices.

Each monitoring alert must be investigated and the findings recorded, including: the indicator and threshold, the period reviewed, the explanation requested, the evidence obtained, the conclusion, any corrective action or escalation, the STR/SAR decision, and any change to the risk rating or Risk Control Plan. Repeated small exceptions must be reviewed together, and not closed one shipment at a time.

Key monitoring results must be reported regularly to Senior Management through the compliance dashboard, including KRI results, the age of open alerts, changes in risk ratings, high-risk exposure, overdue actions and new trends.

32 INDICATORS OF SUSPICIOUS ACTIVITIES – RED FLAGS

Criminals' methods are constantly evolving, and in many cases are specific to the particularities of a given market or a given type of trust and company services. The following list of red-flag indicators of potentially suspicious transactions is therefore by no means exhaustive.

It is noted that the presence of one or more of the indicators below does not necessarily mean that a transaction involves ML/FT; however, it is an indication that enhanced due diligence or further investigation may be required, so that an appropriate determination can be made by the SAM Precious Metals' appointed Chief Compliance Officer as to whether the transaction is suspicious or not.

32.1 Red Flags Relating to Trade Practices

A red flag should be raised with respect to trade practices in the following circumstances:

- Precious metals and stones originate from a country where there are limited production or no mines at all.
- Trade in large volumes conducted with countries which are not part of a specific precious metal and stones pipeline.
- An increase of the volume of activity in a DGS account despite a significant decrease in the industry-wide volume.
- Selling or buying precious metals and stones between two local companies through an intermediary located abroad (lack of business justification, uncertainty as to actual passage of goods between the companies).
- Volume of purchases and/or imports that grossly exceed the expected sales amount.
- Sale of gold bars or coins from retail sources.
- A single bank account is used by multiple businesses.
- Cash transactions are normally carried out only for the payment of refining charges by suppliers of scrap metal; no single cash transaction is carried out above AED 50,000 and, for higher values, prior management approval is obtained. Any deviation from this practice is a red flag.
- Repeated differences in weight, purity, origin, assay results, invoices, customs declarations or chain of custody records.
- Shipments passing through a CAHRA, a sanctioned or high-risk country, or an unexplained third country, or travelling a distance that does not fit the declared supply chain.
- Recycled or scrap gold volumes or types that do not fit the supplier's business, facilities, purchases, capacity or local market.
- A counterparty that will not share details of its suppliers, owners, finances, audit results, source of material, source of funds or source of wealth.

- Total activity that is much higher than the expected profile or the supplier's financial or operational capacity, without a clear, documented reason.

32.2 Red Flags Relating to the Business Relationship or the Customer

A red flag should be raised with respect to the Business Relationship or the Customer in the following circumstances, if the customer:

- Suddenly cancels the transaction when asked for identification or information.
- Is reluctant or refuses to provide personal information, or the SAM Precious Metals has reasonable doubt that the provided information is correct or sufficient.
- Is reluctant, unable, or refuses to explain:
  - their business activities and corporate history;
  - the identity of the beneficial owner;
  - their source of wealth/funds;
  - why they are conducting their activities in a certain manner;
  - who they are transacting with;
  - the nature of their business dealings with third parties (particularly third parties located in foreign jurisdictions).
- Is under investigation, has known connections with criminals, has a history of criminal indictments or convictions, or is the subject of adverse information (such as allegations of corruption or criminal activity) in reliable publicly available information sources.
- Is a designated person or organization (i.e. is on a Sanctions List).
- Is related to, or a known associate of, a person listed as being involved or suspected of involvement with terrorists or terrorist financing operations.
- Insists on the use of an intermediary (either professional or informal) in all interactions, without sufficient justification.
- Actively avoids personal contact without sufficient justification.
- Is a politically exposed person or has familial or professional associations with a person who is politically exposed.
- Is a foreign national with no significant dealings in the country, and no clear economic or other rationale for doing business with SAM Precious Metals.
- Demands heavy dealing in cash transactions beyond AED 55,000 (this will also trigger senior management reporting).
- Is located a significant geographic distance away from SAM Precious Metals, with no logical rationale.
- Refuses to co-operate or provide information, data, and documents usually required to facilitate a transaction, or is unfamiliar with the details of the requested transaction.
- Makes unusual requests (including those related to secrecy) of SAM Precious Metals or its employees.
- Is prepared to pay substantially higher fees than usual, without legitimate reason.
- Appears very concerned about or asks an unusual number of detailed questions about compliance-related matters, such as customer due-diligence or transaction reporting requirements.

- Is conducting a transaction which appears incompatible with their socio-economic, educational, or professional profile, or about which they appear not to have a good understanding.
- Uses legal persons, legal arrangements, or foreign private foundations that operate in jurisdictions with secrecy laws.
- Requests services (for example, smelting and reshaping of gold into ordinary-looking items) that could improperly disguise the nature of the GS or conceal beneficial ownership from competent authorities, without any clear legitimate purpose.
- Claims to be a legitimate DGS but cannot demonstrate a history or provide evidence of real activity.
- Is a business that cannot be found on the internet or social business network platforms (such as LinkedIn or others).
- Is registered under a name that does not indicate that activity of the company is related to GS, or that indicates activities different from those it claims to perform.
- Is a business that uses an email address with a public or non-professional domain (such as Hotmail, Gmail, Yahoo, etc.).
- Is registered at an address that does not match the profile of the company, or that cannot be located on internet mapping services (such as Google Maps).
- Is registered at an address that is also listed against numerous other companies or legal arrangements, indicating the use of a mailbox service.
- Has directors or controlling shareholder(s) who cannot be located or contacted, or who do not appear to have an active role in the company, or where there is no evidence that they have authorised the transaction.
- Is incorporated or established in a jurisdiction that is considered to pose a high money laundering, terrorism financing, or corruption risk.
- Has a complex corporate structure that does not appear to be necessary or that does not make commercial sense.
- Appears to be acting according to instructions of unknown or inappropriate person(s).
- Conducts an unusual number or frequency of transactions in a relatively short time period.
- Asks for short-cuts, excessively quick transactions, or complicated structures even when it poses an unnecessary business risk or expense.
- Requests payment arrangements that appear to be unusually or unnecessarily complex or confusing (for example, unusual deposit or instalment arrangements, or payment in several different forms), or which involve third parties.
- Provides identification, records or documentation which appear to be falsified or forged.
- Requires that transactions be processed exclusively or mainly through the use of cash, cash equivalents (such as cashier's cheques, gold certificates, bearer bonds, negotiable third-party promissory notes, or other such payment methods), or through virtual currencies, for the purpose of preserving their anonymity, without adequate and reasonable explanation.

32.3 Red Flags Relating to the Transaction

A red flag should be raised with respect to the transaction if it:

- Involves the use of a large sum of cash, without an adequate explanation as to its source or purpose.
- Involves the frequent trading of GS (especially gold) or jewellery for cash in small incremental amounts.
- Involves the barter or exchange of GS (especially gold) or jewellery for other high-end jewellery.
- Appears structured so as to avoid the cash reporting threshold.
- Involves delivery instructions that appear to be unnecessarily complex or confusing, or which involve foreign jurisdictions with no apparent legitimate connection to the counterparty or customer.
- Includes contractual agreements with terms that are unusual or that do not make business sense for the parties involved.
- Involves payments to/from third parties that do not appear to have a logical connection to the transaction.
- Involves merchandise purchased with cash, which the customer then requests the merchant to sell for him/her on consignment.
- Involves GS with characteristics that are unusual or do not conform to market standards.
- Involves the unexplained use of powers-of-attorney or similar arrangements to transact business on behalf of a third party.
- Appears to be directed by someone (other than a formal legal representative) who is not a formal party to the transaction.
- Involves a person acting in the capacity of a director, signatory, or other authorised representative, who does not appear to have the required competency or suitability.
- Involves persons residing in tax havens or High-Risk Countries, when the characteristics of the transactions match any of those included in the list of indicators.
- Is carried out on behalf of minors, incapacitated persons or other categories of persons who appear to lack the mental or economic capacity to make such decisions.
- Involves several successive transactions which appear to be linked, or which involve the same parties or those persons who may have links to one another (for example, family ties, business ties, persons of the same nationality, persons sharing an address or having the same representatives or attorneys, etc.).
- Involves recently created legal persons or arrangements, when the amount is large compared to the assets of those legal entities.
- Involves foundations, cultural or leisure associations, or non-profit-making entities in general, especially when the nature of the merchandise or the characteristics of the transaction do not match the goals of the entity.
- Involves legal persons which, although incorporated in the country, are mainly owned by foreign nationals, who may or may not be resident for tax purposes.
- Involves unexplained last-minute changes involving the identity of the parties (e.g. it is begun in one individual's name and completed in another's without a logical explanation for the name change) and/or the details of the transaction.

- Involves a price that appears excessively high or low in relation to the value (book or market) of the goods, without a logical explanation.
- Involves circumstances in which the parties:
  - Do not show particular interest in the details of the transaction;
  - Do not seem particularly interested in obtaining a better price for the transaction or in improving the payment terms;
  - Insist on an unusually quick completion, without a reasonable explanation.
- Takes place through intermediaries who are foreign nationals or individuals who are non-residents for tax purposes.
- Involves unusually high levels of assets or unusually large transactions compared to what might reasonably be expected of clients with a similar profile.
- Involves indications that the counterparty does not have or does not wish to obtain necessary governmental approvals, filings, licences, or other official requirements.
- Involves any attempt by a physical person or the controlling persons of a legal entity or legal arrangement to engage in a fraudulent transaction (including but not limited to: over- or under-invoicing of goods or services, multiple invoicing of the same goods or services, fraudulent invoicing for non-existent goods or services; over- or under-shipments (e.g. false entries on bills of lading); or multiple trading of the same goods and services).

32.4 Red Flags Relating to the Means of Payment

A red flag should be raised with respect to the means of payment if it:

- Involves cash, cash equivalents (such as cashier's cheques, gold certificates, bearer bonds, negotiable third-party promissory notes, or similar instruments), negotiable bearer instruments, or virtual currencies, which do not state the true payer, especially where the amount of such instruments is significant in relation to the total value of the transaction, or where the payment instrument is used in a non-standard manner.
- Involves unusual deposits (e.g. use of cash or negotiable instruments, such as traveller's cheques, cashier's cheques and money orders) in round denominations (to keep below the reporting threshold limit) to pay for GS. The negotiable instruments may be sequentially numbered or purchased at multiple locations and may frequently lack payee information.
- Is divided into smaller parts or instalments with a short interval between them.
- Involves doubts as to the validity of the documents submitted in connection with the transaction.
- Involves third-party payments with no apparent connection or legitimate explanation.
- Cannot be reasonably identified with a legitimate source of funds.

33 REPORTING OF SUSPICIOUS ACTIVITIES

SAM Precious Metals shall institute a system for mandatory reporting of suspicious transactions pursuant to the UAE AML/CFT/CPF legislative and regulatory framework. Any suspicious activities/transactions (SARs/STRs) or additional information required in relation to them, shall be reported to the FIU through the goAML system.

Where any employee or personnel, director or officer of SAM Precious Metals knows that the client has engaged in any of the predicate crimes, the matter shall be promptly reported to the Compliance Department.

The Compliance Department will review the matter and if sufficient evidence is available then the matter will be escalated to the Chief Compliance Officer to review and decide whether the matter needs to be reported to the FIU as Suspicious Activity.

If there are reasonable grounds to suspect that the customer has engaged in an unlawful activity, the Chief Compliance Officer, on receiving such a report, must promptly evaluate whether there are reasonable grounds for such belief and must then immediately report the case to the FIU unless the Chief Compliance Officer considers, and records an opinion, that such reasonable grounds do not exist.

SAM Precious Metals shall maintain a register of all suspicious transactions that have been brought to the attention of its Chief Compliance Officer, including transactions that are not reported to the FIU. The register shall contain details of the date on which the report is made, the person who made the report to the Chief Compliance Officer and information sufficient to identify the relevant papers related to said reports.

SAM Precious Metals acknowledges that failure to report a suspicious transaction, whether intentionally or by gross negligence, is a federal crime. Any person who fails to perform their statutory obligation to report a suspicion of money laundering, the financing of terrorism or proliferation financing, is liable to a fine and/or imprisonment or both.

33.1 Immediate Internal Escalation and FIU Reporting

1. Any employee who notices suspicious activity, or has reasonable grounds to suspect it, must report it to the Compliance Department immediately using the approved secure channel.
2. The Compliance Department must promptly secure the relevant records, review the information and pass the case to the Compliance Officer. Internal timelines must never delay urgent escalation or reporting to the FIU.
3. If the case meets the reporting threshold, the Compliance Officer must file an STR/SAR with the FIU on goAML immediately, with all available information, and must respond promptly to any FIU request for more information.

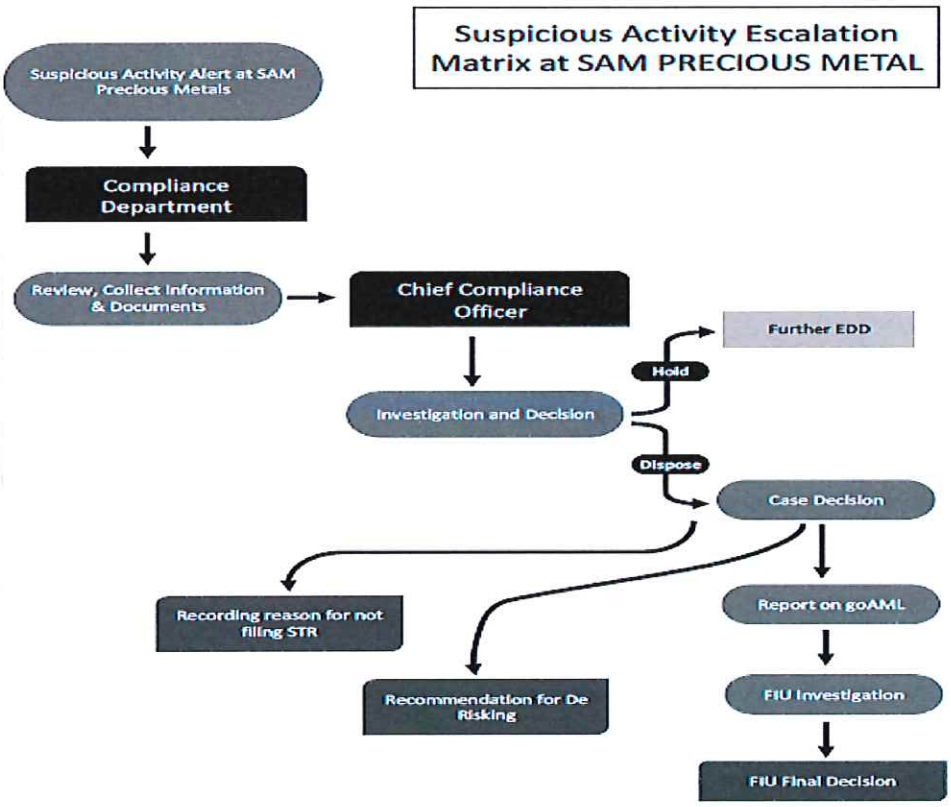


Figure: Suspicious Activity Escalation Matrix at SAM Precious Metals

4. If the Compliance Officer decides not to report, the reasons must be written down and kept confidential. The case must stay under monitoring and be reviewed again if new information comes up.

5. Employees must not investigate beyond their role, must not alert the customer or anyone else, and must not delay reporting while trying to find full proof.

33.2 Post-Reporting Record, Oversight and Senior Management Reporting

All cases (reported or not reported) are recorded in the STR/SAR register, retained for audit, and summarised periodically to Senior Management.

This summary is presented in the monthly internal reports and compliance dashboard and is also included in the six-monthly reports to management.

34 DEALERS IN PRECIOUS METALS AND STONES REPORT (DPMSR)

In addition to the due diligence and reporting requirements mentioned in other sections of this policy, SAM Precious Metals, in accordance with Circular Number: 08/AML/2021 issued by the Ministry of Economy, UAE, will be complying with the following due diligence and reporting requirements:

- **Transactions with resident individuals:** Obtain identification documents (Emirates ID or Passport) for cash transactions equal to or exceeding AED 55,000 and register the information in the FIU's GoAML platform using the DPMSR.
- **Transactions with non-resident individuals:** Obtain identification documents (ID or Passport) for cash transactions equal to or exceeding AED 55,000 and register the information in the FIU's GoAML platform using the DPMSR.
- **Transactions with entities / companies:** Obtain a copy of the trade license, and identification documents (Emirates ID or passport) of the person representing the company, in transactions equal to or exceeding AED 55,000 in cash or through wire transfer and register the information in the FIU's GoAML platform using the DPMSR.
- Keep records of all documents and information related to the above transactions for a minimum period of 5 years.

35 TIPPING OFF AND CONFIDENTIALITY

Tipping off a customer is an unauthorized act of disclosing information that:

- may result in the customer, or a third party (other than FIU) knowing or suspecting that the customer is or may be the subject of:
  - a suspicious transaction report; or
  - an investigation relating to money laundering or terrorist financing; and
- may prejudice the prevention or detection of offences, the apprehension or prosecution of offenders, the recovery of proceeds of crime, or the prevention of money laundering or terrorist financing.

SAM Precious Metals' directors, officers, and employees shall not warn customers that information relating to them has been or is in the process of being reported to the FIU, or communicate, directly or indirectly, such information

to any person other than FIU. Any violation of this confidentiality provision shall render them liable for criminal, civil and administrative sanctions under the UAE AML/CFT/CPF law.

36 TRAINING AND AWARENESS

SAM Precious Metals shall provide education and training to directors, officers and employees so that they understand their personal responsibilities for preventing and detecting Money Laundering, Financing of Terrorism and Proliferation Financing, including sanctions, supply-chain and suspicious-reporting obligations.

SAM Precious Metals may, due to the scale and nature of its operations, assign the role of Chief Compliance Officer, Internal Audit or Training to a competent Person and/or a Professional Company, who has relevant experience and expertise in the field of AML/CFT/CPF. Currently, the Compliance Officer is a full-time employee of SAM Precious Metals.

SAM Precious Metals shall, at least once a year, make arrangements for refresher training to remind key staff and officers of their AML/CFT/CPF responsibilities and to make them aware of any changes in the laws.

New employees will receive appropriate training within 30 days of their hire date. Training for all employees must include not only the legal elements of AML/CFT/CPF laws and regulations but should also cover job specific applications of these laws. Ongoing training will be provided and updated regularly to reflect current developments and changes to laws and regulations.

To ensure the continued adherence to SAM Precious Metals' AML/CFT/CPF and KYC policies and procedure, all employees are required to confirm their awareness of the contents of this Compliance Policy by signing the acknowledgment form annually, or more frequently, as required by the Compliance Committee.

37 RECORD KEEPING

The following documents shall be considered as SAM Precious Metals' AML/CFT/CPF Documents:

- All clients' documentation as provided in KYC checklist and/or correspondences, including the documents obtained during CDD and/or EDD.
- All documentation concerning a suspicious activity report concerning a client or applicant together with any response or follow up.
- Records of AML/CFT/CPF training sessions attended by SAM PRECIOUS METALS' staff, officers and their affiliates, the dates, content, and attendees.
- Records of minutes of the meeting of the AML/CFT/CPF Committee, including the details of all decisions taken by the committee.
- Records of all AML/CFT/CPF decisions taken by the senior management and retained for the period of 5 years.

The objective of keeping records is to ensure that SAM Precious Metals can provide the basic information for the reconstruction of the transaction, at the request of the competent authorities.

Documents may be retained as originals or copies, or as scan images of original documents onto pen drives, hard disks, online systems, cloud-based systems, etc. provided that such forms are admissible in UAE Court of Law.

SAM Precious Metals shall designate at least two (2) persons responsible for safekeeping of records.

All records, including files, documents, correspondence, KYC/CDD/EDD information, monitoring reviews and alert files, must be well organised, kept secure and provided promptly to the FIU, the Supervisory Authority and other competent authorities when requested. No internal time limit (for example, fifteen business days) may be used as a reason to delay providing records.

38 RECORD RETENTION POLICY

The following document retention periods shall be followed:

- All records of transactions of covered clients, especially customer identification records, shall be maintained and safely stored, physically or in electronic form, in an easily accessible place for five (5) years from the date of transaction.
- With respect to closed accounts, the records on customer identification, account files and business correspondence, shall be preserved and safely stored for at least five (5) years from the date of closure.
- If the records relate to ongoing investigation or transactions that have been the subject of a disclosure, they shall be retained beyond the stipulated retention period until it is confirmed by the FIU that the case has been closed.

39 RECORD DESTRUCTION POLICY

Records shall not be destroyed automatically at the end of the minimum retention period. Before destruction, the Compliance Officer and the designated records owner shall confirm that no investigation, inspection, litigation hold, FIU/Supervisory Authority request, suspicious report, unresolved audit matter, contractual requirement or other legal obligation requires continued retention.

- Records should be disposed of in a manner which preserves the confidentiality of the record(s).
- Records that have no retention requirement, and/or duplicate records, must be deleted / destroyed, unless approval to preserve said record is obtained from the senior management at SAM Precious Metals.
- Approved destruction must be secure and permanent and must be recorded in a destruction log showing the type of record, the retention period, confirmation that no legal hold applies, who approved it, and the date and method of destruction. Duplicate or temporary records may be deleted only under an approved records schedule, and only if the main record stays complete, available and secure.

40 NON-RETALIATION POLICY

It is a policy of SAM Precious Metals not to retaliate in any way against anyone who in good faith discloses any information regarding money laundering to any relevant regulatory authority, government agency or to other

relevant bodies involved in the prevention of money laundering and combating terrorism financing. Any member of SAM Precious Metals found to have retaliated shall be subject to disciplinary action, up to and including dismissal.

Version Control (V 4.1) **Date: 07 August 2026**	**Name**	**Signature**
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Document Reviewed by:	**Mr. Ahmad Riyad Mahmoud Abu Ahmad** (Chief Operating Officer)	
Final Approver	**Mr. Sami Riyad Mahmoud Abu Ahmad** (Chairman & General Manager)	

END OF DOCUMENT

• APPENDIX A – CORPORATE KYC CHECKLIST

The following information/documents must be collected and retained:

No.	Document / Information	Completed		
		Yes	No	N/A
1	**Proof of legal existence of the Company:**			
	• Trade License	☐	☐	☐
	• Certificate of Incorporation	☐	☐	☐
	• Share Certificates / Shareholders Register	☐	☐	☐
	• Memorandum of Association	☐	☐	☐
	• Articles of Association	☐	☐	☐
	• Full Details of Beneficial Owners if not mentioned in MOA / AOA	☐	☐	☐
	• List of Directors (if not mentioned in MOA / AOA)	☐	☐	☐
	• Tax Registration Certificate	☐	☐	☐
2	**Proof of the company's Registered Address and Office/Principal Address (primary address where the business activity is performed) in the country of origin and/or physical address within the UAE:**			
	• Utility bill (e.g. electricity, water, phone)	☐	☐	☐
	• Tenancy contract / purchase agreement	☐	☐	☐
	• Bank statement or Letter from Bank	☐	☐	☐
	• Local authority tax bill	☐	☐	☐
	• Letter from Public Authority	☐	☐	☐
3	**Contact details of the Company:**			
	• Office telephone number(s)	☐	☐	☐
	• Company email address	☐	☐	☐
	• Company website	☐	☐	☐
4	**Verification of contact details above via the due diligence conducted by SAM Precious Metals' staff**	☐	☐	☐
5	**Ultimate Beneficial Owner Declaration**	☐	☐	☐
6	**Board Resolution**	☐	☐	☐

No.	Document / Information	Completed		
		Yes	No	N/A
7	**List of Authorised Traders (with their specimen signature)**	☐	☐	☐
8	**Identities, addresses and CDD of the following (as per Appendix B):**			
	• All shareholders / partners of the Company	☐	☐	☐
	• All managers of the Company	☐	☐	☐
	• All Authorised Signatories of the Company	☐	☐	☐
	• All Ultimate Beneficial Owner of the Company	☐	☐	☐
	• Individuals holding Powers of Attorney from the company	☐	☐	☐
	• Third-party mandate holders of the Applicant Company	☐	☐	☐
9	**Understanding the relationship that exists between the principals of the company and the powers of attorney/third party mandate holders**	☐	☐	☐
10	**Details of the company's business including**			
	• Main products or services	☐	☐	☐
	• Names and addresses of parent company and/or subsidiaries, if applicable	☐	☐	☐
	• Main activities geographical areas	☐	☐	☐
11	**Understanding the source of funds originating from the Company**	☐	☐	☐

• APPENDIX B – INDIVIDUAL MEMBERS OF CORPORATE CLIENT KYC CHECKLIST

The following information/documents must be collected and retained:

No.	Document / Information	Completed		
		Yes	No	N/A
1	**Basic Customer Information:**			
	• Legal name (Change of Name Deed in case the name does not match with the name on the Passport)	☐	☐	☐
	• Date of Birth	☐	☐	☐
	• Place of Birth	☐	☐	☐
	• Nationality	☐	☐	☐
	• Father's Name	☐	☐	☐
2	**Identity Documents**			
	• Passport	☐	☐	☐
	• Home country National ID (Emirates ID if the individual is a UAE national / resident)	☐	☐	☐
3	**Address Proof Documents (any one)**			
	• Utility bill (e.g. electricity, water, phone)	☐	☐	☐
	• Tenancy contract / purchase agreement	☐	☐	☐
	• Bank statement	☐	☐	☐
	• Driving License with address on it	☐	☐	☐
	• Local authority tax bill	☐	☐	☐
	• Letter by employer or employment contract in case of a reputed company	☐	☐	☐
4	**Contact details of the individual:**			
	• Telephone number(s)	☐	☐	☐
	• Mobile number(s)	☐	☐	☐
	• Email address	☐	☐	☐
5	**Verification of contact details above via the due diligence conducted by SAM Precious Metals' staff**	☐	☐	☐

No.	Document / Information	Completed		
		Yes	No	N/A
6	Understanding the source of funds and wealth of each individual/shareholder/manager	☐	☐	☐
7	Ultimate Beneficial Owner Declaration	☐	☐	☐
8	Whether the individual/shareholder/manager is a Politically Exposed Person (PEP) or a Close Associate of a PEP	☐	☐	☐