

# AURIC HUB LTD

## Supply Chain Policy

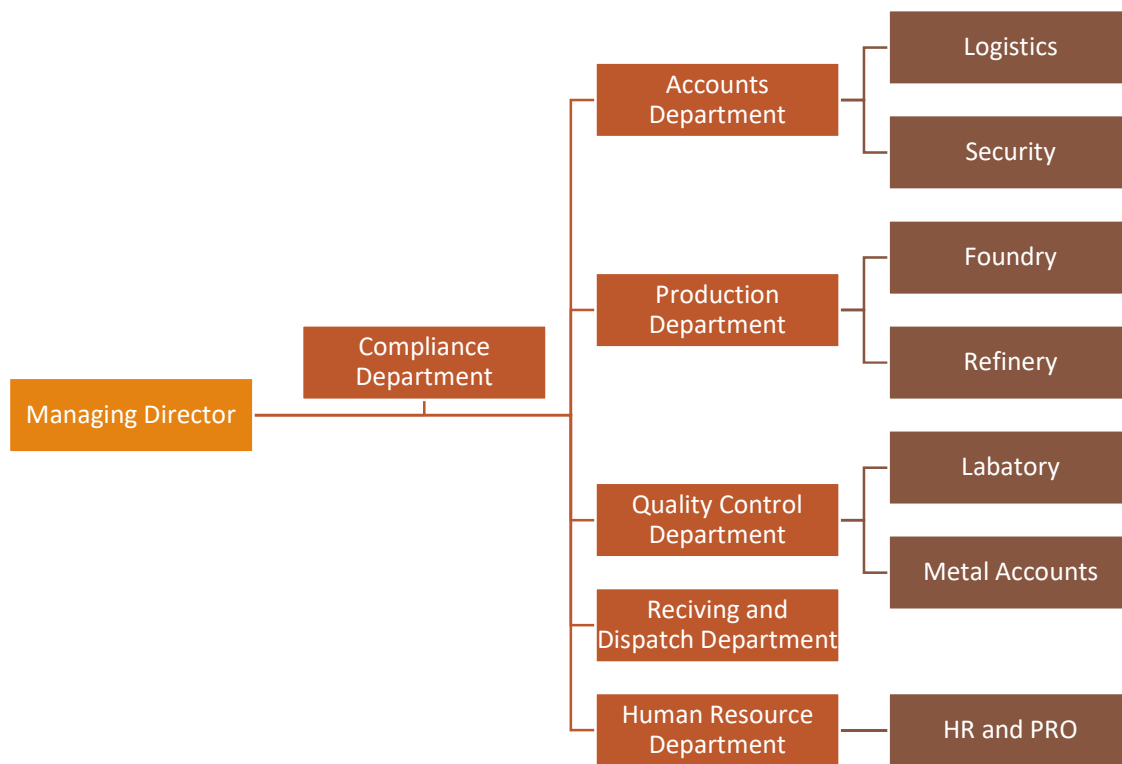


AURIC HUB

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### ORGANIZATION CHART OF AURIC HUB



## **Anti-Money Laundering (AML) Policy, Compliance and Supervisory Procedures**

### **Anti-Money Laundering (AML) Policy, Compliance and Supervisory Procedures**

All procedures contained in this AML Compliance and Supervisory Policy Manual applies equally to, and is fully observed, by Auric Hub :

#### **1. The Company Policy**

It is the policy of the Company to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorism or criminal activities. All employees of the company are required to commit to maintaining the highest possible ethical standards of business conduct and adhere strictly to the Company's AML and KYC Compliance policies and procedures.

#### **Money Laundering**

This is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived income so that the unlawful proceeds appear to have derived from legitimate origins or constitute authentic assets. Usually, money laundering occurs in three stages:

##### **i. Placement Stage**

Cash first enters the financial system at this stage, where the cash generated from criminal activities will be converted into commercial instruments such as money orders or traveller's cheques or deposited into accounts at financial institutions.

##### **ii. Layering Stage**

The funds will transfer or move into other accounts or other financial institutions to separate or layer the money from its criminal origin.

##### **iii. Integration Stage**

The funds will re-establish into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

#### **Finance of Terrorism**

Terrorist Financing may not necessarily involve the proceeds of criminal conduct, but rather an attempt to hide the origin or intended use of the funds, which is, at a later stage, used for criminal purposes.

It is the policy of the Company to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorism or criminal activities. All stakeholders and employees of the company are required to commit to maintaining the highest possible ethical standards of business conduct and adhere strictly to the Company's AML and KYC Compliance policies and procedures. These are set out below and must be read thoroughly and fully understood.

All employees of the Auric Hub are provided with a copy of the most recent version of the company's AML and Compliance policy. Each member of staff must commit to following the Company's AML policy and KYC procedures and is required to sign a form of acknowledgement that they have read, fully understood, and will adhere strictly to the Company's AML and KYC Compliance policies. If an employee is accused of having violated any aspect of the company's AML policy, a formal meeting with the Compliance to have taken place the offence will be noted on the employee's personnel file and a written warning issued. If the employee is proven to have violated the company's AML policy on a second occasion that employee's contract of employment will be immediately terminated. The company reserves the right to notify the relevant authorities of any or all such proven offences and to cooperate fully with all appropriate Regulatory Authorities.



### **1. Compliance Officer Designation and Duties (responsible for AML Policy)**

The Company designates a duly qualified Compliance Officer to oversee and implement its Anti-Money Laundering Program, KYC procedures OECD Guidelines and DMCC rules. The duties of the Compliance Officer include administering and monitoring the company's AML policy, overseeing Compliance related internal and external communication, and conducting AML training for all employees. The Compliance Officer will also ensure that detailed AML and KYC records are maintained and kept for periods as directed from time to time by the appropriate Regulatory Authorities.

### **2. Sharing Information with Other Financial Institutions**

The company's Compliance Officer will share information about those suspected of terrorism and money laundering with other financial institutions for the purposes of identifying and reporting activities that may involve terrorist acts or money laundering activities but only if an appropriate Non-Disclosure Agreement is signed between the respective parties.

### **3. Customer Identification and Verification**

The company is committed to maintaining the highest standards of Know Your Customer (KYC) procedures and to verifying the identity of any customer seeking to open an account, using all practical means before proceeding. Detailed records will be maintained in-house, and use will be made of client identification services in order to verify a potential client identify and good standing, ensuring that the prospective client does not appear on any global sanctions lists, such as FATF or OFAC, UKHTM, EU and CTF. The Company's business development relationship managers responsible for on-boarding clients must ensure that the prospective client is fully aware that the Company will be conducting rigorous KYC background checks and identity verification. If any prospective client objects in any way to this process the account opening procedure will immediately be terminated and will be updated in Go AML Portal.

### **Risk-Based Information on Various Account Types**

We require the following information and documentation for all Prospective Corporate Clients seeking to open a new account with the Company:

- A completed Opening of Account Form
- A completed Know Your Customer (KYC) Form
- Certificate of Incorporation
- Memorandum of Association
- Trade License
- VAT Certificate issued by The Federal Tax Authority (or equivalent from an overseas jurisdiction)
- Full details of all beneficial owners if mentioned in the M & A's.
- List of Directors if mentioned in the M & A's.
- List of Authorized Signatures with their specimen signatures and passport copies
- List of Authorized Traders with specimen signatures and passport copies
- Certified copies of utility bills latest 2 months or bank statements as proof of home address for all directors and beneficial owners
- Certified/Notarized Passport Copies of all directors and beneficial owners
- Registered Address of the company
- Latest Audited Financials for a minimum period of 2 years.

### **Customers Who Refuse to Provide Information**

If a potential or existing customer either refuses to provide the information described above when requested, or appears to have intentionally provided misleading information, the company will (subject to management approval) not open a new account and after considering the risks involved, consider closing any existing account, and advising the relevant regulatory authority such as the DMCCA and GO AML portal.

### **4. Verifying Information**

We verify the customer's identity in the on-boarding process for new accounts using appropriate documentary evidence. The following documents are considered to be adequate for verifying the identity of individuals:

- A valid driver's license
- A valid passport
- Other Government identification documents that show nationality, residence, and photograph or other biometric safeguard



The following documents are appropriate for verifying the identity of Companies:

- A Certificate of Incorporation
- A Government issued business or trade license.
- Notarized partnership agreements
- Corporate Resolutions, or similar documents.

We will not proceed with the activation of an account and engagement in transactions with any client until the Identification Verification process has been completed and the Compliance Officer has granted approval.

We fully document our Client Identification Verification process, including all identifying information provided by a customer, the methods used and results of verification, and details of the resolution of any discrepancy in the identifying information.

Before opening an account, and on an on-going basis, we check to ensure that a customer does not appear on any published lists of known or suspected terrorists or terrorist organizations.

#### **5. Supervisory Procedures for Opening Accounts**

The account opening procedure structure drives the collection and use of information on the client's source of wealth, net worth, and sources of income to detect and deter possible money laundering and terrorist financing.

#### **6. Monitoring Accounts for Suspicious Activity**

We routinely monitor the activity over client's accounts to perform identification of patterns of unusual deal size, trading volume, the form or type of transactions, and geographic factors such as whether jurisdictions identified as "Non-Co-operative" are involved, or if any of the "Red flags" are indicated. We monitor transactions, including deposits and wire transfers, in the context of other account activity to determine if a transaction lacks financial sense or is suspicious because it might be an unusual transaction for that customer.

#### **7. Red Flags**

Red flags that indicate possible money laundering or terrorist financing include but are not limited to the following:

- Customer exhibits unusual concern when questioned about compliance with our AML policies, particularly with respect to identity verification, type of business activity, assets of the company, or a reluctance or refusal to disclose any information related to business activities or furnishing unusual or suspect identification or business documents.
- The information provided by the customer that identifies a legitimate source for funds is found to be false, misleading, or substantially incorrect.
- Upon request, the customer refuses to identify or fails to indicate a legitimate source wealth, income and/or assets.
- The customer (or a person publicly associated with the customer) has a questionable background or has been the subject of news reports indicating possible criminal, civil, or regulatory violations.
- The customer has difficulty describing the nature of his or her business or lacks general knowledge of the industry.
- The customer makes a funds deposit for purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer of the proceeds out of the account.

#### **8. Responding to Red Flags and Suspicious Activity**

When a member of the company detects any red flag, it will be reported immediately to the employee's direct manager and the Compliance Officer. The matter will be investigated further under the direction of the Compliance Officer, and this may include gathering additional information internally or externally from third party sources. The Compliance Officer will report any suspicious Red Flags to the appropriate Regulatory authority.

## **9. Suspicious Transactions Reporting**

### **Filing a report**

Reports are completed and filed for any suspicious transaction or series of transactions that may include but will not be limited to the following:

- The transaction implies that funds are derived from illegal activity or funds from non-verifiable source of funds.
- The transaction is intended to or is conducted in such a way so as to, hide or disguise funds, or assets derived from illegal activity as part of a plan to violate the law or regulation.
- The transaction is designed in such a way to avoid any requirements of Government regulations.
- The transaction involves the use of the company to facilitate criminal activity.

## **10. AML Record Keeping**

### **Maintenance and Confidentiality**

All reports and any supporting documentation are maintained confidentially by the Compliance Department and kept for periods as designated from time to time by Regulatory authorities but for a minimum of at least five years. The company limits access to confidential and sensitive information on a “need to know” basis (subject to management approvals) and restrict areas for reviewing reports as well as stressing the importance of confidentiality before a person is allowed access such information.

### **Responsibility for Maintaining AML Records**

The Compliance Officer (or Designate) is responsible for ensuring that appropriate and up to date AML records are maintained and filed as required from time to time by the reporting Regulatory Body.

## **11. Training Programs**

The Compliance Department performs regular AML training for all members of staff.

All new employees must complete an AML training program within three months of their hire date. Thereafter all employees must receive on-going AML training on bi-annually basis. The training will include, but may not be limited to:

- How to identify red flags and signs of money laundering that arise during the course of the employees’ duties?
- What to do once identifying a risk?
- The record retention policy and the disciplinary consequences.
- A declaration form has to be collected from all the employee stating that they would adhere to AML policy of Auric Hub.

AML Training records are maintained by the Compliance Department showing the dates of when members of staff received training and the subject matter of the training.

## **12. Programs to Test AML Policy**

The company performs a written follow-up to ensure that it addresses and implements corrective measures for any deficiencies noted during its annual review.

The Company’s internal audit program includes the testing of AML records and covers the following:

- Audit objectives and scope of the examination.
- Recommendations on improving the AML program
- A discussion of any noted deficiencies and an action plan for implementation by management to address these deficiencies.
- An overall opinion of the adequacy of the Company’s AML program

## **13. Monitoring Employees, Employee Conduct, and Accounts**

The Compliance Officer conducts background checks, including any criminal records, on all new employees. Any suspicious or questionable background information will be discussed with senior management prior to making any final employment decision.



#### **14. Confidential Reporting of AML Non-Compliance**

Employees are expected to report any violations of the company's AML compliance program to the Compliance Officer, unless the violations implicate the Compliance Officer, in which case the employee shall report to other senior officers of the company. Such reports will be confidential, and the employee will suffer no retaliation for making them.

**Further to the above AML and CFT policy mentioned above, the detailed AML and CFT Policy along with the Onboarding and Risk Management Policy have been detailed in the respective policy which are recorded in the Following:**

- **Auric Hub LTD- Onboarding- Screening-Risk Mitigation Policy**
- **Auric Hub LTD-AML and CFT Policy**



## Auric Hub Suppliers Code of Ethics

### 1. Purpose

This Standard governs the conduct of all Suppliers of all types and forms of precious metals to the Auric Hub . It sets the standards of ethical conduct that is required from the supplier community, provides for self-certification against all standards, validation of the self-certification, and procedures for proceeding or terminating contracts with suppliers that do not meet these standards.

### 2. Application

Social responsibility guides the operation Auric Hub in the conduct of its business in the global precious metals industry. This Standard has been designed to help Suppliers understand their responsibilities and to create an awareness of the business and ethical standards that they must follow in their business dealings with Auric Hub . The key attributes that we expect from our Suppliers are:

- Integrity
- Honesty and,
- The highest ethical standards

### 3. Administration and Interpretation

Enquiries, comments and recommendations related to this Standard and supporting Procedures must be communicated to the Compliance Officer of Auric Hub . Definitions applicable to the understanding and application of the requirements contained in this Standard are located in Appendix A and Appendix B. Suppliers must read, understand and accept in writing the following conditions of dealing with the Auric Hub

### 4. Compliance with Laws

Suppliers must comply with all applicable laws, rules and regulations in every jurisdiction in which they do business with Auric Hub . Local laws might change in restriction to this Standard in some instances. In such events, Suppliers are expected to comply with this Standard, even if the conduct would otherwise be legal under applicable laws. If local laws are more restrictive than this Standard, Suppliers are expected to, at a minimum, comply with applicable local laws.

### 5. UN Global Compact

The ten principles of the Global Compact are based on internationally recognized norms and conventions in four critical areas: Human Rights, Labor Standards, the Environment, and Anti-corruption. In all business dealings with Auric Hub , Suppliers must comply with the principles of the UN Global Compact (see appendix A for reference).

### 6. OECD Guidance/DMCC rules for Responsible Supply Chains for Gold and Other Precious Metals

In 2012 the OECD issued a “Supplement on Gold” to its paper on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area. This provides a common reference for all participants in the supply chain.

This is to ensure responsible sourcing and chain of custody of gold and other precious metals and to eliminate or at least mitigate the risk of direct or indirect support to any kind of conflict in accordance with international standards. Auric Hub is committed to adopting these practical guidelines and is also fully committed to uphold the DMCC rules for the ethical supply chain at all times. It is the responsibility of every one of our suppliers to fully understand the OECD guidelines and DMCC Rules for RBD in the Gold and Precious Metal Supply Chain in order to ensure that they are in full compliant with the principals of responsible supply chain management of precious metal

### 7. Certification

Auric Hub will certify and approve suppliers and accept their products once the supplier has passed our specialized assessment process, verification and monitoring procedures. Post certification, the supplier becomes a nominated entity to enter any deal with Auric Hub whenever required. The certification will occur at the outset of the relationship with the supplier and will be an ongoing process and subject to review at least annually.

Auric Hub has the right, but not the obligation, at its sole discretion to terminate the business relationship at any point if the standards required are not met by the supplier for any business-related reasons. At the time of any termination for the business relationship with the supplier, Auric Hub will decide at its sole discretion whether or not to disclose the reasons for any such action.

#### **8. Acknowledgement of Policy by The Supplier**

Auric Hub collects a copy of the Suppliers Code of Ethics and Appendices duly signed all our customers who agree to comply with its provisions at all times during the business relationship with the company.

#### **The Ten Principles of The UN Global Compact**

The UN Global Compact's ten principles in the areas of human rights, labour, the environment, and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Auric Hub is fully committed to observing the observing the precepts set out below in every aspect.

#### **Human Rights**

- Principle 1      Businesses should support and respect the protection of internationally proclaimed human rights: and
- Principle 2      Make sure that they are not complicit in human rights abuses.

#### **Labour**

- Principle 3      Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4      The elimination of all forms of forced and compulsory labour.
- Principle 5      The effective abolition of child labour; and
- Principle 6      The elimination of discrimination in respect of employment and occupation.

#### **Environment**

- Principle 7      Businesses should support a precautionary approach to environmental challenges.
- Principle 8:      Undertake initiatives to promote greater environmental responsibility; and
- Principle 9:      Encourage the development and diffusion of environmentally friendly technologies.

#### **Anti-Corruption**

- Principle 10:      Businesses should work against corruption in all its forms, including extortion and bribery.



## **Responsible Supply Chain Management of Gold and Other Precious Metals**

In 2012 The Organization for Economic Co-operation and Development (OECD) issued a “Supplement on Gold” to its paper on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Subsequently the Dubai Multi Commodity Centre (DMCC) issued practical guidance to assist DMCC licensed members and non-members within the UAE’s gold and precious metals industry on the implementation of the OECD guidelines on conducting due diligence and developing a risk management framework for responsible supply chain management of gold and precious metals when sourcing from conflict-affected and high-risk areas.

In 2017, and again in 2020 with an updated version 2, the DMCC has reinforced its regulatory oversight of precious metals supplies coming into the United Arab Emirates by making its guidelines into enforceable rules that provide a common reference for all participants in the supply chain on a step-by-step basis to ensure responsible sourcing and chain of custody of the gold and precious metals and to eliminate the risk of direct or indirect support to any kind of conflict or criminal activity in accordance with international standards. The DMCC rules set out a step by step framework for risk based due diligence in the gold and precious metals supply chain, and a summary of the key aspects is set out below and should be viewed as a documented set of procedures that all precious metals suppliers must adhere to.

As the DMCC guidance is aimed at the whole supply chain it may well be that not every rule will apply to every client. The aim is to have a balanced understanding of the pipeline in order to mitigate as far as possible the inherent risks involved in the supply of physical gold and other precious metals. The essence of compliance in any form is:

Auric Hub has fully adopted these rules and it is the responsibility of everyone involved in the company to fully understand the DMCC’s supply chain protocol in order to ensure That Auric Hub is always complies with the principals of responsible supply chain management of precious metals. A Copy of The DMCC Rules for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (DMCC Rules for RBD-GPM) is provided to Auric Hub staff members as part of the Policy handbook package.

### **Summary of the DMCC Guidance for Responsible Supply Chains for Gold & Other Precious Metals**

**A. A company must ensure that robust systems are in place in the gold and precious metals supply chain to ensure that its conducts effective due diligence on the supply chain.**

- A company must assign a dedicated compliance or risk officer with the following conditions:
- The Compliance Officer should be a senior staff member; and should have the necessary competence, knowledge, experience and training in supply chain due diligence; and must be equipped with the necessary resources to perform the relevant duties and be able to communicate critical information to top management, staff and suppliers.

**B. A company must ensure that adequate documentation, records of supply chain and due diligence are maintained which should include the following:**

- Physical form, type and physical description of gold and precious metals including any Imprints and/or hallmarks.
- Weight and assay of gold and precious metals after proper own verification and/or through third party verification.
- Full KYC due diligence of all suppliers including their due diligence practices, which need to conform to international standards. The KYC form should also include the company's suppliers and their locations.
- Unique reference number for each entry/input and exit/output.
- Name, stamp and logo of refiner/producer/manufacture (if applicable).
- Year of refining/production (if applicable).
- Dates of purchases and sales.
- Inventory list classified as per supplier.
- All documentation should be kept for at least five years, and we must have a mechanism for tracing



products back to the origin of the purchased material, known as 'Track and Trace'. Documents should include the following:

- Shipping/transportation documentation.
- Sales documents with specific lot numbers.
- Mining license and related permissions.
- Import/export licenses and forms.
- Proof of Royalty Payment
- KYC and other supporting Documents of the AMS Miner
- Clear documented proof of Transit Report if the mined metal is from CAHRA Region.

**C. A company must ensure that we have strong relationships with suppliers through the following:**

Maintaining adequate KYC due diligence process for suppliers including reviewing suppliers' own due diligence practices.

- Establishing long-term relationships.
- Sharing with suppliers the DMCC guidance and acknowledging the receipt and compliance of the suppliers with the DMCC rules.

This section sums up exactly what we all know — there is no substitute to really knowing your customers, and your customers' customers. Strong KYC and a complete understanding of our clients' business are crucial in ensuring we comply with the DMCC rules.

**D. A company must conduct regular training for all persons involved in the responsible supply chain process.**

This includes initial training for new staff and refresher sessions for existing staff based on the level of risks and job profiles in engaging with the supply chain participants.

**E. A company must Identify and assess the risks in the supply chain.**

The objective of this is for companies in the supply chain to identify and assess the risks associated with gold and precious metals, which they either: produce, distribute, transport, export or purchase. A company must conduct a risk-based assessment on each party included in the supply chain from the mines including suppliers, exporters and transporters of newly mined, or recycled gold and precious metals. Factors to take into consideration for conducting the risk assessments are as follows:

The geographical location of gold and precious metals supply:

- Origin and transportation.
- The level of government regulation and supervision in the country of origin.
- The extent of cash transactions used in the country of origin.
- The level of conflicts or human rights abuses in the country of origin.
- Payment systems used in the country of origin. I.e. formal banking versus informal systems such as money exchanges and 'Hawalas'.
- Level of involvement of criminal organizations in the country of origin.
- Level of high-risk businesses (such as gaming and casino, etc.) in the country of origin.
- Level of access from a country to nearby markets or processing operations that are termed as conflict and/or high-risk areas.
- Level of enforcement of laws addressing significant criminal activity in the country of origin.
- Existence of sanctions and/or embargoes that have been directed against the country and individuals/entities in that country.

**When assessing counterparty risk in the supply chain a company should focus on the following:**

- KYC information of the company's suppliers, which should include information about the origin and transportation of the gold and precious metals.
- Red flags (obvious high risks) in any aspect of the entire supply chain.
- Number of suppliers i.e. the greater, the higher the risk.
- Level of control that the counterparty has over its suppliers.
- Level and adequacy of due diligence practices of the counterparty.
- Whether the counterparty has due diligence practices that have been audited by a qualified third-party auditor.
- How long the counterparty has been in the gold and precious metals business (longer = lower risk).

- No indication and/or disclosure of beneficial owners of the counterparty.
- Seeking anonymity by intermediating third parties such as lawyers, accountants, etc.
- Scale of mining operations of the supplier, if applicable.  
Politically exposed persons that have been entrusted with prominent public functions or individuals who are closely related to such persons.

**When assessing transaction risk in the supply chain a company should focus on the following:**

- Due diligence should be proportional to the value of the transaction.
- Gold and precious metals that are transited and/or exported which are not reasonably reconciled with the declared location of the origin.
- Unexplained geographic distance in the supply chain.
- Melted recyclable gold and precious metals is higher in risk than unprocessed recyclable gold and precious metals. an Unusual circumstance which are not consistent with the local practices (amount, quality, potential profit, level of discount etc.).
- Use of cash in excess of government thresholds.
- Payment by cash and/or physical delivery to unrelated third parties.
- Structuring to make payments in smaller multiple transactions to avoid the government thresholds.

**F. A company should adopt a system of red flags (high risk warnings) with respect to the location of supply, the nature of the suppliers, and circumstances of the supply with an in-depth review of any supply that raises a red flag.**

Location-based red flags of gold and precious metals related to origin and transportation include the following:

- The gold and precious metals originate from or have been transported through a conflict-affected or high-risk area.
- The gold and precious metals are claimed to originate from a country that has limited known reserves or stocks, likely resources or expected production levels of gold and precious metals (i.e. the declared volumes of gold and precious metals from that country are in excess of its known reserves and/or expected production levels).
- The gold and precious metals are claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold and precious metals from conflict-affected or high-risk areas is known or reasonably suspected to transit.
- In each of these location-based red flag considerations, the risk is increased when anti-money laundering laws, anti-corruption laws, customs controls and other relevant government laws are weakly or not enforced, where informal banking systems operate, and when cash is extensively used.
- Supplier-based red flags include the following:
- Suppliers or other known upstream companies operate in one of the red-flagged locations of gold and precious metals' origin and transportation or have shareholder(s) or other interests in suppliers of gold and precious metals from one of the above-mentioned red flag locations of gold and precious metals' origin and transportation.
- Suppliers or other known upstream companies are known to have sourced gold and precious metals from a red flagged location of gold and precious metals origin and transit in the last 12 months.

**Circumstances-based red flags include the following:**

- Anomalies or unusual circumstances that are identified through the information collected in the KYC process give rise to reasonable suspicion that the gold and precious metals may contribute to conflict or serious abuses associated with the extraction, transportation of and/or trading in gold and precious metals.

A company should conduct enhanced research on red-flagged suppliers prior to engaging with them, which would include some or all of the below mentioned research methods based on the outcome of the risk assessments and the pertinent cost-benefit analysis in proportion to the level of the risks identified:

**Desk research:**

- Identify each company in the supply chain.
- Identify the beneficial owner(s) of each company in the supply chain.
- Obtain financial information on each company in the supply chain.
- Ensure that each company in the supply chain holds the necessary permits and licenses.
- Ensure that each company in the supply chain is not listed on any sanctions and/or embargoes list.

**On-site visits to gold and precious metals suppliers and/or keeping independent or joint on-the-ground assessment teams to generate and maintain information on the circumstances and processes of the following activities:**

- Gold and precious metals extraction (physical access to mines, mine capacity against recorded mine production and discrepancies)
- Gold and precious metals processing (consolidation, blending, crushing, milling, smelting, refining, etc. and recording any discrepancies in the processing and/or production and related capacity of the facility to perform relevant activities)
- Handling of gold and precious metals (inventory, trans-shipment, relabelling, etc.)
- Transportation of gold and precious metals
- The weight and assayed quality characteristics of the gold and precious metals that are used in the above-mentioned activities.

**G. A company should develop and implement a risk mitigation/control plan with the objective of controlling the identified risk(s) to mitigate any adverse implications.**

This policy should include the following:

- A reporting mechanism for risks identified to company's senior management and the concerned compliance or risk (or supply chain) officers.
- Enhanced engagement with suppliers through establishing a chain of custody and/or traceability system from a red-flagged supply chain.
- Enhancing the physical security practices.
- Physically segregating and securing shipments from a red-flagged supply chain, avoid co-mingling supplies from a red flag area or supplier with those from a low-risk geographic area and/or an accredited refinery.

**In summary the DMCC rules set out a framework or code of conduct for us all to follow so that we can ensure that we run our business in not only a profitable fashion but also according to ethical standards. They sums up exactly what we all know — there is no substitute to really knowing your customers, and your customers' customers. Strong KYC and a complete understanding of our clients' business are crucial in ensuring we comply with the DMCC rules on responsible supply chain management**

## **Enhanced Relationships with Suppliers Standard Operating Procedure**

### **Introduction**

Auric Hub is committed to enhance and promote the DMCC Responsible Supply Chain Management for Gold and Annex all of the OECD guidance, these Enhanced Relationships with Suppliers Standard Operating Procedures (ERSOP) ensure that Auric Hub clients are implementing the due diligence on their sources of gold supplies.

### **ERSOP Objectives & Scope**

- ✓ Develop clients' awareness of the associated risks of not complying or implementing the OECD and DMCC Due Diligence
- ✓ Educate clients about the implementation of an appropriate KYC process for gold suppliers consistent with the DMCC rules for RBD-GPM
- ✓ Provide constant support and guidance to their clients during the course of the supply chain cycle.
- ✓ ERSOP applies to all parties that are involved in the supply chain, including Auric Hub and its clients, aimed at enhancing relationships with suppliers.

### **Enhancing the relationship with suppliers**

The following measures are taken to ensure that every client that opens an account with Auric Hub is implementing a robust KYC policy in accordance with the DMCC rules for RBD-GPM:

- ✓ DMCC RBD-GPM rules are given to the clients to be the guidelines for their KYC due diligence process.
- ✓ DMCC RBD-GPM is explained explicitly to ensure the clients understand the obligation to comply with DMCC rules.
- ✓ Review and develop clients' due diligence practices if needed.
- ✓ Every client must acknowledge they have received the DMCC rules for RBD-GPM and undertake to comply with it
- ✓ Auric Hub constantly updates clients on any changes to international supply chain rules and ensures implementation in their KYC due diligence.
- ✓ Auric Hub supports clients by delivering training and awareness sessions on the DMCC RBDGPM and OECD rules and also offers clients the benefit of using Auric Hub 's due diligence methods and tools.

## **Non-Conformity Policy and Standard Operating Procedures**

### **Introduction**

Auric Hub has implemented a Non-Conformity Standard Operating Procedure (NCSOP) to ensure the compliance of every supply of gold with the DMCC and OECD rules. The NCSOP also ensures the integrity of each of the transactions and alerts the Management and Compliance Department of Auric Hub of any nonconformity.

### **SOP Objectives**

- ✓ Achieve a maximum level of transparency for Auric Hub and its clients over the course of the transaction cycle
- ✓ Detect any shortfall in the conducted client due diligence
- ✓ On-going monitoring of the client supply sources and guarantee its' compliance
- ✓ Detect any nonconformity during the review instantly and take the appropriate action to rectify it
- ✓ Update the management of the unconformity issues.

### **Noncompliance of the source of gold**

Prior to the collection of the physical gold, Auric Hub operations examine the documents and approve the transaction based on the KYC and the conducted due diligence. In the event of any detected non-compliance the following measures are taken:

- ✓ The compliance officer is notified, who will investigate it further with the client
- ✓ The client takes corrective action or alternatively the transaction is rejected
- ✓ The general manager is notified to acknowledge the rejection
- ✓ The case is filed in the clients file for future reference

## Operating Policy Auric Hub

### A. Up On receiving shipments from Customer.

1. Auric Hub receives shipments only from Customers and does the refining and manufacturing service. Auric Hub will operate complying the rules and regulations of DMCC for the responsible sourcing. All the KYC documents of the suppliers/clients are received at the time of account opening. The documents of customers are updated every 2 years by the company as to comply by the rules of DMCC.
2. The daily shipments are received at the refinery from Customers through a secured logistics company responsible for transporting valuables and currencies. The documents to be received from the shipping company are listed below:
  - Metal payment voucher issued.
  - Brinks waybill
3. The goods will be packed and sealed in security boxes as specified by the logistics company by the shipper to avoid any tampering or removal of content.
4. The shipment will be sent with an invoice and each lot belong to each supplier/customer. The shipment will be classified and identified with an invoice number which shall be mentioned in each document related to that shipmen
5. Each shipment is received at the refinery by the accounts department. It shall be received by the department in the presence of the security guard of the refinery. The accounts department is responsible for checking and validating the shipment.
6. The details of the shipment and the requirement of the will be notified to the refinery through emails by the person in charge of logistics and the same shall be acknowledged by the person receiving the shipment. The refined and finished product is shipped back to company and the person in charge of accounts and receiving will send an email to the notifying the quantity and purity of the shipment.
7. All the email correspondence between both the companies shall be saved for future reference and audit purposes.

### B. Workflow of the refinery

The workflow chart clearly explains the process of work at the refinery right from receiving the goods at the refinery and till the finished product. A copy of the workflow chart is attached as appendix A for reference.

### C. Training for employees

All the employees are given periodic training on responsible sourcing, AML policies (incl. DMCC rules) and safety rules and regulations at work. Safety training shall be given to the employees by a certified trainer. New employees should also be given training and a refresher training to be given to the employees everyone year.

The Effectiveness of training shall be monitored and feedback from attendees has to be documented. Trainings to be given to the employees based on the responsibility they have towards responsible sourcing.

The effectiveness and potential improvement in the work of all employees will be closely monitored and if necessary documented by HR.

### D. Calibration of the equipments used.

All the machines and equipments used in the refinery must be calibrated in periodic intervals and the documents shall be maintained appropriately. The balances for weighing and scaling should be ISO certified. And the documents for the same shall also be filed and documented.



## Risk Identification and Control Policy

### 1-Introduction

- ✓ Auric Hub implements internal policies and practices of mapping its supply chain in order to identify and assess the risks contributing to money laundering, terrorism financing or serious human right abuses, associated with gold and/or precious metal supply chain.
- ✓ Auric Hub implements a policy to evaluate, and control identified risk in compliance with DMCC – BRD- GPM rules, this document assists Auric Hub management in making informed decisions with respect to situations that may involve different levels of risk.
- ✓ All Auric Hub staff members must read, comprehend and strictly follow its contents; the subject document is to be read in conjunction with the Auric Hub staff company handbook as amended from time to time.

### 2-Objective

The Risk Control Policy covers:

- ✓ Auric Hub Compliance Officer's role and responsibilities
- ✓ Auric Hub risk assessment methodology with regards to customers on boarding, and involved due diligence, classification criteria and escalation
- ✓ Auric Hub minimum Know Your Customer Standards (KYC) mandated for standard due diligence
- ✓ Auric Hub Red Flags identification and escalation process
- ✓ Auric Hub on-going transaction monitoring as an integral part of the Auric Hub risk assessment process
- ✓ Auric Hub internal risk management system review frequency.

### 3-Scope of the policy

- ✓ This document covers Auric Hub and its branches in the UAE as well as Auric Hub's customers, suppliers, suppliers' suppliers and other participants involved in the supply chain
- ✓ This policy supersedes any document in place and came into effect as per its' publication date
- ✓ Any Auric Hub staff member acting outside of the letter and spirit of this policy, whether directly or indirectly, will be subject to disciplinary action as decided by Auric Hub senior management
- ✓ In alignment with prevailing guidelines and international best practices, Auric Hub has developed the subject policy. Auric Hub compliance officer conducts an annual review of the said policy and the risk management system to ensure continuous compliance with DMCC-BRD-GPM rules
- ✓ A further review when there is a major change in circumstances, our business, operations or supply base, risk nature, or a major change in applicable rules and regulations.
- ✓ It should be noted that any reference to Gold in this policy applies equally to silver, platinum and palladium

### 4-Organizational Structure and Responsibilities

- ✓ Auric Hub has appointed a person to carry out the role of a dedicated compliance or risk officer (Supply Chain Officer). The appointed Supply Chain Officer (Compliance Officer):
  - a. Is an Auric Hub senior manager
  - b. Has the necessary competence, knowledge, experience and training in supply chain due diligence and KYC processes
  - c. Is provided with all resources necessary to perform the required functions and role in accordance to Auric Hub internal policies in alignment with DMCC-RBD-GPM rules
  - d. Directly reports to the Auric Hub President and hence maintains the capabilities to communicate critical information to senior management, staff and customers.

#### 4.1 Functions and duties of the Auric Hub Supply Chain Officer (Compliance Officer)

- a. Review and sign off on each gold supply chain due diligence exercise.
- b. Continually monitor and assess the supply chain due diligence process.
- c. Ensure that the policy in place satisfies the DMCC –RBD-GPM rules



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- d. Train staff and promote awareness within Auric Hub with respect to responsible supply chain due diligence, KYC policy and applicable laws.
- e. Update policy and related processes as and when required.

*Note: All Related Policies to be updated on an annual basis, a further review is mandated whenever any major change in circumstances, Auric Hub business, operations or supply base, risk nature, or a major change in applicable rules and regulations.*

*Auric Hub Supply Chain Officer (Compliance Officer) has been appointed to carry out the functions required from the "Controller" as defined in the DMCC-RBD-GPM rules.*

#### **4.2 Functions and duties of the Auric Hub Controller (Compliance Officer)**

- a. Verifies the compliance of Auric Hub in the context of applicable legislation relating to the prevention of money laundering, terrorism financing and the funding of unlawful organizations.
- b. Confidentially retains and inspects all records necessary for the proper fulfilment of its tasks
- c. Receives, examines and considers suspicious transactions, notifies the FIU of any suspicious transaction, and submits any required STR to the FIU copying DMCC.
- d. Reviews and proposes amendments to internal regulations and due diligence procedures relating to the prevention of money laundering, terrorism financing and the funding of an unlawful organizations.
- e. Prepares annual reports to senior management that includes a proper update of status.
- f. Implements adequate personal training in addition to regular open and continuous communication with staff in Auric Hub .

Auric Hub has formed a Compliance Advisory Committee to operate under the supervision of the Chairman of the Committee to ensure independence and on-going compliance with DMCC –BRD-GPM rules at any point of time. Compliance in Auric Hub is not only the responsibility of compliance department; it is the responsibility of each and every member of staff and stakeholder in Auric Hub .

Auric Hub maintains an internal KYC and risk assessment methodology that covers Auric Hub 's customers, suppliers, supplier's suppliers, and any other relevant entities participating in the supply chain.

#### **5-Supply chain situation assessment and Know Your Customer procedures**

Auric Hub , in order to protect the company, its employees and stakeholders from becoming a target accused with violation of international laws and procedures in matters such as money laundering and terrorist financing, continuously applies effectively practiced Know Your customer (KYC) procedures.

##### **5.1 Minimum KYC requirements:**

During the on boarding process and prior to the initiation of any business relationship, and in accordance to the DMCC-RBD-GPM rules. The Auric Hub Relationship Manager (RM) exerts best efforts to gather the required information with regards to the subject customer, its' nature of business etc. Set out below is the minimum KYC standards (KYC) to be achieved by Auric Hub

- ✓ Ensure that origin of gold is not involved with any conflicted and/or high risk areas
- ✓ To the extent possible, each customer/supplier/ suppliers supplier business details area supported with all official identifications
- ✓ Details of the customer's related parties such as shareholders, authorized signatories, UBOs and any third party providers are collected. All customers along with shareholders, authorized signatories, third party providers and UBOs are screened through use of the World Check system; search results are kept in the customer's mandate file

***Note: for any unresolved positive matches the matter to be promptly escalated to Auric Hub Compliance officer.***

Upon the name screening of the subject customer, if a customer or any ultimate beneficial owner of a customer is a politically exposed person (PEP), Auric Hub account opening representative must:

- ✓ Document and escalate the matter to both the Auric Hub compliance officer and Auric Hub President



- ✓ Conduct Enhanced Due diligence (EDD), by going deeper and gathering more related information with regards to the subject relationship
- ✓ Gather all possible information to identify the source of wealth of the identified PEP and their families; local UAE PEPS are categorized as Low risk subject to satisfying the above requirements, while on the other hand Foreign PEPs are categorized as High risk subject to satisfying the above requirements.

*Note: PEP policy of Auric Hub Group has to be strictly adhered to at all times.*

### **5.2 KYC requirements for politically exposed persons**

All customers, suppliers, suppliers' suppliers, or any ultimate beneficial owners are screened along via the World Check System or other suitable KYC/AML software

Upon the screening with World Check system in the event of a customer, supplier, supplier's supplier or any ultimate beneficial owner is considered to be a politically exposed person (PEP), the Auric Hub RM must:

- ✓ Document and escalate the matter to both the Auric Hub Compliance Officer and Auric Hub President
- ✓ Conduct Enhanced Due diligence (EDD), by going deeper and gathering more related information with regards to the subject relationship
- ✓

In addition to meeting the minimum KYC standards, gather all possible information to establish the source of wealth of the identified PEP and their families; local PEPS in the UAE are categorized as Low Risk subject to satisfying the above requirements, while on the other hand Foreign PEPs are categorized as High risk subject to satisfying the above requirements.

### **5.3 Uncooperative customers**

In case AURIC HUB RM reasonably concludes that a customer is not providing a sufficient degree of cooperation to enable the RM to carry out the on boarding obligations, Auric Hub RM should document and promptly escalate the matter to both Auric Hub Compliance Officer and Auric Hub President for guidance and decision.

If it is concluded as an uncooperative customer, Auric Hub will immediately disengage from such relationship keeping a full set of documents for easy future reference.

A separate List of rejected relationships to be maintained by the Compliance Officer that includes the details of rejected relationships specifying dates and reasons of rejections.

## **6- Auric Hub Risk Assessment overview**

Auric Hub implements an internal risk assessment process that is carried out using a risk-based approach on each party involved in the supply chain. Customers have been classified into two categories commensurate to the level of risk involved:

**Low risk customers:** the customers that satisfy the minimum KYC standards and there is no reasonable ground to suspect that the subject relationship is involved with Money Laundering or financing of unlawful organizations. Local PEP's are categorized as Low Risk except for any triggers that support other classification

**High risk customers:** the customers that are not satisfying the KYC standards at first stage, and there is a reasonable ground to suspect that the subject relationship may involve Money Laundering and/or funding of unlawful organizations require deeper investigation using Enhanced Due Diligence, prompting escalation to Auric Hub Senior Management for consideration and approval. Foreign PEP is categorized as High Risk by default.

*Note: FPEP, and whenever international markets are involved, the accounts are categorized as High Risk by default.*

### **6.1 On-going monitoring**

The Auric Hub Compliance Officer conducts this during the course of business; respective data updates take place accordingly when and as required:



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All customers must satisfy the minimum KYC requirements and are subject to on-going review and updates commensurate with level of risk involved. High Risk clients require enhanced due diligence and are subject to more frequent reviews compared to the low-risk customers.

*Note: in case any of red Flags has been identified at any point of time an immediate review is conducted as illustrated*

The Auric Hub RM must complete the Auric Hub Know Your Customer (KYC) checklist, which will assist in carrying out the risk assessment and must ensure that all client information on the account opening form is complete, accurate and has been verified with required documents.

If all KYC standards for customers that provide locally sourced gold have been satisfied that customer is rated as **Low Risk by default**.

However, the customer is rated as High Risk in case any of the below has been identified, and the overall risk will be determined by the following risk elements, namely:

- a. The origin, location and transportation at any stage involves high risk areas
- b. Type of gold is not in alignment with acceptable types of gold by Auric Hub
- c. Weak or unacceptable standards of enforcement of laws addressing significant criminal activity, and
- d. The existence of sanctions and/or embargoes that have been directed against the country and/or individuals/entities in the country.
- e. Increased level of cash involvement in payment methods

For Customers rated as High Risk the actions set out below are mandated:

- ✓ EDD to be conducted.
- ✓ Auric Hub President approval is required along with the Auric Hub Compliance Officer
- ✓ On-going monitoring
- ✓ Update at least semi-annually and/or whenever is required.

### **6.2 Counterparties in the supply chain:**

- ✓ KYC information to be satisfied by Auric Hub including information on the origin transportation of gold
- ✓ Any Red Flag identified in any part of the entire supply chain
- ✓ The number of participants in the supply chain where the greater number represents more risk
- ✓ The level of control that a counterparty has on its suppliers.
- ✓ The level and adequacy of due diligence practices of a counterparty
- ✓ Whether a counterparty's due diligence practices are audited by a qualified third party
- ✓ For how long the counterpart has been carrying out activities in the gold business
- ✓ A counterparty's willingness to disclose its ultimate beneficial owner(s)
- ✓ A counterparty's attempts to be or remain anonymous.
- ✓ The scale of mining of a supplier, i.e. ASM or LSM if applicable
- ✓ The involvement of any PEPs that have been entrusted with prominent functions or individuals who are closely related to such persons.

### **6.3 Applicable transactions, including consideration of:**

- ✓ The proportionality of the due diligence to the identified, risks and severability of adverse impacts of the applicable transactions
- ✓ Gold that is transported is not reasonably reconciled with the declared location of the origin
- ✓ Unexplained geographic distance in the supply chain
- ✓ The level of concentration of gold and/ or precious metals
- ✓ Any unusual circumstances that are not consistent with the local or market practices (amount, quality, potential profit, etc.)
- ✓ The use of cash in excess of government threshold
- ✓ Payment in cash and/or physical delivery to unrelated third parties
- ✓ Transaction structuring to make payments in smaller multiple transactions to avoid government thresholds.

#### 6.4 Auric Hub risk assessment statements

Auric Hub has no tolerance to accept any relationship where there is an acceptable level of suspicion of involvement with money laundering or funding of unlawful organizations. Auric Hub management shall avoid, where practical, increased level of cash involvement and will ensure that all unavoidable usage of cash is supported by verifiable documentation and routed through banking channels. Cash involvement must be in full compliance with the provisions of the DMCC's Anti Money Laundering and Combating Financing of Terrorism policy.

#### 6.5 The overall risk rating and corresponding approval matrix is defined below.

Risk Rating	Monitoring Frequency	Type of Due Diligence	Approving Authority
Low	At Least Annually	Standard Due Diligence (SDD)	Compliance Officer
Medium	At Least Semi Annually	Enhanced Due Diligence (EDD)	Auric Hub Compliance Head
High	At Least Semi Annually	Enhanced Due Diligence (EDD)	Auric Hub Compliance Head

#### *What are SDD and EDD?*

**SDD** stands for Standard Due Diligence and means that the minimum KYC requirements are required to be properly satisfied by Auric Hub prior to the initiation of any business relationship, SDD applies to Low risk rated customers only.

**EDD** stands for Enhanced Due Diligence and means that Auric Hub is to exert best efforts to collect more information, data, and source of wealth for existing, potential customers and suppliers and go deeper with research based on case by case with regards to the respective customer, EDD applies to High Risk rated customers.

**Note: RE Review of is Counterparty is conducted based on the Risk Assessment on the customer/ Supplier**

Risk Rating	Re Review of Documentation Frequency
Low	At Least Annually
Medium	At Least Semi Annually
High	At Least Semi Annually

#### 6.6 Subjective Evaluation

The final step of the risk assessment involves a subjective evaluation, which uses all information obtained.

This is an additional measure that allows the Auric Hub RM to make an assessment as whether or not the RM agrees with the mentioned rating. If the RM believes that the given risk rating is not truly reflective of the inherent risk posted by the customer, then the RM must document the reasons for recommending a departure from either Low Risk or High Risk and involve Auric Hub President and the Compliance Officer for final decision.

Some of the factors to be considered when determining the subjective evaluation may include, but are not limited to, the following:

- a. Reputation of the customer
- b. References (face to face meetings, initiated from trusted source. etc.)
- c. Reasons the Customer chose Auric Hub
- d. Experience (if any) of Auric Hub RM in dealing with the customer
- e. Media reports.

#### 6.7 Traceability and on-going monitoring of transactions

Auric Hub minimizes business risks with non-bona fide persons and only works with customers conducting business professionally.

Each customer is assigned a risk profile, revised on regular basis. Each customer is assigned a reference ID and a file containing the required forms and documents maintained.



All commercial transactions are entered through the system; all transactions are observed and monitored by the Compliance Officer with any discrepancy identified being promptly escalated to Auric Hub management for proper and prompt action. The ongoing monitoring of transactions is a core element of the Auric Hub AML framework to ensure that money laundering and terrorism financing risks are addressed. The purpose of on-going monitoring is to determine that the customer transactions fall in line with the KYC profile held on record, expected turnover, and the source of gold.

## **7- Auric Hub Red Flags identification process**

### **7.1 What is a Red Flag?**

A Red Flag indicates possible money laundering or terrorist financing and includes but is not limited to the following:

- a. Customer exhibits unusual concern when questioned about compliance with our AML policies, particularly with respect to identify verification, source of gold, or a reluctance or refusal to disclose any information related to business or furnishing unusual or suspicious identification or business documents;
- b. The information provided by the customer that identifies a legitimate source of gold found to be false, misleading, or materially incorrect.
- c. Upon Auric Hub 's request, the customer refuses to identify or fails to indicate a legitimate source of gold or source of wealth.
- d. The customer, shareholder, authorized signatories and UBOs have a questionable background, or have been the subject of news report indicating possible criminal, civil, or regulatory violations.

Auric Hub Red Flags identification process, in accordance to the DMCC- RBD-GPM rules, means that a Red Flag can be any (including a combination or aggregate) of one or more of the following:

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

#### **Location - Based Red Flags**

Shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:

- a) The gold originates from, or has been transported through conflicted and/or High-risk areas;
- b) The gold is claimed to originate from a country that has limited known reserves or stocks, likely resources or expected level of production (for example where the declared volumes of gold from that country is in excess of its known reserves/expected production levels);
- c) The gold is claimed to originate from a country through which gold from conflicted areas is known or reasonably suspected to transit; or
- d) The gold is claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold from conflicted areas and High-risk areas is known or reasonably suspected to transit.

#### **Supplier - Based Red Flags**

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

- a) A supplier or other participant in the supply chain of gold operates in any location that could give rise to a location-based Red Flag, or has a shareholder or other interests in any supplier of gold from one of the above mentioned locations;
- b) A supplier or other participant in the supply chain of gold is known to have sources of gold from any location that could give rise to a Location-based Red Flag in the twelve months (12) previous to the applicable transaction.

#### **Circumstances - Based Red Flags**

A circumstances-based Red Flag shall be the occurrence of any anomalies or unusual circumstances that are identified through the information collected during customer on boarding that gives rise to a reasonable suspicion that the gold may contribute to any serious abuses associated with extraction, transportation of and/or trading.

## 7.2 Auric Hub Red Flags procedures

In case of the identification of any Red Flags at any stage of the supply chain, the identified Red Flag is promptly escalated to Auric Hub Compliance Officer as well as Auric Hub President  
Reasonable grounds must support identified Red Flags that a prospective transaction may involve any related risks

Auric Hub Compliance Officer shall be held responsible in coordination with other business units in Auric Hub to investigate the case using methods of Research as below:

### **Desk Research includes (where available) Auric Hub exerting its best efforts to:**

- ✓ Identify each company in the supply chain.
- ✓ Identify the ultimate beneficial owners of each company in the supply chain.
- ✓ Ensure that each company in the supply chain holds the necessary permits and licenses.
- ✓ Obtain financial information (such as balance sheets, annual reports, rating agencies reports etc.) on each company in the supply chain.
- ✓ Ensure that each company in the supply chain is not listed on any sanctions and/or embargoes list
- ✓ Review research reports including those from governments, international organizations, and media relating to mineral extraction and its impact on conflict, human rights or environmental harm in the country of potential origin.
- ✓

**Onsite Visits** in addition to above desk research. Auric Hub representative must go for onsite visits to generate and maintain information on the circumstances and processes of various activities including:

- ✓ Gold extraction/processing / handling and trading / assayed quality characteristics/ taxes and fees
- ✓ A detailed Call Report to be prepared and signed by the Auric Hub RM to be forwarded to Auric Hub Compliance Officer along with any supporting documents to finalize the investigation.

We conduct Site Visit on our Suppliers and our customers, however the frequency is determined by the compliance department based on the Risk and Value – Volume of Transactions.

### **Random Sample Verification**

This involves the verification of related transactions selected on a random basis

The Auric Hub Compliance Officer to finalize the report and submit to Auric Hub President for prompt action and decision.

Upon the investigation of the above and if it is concluded that there is no reasonable ground that the relationship is involved with any money laundering or funding of unlawful transactions, it is the duty of the Auric Hub senior management, along with the Auric Hub Compliance Officer, to take the final decision as per the below guidance, although each decision is made on a case by case basis:

- ✓ Continuity of activities while developing risk mitigation controls; arrange with concerned supplier to implement controls to mitigate the identified red flag based on risk level involved
- ✓ Temporarily suspend trading activities with the specific supplier where a red flag had been identified
- ✓ Disengaging for a period of between 3 months and 6 months with a specific supplier who fails to comply with the mitigating rules/or refrains from accepting the mitigating rules
- ✓ Consulting with suppliers and affected shareholders and agreeing on risk mitigation controls which should be adopted
- ✓ Reviewing on a regular basis the results of the mitigation measures, undertaking additional fact and risk assessment for risks requiring mitigation or after a change of circumstance
- ✓ Any action must be officially documented where all records to be retained for a period of five (5) years in n accordance to DMCC-RBD-GBP rules
- ✓

Note: in the above mentioned cases and if the decision is to retain relationship the mentioned account is categorized High Risk by default.

## 7.3 Suspicious Transaction Reporting (STR)



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7.3.1 In case of reasonable grounds that the subject incidents involve AML /CFT risks the Auric Hub Compliance Officer (Controller) is held responsible to:

- ✓ Submit a STR to the FIU in the UAE Central Bank along with all supporting documents, appropriate justifications, provide a copy of that STR to the DMCC
- ✓ Retain all related documents in a safe manner for a period of five (5) years after the date of the STR has been submitted to the mentioned regulatory bodies
- ✓ STR's are completed and files for any suspicious transaction or series of transactions that may include but will not be limited to the following:
- ✓ The transaction implies that funds are derived from illegal activity
- ✓ The transaction is intended to, or is conducted in such a way so as to, hide or disguise funds, or assets derived from illegal activity as part of a plan to violate the law or regulation
- ✓ The transaction is designed in such a way so as to avoid any requirements of Government regulations
- ✓ The transaction involves the use of the company to facilitate criminal activity

7.3.2 In case of no reasonable grounds that the subject incident involves AML/CFT risks the Auric Hub Compliance Officer (Controller) obtains the Auric Hub senior management official consent prior to proceeding with the subject customer, however the account is rated as High Risk

## **8- Auric Hub risk management related statements**

### **8.1 Auric Hub statement with regards to serious violations relating to the extraction, transportation and commerce of valuable minerals**

Moreover, and while conducting our business or acquiring metals in areas conflicted or in high risk areas, none of the below will be tolerated and Auric Hub immediately will reject / cease any transaction.

- a. Forced labour or non-voluntary work under threat
- b. Child labour use not permitted by law
- c. Other human rights violation such sexual violence
- d. Crimes such as ethnic cleaning, crimes against humanity, war crimes and serious violation of human rights

### **8.2 Auric Hub statement with regards to direct or indirect support of non- governmental armed groups**

Concerning direct or indirect support of non-governmental armed groups or those in collusion during extraction, transportation, trade, import or export stages of minerals or metals, none of the below subjects will be tolerated by Auric Hub

- a. Illegal control of areas or transportation routes within the supply chain
- b. Illegal taxation, money extortion or racketeering in entry to mining or transportation routes
- c. Illegal taxation or extortion of money from intermediary organizations, export companies or from persons engaged in international trade.

### **8.3 Auric Hub statement with regards to public or private security forces.**

Auric Hub shall not have any illegal taxation and money extortion relationship concerning mining areas, transportation routes, places where mineral trade is conducted, or elements closely related with supply chain, which are under illegal control of public or private security forces. Auric Hub shall be aware of the role of public or private security forces charged with the safety of mining areas, transportation routes, personal employed at such places, materials, equipment and trade conducted. Our company and others on our supply chain shall only enter into agreements with public and private security forces that provides services in the context of safety and human rights within the frame-work of international standards and principles.

### **8.4 Auric Hub statement with regards to money laundering and terrorist financing.**

Auric Hub takes all reasonable preventive measures, efforts and applications to obstruct money laundering and terrorist finance during the entire process covering mineral extraction, transportation, trade stages, including at points of passage to mining areas, exports and taxation. The above is secured by the on boarding process to all clients that covers areas of KYC, source of funds and wealth in addition to frequent monitoring and update as previously elaborated above it is the responsibility of the compliance officer "Controller" to ensure effective





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implementation and prompt escalation to any identified / suspicious transaction. It is one of the main roles of the Compliance Officer to promptly report any suspicious transactions after discussion with Auric Hub general management (please refer to functions and duties of the “Controller”).

#### **8.5 Auric Hub statement with regards to miss-declaration of precious mineral source by way of bribery or deception.**

Auric Hub hereby declares that it shall in no way engage in any bribery for situations of false or incorrect information declaration, etc. nor any proposals which may be construed as such, demands, claims, or promises in activities concerning payments made to the State in matters such as mineral’s origin, taxation, fees and licensing.

#### **8.6 Auric Hub statement with regards to level of cash involvement.**

Auric Hub shall avoid, where practicable, cash purchases and ensure that all unavoidable cash purchases of minerals are supported by verifiable documentation and preferably routed through official banking channels. Cash purchases, shall, in any event, be made in compliance with the provisions of the DMCC’s Anti Money Laundering and Combating Financing of Terrorism Policy.

#### **10- Auric Hub Risk Management System review program**

Auric Hub Compliance Committee has been formed to operate under the supervision of a chairman to ensure independence and on-going compliance with DMC –BRD-GPM rules at any point of time. Compliance in Auric Hub is not only the responsibility of the Compliance Department; it is the responsibility of each and every staff member and stakeholder in Auric Hub .

Auric Hub implements suitable systems and processes for risk identification and assessment; the periodic assessment and update is an integral part of Auric Hub risk management system; the Compliance Officer is responsible for:

- a. Conducting a review and update of all related policies and procedures on an annual basis and/or upon the occurrence of the change of any relevant circumstances or regulatory updates; to ensure its adequacy;
- b. Conduct a full assessment review of the Auric Hub risk management system on a semi-annual basis in order to:
  - ✓ Ensure that Auric Hub risk management system is up to date and in accordance to the prevailing business circumstances and regulations
  - ✓ Ensure the adequacy of Auric Hub risk management system to mitigate risks in accordance to the requirements
  - ✓ Conduct a full review of the risk management system related elements (policies, processes, systems etc.) to Identify weaknesses and inherent risk involved

Prepare a detailed report of findings along with recommendations and target dates in accordance to level of risk involved:

- ✓ Submit the related report along with recommendations to the Auric Hub senior management
- ✓ Follow up with relevant Auric Hub business units with regards to approved corrective action until full rectification is achieved
- ✓ Retain the review report along with full set of related documents, records and communications for easy future reference for five years
- ✓ Upon request, provides a copy of any review report to the DMCC.
- ✓

#### **11- Records retention**

Auric Hub in order to ensure alignment with OECD due diligence guidelines and that DMCC requirements, directives and best practices are satisfied at each stage of process, all relevant supply chain documents, records and communications are retained for a period of five years from of the latest of:

- ✓ The date of the most recent transition in respect of the latest material intake from a supplier
- ✓ The date of conclusion of a complete inspection by the DMCC
- ✓ The date of closing of the account of the supplier or termination of the relationship with the supplier
- ✓ The date of closing of an investigation on a particular transaction or supplier.



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Auric Hub keeps relevant records, files documents and papers related to relations with potential customers that were not entered into or progressed due to a high risk evaluation, for at least for Two (2) years from the date the decision was taken not to enter or progress the relationship.

## **12- Chinese Walls**

Management at all times ensures that all customers' information is kept in a confidential manner

Customers' information covers personal information as well as business related data.

- ✓ Flow of information within Auric Hub is restricted within the different business units
- ✓ Auric Hub management limits access to confidential and sensitive information on a "need to know" basis (subject to management approvals) stressing the importance of confidentiality before a person is allowed to access information

All Auric Hub staff members must read, comprehend The Auric Hub code of conduct, the code includes minimum behavioural norms expected, and staff acknowledgment is signed and provided to Auric Hub compliance to ensure their understating and on-going adherence

## **13- Training**

Compliance in Auric Hub is not the responsibility of the compliance officer only; it is the responsibility of each and every member of staff and stakeholder:

- ✓ To enhance the level of awareness among Auric Hub staff members and stakeholders, the Compliance Department performs regular supply chain related programs for all members of staff
- ✓ All new staff receives on going AML training on annual basis. The training will include but is not limited to:
  - How to identify Red Flags and signs of money laundering that arise during the course of the staff's duties?
  - What to do once identifying a risk?
  - The record retention policy and the disciplinary consequences

AML training records are maintained by Auric Hub showing dates and names of staff members received training and the subject matter of training.

## **14- References**

OECD due diligence guidance for responsible supply chain of minerals from conflicted – High risk areas 2nd edition

DMCC –RBD-GPM Rules V2/2020

Federal Law No 4 of 2002 concerning money laundering | Federal Law No 7 of 2017 concerning terrorist finance combating

## **15- Where to get Help?**

In case there are questions on this policy, staff members should contact the direct manager, supervisor, or Auric Hub Compliance Officer

## PEP Assessment Rules and Regulations:

### Classification of PEP:

The definition of politically exposed person (PEP) is an individual with a high-profile political role, or who has been entrusted with a prominent public function. They present a higher risk for involvement in money laundering and/or terrorist financing because of the position they hold.

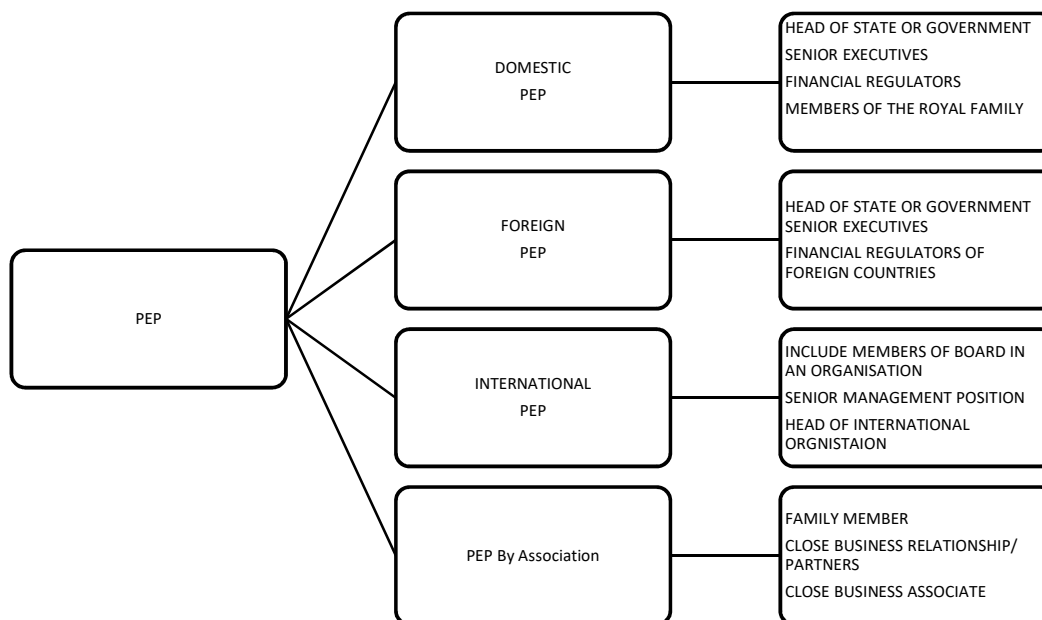
PEP is defined as high-risk customers who have greater opportunities than ordinary citizens to acquire assets through illegal means such as taking bribes and money laundering.

PEPs must be identified and screened in financial institutions because of the risks they have. The process of identifying PEPs and determining their risks is generally referred to as PEP List Screening and is a very important screening for the best implementation of AML compliance programs, especially in financial institutions.

### Types /Categories of PEP:

The AML/CTF Rules define three categories of PEPs:

- Domestic PEPs are individuals who hold a prominent public position or function in an Australian government body.
- Foreign PEPs are individuals who hold a prominent public position or function in a government body of a foreign country.
- International organisation PEPs are individuals who hold a prominent public position or function in an international organization.
- PEP by association: The Spouse, Siblings, Children and Parents, A natural person having joint beneficial ownership of legal entities and legal arrangements, or any other close business relationship. A legal person or legal arrangement whose beneficial owner is a natural person and is known to have been set up for the benefit of such person or his immediate family members.



## Risk Classification Factor

<p><b>High Risk – Level 1 PEPs</b></p> <ul style="list-style-type: none"> <li>• Heads of state and government</li> <li>• Members of government (national and regional)</li> <li>• Members of Parliament (national and regional)</li> <li>• Heads of military, judiciary, law enforcement and board of central banks</li> <li>• Top ranking officials of political parties</li> </ul>	<p><b>Medium Risk – Level 2 PEPs</b></p> <ul style="list-style-type: none"> <li>• Senior officials of the military, judiciary, and law enforcement agencies</li> <li>• Senior officials of other state agencies and bodies and high ranking civil servants</li> <li>• Senior members of religious groups</li> <li>• Ambassadors, consuls, high commissioners</li> </ul>
<p><b>Medium Risk – Level 3 PEPs</b></p> <ul style="list-style-type: none"> <li>• Senior management and board of directors of state owned businesses and organisations</li> </ul>	<p><b>Low Risk – Level 4 PEPs</b></p> <ul style="list-style-type: none"> <li>• Mayors and members of local, country, city and district assemblies</li> <li>• Senior officials and functionaries of international or supranational organisations</li> </ul>

### Risk Mitigation Factor:

Having good customer records and a PEP database that can be screened using unique identifying data will reduce the number of false positives and the overall burden on compliance teams.

Unique identifying data should include the following:

- Name (all known names and aliases)
- Date of Birth, and where this isn't available, Year of Birth.
- Country of political exposure
- Gender (where available)
- Politically exposed role(s), and date(s) or year(s) of appointment
- Date or year that the PEP left their position (where applicable)
- Where applicable if the PEP is deceased.

Where possible, use native character searching. Searching for names in their native language greatly reduces false positives by limiting transliteration issues.

- Use geography to help determine risks—not all countries pose the same risk. Lower risk countries present the opportunity to reduce the amount of time spent reviewing close associates and relatives.
- Reduce the number of hits you receive by using date of birth and age to refine your search.
- Consider changing screening levels by risk levels. For low-risk PEPs, consider screening and monitoring for sanctions only; for medium-risk, PEPs, screening and monitoring for sanctions and regulatory actions only; and for high-risk PEPs, screening, and monitoring against an entire database.

**RISK RATING TABLE FOR PEP:**

Details	Customer Details	Risk Grade
Customer Name		
Date of Birth		
Place of Birth		
Nationality		#N/A
Occupation		
Sector		#N/A
Position Held		#N/A
Year in which position was held last		#N/A

**PEP Review Condition:**

- If Customer onboarding must be rejected if more than 3 or more Red Flags
- If Customer must be subjected to Enhanced Due Diligence if more than 1-2 Red Flags

**HUMAN RIGHTS POLICY**

Respect for human rights is a fundamental value Auric Hub LTD, the has built a reputation on trust and respect, and we are committed to earning that trust with a set of values that represent the highest standards of integrity and excellence.

We strive to respect and promote human rights in accordance with the UN Guiding Principles on Business and Human Rights. Our aim is to help increase the enjoyment of human rights within the communities in which we operate. Our Human Rights Policy is a corner stone in these endeavours.

Human Rights Policy reflects an in-depth global consultation on the salient human rights risks of the Company, which are the most severe potential impacts associated with our business. Our Human Rights Policy applies to the company, and its counter parties in which we hold a majority interest. It includes the following twelve components:

- Respect for Human Rights
- Community and Stakeholder Engagement
- Diversity and Inclusion
- Freedom of Association and Collective Bargaining
- Safe and Healthy Workplace
- Workplace Security
- Forced Labour and Human Trafficking
- Child Labour
- Work Hours, Wages and Benefits
- Land Rights and Water Resources
- Healthy Lifestyles
- Guidance and Reporting for Employees

**Scope:** This Policy is applicable to every employee of Auric Hub including senior executive and financial officers, and to members of the Auric Hub Directors and Stake holders. The Policy and its reporting requirement are also applicable to Auric Hub 's clients and suppliers. This Policy is intended to supplement all applicable laws, rules, and other corporate policies.

**POLICY REQUIREMENTS:**

The policy is to respect the human rights of all individuals impacted by Auric Hub operations, including employees, internal and external stakeholders. This Policy requires that the same respect be provided by all the employees of Auric Hub (including affiliate or subsidiary employees) and third-party service providers. For purposes of this Policy, “external stakeholders” means residents of communities in which Auric Hub operations take place, employees of third-party service providers and other non-employees whose human rights may be directly impacted by its operations. While governments have the primary responsibility to protect against human rights violations, Auric Hub recognizes its corporate responsibility to respect human rights. Auric Hub does not tolerate violations of human rights committed by its employees, affiliates, or any third parties acting on its behalf or related to any aspect of a Auric Hub operation. Auric Hub does not tolerate the use of child labour, prison labour, forcibly indentured labour, bonded labour, slavery or servitude, and adheres to the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. Auric Hub does not tolerate discrimination against individuals on the basis of race, color, gender, religion, political opinion, nationality or social origin, or harassment of individuals freely employed.

**Employee Grievance Mechanism Procedure**

The purpose of this document is to formalize the management of grievances from stakeholders of Auric Hub to minimize the social risks to the business. The grievance process, outlined in the document, provides an avenue for stakeholders to voice their concerns and gives transparency on how grievances will be managed internally, which aims to reduce conflict and strengthen relationships between external stakeholders.

Scope: The grievance mechanism procedure applies to all external stakeholders of our operations and exploration activities. This procedure cover grievances raised by internal stakeholders, such as employees, who are to refer to the company’s internal grievance standard.

Specific and localized grievance mechanisms may need to be put in place for future development projects, which take into account local language and customs.

**Definitions**

<b>Term</b>	<b>Definition</b>
<b>Grievance</b>	An issue, concern, problem, or claim (perceived or actual) that an individual or community group wants addressed by the company in a formal manner.
<b>Grievance mechanism</b>	A formalized way to accept, assess and resolve community complaints concerning the performance or behavior of the company, its contractors, or employees. This includes adverse economic, environmental and social impacts.
<b>Internal Stakeholders</b>	Groups or Individuals within a business who work directly within the business, such as employees and contractors.
<b>External Stakeholders</b>	Groups or individuals outside a business who are not directly employed or contracted by the business but are affected in some way from the decisions of the business, such as customers, suppliers, community and the government.

**Grievance Reporting Channels**

The company will communicate this procedure to its stakeholders to raise awareness and offer transparency of how stakeholders can voice their grievances. Various channels for external stakeholders to raise their grievances formally include.

1. Telephone

Stakeholders can call Auric Hub on +971 521574390 and speak to its compliance department.

2. Fact to face

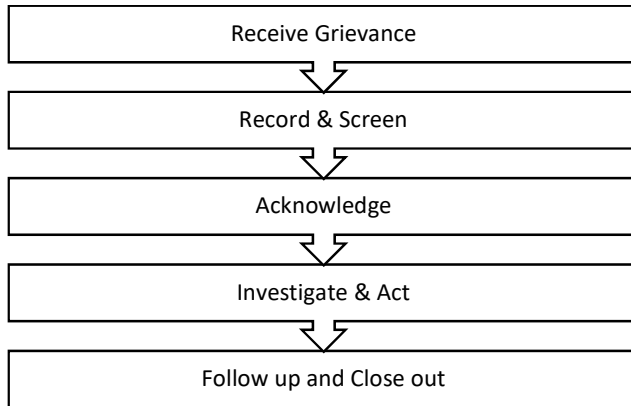
Stakeholders can voice their grievance to any employee who will then escalate using the correct process.

**ROLES AND RESPONSIBILITIES**

Roles/Position Title	Responsibility
Grievance Owner	Employee investigating the grievance and liaising with the external stakeholders. Developing resolutions and actions to rectify any issues. Follow up and track progress of grievance. Document any interactions with external stakeholders.
Stakeholder Contact Officer	Receive grievances and assign a grievance owner. Make sure the grievance mechanism procedure is being adhered to and followed correctly. Maintains grievance register and monitor any correspondence. Raise internal awareness of the grievance mechanism among employees and contractors.
Employees	Receive grievances in person. Report grievance to the Stakeholder Contact Officer by lodging the Grievance letter

**GRIEVANCE MECHANISM PROCESS**

The figure below describes the process that will be used to resolve any grievances:



**Actions:** The Grievance mechanism policy shall be revised as per requirement from time to time to establish the procedure to its fullest effect.

## Customer Complaint Policy

### Introduction

Auric Hub seeks to maintain and enhance its reputation of providing its customers with high quality services.

Auric Hub values complaints as they assist in improving its services levels and relationships with customers, suppliers and stakeholders.

Auric Hub has established a Customer Complaint Policy that covers all stakeholders that are impacted by Auric Hub's operations including customers, suppliers, intermediaries and all other relevant entities or individuals that participate in the supply chain.

### Objective

To develop a Customers Complaint Policy that includes reassuring clients that AURIC HUB values their feedback and is committed to resolving any issues in a fair, timely and efficient manner; the main objective of this policy is to ensure that:

- ✓ All Auric Hub staff members and stakeholders are aware of the complaint lodgement and handling process
- ✓ Customers and staff members understand the complaint handling policy
- ✓ Complaints are investigated with a balanced view of all information and/or evidence.
- ✓ Auric Hub takes all reasonable steps to actively protect customers' information in a highly confidential manner
- ✓ Customers' complaints are considered on its merits taking into account individual circumstances and needs.

### Scope

Auric Hub customer's complaint policy covers customer, suppliers and any participant in the supply chain, it enables external stakeholders to voice concerns relating to Auric Hub supply chain and related risk management processes.

### *Moreover it covers*

- ✓ How customers can make a formal complaint
- ✓ Identify steps in discussing, escalating and resolving complaints
- ✓ Indicate some of the solutions and root cause of addressed complaints
- ✓ Inform customers with solutions and reassure our commitment to continuous improvement

### *Definition of a complaint*

In this policy a complaint means an expression of dissatisfaction that may be raised by the customers, suppliers, intermediaries and all other relevant entities/individuals participate in the supply chain.

### *How a complaint be made?*

If any of the concerned parties are dissatisfied with any of the services rendered at any stage of the supply chain, the customer should in the first instance consider speaking directly with the staff member/s it has been dealing with. If the Client is uncomfortable with this or considers that the relevant staff member is unable to address its concerns, the customer can lodge a complaint with Auric Hub in the following ways:

- ✓ By completing a feedback form on the Auric Hub website
- ✓ By calling any of Auric Hub compliance Manger by telephone +971 521574390
- ✓ By writing an email to: customer complaints @Auric Hub .com

Note: the recipients of this email are the senior heads that represent different areas in Auric Hub



### ***Nature of customer's complaint***

Auric Hub encourages its customers, suppliers and all participants involved in the supply chain to officially document and submit their dissatisfaction at any point of time through the authorized means mentioned above. Auric Hub's management treats all customer's complaints with confidentiality, fairness and objectivity, and depending on the nature of the submitted complaint, the below process is mandated:

#### ***A. Day to Day related customer's complaint***

A Day-to-Day related customer complaint is any complaint received through any of the above-mentioned means, related to daily functions at any stage of the supply chain. Below is a non-exhaustive, indicative list of example complaints:

- ✓ Scrap weight mismatching
- ✓ Refinery results, mismatch between Assay reports
- ✓ Arguments over melting loss
- ✓ Delay in receipt/delivery

#### **Day to Day related customer's complaint escalation process**

In case the complaint relates to any of the day to day functions the respective head in the related area should:

- ✓ Contact the customer to collect more information if required
- ✓ Evaluate the complaint and exert best efforts to resolve it at first instance
- ✓ In the event that the respective Head is unable to resolve the complaint within one working day, the complaint is to be escalated by the respective Head to senior management for objective discussion and decision.
- ✓ Day to day complaints to be resolved in accordance to Turn Around Time of 48 to 72 working Hours from the time it has been officially received.
- ✓ After a decision has been made by the AURIC HUB senior management the respective Head will contact the customer to provide feedback and details of the proposed rectification process.
- ✓ All Complaints must be forwarded to AURIC HUB compliance for lodgement in the customers' complaint Log

#### ***Auric Hub Compliance Officer role***

- ✓ Collect all required information related to the addressed complaint
- ✓ Execute fair and unbiased investigation to the complaint based on details given and supporting documents
- ✓ Inspect all documents/ reports that are related to the complaint
- ✓ Prepare an official investigation report along with recommendations proposing target dates within the set time frame
- ✓ The recommendations to be discussed and agreed upon with the concerned parties mentioned above
- ✓ Ensure that the customer has been contacted and updated with the proposed rectification process and/or decision based on case by case
- ✓ Log the complaints in the LOG that includes:
  - a. Customer name
  - b. Date & Time of complaint
  - c. Method of complaint receipt
  - d. Involved area and/or staff
  - e. Action taken along with dates and evidence (if any)
  - f. Status along with date
  - g. Customer feedback

#### ***B - Procedures related customer's complaint***

**Procedures related customer complaint - In case the complaint is related to Auric Hub procedures or any of Auric Hub involved staff.**

Once the procedure complaint has been officially received through any of the authorized methods, the respective Head in related area must:

- ✓ Contact the respective customer and collect more information (if required)
- ✓ Escalate the complaint to the Auric Hub senior management and Auric Hub Compliance Officer and any other parties involved in the complaint
- ✓

#### **AURIC HUB Compliance Officer role**

- ✓ Collect all required information related to the addressed complaint.
- ✓ Execute fair and unbiased investigation to the complaint based on details given and supporting documents
- ✓ Inspect all documents/reports that are related to the complaint
- ✓ Communicate with all Auric Hub involved staff.
- ✓ Prepare an official investigation report along with recommendations proposing target dates within the set time frame.
- ✓ The recommendations to be discussed and agreed with all concerned parties
- ✓ Ensure that the rectification process is communicated officially to the customer by the respective Auric Hub head
- ✓ In case the complaint is related to any of Auric Hub staff, the same process is to be followed whereby disciplinary action is to be decided by senior management as per their consent (based on case by case)
- ✓ When the complaint is about one of Auric Hub staff members, Auric Hub management exerts best efforts to maintain objectivity by:
  - ✓ Informing the staff member of any complaint about their performance and/or attitude
  - ✓ Providing them with an opportunity for appropriate support
  - ✓ Updating them on the complaint investigation and the result
- ✓ Log the complaints in the LOG that includes:
  - ✓ Customer name
  - ✓ Date & Time of complaint
  - ✓ Method of complaint receipt
  - ✓ Involved area and / or staff
  - ✓ Action taken along with dates and evidence (if any)
  - ✓ Status along with date
  - ✓ Customer feedback

#### **Auric Hub Customer complaint LOG to be maintained, monitored by the Auric Hub Compliance Officer who must:**

- ✓ Ensure prompt update to the mentioned LOG, identifying status of complaint
- ✓ Follow up with concerned parties until final rectification
- ✓ Conduct an unbiased investigation when and as required and as stipulated above
- ✓ Communicate with all Auric Hub concerned parties to reach a fair conclusion to the addressed complaint
- ✓ Ensure that the investigation is handled with confidentiality and disclosure is based on “Need to Know” rule
- ✓ Review the Complaint LOG on a monthly basis to ensure that all complaints are properly and promptly handled within the set time frame
- ✓ Identify and escalate long pending complaints to Auric Hub senior management for prompt action
- ✓ In case of any long pending items the Auric Hub Compliance Officer must escalate directly to Auric Hub senior management

#### **Turnaround Time (TAT) for complaints resolution**

- ✓ To ensure prompt handling and resolution of any customer’s complaint, Auric Hub management has set a time frame to close all customer complaints based on their nature as above:
- ✓ Due to the sensitive and fast nature of the bullion business, all day to day related complaints are to be resolved within TAT 48 to 72 working Hours since it has been officially received.
- ✓ Procedures related complaints are to be resolved within 12 working days since it has been officially received.
- ✓ TAT must be strictly followed at all times any exception is approved by the Auric Hub president .



**Customer's complaint record retention**

Auric Hub must retain of all records and documentation related to customer complaints for a period of 5 years after the closure of such complaint.

**Where to get Help – For any queries or assistance please refer the respective Auric Hub Manager or Auric Hub Compliance Officer**

## Anti-Bribery and Anti-Corruption Policy

**SCOPE:** This policy is applicable to all the employee of Auric Hub and its subsidiaries, including senior management staffs and to the members of the board of directors of the company. Auric Hub is committed to conduct its business legally, honestly and with transparency and integrity. The policy further extends to all national and international business dealings and transactions of the company.

**POLICY:** A bribe is an inducement payment, reward, or advantage offered to any person in order to gain any commercial or personal advantage. A bribe can be of anything of value notonly money, it can be gifts, inside information, sexual or other favors, corporate hospitality or entertainment.

**GIFTS AND HOSPITALITY:** This policy does not prohibit giving and receiving promotional gifts of low value and normal and appropriate hospitality. However, in few circumstances gifts and hospitality may amount to bribery and all employees must abide to the Anti- Bribery policy of the company. Any kind of gifts that exceed the customary courtesies, or that fail to observe standards of honesty and modesty shall be immediately reported to your immediate supervisor. No gifts shall be accepted by any employee or management of the company that might appear to be offered for influencing the company to act in any of their favors.

Hospitality means and includes meals, invitation to functions or parties in connection with matters related to the company's activity. Reasonable and essential hospitality which seeks to improve the customers, clients' business relationship is considered as an established and essential part of the business.

**POLITICAL AND CHARITABLE CONTRIBUTIONS:** We do not make any donation to any political parties either in cash or kind as this can be perceived as an attempt to gain an improper business advantage. Charitable support and donations are acceptable whether of in kind services, knowledge, or direct financial contributions. We only make charitable donations that are only legal and ethical.

**COMPLIANCE:** It is the responsibility of the partners, shareholders, and the senior management staffs of the company to abide by all laws, regulations and international conventions applicable in the countries where the company operates its business. Ultimate responsibility for compliance with this policy throughout the group is taken by the Head of compliance.

**RECORD KEEPING:** All the financial records are maintained appropriately to have controls in place which will evidence the reason for making any payments to any related or third parties.

**TRAININGS:** The company gives anti-bribery training to all the employees, senior management staffs, Directors. The compliance officer will give training in person to all its members. All Existing members receive regular, relevant training on how to adhere to this policy.

**REPORTING BRIBERY:** The company encourage everyone to raise concerns about any issue or suspicion of malpractice at the earliest stage. If you are uncertain about an act if it constitutes bribery or corruption, you may clarify it with your immediate supervisor or manager. If the employee feel that should be discussed with the Managing Director or General Manager of the company he shall always raise his concern to them directly.

**REVIEW OF POLICY:** Auric Hub Compliance Manager is responsible for the content and administration of the Policy. The compliance Manager will closely monitor compliance with this Policy, as well as its effectiveness. The Policy is reviewed every two years, or more frequently in line with changes in legislation. All staff are required to re-acquaint themselves with this Policy every year.

## DMCC WHISTLEBLOWING POLICY

“Whistleblowing” is making a disclosure in the public interest and/or to uphold the integrity of the DMCC’s responsible sourcing initiatives and its Accredited Members and Reviewers.

### **1. Introduction**

Part 1 This policy is complementary to, and intended to be read in conjunction with the DMCC Rules for RBD-GPM for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain (DMCC Rules for RBD-GPM).

Part 2 unless otherwise expressly stated, defined terms used in this DMCC Whistleblowing Policy shall have the meaning given to them in the DMCC Rules for RBD-GPM.

Part 3 The DMCC is committed to the highest standards of openness, probity and accountability in the global industry for the trade of gold and/or precious metals. An important aspect of accountability and transparency is a mechanism for those members of the DMCC that are subject to the DMCC Rules for RBD-GPM, other market participants, Reviewers (as defined in the DMCC Rules for RBD-GPM) and other concerned parties to raise concerns about suspicious or illegal acts involving gold or precious metals trade in a responsible and effective manner.

### **2. DMCC Review Protocol**

Part 4 The DMCC Review Protocol was established in November 2012 to provide guidance to international audit firms and Reviewers conducting assessments on members accredited to DMCC’s responsible sourcing initiatives to ensure a level of conformity when implementing the DMCC Practical Guidance.

Part 5 Pursuant to Article 1 of the DMCC Rules for RBD-GPM; the DMCC Practical Guidance has been replaced by the DMCC Rules for RBD-GPM. Pursuant to Article 6 of the DMCC Rules for RBD-GPM, the DMCC Review Protocol has been amended and restated in the form set out in Annex 3 of the DMCC Rules for RBD-GPM.

### **3. Scope of DMCC Whistleblowing Policy**

Part 6 The DMCC Whistleblowing Policy is designed to enable market participants, Accredited Members, Non-Accredited Members, Reviewers and prospective Reviewers and any other relevant market participants to raise concerns and disclose information about a suspicious wrongdoing and/or an illegal act, with the aim of protecting public interest and/or upholding the integrity of the DMCC’s responsible sourcing initiatives and its Accredited Members.

Part 7 These concerns may include, but are not limited to, the following:

- a. Financial malpractice or impropriety or fraud;
- b. Failure to comply with a legal obligation or applicable laws;
- c. Human Rights abuses (including dangers to health and safety and child labour);
- d. Severe damage to the environment;
- e. Criminal activity;
- f. Improper conduct or unethical behaviour;
- g. Attempts to conceal any violations of the DMCC Rules for RBD-GPM or the DMCC AML/CFT Policy;
- h. Falsification of documents or fraudulent suppliers;
- i. Direct or indirect link to conflict gold financing; and
- j. (Direct or indirect violations of the DMCC AML/CFT Policy or the DMCC Rules for RBD-GPM.

### **4. Responsible Sourcing and Whistleblowing**

Part 8 Upon the discovery of any information, which could give rise to a reasonable suspicion of serious malpractice or wrongdoing within the terms of the DMCC Rules for RBD-GPM, any Reviewer or member of the DMCC’s responsible sourcing initiatives should promptly disclose such information to the DMCC, stating in such disclosure an explanation of the associated grounds for suspicion.

Part 9 Accredited Members or Non-Accredited Members (as defined in the DMCC Rules for RBD-GPM) and other market participants are encouraged to report any suspicious activities taking place in the global gold and/or precious metals market.

### **5. Zero Tolerance Breach Reporting**

Part 10 Any Reviewer who identifies a zero-tolerance breach (as defined in Section 21 of the DMCC Review Protocol) should promptly report such breach to the DMCC.

### **6. Procedures for reporting to the DMCC**

Part 11 any person wishing to invoke this policy may send an email (accompanied by supporting evidence, if possible) to [members.whistleblowing@dmcc.ae](mailto:members.whistleblowing@dmcc.ae) or in hardcopy via courier or hand delivery to:

Director of Compliance  
DMCC  
P.O Box 48800, Dubai  
UAE

Part 12 The relevant department within the DMCC will determine if it is necessary to report the case on a confidential basis to the relevant local and federal government authorities.

Part 13 The DMCC will review and determine the validity of the reported case and appropriate actions.

### **7. Confidentiality**

Part 14 The DMCC will treat any disclosures made pursuant to the DMCC Whistleblowing Policy (and the identity of the discloser) in a confidential and sensitive manner. Disclosure may only be made to the extent required or permitted by law or a legal authority. Any investigation process arising from events, however, may reveal the source of the information. The individual making the disclosure may need to provide a statement as part of the evidence required.

### **8. Safeguards**

Part 15 Protection: the DMCC Whistleblowing Policy is designed to offer protection to those individuals who disclose concerns pursuant to this policy provided the disclosure is made in good faith and in the reasonable belief of the occurrence of serious malpractice or wrongdoing.

Part 16 The DMCC Whistleblowing Policy will not, however, protect those who raise malicious or knowingly unsubstantiated claims of misconduct or wrongdoing.

Part 17 Anonymous disclosures: the DMCC Whistleblowing Policy encourages individuals to put their name to any disclosures they make to protect the integrity of the policy.

Part 18 Anonymous disclosures may be considered at the discretion of the DMCC. In exercising this discretion, the factors to be taken into account will include:

- a. The seriousness of the issues raised;
- b. The credibility of the concern; and
- c. The likelihood of confirming the allegation from attributable sources.

### **9. Timescales for Investigations**

Part 19 Due to the varied nature of circumstances, which may involve internal investigators and/or applicable authorities; the DMCC cannot prescribe precise timescales for such investigations. The DMCC will ensure that investigations are undertaken efficiently and effectively without any compromise to the integrity or credibility of the process.