



**COMPANY POLICY OF NADİR METAL RAFİNERİ A.Ş.
REGARDING DUE DILIGENCE FOR SUPPLY CHAINS OF GOLD**

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Recognizing that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting gold **and precious metals** from conflict-affected and high-risk areas, and recognizing that we as Nadir Metal Rafineri A.Ş. (“**Nadir**” or the “**Company**”) have the responsibility to respect human rights and not contribute to conflict, we commit to adopt and widely disseminate the following policy on responsible sourcing of gold from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers’ risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

I. SCOPE

This Company policy (the “**Policy**”) regarding due diligence for supply chains of gold is prepared as per the requirements of London Bullion Market Association (“**LBMA**”) and is consistent with the Model Policy set forth in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas.

This Policy is composed of the following sections:

- i. Organization,
- ii. Criteria for high-risk gold supply chain.
- iii. Supply chain due diligence.
- iv. Monitoring of transactions.
- v. Responsibilities.
- vi. Maintaining records;
- vii. Training; and
- viii. Conclusion.

II. ORGANIZATION

We collect and maintain documentation regarding sources of Mined Gold, Recycled Gold, or any other feedstock, in order to ensure that we have not financed conflict, have not participated in abuse of human rights or money laundering, nor financed terrorism at any point in the supply chain.

In this respect we:

- assign authority and responsibility to Senior Management with the necessary competence;
- knowledge and experience to oversee the supply chain due diligence process and thus establish a “**Risk Management Committee**”;
- ensure availability of resources necessary to support the operation and monitoring of these processes;
- put in place an organizational structure and communication processes that will ensure critical information, including the Company policy, reaches relevant employees and gold-supplying counterparties via establishment and efficient operation of a Risk Management Committee and appointment of a “**Compliance Officer**”; and
- ensure internal accountability with respect to the implementation of the supply chain due diligence.

III. CRITERIA FOR HIGH-RISK GOLD SUPPLY CHAIN

The below criteria is applied in order to determine the existence of a high-risk supply chain:

The Mined Gold or Recycled Gold originates from, has transited or has been transported via a conflict-affected or human rights abuse high-risk area;

The Mined Gold is claimed to be originated from a country that has limited known reserves, likely resources or expected production levels of gold;

The Recycled Gold comes from a country where gold from conflict-affected and human rights abuse high-risk areas are known, or reasonably suspected, to transit;

Gold-supplying counterparty or other known upstream companies are located in a country representing high-risk for money laundering, crime or corruption;

Gold-supplying counterparty or other known upstream companies or their beneficial owners are politically exposed persons;

Gold-supplying counterparty or other known upstream companies are active in a higher-risk business activity such as arms, gaming and casino industry, antiques and art, diamond merchants, sects and their leaders.

We conduct an additional risk assessment on those risks requiring mitigation after the adoption of the risk management plan. If within six months from the adoption of the risk management plan there is no significant measurable improvement to prevent or mitigate the risk, we suspend or discontinue engagement with the supplier for a minimum of three months. Suspension may be accompanied by a revised risk management plan, stating the performance objectives for progressive improvement that should be met before resuming the trade relationship.

IV. SUPPLY CHAIN DUE DILIGENCE

We establish a strong internal system of due diligence, controls and transparency over gold supply chains, including traceability and identification of other supply chain actors. In this respect each time we enter into a commercial relationship with a supplier and/or customer we collect all the necessary information and documents including but not limited with the ones required by the relevant legislation. Our due diligence also includes “**Know Your Customer Process**”.

In this respect we request all the necessary information and documentation from our customers including but not limited to copies of certificate of activity & incorporation, passport copy, trade license, signature circular/declaration and articles of association, details of bank account, specifications of precious metals, invoice of precious metals, tax id number, power of attorney and Know Your Customer Form. The foregoing is also requested from people authorized to act in the name and on behalf of the customer in transactions with Nadir.

Moreover, a declaration where customers state that their assets, funds and precious metals deposited at Banks or kept in their custody are not obtained illegally and that they do not directly and/or indirectly fall within the scope of the implementation resolutions of the United Nations Security Council; and that the customers have not breached and do not breach the said resolutions and any provisions of the relevant legislations on money laundering is also obtained from customers.

V. RESPONSIBILITIES

1. While sourcing from conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
 - i)* any forms of torture, cruel, inhuman and degrading treatment;
 - ii)* any forms of forced or compulsory labor, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
 - iii)* the worst forms of child labor;
 - iv)* other gross human rights violations and abuses such as widespread sexual violence;
 - v)* war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
2. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 1.
3. We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of gold. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non state armed groups or their affiliates who:
 - i)* illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
 - ii)* illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
 - iii)* illegally tax or extort intermediaries, export companies or international traders.
4. We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3.
5. We agree to eliminate, in accordance with paragraph 10, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
6. We recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
7. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular,

we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.

8. We will support efforts, and take steps, to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
9. We will support efforts, and take steps, to engage with local authorities, international organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.
10. In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 5, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same vein.
11. We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.
12. We will support efforts, and take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.
13. We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments.
14. In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organizations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measureable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

VI. MONITORING OF TRANSACTIONS

We conduct appropriate scrutiny and monitoring of transactions undertaken through the course of the relationship so as to ensure that the transactions are consistent with our knowledge of the supply chain and risk profile. Monitoring of transactions are undertaken by applying a risk-based approach.

In this context, we receive and document the following information for each lot received:

For Mined Gold:

- Estimated weights and assay results (from counterparty). These results are also obtained from independent audit firms by our Company or from the refinery operated by our Company;
- Shipping/transportation documents (waybill/airway bill, pro forma invoice, if applicable);
- Export and import form for high-risk transaction.

For Recycled Gold:

- Estimated weight (from counterparty);
- Shipping/transportation documents (waybill/airway bill, pro forma invoice, if applicable);
- Export and import form for high-risk transaction.

We verify that the documents are consistent with each other and with our knowledge of the supply chain. The backgrounds of transactions which are not consistent are examined and the findings are established in writing.

VII. MAINTAINING RECORDS

We maintain adequate records of the supply chain documentation for at least 5 years, in order to demonstrate that appropriate and ongoing due diligence has been followed.

VIII. TRAINING

Regular and periodic trainings are given by legal counsels of our Company on all issues covered by this Policy including but not limited to obligations within the context of the legislation on revenues obtained from crimes, suspicious transaction types, sample events and what to do, documentation of transactions and Know Your Customer implementations.

IX. CONCLUSION

It is our principle and obligation to obtain necessary documents and information from our prospective customers before we enter into any commercial relationship with them. We avoid starting trade relations with customers which we are not acquainted with and which do not have market reference, in case such customers do not assure us trust.

The dealers of Nadir acquire the title of dealer on condition that they accept, declare and undertake that they shall comply with all the pending legislation on sale and marketing of Nadir's products and the regulations to be issued by Nadir.

The employees of Nadir are obliged to act in conformity with and personally observe the provisions of all the pending legislation, the rules valid in the workplace and this Policy.

We closely follow all the progress pertaining to issues stated herein and we apply all updates in national and international legislation and implementation to our operation.

