



COMPANY POLICY ON THE PREVENTION OF LAUNDERING PROCEEDS OF CRIME AND FINANCING OF TERRORISM

1. INTRODUCTION

Within the scope of the regulations made by the Financial Action Task Force (FATF), which was established to prevent money laundering and financing of terrorism in the international arena, it has become an obligation for the member countries to comply with these regulations and principles.

To ensure compliance with international regulations in our country, which is a member of FATF, legal regulations are made and activities are conducted by the Financial Crimes Investigation Board (MASAK) which was established under the Republic of Türkiye Ministry of Treasury and Finance.

To comply with Law No: 5549 on Prevention Of Laundering Proceeds Of Crime published dated 11.10.2006 by the Financial Crimes Investigation Board, national and international regulations, Nadir Metal Rafineri has started implementations of compliance to its operations.

Compliance with the legislation has become a legal obligation with "Regulation on Measures Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism" published in the Official Gazette dated 09.01.2008 and numbered 26751 by the Government of the Republic of Turkey.

Intra-Company information and implementation works have been initiated regarding the parts of the regulations which are related to the Company's fields of activity. Company activities were conducted by paying maximum attention to the decisions and warnings sent by official institutions and organizations. Compliance with the Financial Crimes Investigation Board (MASAK) regulations, guides, and recommendations affiliated with the Ministry of Treasury and Finance has been achieved.

With the United Nations Security Council's Resolution 1373 (2001), adopted on 28.09.2011, financing of terrorism was envisaged; to be regulated as a crime requiring heavy punishment, that all assets and economic resources belonging to terrorists and members of terrorist organizations would be frozen without delay, that the member countries would carry out intensive cooperation among themselves in the fight against terrorism, that the assets of individuals and organizations that they found to be related to terrorism and terrorist financing would be frozen, to prevent the creation of direct or indirect financial resources for terrorists and terrorist organizations. Within the scope of the decision of the United Nations Security Council above, which is binding for the member states, the regulations have been complied with regarding not making any transactions with the persons or organizations listed.

Herein Policy is effectuated by Law No. 5549 on the Prevention of Laundering Proceeds of Crime, the Regulation on the Prevention of Laundering Proceeds of Crime and the Financing of Terrorism, and the Compliance Program with the Obligations of the Prevention of Laundering of Proceeds of Crime and the Financing of Terrorism. It was created within the scope of the national and international organizations' recommendations, principles, standards, and guides by the Company.

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



2. DEFINITIONS

Crime of Laundering	It is a crime regulated in article 282 of the Turkish Penal Code dated 26.09.2004 and numbered 5237.
Ministry	Republic of Turkey Ministry of Treasury and Finance.
FATF	Financial Action Task Force is an international organization established to combat laundering proceeds of crime and financing of terrorism. Turkey is also a member of this organization.
Beneficiary	The real person who effectuate the transaction, the real person or persons who ultimately control or have the ultimate influence over the real person, legal person, or unincorporated entities on whose behalf the transactions are made.
Risk of service	Systems that can transact with new and developing technologies in a face-to-face manner, business relationships for which sufficient information cannot be obtained about their purpose, and other customers, businesses, and transactions require special attention that may be exposed within the scope of business and transactions.
Postponing of Transaction	Suspending the transaction or not allowing the transaction.
Asset	Money, all kinds of movable or immovable, and tangible or intangible goods and rights whose can be measured by Money and all kinds of legal documents and instruments proving the rights on them.
Frozen Assets	It is the removal or restriction of the power of assignment on the assets to prevent the destruction, consumption, conversion, transfer, transfer, and assignment of the assets and other disposal transactions.
Financial Crimes Investigation Board (MASAK)	It is in charge and authorized to combat the laundering proceeds of crime. MASAK is affiliated with the Ministry of Treasury and Finance.
Laws	It refers to the applicable Laws, Regulations, and Communiques, MASAK decisions and instructions regarding the prevention of laundering proceeds of crime and financing of terrorism, international conventions in which Turkey is a party, and legal regulations. In particular, but not limited to; - Law No. 5549 (Law on Prevention of Laundering Proceeds of Crime dated 11.10.2006); - Law No. 6415 on the Prevention of Financing of Terrorism; - Turkish Penal Code No. 5237; - Law No. 7262 on the Prevention of the Financing of Weapons of Mass Destruction; - Other related legislation.
Customer	Customers, suppliers, and/or beneficiaries who have a business relationship with Nadir Metal Refinery.

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.PRECIOUS METALS
REFINING & TRADE

Customer Risk	The subject of activity of the Customer/Supplier/Rightholder which allows the heavy use of cash, the trading of high-value goods or the easy execution of international fund transfers, to launder the proceeds of crime or financing of terrorism, abusing the Company because of the customer or those acting on behalf of the customer or its account to launder the proceeds of crime or financing terrorism.
Know Your Customer (KYC)	Within the framework of FATF's recommendations; it is the principle that shown among the measures to be taken by financial and non-financial institutions and business and professional owners to prevent laundering money and financing of terrorism and paid attention to obtaining full and correct information about the customer/suppliers and complying all related precautions.
Policy	Company's policy of combatting laundering proceeds and finance of terrorism.
Risk	It is the possibility of financial or reputational loss that the Company or its employees may be exposed to due to reasons such as using the services provided by the Company to launder the proceeds of crime or financing of terrorism, or failure to not comply with the obligations imposed by the legislation.
Politically Exposed Persons (PEP)	Individuals who are or have been entrusted with prominent public functions by a foreign country and/or have been entrusted domestically with prominent public functions for example Heads of State or of government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials; persons who are or have been entrusted with a prominent function by an international organization, refers to members of senior management or individuals who have been entrusted with equivalent functions, individuals who are related to a PEP either directly (consanguinity) or through marriage or similar (civil) forms of partnership, Close associates are individuals who are closely connected to a PEP, either socially or professionally.
Proceeds of Crime	It is the value of property resulting from any crime.
Laundering Proceeds Of Crime	Transferring the profits which are obtained through illegal to the financial system by making them appear as obtained through legal and legitimizing them by passing them through a process within the financial system and changing their quality. Especially saving them from the form of cash. (such as; money laundering, financing of terrorism)
Company	Nadir Metal Rafineri Sanayi ve Tic. A.Ş
Suspicious Transaction	Şirket nezdinde veya Şirket aracılığıyla yapılan ya da yapılmaya teşebbüs edilen işlemlere konu malvarlığının, yasa dışı yollardan Şirket nezdinde veya Şirket aracılığıyla yapılan ya da yapılmaya teşebbüs edilen işlemlere konu malvarlığının, yasa dışı yollardan elde edildiğine veya yasa dışı amaçlarla kullanıldığına, bu kapsamda terörist eylemler için ya da terör örgütleri, teröristler veya terörü finanse edenler tarafından kullanıldığına veya bunlarla ilgili ya da bağlantılı olduğuna dair herhangi bir bilgi, şüphe veya şüpheyi gerektirecek bir hususun bulunması halidir.

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



Continuous Business Relationship	Business relationship established between the obligator and the customer due to the services, which carries continuity.
Internal Company Procedures	The procedures and instructions that are prepared and announced to the Company to comply with the "Company Policy on the Prevention of Laundering Proceeds of Crime and the Financing of Terrorism".
Financing of Terrorism	Knowingly and willingly the acquisition and collection of money or all kinds of goods, rights, receivables, incomes, and benefits that can be measured by money and the benefit and value arising from their conversion to each other that will be used wholly or partially for committing terrorist crimes.
Compliance Department	The department assigned by the Board of Directors to effectuate the compliance program to ensure that the duties and responsibilities determined by the legislation and regulations such as policies, regulations, and procedures covering the compliance process can be fulfilled effectively.
Compliance Officer	The officer/officers and their assistants, who are appointed and equipped with the necessary authority by the Board of Directors, to ensure compliance with the obligations enacted based on national and international regulations.
Compliance Program	The whole measures established within the Company by the framework of the Company Policy and procedures and relevant procedures, to prevent the laundering of proceeds of crime, financing of terrorism, and the financing of the proliferation of weapons of mass destruction.
Country Risk (High-risk jurisdiction)	The risk that the Company may be exposed due to the transactions to subject to the countries which have no adequate regulations, no adequate cooperation fighting against preventing laundering proceeds of crime, financing of terrorism, and financing the proliferation of weapons of mass destruction or business relations to be entered into with citizens, companies or financial institutions determined within the framework of the current legislation from countries considered risky by international organizations
Company Senior Management	Company General Manager and Compliance department Manager and/or Compliance Officer.
Obligator	Institutions that are obliged to fulfill the obligations (identification, suspicious transaction reporting, etc.) are determined as a preventive measure in the fight against money laundering.

3. AIM

Comply with the provisions specified in Law No. 5549 and the relevant regulation and other sub-regulations for the prevention of laundering proceeds of crime and terrorist financing, and to fulfill its obligations;

Here in this policy aims;

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



(i) Ensuring compliance of company policies, procedures, and control methods with the Law and the regulations of the institutions authorized by the Law,

(ii) Preventing the Company's commercial activities from being used for money laundering and terrorist financing,

(iii) Evaluation of customers, transactions, and services with a risk-based approach to eliminate the risks that the Company may encounter in this regard,

(iv) Informing company employees about fighting against crime revenues and their legal and administrative obligations,

(v) Determination of internal audit and training activities

4. SCOPE

Herein Policy covers the Company's managers, employees, representatives, commercial proxies, and similar affiliated units at all levels in terms of their duties, powers, and responsibilities related to the prevention of laundering proceeds of crime, financing of terrorism, and financing the proliferation of weapons of mass destruction.

This Policy consists of the following headings on fighting money laundering and financing of terrorism;

(i) Risk management,

(ii) Monitoring and control,

(iii) Suspicious transaction reporting,

(iv) Education and Internal Audit

5. AUTHORITY AND RESPONSIBILITIES

The Company's managers and employees at all levels, as well as its representatives, commercial proxies, and similar departments undertake all their duties and obligations to ensure that this Policy is implemented effectively and appropriately and fulfills the responsibilities accurately and carefully, concerning the Company is not exposed to risks related to money laundering and financing of terrorism.

5.1 Board of Directors

The Board of Directors is ultimately responsible for executing the Compliance Programme sufficiently and effectively within the scope of this Policy as a whole. Within the scope of the Compliance Programme, the Board of Directors is authorized and responsible for the following matters:

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



- (i) Ensuring compliance of the Company with the obligations regarding the prevention of laundering proceeds of crime and financing of terrorism,
- (ii) Approving Company Policy and annual training programs,
- (iii) Appointing Compliance Officer,
- (iv) Determining the duties, authorities, and responsibilities of the Compliance Officer and the compliance department,
- (v) Evaluating the results of Risk Management, monitoring and control, and internal audit activities and ensuring that necessary measures are taken,
- (vi) Ensuring that all these activities are carried out in a coordinated and effective manner,
- (vii) Collaboration and information sharing with national and international regulatory authorities, if legally possible

5.2. Company Senior Management

The Corporate Management is responsible to the Board of Directors about the following issues:

- (i) Preparing and submitting the necessary procedures for approval by the Board of Directors with the arrangements set out in this Policy, and then providing and executing the sufficient organization,
- (ii) Assuring compliance with this Policy and related procedures by all employees correctly and effectively while operating and performing
- (iii) Taking timely measures to ensure that the Company is not exposed to risks related to money laundering and financing of terrorism.

5.3. Compliance Officer

The Compliance Officer, who is appointed by the Board of Directors is authorized and responsible directly to the Board of Directors for the following matters:

- (i) Compliance with the obligations regarding laundering of proceeds of crime and financing of terrorism, providing sufficient communication and collaboration with MASAK,
- (ii) Preparing and submitting the Company Policy,
- (iii) Submitting training program and assuring the effective implementation and
- (iv) Submitting information and statistics regarding training programs

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



6. RISK MANAGEMENT

“The Risk” defined within the framework of this Policy is; the possibility of financial or reputational damage that the Company or its employees may be exposed to, such as benefiting from the Company services for laundering proceeds of crime and financing of terrorism, or failure to not comply with the obligations defined in the legislation. Risk management aims to identify, monitor, assess, measure if possible, and reduce, prevent, avoid or eliminate the risks that may be exposed, through monitoring and control activities.

The Company adopts the principle of “Know Your Customer”, which constitutes the basis of the customer acceptance procedure for the prevention of laundering proceeds of crime and financing of terrorism by complying with international standards, recommendations, and the legislation in force.

According to the scope of the procedures that take place within the Company’s Risk Assessment Guidance, services, transactions, and customers are evaluated and classified according to the risk categories. Before entering into a business relationship, the customer is accepted after necessary due diligence controls by determining the jurisdiction, registered office and area of activity, identities of and beneficial owner and authorized representative, the purpose of the transaction, consistency of documentation, and information provided as part of due diligence.

Compliance Officer assesses country and transaction risks and classifies customers as low, medium, high-risk levels during the customer acceptance process and throughout the business relationship. In this context, the methods of risk definition based on Customer Risk and Country Risk, grading, and assessment are developed. Over precedent cases or transactions, the consistency and effectiveness of the methods are re-assessed and if necessary updated according to the new conclusions or conditions.

The Company does not enter into a business relationship directly/indirectly with natural persons or legal entities who are subject to the sanctions applied by; the United Nations Security Council resolutions, OFAC issued by US Treasury, the UK Treasury, the competent judicial or administrative authorities in Turkey and who are listed on the “High-Risk Jurisdictions subject to a Call for Action” by FATF and the black list by other countries regarding prevention of laundering proceeds of crime and financing of terrorism. The Company does not enter into a business relationship with anonymous counterparties and/or with persons whose beneficiary cannot be verified.

During Risk Assessment, the presence of below-stated matters are considered as high risk:

- The countries which do not have sufficient legislation for prevention of laundering proceeds of crime and financing of terrorism,
- Cross-border centers (Offshore, free zones, and similar financial centers) that constitute a center of attraction for the need of hiding funds earned from organized crime or used for financing of terrorism as a result of the banking secrecy, tax advantage, and jurisdictional immunity they provide,
- Customers whose senior management and/or beneficiary consist of “Politically Exposed Person”

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



- Complex and unusually large transactions, the transactions and inquires which are effectuated by developing new technologies
- Transactions which do not include reasonable legal and economic purpose (for which sufficient explanation cannot be provided),
- Transactions and inquires that cannot be associated with past transactions and the field(s) of activity,
- Sectors and occupational groups, where cash flows are intense and which enable the purchase and sale of high-value products/goods and the easy realization of international fund transfers,

As a result of Risk rating, the cases which are determined as “high risk” shall be transmitted to Company’s Risk Committee. The Risk Committee;

- May reject entering into the business relationship or,
- May suspend the business relationship and take additional precautions to reduce the risk or,
- May continue the business relationship and take additional precautions to reduce the risk.

Additional measures are taken for the high-risk rated customers and transactions. These measures include developing practice for constant monitoring, approval of the transaction by a senior officer, obtaining information as much as possible about the purpose of the transaction and the source of the asset related to the transaction, obtaining additional information and document within the scope of knowing your customer (KYC), taking additional measures to confirm and certify information.

7. MONITORING AND CONTROL

The purpose of monitoring and control is; the protection of the Company from risks whether the activities are effectuated in compliance with the procedures set out in Legislation, Company policies, and procedures within Risk Assessment Guidance.

Monitoring and control are carried out with a risk-oriented approach by the Compliance department under the supervision of the Compliance Officer. Along with the standard controls to be applied to all activities of the Company, appropriate and effective control systems and methods are determined and implemented for closer monitoring of customers, transactions, and activities that are considered as high risk and require special attention. Communication channels are established to ensure that any information obtained is immediately taken into account within the decision-making, monitoring, reporting, auditing processes.

8. DETECTION AND REPORTING OF SUSPICIOUS TRANSACTIONS

After sufficient investigation and conclusion of that, there is a suspicion of a transaction made or intended to be effectuated which is related or connected to the laundering of proceeds of crime and financing of terrorism, it is notified/reported to MASAK.

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



The utmost care and attention are paid within the scope of confidentiality and security of the suspicious transaction and all relevant parties or individuals who are aware of the context of the notification.

An internal audit system is established by the Company to ensure compliance with obligations related to laundering proceeds of crime, to pre-determine and prevent suspicious transactions, and to detect suspicious transactions.

The purpose of an internal audit is to assure the Board of Directors regarding the effectiveness and adequacy of the integrity of the Compliance Program. Accordingly, the adequacy and effectiveness of the Company policy, processes, risk management, monitoring and control activities, procedures, and training activities are regularly audited. The internal audit unit provides assurance and consultancy services to the senior management to monitor and audit whether the transactions are carried out by the legislation, Company Policies, and procedures with a risk-based approach.

While determining the scope of the audits, the organizational structure of the Company, the business and transaction volume, the malfunctions identified under the control of monitoring and studies, and the customers, services, and transactions that contain risks are taken into consideration. Deficiencies, and abuses detected, as well as opinions and suggestions to prevent their reoccurrence, are reported to the Board of Directors within the framework of the internal audit methodology.

Necessary information and statistics regarding the internal audit activities carried out within the framework of the legislation are kept regularly and reported to MASAK by the Compliance Officer within the determined period and principles.

10. EDUCATION

The training program is made within the scope of ensuring compliance with the legislation and creating a company culture by building knowledge and increasing awareness of responsibility in regards to the Company policy, procedures.

Ongoing training programs, workshops for employees are prepared, organized, and effective implementation is overseen by the Compliance Officer. Necessary information and statistics regarding the training activities are kept regularly and reported to MASAK through the Compliance Officer within the specified time and principles.

11. OTHER OBLIGATIONS UNDER THE LEGISLATION FOR PREVENTION OF THE FINANCING OF TERRORISM AND THE SPREAD OF WEAPONS OF MASS DESTRUCTION

The Company acts by a risk-oriented approach, taking into account the law enacted for the Prevention of the Financing of Terrorism and the Financing of Weapons of Mass Destruction, and the regulations enacted under these laws. Law No. 6415 on the Prevention of the Financing of Terrorism, Law No. 7262 on the Prevention of the Financing of the Proliferation of Weapons of Mass Destruction and other regulations ensure the assets, which is held and frozen, within the Company are managed within the scope of the permission granted by MASAK.

NADİR METAL RAFİNERİ SAN. VE TİC. A.Ş.

PRECIOUS METALS
REFINING & TRADE



In case of notification by MASAK, the Company notifies within seven days following the related notification by the same notification method, the information regarding whether there are assets or no record of assets, freezing process, and the frozen assets. In case of the freezing decision is removed, the Company transmits the information regarding the implementation of this decision to MASAK by the above-mentioned procedures and principles. The disposition authority on the assets that have been decided to be frozen can only be used with the permission of MASAK. Except for the cases permitted by MASAK, those whose assets are frozen cannot take any action regarding the elimination, consumption, conversion, transfer, transfer, assignment, or other savings of this asset. The execution of such transactions cannot be facilitated or provided.

12. STORAGE AND CONFIDENTIALITY OF RECORDS

Under the legislation in force in our country, all information, documents, and records that need to be retrieved and stored regarding customers and transactions are kept in the database for eight (8) years by providing access when necessary. Necessary measures are taken regarding the confidentiality of information, documents and records related to customers and transactions and are carefully implemented.

13. STAKEHOLDER FEEDBACKS

Nadir Metal pays attention to the feedback and opinions of Stakeholders. Feedback and/or violations related to this Policy can be reported using one of the communication channels stated below. These notifications comply with the laws on the protection of personal data.

E-mail Adress: etik@nadirmetal.com.tr
Adress: İstanbul Vizyonpark Genel Merkez Plaza
Yenibosna Merkez Mahallesi Kuyumcular Sokak
No:4 İç Kapı No:110
Bahçelievler - İstanbul / Türkiye
Phone number : +90 212 886 7330

14. ENFORCEMENT

This Policy enters into force after being approved by the Board of Directors on 28.06.2021.

Version No:	Board of Directors Decision Date:
V (1)	19.06.2013
V (2)	12.05.2020
V (3)	28.06.2021