

23.04.2018

The aim of this report is to summarize the steps taken by Gulf Gold Refinery FZE to achieve compliance with the "DMCC Rules on Risk Based Due Diligence in the Gold and Precious Metals Supply Chain" issued by Dubai Multi Commodities Center.

Details of reporting entity:

Name	: GULF GOLD REFINERY FZE
Location	: Q4-043, SAIF Zone, Sharjah
Reporting Period	: 01 January 2017 – 31 December 2017
Senior Manager responsible for report	: Managing Director / CEO

Summarized conclusion

Fully Compliant

Evaluation

Disclosure on the individual rating of the level of compliance or non-compliance for the sub-points of rule 1.1, Rules 1.2-5 of the DMCC Rules.

Rule 1: Supply chain managements systems.

Rule 1.1 Overriding Principle

Each Accredited Member conducting business in the supply chain relating to Mined Gold and/or Precious Metals and Recycled Gold and/or Precious Metals must implement and maintain systems and procedures which are sufficiently robust to conduct effective due diligence on the Accredited Member's supply chain.

We strive to implement, maintain and improve a robust due-diligence management system, which will address:

- 1. Clear responsibilities and escalation channels for all relevant employees.*
- 2. A robust Know-Your-Customer (KYC) framework for all our suppliers.*
- 3. A risk assessment framework to classify risk associated to the supply chain.*
- 4. Risk mitigation steps based on the risk assessment of suppliers.*

The above policy is an integral part of our activity and we require every employee to fully comply with it.

Rule 1.2 Supply Chain

Any reference to the "supply chain" or "suppliers" in these Rules shall include clients, suppliers, agents, intermediaries and any other relevant entities participating in the Accredited Member's Gold and/or Precious Metals supply chain.

Any reference to an "ultimate beneficial owner" shall mean any person (legally incorporated or natural) holding 5% or more of the share capital in any corporate entity.

We review and check the background of all shareholders of a company, even when holding less than 5%. The background of all our clients is done by Carnogursky ULC Law Firm.

Compliance statement: We have fully complied with Rule 1.

Demonstration of Compliance:

<p>Rule 1.3 Each Accredited Member must implement and maintain a robust documented policy and detailed processes (Policy) to include common principles, standards and processes for responsible supply chain management. The policy should be consistent with standard set forth in the model supply chain policy in Annex II of the OECD Guidance and should, as a minimum, include the following:</p>	
<p>a. Scope</p> <p>b. Responsibilities</p> <p>c. Criteria for supply chain due diligence:</p> <p>d. Main elements of Know-Your-Customer (KYC) process</p> <p>e. Monitoring and surveillance:</p> <p>f. Training</p>	<p><i>a) GGR has a written GGR Policy and Procedure Booklet all the provisions of the DMCC Responsible Gold Guidance and DMCC Rules-RBD-GPM 2016. GGR's Policy and Procedures includes:</i></p> <ul style="list-style-type: none"> • <i>Responsible Supply Chain Due Diligence Policy</i> • <i>AML Policy</i> • <i>Due Diligence Policy</i> • <i>Enhanced Due Diligence Policy</i> • <i>Monitoring and Risk Management Policy</i> • <i>Record Retention Policy</i> • <i>Whistle Blowing Policy</i> • <i>Security Policy</i> • <i>Web System Controls</i> <p><i>The scope of this policy is to ensure that all precious metals come from legitimate and ethical sources and do not contribute to conflict, human rights abuses, terrorist financing practices and money laundering.</i></p> <p><i>c) GGR has implemented a Risk Assessment checklist per supplier which covers a check over the below:</i></p> <ul style="list-style-type: none"> • <i>Supplier based</i> • <i>Transaction based</i> • <i>Geographical location based</i> <p><i>d) GGR's KYC covers all areas of identification, verification, back ground checking of the owners and enhanced due diligence.</i></p> <p><i>e) GGR has a well defined Monitoring and Surveillance procedure in place. GGR's Security Policy the monitoring activities within the organisation. It includes:</i></p> <ul style="list-style-type: none"> • <i>CCTV installations and recording are made.</i> • <i>24/7 personnel monitoring</i>

	<ul style="list-style-type: none"> Controlling access of employees into, within and out of the facility. Only authorised persons have access to designated areas Package screening system. All the packages entering and taken out of the refinery are personally check and matched with the supporting documents. Delivery of the refined bars in sealed boxes supported by certificate numbers, metal delivery voucher and invoices. <p>f) GGR also makes it a point to train all the employees on an informal basis with regards to their job requirement. Training includes an insight to the company's operations, their responsibilities, duties and rights involved with their profession GGR ensures that all employees upon hiring are given proper guidance.</p> <p>Training sessions have been conducted for the new employees Mr. Rupesh Chandrakant Kamble (dated 20.09.2017), Mr. Muneer Abdul Salam (dated 25.05.2017) & Ms. Dhanya Rajasekhar Nambiar (dated 15.05.2017) by the CEO himself regarding the responsible sourcing and DMCC Rules.</p> <p>Ref:</p> <ul style="list-style-type: none"> GGR Policy and Procedure Booklet 1.0, Rev. 3 GGR's Compliance Handbook, Booklet 2.0 Rev. 1
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Rule 1.4 Minimum KYC requirements

For the purpose of these rules, the standards of KYC requirements set out in the Resolution shall be considered as the minimum KYC standards (Minimum KYC Standards) to be achieved by the Accredited member.

GGR has considered the standards of KYC requirements set out in the Resolution as the minimum KYC standards to be achieved. GGR's KYC form incorporates all the requirements based on the DMCC Responsible Gold Guidance and DMCC Rules-RBD-GPM 2016. KYC process includes all customers screening, background checking and risk assessment.

Background check includes all details regarding the firm and its share holders. It also takes into consideration the company's operation, date of incorporation, years into business and areas of its supply chain and compliance. The risk assessment process includes classifying the suppliers into low risk, medium risk and high risk



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Rule 1.5 Implementation of KYC Systems & Processes

Each Accredited member shall ensure that its policy and the implementation of its policy shall fully satisfy the minimum KYC standards and any other KYC requirements set out in these Rules.

GGR has Implemented KYC Systems and Processes that fully satisfy the Minimum KYC Standards and any other KYC requirements set out in these Rules. GGR's KYC form incorporates all the requirements based on the DMCC Responsible Gold Guidance and DMCC Rules-RBD-GPM 2016. KYC process includes all customers screening, background checking and risk assessment.

Background check includes all details regarding the firm and its share holders. It also takes into consideration the company's operation, date of incorporation, years into business and areas of its supply chain and compliance. The risk assessment process includes classifying the suppliers into low risk, medium risk and high risk

Rule 1.6 Specific KYC requirements

Each Accredited member shall ensure that its Policy and the Implementation of its Policy shall be adequate to identify:

- (a) each supplier and to the extent possible each supplier's supplier;
- (b) each supplier's legal and operating structure; and
- (c) each supplier's ultimate beneficial owner(s).

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

- (a) the origin of each ASM's supply;
- (b) To the extent possible, each ASM's legal and operating structure conforming to the applicable legal framework (where it exists) as well as their engagement in opportunities for formalization as they become available; and
- (c) Each ASM's third party service provider(s) (i.e. logistics, processors, transportation, intermediaries, security, etc.) ultimate beneficial owner(s) for ASM located Conflict Affected or high risk areas.

GGR's KYC covers all areas of identification, verification, back ground checking of the owners and enhanced due diligence which is adequate to identify the suppliers and also the suppliers supplier.

GGR has ensured that its Policy and the implementation of its Policy are adequate to identify:

- *Each supplier and supplier's supplier*
- *Each supplier's legal and operating structure*
- *Each supplier's UBO*

We review also suppliers supplier based on the provided invoices, customs declarations (stipulating from which country the shipment came) and passport copies of gold carrying persons (passport copies are requested only in a case when a new gold source is introduced). We do not require the name of the gold producer, since the clients are not willing to disclose that (so we can not approach the supplier directly), but we require a sufficient geographic localization of the gold producer. We also localize the supplier based on chemical fingerprinting of the gold dore, based on the impurities. All those methods are sufficient on the best effort basis to establish the gold source. If we have doubts, we require further clarifications from the client, and if not provided we close the account. It is clear from the above that we do not rely solely on the undertaking from the supplier, but verify the information with the relevant cross-checking sources, like chemical fingerprinting or customs data.

GGR deals only with locally established dealers. Its policy incorporates procedures to identify: GGR's risk assessment matrix and daily transactional check procedure helps identify

- *Each ASM's origin*
- *To the extent possible each ASM's legal and operating structure*
- *Each ASM's third party service providers*

	<p><i>Ref:</i></p> <ul style="list-style-type: none"> • <i>GGR Policy and Procedure Booklet 1.0, Rev. 2</i> • <i>GGR's Compliance Handbook, Booklet 2.0 Rev. 1</i>
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<p>Rule 1.7 Record Keeping and Updating of Information</p> <p>Each Accredited Member shall keep records of, and continually on an ongoing basis update, the following information:</p>	
<p>(a) for every supplier or ultimate beneficial owner that is a natural person, his/her:</p> <ul style="list-style-type: none"> (i) full name (as shown on a national identity card or passport); (ii) nationality; (iii) place of residence and original domicile (iv) employer details (if any) (v) a complete and accurate copy of a valid identity card or passport (the copy should be certified); <p>(b) for every supplier or ultimate beneficial owner of a supplier that is a corporate entity:</p> <ul style="list-style-type: none"> (i) its legal status and category of entity; (ii) its full name; (iii) its domicile or country of registration; (iv) a description of its principal business activities; (v) the address of its registered office and principal place of business (if different); (vi) the KYC requirements of each legally authorised representative that is a natural person (in accordance with (a) above); (vii) a copy of the instrument(s) authorising each of its legally authorised representatives; (viii) the KYC requirements of each ultimate beneficial owner (in accordance with (a) above for natural persons and in accordance with this (b) for corporate entities), except for government entities and publicly listed companies for which such information is publicly available; (ix) a copy of its constitutional documents; 	<p><i>GGR does not deal with physical persons i.e. GGR deals only with locally established firms.</i></p> <p><i>GGR deals only with locally established firms. GGR has formulated an Account Opening Requirements which requires every supplier to submit the following:</i></p> <ul style="list-style-type: none"> (i) its legal status and category of entity; (ii) its full name; (iii) its domicile or country of registration; (iv) a description of its principal business activities; (v) the address of its registered office and principal place of business (if different); (vi) the KYC requirements of each legally authorised representative that is a natural person (in accordance with (a) above); (vii) a copy of the instrument(s) authorising each of its legally authorised representatives; (viii) the KYC requirements of each ultimate beneficial owner (in accordance with (a) above for natural persons and in accordance with this (b) for corporate entities); (ix) a copy of its constitutional documents; (x) a copy of its valid commercial or professional licence or registration. <p><i>Ref:</i></p> <ul style="list-style-type: none"> • <i>GGR Policy and Procedure Booklet 1.0, Rev. 3</i> • <i>GGR's Compliance Handbook, Booklet 2.0 Rev. 1</i>

(x) a copy of its valid commercial or professional licence or registration.

Rule 1.8 KYC Requirements for Politically Exposed Persons

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

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

GGR's Enhanced Due Diligence Policy covers all areas with regards to PEP. The policy has well explained the KYC requirements for PEP. It includes;

- *Have a senior management approval for establishing a business relationship with a PEP.*
- *Take adequate measures to establish the source of wealth and source of funds which are involved in the business relationship or occasional transaction*
- *Conduct closer ongoing monitoring of the business relationship*

GGR has not dealt with any politically exposed person (PEP) during the year 2017.

Rule 1.9 Appointment of a Dedicated Supply Chain Officer	
<p>Each Accredited Member must appoint a person to carry out the role of a dedicated compliance or risk officer (Supply Chain Officer). The Supply Chain Officer must:</p> <p>(a) be a senior member of staff of the Accredited Member;</p> <p>(b) have the necessary competence, knowledge, experience and training in supply chain due diligence and KYC processes;</p> <p>(c) be provided with all resources necessary to perform his/her functions and role in accordance with these Rules; and</p> <p>(d) be able to communicate critical information to senior management, staff and suppliers.</p>	<p><i>a) GGR Supply Chain consists of a team of members – the CEO, Compliance Officer & the Internal Auditor.</i></p> <p><i>b) GGR has appointed a dedicated compliance officer since 2017. The Compliance Officer is well aware of her responsibilities regarding the responsible gold supply chain due diligence. She keeps a constant check on the supplier's documentations and supply chain processes. The Compliance Officer maintains a direct line of communication with the top management, staffs and the suppliers. She was trained by the CEO himself with regards to the supply chain due diligence and KYC processes.</i></p> <p><i>Name of the Compliance Officer : Dhanya Rajasekhar Nambiar</i> <i>Designation : Compliance Officer, Appointed since 2017</i></p> <p><i>c) The Compliance Officer has access to the relevant background check resources to be able to perform the relevant screening of all customers. She has the right to require any documentation or supporting information from customers on behalf of the company. She is able to review both customers and customer transactions in the detail required by the DMCC Guidelines and has the rights and duties to suspend or terminate any transaction.</i></p> <p><i>d) Risk assessment reporting and results are presented to the top management on periodic basis. The risk assessment procedures are clearly defined as a part of the Compliance Officer's tasks and a member of the senior management is responsible for approving each new supply chain. The Senior Management also reviews these supply chains on a periodic basis in order to determine whether to continue the business relationship.</i></p> <p><i>Ref:</i></p> <ul style="list-style-type: none"> <i>GGR Policy and Procedure Booklet 1.0, Rev. 3</i> <i>GGR's Compliance Handbook, Booklet 2.0 Rev. 1</i>



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Rule 1.10	Functions and Duties of the Supply Chain Officer
<p>The Supply Chain Officer shall:</p> <p>(a) review and sign off on each gold and/or precious metals supply chain due diligence exercise;</p> <p>(b) continually monitor and assess the Accredited Member's supply chain due diligence processes;</p> <p>(c) ensure that the Policy and each associated due diligence exercise carried out by an Accredited Member are adequate for the purposes of these Rules;</p> <p>(d) train staff and promote awareness within the Accredited Member's organisation with respect to responsible supply chain due diligence, the Accredited Member's Policy, KYC requirements and applicable laws; and</p> <p>(e) update the Policy and related processes as and when required.</p>	<p><i>GGR has appointed a dedicated compliance officer since 2017. The Compliance Officer has maintained the Compliance Handbook which gives an over all description of all the duties and responsibilities and the checks that she maintains on a regular basis. She makes sure that the all the below points are met with:</i></p> <p><i>(a) review and sign off on each gold and/or precious metals supply chain due diligence exercise;</i></p> <p><i>(b) continually monitor and assess the Accredited Member's supply chain due diligence processes;</i></p> <p><i>(c) ensure that the Policy and each associated due diligence exercise carried out by an Accredited Member are adequate for the purposes of these Rules;</i></p> <p><i>(d) train staff and promote awareness within the Accredited Member's organisation with respect to responsible supply chain due diligence, the Accredited Member's Policy, KYC requirements and applicable laws; and</i></p> <p><i>(e) update the Policy and related processes as and when required.</i></p>
Rule 1.11	Appointment of a Controller
<p>Each Category-A Accredited Member must appoint a "controller" (Controller) in accordance with the Resolution to carry out the functions of such role as set out in the Resolution. For the purposes of these Rules, the Controller may be the same person as the Supply Chain Officer.</p> <p>Each Category-A Accredited Member shall ensure that the Controller:</p> <p>(a) is able to operate and function independently from other departments and individuals within the Category-A Accredited Member's organisation structure; and</p> <p>(b) is provided with unfettered access to the board of directors of the Category-A Accredited Member.</p>	<p><i>At GGR, the Compliance Officer acts as the Controller. She is a dedicated officer appointed since 2017. The Compliance Officer is well aware of her responsibilities regarding the responsible gold supply chain due diligence. She keeps a constant check on the supplier's documentations and supply chain processes. The Compliance Officer has an open and direct line of communication with the Top Management and staff members. Risk assessment reporting and results are presented to the top management on periodic basis. Her duties as a controller includes:</i></p> <p><i>a) to be able to operate and function independently from other departments and individuals within the organisation structure</i></p> <p><i>b) provided with unfettered access to the Board of Directors</i></p>

Rule 1.12 Functions and Duties of the Controller

Each Category-A Accredited Member shall ensure that its Controller is familiar with, and carries out its role and function in accordance with the requirements of the Resolution.

In addition to his/her requirements under the Resolution, the Controller shall:

- (a) immediately upon submitting any STR to the FIU, provide a copy of that STR to the DMCC; and
- (b) immediately upon submitting a copy of each bi-annual report (together with the notes and resolutions of the senior management in response to such report) to the FIU, provide a copy of that report and notes to the DMCC, as required under Resolution, (and such copy in each case will be sent to: responsiblesupplychain@dmcc.ae in accordance with Annex 1 – DMCC Whistleblowing Policy.

At GGR, the Compliance Officer acts as the Controller. She is a dedicated officer appointed since 2017.

GGR has maintained the Whistle Blowing Policy for all the Employees which is in accordance with the DMCC Whistle Blowing Policy and the Controller has maintained a Whistle Blowing Manual which explains in detail regarding every steps for a whistle blowing being raised.

a) In case of a suspicious transaction, the controller ensures to ask for additional identification documents or documentary proof of source of material as they deem appropriate. It will also be reported directly to the top management and necessary actions will be taken. In 2017 there has been no STR's reported.

Ref:

- *GGR Policy and Procedure Booklet 1.0, Rev. 3*
- *GGR's Compliance Handbook, Booklet 2.0 Rev. 1*

Rule 1.14 Record Keeping

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

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

GGR maintains documentation and records regarding its implementation of the Responsible Gold Guidance since October 2012. GGR maintains all its records for a period of 5 years. GGR has formulated the record retention policy which deals with retention, archiving and destruction of any records.

a) Separate TRV (Temporary Receipt Voucher) files and MDV (Metal Delivery Voucher) files are maintained annually which contains the entire transaction reports starting from the first transaction of the year to the last transaction of the year

b,c,d) Each Supplier file holds a document which consists of:

- *A/C opening date*
- *Address*
- *Contact*
- *A/C close date*



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<p>Each Accredited Member must keep relevant records, files, documents, papers, communications and forms related to relations with potential suppliers that were not entered into or progressed due to a high-risk evaluation by the Accredited member, for at least (2) years from the date the decision was taken not to enter into or progress the relationship.</p>	<ul style="list-style-type: none"> • Reason & Remarks <p>Ref:</p> <ul style="list-style-type: none"> • GGR Policy and Procedure Booklet 1.0, Rev. 3 • GGR's Compliance Handbook, Booklet 2.0 Rev. 1 • Supplier File
<p>Rule 1.15 Enhanced Relationships with Suppliers</p>	
<p>Each Accredited Member must continually attempt to enhance communications and relationships with each of its suppliers, and encourage each supplier to commit to a supply chain policy consistent with the DMCC Rules for RBD-GPM and Annex II of the OECD Guidance. This can be achieved through following means:</p> <p>(a) maintaining adequate KYC due diligence processes for suppliers in accordance with these DMCC Rules for RBD-GPM, and reviewing suppliers' own due diligence practices;</p> <p>(b) establishing long-term relationships with each supplier;</p> <p>(c) sharing with each supplier the DMCC Rules for RBD-GPM and the Accredited Member's obligations under the DMCC Rules for RBD-GPM;</p> <p>(d) communicating expectations that each supplier commits to the compliance and undertakes mineral supply chain due diligence and risk management consistent with the DMCC Rules for RBD-GPM and Annex II of the OECD Guidance;</p> <p>(e) incorporating the provisions of the DMCC Rules for RBD-GPM and audit and monitoring rights into contracts and/or agreements and KYC forms with each supplier; and</p>	<p><i>GGR has developed a comprehensive supplier identification process. We make sure that the supplier has a reference to the OECD and DMCC guidelines, DMCC Rules for RBD-GPM. Our scope is very limited and we deal only with the local suppliers. This has reduced our level of risk as all our suppliers are also under a constant check from DMCC. GGR requires the supplier to sign the Declaration of Compliance with the OECD and DMCC rules of gold sourcing</i></p> <p><i>GGR has adequate due diligence for all suppliers, and reviews suppliers due diligence practices.</i></p> <p><i>GGR offers assistance to all suppliers for supply chain support.</i></p> <p><i>GGR has incorporated provisions of the DMCC Rules for RBD-GPM into our KYC forms. The KYC form has a portion acknowledging the receipt of, and compliance with the DMCC Guidelines/Rules for RBD-GPM. GGR updates its KYC on a yearly basis</i></p> <p><i>a) We obtain KYC's form our suppliers and a risk rating based on the same is maintained. The KYC is requested on yearly basis and a constant check on the risks is also maintained.</i></p> <p><i>b) We maintain long term relationships with our clients. Our Sales Manager is assigned to meet our clients on a regular basis to obtain their feedbacks and to strengthen our relationships with them. Our CEO and Compliance Officer also meets the clients.</i></p> <p><i>c & d) Our clients are all players in the gold market since long and they are well aware of the OECD and DMCC guidelines. We have also sent the OECD guidelines to our clients for their wider understanding.</i></p> <p><i>e) Our KYC form incorporates all the requirements of the DMCC guidelines. It takes into consideration the geographical areas of gold procurement, the form of gold and the parties involved.</i></p>



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(f) supporting and building capabilities of suppliers (if required) to ensure compliance with the Accredited Member's Policy and the DMCC Rules for RBD-GPM.	<i>f) Yes, we try to support and build capabilities of suppliers to ensure compliance with the DMCC Rules for RBD-GPM</i>
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Rule 1.16 Uncooperative Suppliers	
If any Accredited Member reasonably concludes that a supplier is not providing a sufficient degree of cooperation to enable it to carry out its obligations under the DMCC Rules for RBD-GPM (Uncooperative Supplier), the Accredited Member is recommended to seek disengagement from such supplier and is required to: (a) document the Accredited Member's efforts in accordance with these Rules (including Rule 1.15) and (b) report the matter to the DMCC, upon request by DMCC. (c) details of such disengagement of suppliers should be included in the management report.	<i>GGR has always made it a point to deal with suppliers who have accepted the OECD DMCC guidelines and Rules. GGR has an internal risk rating for every supplier based on:</i> <ul style="list-style-type: none">• Documentation• Transaction• Geography <i>Any supplier who is not providing a sufficient degree of cooperation to enable it to carry out its obligations under the DMCC Rules for RBD-GPM is marked as a red flag and any activity with them is disengaged. GGR maintains documentations of all its suppliers. Any such supplier will definitely be reported to DMCC.</i> <i>As of now, all of GGR's suppliers have been very cooperative and supportive.</i>
Rule 1.17 Security Requirements	
Each Policy must include adequate security requirements to ensure compliance with these DMCC Rules for RBD-GPM, in particular, in relation to material sourced from LSM or ASM mining companies. These requirements may include any of the following:	



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- (a) using identifiable sealed security boxes for each shipment to avoid any tampering or removal of content;
- (b) physically segregating different shipments until verification is adequately completed and confirmed in accordance with Rule 1.13;
- (c) reporting any inconsistencies to senior management, the Supply Chain Officer and/or the Controller (as appropriate);
- (d) regarding any supplier with whom problematic issues recur as an Uncooperative Supplier in accordance with these Rules;
- (e) ensuring that any assessor of a shipment is independent from any conflict of interest.
- (f) if applicable, verify supplier's participation in the Extractive Industry Transparency Initiative (EITI).

GGR has in place an adequate security procedure from opening an account up to daily transactions. Any inconsistencies observed are reported to the Compliance Officer, and the matter is relayed to the concerned department and appropriate action is taken.

a) The kilobars are delivered in sealed boxes.

b) The safe keeper maintains the delivery schedule list as per customer requirement. He enters the same in our websystem. The Accountant creates an invoice and a Metal Delivery Voucher with unique number for each delivery. The Compliance officer verifies the MDV No., customer and the quantity by manually entering the same in the printed MDV books. Once this is done, our internal auditor confirms the in and out of the gold per supplier. Once approved, kilobars are physically segregated for delivery with certificates issued for each bar (the certificate includes the serial no, year of production, purity, weight) in sealed boxes. Our security checks the certificate numbers against the bars and the invoice and finally approved for delivery.

c) Every team member is required to inform any inconsistency during any level to the top management.

d) We have classified our suppliers based on their risk level to green, yellow and red flags.

e) Yes, we have attached Lack of conflict of interest signed by our assessors.

All the security procedures are formulated in the GGR's Security Policy, 1.0 Rev. 3

Rule 1.18 Cooperation with law enforcement agencies

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

GGR maintains a record of documents of all the transactions and whenever requested by the customs officials or any concerned authority we do provide them. In 2017, we dealt only with local supplier's. GGR is fully cooperative and transparent with the law enforcement agencies and customs officials regarding all our transactions.



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Training of staff and KYC

Each Accredited member must perform a KYC check on its relevant staff for e.g. the compliance/supply chain officer, members of operations directly involved in the intake of material, etc.

during the staff on-boarding process and thereafter an update, on an on-going basis, every six calendar months. Such KYC checks shall include checking an employee's full name, date and place of birth, nationality, residence, contact details, previous activities and occupations, copy of identity document and searches on sanctions list.

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

Each Category-A Accredited Member must incorporate the training obligations of the Controller set out in the Resolution into its own Training Programme.

Each Category-B Accredited Member is required to incorporate the training obligations of the Compliance Officer set out in the Resolution into its own Training Programme.

A thorough KYE is done on every staff during the on-boarding process and thereafter on an on-going basis every six calendar months. The KYE includes a background check on the employee and his details regarding employment, education, experience etc. GGR maintains individual files for every employee in the organization which includes details such as:

- i) Cover page mentioning the name, date of joining, residence, contact details, designation*
- ii) Passport copy: Name, date and place of birth, Nationality*
- iii) Visa copy*
- iv) Previous company visa copy*
- v) Emirates Identity Card copy*
- vi) All payments receipt related to the employee*

Training includes an insight to the company's operations, their responsibilities, duties and rights involved with their role. GGR ensures that all employees upon hiring are undergoing the necessary training.

GGR trainings also takes into consideration, the risk exposure of each staff in connection with the supply chain. A strong communication line between the Compliance Officer, top management and relevant employees is always open for concerns regarding the supply chain.

Training sessions have been conducted for the new employees Mr. Rupesh Chandrakant Kamble (dated 20.09.2017), Mr. Muneer Abdul Salam (dated 25.05.2017) & Ms. Dhanva Rajasekhar Nambiar (dated 15.05.2017) by the CEO himself regarding the responsible sourcing and DMCC Rules.

Ref:

- GGR Policy and Procedure Booklet 1.0, Rev. 3*
- GGR's Compliance Handbook, Booklet 2.0 Rev. 1*

Rule 1.19: Grievance Mechanism

Each Accredited Member must establish a grievance mechanism for internal external stakeholders who are impacted by the Accredited members operations to enable those stakeholders to voice concerns relating to an Accredited members risk management

GGR has a well developed 'Whistleblowing' policy for the employees to voice their concern with regards to any suspected misconduct, illegal acts or failure to comply with a legal obligation.

processes and supply chain policy to the senior management.

Rule 2: Supply Chain Risk Identification And Assessment

Rule 2.1 Overriding Principle

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

If the Accredited Member can reasonably determine on the basis of the information collected under Rule 1 that it does not deal in gold and/or precious metals mined or transported or traded in a Conflict-Affected and High-Risk Area, no additional due diligence is required. The management systems established in Rule 1 should be maintained and regularly reviewed.

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

Compliance statement: We have fully complied with Rule 2.

Demonstration of Compliance:

Rule 2.2 Risk-based Approach	
<p>Each Accredited Member must conduct an internal risk assessment carried out on a risk-based approach (Risk Assessment) on each party, included or third parties involved in the supply chain for gold and/or precious metals from the mine(s) to the Accredited Member including third party service providers (i.e. logistics, transporters, processors and intermediaries).</p>	<p><i>GGR has developed risk assessment procedure that is in line with the standards of the DMCC Rules for RBD-GPM.</i></p> <p><i>The risk matrix takes into consideration all the criteria stipulated to properly classify geographical, supplier and transactional risk. GGR assigns a risk rating to every supplier in accordance with the risk rating criteria. All transactions are thoroughly verified for reconciliation with KYC file and historical data.</i></p>



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Rule 2.3 Considerations of Risk Assessments

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

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

- (i) the origin, location and transportation;
- (ii) the level of government regulation and supervision;
- (iii) the extent of cash transactions used in the country;
- (iv) the level of conflicts or human rights abuses in any location comprising part of the supply chain;
- (v) payment systems used;
- (vi) the level of involvement or potential involvement of any criminal organisation;
- (vii) the level of involvement or potential involvement of any high risk businesses (such as gaming and casinos, etc.);
- (viii) the level of access from a location comprising part of the supply chain to nearby markets or processing operations that are termed as conflict and/or high risk areas;
- (ix) the level of enforcement of laws addressing significant criminal activity; and
- (x) the existence of sanctions and/or embargoes that have been directed against the country and/or individuals/entities in that country;

The Compliance Officer performs supply chain due diligence that is in line with all the criteria required by DMCC Rules for RBD-GPM. Accordingly her task is to report to the management all potential high risk suppliers prior to starting and transactions.

i) The country of origin of the scrap is noted and considered when a scrap enters our facility. Our assigned team is arranged to collect the scrap and its supporting documents from our suppliers.

ii) Yes. We do not deal with suppliers dealing with red flagged countries

iii) We deal with only local registered suppliers. We do not deal with suppliers dealing with red flagged countries

iv) We deal with only local registered suppliers. We do not deal with suppliers dealing with red flagged countries

v) We deal with payments mostly through banks and some of them are minor cash transactions.

vi) We deal with only local registered suppliers. A background check is done on the company and all the owners of the company.

vii) We deal with only local registered suppliers. A background check is done on the company and all the owners of the company

viii) We deal with only local registered suppliers. We do not deal with suppliers dealing with red flagged countries

ix) We deal with only local registered suppliers. We do not deal with suppliers dealing with red flagged countries

x) We deal with only local registered suppliers. We do not deal with suppliers dealing with red flagged countries



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

- (i) KYC information of the Accredited Member's suppliers as identified under Rule 1 (including information about the origin and transportation of the gold and/or precious metals);
- (ii) any Red Flags (as defined in Rule 2.4 below) identified in any part of the entire supply chain;
- (iii) the number of participants in the supply chain (i.e. the greater the number, the higher the risk);
- (iv) the level of control that a counterparty has over its own suppliers;
- (v) the level and adequacy of the due diligence practices of a counterparty;
- (vi) whether a counterparty's due diligence practices have been audited by a qualified third party auditor;
- (vii) for how long the counterparty has been carrying out activities in the gold and/or precious metals business;
- (viii) a counterparty's willingness to disclose its beneficial owners;
- (ix) a counterparty's attempts to be or remain anonymous (e.g. through the use of third party intermediaries such as lawyers, accountants, etc.);
- (x) the scale of mining operations of a supplier (ASM or LSM), if applicable; and
- (xi) the involvement of any PEPs that have been entrusted with prominent public functions or individuals who are closely related to such persons;

(c) applicable transactions, including consideration of:

- (i) the proportionality of the due diligence to the applicable transaction;
- (ii) gold and/or precious metals that are transported and/or exported which are not reasonably reconciled with the declared location of the origin;
- (iii) unexplained geographic distance in the supply chain;
- (iv) the nature of the underlying assets (for example melted recyclable gold and/or precious metals transactions may be

(b) i) *We deal only with local suppliers.*

ii) *We do not deal with suppliers dealing with red flagged countries*

iii) *We deal only with local suppliers with a registered office in U.A.E*

iv) *Our suppliers maintains all required documents of their suppliers. Our suppliers are locally registered and do not deal with red flagged countries.*

v) *Official meetings are conducted at the supplier office and discussed regarding the same.*

vi) *All our suppliers are locally registered companies. They have assigned personals for their due diligence activities.our clients due diligence are also audited by third party auditors.*

vii) *All our suppliers are players in the local market since long. We consider the same in our KYC for assigning the risk rating.*

viii) *We consider the same in our KYC*

ix) *The background of all our clients is done by Carnogursky ULC Law Firm.*

x) *We deal only with local retailers and wholesalers. GGR has not dealt with any mining suppliers during the year 2017.*

xi) *A background check is done for all our suppliers and its owners. All these factors are taken into consideration for the same. GGR has not dealt with any politically exposed person (PEP) during the year 2017.*

c) i) *We keep a track of the trend of the scrap received from every supplier- weight, purity, form.*

ii) *Our refining process begins only after approval from the compliance department regarding the scrap received. The Compliance officer checks the received document, purity against the scrap received.*

iii) *Our suppliers are locally registered companies. They declare the country of origin*



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higher in risk than unprocessed recyclable gold and/or precious metals);

v) the level of concentration of gold and/or precious metals;

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

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

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

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

of their scrap in our KYC. Supporting documentations are procure for every scrap.

iv) The form, purity and weight- everything is considered and verified prior to refining.

v) Yes

vi) Whenever any unusual circumstances are noted, it is communicated to the top management

vii) Yes

viii) We deal only through bank payments and some minor cash transactions. And the scrap collection from the supplier and delivery of the refined bars to the supplier is done by our assigned team. We do not deliver to any third party.

ix) Yes



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<p>Rule 2.4 Red Flags</p> <p>For the purposes of these Rules, a Red Flag shall be any (including a combination or aggregate of more than one) of the following:</p> <p>(a) Location-based Red Flag, as further described below;</p> <p>(b) Supplier-based Red Flag, as further described below; or</p> <p>(c) Circumstances-based Red Flag, as further described below.</p>	<p><i>Considering the risk rating procedure, GGR does not deal with high risk rated suppliers. Supplier falling under high risk category involves suppliers dealing with red flagged countries. A constant check is maintained on all suppliers on periodic basis considering the risk factor.</i></p>
<p>Rule 2.5 Location-based Red Flags</p> <p>A Location-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:</p> <p>(a) the gold and/or precious metals originate from or have been transported through a Conflict-Affected and High-Risk Area;</p> <p>(b) the gold and/or 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/or precious metals (for example where the declared volumes of gold and/or precious metals from that country are in excess of its known reserves and/or expected production levels); or</p> <p>(c) the gold and/or precious metals are claimed to originate from a country through which gold and/or precious metals from Conflict-Affected Areas are known or reasonably suspected to transit; or</p> <p>(d) the gold and/or precious metals are claimed to originate from recyclable/scrap or mixed sources and has been refined in a country where gold and/or precious metals from Conflict-Affected and High-Risk Areas is known or reasonably suspected to transit.</p>	<p><i>a) We deal only with locally registered companies. We maintain a gold purity schedule for every region. The scrap gold is tested for purity as per 3 methods and then confirmed.</i></p> <p><i>b) We deal only with locally registered companies. We maintain a gold purity schedule for every region. The scrap gold is tested for purity as per 3 methods and then confirmed.</i></p> <p><i>c & d) We deal only with locally registered companies. We maintain a gold purity schedule for every region. The scrap gold is tested for purity as per 3 methods and then confirmed.</i></p>
<p>Rule 2.6 Supplier-based Red Flags</p> <p>A Supplier-based Red Flag shall be the occurrence of, or the reasonable suspicion of the occurrence of, any of the following circumstances:</p> <p>(a) A supplier or other participant in the supply chain of gold and/or precious metals 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 and/or precious metals from one of the above-mentioned locations; or</p>	<p><i>a) We deal only with local suppliers with a registered office in U.A.E. We do not deal physical persons or with suppliers dealing with red flagged countries.</i></p>

<p>(b) a supplier or other participant in the supply chain of gold and/or precious metals is known to have sourced gold and/or precious metals from any location that could give rise to a Location-based Red Flag in the twelve (12) months previous to the applicable transaction</p>	<p><i>b) We deal only with local suppliers with a registered office in U.A.E. We do not deal with suppliers dealing with red flagged countries</i></p>
<p>Rule 2.7 Circumstances-based red flags</p>	
<p>A Circumstances-based Red Flag shall be the occurrence of any anomalies or unusual circumstances that are identified through the information collected under Rule 1 to give rise to reasonable suspicion that the gold and/or precious metals applicable to any transaction of the Accredited Member may contribute to any conflict or serious abuses associated with the extraction, transportation of and/or trading in gold and/or precious metals.</p>	<p><i>The Compliance Officer performs the supply chain due diligence that is in line with all the criteria required by DMCC Rules. Each transaction is carefully monitored for any inconsistencies with the client's KYC files or their transactional history.</i></p>
<p>Rule 2.8 Procedures relating to Red Flags</p>	
<p>(a) Accredited Members must review all Red Flags in an in-depth and detailed manner;</p> <p>(b) if an Accredited Member has reasonable grounds to suspect that a prospective transaction with a supplier may result in a Red Flag, it must conduct enhanced research prior to engaging in and concluding the transaction. Such research should include some or all of the research methods specified below taking into account a cost-benefit analysis in proportion to the level of the risks identified in Rule 2.3 to 2.7;</p> <p>(c) the research methods that may be employed are Desk Research, On-Site Visits, and Random Sample Verification;</p> <p>(d) Desk research includes:</p> <ol style="list-style-type: none"> identifying each company in the supply chain; identifying the ultimate beneficial owner(s) of each company in the supply chain; obtaining financial information on each company in the supply chain; ensuring that each company in the supply chain holds the necessary permits and licences; and ensuring that each company in the supply chain is not listed on any sanctions and/or embargoes list. reviewing research reports including those from governments, international organization, NGOs and media, maps, UN reports and UN security Council sanctions, industry literature relating to mineral extraction and its impact on conflict, human rights or 	<p><i>Considering the risk rating procedure, GGR does not deal with high risk rated suppliers. Supplier falling under high risk category involves suppliers dealing with red flagged countries. Since we deal only with suppliers dealing with conflict free countries, our scope is very limited. A constant check is maintained on all suppliers on periodic basis considering the risk factor.</i></p> <p><i>(d) Desk research also forms an important part of the Compliance Officer's function. At GGR, we make sure that the best possible efforts are done to comply with DMCC Regulations.</i></p> <ol style="list-style-type: none"> <i>i) We only with locally registered retailers or wholesalers.</i> <i>ii) A background check is done on the company and its owners.</i> <i>iii) Yes</i> <i>iv) We only with locally registered retailers or wholesalers</i>



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environmental harm in the country of potential origin, or other public statements [e.g. from ethical pension funds].

(e) On site visits include visits to gold and/or 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:

(i) gold and/or precious metals extraction (for LSM whether mined by medium and large scale mining in red flagged operations or LSM gold purchased from other sources), physical access to mines, mine capacity against recorded mine production and discrepancies);

(ii) gold and/or 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);

(iii) handling of gold and/or precious metals (inventory, trans-shipment, relabeling, etc.);

(iv) transportation of gold and/or precious metals;

(v) trading of gold and/or precious metals (including importing and exporting); and

(vi) the weight and assayed quality characteristics of the gold and/or precious metals that are used in the above mentioned activities.

(vii) taxes, fees, royalties, compensation or other payments to governments which relate to the extraction, trade, transport and export of gold and / or precious metals;

(viii) where applicable, request information from mining suppliers about their participation in the EITI;

(ix) payments made to public or private security forces or other armed groups;

(x) use or presence of security services, training of security personnel, associated risks;

(xi) evidence of serious abuses of Human rights;

v) We only with locally registered retailers or wholesalers

(e) GGR visits the suppliers very often to confirm that our suppliers are living upto their obligations. The Sales Manager and the Accounts team visits every client on a daily and monthly basis respectively.

i) We deal only with local suppliers with a registered office in U.A.E. We visit our suppliers offices. We have also assigned our sales manager for regular meetings with our suppliers.

ii) We deal only with local suppliers with a registered office in U.A.E.

iii) Our assigned team collects the scrap along with supporting documents from our suppliers.

iv) Our assigned team collects the scrap along with supporting documents from our suppliers. All the scrap and our refinery is insured.

v) Yes

vi) Yes

vii) Yes

viii) We do not deal with any mining suppliers.

ix) We do not make any third party payments since we are just refinery services.

xi) We have not found any evidences of serious abuses of Human Rights.



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<p>(xii) relationships between LSM and ASM, information on ASM operating on the sites of, or selling through LSM;</p> <p>(xiii) for ASM gold only, identification of the suppliers of ASM Gold and / or precious metals, mine of origin, transportation, processing, taxes, royalties and other payments to governments, KYC information, evidence of serious abuses of Human rights, information on any direct or indirect support to non-state armed groups or public or private security forces; and</p> <p>(xiv) for recyclable gold and / or precious metals, value and place of transaction, type of material, type and organization of supplier, manufacturing facilities, and unusual circumstances.</p> <p>(f) Random Sample Verification involves the verification of transactional records.</p>	<p><i>xii & xiii) GGR's risk assessment matrix and daily transactional check procedure helps identify</i></p> <ul style="list-style-type: none"> • <i>Each ASM's origin</i> • <i>To the extent possible each ASM's legal and operating structure</i> • <i>Each ASM's third party service providers</i> <p><i>xiv) Our assigned team collects the scrap along with supporting documents from our suppliers.</i></p> <p><i>f) Risk rating for every supplier considering their transaction is done on yearly basis.</i></p>
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Rule 2.9 Policy Updating and Suitability	
<p>Each Accredited Member's Policy should contain suitable systems, procedures and processes for risk identification and assessment (including suitably addressing Red Flags) and such systems, procedures and processes should be updated continually on an ongoing basis upon the occurrence of the change of any relevant circumstances.</p>	<p><i>GGR's Policy and Procedures includes:</i></p> <ul style="list-style-type: none"> • <i>Responsible Supply Chain Due Diligence Policy</i> • <i>AML Policy</i> • <i>Due Diligence Policy</i> • <i>Enhanced Due Diligence Policy</i> • <i>Monitoring and Risk Management Policy</i> • <i>Record Retention Policy</i> • <i>Whistle Blowing Policy</i> • <i>Security Policy</i> • <i>Web System Controls</i> <p><i>GGR has implemented a Risk Assessment checklist per supplier which covers a check over the below:</i></p> <ul style="list-style-type: none"> • <i>Supplier based</i> • <i>Transaction based</i> • <i>Geographical location based</i> <p><i>GGR's policy is updated continually on an ongoing basis upon the occurrence of the change of any relevant circumstances.</i></p>

Rule 3: Risk Control Plan

Rule 3.1 Overriding Principle – Development of Risk Control Plan

Each Accredited Member must develop and implement a plan and policy to control any identified risk(s) including emerging risks and incident reporting, and and mitigate against any adverse implications of such risk(s) (Risk Control Plan).

The risk control plan is designed to assist Accredited Members in making informed decisions in respect of:

- continuing to trade but with measurable risk mitigation for low risk situations;
We deal with the green flagged if the risk rating is low based on our compliance rating
- temporarily suspending trade while mitigation is implemented for medium risk situations;
We deal with the yellow flagged if the risk rating is low based on our compliance rating with continuous request for documentation. They are considered his risk or red flagged if they fail to provide the documents requested within 6 months. And a further delay will lead to closure of their account with GGR.
- ceasing to trade with a concerned supplier for high risk situations in accordance with the OECD Guidance.
We do not deal with suppliers of high risk or reg flagged suppliers.

Compliance statement: *We have fully complied with Rule 3.*

Demonstration of Compliance:

Rule 3.2 Alignment with International Standards	
<p>Each Accredited Member must develop or adapt continually on an ongoing basis its Risk Control Plan to include internationally accepted common principles, standards and processes for responsible supply chain management. In particular, Accredited Members should carry out at least one annual review of the Policy and management systems, and a further review when there is a major change in circumstances, their business, operations or supply base, risk nature, or a major change in applicable rules and regulations. In developing Risk Control Plans, each Accredited Member should engage in or support, where appropriate, industry or other programmes on responsible supply chain management. For instance, Refiners are encouraged to support legitimate ASM producers to build secure, transparent and verifiable gold supply chains (consistent with the OECD Guidance).</p>	<p><i>GGR has developed policy and procedure that includes internationally accepted common principles, standards and procedures for responsible supply chain management. Policy and procedure includes all sub points defined under Rule 3 of DMCC Rules-RBD-GPM 2016.</i></p> <p><i>There is a reporting mechanism between the Compliance Officer and the Management.</i></p> <p><i>There has been no red flag supplier till date.</i></p> <p><i>GGR do not deal with suppliers dealing with red flagged countries</i></p>



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Rule 3.3 Content Requirements

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

- (a) reporting mechanisms for identified risks to the Accredited Member's senior management and Supply Chain Officer and Controller;
- (b) enhanced engagement with internal functions of the Accredited member, in charge of transparency, information collection and control over supply chain;
- (c) enhanced engagement with suppliers through establishing a chain of custody and/or traceability system where a Red Flag has been identified;
- (d) enhancement of the physical security practices as referred to in Rule 1.17;
- (e) physical segregation and security of shipments where a Red Flag has been identified;
- (f) incorporation of rights of the Accredited Member to conduct additional checks on any supplier or ultimate beneficial owner where a Red Flag has been identified;
- (g) continuity of trading activities while developing risk mitigation controls such as:
 - (i) building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks;
 - (ii) temporarily suspending trading activities with a specific supplier where a Red Flag has been identified; and
 - (iii) disengaging with a specific supplier who fails to comply with the mitigating controls, and/or disengaging if such controls are not feasible and/or unacceptable in light of the cost-benefit analysis and the capabilities of the Accredited Member conducting the due diligence.
- (h) consulting with suppliers and affected stakeholders and agreeing on the risk mitigation controls which should be adapted to the Accredited member's specific suppliers and the contexts of their operations, state clear performance objectives and provide for sufficient time for affected stakeholders to review and implement;

Adequate physical security practice is in place.

a) We have a proper communication channel within our organisation. We also have a whistleblower id for informing any suspicious activity.

c) We do not deal with suppliers dealing with red flagged countries

d) Yes

e) We deal only with local suppliers with a registered office in U.A.E. We do not deal with suppliers dealing with red flagged countries

f) We do not deal with suppliers dealing with red flagged countries

g) i) We do not deal with suppliers dealing with red flagged countries

ii) We do not deal with suppliers dealing with red flagged countries

iii) We do not deal with suppliers dealing with red flagged countries



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<p>(i) reviewing on a regular basis the results of the mitigation measures, undertaking additional fact and risk assessment for risks requiring mitigation or after a change of circumstances, as per Rule 2;</p> <p>(j) communicating to senior management.</p>	<p><i>i) Yes</i></p> <p><i>j) The Compliance Officer has an open and direct line of communication with the Top Management and staff members. The Senior Management also reviews these supply chains on a periodic basis in order to determine whether to continue the business relationship.</i></p>
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Rule 4: Independent Third-Party Audits

Rule 4.1 Overriding Principle

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

Compliance statement: We have fully complied with Rule 4.

Demonstration of Compliance:

Rule 4.2 DMCC Review Protocol

The DMCC Review Protocol (Annex 3) sets out the methodology the DMCC requires each auditor (when acting as a "reviewer" in the meaning given to that term in the DMCC Review Protocol) (Reviewer) to comply with when conducting any independent third-party audit (if instructed to do so) of an Accredited Member (Review).

GGR has engaged Bureau Veritas to provide independent assurance to a reasonable level over the auditees compliance report and in accordance with the international standard on assurance engagements as per ISAE 3000 for the period 1st January 2017 till 31st December 2017.

Rule 4.3 Minimum Review Requirements

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

- (a) the adequacy of the related policies and processes to implement the DMCC Rules for RBD-GPM (as well as the obligations stemming from the Resolution);
- (b) the adequacy of external and internal controls to mitigate risks;

The Reviewer verifies the following:

- a) if all our policies and procedures meet the DMCC Rules*



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- (c) the conformity to and compliance with the DMCC Rules for RBD-GPM in all communications with participants across the entire supply chain;
- (d) the establishment of the chain of custody and traceability of information for all activities; and
- (e) the implementation of on-going risk assessment using a risk-based approach including the adequacy (taking into account timing and method) of the Accredited Member's response to the outcome(s) of the risk assessments.

b) if all our external and internal controls are sufficient enough

c) the conformity to and compliance with the DMCC Rules for RBD-GPM in all communications with participants across the entire supply chain;

d) if we can trace all our suppliers activities

e) the risk assessment

Rule 4.4 Minimum Requirements of Reviewers

Each Reviewer must have the following characteristics:

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

Bureau Veritas has the following characteristics:

a) independent

b) no conflict of interest

c) They provide the necessary guidance for the due diligence process

d) is competent enough to carry out the review.

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

Any auditing entity that wishes to become a Reviewer must submit a completed DMCC Approved Reviewer Application Form (Annex 2) and meet the minimum criteria for Reviewers as set out in the DMCC Review Protocol. Such application is subject to the terms and conditions of the DMCC Approved Reviewer Application Form.

Rule 4.5 Composition of the Review

The following activities shall be included in each Review:

- (a) sufficient preparation of the Review, including the development of a detailed audit plan;
- (b) on-site investigations of the Accredited Member, including:
 - (i) review of the Accredited Member's facilities; and
 - (ii) review of a list of the Accredited Member's suppliers;
- (c) consultations with the Accredited Member's risk assessment team, Supply Chain Officer and Controller (as applicable);

The Bureau Veritas has sent a detailed audit plan for the year 2017 which includes the programmes for the whole day.

b) i & ii) The auditors have reviewed and verified all our suppliers files and



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- (d) audit conclusion, including the validation, reporting and recording of findings that determine the level of conformity of the Accredited Member's supply chain due diligence with the DMCC Rules for RBD-GPM; and
- (e) provide recommendations to the Accredited Member to improve its due diligence practices.

KYC and also our refinery facilities

c) The whole management team was present for the Audit which includes the CEO, Compliance Officer and the Accounts department.

d) Finally the closing meeting was conducted with the risk assessment team where all their findings and recordings were discussed.

e) They have recommended us a few steps to implement proper due diligence practises

Rule 4.6 Annual Report on Supply Chain Due Diligence

Each Accredited Member shall produce an annual report. This shall include a summary of the Review in accordance with Step 5 of the OECD Guidance and Sections 16 and Section 19 (as applicable) of the DMCC Review Protocol (Annex 3).

GGR Assurance report 2016 and GGR Compliance Report 2016 have been uploaded on the website.

Rule 4.7 Review Programmes of Accredited Members

Each Accredited Member must demonstrate its compliance with these DMCC Rules for RBD-GPM to the DMCC. In carrying out such obligation, each Accredited Member must implement an audit programme, which shall include:

- (a) ensure conformity with the DMCC Rules for RBD-GPM;
- (b) selecting and engaging its Reviewer(s) in conformity with the DMCC Rules for RBD-GPM;
- (c) observing and and fully cooperating with each Reviewer;
- (d) implementing all recommendations provided by any Reviewer; and
- (e) upon request, providing a copy of any Review report to the DMCC or any authority that regulates or otherwise governs the Accredited Member.

GGR has established audit program which includes

a) Annual verification for implementation of procedure and verification of documents for supply chain and to ensure conformity with the DMCC Rules for RBD-GPM.

d) GGR has engaged Bureau Veritas for the 2017 year audit and will strive to implement all the recommendations provided by the auditors

e) GGR also provides a copy of the Auditee

Compliance report to the DMCC annually.

GGR has conducted an internal audit by the CEO himself for all the functions of the new employees on 30.10.2017 and 15.12.2017

Rule 5: Annual Reporting On Responsible Supply Chain Due Diligence

Rule 5.1 Overriding Principle

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

Compliance statement: We have fully complied with Rule 5.

Demonstration of Compliance:

Rule 5.2 Minimum Requirements of Public Reporting	
<p>At minimum, each Accredited Member shall:</p> <p>(a) publicly acknowledge its requirements under these Rules; and</p> <p>(b) comply with Rule 4.6</p>	<p><i>GGR reports annually on performance of due diligence for responsible supply chain on company's website and communicates to its counterparts. Data is made publically available on the website.</i></p>

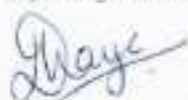
Management Conclusion:

Yes, GGR has implemented effective management system, policy, procedures and best practices to comply with the requirements of DMCC Rules-RBD-GPM 2016 for the reporting period 01 January 2017 to 31 December 2017.

Location: *Gulf Gold Refinery FZE, Sharjah*

Date: *23.04.2018*

Sign and Company Stamp: *Dhanya Rajasekhar Nambiar*




AN OVERVIEW OF THE MANAGEMENT ASSESSMENT OF ALL THE RULES OF THE DMCC RULES

FRAMEWORK STEPS	RATING
<i>Rule 1: Supply Chain Managements Systems.</i>	<i>Fully Compliant</i>
<i>Rule 2: Supply Chain Risk Identification And Assessment</i>	<i>Fully Compliant</i>
<i>Rule 3: Risk Control Plan</i>	<i>Fully Compliant</i>
<i>Rule 4: Independent Third-Party Audits</i>	<i>Fully Compliant</i>
<i>Rule 5: Annual Reporting On Responsible Supply Chain Due Diligence</i>	<i>Fully Compliant</i>