



Foz Gold & Diamonds Trading FZC

UAQ Free Trade Zone, Um Al Quwain, UAE

PRECIOUS METALS SUPPLY CHAIN POLICY

I. POLICY STATEMENT

FOZ GOLD conducts its business with high ethical, moral and social responsibility standards. High integrity, honesty and transparency are the foundations on which our business is built and we require from our employees involved in the precious metals supply chain to comply with our gold supply chain policy and implement it thoroughly, through the appropriate management system in place. Our Precious Metals Supply Chain Policy is implemented through a comprehensive management system that encompasses strict risk-based due diligence approach. FOZ GOLD risk management system policy has been designed and implemented to ensure that our commitments and operating procedures are rigorously in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas and accompanying Gold Supplement, the LBMA Responsible Gold Guidance, the DMCC Guidance for Risk Based Due Diligence in the Gold and Precious Metals Supply Chain, and the DMCC Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy and Process.

FOZ GOLD, by applying its Precious Metals Supply Chain Policy, participates and cooperates in global effort to combat money laundering, terrorism financing, armed conflict, and human rights abuses. FOZ GOLD condemns formally any human rights abuse and any child right abuse and expect from all actors in the supply chain to be in line with these fundamentals. Our policy prohibits any employee from offering or receiving of a bribe. In addition, FOZ GOLD requires from all partners in the supply chain, a clear, transparent and full compliance with local and international regulations, to ensure that our precious metals sourcing is legitimate, conflict free, ethical and socially responsible. An on-going training program is performed on a regular basis to bring all counterparties and all relevant employees up to date on standards and due diligence, know-your customer (KYC) best practices.

II. SCOPE

This Precious Metals Supply Chain Policy applies to all precious metals handled by FOZ GOLD and to all of its business partners engaged in refining and trading precious metals. FOZ GOLD shall conduct precious metals transactions with jeweller's and goldsmiths, jewellery manufacturers, foreign exchange brokers, gold exporters and traders, mining companies, coin dealers, recovery companies, gold funds, private and institutional investors and commercial banks, referred to this policy as "Counterparties", who comply with the FOZ GOLD Precious Metals Supply Chain Policy, OECD Guidelines, the DMCC Practical Guidance for Market Participants in the Gold and Precious Metals Industry and the LBMA Responsible Gold Guidance.

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III. RESPONSIBLE SOURCING

As part of our responsibility, FOZ GOLD fully commits to:

1. Neither tolerate, nor by any means profit from, contribute to, assist with or facilitate the commission by any party of serious abuses associated with the extraction, transport, trade, handling or export of minerals as indicated in Annex II of the OECD Guideline, any transactions arising from:

(i) Any form of torture, cruel, inhuman, and degrading treatment.

(ii) Any form of forced or compulsory labour.

(iii) The worst forms of child labour.

(iv) Other gross human violations and abuses such as widespread sexual violence; and/or (v) War crimes or other serious violations of international humanitarian law, crimes against humanity, or genocide.

(vi) To bribe or to be bribed.

2. Not to enter into any business relationship, or immediately suspend or discontinue engagement with Counterparties supplying precious metals where we identify a reasonable risk that they are sourcing from, or are linked to, any party committing serious abuses as defined above. FOZ GOLD's intention is also to engage the Counterparty to ascertain the circumstances of identified risks and violations, how the Counterparty has handled these (through mitigation and remedy actions), and how the Counterparty has introduced reasonable control measures to prevent and better mitigate such risks in the future.

3. Not to tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of precious metals. This includes, but is not limited to, procuring minerals from, making payment to or otherwise providing logistical assistance or equipment to non-state armed groups or their affiliates who:

(i) illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or

(ii) illegally tax or extort money or minerals at points of access to mine sites, along transportation routes, or at point where minerals are traded; and/or

(iii) illegally tax or extort from intermediaries, export companies or international traders.

4. Not to enter into any business relationship, or immediately suspend or discontinue engagement with upstream suppliers, where we identify a reasonable risk that they are sourcing from, or are



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linked to, any party providing direct or indirect support to non-state armed groups as defined above.

5. Eliminate, in accordance with paragraph 10 of Annex II of the OECD Guidance, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at points of access to mine sites, along transportation routes, or at point where minerals are traded; or illegally tax or extort from intermediaries, export companies or international traders.

6. Recognize that the role of public or public security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.

7. Support efforts, or take steps, to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.

8. Not to enter into any business relationship immediately suspend or discontinue engagement with any upstream participant/s should we identify a reasonable risk that the supply chain directly or indirectly supports illegally acting public or private security forces.

9. Not offer, promise, give, or demand any bribes, and resist the solicitation of bribes to conceal or disguise the origin of precious metals, to misinterpret taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export.

10. Support efforts, and/or take steps, to contribute to the effective elimination of money laundering as well as terrorism financing where we identify a reasonable risk of such illegal practices resulting from, or connected to, the extraction, transport, trade, handling or export of precious metals at points of access to mine sites, along transportation routes or at points where precious metals are traded by upstream participants in the supply chain. In this regard, we will immediately report to the relevant authorities any suspicion of any illegal financial transactions we identify.

11. Contribute and participate in the promotion of Responsible Sourcing of Precious Metals to our suppliers by (i) creating a long term association with suppliers and established strong relationship with our customers; (ii) supporting our suppliers of gold to adhere with the provision of this policy and encourage them to impart or convey it to its staff and their supply chain; (iii) disseminating the precious metal gold guidance by local and international bodies in which this policy was created such as the DMCC, LBMA and OECD.



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12. Systematically perform enhanced due diligence practices, including the Know- Your Customer (KYC) process, following a risk-based approach, before entering a business relationship with any precious metals supplying counterparties. Conduct, utilizing a risk-based approach, appropriate scrutiny and monitoring of (i) the transactions undertaken through the course of the relationship; and (ii) the governance structures in place to prevent any risk of illegal activities. Implement a management strategy to respond to identified risks.

13. Adequately store and maintain all records and documentation relating to the precious metals supply chain in order to demonstrate appropriate and on-going due diligence has been performed. Storage of such information should be for a minimum of 10 years or as directed by applicable local laws, whichever is longest.

14. Train relevant staff and educate its employees through formal education, trainings or seminars and conferences with the provision of this policy and the responsible sourcing of precious metals. FOZ GOLD requires all its staff involved in the gold supply chain to strictly comply with this policy and implement it in the management system.

15. Require our Counterparties and, in particular, all Counterparties supplying precious metals, to mutually cooperate by committing to, and acknowledging in writing, compliance with a supply chain policy consistent with OECD Due Diligence Guidelines.

IV. COMPLIANCE UNDERTAKING

I hereby acknowledge that we have read and fully understood the FOZ GOLD's Precious Metals Supply Chain Policy and we always agree to comply with its provisions during the business transactions and relations with FOZ GOLD.

NAME OF SUPPLIER : _____

AUTHORIZED REPRESENTATIVE : _____

DESIGNATION : _____

SIGNATURE : _____

DATE : _____

CORPORATE SEAL