

**Independent Reasonable Assurance Report
(ISAE 3000 Engagement)**

on

Regulated Entity's Compliance Report

on

Compliance with the MoE Due Diligence Regulations for Responsible Sourcing of Gold

for the period

1 January 2024 to 31 December 2024

Al Rawais Gold FZC

08 May 2025

[This document includes 5 pages in total including the cover page]

To,
The Board of Directors,
Al Rawais Gold FZC,
600 M2 Warehouse, Q3-043, 044, Q4-060,
P.O Box - 123575, SAIF Zone,
Sharjah, United Arab Emirates

Independent Reasonable Assurance Report to Al Rawais Gold FZC (ISAE 3000 engagements)

Introduction

AKW Tax Reclaim Accounting & Consultancy ("AKW" or the "Reviewer") was engaged by Al Rawais Gold FZC (the "Regulated Entity") to provide an Independent Reasonable Assurance on its Compliance Report (the "Regulated Entity's Compliance Report") on compliance with the MoE Due Diligence Regulations for Responsible Sourcing of Gold, Version 1, August 2022 (the "MoE Due Diligence Regulations") for the period from 1 January 2024 to 31 December 2024.

Scope

The objective of this engagement was to provide an opinion on whether the Regulated Entity's Compliance Report dated 6 May 2025 describes fairly the activities undertaken during the year to demonstrate compliance, and whether management's overall conclusion contained therein is in accordance with the requirements of the MoE Due Diligence Regulations.

Responsibility of the Management of the Regulated Entity

The Management of the Regulated Entity is responsible for the preparation and presentation of the Regulated Entity's Compliance Report in accordance with the MoE Due Diligence Regulations. This responsibility includes establishing and maintaining effective governance framework, including risk management systems and internal controls from which the reported information is derived. Furthermore, the responsibility includes designing, implementing and maintaining management systems and processes relevant to the preparation of the Regulated Entity's Compliance Report that is free from material misstatement, whether due to fraud or error. The information in relation to the activities described within the Regulated Entity's Compliance Report is determined by the Management of the Regulated Entity to be appropriate and relevant to validate the degree of compliance with the MoE Due Diligence Regulations.

Our Independence

We confirm that we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. In conducting our engagement, we confirm that we satisfy the Minimum Criteria for Reviewers as set out in the MoE Due Diligence Regulations Annex I - Review Protocol (the "MOE Review Protocol") to carry out the assurance engagement.

Our Responsibility

Our responsibility was to:

- perform a review of the Regulated Entity, in accordance with the ISAE 3000 standard, following the relevant guidance set out in the MOE Review Protocol.
- provide an opinion on whether the Regulated Entity's Compliance Report describes fairly the activities undertaken during the year to demonstrate compliance, and whether management's overall conclusion contained therein is in accordance with the requirements of the MoE Due Diligence Regulations.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by International Auditing and Assurance Standards Board. A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the fairness of the Regulated Entity's Compliance Report and the fact that management's overall conclusion has been drawn in accordance with the requirements of the MoE Due Diligence Regulations and with the MoE Review Protocol. The nature, timing and extent of procedures selected depend on our judgment, including the risk of material misstatements, whether due to fraud or error, in the Regulated Entity's Compliance Report. In making those risk assessments, we considered internal control relevant to the Regulated Entity's preparation of the Regulated Entity's Compliance Report.

In conducting the review, we meticulously planned and implemented an approach to gather essential evidence, information, and explanations pertinent to our defined scope. The process encompassed several key steps, including the following:

- Develop a detailed Review Plan, outlining the scope, criteria, principles, and intended activities, which was then communicated to the Regulated Entity for full transparency and collaboration.
- Conduct an opening meeting onsite with the Regulated Entity's top management and key process owners to introduce the Review Plan, align on the review protocol, set the timeline, and emphasize the confidentiality essential to the process.
- Gather essential documentation including objectives, plans, procedures, standards, instructions, licences and permits, specifications, drawings, contracts, supply chain policies, and other pertinent policies and procedures that demonstrate the management systems, due diligence process and risk management practices. This process also included collection of client details, transaction records, and origin data.
- Collect documents relating to inventory controls, inspections of records, minutes of meetings, audit reports, records of monitoring programmes, and results of measurements.
- Assess the entity's risk profile and review its risk management and mitigation plans to ensure alignment with best practices and to address the most critical compliance risks.
- Evaluate the status of previous review recommendations and examine whether management has implemented corrective actions on the findings from the previous review.
- Determine whether corrective actions taken have addressed the underlying issues and if these changes have been effective in reducing compliance risks.
- Execute the onsite review phase, engaging in deep analysis to gather evidence supporting the review objectives. This included interviews with senior management, key process owners, and workers; visual inspections; physical walkthroughs of operational areas; and a comprehensive review of pertinent documents.

- Assess the evidence gathered during the review to evaluate the Regulated Entity's implementation of, and compliance with, the MoE Due Diligence Regulations, including:
 - The Regulated Entity's supply chain management systems (compliance and risk management structures, related operating policies and procedures, reporting mechanisms, training and development programmes).
 - The Regulated Entity's due diligence measures (including KYC procedures, process implementation, and post-account opening and pre-transaction risk assessments, including Red Flag assessment).
 - Minimum information recording requirements to ensure track and traceability, including date of gold receipt, physical form and weight of gold, source of origin, point of origin in transportation and/or customs documents (recording of seal numbers and/or packaging lists).
- Conduct a closing meeting with the Regulated Entity's leadership and key process stakeholders to present the findings, conclusions, and actionable recommendations for enhancement.
- Review the statements made by management in the Regulated Entity's Compliance Report against the findings arising from the procedures performed.

The procedures performed relate to the Review Period from 1 January 2024 to 31 December 2024 and do not extend to any assertions made in the Regulated Entity's Compliance Report regarding events subsequent to the Review Period.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our reasonable assurance report, including our opinion, has been prepared solely for the Management of the Regulated Entity and the Ministry of Economy for determining whether the Regulated Entity has complied with the MoE Due Diligence Regulations and for no other purpose.

Inherent Limitations of the Review Process

Whilst the Reasonable Assurance Report provides a rigorous assessment of the Regulated Entity's compliance with the MoE Due Diligence Regulations, it is crucial to acknowledge certain inherent limitations of the methodology and scope.

- **Subjectivity in Assessing Compliance:** Evaluating compliance with MoE Due Diligence Regulations often involves qualitative judgments and interpretations. Despite efforts to establish rigorous criteria and assessment tools, the evaluation of compliance may be subject to subjective biases or varying interpretations.
- **Scope of Document Review:** The testing of the accuracy and authenticity of selected documents, including management assertions and claims about its Due Diligence performance, was conducted through interviews and sample document reviews. However, the authenticity of these documents was not independently verified by contacting the respective government organisations or third-party entities.
- **Reliance on Information Provided:** The review relied on information provided by the Regulated Entity. While we have conducted its due diligence to verify the accuracy of this information, we did not independently validate the data or information provided. Thus, the conclusions are based on the assumption that the information provided is complete and accurate.
- **External Factors:** The Reviewer cannot predict or guard against future changes or factors arising after the review date, such as changes in legislation, regulatory focus, or the Regulated Entity's business model.

- **Timeliness of the Review:** Given the fast-moving nature of financial transactions, the findings of this review reflect the situation at a particular point in time. Issues of non-compliance could arise or be resolved in the intervening period between reviews.
- **Human Error and Fraud:** There is always an inherent risk of errors, omissions, and fraudulent acts not being detected, regardless of the thoroughness of the procedures employed. This review cannot ensure detection or prevention of all such issues.

Our Opinion

In our opinion, the Regulated Entity's Compliance Report dated 6 May 2025 for the period from 1 January 2024 to 31 December 2024 describes fairly the activities undertaken during the year to demonstrate compliance, and management's overall conclusion contained therein is in accordance with the requirements of the MoE Due Diligence Regulations for Responsible Sourcing of Gold, Version 1, August 2022.

AKW Tax Reclaim Accounting & Consultancy



Faisal Ahmed
Engagement Partner

08 May 2025
Dubai, UAE





The Compliance Report provides an overview of measures adopted and implemented by Al Rawais Gold FZC ("ARG" or "our" or "we") to address the requirements under each of the five steps of the Ministry of Economy Due Diligence Regulations for Responsible Sourcing of Gold ("MOE Regulations"). In this report, based on the self-assessment of our performance on each step, we have given individual rating stepwise and the overall rating. The report is for the year ending 31 December 2024.

Details of Reporting Entity

Company Name:	AL RAWAIS GOLD FZC
Address:	600 M2 WAREHOUSE Q3-043-044, SAIF ZONE, P.O.BOX 123575.
Location:	SHARJAH, United Arab Emirates
Reporting year-end:	1 st January to 31 st December 2024
Date of Report	06 May 2025
Senior management responsible for this report	Name: Muhammad Hanif Title: Managing Director Contact details: Info@alrawais.ae

ARG Refinery's overall compliance rating

According to the self-assessment of our performance on each step for the year ending 31 December 2024, our overall compliance rating was as below.

Overall compliance statement: Non-Compliant with MOE Due Diligence Regulations for Responsible Sourcing of Gold – Medium Risk Deviations

ARG Refinery's evaluation

ARG's assessment of stepwise compliance with the requirements of the MOE Regulations are demonstrated below with individual rating for each step.

Step 1: Establishing an Effective Governance Framework

- 1.1 Adopt and Commit to a policy for Managing Risk in gold from CAHRAs.**
- 1.2 Establish Management Structure to implement Supply Chain Due diligence.**
- 1.3 Establish a system for transparency, information sharing and control on Gold Supply Chain.**
- 1.4 Strengthen company engagement with gold supplying counterparties.**
- 1.5 Establish a confidential grievance mechanism.**

Compliance statement: Compliant –Low Risk Deviations

Demonstration of Compliance:

ARG has established an Effective Governance Framework and adheres to the following policies to ensure ethical and responsible business practices:

- Responsible Sourcing Supply Chain Manual.



- Policy for Responsible Global Supply Chain of Minerals.
- Risk Assessment Procedures Guideline
- Internal AML/CFT Policy, Procedures and Control
- Anti Bribery & Anti-Corruption Policy
- Business Policy
- Code of Conduct
- Code of Ethics
- Environment, Health and Safety Policy and Procedures

These policies are consistent with the requirements set forth in the OECD Due Diligence Guidance for Responsible Sourcing of Minerals from Conflict-Affected and High-Risk Areas and the MOE Regulations. The senior management has approved these policies, which undergo regular updates to maintain compliance with relevant standards and regulations.

The Policies are available on our website www.alrawais.ae and also shared with existing clients, employees and all the stakeholders in our business. The declaration on commitment to the Policies are obtained from all our suppliers. The policies and procedures are discussed during the client onboarding.

The provisions, procedures and controls set out in the Supply Chain policy are applicable to all our clients and staff. The responsibilities and the role of the Management, Compliance Officer, Employees and Suppliers are clearly defined to ensure consistent implementation.

At ARG robust policies have been formulated to achieve the highest level of compliance with statutory regulations pertaining to human rights, occupational health and safety, prohibition of child labor, elimination of forced labor, environmental preservation, ethical business conduct, and follow a risk-based approach to supply chain management. Clear roles and responsibilities have been delineated for the Management Team, the Compliance Officer, Employees, and Suppliers to ensure the meticulous execution of these policies and associated procedures.

The policies and procedures outlining ARG's commitment to responsible sourcing are subject to an annual review and update process. This comprehensive yearly evaluation considers any evolving legislative landscape pertaining to supply chain management, anti-money laundering directives, and counter-terrorist financing measures. Concurrently, it meticulously examines the practical implementation of these policies over the previous 12-month period, with a sharp focus on identifying potential areas of improvement to bolster their effectiveness.

Identification, verification, and KYC together form the first key step in the procedures and controls and is conducted prior to the acceptance of any client. Following applicant screening and background information checks, together with review of the applicants intended purpose of business, sources of funds and expected level of activity, an initial decision is made with respect to the application status (acceptance, rejection, obtain more information). Our monitoring and surveillance include a strong supply chain management system where information is centralized, and multiple departments are involved in the daily transaction and shipments verification. Unique reference numbers are used to identify incoming / outgoing gold and the traceability. Trainings for key persons as well as management team are also provided depending on their exposure in the Supply Chain.

Our Governance framework is outlined below:

Customer Acceptance and Due Diligence:

ARG has implemented a robust customer acceptance policy that outlines the criteria and due diligence procedures for onboarding new clients. The policy is applied uniformly across the organization, without any deviations allowed unless they go through the proper escalation and approval procedures.

The due diligence process involves the collection and verification of customer identification documents, assessment of risk factors, and screening against relevant sanctions and watchlists. Enhanced due diligence measures are applied for high-risk clients or situations, including on-site visits and ongoing transaction monitoring.



Management Structures:

ARG have established a robust internal governance system to effectively implement and maintain a supply chain Due Diligence program on an ongoing basis. The Management of the company is aware of the supply chain due diligence program and the due diligence requirements of the program are considered while taking any decision relating to starting a new relation with a prospective customer.

The Reporting mechanism and escalation mechanism for any escalation required is clearly defined.

A dedicated Compliance Officer is responsible for managing the Supply Chain risks.

AML Compliance Program:

ARG has established a comprehensive AML/CFT compliance program, overseen by a dedicated compliance cum supply chain officer with appropriate qualifications and experience in AML/CFT regulations and best practices. The compliance officer reports directly to the Management and has the necessary authority and resources to effectively carry out their responsibilities.

The Compliance Officer is a senior staff member whose responsibilities with the implementation of the Policy and Procedures are clearly defined. He has been working with ARG from January 1st, 2022, till date.

The Compliance Officer has the necessary competence, knowledge, experience, and trainings. He has attended conferences and trainings mainly for AML and supply chain such as the DMCC supply chain training twice in each year and supply chain training certified by Pearson and ICA/MoEc certification in AML/CFT-(DNFBP's). by ICA and MOE seminar and webinars and also equipped with CKYCA certification from ACAMS, and have also secured ACAMS certification.

Additional staff are employed in the Compliance Department to assist the Compliance Officer in the day-to-day due diligence activities. The resources used by the compliance team are:

- a. Regular Trainings
- b. Dow Jones screening software subscription
- c. Know your country subscription
- d. Other reference materials

The Supply Chain Officer and its team has open and direct line of communication with the management, staff, and suppliers. Risk assessment reporting and results were presented to the top management. The risk assessment procedures are clearly defined as part of the Supply Chain Officer's tasks and a member of Senior Management is responsible for approving each new supply chain. The Senior Management reviews these supply chains on an annual basis to determine whether to continue the business relationship. There are documented consequences if the risk assessment reporting tasks are not completed and it has been communicated to relevant departments and personnel (accounts, customer service, shipping/receiving).

The AML compliance program includes regular risk assessments, policies and procedures, training and awareness programs, transaction monitoring, and reporting of suspicious activities to the relevant authorities.

Proper trainings are imparted to all the staff at the time of joining as well as on regular basis.

At ARG, the Compliance Officer holds the responsibility of meticulously reviewing and formally approving a comprehensive set of compliance documents. These include the Client Account Opening Form, the AML/CFT Questionnaire, the Client Risk Matrix, the Compliance Review Report. This rigorous review and approval process by the Compliance Officer serves as a critical safeguard, ensuring adherence to regulatory requirements and the company's internal policies across all client onboarding, transaction monitoring, and risk assessment procedures.



Supply Chain Due Diligence:

ARG has implemented a robust supply chain due diligence process to ensure responsible sourcing and mitigate the risks associated with Conflict-Affected and High-Risk Areas (“CAHRA”). The company has adopted a comprehensive policy aligned with international standards, such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

The supply chain due diligence process involves thorough vetting of suppliers, refiners, and intermediaries, including on-site visits, audits, and verification of compliance with relevant standards and regulations. The company maintains a transparent and documented supply chain, with controls and monitoring mechanisms in place to ensure the accuracy and completeness of information provided by suppliers.

ARG’s due diligence process involves identifying and verifying each supplier, as well as their respective suppliers, where applicable. Depending on the nature and source of the gold, we request additional supporting documentation to determine the origin of the precious metals accurately. In the case of mined metal, we obtain Know Your Customer (“KYC”) documentation for all relevant parties involved in the supply chain, including suppliers, aggregators, and the mining operations themselves to the extent possible.

In case where high risk was identified, the Compliance Officer at ARG presented a comprehensive compliance report to the management team, detailing potential high-risk cases within the company's operations. Each identified high-risk scenario underwent a thorough review and assessment process, taking into consideration all relevant risk-mitigating factors.

We also have a mechanism for identifying and reporting uncooperative suppliers and/or any suspicious activities or transactions. As part of its policy framework, the company has implemented a mandatory reporting system for uncooperative suppliers, suspicious activities/transactions, or any additional information required in relation to these entities and occurrences.

Through this reporting system, we reported such cases to the Financial Intelligence Unit (FIU) via the goAML system and the Executive Office for Control and Non-Proliferation (EOCN). This comprehensive reporting protocol ensured that potential risks and concerns were promptly escalated to the relevant authorities, enabling appropriate action and safeguarding the integrity of the company's supply chain operations.

All the Supply Chain Due Diligence findings were documented properly in a systematic way to ensure visibility of Supply Chain however in few cases we are working on enhancement of the processes in order to have better visibility of Supply Chain. We conducted proper due diligence on the immediate counterparties wherein information related to the Ultimate Beneficial Owners (“UBOs”) of the company was obtained before onboarding the customer.

For the gold sourced from outside the United Arab Emirates (“UAE”), the compliance cum supply chain officer had conducted site visit on suppliers and mines (where applicable) during August 2024 for proper due diligence on supply chain to identify, assess and mitigate any risks.

Apart from above, all the document relating to inventory records are maintained including the form, type of gold, physical description of gold, information on weight and assay of gold, proof of origin of gold, proof of shipment/ transportation documents.

Unique reference number was also assigned to every shipment to ensure the Track and Trace Mechanism within the company.

ARG maintains documentation and records regarding its implementation of its Supply Chain Management System. The company’s record keeping policy requires all documents are retained for minimum of 5 years.

ARG Analysis Report (includes the detailed information of the gold shipment received such as type of gold, shipment reference number, origin of the gold, gross and pure weight etc.), KYC files are maintained and updated as necessary, and it is an onboarding requirement that the client undertakes to comply with ARG Policy.



Each shipment that comes to the refinery has a shipment reference number (which is also the sample reference number.) This reference number is used for tracking and tracing the history of the transaction. For all deliveries, a delivery note was issued with a reference number, and included detail of the shipment such as the product delivered, weight of the goods etc. The bars also bore numbers with logo and stamp of the refinery. The final products of ARG always bear the company logo, weight, purity and serial number.

Additionally, ARG produces an Analysis Report for each shipment, providing comprehensive information. This report includes the shipment's unique reference number, the type of metal received (whether recycled or mined), the gross , pure weight measurements, and the determined purity levels and the pictures of gold also attached.

This systematic documentation process ensures accurate record-keeping and traceability for every precious metal shipment handled by the company, enabling effective monitoring and compliance with established protocols.

Serial number of bars determines the year of production. Each shipment delivered is accompanied by a delivery note that has the information such as the date delivered, the bar numbers, categories of the gold and bar numbers. Sales and purchases are properly recorded with details of payments.

Client Shipment Report can be generated from the system. All necessary information about the gold received for refining, the purchases and sales are recorded in the accounting system and is easily retrievable or exported to a list supplier/client wise.

“Track and Trace” - The company’s track and trace mechanism requires all input and output bear unique reference numbers for traceability.

- i. Shipping and transport documents must accompany any material delivered to or from the refinery.
- ii. Sales document such as tax invoices and metal payments are collected/issued with every transaction.
- iii. Mining license and export licenses are collected prior to accepting mined materials.
- iv. Metal payment vouchers, tax invoices, export invoices (if applicable) must accompany any material delivered to or from the refinery. Tax certificates are collected prior to accepting mined materials.
- v. The documents for authorized persons are collected and screened manually along with the custom documents.

Grievance Mechanism:

ARG has established a confidential grievance mechanism that allows stakeholders, including employees, suppliers, and local communities, to report concerns or grievances related to the gold supply chain or any potential non-compliance issues. The grievance mechanism is accessible, easy to understand, and provides appropriate protections for those who raise concerns in good faith.

All reported grievances are investigated thoroughly, and appropriate remediation actions are taken as necessary, with regular reporting to senior management.

Anonymous reporting is available through the website: www.alrawais.ae

No grievance report was received during the reporting period.

Continuous Improvement:

ARG is committed to continuous improvement in its AML and supply chain due diligence processes. Regular reviews are conducted to assess the effectiveness of the existing policies, procedures, and controls, and necessary updates or enhancements are implemented based on regulatory changes, industry best practices, and emerging risks.

The company also promotes a culture of compliance and awareness throughout the organization, with regular training and communication programs for employees, suppliers, and other stakeholders to ensure a shared understanding and commitment to responsible practices. We are also committed to strengthen the supply chain systems at ARG and look forward to conducting further site visits for existing clients at least once each year.



Record Keeping:

All records, documents, data and information collected as part of Supply Chain Due Diligence are kept by ARG for a period of at least 5 years from completion of a transaction or termination of the business relationship with the supplier. The records, documents and data kept are easily accessible for the regulators and law enforcements whenever they have requested.

Security System:

ARG Maintains a proper security system at the refinery. All the gold which comes to the refinery passes through the SAIF Zone Authority and a gate pass is generated by them after which gold can enter the refinery. All shipments are properly segregated to identify the supply chain of each shipment from different suppliers.

Step 2: Identification and Assessment of Supply Chain Risk

2.1 Conduct Supply chain Due Diligence to Identify Risk

2.2 Identify Red Flags/High Risk Indicators in the gold Supply Chain Risk.

2.3 Undertake Enhanced Due Diligence Measures for High-Risk Supply Chains.

Compliance statement: Non-Compliant – Medium Risk Deviations

Demonstration of Compliance:

ARG undertakes due diligence to identify and assess the Supply Chain risks prior to entering into a business relationship and after the relationship is established monitoring is conducted on an on-going basis. Counterparty Risk, Geographical Risk, Transactional Risk, Product Risk, Delivery Channel Risk and Business Risk are identified and assessed during the due diligence to take informed decisions and adopt appropriate risk mitigation measures.

The Risk Assessment Tool at ARG has been prepared by the Compliance Officer. It is updated/amended by the Compliance Officer as and when the updates are released by the regulatory body/FATF.

ARG ensures risk assessment is conducted for all its existing relationships and for new onboardings as soon as the risk assessment tool gets updated.

In conformance with our procedures and analysis of the data obtained during Step 1 the red flags in the Supply chain are ascertained considering the location, supplier, and circumstances as detailed below.

Location-Based Red Flags: ARG examines the primary location of metal sources, transportation routes, and modes before reaching counterparties.

Supplier-Based Red Flags: ARG assesses suppliers and other supply chain participants, especially those operating in locations that may raise location-based concerns.

Circumstances-Based Red Flags: ARG scrutinizes any unusual transactions. Suspicious activities inconsistent with provided documents or transaction history that require urgent clarification and proper documentation support.

This comprehensive approach ensures that ARG maintains a robust risk management framework while upholding industry standards and legal requirements.

Enhanced Due Diligence (“EDD”) procedures are adopted when red flags are identified, and risk mitigation measures are deployed. These consist of site visits, desk-based reviews, and reviewing of sample transactions of suppliers on an ongoing basis as defined in the MOE Regulations. In case of suppliers, where ARG are unable to conduct site visit as a part of EDD or there is lack of support from the counterparties in terms of providing documentation and information, ARG has



decided to follow a policy to disengage with such suppliers.

ARG also has a policy in place to submit Suspicious Activity Report (SAR) or Suspicious Transaction Report (STR) to Financial Intelligence Unit's goAML portal upon identification of red flags after getting approval from the senior management.

ARG does not accept cash payments from customers/suppliers and has not made any cash payments for gold transactions in 2024. ARG have a policy to not accept such gold transported through hand-carry where ARG is unable to secure complete supply chain route with site visit, cross verify the quantity with the custom declaration, royalty paid document and certificate of origin.

ARG has tried to conduct proper due diligence on the entire gold sourced and if red flags were identified, it has carried out additional and more in-depth due diligence procedures as mandated by law. This includes putting shipments on hold and suspending the client's account till further investigations are conducted. If within 3 months, the supplier fails to comply with the Risk Control Plan for mitigating the risk and fails to reduce the risk associated with its shipment, ARG disengages with the shipment.

Step 3: Management of the Supply Chain Risk

- 3.1 Devise a Risk Management Strategy for the identified risk.**
- 3.2 Risk Control Plan**
- 3.3 Continuous Monitoring**
- 3.4 Senior Management Reporting**

Compliance statement: Non-Compliant – Medium Risk Deviations

Demonstration of Compliance:

ARG has formulated a detailed compliance framework for risk identification, assessment, and mitigation. Our policies and procedures on AML/CFT and Responsible Supply Chain are in line with MOE Regulations and international standards to ensure compliance and integrate the best practices to strengthen the responsible supply chain management. In accordance with the requirements of the MOE Regulations we review our Supply Chain policy annually to incorporate any updates and change in the regulations.

ARG risk control plan covers the necessary procedures for reporting and handling any risk identified.

- All suppliers are required to open an account with ARG before doing any transaction. Account opening procedure requires submission of all relevant documents and information that are required to perform necessary due diligence.
- ARG's risk assessment methodology has been developed taking into consideration the geographical, counterparty, business, product, and transactional risk. The risk associated with the supply chain and transactions are continuously communicated to the Senior Management, which takes the final decision on whether to accept or reject the prospective client.
- Accounts are not opened, and no gold shipments are processed or accepted in case of any incomplete information or documents. The compliance function diligently monitors the completeness of all documents and processes related to KYC/CDD/EDD, account opening, transactions, shipments, etc. as a routine to identify, assess and mitigate any risk.
- All suppliers are subject to a risk assessment, and risk ratings are recorded in the file. Customers are categorized as – High, Medium or Low Risk, based on the client risk profile. Due diligence requirements match with the risk level associated with the client and enhanced due diligence are undertaken for all high-risk customers.
- ARG conducts site visit as a part of its EDD procedures to identify and mitigate any risk in the supply chain through a risk control plan.
- The Compliance Officer planned to conduct site visit for all existing high-risk client once in each year. During 2024 the compliance officer has conducted site visit as per the plan and site visit report available for auditor review.
- ARG disengages with the supplier if in case any red flag is identified and accordingly reports to FIU.
- The mitigation steps are recorded in the Risk Control Plan and communicated to client.



- Each shipment is segregated and sealed and is not sent for further processing if a red flag has been identified.
- The Risk Control Plan captures and records the indicative mitigation measure of approach in the identified risk which should be as per the following as recommended by the guidance: building and/or exercising leverage over the participants in the supply chain who can most effectively mitigate the risks.
- The EDD Report captures the risk mitigation controls and status of agreement between the supplier and ARG. There is specific time frame and clear performance objectives identified with time frame to achieve those objectives.
- The reports are signed off by the management. The Compliance Officer reports risks identified and provides update on the progress on mitigation measures as envisaged in the Risk Control Plan to the Managing Director regularly.

Step 4: Independent Third-Party Audit of Due Diligence

4.1 Audit Plan

4.2 Audit Implementation

Compliance statement: Fully Compliant

Demonstration of Compliance:

AKW Tax Reclaim Accounting and Consultancy (“AKW”) have been appointed to conduct an independent third-party audit of due diligence in accordance with the MOE Regulations and protocols. The review will comprise of interviews with the management, process owners and workers; physical walkthrough of the Refinery and visual documentation; detailed document review of the samples collected for transactions, supplier on-boarding, policies and procedures, other relevant documents and implementation measures pertaining to risk management.

Step 5: Annual Reporting on Due Diligence measures

5.1 Management Systems.

5.2 Risk Assessments.

5.3 Risk Management

Compliance statement: Fully Compliant

Demonstration of Compliance:

In conclusion, with the exception of a few minor oversights, ARG implemented effective management systems, procedures, processes, and practices to conform to the requirements of the MOE for the reporting year ended 31 December 2024.

ARG is committed to continuous improvement, and any corrective actions identified will be taken and monitored internally on a regular basis.

Once the Review is concluded ARG will submit the Comprehensive Management Report, Assurance Report and Refiner’s Compliance Report to the Ministry of Economy.

6th May 2025

Dubai, United Arab Emirates

A handwritten signature in blue ink, appearing to read 'Muhammad Hanif'.

Muhammad Hanif
Managing Director
Al Rawais Gold FZC

