



GARANTİ ALTIN RAFİNERİ



GARANTİ RAFİNERİ VE MADEN İŞLETMELERİ A.Ş.

**REFINERY RISK MANAGEMENT POLICY AND INTERNAL CONTROL
ACTIVITIES, DETERMINATION AND ASSESSMENT OF KNOW YOUR
CUSTOMER PRINCIPLES, MEASURES, MONITORING AND CONTROL
ACTIVITIES**

www.garantirafineri.com.tr

GARANTİ RAFİNERİ VE MADEN İŞLETMELERİ A.Ş.**REFINERY RISK MANAGEMENT POLICY AND INTERNAL CONTROL ACTIVITIES,
DETERMINATION AND ASSESSMENT OF KNOW YOUR CUSTOMER PRINCIPLES, MEASURES,
MONITORING AND CONTROL ACTIVITIES****PURPOSE**

To ensure the establishment of strategies aimed at reducing the risks to which the Company may be exposed by identifying customers/suppliers before the purchase and sale of precious metals, carrying out customer identification, and assessing transactions, products and services, sectoral lines of business and regional/country risks using a risk-based approach. Within this scope, in accordance with the Know Your Customer procedure contained in the supply chain compliance policy of Garanti Rafineri ve Maden İşletmeleri A.Ş., the basic inputs to be used in customer/supplier due diligence and identification risk policy compliance and related risk management have been arranged and developed in this document and its annexes; in addition to control and risk management activities to be carried out on a unit or function basis, master forms have been created in the annexes to which declarations to be obtained from customers/suppliers, know-your-customer forms and similar documents will be attached. The aim is to effectively and accurately manage the matters to be considered during customer acceptance; the documents and information to be obtained; the procedures and principles for identification and verification; activities relating to risk management, taking into account applicable legislation and international sanctions practices; approval processes relating to the acceptance of high-risk customers; and, in the context of gold refining and the sourcing of precious metals, the supply chain process by applying our Company's responsible precious-metals supply chain compliance risk monitoring policy in determining the source, conducting risk assessment, business and financial data checks, obtaining sufficient information regarding the purpose of the transaction, questioning the information obtained, carrying out general internet research through Google and other search engines and programmes purchased externally by the Company, and taking the necessary measures to retain documents and records. This Policy also aims to ensure awareness by Garanti Rafineri ve Maden İşletmeleri A.Ş. and its employees of their legal and administrative obligations. Due to the risks they pose in terms of money laundering and terrorist financing, it is intended to prevent persons and entities to whom Garanti Rafineri ve Maden İşletmeleri A.Ş. will not provide services from being accepted as customers of Garanti Rafineri ve Maden İşletmeleri A.Ş., and to accept persons and entities considered high risk only after applying higher security measures and approval mechanisms than those applied to other customers.

SCOPE

The scope of this Policy covers all activities of Garanti Rafineri ve Maden İşletmeleri A.Ş. In line with the principles adopted by the Company - Reliability, Product and Service Quality, Protection of Reputation and Customer Quality, Business Ethics and Sustainability - an effective internal control system has been established; a sufficient number of internal control and supply chain compliance officers as specified in regulations issued by the Ministry are appointed by the Board of Directors and vested with the necessary authority; and, within the scope of Ministry regulations, an internal control system has been established and an internal control unit formed within our Company in accordance with the procedures and principles below, with the aim of ensuring that the process is conducted in a transparent, effective, reliable and accountable manner. The internal control system (internal control and risk management systems), which comprises risk management activities, control activities and compliance activities, is a management tool and a senior-level managerial control mechanism.

Internal Control: The essence of internal control is "risk". Internal controls and the internal control system as a whole constitute an institutional response to risk. In other words, internal control ensures that risks in the institution's strategy and operations (at process level) are reduced to a level acceptable to the institution, namely a level at which their potential to harm the institution is minimised.

Internal Control System: The system comprising the organisational plan implemented by Garanti Rafineri and all related procedures and principles in order to ensure that all business and transactions of Garanti Rafineri are carried out regularly, efficiently and effectively within the framework of applicable legislation and rules, principally in accordance with its management strategy and policies relating to responsible precious-metals sourcing; to ensure the integrity and reliability of accounts and records and the timely and accurate availability of information in the data system; to establish, back up and retain documents and records; and to prevent and detect errors, fraud and irregularities.

Internal Control Unit: The unit responsible for establishing, operating and reporting on the internal control system.

Compliance: Compliance is defined as adherence to the requirements of laws and regulations, sectoral and organisational standards, internal policies, procedures and generally accepted ethical standards.

Internal Control and Supply Chain Compliance Officer: The officer appointed by the Board of Directors and vested with the necessary authority to ensure compliance with obligations imposed by the Law and legislation enacted pursuant to the Law.

Deputy Internal Control and Supply Chain Compliance Officer: The officer appointed by the Board of Directors and vested with the necessary authority to ensure compliance with obligations imposed by the Law and legislation enacted pursuant to the Law.

INTERNAL CONTROL		
Follow-up and Control Activities	Risk Activities	Compliance Activities
Customer Identification	Legal Regulations and Policies	Development of Policies and Procedures
Data Recording	Responsible Supply Chain Risk Inventories	Customer Identification
Monitoring	Risk Reporting	Responsible Supply Chain
Reporting		Compliance Risk Assessment
		Due Diligence
		Training Programmes
		Data Recording
		Reporting

Risk management activity, follow-up and control activities and compliance activities refer to the persons and organisational structure responsible for taking decisions, developing, carrying out, monitoring and overseeing the relevant matters through the Internal Control and Supply Chain Compliance Officer and his/her deputy, under the supervision and responsibility of the Board of Directors of Garanti Rafineri and within the internal control unit.

Follow-up and Control Activities: Customer identification; monitoring the entry and recording of customer data; performing controls and reporting; following up findings and recommendations; process reviews; reporting review results and following up findings and recommendations; establishing controls to ensure that all documents are recorded and retained; and reporting to the Board of Directors.

Risk Management Activities: Preparing and updating policies and procedures within the scope of legal regulations; preparing and updating responsible supply chain risk inventories through system entries; monitoring Company activity processes within this scope; preparing reports required to be submitted to the Ministry and Borsa; and preparing reports required to be submitted to the Risk Management Committee and the Board of Directors.

Compliance Activities: Preparing policies and procedures within the scope of new and/or amended legislation and legal regulations; ensuring necessary coordination with the legal unit; customer identification; responsible supply chain inventories in the product/service process; compliance risk assessment; due diligence; monitoring mandatory training to be received by personnel; maintaining a data record that will ensure all documents are recorded and retained; and reporting to the Ministry and Borsa.

The following national regulations were taken into consideration during the preparation process:

- Foreign exchange legislation,
- Borsa Istanbul Responsible Supply Chain Compliance Directive,
- Borsa Istanbul Precious Metals Responsible Supply Chain Compliance Guide,
- Borsa Istanbul Responsible Supply Chain Assurance Audit Directive,
- The Directive on the Internal Control System and Compliance Principles of Precious Metals Intermediary Institutions and Refineries,
- Regulation on the Compliance Programme Regarding Obligations Relating to the Implementation of Law No. 5549 on the Prevention of Laundering Proceeds of Crime,

- Law No. 6415 on the Prevention of the Financing of Terrorism,
- Law No. 7262 on the Prevention of Financing the Proliferation of Weapons of Mass Destruction.

It sets out the fundamental principles and rules aimed at the appropriate and effective implementation and management within our Company of LBMA requirements and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and our commitment not to engage directly or indirectly in any trade with countries/regions/persons/entities falling within sanctions imposed by United Nations Security Council resolutions, sanctions published by the European Union, sanctions published by HM Treasury of the United Kingdom, OFAC sanctions published by the U.S. Treasury, other sanctions to which the precious-metals market is subject, including countries/regions included on the Prohibited Countries List, or countries subject to a call for action published by FATF.

- Documents required for the account-opening know-your-customer procedure,
- Customer/supplier identification management and principles before acceptance,
- Scope of Risk Management and measures,
- Monitoring of criteria and transactions relating to high-risk precious-metals supply chain relationships,
- Acceptance of customers,
- Monitoring and control activities after customer acceptance,
- Suspicious transaction reporting period, confidentiality and protection of reporting persons,
- Retention and updating of records,
- Training,
- Internal control audit mechanisms and assurance audit.

All prospective customers are required, before establishing a business relationship and creating an account with Garanti Rafineri ve Maden İşletmeleri A.Ş., to obtain, verify and record ownership and certain business information concerning their customers. They are required to declare the information and documents specified below for the account-opening know-your-customer procedure and complete the relevant forms:

1. Copy of the Company's Articles of Association
2. Trade Registry Certification (obtained within the last three months)
3. Copy of Chamber Activity Certificate
4. Copy of Signature Circular / Signature Declaration
5. Copy of Tax Certificate
6. Primary document confirming shareholding: Attendance List / Shareholder Document
7. Copy of Turkish ID Card/Passport (for persons authorised in the Signature Circular and members of the Board of Directors)
8. Business Licence (Municipality, Mining, etc.)
9. Copy of one of the Electricity, Water, Natural Gas or Telephone Bills for the Last Month
9. Garanti Rafineri ve Maden İşletmeleri A.Ş. Refinery Declaration Letter (Annex 1)
10. Know Your Customer Form for Natural Persons (Annex 2)
11. Know Your Customer Declaration for Institutions (Annex 3)
12. Information Concerning Natural Person(s) Authorised to Conduct Transactions on Behalf of Customers Together with Garanti Rafineri ve Maden İşletmeleri A.Ş. (Annex 4)
13. Information concerning the person/persons controlling the Company (Annex 5)
14. Service Business Relationship and Legal Framework Know Your Customer Information Form (Annex 6)

IDENTIFICATION METHOD AND PRINCIPLES BEFORE CUSTOMER / SUPPLIER ACCEPTANCE

Domestic Sales / Supplies

The Sales Team (Company personnel working in the field) and persons who communicate directly with the customer shall request and obtain the following documents and information before carrying out the transaction. They shall forward customer information to the Internal Control and Supply Chain Compliance Officer for entry into the CRM.

i) Identification of Natural Person Customers

Information and documents to be requested:

- Profile information: The profile form for individuals is provided in Annex 2.
- Copy of identification document:

Where the individual is personally present: The original identification document (identity card/passport) is requested and a copy is taken. Care must be taken to ensure that the passport has not expired. Identification is completed by obtaining a signature specimen.

Where the individual conducts the transaction through a representative: Where a transaction is requested by persons authorised to represent the individual, identification of such persons may be carried out on the basis of a power of attorney or signature circular, provided that it contains identification information and is notarised. This may be an official power of attorney or a written instruction. It is preferable for this document to have been obtained from a Notary Public; however, where the principal customer's signature declaration is available, the customer signature on an ordinary written document may be compared with the signature on the authorisation document. If the signatures match, this is sufficient. Where the principal customer is personally known by the sales team and a preliminary meeting has been held with him/her, an instruction letter may also be considered sufficient. The sales team takes copies of the documents presented to it, but the originals are nevertheless obtained. The power of attorney is reviewed for compliance with formal requirements. Following confirmation of compliance with the formal requirements, a copy of the "power of attorney" is taken; Company employees mark the copy "original seen", initial it and date it.

CRM System: The sales team forwards customer information to the Internal Control and Supply Chain Compliance Officer for recording in the CRM system.

ii) Identification of Legal Person Customers

Documents to be requested:

a) Documents to be requested from the Company

Profile Form: The profile form for legal persons is provided in Annex 3.

- Tax Certificate: A document issued in the name of the Company by the tax office or Revenue Administration showing the Company's tax number. A copy of the tax certificate is sufficient. The tax certificate must not be older than 2 years.
- Activity Certificate: A document issued by the Chamber of Commerce with which the Company is registered, showing that the Company is currently active and stating its field of activity. This document must not be older than two years. A copy is sufficient.
- Incorporation Gazette: The Trade Registry Gazette containing the Company's articles of association at incorporation and showing the date of incorporation. For companies headquartered in Istanbul, it may be accessed at <https://www.ticaret sicil.gov.tr/>.
- Subsequent Trade Registry Gazettes containing amendments to the Articles of Association: A copy is sufficient. For companies headquartered in Istanbul, they may be accessed at <https://www.ticaret sicil.gov.tr/>.
- Company Signature Circular: A notarised document showing the persons authorised to conduct transactions on behalf of the Company. A copy is sufficient. This circular must be the latest circular issued. Attention must be paid to its validity period.
- Company Bank Details: Information concerning the account that the Company will use in transactions to be carried out with Garanti Rafineri ve Maden İşletmeleri A.Ş.
- Company Mining Licence (where the Company is a mining company, obtaining this document is mandatory) and/or other certificate/membership documents: If the Company has a mining licence, a copy thereof and/or,

if the Company is a member of an exchange and/or chamber, copies of documents relating to such membership.

- Where a purchase and sale agreement has been signed between the Company and Garanti Rafineri ve Maden İşletmeleri A.Ş., a copy signed as a true copy or the original agreement must be retained by the Company.
- Declaration of compliance with applicable legislation: A sample declaration to be obtained from the Company is provided in Annex 1.
- References: May be written or verbal.

b) Documents to be requested from the Company Representative

As companies are legal persons, they must necessarily be represented through a natural person.

- The original identification document (identity card/passport) is requested and a copy is taken. Care must be taken to ensure that the passport has not expired.
- Power of Attorney/Authorisation Document: Sometimes, a person authorised under the signature circular may grant a power of attorney/authorisation document to a person not authorised under the circular. In such a case, in addition to the circular, the power of attorney/authorisation document granted to the natural person representative of the Company is required. The original of this document is more secure; however, documents initially provided as copies or scans are subsequently requested from the Company in original form. The Power of Attorney/Authorisation Document form is provided in Annex 4.
- CRM System: Customer information provided by the sales team or forwarded to the Internal Control and Supply Chain Compliance Officer is recorded in the CRM system.

Foreign Sales / Supplies

The team making sales to foreign customers is responsible for requesting and obtaining the information and documents specified below. Since foreign sales are generally carried out with legal persons rather than individual customers, the following information and documents are requested from the legal person/legal-person representative.

Documents to be requested:

i) Identification of Legal Person Customers**a) Documents to be requested from the Company**

- Profile Form: The profile form for legal persons is provided in Annex 1 (English).
- Activity Certificate (certificate of activity/trade licence): A document issued by the Chamber of Commerce with which the Company is registered, or by the court or other competent authority in the country/city in which it is located, showing that the Company is currently active and stating its field of activity. This document must be from no more than the preceding year. A copy is sufficient. Notarisation and apostille are preferable; however, documents without such notarisation and apostille are also accepted.
- Certificate of Incorporation: A document evidencing that the Company has been duly incorporated in accordance with the laws of the country in which it is located.
- Articles of Association (articles of association/by law): A copy is sufficient.
- Company Signature Circular: A document showing the persons authorised to conduct transactions on behalf of the Company. Notarisation and apostille are preferable; however, documents without such notarisation and apostille are also accepted. A copy is sufficient. This circular must be the latest circular issued. Attention must be paid to its validity period.
- Company Bank Details: Information concerning the account that the Company will use in transactions to be carried out with Garanti Rafineri ve Maden İşletmeleri A.Ş.
- Company Mining Licence (where the Company is a mining company, obtaining this document is mandatory) and/or other certificate/membership documents: If the Company has a mining licence, a copy thereof and/or, if the Company is a member of an exchange and/or chamber, copies of documents relating to such membership.
- Where a purchase and sale agreement has been signed between the Company and Garanti Rafineri ve Maden İşletmeleri A.Ş., a copy signed as a true copy or the original agreement must be retained by the Company.

- Declaration of compliance with applicable legislation: A sample declaration to be obtained from the Company is provided in Annex 1 (English).
- References: May be written or verbal.

b) Documents to be requested from the Company Representative

As companies are legal persons, they must necessarily be represented through a natural person.

- Passport: A copy is taken. Care must be taken to ensure that the passport has not expired.
- Power of Attorney/Authorisation Document (power of attorney/Proxy): Sometimes, a person authorised under the circular may grant a power of attorney/authorisation document to a person not authorised under the circular. In such a case, in addition to the circular, the power of attorney/authorisation document granted to the natural person representative of the Company is required. The original of this document is more secure; however, documents initially provided as copies or scans are subsequently requested from the Company in original form. A sample Power of Attorney/Authorisation Document is provided in Annex 4 (English); however, powers of attorney in different formats are also accepted.
- CRM System: Customer information forwarded by the sales team to the Supply Chain Compliance Officer is recorded in the CRM system.

ii) Identification of Natural Person Customers

Where trade is or will be conducted with natural persons resident abroad:

- Profile information: The profile form for individuals is provided in Annex 2 (English).
- Copy of Identity Document/Passport:

The accuracy of the identification information of the person authorised to represent the legal person is verified using the identification documents specified in the section on Identification of Natural Persons; the authority to represent is verified using registration documents prepared or certified by the official body responsible for keeping company records in the relevant country; and signature specimens are verified using a signature declaration prepared by a notary in the relevant country and containing images of the signatures.

Identification of Other Legal Persons

- Associations: For identification of associations, information is obtained concerning the association's name, purpose, registry number, full address, telephone number, fax number if any, and e-mail address. Such information is verified through the association's bylaws and information concerning its registration in the association register.
- Foundations: For identification of foundations, information is obtained concerning the foundation's name, purpose, central registry number, full address, telephone number, fax number if any, and e-mail address. Such information is verified through the Foundation Deed and information concerning the register maintained by the General Directorate of Foundations.
- Trade Unions and Confederations: For identification of trade unions and confederations, the name, purpose, registry number, full address, telephone number, fax number if any, and e-mail address of such organisations are obtained. Such information is verified through the bylaws of these organisations and other documents forming the basis of the registers maintained by the Regional Labour Directorates of the Ministry of Labour and Social Security.
- Political Party Organisation: For identification of a political party organisation, the name, full address, telephone number, fax number if any, and e-mail address of the relevant unit of the political party are obtained. The information is verified through its bylaws.

Identification of Arrangements without Legal Personality

- For transactions carried out on behalf of arrangements without legal personality such as apartment, residential complex or business-centre managements, the name and full address of the arrangement and, where available, its telephone number, fax number and e-mail address are obtained. (Verification is carried out through a notarised resolution book.)
- For identification of arrangements such as business partnerships without legal personality, the partnership's name, purpose, field of activity, tax identification number, full address, telephone number, fax number if any, and e-mail address are obtained. (Verification is carried out through a notarised partnership agreement.)

Identification in Public Institutions

19 Identification in public institutions: In transactions where public administrations within the scope of general government under Law No. 5018 on Public Financial Management and Control, and professional organisations having the nature of public institutions, are customers, the person carrying out transactions on their behalf is identified in the same manner as natural persons. Authority is verified through an authorisation document issued in accordance with legislation.

It is the responsibility of the sales team and the Compliance Officer to assist the documentation process so that our business partners complete the forms correctly and receive the completed documents.

Garanti Rafineri ve Maden İşletmeleri A.Ş. requires sufficient information and documents to be collected and retained for all of its customers (natural and legal persons). Such information and documents are retained in hard copy and electronically in accordance with the relevant procedures of our Company.

RISK MANAGEMENT

In the customer risk-area classification system, Customer/Supplier Risk, Product/Service Risk, Sector Risk and Country/Geographical Risk are principally taken into account as the core risk factors. In addition to these main risk factors, risky circumstances identified in relation to the customer are also reflected in the customer's risk level. Our Company also uses the transaction profile based on transactions carried out in the customer's accounts as a risk-category rating factor in the classification methodology. In addition, the Company conducts separate risk assessments in terms of legal risks and reputational risk factors.

Customer / Supplier Risk

Customer risk means the risk of our Company being misused by its customer because the customer or persons acting on behalf or for the account of the customer act for the purpose of money laundering or terrorist financing. The Company also does not work with customers that employ child labour. By minimising the risk of doing business with persons who do not act in good faith, it works only with customers conducting business professionally. The documents and official records to be obtained from customers have been determined; obtaining them through a customer information form, carrying out the necessary reviews, performing a customer risk assessment and deciding whether or not to establish and commence a commercial relationship have been put into practice. Where the Company cannot carry out identification or cannot obtain sufficient information regarding the purpose of the business relationship, it does not execute the transaction requested by the customer and does not establish a business relationship. No business relationship is established with persons whose ultimate beneficiary cannot be identified.

Product / Service Risk

In order to conduct an effective risk assessment starting from the initial point of origin from which the gold is sourced, detailed identification screening of the customer is carried out and documentation of business and commercial relationships is requested; at this stage, it is investigated whether the customer has unlawful tendencies or efforts such as money laundering, fraud or terrorist financing; business and financial data are checked to obtain details; and for gold originating from mines or small-scale enterprises, stricter measures are applied under product/service risk through additional documents such as the mining licence, mining capacity, data regarding mining practices, documents determining the origin of the mine, and gold import/export licences, in relation to purchases and sales of high-value products/goods of a cash nature or international fund transfers.

Sector Risk

Certain sectors and lines of business involve a high risk of money laundering or terrorist financing due to factors such as high use of cash, ease of concealing the source of money and difficulty of tracing it, and ease of concealing the true purpose of activities; from our Company's perspective, customers operating in such high-risk lines of business constitute sector risk. Within the scope of the responsible precious-metals supply chain, sector risk covers mining, transport, trading, processing or export activities conducted by sourcing products from, or operating in, conflict-affected and high-risk areas.

Country / Geographical Risk

Customers and transactions connected, by nationality, country of birth, country of residence, place of incorporation, ownership structure, authorised persons, transaction parties, etc., with countries/regions that do not have adequate regulations on preventing money laundering and terrorist financing, do not cooperate sufficiently in combating such offences, or are considered risky by competent international organisations (FATF, UN, OFAC, EU, HM Treasury); that are located on drug production/distribution routes (grey areas); where offences such as smuggling and terrorism and corruption and bribery are widespread; or that are referred to as tax havens/offshore centres, constitute country/regional risk.

Schematic Customer Country- and Product-Based Risk Area Classification

Risk Categories	Definition	Due Diligence Level to Be Applied
Low Risk A Low Risk (Low-profile customer)	Gold originating from clean and safe regions and transported via safe routes. Customers with sound documents and records. Low-risk - safe regions/countries.	Basic level (basic Due Diligence)
Medium Risk B Medium Risk (Medium-profile customer)	Gold originating from conflict-affected and high-risk areas and transported through risky regions. High-value undocumented, unrecorded commercial transactions. Customers acting with reasonable and good-faith efforts. Low-risk - partially safe regions/countries.	Advanced level (enhanced due diligence)
High Risk C High Risk (High-profile customer)	Gold originating from conflict-affected and high-risk areas and transported through risky regions. High-value undocumented, unrecorded commercial transactions. Customers whose reasonable and good-faith efforts are considered suspicious. High-Risk - unsafe regions/countries.	Advanced level (enhanced due diligence)

Legal Risk

As explained in the Regulation, money laundering is a serious offence punishable by imprisonment under the Turkish Criminal Code. Legal regulations impose certain responsibilities and obligations on institutions regarded as "obliged parties" for the prevention of money laundering and terrorist financing. Under these regulations, failure to comply with such responsibilities and obligations may result in judicial and financial sanctions for the relevant legal persons:

- Administrative fines for obliged parties in the event of breaches relating to customer identification, Suspicious Transaction Reporting and the obligation to provide continuous information, and failure to submit a suspicious transaction report,
- Imprisonment and judicial fines are prescribed in the event of breach of the obligation to provide information and documents and the article concerning retention and production specified in the relevant articles of the Law,
- Under the relevant Communiqué, failure to fulfil obligations may also result in a warning, monetary fine and removal from the refinery list.

For the purpose of protection against legal risk, Garanti Rafineri ve Maden İşletmeleri A.Ş.'s involvement in money-laundering and terrorist-financing activities, identifying such persons as customers, opening accounts for them and/or entering into an ongoing business relationship with them, while being subject to the obligations set out in the law and relevant secondary regulations, entails serious risks for Garanti Rafineri ve Maden İşletmeleri A.Ş. and its employees.

Reputational Risk

The association of the name of Garanti Rafineri ve Maden İşletmeleri A.Ş. with persons carrying out money-laundering and terrorist-financing activities, or its having assisted such activities, even unknowingly, through services provided by Garanti Rafineri ve Maden İşletmeleri A.Ş., would cause serious reputational damage to Garanti Rafineri ve Maden İşletmeleri A.Ş. before both national and international regulatory authorities. The cost of the loss caused by this risk may be very high. Therefore, the customer-identification steps set out in this Policy must be fully implemented and maximum care must be exercised during customer acceptance, particularly in respect of high-risk customers.

Risk Assessment Process

Duty and Authority: After collection of the documents required under the know-your-customer procedure and any additional documents, all documentation is delivered by the sales team to the Internal Control and Supply Chain Compliance Officer. The stages for review of these documents and Risk Assessment procedures are also set out below, and the final decision regarding customer risk is presented by report to the Compliance Committee and Risk Committee. Following assessment, in a High-Risk situation, the Internal Control and Supply Chain Compliance Officer, together with the Compliance Committee and Risk Committee, reports to the Board of Directors. Accordingly, high-risk transactions may only be carried out upon obtaining the approval of the Board of Directors.

Risk Assessment by the Internal Control and Supply Chain Compliance Officer

- Documentation review,
- Internet research concerning Company shareholders/managers/authorised persons:

This research is carried out through the following web addresses and other addresses deemed appropriate by the Internal Control and Supply Chain Compliance Officer as required by the circumstances:

Search-engine programmes purchased externally by the institution; International Labour Organization (www.ilo.org); systemic anti-corruption resource (www.transparency.org); for access to the list published by the EU concerning conflict-affected and high-risk areas (www.cahralist.net); FATF Financial Action Task Force (www.fatf-gafi.org); OFAC Office of Foreign Assets Control (sdnsearch.ofac.treas.gov); CMB Capital Markets Board List of Persons Subject to Trading Bans (www.spk.gov.tr); general internet research through Google and other search engines.

Risk Assessment by the Supply Chain Compliance Officer and Subsequent Decisions

As a result of all the information, documents, measurement tools and research specified above, the Internal Control and Supply Chain Compliance Officer reaches a decision regarding the potential customer and/or supplier and enters customer data into the CRM system; the customer/supplier's risk status is determined as low, medium or high risk. However, irrespective of the risk status calculated according to the risk matrix, the Internal Control and Supply Chain Compliance Officer conducts his/her own case-by-case risk assessment by also taking into account other risk factors included in the established supply chain compliance risk monitoring policy, and takes the necessary actions in line with the measures according to the final risk assessment. In addition, within the scope of MASAK legislation, the Internal Control and Supply Chain Compliance Officer investigates and assesses transactions communicated to him/her or learned ex officio that may be suspicious and, if he/she identifies any information, suspicion or circumstance requiring suspicion that assets subject to transactions were obtained through unlawful means or used for unlawful purposes, shares the report with the Compliance Committee and Risk Committee and reports such transactions to MASAK. The Internal Control and Supply Chain Compliance Officer also reports to the Compliance Committee, Risk Committee and Board of Directors transactions that he/she determines to be risky, as detailed below.

1) Customer at Low/Medium Risk Level

Where the customer is considered to be in the low/medium risk group, the customer is accepted. Although the customer is at a low/medium risk level, if information and documents relating to the customer are incomplete, the situation is reported to members of the Company Compliance Committee and Risk Committee and submitted to the Board of Directors.

The Board of Directors:

- May reject the Customer; or
- May, at its discretion, grant additional time for completion of the documents and may begin working with the Customer in the meantime. Follow-up and completion of missing information and documents is the responsibility of the Internal Control and Supply Chain Compliance Officer.

Where the customer refuses to provide information, documents and declarations that must be obtained under legal regulations, no business relationship is established with the customer. The same obligation also applies to transactions that existing customers wish to carry out during the business relationship. Where the transaction the customer wishes to carry out is not fully clear, the customer refrains from providing an explanation in this regard, or even where an explanation is provided it is not considered satisfactory/sufficient by the assessments of the Compliance Committee and Risk Committee established by our Company and by the Internal Control and Supply Chain Compliance Officer, the requested transaction may be refused.

2) Customer Appearing on a Sanctions List

Where the customer/shareholders/representatives appear on a blacklist/prohibited list, the risk officer directly rejects the customer and informs the Compliance Committee, Risk Committee and Board of Directors of the rejection.

3) Customer at High Risk Level

The existence of circumstances set out in the section titled "Criteria Relating to High-Risk Precious-Metals Supply Chains" and/or strong indications that such circumstances exist, or the customer or country of origin of the goods being in a high-risk country: in this case, the Internal Control and Supply Chain Compliance Officer conducts enhanced due diligence and, together with the results of such enhanced due diligence, reports the matter to the Compliance Committee and Risk Committee and refers it for evaluation together with the Board of Directors.

Risk Assessment by the Board of Directors

The final decision in the risk assessment of customers not directly rejected by the Internal Control and Supply Chain Compliance Officer and referred to the Board of Directors for further assessment with a report of the Compliance Committee and Risk Committee is made by the Board of Directors and the Supply Chain Compliance Officer.

In such a case, the Board of Directors and the Supply Chain Compliance Officer:

- May reject the Customer: in this case, the assessment process ends and the final decision is made; or
- May decide to work with the Customer but establish a risk-mitigation plan. Follow-up of this risk-mitigation plan is carried out by the Internal Control and Supply Chain Compliance Officer. This plan is valid for a maximum period of 3 months. At the end of this period, where circumstances constituting high risk for the Company or the likelihood of such circumstances continue to exist, the Compliance Committee, Risk Committee, Board of Directors and Internal Control and Supply Chain Compliance Officer may:

- i) Extend the period;
- ii) Suspend work with the Customer until the situation improves; or
- iii) Terminate work with the Customer.

Measures are also taken when reviewing the Customer Risk Assessment. Based on the principles regarding customer identification set out in the Regulation on Measures Regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism, our Company's customer-measures rating is set out in detail below.

Standard Know Your Customer Measures

- A) Identify the customer;
- B) In order for Garanti Rafineri ve Maden İşletmeleri A.Ş. to identify the ultimate beneficial owner of legal persons, trusts and similar legal arrangements:
 - Take the necessary measures to identify and verify the identity of the ultimate beneficial owner,
 - Take risk-based and necessary measures to understand the customer's ownership structure and ultimate beneficial owner. (The measures in question also apply to other persons on whose behalf and/or for whose account the customer acts.)
- C) Obtain information from the customer regarding the nature and purpose of the business relationship intended to be established;
- D) Continuously monitor the business relationship, including review of transactions conducted throughout the relationship, in order to ensure that transactions are consistent with Garanti Rafineri ve Maden İşletmeleri A.Ş.'s information concerning its customer, the customer's business, risk profile and sources of funds, and ensure that documents, data or information held are kept up to date;

E) Determine the customer's risk level within the scope of necessary monitoring and control activities in order to identify, before execution, transactions or operations that may be related to money laundering or terrorist financing.

Garanti Rafineri ve Maden İşletmeleri A.Ş. shall apply standard know-your-customer procedures to all customers in order to demonstrate to competent authorities that standard know-your-customer procedures are appropriate in terms of money-laundering and terrorist-financing risks, and shall apply enhanced know-your-customer procedures to customers with a high-risk profile within the scope of the customer's country risk, clean source, safe region, security of transport routes, and risks associated with precious-metal documents and records.

Enhanced Know Your Customer (Enhanced Measures)

Garanti Rafineri ve Maden İşletmeleri A.Ş. applies enhanced know-your-customer procedures in addition to standard know-your-customer procedures where transactions, by their nature, carry money-laundering or terrorist-financing risk, such as in the following circumstances, or where precious metals originate from conflict-affected and high-risk areas and their transport routes pass through risky areas:

- Where there is suspicion of money laundering or terrorist financing, regardless of the amount of precious metals,
- Where higher-risk transactions are identified during transaction monitoring due to their nature, size, frequency or unusual characteristics creating a higher risk of being part of a money-laundering scheme,
- Where the presence of politically exposed persons is identified,
- Where the customer is a national of a risky country or is resident in or associated with a risky country or region,
- Where precious metals originate from conflict-affected and high-risk areas and their transport routes come through risky areas.

Enhanced Measures are applied to the customer within the scope of Enhanced Know Your Customer using a risk-based approach.

In proportion to the identified risk, one or more or all of the following measures are applied:

- Obtain additional information about the customer and update the identification information of the customer and ultimate beneficial owner more frequently,
- Obtain additional information regarding the nature of the business relationship,
- Obtain information regarding the purpose of the transaction,
- Obtain legal instruments governing the business relationship, such as financing agreements, contractor agreements and supplier agreements,
- Make establishment of a business relationship, continuation of an existing business relationship or execution of a transaction subject to the approval of a senior-level officer,
- Keep the business relationship under close scrutiny by increasing the number and frequency of controls and identifying transaction types requiring additional control.

Simplified Measures

Where the risk of money laundering and terrorist financing may be assessed as low in terms of transaction types, the matters to be complied with under the know-your-customer principle may be applied in simplified form. Within this scope, the Compliance Officer may apply simplified measures under circumstances that, by their nature, carry a low risk of money laundering or terrorist financing, such as the following:

- Transactions in which banks resident in our country or in other countries subject to regulation and supervision in accordance with international standards in the field of combating money laundering and terrorist financing are customers of obliged parties other than financial institutions,
- Transactions where the customer is a bank or company whose shares are listed on Borsa Istanbul and/or international exchanges,
- Banks and intermediary institutions that are parties to transactions carried out on Borsa Istanbul Precious Metals Market.

Simplified measures are not applied for the purpose of classifying customers as customers with a low money-laundering risk; rather, they make it possible to simplify the customer's identification documents.

Customers to whom Simplified Measures are applied are not required to submit documents for verification of certain information.

If, during the business relationship, any circumstance meeting high-risk criteria arises in respect of customers considered to carry a low money-laundering risk, appropriate enhanced know-your-customer measures/enhanced measures shall be applied. For each circumstance in which simplified measures may be applied, obliged parties must separately assess for each transaction whether abuse for money laundering or terrorist financing purposes may occur and therefore the money-laundering and terrorist-financing risk. Where there is suspicion of money laundering or terrorist financing, obliged parties may not benefit from simplified measures and shall report the matter to the Financial Crimes Investigation Board as a suspicious transaction.

The approval of the Compliance Officer is required for simplified measures to be applied.

PERSONS AND ENTITIES THAT CANNOT BE ACCEPTED AS CUSTOMERS

Garanti Rafineri ve Maden İşletmeleri A.Ş. does not accept the following persons and entities as customers:

- Persons and entities whose names appear on prohibited/black lists published by MASAK, OFAC, the EU, the UN and FATF concerning money laundering and terrorist financing,
- Legal persons whose structures are highly complex and do not permit identification and verification of the ultimate beneficial owner,
- Natural and legal persons in respect of whom there are doubts concerning the legality of their business or sources of funds,
- Persons, groups or legal persons in respect of whom there are grounds to suspect involvement in criminal activities, membership of a criminal organisation or terrorist organisation, or political support for or financing of such an organisation,
- Shell companies,
- Persons and entities requesting services, products and transactions for the purpose of tax evasion.

REVIEW AND MONITORING OF TRANSACTIONS RELATING TO HIGH-RISK PRECIOUS-METALS SUPPLY CHAINS

In order to conduct an effective risk assessment starting from the initial point of origin from which the gold is sourced, detailed identification screening of the customer is carried out and documentation of business and commercial relationships is requested; at this stage, it is investigated whether the customer has unlawful tendencies or efforts such as money laundering, fraud or terrorist financing; business and financial data are checked to obtain details; and the customer risk analysis is enhanced for gold originating from mines or small-scale enterprises through additional documentation such as the mining licence, mining capacity, data regarding mining practices, documents determining the origin of the mine and gold import/export licences. For precious metals:

- Name and/or stamp/logo of the refinery,
- Refining/production year, weight, fineness (assay results),
- Shipment/transport documents (delivery note/air waybill, pro forma invoice),
- Export and import form.

For mined precious metals, regardless of the size of the extractor, the origin of the mineral is the mine itself. For recyclable precious metals, the origin of the precious metal is the point at which it becomes recyclable. For example, the point at which a precious metal is sold for the first time to its recycler/refinery - in other words, the point at which it is taken into processing for return to the precious-metals industry in order to preserve its metal value - determines its origin. The point at which the precious metal is rendered recyclable must be controlled in order to prevent false declarations that may be made to conceal the origin of newly mined precious metal. In respect of Grandfathered Precious Metal Stocks, determination of origin is not required if it can be confirmed by a "verifiable date" that the precious metals had acquired their current form on a date before 1 January 2012. It must be controlled to ensure that the purchase and sale of grandfathered stocks does not violate UN sanctions or resolutions and that money laundering does not arise as a result of the sale of reserves in conflict-affected and high-risk areas.

C. A distinct reference number assigned to each output (serial numbers, electronic identification number or other applicable means, etc.).

In order to follow up on risks that may arise during the transportation of precious metals, documents such as mining documentation, Company invoices, transport and insurance documents are requested and checked, thereby also monitoring the transport stage of the goods. Additional measures are taken for customers in the high-risk category; where necessary, on-site visits and additional research are conducted and, as a result, a decision is made whether or not to commence trading.

ACCEPTANCE OF CUSTOMERS

For a customer with whom it has been decided to commence a commercial relationship, one batch of sample goods is accepted and its activities and transactions are monitored on the basis of the information, documents, references, assay results, etc. provided. If any inconsistency is observed, our Company has integrated certain programmes into its systems to screen new and existing customers and precious-metal suppliers against international sanctions lists for the purpose of compliance with legal regulations. Identity verification is carried out and, in addition to administrative procedures, where necessary on-site visits and audits are also conducted (existence of mining, refining or production facilities; accuracy of capacity and market information provided by the customer; on-site verification of information, including where the customer acts as an intermediary) to investigate and verify whether the findings are accurate. As a result of all these measures, a decision is made whether or not to continue trading with that country or customer. If the on-site audit shows that the documents and information provided are consistent with the matters identified during the audit, a decision is made to trade with that customer and the customer is thereafter placed under follow-up and monitoring.

MONITORING AND CONTROL ACTIVITIES AFTER CUSTOMER ACCEPTANCE

Review of Customer-Specific Changes

Responsibility for this matter lies with the Internal Control and Supply Chain Compliance Officer. Following this assessment, if the Customer remains at a low/medium risk level, the Company continues to work with the Customer; if the Customer has entered the high-risk group, the high-risk procedure detailed above is applied.

Customer- and Transaction-Based Risk Assessment

The Internal Control and Supply Chain Compliance Officer conducts a new risk assessment of certain customers every 6 months, annually or whenever deemed necessary, based on criteria such as customer volume, origin, number of transactions and transaction channel. Together with regular internet research, current information received from the sales team is taken into consideration to review the causal relationship between the customer profile and transactions; where any non-compliance is identified, the Internal Control and Supply Chain Compliance Officer may request additional information and documents from the sales team for risk mitigation. The Internal Control and Supply Chain Compliance Officer conducts a new risk assessment based on the information and documents obtained from the sales team and, depending on the risk status, reports to the Compliance Committee and Risk Committee and informs senior management.

Keeping Documents Up to Date

Responsibility for this matter lies with the sales team and the Internal Control and Supply Chain Compliance Officer.

Documents	Domestic Customer	Foreign Customer
Activity Certificate:	Requested again every year.	A new and current document is requested when it expires.
Tax Certificate:	Requested again every year.	-
Information on Changes in Ownership Structure	Information is requested from the Company in the event of a change in Company shareholders or management rights.	Information is requested from the Company in the event of a change in Company shareholders or management rights.
Signature Circular:	A new and current circular is requested when it expires.	A new and current circular is requested when it expires.
Power of Attorney/Authorisation Document	If time-limited, a new and current power of attorney/instruction is requested when it expires.	If time-limited, a new and current power of attorney/instruction is requested when it expires.
Passport Copies:	-	A new and current passport copy is requested when the passport expires.

Documents	Domestic Customer	Foreign Customer
Company licences	When expired licences are renewed, copies of the new licence documents are requested.	When expired licences are renewed, copies of the new licence documents are requested.
Purchase and sale agreements between the Customer and Garanti Rafineri ve Maden İşletmeleri A.Ş. Ticareti A.Ş.	Where agreements are time-limited, their terms are either extended or a new agreement is signed. An addendum/new agreement relating to the extension is requested.	Where agreements are time-limited, their terms are either extended or a new agreement is signed. An addendum/new agreement relating to the extension is requested.

Annual Controls and Reporting

Annually, the Internal Audit Report, Training Report, BIST three-month transaction-volume report and Foreign Exchange Legislation Compliance Report are sent to BIST and the Ministry.

RETENTION OF RECORDS

As Garanti Rafineri ve Maden İşletmeleri A.Ş., in order to demonstrate that Due Diligence requirements relating to all customer accounts, agreements with suppliers and precious-metal sourcing are continuously fulfilled, records of documents relating to the risk management policy, determination and assessment of know-your-customer principles, measures, monitoring and control activities must be retained for at least eight years and submitted to the authorities upon request.

SUSPICIOUS TRANSACTION REPORTING PERIOD, CONFIDENTIALITY AND PROTECTION OF REPORTING PERSONS

Where there is any information, suspicion or circumstance requiring suspicion that precious metals, monetary values and assets subject to transactions carried out or attempted before or through our Company were obtained through unlawful means or are used for unlawful purposes; or, even if obtained lawfully, are used by terrorist organisations and terrorist financiers or for terrorist acts, or are in any way connected with terrorism, a suspicious transaction report is submitted to MASAK concerning the persons carrying out the transaction.

Suspicious transactions are reported to the Presidency no later than 10 business days from the date on which suspicion concerning the transaction arises.

No information concerning a suspicious transaction report is provided to anyone, including parties to the transaction, other than audit personnel assigned to compliance audits and courts during judicial proceedings.

Pursuant to Article 10 of Law No. 5549, the legal entity Garanti Rafineri ve Maden İşletmeleri A.Ş. and Internal Control and Supply Chain Compliance Officer personnel who fulfil the suspicious transaction reporting obligation cannot in any way be held legally or criminally liable by reason of having submitted a suspicious transaction report.

Company employees and managers may not inform customers or third parties regarding the content of investigations conducted about them, that a report has been submitted or information requested about them, or that any investigation concerning the prevention of money laundering and terrorist financing has been or may be initiated against them.

OBLIGATION TO PROVIDE INFORMATION AND DOCUMENTS

Our Company fulfils with maximum care and diligence all requests concerning reporting activities to be carried out within the scope of continuous information provision, and all information and documents requested from the Company by the Financial Crimes Investigation Board Presidency of the Republic of Türkiye Ministry of Finance and personnel specified in the applicable legislation, records relating thereto in any medium, access to such records, and all information and passwords necessary to make such records readable, fully and accurately.

TRAINING

Continuous training programmes are organised in order to inform personnel working in our Company about national and international regulations, increase their sense of responsibility and establish an effective institutional culture in this field, so that precious-metals sourcing practices are carried out with respect for human rights and contributions to regional conflicts, terrorist financing and money laundering are avoided during the precious-metals sourcing process.

The training programme is prepared by the Internal Control and Supply Chain Compliance Officer with the participation of all relevant personnel and units. It is carried out under the supervision and coordination of the Internal Control and Supply Chain Compliance Officer. Training activities are conducted through seminar training/e-learning.

Training Subjects

Training includes, at a minimum, the following subjects:

- Foreign exchange legislation and its implementation,
- The concept of Conflict-Affected and High-Risk Areas and other concepts in the Compliance Guide,
- Responsible supply chain steps and case studies on this subject,
- Legislation relating to the responsible supply chain,
- Risk areas,
- Institutional policy and procedures,
- Within the framework of Borsa regulations and other applicable legislation:
 - Principles regarding customer identification,
 - Principles regarding notifications to relevant institutions and organisations,
 - Obligation to retain and produce records,
 - Obligation to provide information and documents,
 - Sanctions to be applied in the event of failure to comply with obligations,
 - International regulations in the field of combating money laundering and terrorist financing.

Reporting of Training Results

The Bank shall report, through the Internal Control and Supply Chain Compliance Officer, the following information and statistics concerning its training activities to the Ministry and Borsa by the end of March each year:

- Training dates,
- Regions or provinces in which training was provided,
- Training method,
- Total training hours,
- Number of personnel trained and ratio to the total number of personnel,
- Distribution of trained personnel by unit and title,
- Training content,
- Titles and areas of expertise of trainers.

INTERNAL CONTROL AUDIT MECHANISMS AND ASSURANCE AUDIT

A Compliance Committee and Risk Committee notification system has been established as a communication mechanism through which any non-compliance anticipated to constitute a risk within the gold supply chain process is escalated to senior management, with the purpose of creating an institutional culture and updating personnel knowledge by increasing awareness of responsibility in relation to risk mitigation and risk-based approaches. Planned personnel compliance training conducted during the year also raises awareness and refreshes knowledge. Through designated unit compliance officers, implementation of supply-process stages in the relevant units, required procedures and transactions, disruptions in the compliance system and supply chain, and potential risks are brought under control and adverse developments are reported. Garanti Rafineri ve Maden İşletmeleri A.Ş. has also established an internal audit system with customers with whom it has ongoing commercial relationships. It audits the risk of trade carried out by checking, at different intervals during the year, customers from whom it regularly accepts goods through administrative practices and on-site field audits.

Within this scope, customers are audited and controlled regarding:

- Verification of detailed descriptions of the activities they conduct as a Company,

- Research by the Compliance Officer concerning companies stated as references and verification of the information,
- Verification of detailed documents evidencing the origin of the goods,
- Provision of assurance that child labour is not used.

The responsible supply chain assurance audit agreement is signed with the authorised independent audit firm that will conduct the supply chain assurance audit within the first four months of the period subject to audit. If, for any reason, the responsible supply chain assurance audit agreement cannot be signed by the end of the first four months of the period subject to audit, the matter is notified to Borsa no later than the first business day following the date on which the situation arises.

Our Company is obliged to prepare, for each year, a Supply Chain Compliance Report demonstrating the compliance of transactions covering the reporting period with the Supply Chain Compliance Policy, and to submit the Supply Chain Compliance Report presented to the Board of Directors to the responsible supply chain auditor. The Supply Chain Compliance Report and the Independent Assurance Report are published on our Company's corporate website by the end of June and are also sent to the relevant authorities.

CONCLUSION

The Risk Management Policy and activities concerning the determination and assessment of know-your-customer principles, measures, monitoring and control enter into force upon publication. Any amendments are published by the Internal Control and Supply Chain Compliance Officer together with a revision number. Under the Risk Management Policy and the determination and assessment of know-your-customer principles, measures, monitoring and control activities and the manner of their implementation, it is our principle and obligation to obtain the necessary information and documents from our customers before entering into a commercial relationship with them. We avoid initiating commercially risky relationships with customers whom we do not know, who do not give us confidence and in respect of whom we have not obtained market references. All unit employees are obliged to act in accordance with all applicable laws and regulations, workplace rules and this Policy, and personally observe them. Our customers, suppliers, all other stakeholders and business partners are required to comply with the principles of the Policy and other applicable legal regulations.