

## AETERNO FZE

AML CFT POLICY / Version: VER.01 / Date: 15Aug2023

Document Title	AETERNO AML/CFT POLICY
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### INTRODUCTION:

The regulatory framework governing Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) in the United Arab Emirates (UAE) is primarily overseen by the Central Bank of the UAE (CBUAE) and its Anti-Money Laundering and Suspicious Cases Unit (AMLSCU). The UAE Government (UAEG) has implemented stringent AML/CTF measures in alignment with international efforts, enacting key AML laws such to better monitor cash flows through the UAE financial system and to cooperate with international efforts to combat terrorist financing.

The UAE has enacted laws that serve as foundation for the country's Anti Money Laundering (AML) and counterterrorist financing (CTF) efforts: Law No 4/2002, the Anti-Money Laundering law, and Law No. 1/2004, the counter terrorism law. Although the Anti-Money Laundering law criminalizes money laundering, it is administrative Regulation No. 24/2000 that provides guidelines for how financial institutions are to monitor for money laundering activity. **Federal Decree-Law No. (20) of 2018** on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations. **Cabinet Decision No. (10) of 2019**, detailing AML/CTF compliance requirements and obligations.

The UAE's AML/CTF framework operates within a robust regulatory matrix, integrating federal civil, commercial, and criminal laws with oversight from multiple regulatory and supervisory authorities responsible for their implementation and enforcement. The crimes of money laundering, the financing of terrorism, and the financing of illegal organizations are covered under federal criminal statutes and the federal penal code. Their implementation and enforcement are the responsibility of the relevant regulatory and supervisory authorities in either the federal or local jurisdictions.

Cabinet Decision No. (10) of 2019 concerning the implementation of Decree Law No. (20) of 2018 On Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations (the "AML-CFT Decision") identifies Precious Metals Refineries, Dealers in Precious Metals and Precious Stones as Designated Non-Financial Business and Professions (DNFBPs), when they engage in carrying out any single monetary transaction, or several transactions which appear to be interrelated, whose value is equal to or greater than AED 55,000, and subjects them to specific AML/CTF obligations under the AML/CTF legislative and regulatory framework of the United Arab Emirates.

The regulatory framework of the UAE is part of a larger international AML/CTF legislative and regulatory framework made up of a system of intergovernmental legislative bodies and international and regional regulatory organization i.e. The United Nations (UN), The Financial Action Task Force (FATF), The Middle East and North Africa Financial Action Task Force (MENAFATF).

In response to regulatory expectations, as mandated by the Supervisory Authority, we are required to fulfil obligations which constitute the basis of an effective risk-based AML-CFT program. These obligations include:

- Identifying and assessing ML/FT (Money Laundering/ Financing of terrorism) risks
- Establishing, documenting, and updating policies and procedures to mitigate the identified ML/FT risks
- Maintaining adequate risk-based customer due-diligence (CDD) and ongoing monitoring procedures
- Identifying and reporting suspicious transactions
- Putting in place an adequate governance framework for AML/CTF, including appointing an AML/CTF Compliance Officer, and ensuring adequate staff screening and training
- Maintaining adequate records related to all of the above
- Complying with the directives of the Competent Authorities and complying with recommendations.

Precious metals refining involves the refining, trade, import, and export of non-manufactured items made from precious metals such as gold, silver, platinum, etc. A precious metals refinery is defined as any entity or individual regularly engaged in refining and trading precious metals, including:

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- Import or export
- Purchase, sale, re-purchase, or re-sale (whether in primary, secondary, or scrap markets)
- Barter, exchange, or other form of transfer of ownership
- Loan or lease arrangements (e.g. sale-leaseback, consignment, or memorandum sales)
- Possession (whether permanent or temporary, for example, as part of a fiduciary, warehousing, collateral, or other safekeeping arrangement)

### POLICY STATEMENT:

AETERNO FZE is committed in compliance to, and strict practice of all regulatory requirements including those related to Anti Money Laundering by UAE and other competent world bodies. We comply with the regulations of world bodies which collectively set and enforce standards for Anti-Money Laundering and Counter-Terrorist financing policies and programs such as FATF, UN, The EU, The Organization of American States – The office of Foreign Assets Control (OFAC) and the Local Regulatory Authorities such as Central Bank of the UAE.

In accordance with UAE Federal AML legislation, Aeterno established and maintain policies and procedures for the following:

- **Risk identification and mitigation strategies** - identifying and assessing ML/FT risks.
- **Comprehensive AML/CFT documentation and updates** - establishing, documenting, and updating policies and procedures to mitigate the identified ML/FT risks.
- **Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD)** - maintaining adequate risk-based customer due-diligence (CDD), enhanced due- diligence (EDD) and ongoing monitoring procedures.
- **Suspicious Transaction Reporting (STR) and regulatory cooperation** - identifying and reporting suspicious transactions.
- **Governance framework, including an AML/CFT Compliance Officer and staff training** - putting in place an adequate governance framework for AML/CFT, including appointing an AML/CFT Compliance Officer, and ensuring adequate staff screening and training; maintaining adequate records related to all of the above; and complying with the directives of the Competent Authorities of the State in relation to the United Nations Security Council resolutions and UAE Authorities decisions.
- **Adherence to targeted financial sanctions (TFS) and sanctions screening:** in addition, the Company's AML-CFT policies and procedures must also ensure that sanctions list issued by the UAE Government, as well as the United Nations Security Council, are screened against; any associated instructions on prohibited transactions, asset freezing, etc., must also be complied with in accordance with TFS Decision.

Aeterno is also fully committed to observing and implementing the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the Gold Supplement. We work together with all local and relevant international bodies to fight against interactions with any entity, including governmental or non-governmental bodies, that engage in forced labor, child labor, sexual violence, corruption, bribery or any elements of misrepresentation as to the origin of minerals, taxes, fees and royalties paid to governments for mineral processing. We are committed to maintaining the best industry practices and adhering to the highest moral and ethical standards in all our activities.

Aeterno recognizes that risks of significant adverse impacts may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and we recognize that we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict, and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

### Regarding serious abuses associated with the extraction, transport or trade of minerals:

While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:

- any forms of torture, cruel, inhuman and degrading treatment.
- any forms of forced or compulsory labor, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily.
- the worst forms of child labor.
- other gross human rights violations and abuses such as widespread sexual violence.
- war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

## **Regarding risk management of serious abuses:**

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses.

## **Regarding direct or indirect support to non-state armed groups:**

We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. "Direct or indirect support" to non-state armed groups through the extraction, transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:

- illegally control mine sites or otherwise control transportation routes, points where minerals are traded and upstream actors in the supply chain; and/or
- illegally tax or extort money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- illegally tax or extort intermediaries, export companies or international traders.

## **Regarding risk management of direct or indirect support to non-state armed groups:**

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups.

## **Regarding public or private security forces:**

- We agree to eliminate, direct or indirect support to public or private security forces who illegally control mine sites, transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.
- We recognize that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
- Where we or any company in our supply chain contract public or private security forces, we commit to, or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.
- We will support efforts, or take steps, to engage with central or local authorities, international organizations and civil society organizations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
- We will support efforts, or take steps, to engage with local authorities, international organizations and civil society organizations to avoid or minimize the exposure of vulnerable groups, in particular, artisanal miners where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

## **Regarding risk management of public or private security forces:**

In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan.

## **Regarding bribery and fraudulent misrepresentation of the origin of minerals:**

We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export.

## **Regarding money laundering:**

We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

## **Regarding the payment of taxes, fees and royalties due to governments:**

- We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit

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to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI).

- Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:
  - In accordance with the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organizations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measurable steps taken in reasonable timescales.
  - We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

Aeterno has existing management system to ensure consistent implementation of the due diligence and risk control requirements of the policy which includes but not limited to:

- Scope, clear responsibilities and escalation channels
- Identification, assessment and criteria for high-risk gold supply chain
- Know-Your-Customer (KYC) process
- Continuous monitoring and surveillance of transactions
- Mandatory trainings for relevant staff who are exposed directly in the supply chain
- Aeterno requires all its staff and suppliers involved in the gold supply chain to strictly comply with this policy and implement it in the management system.

For any concerns regarding the content of this Policy or in case of any grievances, you may reach out to us on the below contact details:

For further assistance please contact the compliance officer: [compliance@aeternorefinery.com](mailto:compliance@aeternorefinery.com)

For external please contact your manger/ or send an email to: [info@aeternorefinery.com](mailto:info@aeternorefinery.com)

### TRACK CHANGES

No changes