

Document Title	AETERNO CUSTOMER DUE DILIGENCE PROCESS
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Document Owner	AETERNO FZE Compliance
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Introduction

AETERNO FZE Customer Due Diligence (CDD) process is a critical part of ensuring responsible sourcing and compliance with regulatory standards such as anti-money laundering (AML) laws and LBMA Responsible Sourcing Program. This process involves verifying identity of the client, assessing risk associated with their operations, and ensuring that the gold and precious metals being refined is sourced from legitimate, ethical origins. This covers customers, suppliers, intermediaries, and all other relevant entities / individuals participate in the supply chain.

Aeterno ensures consistent CDD across all client types by applying a risk-based approach, standardizing KYC, screening procedures, conducting enhanced due diligence for high-risk clients, implementing ongoing monitoring and staff training. Through thorough documentation, risk categorization and ongoing monitoring these CDD measures help maintain compliance with both local regulations and international standards, while mitigating risks related to illegal activities, such as money laundering, terrorist financing, conflict minerals, unethical sourcing and human rights abuses.

Scope of the policy

AETERNO FZE Customer Due Diligence (CDD) onboarding process for refined gold suppliers and mined gold focuses on ensuring that gold is sourced responsibly and in compliance with anti-money laundering (AML) laws, human rights policies, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. This process is part of the LBMA's Responsible Gold Guidance (RGG), which is designed to prevent gold from contributing to conflict, human rights abuses, terrorist financing, and other illicit activities.

CDD PROCESS

1. Preliminary Due Diligence & KYC

Before onboarding any gold supplier, a preliminary due diligence process is to be conducted. The aim is to assess credibility of the supplier and identify any potential risks. This stage includes:

- **Know Your Customer (KYC):** A comprehensive KYC process is carried out to verify the supplier's identity, legal standing, ownership structure, and ultimate beneficial owners.
- **Sanctions Screening:** A review of sanctions lists and politically exposed persons (PEP) databases to ensure the supplier is not involved in illicit activities.
- **Risk Assessment:** A risk-based approach is applied, considering factors such as the origin of the gold, the supplier's geographical location, and the potential exposure to high-risk areas (e.g., conflict zones).

2. Risk Categorization

After KYC and initial screening, suppliers are categorized based on their risk profile. This includes:

- **High-Risk Suppliers:** May include suppliers operating in conflict or high-risk areas, or those with insufficient internal controls. These suppliers will face enhanced due diligence (EDD) procedures.
- **Low-Risk Suppliers:** Subject to standard due diligence processes but still monitored regularly.

3. Due Diligence & Documentation

For both refined gold suppliers and mined gold suppliers, require detailed due diligence and documentation. This includes:

- **Chain of Custody Documentation:** Verification of the chain of custody to ensure the gold has been sourced in compliance with the LBMA's Responsible Sourcing Programme. This applies to both large-scale mining (LSM) and artisanal small-scale mining (ASM).
- **Supplier Questionnaire:** A due diligence questionnaire must be completed, covering areas such as the origin of the gold, any involvement of third parties, human rights considerations, and environmental compliance.
- **Site Visits & Audits:** For higher-risk suppliers or situations, independent third-party audits or even site visits may be required to confirm compliance.

4. Roles Involved in the Process

Several roles are typically involved in the CDD onboarding process, including:

- **Compliance Officer (Internal):** Responsible for overseeing the due diligence process and ensuring that the company complies with LBMA requirements, local laws, and international standards.
- **Risk & Compliance Team:** Assesses the risk of each supplier based on geographic, operational, regulatory factors and also recommend mitigation strategies for high-risk suppliers. May assist in ensuring contracts and agreements with suppliers are in line with compliance standards, especially regarding AML and anti-bribery provisions.
- **Supply Chain/Sales Managers:** Involved in onboarding new suppliers, ensuring the supplier can meet the business's sourcing and compliance requirements.
- **Third-Party Auditors:** Independent auditors may be involved to validate the supplier's operations and compliance with Responsible Sourcing Programme.

After completing the due diligence:

- **Supplier Approval:** If the due diligence results are satisfactory, the supplier is onboarded. In the case of high-risk suppliers, additional mitigation steps (e.g., contractual commitments, regular audits) may be required.
- **Ongoing Monitoring:** Once onboarded, suppliers are monitored regularly for any changes in their risk profile, geopolitical situation, or operational practices. This includes periodic updates to the KYC documentation and regular supply chain audits.

6. Reporting & Record Keeping

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- **Due Diligence Reports:** All due diligence and CDD activities are documented and maintained for auditing purposes. We intend to retain detailed records for minimum five years.
- **Annual Reporting:** we would produce and maintain annual audit & compliance reports, including an external audit report on Supply Chain as per UAE MOE requirement.

7. Refined Gold vs. Mined Gold Specific Requirements

- **Refined Gold Suppliers:** The focus is on ensuring that the refined gold has a traceable supply chain, and the refinery itself must be LBMA Good Delivery certified.
- **Mined Gold Suppliers:** Due diligence is more intensive, especially for mines in conflict-affected or high-risk areas (CAHRA). The company must ensure that human rights, labor standards, and environmental practices are adhered to at mining sites.

Aeterno and its employees have to ensure that each supplier's gold is responsibly sourced through the enforcement of Responsible Sourcing Programme and by requiring adherence to international best practices.

CLIENT CDD - Details to be filled by the Staff

Name of Client: _____

SECTION 1

CLIENT SCREENING: (To be completed by Designated Screening Staff; Add rows as needed)

Customer Screening – Name as per Passport (Include entities and all associated individuals in the relationship)	Screening date	Result: (No match / PEP / Other)	Remarks for Hits
List of Directors – Name as per Passport	Screening date	Result: (No match / PEP / Other)	Remarks for Hits
List of shareholders/ultimate beneficial owners	Screening date:	Result: (No match / PEP / Other)	

Source of Funds (SOF) Information Sheet

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Entity Details

Company name				
Industry				
Period of ownership				
Annual Revenues				
Annual Profits				
% of ownership				
Country				
Nature of business				

Source of Funds

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Guidance for filling SOF Section:

- History of business
- Details of various companies that the client is associated with, if any
- % of business ownership
- Annual income from the business
- Details of the business valuation.
- Information on sale of business if any.
- Any link with sanctioned countries (buyers / suppliers)
- % business from high risk business.
- Corroborative evidence as required by Compliance / AML manual requirements.
- Provide similar information for all UBO's

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SECTION 2

CALCULATION OF AML RISK (To be completed by Compliance)

Applicability	Risk Factors	Score	Risk Tagging
	High Risk Country	3	HRC
	HRB (other factors not listed elsewhere in this list)	3	HRB (O)
	Complex structure (3 or more additional layers excluding the UBO)	6	CPX
	Non-FATF trustees and individual trustees	6	NFT
	Charitable trusts and waqfs	6	CTW
	Bearer Share company (including Companies which have the ability to issue bearer shares)	6	BSA
	Walk in client / non-face-to-face business relationships or transactions	6	WIC
	Nominee Shareholder and / or Nominee directors	6	NSD
	PEPs	12	PEP
	Sanctions Risk	12	SAN
	HRB (Weapons)	12	HRB (W)
	HRB (Casino / Gambling / Cash intensive)	12	HRB (C/G)
	Clients from jurisdictions having AML deficiencies	12	HRC (D)
	Reputationally Exposed Person	12	REP
	High Tax Risk	12	HTR
	SAR filed against the client	12	SAR
	Total Risk Calculation		

AML Risk Score Guide:

Composite Score	Resultant AML Risk Rating	Periodic Review
Below 6	Low Risk - Simplified due diligence required	3 years or earlier on triggering event.
6 to 11	Medium Risk - Standard due diligence required	2 years or earlier on triggering event.
12 and above	High Risk - Enhanced due diligence required	1 year or earlier on triggering event.

Risk Scores impacting the account:	
Overall AML Risk:	
Next review date:	

For High-Risk Rating:

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High Risk factors identified:	
Brief background about the risks identified	
Mitigating factors if any	

For PEP and REPs assess the following factors:

Background of PEP and REP risk	
Brief background about the risks identified	
CPI index of the jurisdiction from which PEP / REP risk arises	
Impact of PEP / REP on the SOW/ SOF/SOI	
Mitigating factors if any	
Justification for accepting PEP	

DOCUMENTATION CHECKLIST FOR ON-BOARDING *(Add rows as needed)*

Account Opening Form & Declarations:

- Account Opening & KYC Questionnaire

Below mentioned declarations need to be printed on client company letter head, filled, signed & stamped.

- Sanctions Undertaking
- Board resolution
- UBO Declaration
- VAT/TAX Declaration
- PEP Declaration
- Source of funds declaration
- Supply Chain details & declaration

COMPANY Document List:

- Company Profile & website
- Certification of Incorporation
- Trade License
- Memorandum and Articles of Association
- List of UBO's / Shareholders
- Details of Beneficial Owners if not mentioned in M&As
- List of Authorized Signatories
- VAT TRN NO & VAT Registration Certificate
- Corporate Tax Registration Certificate
- UAE GOAML registration number (If UAE Company)
- Export / Import code

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- Tenancy Contract of office premise
- Company BANK details (Bank name, account number, IBAN, Branch, SWIFT)
- Anti-Money Laundering AML/CFT Policy, Anti Bribery and Corruption Policy document of company.

Ultimate Beneficial Owner (Ownership Status over 5% or more in company):

- Passport Copy (Front & Back)
- National ID Card (Front & Back)
- Visa Copy
- Proof of Residential Address - Utility Bill
- Authorized Representatives of the Company:
 - Passport Copy (Front & Back)
 - National ID Card (Front & Back)
 - Visa Copy
 - Proof of Residential Address - Utility Bill

NOTE: There are new KYC rules in UAE effective 01Feb2023 and UAE Gold refineries need to understand the entire supply chain i.e. physical gold starting from point of origin (Gold Mine) till UAE Gold refinery, so the refinery needs to review KYC, complete due diligence and approve each party involved in the transaction starting from the Miner, Exporter to end Buyer. If there are additional actors in the supply chain (*other than miner, exporter, buyer*), Aeterno refinery is required to conduct proportionate amount of KYC and due diligence on each actor involved in the supply chain.

[A] Explain proposed / anticipated business relationship with Aeterno Refinery:

[B] Miner: below mentioned documents required from mine source to perform due diligence on the origin of gold and its supply chain.

- Mining license
- Registration and ownership documents (such as certificate of incorporation, share registry, passport copy of beneficial owners)
- Policies and manuals on AML-CFT, bribery and corruption, human rights, environmental, health and safety, labor, community engagement, ethics and business integrity.

[C] Exporter: below mentioned documents of an exporter in the supply chain.

- Registration and ownership documents (such as certificate of incorporation, share registry, passport copy of beneficial owners)
- Export license.

Any other relevant or material matters not previously covered in this form:

SIGNATURES:

Sales Manager	Date	Signature

Approvals:

The account is considered for on boarding based on the information and documentation provided.

Compliance Officer	Date	Remarks (if any) and Signature

SENIOR MANAGEMENT	Date	Remarks (if any) and Signature

ENHANCED DUE DILIGENCE (EDD) PROCESS

When a supplier, customer, or consignment triggers one or more high-risk indicators—such as CAHRA origin, inconsistent documentation, sanctions exposure, or prior non-compliance—Aeterno FZE initiates an **Enhanced Due Diligence (EDD)** protocol. This process supplements standard due diligence by applying deeper scrutiny, third-party validation, and senior management oversight.

Step-by-Step EDD Process:

1. **EDD Trigger Identification:**
 - Triggered via risk rating matrix (Section 3.6) or classification criteria (Section 4.6).
 - Common triggers include:
 - Origin from a conflict-affected or high-risk area (CAHRA)
 - PEP or sanctions list match (OFAC, UN, EU)
 - Inconsistent assay reports or false declarations
 - Misdeclarations
 - Repeated audit findings or unresolved NCRs
2. **EDD Notification:**
 - Compliance Officer issues formal notification and opens an EDD File.
 - Supplier is informed of EDD initiation and is requested to furnish supplemental data.
3. **Document Collection:**
 - Enhanced KYC Form with UBO transparency and source of funds.
 - Export/import permits, mine licenses, environmental compliance statements.
 - Video verification of operational site, refinery visits, or third-party audits if needed.
 - Updated chain-of-custody and transport routes.
4. **Risk Review Committee Evaluation:**
 - Cross-functional committee including Compliance, Legal, Operations, and Commercial.
 - Assesses risk indicators, gaps, and documentary credibility.
 - Renders decision: Approved with Conditions, Temporarily Suspended, or Rejected.
5. **EDD Outcome Documentation:**
 - All findings, decisions, and approvals logged in the **EDD Register**.
 - Documentation is attached to the Master Supplier File and flagged in ERP.
6. **Integration with Risk Framework:**
 - All EDD cases logged in the Risk Register (Section 9.1) with status and timeline.
 - Related CAPA entries created if deficiencies are identified.
 - EDD outcome informs supplier scoring, onboarding decisions, and Watchlist status (Section 9.3).
7. **Monitoring and Follow-Up:**
 - Suppliers approved under EDD are subject to transaction-level monitoring for 12 months.
 - All transactions routed through enhanced scrutiny involving pre-clearance by Compliance.
 - Recurrent issues lead to escalation under the Escalation Matrix (Section 6).

EDD Documentation Checklist:

- Enhanced KYC Questionnaire
- UBO Verification Certificate
- Third-Party Risk Screening Reports
- Sanctions & PEP Clearance Certificate
- Chain of Custody Validation Log
- Site Audit Report / Video Evidence (where applicable)
- Final EDD Outcome Memo signed by the Risk Committee

Compliance Integration:

- All EDD data must be stored digitally with version control.

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- Reviewed quarterly by the Risk Committee and during UAE MOE audit cycles.
- Forms part of annual risk summary to the Board and is used in Risk Management discussions and audit dashboards.

The EDD process strengthens Aeterno FZE's position on ethical sourcing, regulatory compliance, and risk transparency, ensuring the refinery's global credibility and resilience.

For further assistance please contact the compliance officer: compliance@aeternorefinery.com

For external please contact your relationship manager/ or send an email to: info@aeternorefinery.com

TRACK CHANGES

No changes

