



MERIDAS
GOLD

Supply Chain Due Diligence Policy for Responsible Sourcing of Gold

MERIDAS GOLD REFINERY FZC

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DOCUMENT CONTROL

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VERSION HISTORY

Version	Date	Author	Changes
1.0	28 July 2022	Management	Initial policy establishment based on OECD guidance
1.1	15 January 2023	Operations Manager	Added supplier assessment criteria, enhanced documentation requirements
2.0	15 July 2023	Board of Directors	Major revision: Strengthened responsible sourcing requirements, added OECD compliance framework, enhanced risk management procedures
2.1	10 January 2024	Compliance Officer	Updated supplier due diligence procedures, added ESG requirements, enhanced monitoring procedures
3.0	28 July 2024	Board of Directors	Comprehensive update addressing audit findings: Added implementation timeline, enhanced monitoring procedures, strengthened supplier assessment, integrated with AML policies, updated compliance with Ministerial Decree No. 68 of 2024
4.0	08 November 2025	Shoraf Yasin Thakur	Comprehensive revision to fully align with UAE MoE Due Diligence Regulations for Responsible Sourcing of Gold (effective January 2023), Ministerial Decree No. 68 of 2024, and OECD Due Diligence Guidance Third Edition; implementation of mandatory five-step framework; enhanced procedures for CAHRA sourcing
5.0	17 September 2026	Shoraf Yasin Thakur	Entity renamed from UniGold Refinery FZC to Meridas Gold Refinery FZC (all other registration details unchanged) throughout; added the Emirates Bullion Market Committee (EBC) Rules for Risk-Based Due Diligence in the Gold and Precious Metals Supply Chain as an aligned standard; specified LBMA Responsible Gold Guidance Version 9 (current) with Version 10 noted as in public consultation; added FATF 5th Round Mutual Evaluation (anticipated onsite visit in 2026) readiness considerations; updated cross-references to the AML/CFT/CPF Policy v5.0; formally incorporated source-of-metal and product-type risk parameters into the risk assessment framework (new Section 9.2, Formal Risk Assessment Parameters, and new Section 9.3.4, Product Red Flags); strengthened chain-of-custody and assay/XRF documentation requirements (Section 15) to require system-generated, not handwritten, records capturing purity, impurities, and constituent metals, and pre-processing photographic evidence where practicable; established a defined bi-annual Senior Management reporting calendar (Section 10.1); added Compliance Officer risk-framework competency training (Section 18); amended 19 September 2026 before distribution: the supervisory authority is named as the Ministry of Economy and Tourism (MoET) throughout the live text; the LBMA Disclosure Guidance Version 3 (published December 2025, applying from 1 January 2026) added as an aligned standard; the Responsible Gold Guidance Version 10 timetable stated; the <i>MoET Supplemental Guidance for Dealers in Precious Metals & Stones</i> (March 2026) added to the regulatory framework; the FATF Mutual Evaluation reference re-dated

APPROVAL

Compliance Officer	Shoraf Yasin Thakur		17 September 2026
Managing Director			
Board of Directors			

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1. POLICY STATEMENT AND COMMITMENT

1.1 Our Commitment

Meridas Gold Refinery FZC ("the Company," "Meridas Gold," or "the Refinery") is fully committed to responsible and ethical sourcing practices. We recognize that the extraction, trade, and processing of gold carries inherent risks of association with serious human rights abuses, conflict financing, and financial crimes.

As a gold refinery licensed in the Sharjah Airport International Free Zone (SAIF Zone), Sharjah, United Arab Emirates, and a key actor in the global gold supply chain, we accept our responsibility to conduct due diligence in accordance with the highest international standards and UAE regulatory requirements.

1.2 Policy Declaration

Meridas Gold Refinery FZC hereby commits to:

1. **Adopt and implement** this Supply Chain Due Diligence Policy as our formal framework for responsible gold sourcing
2. **Comply fully** with the UAE Ministry of Economy and Tourism (MoET) Due Diligence Regulations for Responsible Sourcing of Gold
3. **Align** our practices with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition)
4. **Refrain** from any action that contributes to the financing of conflict or human rights abuses
5. **Comply** with relevant United Nations sanctions resolutions and UAE domestic laws implementing such resolutions
6. **Require** all suppliers and business partners to adhere to standards consistent with this policy
7. **Conduct** thorough due diligence on all gold supplies, regardless of origin
8. **Report** transparently on our due diligence efforts and outcomes

This policy shall be incorporated into contracts and agreements with all suppliers and shall serve as the common reference for responsible sourcing practices throughout our supply chain.

2. PURPOSE AND OBJECTIVES

2.1 Purpose

The purpose of this policy is to:

1. Establish Meridas Gold Refinery FZC's supply chain due diligence framework in full alignment with UAE MoET regulations and OECD guidance
2. Provide clear procedures for implementing the mandatory five-step due diligence framework
3. Define roles, responsibilities, and accountability for supply chain due diligence
4. Ensure gold processed by Meridas Gold Refinery FZC is not associated with human rights abuses, conflict, or financial crimes
5. Protect the Company from legal, regulatory, and reputational risks
6. Demonstrate our commitment to responsible business practices to stakeholders

2.2 Objectives

Objective	Description
Regulatory Compliance	Ensure full compliance with MoET Due Diligence Regulations and Ministerial Decree No. 68 of 2024
Risk Identification	Systematically identify and assess supply chain risks including human rights, conflict, and financial crime
Risk Mitigation	Implement effective strategies to prevent, mitigate, or eliminate identified risks
Transparency	Maintain transparent and traceable supply chains with full chain of custody documentation
Stakeholder Confidence	Build trust with regulators, customers, and the public through demonstrated responsible practices
Continuous Improvement	Regularly review and enhance due diligence systems based on audit findings and evolving best practices

3. SCOPE AND APPLICABILITY

3.1 Scope

This policy applies to:

- **All gold supplies** received by Meridas Gold Refinery FZC for refining, regardless of origin, form, or source
- **All forms of gold** including doré bars, mined gold, recycled gold, scrap gold, and gold-bearing materials
- **All suppliers** including mines, traders, collectors, recyclers, and intermediaries
- **All geographic sources** with enhanced procedures for conflict-affected and high-risk areas
- **All business relationships** involving the sourcing, transport, handling, and processing of gold

3.2 Applicability

This policy is mandatory for:

- Board of Directors and Senior Management
- Compliance Officer and compliance team
- Procurement and supply chain personnel
- Operations and refining personnel
- All employees involved in gold sourcing activities
- All suppliers, agents, and intermediaries in our supply chain

3.3 Regulatory Applicability

As per MoET Due Diligence Regulations:

Requirement	Applicable to Meridas Gold Refinery FZC
Step 1: Strong Company Management System	✓ Mandatory
Step 2: Risk Identification and Assessment	✓ Mandatory
Step 3: Risk Management Strategy	✓ Mandatory
Step 4: Independent Third-Party Audit	✓ Mandatory (Annual)
Step 5: Periodic Reporting to MoET	✓ Mandatory (within 90 days of review cycle)

4. REGULATORY FRAMEWORK

4.1 UAE Legal and Regulatory Framework

Meridas Gold Refinery FZC's supply chain due diligence program complies with:

Primary Regulations:

- **MoET Due Diligence Regulations for Responsible Sourcing of Gold**, Version 1, August 2022; compliance required from the audit period beginning 1 January 2023
- **MoET, *Supplemental Guidance for Dealers in Precious Metals & Stones*, March 2026**, which requires origin verification of gold through export certificates, customs declarations and shipment documentation, and the rejection of incomplete, inconsistent or unverifiable documentation
- **Ministerial Decree No. 68 of 2024** on Responsible Sourcing of Gold
- **Federal Decree-Law No. 10 of 2025** on AML/CFT/CPF (effective 14 October 2025), which fully replaces Federal Decree-Law No. 20 of 2018 and its amendments (AML/CFT obligations)
- **Cabinet Resolution No. 134 of 2025** (Executive Regulation, effective 14 December 2025), which fully replaces Cabinet Decision No. 10 of 2019
- **Emirates Bullion Market Committee (EBC) Rules for Risk-Based Due Diligence** in the Gold and Precious Metals Supply Chain

Supervisory Authority:

The **Ministry of Economy and Tourism (MoET)**, formerly the Ministry of Economy, is the primary supervisor for gold refineries regarding responsible sourcing obligations.

4.2 International Standards

This policy aligns with:

Standard	Description
OECD Due Diligence Guidance	Third Edition (2016) for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, supplemented by the OECD's 2026 practical guide, <i>Due Diligence Essentials for Responsible Minerals</i>
OECD Supplement on Gold	Specific due diligence recommendations for gold
Emirates Bullion Market Committee (EBC) Rules for Risk-Based Due Diligence	UAE-wide rules for risk-based due diligence in the gold and precious metals supply chain, applicable alongside MoET requirements
LBMA Responsible Gold Guidance	London Bullion Market Association responsible gold sourcing requirements, currently Version 9 (effective for production from 1 January 2022). Version 10 completed its first public consultation on 10 July 2026; LBMA expects final publication in December 2026 , an implementation period of 1 January to 31 December 2027 , and first audits for the reporting year ending 31 December 2027
LBMA Disclosure Guidance	Version 3 , published December 2025 and applying from 1 January 2026 , on a comply-or-explain basis. It calls for public disclosure of the identity of the refiner and the local exporter in red-flag locations as defined by the OECD Due Diligence Guidance, of all World Gold Council miners and mines supplying material, and of all countries from which mined material is received. The Compliance Officer shall confirm the Company's accreditation position and, where it applies, build the reporting capability accordingly
UN Guiding Principles on Business and Human Rights	Framework for corporate responsibility to respect human rights
Voluntary Principles on Security and Human Rights	Standards for security force engagement

4.3 FATF Mutual Evaluation Readiness

The UAE is scheduled for its **5th Round Mutual Evaluation**, assessed jointly by the FATF and MENAFATF. The FATF assessment calendar gives an indicative onsite period of **June 2026** and indicative Plenary discussion in **February 2027**; both are marked by the FATF as possible dates rather than confirmed ones, and the Compliance Officer shall confirm the position with MoET before relying on either. The evaluation will examine real-world supply chain due diligence outcomes among DNFBPs, including precious metals dealers. The Company will maintain current supply chain mapping, risk assessments, and audit evidence so that this policy's implementation can be demonstrated to MoET, UAEFIU or FATF assessors on request.

4.4 Penalties for Non-Compliance

Non-compliance with MoET Due Diligence Regulations carries severe consequences:

Violation	Penalty Range
Failure to establish management systems	AED 50,000 - AED 5,000,000 per violation
Inadequate risk assessment	AED 50,000 - AED 5,000,000 per violation
Failure to undergo annual audit	AED 50,000 - AED 5,000,000 per violation
Failure to submit annual report	AED 50,000 - AED 5,000,000 per violation
Repeated violations	License suspension; banning from sector

5. DEFINITIONS

Term	Definition
CAHRA	Conflict-Affected and High-Risk Area – regions characterized by armed conflict, political instability, human rights abuses, or weak governance
Chain of Custody	The documented chronological trail of gold from mine to refinery, tracking ownership, location, and form
Conflict Minerals	Minerals whose trade may finance armed conflict or human rights abuses (gold, tin, tantalum, tungsten – 3TG)
Due Diligence	The ongoing process of identifying, assessing, and responding to actual and potential risks in the supply chain
Doré	Semi-pure gold alloy typically produced at mine sites, requiring further refining
KYC	Know Your Customer – the process of verifying customer identity and assessing associated risks
OECD Annex II Risks	Specific adverse impacts identified in the OECD Guidance including human rights abuses, conflict support, bribery, money laundering, and tax evasion
Red Flag	A circumstance or indicator suggesting potential supply chain risk requiring enhanced due diligence
Responsible Sourcing	The practice of ensuring supply chains are free from contribution to conflict, human rights abuses, and financial crimes
Risk Assessment	The systematic process of identifying, analyzing, and evaluating supply chain risks
Risk Mitigation	Actions taken to reduce or eliminate identified risks
Supplier	Any entity that provides gold to Meridas Gold Refinery FZC, including mines, traders, and intermediaries
Traceability	The ability to track and trace gold through all stages of the supply chain

6. MERIDAS GOLD REFINERY FZC SUPPLY CHAIN PROFILE

6.1 Position in the Supply Chain

Meridas Gold Refinery FZC operates as a **gold refiner** – a critical control point in the gold supply chain. As such, we:

- Receive gold from upstream suppliers (mines, traders, recyclers)
- Process and refine gold to produce high-purity refined products
- Deliver refined gold to downstream customers

Our position places us at a pivotal juncture for implementing effective due diligence.

6.2 Upstream Supply Chain

Meridas Gold Refinery FZC sources gold from:

Source Category	Description	Risk Level
Large-Scale Mines (LSM)	Industrial mining operations with formal governance	Variable (depends on location)
Artisanal and Small-Scale Mines (ASM)	Informal/semi-formal mining operations	Higher
Gold Traders/Dealers	Intermediaries aggregating gold	Variable
Scrap/Recycled Gold	Old jewelry, industrial scrap, e-waste	Lower
Other Refineries	Gold requiring additional processing	Variable

6.3 Geographic Sources

Primary Source Regions: Middle East, Africa, South Asia, Europe, South America

Higher-Risk Source Regions Requiring Enhanced Scrutiny:

- Countries identified by OECD as CAHRAs
- FATF grey or black list countries
- Regions with documented artisanal mining linked to conflict
- Sanctioned jurisdictions

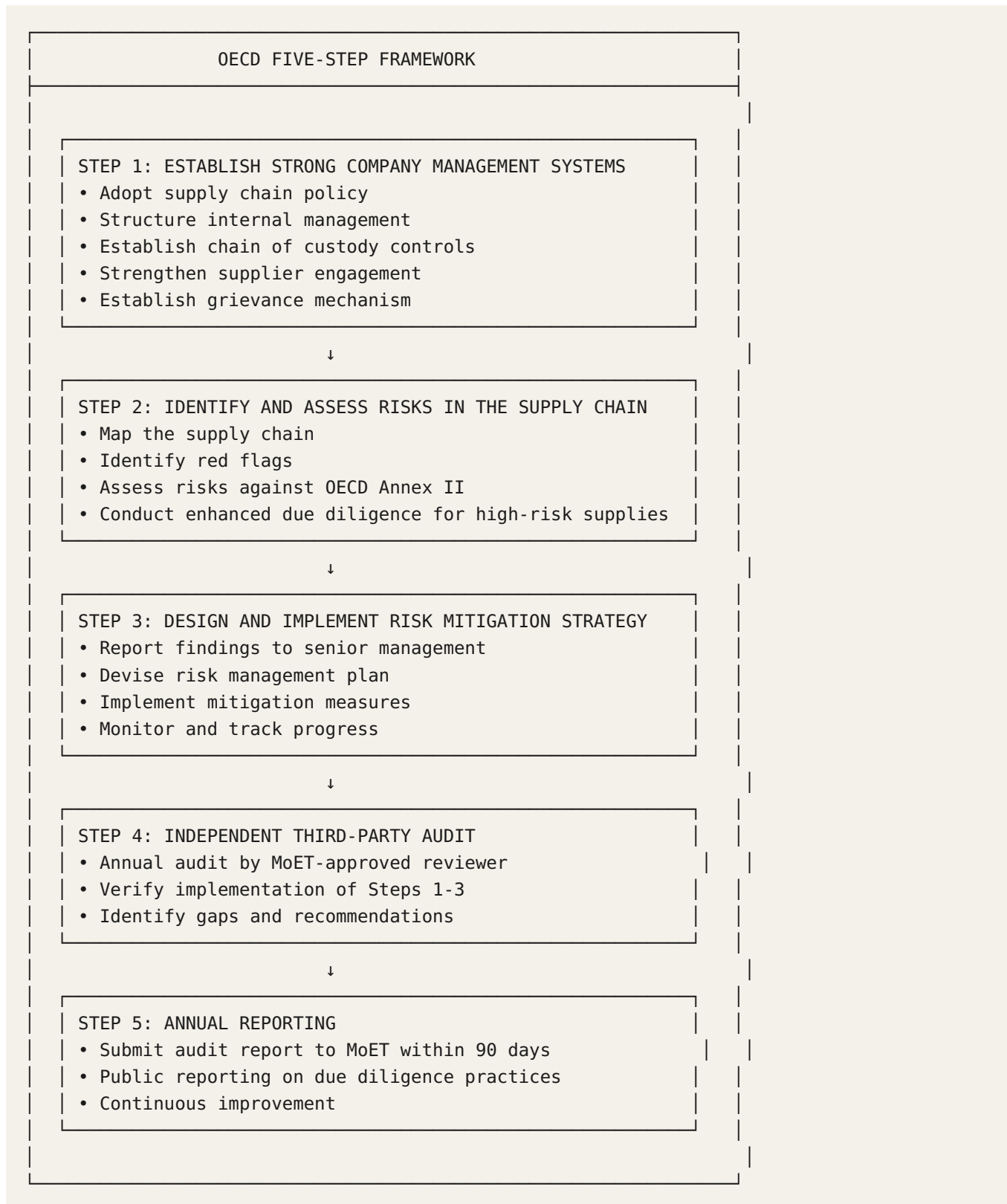
6.4 Downstream Customers

Meridas Gold Refinery FZC supplies refined gold to:

- Jewelry manufacturers
- Industrial users
- Financial institutions and bullion banks
- Other refineries
- Central banks

7. OECD FIVE-STEP DUE DILIGENCE FRAMEWORK

Meridas Gold Refinery FZC has adopted the OECD Due Diligence Guidance's five-step framework as mandated by UAE MoET regulations. The framework is implemented as follows:



8. STEP 1: STRONG COMPANY MANAGEMENT SYSTEMS

8.1 Supply Chain Policy Adoption

Meridas Gold Refinery FZC has adopted this comprehensive Supply Chain Due Diligence Policy which:

- Is approved by the Board of Directors
- Is communicated to all employees and suppliers
- Is incorporated into supplier contracts and agreements
- Is publicly available upon request
- Aligns with OECD Annex II model policy

8.2 Internal Management Structure

8.2.1 Governance Structure

Role	Responsibilities
Board of Directors	Ultimate oversight; policy approval; resource allocation
Senior Management/ CEO	Day-to-day oversight; strategic direction; escalation point
Compliance Officer	Program management; due diligence execution; reporting (Shoraf Yasin Thakur, effective 05 August 2025)
Supply Chain Team	KYC collection; supplier engagement; documentation
Operations Team	Chain of custody controls; physical verification

8.2.2 Compliance Officer Role

The Compliance Officer shall:

- Have **direct access** to the Board and CEO
- Oversee implementation of all five steps
- Coordinate KYC and due diligence activities
- Review risk assessments and approve supplier relationships
- Prepare reports for management and regulators
- Liaise with MoET and third-party auditors

8.3 System of Controls and Transparency

8.3.1 Chain of Custody System

Meridas Gold Refinery FZC maintains a robust chain of custody system to ensure traceability:

Control Point	Documentation Required
Gold Receipt	Supplier identification; origin documentation; weight; purity estimate; transport records
Assay/Testing	Assay certificates; purity results; batch identification
Processing/Refining	Processing records; batch tracking; yield records
Storage	Inventory records; location tracking; ownership records
Dispatch	Delivery documentation; customer identification; final assay

8.3.2 Documentation Requirements

For each gold supply, the Company maintains:

- Supplier KYC documentation
- Gold origin information (mine of origin, country, region)
- Transport and logistics documentation
- Export/import permits and customs documentation
- Assay and testing certificates
- Payment records
- Risk assessment documentation

8.4 Supplier Engagement

Meridas Gold Refinery FZC shall:

- Communicate this policy to all suppliers
- Incorporate due diligence requirements into supplier contracts
- Provide capacity building support where appropriate
- Conduct periodic supplier assessments
- Maintain ongoing dialogue on responsible sourcing

8.5 Grievance Mechanism

Meridas Gold Refinery FZC has established a confidential grievance mechanism for stakeholders to report concerns related to supply chain due diligence.

Contact for Grievances:

- Email: compliance@meridasgold.com (marked "Supply Chain Grievance")
- Phone: +971 50 968 01 65
- Written: Compliance Officer, Meridas Gold Refinery FZC

Process:

1. Grievance received and acknowledged within 48 hours
2. Initial assessment by Compliance Officer
3. Investigation if warranted
4. Response to complainant
5. Remedial action if required
6. Documentation and tracking

9. STEP 2: IDENTIFY AND ASSESS RISK IN THE SUPPLY CHAIN

9.1 Supply Chain Mapping

For each gold supply, Meridas Gold Refinery FZC shall map:

- **Point of origin:** Mine(s) or source of gold
- **Intermediaries:** All traders, exporters, and handlers
- **Transport routes:** Countries and regions transited
- **Points of aggregation:** Where gold is consolidated
- **Final supplier:** Entity delivering gold to the refinery
- **Product classification:** Whether the gold is mined, recycled, doré, or a by-product, and its declared gold concentration/purity, recorded at the point of receipt and before any melting or processing

9.2 Formal Risk Assessment Parameters

The Company's risk assessment tool formally scores every supply against **five** parameter categories, so that no supply is approved or continued without each category being assessed and documented:

Risk Parameter	What Is Assessed	Documented In
Counterparty Risk	KYC completeness, ownership transparency, business history, OECD conformance, PEP exposure, adverse media	Supplier KYC file
Geographic/ Origin Risk	Origin jurisdiction, CAHRA/sanctions exposure, and verification of whether the gold is mined or recycled (Section 9.3.1)	Risk assessment record
Transaction Risk	Pricing, volume, payment mechanism, and consistency with declared origin (Section 9.3.3)	Risk assessment record
Product Risk	Nature and type of gold (mined / ASM / LSM / by-product / recycled) and gold concentration level, verified against assay/XRF records (Section 9.3.4)	Risk assessment record; assay records (Section 15.2)
Delivery Channel Risk	Transport method, third-party logistics involvement, and custody controls in transit	Chain-of-custody file

The Compliance Officer shall ensure the risk assessment tool captures all five parameters for every supply prior to approval, and shall periodically test the tool (including UBO-identification fields) to confirm it functions correctly and does not misreport verified information as missing or incomplete.

9.3 Red Flag Identification

The Company shall screen for the following red flags:

9.3.1 Geographic/Origin Red Flags

Red Flag	Description
Origin from CAHRAs	Gold sourced from or transiting through conflict-affected or high-risk areas
FATF high-risk jurisdiction	Supplier or origin in FATF grey/black list country
Sanctioned country	Origin or transit through sanctioned jurisdiction
Weak governance regions	Areas with documented corruption, weak rule of law
Unverifiable mined/recycled classification	The supplier's declared origin (mined vs. recycled) cannot be independently substantiated through supporting documentation (Section 15.2)

9.3.2 Supplier Red Flags

Red Flag	Description
Opaque ownership	Supplier with unclear or hidden beneficial ownership
Inconsistent documentation	Discrepancies in origin claims, weights, or purity
Cash-intensive operations	Unusual cash transactions or payment methods
Lack of licenses	Missing or questionable mining/export licenses
Previous violations	Supplier with history of compliance failures

9.3.3 Transaction Red Flags

Red Flag	Description
Unusual transaction patterns	Significant variations from normal activity
Pricing anomalies	Prices significantly above or below market
Volume inconsistencies	Volumes inconsistent with known capacity
Rapid turnover	Unusually quick buying and selling patterns
Third-party payments	Payments from entities not party to the transaction

9.3.4 Product Red Flags

Red Flag	Description
Undocumented product classification	Gold received without a recorded declaration of type (mined / ASM / LSM / by-product / recycled) prior to processing
Missing or handwritten assay records	XRF/assay results not captured in system-generated form, or lacking purity, impurity, and constituent-metal detail (Section 15.2)
Post-melt-only evidence	Photographic or documentary evidence exists only after the gold has been melted into bar form, preventing verification of its original received state
Concentration inconsistent with declared source	Assayed gold concentration does not align with what would be expected of the declared source or product type

9.4 Risk Assessment Against OECD Annex II

For supplies with identified red flags, the Company shall assess risks against the specific adverse impacts in OECD Annex II:

Annex II Risk Category	Assessment Questions
Serious human rights abuses	Is there risk of connection to torture, forced labor, child labor, sexual violence, or other gross abuses?
Support to non-state armed groups	Could trade directly or indirectly support armed groups through procurement, payments, or logistics?
Support to public/private security forces	Are there concerns about illegal activities by security forces at mine sites or along transport routes?
Bribery and fraud	Is there risk of bribery to conceal origin or misrepresent taxes/fees?
Money laundering	Is there risk of money laundering connected to illegal mining activities?
Non-payment of taxes	Are proper taxes, fees, and royalties being paid to governments?

9.5 Enhanced Due Diligence for High-Risk Supplies

For supplies identified as high-risk (particularly those from CAHRAs), the Company shall conduct Enhanced Due Diligence:

EDD Measure	Description
Detailed origin verification	On-the-ground verification of mine site, production capacity, and legal status
Third-party assessments	Engagement of independent experts to verify claims
Government documentation	Verification of all licenses, permits, and export documentation with issuing authorities
Field visits	Site visits to mines or supplier facilities where feasible
Chain of custody audit	Detailed review of documentation through all supply chain stages
Stakeholder consultation	Engagement with local stakeholders, NGOs, or industry bodies

9.6 Risk Documentation

All risk assessments shall be documented, including:

- Supply chain mapping
- All five formal risk parameters assessed (Section 9.2), including the product/source-of-metal determination
- Red flags identified
- Risk assessment against Annex II
- EDD measures taken (if applicable)
- Conclusions and recommendations
- Approval/rejection decision

10. STEP 3: DESIGN AND IMPLEMENT RISK MITIGATION STRATEGY

10.1 Risk Reporting to Senior Management

The Compliance Officer shall report risk assessment findings to senior management and the Board on a **defined bi-annual calendar**, regardless of any transition in the Compliance Officer or MLRO role during the reporting year:

Period Covered	Report Due By
1 January – 30 June (H1)	31 July
1 July – 31 December (H2)	31 January of the following year

The Board shall confirm receipt of both the H1 and H2 reports each year as part of its oversight function, and any missed reporting deadline shall itself be escalated to the Board.

Each report shall include:

- Summary of supplies assessed
- Red flags identified
- High-risk supplies and associated risks
- Recommended risk responses
- Resources required for mitigation

10.2 Risk Response Options

Based on the risk assessment, Meridas Gold Refinery FZC shall implement one of the following responses:

Response	When Applied	Actions
Accept and Continue	Low/managed risk; no Annex II concerns	Standard monitoring; periodic reassessment
Continue with Mitigation	Moderate risk; potential for improvement	Implement risk management plan; enhanced monitoring; work with supplier to address concerns
Temporary Suspension	Significant risk; mitigation in progress	Suspend purchases pending successful mitigation; define conditions for resumption
Disengage	Severe/unmitigated risk; failed mitigation	Terminate relationship; document reasons; notify relevant parties

10.3 Risk Management Plan

For supplies requiring mitigation, a formal Risk Management Plan shall be developed:

Element	Description
Risk identified	Specific risks to be addressed
Mitigation measures	Concrete actions to reduce/eliminate risk
Responsible parties	Who is responsible for each action
Timeline	Deadlines for implementation
Success criteria	How effectiveness will be measured
Monitoring	How progress will be tracked
Review points	When the plan will be reassessed

10.4 Supplier Engagement for Mitigation

Meridas Gold Refinery FZC shall work constructively with suppliers to address identified risks:

- Communicate concerns clearly and in writing
- Provide reasonable time for improvement
- Offer support and guidance where appropriate
- Monitor progress against agreed milestones
- Document all engagement activities

10.5 Disengagement Protocol

Where mitigation efforts fail or risks are unacceptable, the Company shall disengage responsibly:

1. Document the decision-making process
2. Notify the supplier in writing with reasons
3. Consider potential adverse impacts of disengagement
4. Report to authorities if required (e.g., suspicion of crime)
5. Maintain records of the relationship and decision

10.6 Continuous Monitoring

Risk management is an ongoing process. The Company shall:

- Monitor all supplier relationships continuously
 - Reassess risks periodically (at least annually)
 - Update risk assessments when circumstances change
 - Track and report on mitigation effectiveness
-

11. STEP 4: INDEPENDENT THIRD-PARTY AUDIT

11.1 Audit Requirement

In accordance with MoET Due Diligence Regulations, Meridas Gold Refinery FZC shall undergo an **annual independent third-party audit** of its supply chain due diligence practices.

11.2 Auditor Selection

The audit shall be conducted by a reviewer from the **list approved by the Ministry of Economy and Tourism**. The selected auditor shall:

- Be independent from the Company
- Have expertise in responsible sourcing and due diligence
- Be familiar with OECD guidance and MoET regulations
- Have no conflicts of interest

11.3 Audit Scope

The audit shall assess:

Area	Assessment Criteria
Management Systems	Policy adoption; governance structure; internal controls; supplier engagement; grievance mechanism
Risk Identification	Supply chain mapping; red flag identification; risk assessment processes
Risk Management	Risk mitigation strategies; supplier engagement; disengagement procedures
Documentation	Record keeping; traceability; chain of custody integrity
Compliance	Alignment with MoET regulations and OECD guidance

11.4 Audit Process

Phase	Activities
Planning	Define scope; gather documentation; schedule
Document Review	Review policies, procedures, and records
Interviews	Discussions with management, compliance, and operations
Testing	Sample testing of supplier files and transactions
Reporting	Draft and finalize audit report
Follow-up	Address findings; implement recommendations

11.5 Audit Findings and Remediation

Upon receipt of the audit report:

1. Compliance Officer reviews findings with senior management
2. Management response and remediation plan developed
3. Board informed of significant findings
4. Remediation actions tracked to completion
5. Improvements incorporated into due diligence program

12. STEP 5: ANNUAL REPORTING

12.1 Reporting to the Ministry of Economy and Tourism

Meridas Gold Refinery FZC shall submit its annual third-party audit report to the Ministry of Economy and Tourism **within 90 days** of the end of the review cycle.

The submission shall include:

- Independent audit report
- Management response to findings
- Evidence of remediation (if applicable)

12.2 Public Reporting

Meridas Gold Refinery FZC is committed to transparency and shall make available upon request:

- This Supply Chain Due Diligence Policy
- Summary of due diligence activities
- High-level risk findings and responses
- Audit findings (as appropriate)

12.3 Reporting to Stakeholders

The Company shall report to relevant stakeholders including:

- Board of Directors (quarterly)
- Customers (upon request)
- Industry bodies (as required)
- Civil society (via public reporting)

13. OECD ANNEX II STANDARDS

13.1 Standards on Serious Abuses

Meridas Gold Refinery FZC will **neither tolerate nor profit from, contribute to, assist with, or facilitate** any party that:

- Commits **torture, cruel, inhuman, or degrading treatment**
- Uses **forced or compulsory labor**
- Engages in the **worst forms of child labor**
- Commits **other gross human rights abuses** including widespread sexual violence
- Commits **war crimes or serious violations of international humanitarian law, crimes against humanity, or genocide**

Response: Immediate suspension or discontinuation of engagement where we identify reasonable risk of connection to such abuses.

13.2 Standards on Non-State Armed Groups

Meridas Gold Refinery FZC will **not tolerate any direct or indirect support** to non-state armed groups through the extraction, transport, trade, handling, or export of gold.

"Direct or indirect support" includes:

- Procuring gold from parties that illegally control mine sites or transportation routes
- Making payments to armed groups or their affiliates
- Providing logistical assistance or equipment

Response: Immediate suspension or discontinuation of engagement with suppliers linked to armed group support.

13.3 Standards on Public/Private Security Forces

Meridas Gold Refinery FZC commits to:

- Eliminate support to security forces that illegally control mine sites or extort payments
- Ensure security forces (where contracted) comply with the Voluntary Principles on Security and Human Rights
- Support transparency in payments to public security forces
- Minimize adverse impacts on vulnerable groups from security force presence

Response: Devise and implement a risk management plan within 6 months; suspend or discontinue after failed mitigation.

13.4 Standards on Bribery, Money Laundering, and Taxes

Meridas Gold Refinery FZC commits to:

- **Bribery:** Not offer, promise, give, or demand any bribes related to gold sourcing
- **Money Laundering:** Support efforts to eliminate money laundering connected to illegal gold activities
- **Taxes:** Ensure all taxes, fees, and royalties related to gold are paid to governments

Response: Engage with suppliers and authorities to improve compliance; suspend or discontinue after failed mitigation.

14. KNOW YOUR CUSTOMER (KYC) AND COUNTERPARTY DUE DILIGENCE

14.1 KYC Requirements

Meridas Gold Refinery FZC shall conduct KYC on all gold suppliers, including:

For Individual Suppliers:

- Full legal name
- Date of birth, nationality
- Government-issued identification
- Residential address
- Source of gold (mine, location, type)
- Business registration (if applicable)

For Corporate Suppliers:

- Legal name and registration number
- Certificate of incorporation
- Trade/mining licenses
- Beneficial ownership information (25%+ threshold)
- Directors and authorized representatives
- Registered address and operational locations
- Source of gold (mines, aggregation points)

14.2 Verification

All KYC information shall be verified through:

- Government databases and registries
- Independent document verification
- Third-party screening services
- Site visits (for high-risk suppliers)
- References from reputable sources

14.3 Ongoing Due Diligence

KYC is not a one-time exercise. The Company shall:

- Update supplier information at least annually
- Monitor for changes in ownership, management, or operations
- Reassess risk when circumstances change
- Re-verify documentation periodically

15. CHAIN OF CUSTODY AND TRACEABILITY

15.1 Chain of Custody Principles

Meridas Gold Refinery FZC maintains a chain of custody system ensuring:

- **Identity preservation:** Ability to distinguish gold from different sources
- **Traceability:** Ability to trace gold from origin to final product
- **Integrity:** Protection against contamination, substitution, or falsification
- **Documentation:** Complete records at each stage
- **Pre-processing evidence:** Photographic and documentary evidence of gold in its **original received form** (e.g., jewellery, scrap, doré), captured at intake and before any melting or processing, so that the declared origin and classification remain independently verifiable

15.2 Chain of Custody Documentation

Stage	Required Documentation
Origin/Mine	Mining license; production records; government export permits
Transport	Shipping documents; transport permits; security records
Aggregation	Consolidation records; source identification
Entry to Refinery	Receipt documentation; weight; supplier identification; photographs of the gold in its original received form, taken prior to melting
Assay	System-generated assay/XRF certificates recording purity level, impurities, and all constituent metals identified ; batch identification. Handwritten assay records are not permitted as the primary record — results shall be captured directly from the testing instrument or transcribed into the document management system on the same day, with the original test output retained
Processing	Processing records; yield tracking
Output	Final product documentation; customer allocation
Delivery	Shipping records; customer receipt

15.3 Batch Tracking and Reconciliation

The Company maintains batch tracking systems to:

- Assign unique identifiers to each gold receipt
- Track gold through all processing stages
- Reconcile input and output weights
- Maintain audit trail for regulatory inspection

16. CONFLICT-AFFECTED AND HIGH-RISK AREAS (CAHRAs)

16.1 Definition

Conflict-Affected and High-Risk Areas are regions characterized by:

- Armed conflict (international or civil war)
- Fragile post-conflict situations
- Weak or absent governance and security
- Widespread human rights abuses and violations of international law
- Systemic corruption and weak rule of law

16.2 CAHRA Identification

Meridas Gold Refinery FZC monitors and identifies CAHRAs using:

- OECD guidance and resources
- UN and international organization reports
- Government travel advisories
- NGO and civil society reports
- Industry intelligence

16.3 Enhanced Procedures for CAHRA Sourcing

For gold sourced from or transiting through CAHRAs:

Procedure	Description
Mandatory EDD	Enhanced due diligence required for all CAHRA supplies
Senior approval	Senior management approval required before acceptance
Origin verification	Detailed verification of mine(s) of origin
Chain of custody audit	Complete documentation review through all stages
Third-party verification	Independent verification of claims where feasible
Ongoing monitoring	Intensive monitoring throughout relationship
Risk management plan	Documented plan for managing identified risks

16.4 Legitimate CAHRA Trade

Meridas Gold Refinery FZC recognizes that responsible sourcing from CAHRAs can support livelihoods and development when conducted properly. The goal is not to create blanket embargoes but to ensure trade does not contribute to conflict or abuse.

17. GRIEVANCE MECHANISM

17.1 Purpose

Meridas Gold Refinery FZC maintains a grievance mechanism to:

- Receive concerns from stakeholders regarding supply chain conduct
- Enable early identification of potential issues
- Demonstrate commitment to accountability
- Comply with OECD guidance on stakeholder engagement

17.2 Accessibility

The grievance mechanism is available to:

- Suppliers and their employees
- Affected communities
- Civil society organizations
- Customers
- Employees
- Any other stakeholder

17.3 Grievance Channels

Channel	Contact
Email	compliance@meridasgold.com (subject: "Supply Chain Grievance")
Phone	+971 50 968 01 65
Mail	Compliance Officer, Meridas Gold Refinery FZC
In Person	Company offices (by appointment)

17.4 Process

1. **Receipt:** Grievance received and logged
2. **Acknowledgment:** Complainant acknowledged within 48 hours
3. **Assessment:** Initial review by Compliance Officer
4. **Investigation:** Investigation if warranted (confidential)
5. **Response:** Findings communicated to complainant
6. **Action:** Remedial action if required
7. **Monitoring:** Follow-up on effectiveness of remedy
8. **Record:** Documentation retained

17.5 Confidentiality and Non-Retaliation

- Grievances are handled confidentially
- Complainant identity protected unless disclosure authorized
- No retaliation against individuals raising good-faith concerns

18. TRAINING AND CAPACITY BUILDING

18.1 Employee Training

All relevant employees shall receive training on:

- This policy and its requirements
- OECD Due Diligence Guidance
- MoET regulations for responsible sourcing
- Red flag identification
- KYC and EDD procedures
- Chain of custody requirements
- Grievance handling

18.2 Training Schedule

Personnel	Initial Training	Refresher
Compliance team	Upon joining	Semi-annual
Supply chain/procurement	Upon joining	Annual
Operations	Upon joining	Annual
Senior management	Upon appointment	Annual

The Compliance Officer shall additionally complete targeted, documented training on the **practical operation of the risk assessment framework and tool** (including the formal risk parameters in Section 9.2), and on assay/XRF and chain-of-custody record-keeping standards (Section 15), within the first 90 days of appointment and annually thereafter, so that oversight of these controls does not depend solely on the tenure of a single individual.

18.3 Supplier Capacity Building

Meridas Gold Refinery FZC shall support supplier capacity where appropriate:

- Share policy requirements and expectations
- Provide guidance on compliance
- Offer training resources
- Support improvement efforts

19. ROLES AND RESPONSIBILITIES

Role	Responsibilities
Board of Directors	Approve policy; ensure resources; oversight
Senior Management/CEO	Implement policy; strategic direction; escalation
Compliance Officer (Shoraf Yasin Thakur)	Manage program; due diligence execution; reporting; regulator liaison
Supply Chain Team	KYC collection; supplier engagement; documentation
Operations Team	Chain of custody controls; physical verification
Finance	Payment controls; transaction monitoring
All Employees	Compliance; report concerns; training completion

20. NON-COMPLIANCE AND PENALTIES

20.1 Internal Non-Compliance

Employees who violate this policy may be subject to:

- Verbal or written warning
- Mandatory retraining
- Suspension
- Termination of employment
- Referral to authorities (if criminal conduct suspected)

20.2 Supplier Non-Compliance

Suppliers who fail to meet requirements may face:

- Enhanced monitoring
- Remediation requirements
- Suspension of relationship
- Termination of relationship
- Reporting to authorities

20.3 Regulatory Penalties

Failure to comply with MoET Due Diligence Regulations can result in:

- Administrative fines (AED 50,000 – AED 5,000,000 per violation)
- License suspension
- Banning from the sector

21. POLICY REVIEW

21.1 Review Frequency

This policy shall be reviewed:

- At least **annually**
- Upon significant regulatory changes
- Following audit findings
- Upon material changes to business operations

21.2 Amendment Process

1. Proposed by Compliance Officer
2. Reviewed by senior management
3. Approved by Board of Directors
4. Communicated to all employees and suppliers
5. Documented in version history

22. CONTACT INFORMATION

22.1 Compliance Officer

Field	Details
Name	Shoraf Yasin Thakur
Title	Compliance Officer
Email	compliance@meridasgold.com
Phone	+971 50 968 01 65
Appointment Date	05 August 2025

22.2 Supply Chain Due Diligence Inquiries

- **Email:** refinery@meridasgold.com
- **Website:** www.meridasgold.com

22.3 Grievance Mechanism

- **Email:** compliance@meridasgold.com (subject: "Supply Chain Grievance")
 - **Phone:** +971 50 968 01 65
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ACKNOWLEDGMENTS

This policy is adapted from and aligned with:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition, 2016)
- OECD Supplement on Gold
- OECD *Due Diligence Essentials for Responsible Minerals* (2026)
- UAE Ministry of Economy and Tourism Due Diligence Regulations for Responsible Sourcing of Gold
- Ministerial Decree No. 68 of 2024
- Emirates Bullion Market Committee (EBC) Rules for Risk-Based Due Diligence in the Gold and Precious Metals Supply Chain
- LBMA Responsible Gold Guidance, Version 9

Meridas Gold Refinery FZC acknowledges the OECD for providing the framework that serves as the foundation for this policy.

DECLARATION

By implementing this policy, Meridas Gold Refinery FZC reaffirms its commitment to responsible gold sourcing, respect for human rights, and ethical business practices. We commit to conducting due diligence on all gold supplies, regardless of origin, and to continuous improvement of our management systems.

All employees, suppliers, and stakeholders are expected to uphold the standards set forth in this policy.

END OF DOCUMENT

This document is the property of Meridas Gold Refinery FZC and contains confidential information. Unauthorized distribution is prohibited.