

	Customer Acceptance & Risk Assessment Procedures		Document No	UYM.PO.04.E
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Client Acceptance and Overview Policy

Customer Acceptance & Risk Assessment Procedures

Version

1.3

Controller

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1. OVERVIEW

The purpose of this document is to provide company employees guidance on policies and procedures for acceptance of customers in accordance with Aleks Responsible Precious Metals Policy

This policy has been created with inputs from the relevant employees of the company. This policy applies to one-time and repeat customers.

It is mandatory for all employees of the company to strictly apply the policy. An employee's non-compliance may lead to penalties as defined by the authorized signatory at his/her discretion.

This policy will be reviewed once every calendar year to ensure that it is relevant to the industry best practices.

Only the Risk Committee has the right and obligation to review and amend any aspect of the policy. Under no circumstances will any other employee of the company amend any aspect of the policy.

The policy will become effective from the date of signature of the approving authority.

Should any employee of the company require assistance in clarification of content and/or implementation of the policy, they should seek advice from the Risk Committee and/or authorized persons qualified to provide such clarification.

The categorization and vetting of new trading/service partners will be done by the Risk Committee while the Board will have final decision to act based the findings of the Risk Committee.

2. SEGMENTING OF TRADING PARTNERS

The companies main purpose is in segmenting all potential trading/service providers so that the proper documentation can be obtained from them. All parties that the company interacts with has to be categorized into one of the below segments:

1. Government Entities
2. Financial Institutions
3. Member of Borsa Istanbul Precious Metals Exchange
4. Corporate – Gold Trading Experienced
 - a. Trading Company
 - b. Mining Company
5. Corporate – No Gold Trading Experience
6. Private Individual
7. Service Providers
8. Miscellaneous

The segmentation will be done by the Risk Committee to ensure correct categorization.

The first process of all activities of client onboarding will be the categorization of trading partners.

3. KNOW YOUR CUSTOMER (KYC) PROCESS

For each trading partner the KYC process must be completed thoroughly.

A Risk Committee member must approve start of account opening process and the categorization of this account to start the documentation and analysis process. (For convenience the approval to start KYC Procedures and the Categorization can be done by email.)

Once the categorization of the trading partner has been established, the account officer will initiate the KYC process by providing the customer with the relevant forms to fill out as detailed below.

The account officer must also inform the potential trading partner of Aleks's adherence to RPM procedures and also present them a copy of Aleks Responsible Precious Metals Policy

a) Government Entities (Category 1)

- Legally Acceptable Specimen Signature and Power Of Attorney

b) Financial Institutions (Category 2)

- Aleks Corporate Account Opening Application Form
- Aleks Financial Institution KYC Questionnaire and Enhanced Due Diligence
- Financial Audit Report
- Legally Acceptable Specimen Signature and Power Of Attorney
- World Check Findings on Company, Signatories and Beneficial Owners

c) Members of Borsa Istanbul Precious Metals Exchange (Category 3)

- Confirmation from Borsa Istanbul web site that the company is active member or other form of certification showing membership.
- Since trading is done via terminals no other documentation is required.

d) Corporate – Experienced in Gold Trading (Trading Company) (Category 2 and 4a)

- Aleks Corporate Account Opening Application Form
- LBMA KYC Questionnaire
- Legally Acceptable Specimen Signature and Power Of Attorney
- World Check Findings on Company, Signatories and Beneficial Owners

e) Corporate – Experienced in Gold Trading (Mining Company) (Category 4b)

- Aleks Corporate Account Opening Application Form
- LBMA KYC Questionnaire
- Legally Acceptable Specimen Signature and Power Of Attorney
- LBMA Artisanal and Small Scale Mines or LBMA Large and Medium Scale Mines questionnaire as the case may require.
- Due Diligence Checklist for Mined Gold
- World Check Findings on Company, Signatories and Beneficial Owners

f) Corporate – No Gold Trading Experience (Category 5)

- Aleks Corporate Account Opening Application Form
- LBMA KYC Questionnaire
- Legally Acceptable Specimen Signature and Power Of Attorney
- World Check Findings on Company, Signatories and Beneficial Owners

g) Private Individuals (Category 6)

- A copy of National ID and/or Passport Copy
- Consumer Account Opening Application Form
- Specimen Signature
- World Check Findings on the Individual

h) Service Providers (Category 7)

- Legally Acceptable Specimen Signature and Power Of Attorney
- Copy of Tax ID / Tax Certificate of Company
- World Check Findings on Company, Signatories and Beneficial Owners (if any)
- Contract detailing service to be provided.

i) Miscellaneous (Category 8)

- This is a general categorization in which accounts that are held in company books that does not fall into any of the above criteria and does not involve trading of any kind are categorized under this category. The documentation required will be evaluated on a case by case basis.

4. KYC ASSESSMENT PROCESS

It is the responsibility of the account officer to assist in the documentation process for our potential trading partners to correctly fill out forms and receive the filled out documentation.

The documents must be checked for completeness and accuracy as follows:

- All the fields are filled out with the relevant information
- Accompanying documents such as trade license, etc are submitted in full and as per the requirements stated in the forms
- Checking the validity of relevant documents that have an expiry date to ensure it is still valid.

All documents shall be physically stored in the head office with scanned copies also filed in cloud based servers for additional security.

Once the documentation process has been satisfactorily completed Account Opening Checklist Form must be completed.

If there are waivers/delays in documentation approvals must be obtained from the Risk Committee Members.

Account Opening Approval Form and its supporting documents are for internal use and should only be shared externally after obtaining permission from the authorized person who is responsible for providing such approval.

Once all is finalized the documentation as well as the checklist will be presented to the Risk Committee for Risk

Assessment and Account Opening.

5. RISK ASSESSMENT

Upon completion of the KYC Assessment Process, the Risk Committee postpones the account opening request and processes it. During this meeting, all new accounts are awarded a Risk Score and noted on the Account Opening Checklist Form.

Risk assessment is carried out in accordance with the following order and principles.

a) Countries included in OECD-FATF High Risk and Monitoring lists:

Those included in the Black List of "High Risk" and in the Gray List of "Countries under Monitoring" published by the FATF;

a.1) Countries in the Black List are strictly rejected.

a.2.) Advanced KYC is applied to the countries under monitoring in the Gray List. In addition, Independent Audit Compliance and Financial Audit Reports are requested

a.3.) The lists of countries under High Risk and Monitoring published by the FATF are updated by the Compliance Officer from the FATF web page.

b) According to the Ministry of Treasury and Finance MASAK National Risk Assessment Report:

b.1.) It is also discussed within the scope of the Strategy Document 2021-2025 (National Strategy Document) on Increasing Effectiveness in Fighting Against Laundering of Crime Revenues and Terrorist Financing and Confiscation Practices in Turkey. Strategic Objective No. 2 in the National Strategy Document is to update the National Risk Assessment through the Threat and Vulnerability Working Groups established in accordance with this document. In order to ensure coordination in this regard, the Presidency of MASAK has been assigned within the scope of the Circular Letter.

b.2.) Following the approval of the National Risk assessment published by MASAK by the Ministry of Treasury and Finance on 22 March 2023, MASAK Risk scoring was taken as a basis for the prevention of Money Laundering and Terrorist Financing.

b.3) Money Laundering Threats Risk Assessment by crime group;

	ML (MONEY LAUNDERING) Threats	Risk Level
1.	Fraud Crimes	Y
2.	Illegal Betting and Gambling	Y
3.	Drug Trafficking	Y
4.	Smuggling	Y
5.	Theft and Looting	Y
6.	Migrant Smuggling and Human Trafficking	O
7.	Usury	O
8.	Tax evasion	O
9.	Corruption	O
10.	Counterfeiting	O

b.4. Risk assessment for Terrorist Financing Threats;

	TF (TERRORIST FINANCING) Threats	Risk Level
1.	1 FETÖ/PDY	Y
2.	2 PKK/KCK/PYD-YPG	Y
3.	3 Terrorist Organizations Abusing Religion	Y
4.	4 Left-Wing Terrorist Organizations	O

b.5. Sectoral Vulnerability Risk Assessment

	Sector Risk Level	Risk Level
1.	Banking sector	Y
2.	Crypto Asset Service Providers Sector	Y
3.	Payment and Electronic Money Institutions	Y
4.	Authorized Institutions (Foreign Exchange Offices) Sector	Y
5.	Jewelry Industry	Y
6.	Real Estate Sector	Y
7.	Motor Vehicles Trading-Brokerage (Auto Gallery) Sector	O
8.	Intermediary Companies Sector	O
9.	Gambling and Betting Games Industry	O
10.	Factoring Companies Sector	O
11.	Accounting and Financial Consultancy Sector	O
12.	Cargo Sector	O
13.	Advocacy Sector	D
14.	Financing Companies Sector	D
15.	Financial Leasing Companies Sector	D
16.	Portfolio Management Companies Sector	D
17.	Investment Trusts Sector	D
18.	Insurance and Reinsurance Companies Sector	D
19.	Precious Metals Intermediary Institutions Sector	D
20.	Notary Sector	D

b.6.) Risk Assessment of those having Public Influence; In the General Communiqué of the Financial Crimes Investigation Board (Serial No: 21) (Communiqué No: 21) published in the Official Gazette dated 17.11.2022 and numbered 32016, preventive measures to be taken by financial institutions, certain non-financial businesses and professions and crypto asset service providers for public influencers in accordance with international standards (FATF recommendation 12) have been determined. This Guideline has been prepared in order to guide the practitioners by using international standards and practices in terms of the implementation of the measures stipulated by the said Communiqué.

Risk Assessment of Public Influencers

Position in the Company:	
	Access, authority and control over the Company's funds, operations and policies
	Informal/formal ability to control mechanisms against TF/ML
	Influence/control over government or corporate accounts
	Having authority or ownership over DNFBP for financial institutions
Processes:	
	Account shows ongoing activity in a short period of time after a long period of time
	Private banking requests
	Bank transfers without economic description or beneficiary information
	Anonymous payments or transactions from an unknown third party
	Funds are continuously moved from one account to another or between financial institutions without a commercial justification.
	Fixed cash flows, large global fund transfers or bank transfers
	Having and using more than one bank account for no apparent reason
Industry:	Industries are considered high-risk depending on location, and risks vary from country to country.
	Banking and finance
	Military and defence
	Businesses working with government or government agencies
	Construction; Mining and extraction
	Procurement of public goods
Local Instruments:	The FATF describes how some countries are considered high risk based on geographical risk factors.
	Domestic or foreign high-risk country.
	It is a country with a high risk of corruption.
	Single-economy countries.
	A country that has not signed the OECD Anti-Bribery Convention and a relevant anti-corruption convention such as UNCAC.

c) Risk Category Table :

c.1) As a result of the evaluations made according to Article 5.b, after determining which category the legal entities will be included in, the Due Diligence Level to be applied is determined according to the table below, and the Risk Category level is written against the Compliance Account Opening Number given by the Compliance Department.

c.2) Account numbers with High and Low Risk Category levels are constantly monitored on the ongoing screen in the World Check program.

c.3) When any warning is received by the Compliance Department regarding the account numbers tracked on the Ongoing Screen, all transactions are immediately stopped, and the decision of the Risk Committee is recorded in the Risk Decision Book.

c.4) If the warning subject to the Account Suspension is included in the definition of MASAK Suspicious Transactions of the Ministry of Treasury and Finance, the Compliance Department shall notify the Suspicious Transaction to the Ministry of Treasury and Finance.

Categories of Risk	Definition	PEP	Due Diligence level to be applied
Low Risk D Low risk (Low profile customer)	* Gold, originating from clean and safe areas and its shipping routes are safe * Robust customers with documents and records Risk-Free-Safe zones/countries	* Transnational or international business officials, senior officials * Mayors and local, state and urban councillors.	Basic Due Diligence.
Medium Risk O Medium Risk (Medium profile customer)	* Gold from conflict-affected and high-risk areas whose shipping routes pass through risky areas * High amount of undocumented, unregistered commercial transactions * <i>Customers with reasonable and bona fide efforts</i> * <i>Low risk-Somewhat safe zones/countries</i>	* Commissars * Consuls * Ambassadors	Enhanced due diligence
High Risk Y High risk (High profile customer)	* Gold from conflict-affected and high-risk areas whose shipping routes pass through risky areas * High amount of undocumented, unregistered commercial transactions * <i>Customers, whose efforts are questionable in terms of being reasonable and bona fide</i> * <i>High Risk-Unsafe areas/countries</i>	* Presidents and members of government * Members of Parliament * Chief officials of the judiciary, banks, law enforcement agencies, military and religious organizations * Leading political party members.	Enhanced due diligence

The Risk Committee shall classify the Risk Level of commercial customers and amend it as it deems appropriate.

The risk assessment of the customers who continue to work should be carried out at least once a year.

The risk assessment and internal customer consent form are private and confidential. Under no circumstances shall it be taken out of the company in whole or in part.

It is the responsibility of the customer representative to keep customer files appropriately and to act in accordance with the guidelines set out in this policy.

6. FINALIZATION AND ACCOUNT OPENING

The Risk Committees decision will be noted on the Account Opening Approval Form as well as with the minutes of the meeting.

The Board has the final decision in the account opening process and can act freely while taking into consideration of the suggestion of the Risk Committee.

Documentation tracking and the responsibility of adhering to the documentations standards will be undertaken by the account officer of the trading partner.

7. WHISTLE BLOWING

Should any an employee notice non-compliance with the policies as described, they should report the matter in this order of escalation, moving up in level if no action is taken:

- Aleks Risk Committee members
- Aleks Boar Members
- Aleks Beneficial Owners

The identity of the whistle blower will always be kept confidential.

The whistle blower is not permitted to discuss the matter with any other persons including the non-compliant employee.

Failure to adhere to this point may lead to disciplinary penalties at the discretion of the person and result in dismissal and/or criminal prosecution.

Sarp TARHANACI

CHAIRMAN OF THE BOARD OF DIRECTORS