



GILT TRADING L.L.C

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SUPPLY CHAIN MANAGEMENT POLICY





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1. PURPOSE

This policy outlines the company's commitment to maintaining a secure, transparent, and ethical supply chain in line with Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and sanctions regulations. As a participant in the precious metals industry—specifically the sourcing, refining, and trading of gold—we recognize our responsibility to mitigate risks related to money laundering, terrorist financing, sanctions evasion, and other illicit activities.

This policy applies to all suppliers, refiners, smelters, traders, service providers, agents, and any other third parties engaged in the procurement, transportation, processing, or sale of gold and related products. It is a core component of our broader AML/CFT Compliance Framework and must be adhered to as a condition of doing business with.

2. SCOPE

This policy applies to:

- All third-party suppliers, including manufacturers, transporters, wholesalers, and logistics providers.
- All employees, managers, and directors involved in procurement and supply chain functions.
- All jurisdictions and sectors where our business operates.

3. REGULATORY COMPLIANCE FRAMEWORK

Our supply chain AML/CFT compliance framework adheres to:

- UAE Federal Decree Law No. (20) of 2018
- Executive Regulations and Circulars from the UAE Ministry of Economy
- OECD Due Diligence Guidelines for Responsible Business Conduct
- International Sanctions Regimes (UN, US, EU, UK)



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4. GOVERNANCE AND OVERSIGHT

- A Supply Chain Compliance Officer (SCCO) shall be appointed, reporting directly to the CEO and having access to the Board.
- The SCCO is responsible for overseeing due diligence, monitoring supply chain risks, and coordinating with internal AML compliance functions.
- A Supply Chain Due Diligence Committee may be formed to review high-risk relationships and approve engagement with high-risk suppliers.

5. DUE DILIGENCE AND RISK ASSESSMENT

5.1. Know Your Supplier (KYS)

All suppliers must undergo mandatory onboarding due diligence including:

- Business registration and license verification
- Ultimate Beneficial Ownership (UBO) identification
- Background checks against sanctions lists and adverse media
- Assessment of geographic and sector-specific AML risks

5.2. Enhanced Due Diligence (EDD)

EDD will be conducted for:

- Suppliers from high-risk jurisdictions
- Entities with complex ownership structures or shell company indicators
- Suppliers associated with high-risk industries (e.g., gold, electronics, precious stones)



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EDD Measures include:

- Site visits and physical inspections
- Screening of key personnel and connected parties
- Analysis of sample transactions and trade documentation

5.3. Ongoing Monitoring

- Continuous monitoring of suppliers through sanctions databases, media monitoring, and internal risk assessments.
- Transaction-level reviews for suspicious activity (e.g., layering, over/under-invoicing, unexplained credits).

6. SANCTIONS AND PROHIBITED TRANSACTIONS

We will not engage with suppliers or third parties:

- Listed on UN, UAE, OFAC, EU, or UK sanctions lists
- Operating in embargoed regions or linked to sanctioned entities
- Engaged in trade-based money laundering, smuggling, or illicit finance

7. RESPONSIBLE SOURCING FOR GOLD INDUSTRY

Given the elevated risk profile of the gold and precious metals sector, the company adopts company due diligence (EDD) and compliance measures to mitigate the specific risks associated with gold, jewelry, and other high-value goods. These additional requirements apply to all transactions and counterparties operating in these sectors. Conformance with the UAE Ministry of Economy's Due Diligence Regulations for Responsible Sourcing of Gold.

- Annual independent audits of supply chain practices
- Transparent, documented chain-of-custody for all sourced materials



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8. TRAINING AND AWARENESS

All employees, agents, and relevant third parties involved in the sourcing, handling, trading, or financing of gold must undergo targeted AML/CFT training specific to the gold industry. Specialized training to ensure that they can effectively identify and mitigate supply chain-related financial crime risks.

The following training requirements apply:

- **Annual AML and Supply Chain Compliance Training:** All relevant staff must complete annual training specifically tailored to the gold sector. This training will address the industry's vulnerabilities to money laundering, terrorist financing, sanctions evasion, and illicit trade practices.
- **Role-Specific Risk Education:** Employees will receive training relevant to their specific job functions, with a focus on detecting and responding to supply chain AML/CFT risks in gold transactions. This includes recognizing red flags related to sourcing, payment structures, third-party involvement, and documentation irregularities.
- **Suspicious Activity Escalation and Reporting:** All personnel must be trained on how to escalate concerns internally, report suspicious activity, and follow procedures consistent with national AML laws and international standards such as the Financial Action Task Force (FATF) Recommendations and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals.

The Supply Chain Compliance Officer (SCCO) is responsible for ensuring training programs are up to date, sector-specific, and documented as part of the company's overall AML/CFT compliance framework.



9. RECORDKEEPING AND REPORTING

To support regulatory compliance and ensure full traceability of gold transactions, company maintains robust record-keeping and reporting practices aligned the regulations specific for the gold industry.

Maintain records of all suppliers due diligence, transactions, and audit reports.

- All records must be retained for a minimum of five (5) years from the date of the transaction, audit, or end of the supplier relationship—whichever is latest—or longer where required by jurisdiction-specific AML/CFT laws or regulatory guidance.
- Ensure that all records related to supplier due diligence, supply chain transactions, and compliance audits are readily accessible and promptly available to regulatory, supervisory, or enforcement authorities upon request.
- Submit annual supply chain compliance and audit reports to the Ministry of Economy, as applicable.

10. AUDIT AND REVIEW

- Internal or independent audits will be conducted at least once annually
- Audit scope includes review of policy implementation, supplier files, transaction trails, and control mechanisms
- The policy will be reviewed and updated annually or upon major regulatory change

11. VIOLATIONS AND DISCIPLINARY MEASURES

Compliance with this Supply Chain Management Policy is mandatory for all employees, suppliers, vendors, and third parties engaged in business with the company. Any violation whether through action, omission, or negligence will be treated as a serious compliance breach.

Violations of this policy, including failure to disclose high-risk supplier relationships or negligence in due diligence, may result in:

- Termination of business relationships
- Disciplinary action for employees involved
- Reporting to relevant regulatory authorities