

# Anti-Money Laundering and Financing of Terrorism Policy

## 1. PURPOSE:

The purpose of this policy is to ensure that COOKSON CLAL demonstrates its commitments to internationally accepted standards to prevent and combat money laundering and the financing of terrorism in the precious metals sector.

## 2. POLICY:

We will not tolerate Money Laundering and/or financing of terrorism in any form.

We acknowledge that in each of the countries where we operate, Anti Money Laundering provisions are regulated by specific legislation and we commit to be compliant with each of those. This policy confirms the minimum requirements we adhere to:

- Appoint an AML Compliance Officer who will ensure that the AML/CFT programme is implemented, adapted where need be and communicated to all relevant employees;
- Duly identify, control and record the identity of our customers and suppliers through a Know-your-client/Know-Your-Supplier (KYC/KYS) procedure in line with the relevant section of local legislation;
- Review the customer/supplier database on a yearly basis and identify gaps with existing KYC/KYS files;
- Maintain KYC/KYS documentation for the minimum prescribed period of 5 years after the termination of a client-relationship;
- Accept new customers and suppliers only after relevant background, origin and reputation-checks and monitor them for any 'Red Flags' for any such period as deemed necessary to eliminate any AML or CFT risk associated to them.
- To the best of our ability, we strive to understand the business relationships with individuals and organizations we operate with, and to promptly identify and respond to any transaction patterns that appear unusual or suspicious.
- Maintain duly certified and/or audited documentation on any financial transaction, compiled by properly qualified and independent accountants and/or auditors.
- All financial transactions are highly regulated and conducted through nominated banks with authorized known business partners. We do not transfer money to different accounts without prior confirmation by authorized parties.
- Respect any national limit for cash-transactions and conduct any transaction above this threshold through reputable financial institutions that identify the various jurisdictions encountered with each transaction and ensure the associated regulatory compliance.

- Maintain and update a list of 'Red Flags' which can be used by relevant personnel to spot transactions which might facilitate money laundering and/or the terrorist financing.
- Report any suspicious transactions to the competent authorities and await their instructions before taking any further action.

### **3. SYSTEMS AND PROCEDURES**

- Strict monitoring and annual reporting of KYC files.
- All relevant personnel will be trained and/or updated on AML/CFT issues and procedures.

### **4. RESPONSIBILITY FOR THE POLICY:**

This policy is endorsed by the Director, who also has final responsibility for the AML/CFT process. Appropriate training on this policy and associated procedures will be foreseen for each member of staff, either at induction or at regular intervals. Employees are obliged to report any breach of policy or 'Red Flags' via the Grievance and Complaints procedures and/or directly to the Director. Cooperation of employees on all AML/CFT matters is compulsory, and no employee will suffer demotion, penalty or other adverse consequences for reporting a concern related to AML/CFT, as per the company's non-retaliation policy.

### **5. REPORTING REQUIREMENTS:**

Breaches of this policy will be reported to the Director and will be part of the yearly reporting on Anti-Money Laundering Issues.

Lyon, effective from the 10<sup>TH</sup> of January 2025



Mr. Philippe Souquet, Director

## AML-CFT 'Red Flag' Categories

The following are examples of potentially suspicious activities, or 'Red Flags' for Money-laundering, terrorist financing and bribery. Although these lists are not all-inclusive, they may help RJC Members to recognize possible Money-laundering, terrorist financing schemes. Management's primary focus should be on reporting suspicious activities, rather than on determining whether the transactions are in fact linked to money laundering, terrorist financing or bribery.

### **A. Customers who provide insufficient or suspicious information:**

1. A customer uses unusual or suspicious identification documents that cannot be readily verified.
2. A customer is unwilling to provide accurate or complete contact information, financial references or business affiliations.
3. A customer wants to maintain secrecy with respect to business transactions and requests that normal business records and/or policies be not applicable to them.
4. The customer refuses to give information on the source of funds/payment or supplies information on the source of funds/payment that is false, misleading or substantially incorrect.
5. The customer appears to be acting for a principal and is unwilling to provide or evasive in providing information on this person/entity.
6. The customer is not knowledgeable about usual business patterns in the business or has difficulty in describing the nature of his business.

### **B. Customers who make efforts to avoid cash ceilings, record keeping or report requirements:**

1. The customer wants to settle a transaction with cash or cash equivalents in such a way as to avoid the legal cash-ceiling reporting requirements, especially if the cash is in an amount just below reporting/recording thresholds or if customer insists on settling above cash-ceiling payments with a series of cash transactions lower than the legal ceiling.
2. The customer insists on dealing only in cash, offers discounts if deviations from cash-policy are allowed or attempts to make frequent or large deposits of cash.
3. The customer is reluctant to provide information needed to file a mandatory report or to proceed with a transaction after being informed that the report must be filed.
4. The customer is very interested in the company's compliance programmes particularly in relationship with AML/CFT policies requiring recording of identity, type of business, eventual assets etc.
5. A customer requests that transactions are processed in such a way as to avoid the company's normal documentation process (identity recording, order signing, invoicing, bank transfer etc).
6. A customer insists to have payments made through a third party/different company, account or address/country than his stated company/account/address.

## **C. Customers deploying activities inconsistent with stated business:**

1. Customer purchases/sales are inconsistent with standard industry practice.
2. The customer shows unusual or deviating buying/selling behaviour when compared to historic buying/sales pattern or a comparable customer.
3. The customer wants to engage in transactions that lack business sense or business strategy or are not consistent with the customer's stated business.
4. The customer is not concerned by eventual and generally known risks associated to specific transactions, or by extra costs for specific transactions.

## **D. Customers with questionable reputation and/or background:**

1. Customer has a questionable background or bad reputation in the business environment or is the subject of negative reports in the media.
2. The sales agent has a reputation for bypassing normal business channels, particularly in activities involving the government.
3. Customer is from or has strong ties with a country identified as having strategic deficiencies in complying with AML/CFT standards according to FATF.
4. Customer is from or has strong ties with a country identified as below standard on the Transparency International Corruption Perceptions Index.

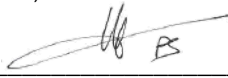
## Anti-Money-Laundering and Financing of Terrorism Risk Assessment for 2024:

In line with the company's AML/CFT Policy and Procedures, COOKSON CLAL has reviewed and assessed its risks on Anti Money-Laundering and Financing of Terrorism during the period under review.

The following findings apply:

- We have made our policy on Anti Money-Laundering and Financing of Terrorism clear to all our employees and agents and instilled the need for continuous vigilance and immediate reporting on the subject.
- We have provided training and made available to all our employees and agents the so called 'Red Flags' regarding Money-Laundering and Financing of Terrorism.
- We have not been appraised by any internal or external party, nor do we have personal knowledge of any attempt at Money-Laundering and/or Financing of Terrorism by customers and/or suppliers during the period under review.
- We have conducted a risk-assessment of all our customers and relevant suppliers and have not found any evidence, been made aware or have personal knowledge of any irregularities in terms of conduct or reputation on any of them which might lead to a heightened risk-perception in terms of Money-Laundering and Financing of Terrorism.

Lyon, effective from the 10<sup>TH</sup> of January 2025



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Mr. Philippe Souquet, Director