

Group Compliance Policy

- 1 Without exception the policy of the Group and all its employees is to comply fully with the letter and spirit of all South African and international legislation governing the industry and business environment we operate within (In line with the Responsible Jewellery Council's Standards and requirements), including the following acts and subsequent amendments:
 - 1.1 Second-Hand Goods Act (Act No. 6 of 2009)
 - 1.2 Precious Metals Act (Act No. 37 of 2005)
 - 1.3 Value Added Tax Act (Act No. 89 of 1991)
 - 1.4 Companies Act (Act No. 71 of 2008)
 - 1.5 Income Tax Act (Act No. 58 of 1962)
 - 1.6 Labour Relations Act (Act No. 66 of 1995)
 - 1.7 Occupational Health and Safety Amendment Act (Act No. 181 of 1993)
 - 1.8 OHS Act and regulations (Act No. 85 of 1993: latest revised edition)
 - 1.9 The Financial Intelligence Centre Amendment Act (FICA ACT): 2001
 - 1.10 Protection of Personal Information Act (Act 4 of 2013)
- 2 It is the policy of the Group that all business dealings are conducted with a high standard of ethics
 - 2.1 To this end, the Group will **NOT** be involved in any transaction, where, despite apparent compliance with prevailing legislation, there is suspicion that such transaction contravenes the spirit of intent of any legislation.
 - 2.2 The Group will commit themselves to uphold high standards of environmental sustainability and protection of our natural resources
- 3 With regard to the purchase of materials, the following rules apply:
 - 3.1 The Group will purchase materials only:
 - 3.1.1 From legitimate license holders, where due diligence and compliance has been done, and
 - 3.1.2 Where the Group procedure has been followed as outlined in the ISO processes and procedures and you confirm that you are familiar with these processes and procedures regarding verification of a legitimate license. If you are uncertain of any of the processes and procedures please contact the Group Risk and Compliance Officer, for clarification.
 - 3.1.3 The Group will commit itself to eliminate wherever possible direct or indirect support to public or private security forces that illegally control mining sites or any other points in the supply chain
 - 3.2 All purchases of material will follow the procedures as laid out in the Group ISO manual, including the record keeping of all transactions.
 - 3.3 The Group will **NOT** purchase material of any nature where there is any suspicion that such material may be stolen or from illegitimate sources of any kind. This will be reported to the SA Police Services
- 4 In order to strengthen Compliance policies, the following policies are being implemented with immediate effect:
 - 4.1 A due diligence process of all material suppliers will be undertaken. This will include:
 - 4.1.1 Copies of Company Registration Documentation

- 4.1.2 Three valid trade references
- 4.1.3 Certified Copies of all required Licenses verified with authorities in writing on a yearly basis
- 4.1.4 Quarterly and half yearly visit by Chief Executive Officer to Suppliers business premises. The observation of such visits must be properly documented to verify that the Supplier runs a legitimate business. Form SHEQF-357 must be completed and filed in the office of the Chief Executive Officer
- 4.1.5 Tax Clearance certificate on an annual basis
- 4.1.6 Documentation regarding company shareholding, directors/members, senior management, key contacts
- 4.1.7 Detailed understanding of Supplier sources of materials
- 4.1.8 Risk profiling of each Supplier with recommendation to continue/discontinue dealings
- 4.1.9 We shall respect Human Rights and observe the UN Guiding Principles on Business and Human Rights in ways appropriate to our size and circumstances, including as a minimum:
 - All Human Rights will be respected. The Group will not tolerate nor profit, assist, facilitate or contribute to any sort of torture, forced labour, human rights abuse, war crimes, or any form of criminal activity and will not tolerate any forms of child labour.
 - A Human Rights due diligence process that seeks to identify, prevent, mitigate and account for how we address the impacts on Human Rights
 - Where it is identified that we have caused or contributed to adverse Human Rights impacts, we shall provide for or cooperate in legitimate processes to enable the remediation of those impacts.
- 4.1.10 Should the Chief Executive Officer not be able to attend to it, a properly vetted and delegated person will undertake due diligence and compliance visits
- 4.2 Verification processes for every consignment purchased by the Group:
 - 4.2.1 Declaration form on each consignment purchased, signed by the Supplier, specifying where goods were acquired or produced
 - 4.2.2 Internal assay process to determine gold signature and alloying measured against known signature
 - 4.2.3 Work with the South African authorities in reporting any suspicious product
- 4.3 The Group will deal only with material suppliers where the above detailed due diligence has been conducted, and such due diligence satisfies the directors of the company that sources of material of such suppliers is verifiable and legitimate, and such supplier is not dealing in stolen material.
- 4.4 No bribes will be tolerated and/or accepted. This is a dismissible offence. Any gifts, (excluding calendars and such), must be declared to management and noted in a file kept in the office of the Chief Executive Officer or General Manager. Employees will be protected if they inform Executive Management of any bribes requested or offered. No risk/s to employees will be tolerated. Any bribes requested, will be treated as required by South African Law and immediately reported to the Chief Executive Officer and the SA Police Service.
- 4.5 The Group will only trade by way of Electronic Funds Transfer (EFT) and will not make any payments in cash. The Group will adhere to its Anti-Money Laundering policy. Any suspicious transactions will be reported to the Chief Executive Officer and reported

immediately to the South African Police Services. The Group subscribes to the FICA Act, which ensures that criminals cannot use SA's financial system to commit crime or hide its proceeds. South Africa is a member of the Financial Action Task Force (FATF). FATF is an international body of countries tasked with setting best practices to combat money laundering and terrorism financing. South Africa is also a signatory to and ratified by the United Nations (UN) Convention Against Corruption in 2004.

- 4.6 A Confidential Compliance and Bribes hotline has been established. Any staff member, who has concerns or information regarding non-compliance, is to email compliance@sapreciousmetals.com. This email address is routed directly to the Group Chairman, and details of the person sharing information will be maintained as strictly confidential, including non-disclosure of such information to the directors of the company without the consent of the person sharing such information.
 - 4.7 Compliance will also be measured by using the standards of the Responsible Jewellery Council (RJC), as indicated in their workbooks and guidelines
- 5 The Group views compliance and due diligence in the most serious light. It is a basic requirement that every staff member act in a manner that is fully compliant with all legislation, as well as with the above policies and any other that may be communicated from time to time.

We operate in a highly regulated environment, and we ask every staff member to support us fully to ensure that the Group is fully compliant with applicable legislation, and operates according to the highest ethical standards, and applies fully to the Compliance standards as outlined above.