

SOP- KNOW YOUR COUNTERPARTY AND DUE DILIGENCE

1. SCOPE:

This Policy covers the Know your counterparties (“KYC”) and compliance with the same.

2. POLICY STATEMENT:

- The policies relating to this section are a part of the Business Principles adopted by Augmont Enterprises Private Limited (hereinafter referred to as “AEPL”) while conducting KYC and Due Diligence on its counterparties.
- AEPL recognizes the fact that entities in the precious metals industry have to take on the onus of analyzing their potential vulnerabilities to unethical practices and implement specific steps that are required for protection against abuse by criminals.

3. PROCESS:

The following first-level KYC process (inclusive but not limited to) will be adopted to determine the antecedents of all the related stakeholders of AEPL to ensure no transactions are conducted with third parties that are exposed to any unethical practices .

A. For Seller/Shipper/Miner (Gold Dore Bars):

- Company establishment certificates/documents/certificate of incorporation
- KYC of Directors/Owners
- Bankers Report
- Gold Dore Export License
- Shareholding/Partnership/ownership pattern.
- Income returns filed with local authority.
- Mining Certificate of Miner issued by the concerned regulatory authority.
- Self-Declaration/Affidavit of following ethical practices while extraction / trade of Gold.

B. For Seller (Fine Gold/Silver) :

- Company Certificate of Incorporation/Partnership Deed,
- Entity’s PAN and TAN
- KYC of Directors/Partners/Owners
- Company/individual Income Tax Returns
- GST Registration Certificate
- List of Shareholders

C. For Customers:

Common documents for all:

- GST Certificate
- Cancelled cheque/Bank Statement
- TAN Certificate
- Client Registration Form
- TDS-TCS Declaration
- Delivery Authority Letter with photo ID proof of the Authorized Person.

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Additional Documents for Proprietor's Firm:

- Proprietor's PAN Card
- Proprietor's Aadhar Card
- Photograph.

Additional Documents for Partnership firm/Company:

- Firm's Registration Certificate
- PAN Card of all Partner's / Director's
- Aadhar Card of all Partner's /Director's
- Firm's/Company's Pan Card
- Photograph of all Partners/Directors
- Partnership Deed/ MOA and AOA

D. In addition to the above documentation, AEPL also checks the details/information of the above-mentioned stakeholders and their respective country on the below mentioned portals at regular intervals:

- LexisNexis: <https://www.lexisnexis.com/en-us/gateway.page>
- AML and CFT Compliance : Country Anti Money Laundering Reports | Know Your Country Home page.
- Human Rights Compliance: Human Freedom Index | Search | Cato Institute.
- CAHRA : Browse Map | Rulac

E. In case of any discrepancies in the first level KYC documents is identified at the time of on-boarding or thereafter, AEPL shall inform the same and its consequences to the respective stakeholder for further information/clarification as per the Risk Mitigation Plan of the Company.

F. AEPL shall, wherever required, conduct enhanced due diligence on its Gold Dore Bar Suppliers/Shippers/Miners (collectively referred to as "Suppliers"). AEPL shall follow the below process.

ENHANCED DUE DILIGENCE PROCESS:

a) Due Diligence Process ("DD") shall be conducted by the sourcing team of AEPL. The main objective of conducting DD is to independently verify including but not limited to the below mentioned factors of Suppliers:

- * Business policies/operations
- * Beneficial Owners
- * Corporate Structure
- * Key Management
- * Government / Political / Military / other affiliations
- * Banking Relationships
- * Association with any illegal / unethical body
- * Suspicious Transactions

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AEPL ensures that all funds shall be transferred through banking channels only and no cash transaction would be allowed. This provides traceability of the transaction. This ensures that in no circumstances AEPL accept any forms of payment that are known or suspected to be means of laundering money or financing of armed.

4. Review By Management:

The compliance officer/Management would ensure that:

- Periodic reviews are done of the process followed for KYC and Enhanced Due Diligence and the necessary action plans for findings, if any, are addressed.

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