



RESPONSIBILITY AND GOVERNANCE POLICY

04 May 2024

Version 1.1

1. POLICY OBJECTIVE

This policy codifies Rich Precious Metals Limited's formal commitment to conducting business with uncompromising integrity, regulatory compliance, and global ethical standards. As a licensed Dealer in Precious Metals and Stones in Hong Kong (Registration No.: A-B-23-05-00159), RPM recognizes its duty to ensure responsible sourcing, prevent financial crime, and maintain transparency in all operational aspects. The principles outlined herein serve as the foundation for RPM's corporate governance and due diligence system.

2. REGULATORY AND STANDARDS FRAMEWORK

This policy reflects RPM's adherence to internationally recognized standards and legislative frameworks, including:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- LBMA Responsible Gold Guidance (current version)
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615, Laws of Hong Kong), including the 2022 Amendment Ordinance No. 15
- Hong Kong Customs & Excise guidelines for Registered Dealers in Precious Metals and Stones

3. COMPLIANCE STRUCTURE AND OVERSIGHT

RPM maintains a dedicated Compliance Function responsible for administering our due diligence framework and monitoring adherence to global AML/CFT and ethical sourcing requirements. Oversight responsibilities include:

- KYC/AML policy enforcement
- Supplier vetting and risk classification
- Internal training on evolving compliance obligations
- Engagement with regulatory and auditing bodies as necessary

Our compliance systems undergo an annual review and realignment process to account for regulatory updates and emerging risk factors.

4. KNOW YOUR COUNTERPARTY (KYC) AND RISK PROFILING

All counterparties—buyers, sellers, brokers, and intermediaries—must complete RPM's onboarding process prior to the execution of any transactions. This includes:

- Full corporate identification, including incorporation documents and shareholder registers
- Verification of Ultimate Beneficial Ownership (UBO)
- Identity verification for directors and authorized persons

- Disclosure of source of wealth and expected transactional behaviour
- Declaration of regulatory licenses (if applicable)

All documents are screened against global sanctions and enforcement watchlists. Each counterparty is assigned a risk rating and subject to periodic review.

5. RECORDKEEPING AND DOCUMENT RETENTION

RPM maintains a rigorous document retention system in line with Cap. 615 and international best practice. We retain:

- Corporate and identity documents
- UBO declarations
- AML/CFT and anti-bribery policies (where provided)
- Trade contracts, confirmations, and payment records

All documentation is securely stored and retained for a minimum of seven (7) years.

6. SUPPLY CHAIN RISK MANAGEMENT

RPM employs a layered due diligence approach consistent with the OECD's Five-Step Framework, which includes:

1. Establishing robust management systems
2. Identifying and assessing supply chain risks
3. Implementing risk management strategies
4. Facilitating independent audits (where applicable)
5. Reporting on due diligence activities

Special attention is given to counterparties sourcing from Conflict-Affected and High-Risk Areas (CAHRAs), where enhanced due diligence and chain of custody documentation are mandatory.

7. ETHICAL SOURCING AND PROHIBITED PRACTICES

We do not engage in or tolerate:

- Transactions involving materials from embargoed jurisdictions or sanctioned persons
- Dealings that involve forced, child, or underpaid labor
- Misrepresentation of product origin or tampering with chain of custody

We work exclusively with parties that respect human rights, operate lawfully, and share RPM's values of ethical commerce.

8. ANTI-CORRUPTION AND FINANCIAL CRIME PREVENTION

Bribery, kickbacks, or facilitation payments are strictly prohibited. We conduct background screening on counterparties and require declarations of any previous violations related to:

- Money laundering
- Fraud or financial misconduct
- Bribery and corruption

Our compliance team is trained to identify red flags and escalate concerns to the appropriate authorities or regulators.

9. TRANSACTION MONITORING AND SUSPICIOUS ACTIVITY REPORTING

All transactions are subject to real-time monitoring against expected behavior patterns. This includes analysis of volume, geography, counterparties, and trade frequency. Unusual or anomalous transactions are flagged and investigated.

RPM complies fully with Suspicious Transaction Reporting (STR) obligations and will file reports with the Joint Financial Intelligence Unit (JFIU) when necessary.

10. GRIEVANCE REPORTING AND WHISTLEBLOWER PROTECTION

RPM maintains an anonymous channel for grievances and whistleblowing, accessible at compliance@rpm.hk. All reports are logged and investigated in accordance with our internal governance framework. Whistleblowers are protected from retaliation and confidentiality is strictly maintained.

11. ENFORCEMENT AND REMEDIATION

Violations of this policy may result in:

- Termination of commercial relationships
- Internal sanctions or disciplinary measures
- Legal reporting and engagement with enforcement bodies

We reserve the right to suspend or reject relationships with any party that poses compliance or ethical risks.

12. REVIEW AND UPDATE CYCLE

This policy is reviewed annually or following any significant regulatory or operational developments. Stakeholders may request the latest version at any time, and internal updates are communicated through official company channels.