

**AHLATÇI METAL RAFİNERİSİ A.Ş.**

**COMPREHENSIVE MANAGEMENT REPORT  
ON THE REFINER'S COMPLIANCE REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

**To the Management of  
Ahlatçı Metal Rafinerisi A.Ş.**

**Comprehensive Management Report to Ahlatçı Metal Rafineri A.Ş.**

**Introduction**

We were engaged by Ahlatçı Metal Rafineri A.Ş. (the Refinery, Ahlatçı Metal Refinery or the Company) to prepare a comprehensive management report on Ahlatçı Metal Refinery's Compliance Report dated August 19, 2019.

Ahlatçı Metal Rafineri Anonim Şirketi ("the Company" or "Ahlatçı Metal Rafineri") was initially established in 1984. The registered address of the company is at Pınarçay Organize Sanayi Bölgesi ("OSB") 1. Cad. No: 60 Çorum/Turkey.

Ahlatçı Metal Refinery, established over an outdoor area of 202.000 m2 with an indoor space of 15.000 m2, has a capacity of refining 312 tons of gold on an annual basis. In a facility wherein "Aqua Regia" method is employed for refining process; pure silver is obtained through electrolyte technique in an annual quantity of 468 tons in addition to production of gold.

Shareholding structure of Ahlatçı Metal Refinery is as follows:

**Ahlatçı Metal Rafineri A.Ş.**

	30 June 2019		31.Dec.18	
	Amount of Share	%	Amount of Share	%
AHLATCI HOLDING A.S.	75.000.000	100	75.000.000	100
<b>Capital</b>	<b>75.000.000</b>	<b>100</b>	<b>75.000.000</b>	<b>100</b>

**Ahlatçı Holding A.Ş.**

	30 June 2019		31.Dec.18	
	Amount of Share	%	Amount of Share	%
Ahmet AHLATCI	197.500.000	79	197.500.000	79
Ahmet Emin AHLATCI	37.500.000	15	37.500.000	15
Other two real shareholders	15.000.000	6	15.000.000	6
<b>Capital</b>	<b>250.000.000</b>	<b>100</b>	<b>250.000.000</b>	<b>100</b>

## Scope

The objective of this engagement is to set out in detail the conclusions of the Review Process in respect of the Accredited Member's compliance with the DMCC Rules for RBD-GPM in accordance with Annex 5 – Minimum Reporting Requirements. These requirements including;

- (a) the Company's final overall rating on its level of compliance;
- (b) a summary of the individual ratings of the Ahlatcı Metal Refinery in respect of each of Rules 1 to 5 of the DMCC Rules for RBD-GPM;
- (c) details of relevant findings of the Review, including substantiations of any ratings;
- (d) confirmation of any areas excluded from scope of the Review;
- (e) an assessment of the Refinery's supply chain due diligence methods and processes as measured against other internationally recognized benchmarks (e.g. OECD Guidance); and
- (f) a corrective action plan, if required

We planned and performed our work to obtain the review of Ahlatcı Metal's compliance report, supply chain policy and due diligence procedures, information and explanations considered necessary in relation to the above scope. These procedures include:

### **Rules 1 to 5 of the DMCC Rules for RBD-GPM;**

#### **Rule 1.1. Overriding Principle**

Ahlatcı Metal Refinery has implemented and maintained necessary systems and procedures. The documents such as; Compliance Directive, Responsible Gold Supply Chain Policy, Customer Acceptance Policy, Know Your Customer and Customer Risk Assessment Procedure which were provided during the audit process have proven that Ahlatcı Metal Refinery has been conducting effective due diligence on its supply chain.

#### **Rule 1.2 Supply Chain**

Ahlatcı Metal Refinery, Responsible Gold Supply Chain Policy includes and addresses all relevant entities regarding in its supply chain which it does business with. Furthermore identification and documentation of ultimate beneficial ownerships of those counter parties.

#### **Rule 1.3 Policy and Process Implementation**

Ahlatcı Metal Refinery through Responsible Gold Supply Chain Policy put into practice under the activities and implementation for the purpose of fulfilling the requirements of the regulations and standards of the national and international agencies with which it is accredited with in relation to gold refining intends to manage the supply chain process and related commercial transactions on the basis of assuming the risks involved in the process.