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<b>3.10 Supply Chain Risk Mitigation Procedure</b>	<b>July/22</b>	<b>V2.0</b>	<b>1 / 4</b>

The Supply Chain Risk Mitigation Procedure aims to adopt the best practices and resources to prevent and mitigate adverse impacts arising from the potential risks identified in extraction, transport, and trade of precious metals along Marsam's Supply chain.

Marsam shall seek to engage its clients, and its client's suppliers, whenever possible, in risk mitigation actions and strategy, but the responsibility for this procedure execution lies on Marsam Executive Board, which shall ensure its full disclosure to all Other relevant supply chain stakeholders.

Marsam should support and participate in all initiatives that seek to improve the regulatory environment, traceability, legality, and compliance of operations with precious metals along its supply chain, including disseminating good practices and initiatives that are of its knowledge to all other supply chain stakeholders.

For the purposes of this Procedure, the following risk mitigating actions must be adopted, when situations or clients are classified as MEDIUM RISK by the Internal Committee of Compliance (CIC), along the supply chain, including the extraction, transport routes, and trade sites of precious metals:

- A. All situations or clients classified as MEDIUM RISK by the CIC must be communicate to Marsam's Executive Board.
- B. All *Declarations of Origin* provided by clients for each shipment of MEDIUM RISK precious metals for the provision of services by Marsam, as defined in Chapter 3.5 of this Manual, must include below detailed information:
  - Number of the mineral exploration license issued by the competent Mining Agency, place of production and/or place of acquisition of precious metals.
  - Confirmation that all fees, taxes, or royalties related to the extraction, transport and trade of the precious metals are being paid regularly.

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- C. Check of public information regarding the existence of pending payments of fees, taxes, or royalties related to the extraction, transport, and trade of precious metals by MEDIUM RISK classified clients.
- D. Renew of the Due Diligence process from 24 (twenty-four) to 18 (eighteen) months.

For the purposes of this Procedure, the following additional risk mitigating actions must be adopted, when situations or clients are classified as HIGH RISK by the Internal Committee of Compliance (CIC), along the supply chain, including the extraction, transport routes, and trade sites of precious metals:

- E. All situations or clients classified as HIGH RISK by the CIC must be communicated to the competent authorities, when any crimes suspicious are identified, in compliance with Brazilian legislation.
- F. Any CIC classified HIGH-RISK precious metals sent for the provision of services by Marsam, will have internal processes of receipt, identification and control individualized and identified as HIGH RISK.
- G. Any precious metals sent for services by Marsam, which are classified as HIGH RISK because of the identification of armed conflicts or serious human rights abuses, must be processed segregated from any other precious metals process.
- H. All *Declarations of Origin* provided by clients for each shipment of HIGH-RISK precious metals for the provision of services by Marsam, as defined in Chapter 3.5 of this Manual, must include below detailed information:
  - The transport routes details for precious metals from extraction to Marsam, including information on hiring private security forces, security companies, and other agents involved in the process.

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- Security measures taken to ensure the integrity and safety of precious metals until arrival at Marsam.
- I. Request of client's proof of conformant status certificate regarding the payments of fees, taxes, or royalties related to the extraction, transport, and trade of precious metals.
  - J. An action plan definition no longer than 180 (one hundred and eighty) days, with specific measures to be conduct by Marsam and by its clients, based on the risks identified by the EDD process and by CIC.
  - K. Action plan may include the right to conduct unannounced visits to customers (spot-checks), or to other relevant stakeholders, to verify relevant documents and procedures related to identified risks.
  - L. Determine whether the business relationship can be maintained or should be suspended during the execution of the risk mitigating action plan.
  - M. Request to the clients to implement the corrective measures identified respecting the agreed deadlines, and that they request the same for its suppliers when applicable.
  - N. Verify the engagement of clients and other relevant supply chain stakeholders in risk mitigation actions, participation in institutional programs, sectorial associations, unions, or other initiatives that seek to increase the traceability and legality of precious metals.
  - O. Measurement of action plan performance and the effects of the risk mitigating measures adopted, after its conclusion, to determine on continuing or terminating the business relationship.
  - P. Record keeping of all steps of the risk mitigating action plan, including the evaluation of its results and its risk mitigation effectiveness.

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Q. Definition of risk monitoring measures after action plan conclusion, to ensure that the risk mitigations achieved remain present and new risks have not been identified.

For MEDIUM RISK and HIGH RISK situation or clients, should be disclosure all risk mitigation measures and action plans, its results and effectiveness, and determinations on continuing, suspending or terminating of business relationship in the Public Due Diligence Report and to internal auditors and other auditors.

This Procedure shall be reviewed at least every 2 (two) years, counting from the date of its last review, or at any time, in the event of a material fact or changes in international standards Red-Flags criteria.