

TROY KIYMETLİ MADEN TİCARETİ A.Ş.

**INDEPENDENT ASSURANCE REPORT BASED ON INDEPENDENT
AUDITORS OF FINANCIAL INFORMATION OR RESTRICTED ASSU-
RANCE AUDITS AS OF 31 DECEMBER 2021 (GDS 3000)**



INDEPENDENT ASSURANCE REPORT

TROY KIYMETLİ MADEN TİCARETİ A.Ş. **to the Board of Directors**

Troy Kıymetli Maden Ticareti A.Ş. ("Company" or "Troy"), we are authorized by the Board of Directors to provide assurance to the Company's Responsible Supply Chain Compliance Guide for the period from July 1, 2021 to December 31, 2021.

Scope of Our Working

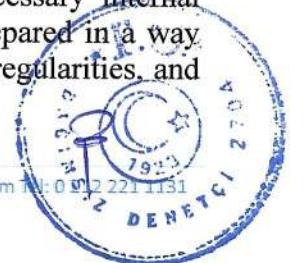
Independent assurance activities of the Company for the operating period covering the date range of 01.07.2021-31.12.2021, "Assurance Audit Standard 3000 Other Assurance Engagements Except for the Independent Audit or Limited Independent Audit of Historical Financial Information" published by the Public Oversight, Accounting and Auditing Standards Authority The Independent Assurance Report ("Report") has been prepared in the light of the Borsa İstanbul Precious Metals Responsible Supply Chain Compliance Guide and Responsible Supply Chain Assurance Audit Directive published by ("GDS 3000") and Borsa İstanbul ("BIST").

Responsibilities

Responsible supply chain assurance audit studies have been carried out within the framework of the Assurance Audit Standard 3000, Independent Audit of Historical Financial Information or Other Assurance Audits Except for the Limited Independent Audit, published by the Public Oversight, Accounting and Auditing Standards Authority, and the provisions of the Responsible Supply Chain Legislation of our Exchange, (Precious Metals Responsible Supply Chain Compliance Guide, Responsible Supply Chain Compliance Directive, Responsible Supply Chain Assurance Audit Directive, Precious Metals Intermediary Institutions and Refineries Directive on Internal Control System and Compliance Principles) and an Independent Assurance Report has been prepared.

This report, Troy Kıymetli Maden Ticareti A.Ş., Company policies and Borsa İstanbul A.Ş. ("BIST") are in compliance with the requirements of the Responsible Supply Chain Legislation, and that all the documents submitted by the Company regarding the trade of precious metals and forming the basis for the findings, determinations and comments contained in the independent assurance report and its annexes, and all notifications made within the scope of the BIST Responsible Supply Chain Legislation (Borsa İstanbul Responsible Supply Chain Statistical Information Detail Notification Form, Education Statistics etc.) has been prepared to provide reasonable assurance on the audit result for parties including Borsa İstanbul, Ministry of Treasury and Finance, Ministry of Trade and other public institutions/organizations.

Troy Kıymetli Maden Ticareti A.Ş., Board of Directors, Compliance Report, Borsa İstanbul A.Ş. are responsible for the preparation and submission of the Responsible Supply Chain Compliance Guide published by This responsibility includes establishing an appropriate risk management system and an effective internal control system that assists in compiling reported information. This responsibility includes the design, implementation and maintenance of the necessary internal control system in order to ensure that the Company's Supply Chain Policy is prepared in a way that does not contain any material errors resulting from errors and/or fraud and irregularities, and that it reflects the truth honestly.





Our responsibility is to express an opinion on this work based on our independent assurance engagement. Our work has been carried out in accordance with "Assurance Engagement Standard 3000: Independent Audit of Historical Financial Information or Other Assurance Engagements Except for Limited Independent Audits" published by the Public Oversight, Accounting and Auditing Standards Authority. Reasonable assurance given as a result of an independent audit conducted in accordance with the GDSs ; It is a high level of assurance, but does not guarantee that a material misstatement will always be detected.

Audit operating procedures were planned and conducted to obtain all evidence, information and disclosures that we consider necessary in the framework outlined above. These procedures include the following topics:

- No control deficiency was detected during the inspection period.
- The Company's Board of Directors was asked questions regarding the Company's current responsible supply chain processes, risk management procedures and the content of Borsa İstanbul Responsible Supply Chain Compliance Report, and necessary explanations were provided.
- During the preparation of this report , interviews were held with the relevant people and necessary explanations were provided.
- Meetings were held with the company compliance officer to evaluate the risks that the company may foresee .
- The Company's Board of Directors and Company personnel were asked about the Customer Identification System and transaction examples regarding certain customers we selected or observed.
- The staff responsible for the preparation of the Compliance Report was interviewed.
- The appropriateness of the policies, procedures and internal controls implemented by the Company to comply with the Responsible Supply Chain Assurance Audit Directive was evaluated.
- Supporting documents were reviewed, including dossiers and transaction documents prepared for the parties selected by sampling, from which precious metals were procured .
- The consistency of the issues included in the Compliance Report prepared by the Company, approved by the Board of Directors, was compared with the findings obtained as a result of the audits and controls, and it was seen that all issues were consistent.

Limitations

Information related to non-financial activities is subject to more inherent limitations than financial information due to the characteristics of the subject matter subject to the assurance and the obligations arising from the determination, calculation, sampling and estimation of such information. The absence of an important regulatory body that can provide the selection of different but acceptable measurement techniques in the subject of assurance may lead to significant measurement differences in this regard. This will also have a significant impact on comparability. Accuracies of different measurement techniques can also vary. In addition, the methods used in determining this type of information and the nature of the work and the measurement techniques and accuracy used may change over time.



**Declaration of independence and competence**

We fully comply with the Code of Ethics for Independent Auditors published by the Public Oversight, Accounting and Auditing Standards Authority. In the broadest sense, these ethical principles include full independence and other obligations based on integrity, objectivity, professional competence and due diligence, and confidentiality and professional conduct.

Our independent assurance report was conducted by the independent audit team specified in the Responsible Supply Chain Audit Agreement.

Conclusion

In our opinion, based on the independent assurance procedures performed, no contravention has been found that indicates that Troy Kıymetli Maden Ticareti A.Ş. is not in compliance with the requirements of Borsa İstanbul Precious Metals Responsible Supply Chain Compliance Guide for the period of 1 July - 31 December 2021.

It has been determined that the Borsa İstanbul Responsible Supply Chain Compliance Report prepared by the company has been prepared in accordance with the legislation.

As a result of the audit, it was concluded that the Company's controls over the responsible supply chain are effective, sufficient and compatible. No restrictions or obstructions were encountered during the audit activities.

Edit Bağımsız Denetim Hizmetleri A.Ş.
June 24, 2022, Istanbul


Burhan ÖZDEMİR
Partner

TROY KIYMETLİ MADEN TİCARETİ A.Ş.
Responsible Supply Chain Compliance Report 2021

Borsa İstanbul has established a "Responsible Supply Chain Compliance Policy" in accordance with the "Precious Metals Responsible Supply Chain Compliance Guide" published by Borsa İstanbul (BİST) on March 5, 2021.

Borsa İstanbul created the "Responsible Supply Chain Guidelines" based on the "Compliance Guide for Responsible Supply Chains for Minerals from Conflict-Affected and High Risk Regions" in line with OECD's FATF recommendations.

Troy Kıymetli Maden Ticareti A.Ş. ("TROY") with the "Responsible Supply Chain Guidelines" of BİST.

COMPANY INFORMATION

Company Name	Troy Kıymetli Maden Ticareti A.Ş.
Address	Istanbul World Trade Center A3 Block No:193 Bakirkoy Istanbul / Turkey
Reporting Period	1 January - 31 December 2021
Report Date	09 June 2022
Responsible Senior Management	Hüseyin ÇELİK, General Manager
Tel No.	+90 212 465 65 70
Web Address	www.troypm.com

Troy , the compliance process has been analyzed and evaluated in terms of compliance under 6 main headings, including in the gold supply chain, in order to identify and prevent risks in the supply chain, to establish strong company management systems that prevent these risks, and to audit the process by third parties.

1. Establishment of the Supply Chain Policy and its application in operational processes
2. Identifying risks in the supply chain and implementing strategies with a risk-based approach
3. Implementation of 'Know Your Customer (KYC)' principles,
4. Appointment, effectiveness and activity reports of the Compliance Officer
5. Audit and Reporting of Compliance Studies by Independent Third Parties
6. Responsible Senior Management Compliance Statement,

1. Establishment and Implementation of Supply Chain Policy

Troy , to create a strong company management system ;

- FATF Recommendations,
- OECD's "Compliance Guidelines for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas",
- UN Council Resolutions,
- European Union Decisions,
- Borsa İstanbul INC. s Precious Metals Responsible Supply Chain Compliance Guide,
- Financial Crimes Investigation Board (MASAK) regulations
- It has adopted and implemented a company policy in line with *the regulations on child labor and young workers of the Turkish Labor Law No. 4857* .



A risk-based situation assessment was made in 2021, which is the subject of the report, and in line with the Responsible Supply Chain Policy, all supply chain processes were operated, controls and transactions were monitored, risks were analyzed and evaluated, the principles of knowing customers were applied, and finally, a strong company management system was established and full compliance was achieved.

2. Identification of Risks in the Supply Chain and Implementation of Strategies with a Risk-Based Approach

Troy , In 2021, activities were carried out within the framework of FATF recommendations, OECD's "Compliance Guide for Responsible Supply Chain for Minerals of Conflict-Affected and High Risk Areas" and BIST 's Responsible Supply Chain Policy developed within the framework of "Responsible Supply Chain Guide". Despite the risks identified under the heading "High Risk Criteria in the Supply Chain" , differentiated questionnaires and similar information collection methods were applied to companies that are engaged in individual, corporate, precious metals and other fields, as well as collecting intelligence information specific to potential customers.

The intelligence studies regarding the customer were updated periodically, and additional information and documents were requested in extraordinary situations. The management, compilation and recording of these processes within the scope of Customer Relations were systematized, and all meeting notes, information and documents from the first meeting of a customer to the current situation were recorded in digital environment and a cumulative big data was created. Within this data, a reference account number was assigned for each customer/supplier, and a systematic monitoring and analysis was made in the acceptance/rejection processes as a customer/supplier and in the commercial processes following the acceptance.

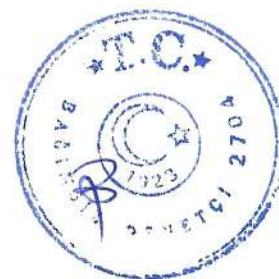
The Internal Control and Supply Chain Compliance Officer regularly observed, analyzed and reported to the senior management against the risks identified under the heading “High Risk Criteria in the Responsible Supply Chain”. High-risk cases in the presence of risks or possibilities included in the section titled “High Risk Criteria in the Responsible Supply Chain” in the Company Policy have been conveyed to the Risk Committee by the Internal Control and Supply Chain Compliance Officer for consideration.

The Risk Committee may reject or accept the potential customer/supplier to work. Following the acceptance of the customer/supplier, a risk reduction plan to be managed by compliance officers is made due to the risks that may arise during the working process and the results are monitored, the trade is suspended or completely terminated. In 2021, harmonization studies were carried out within the framework of these approaches.

3. Designing and Implementation of a Response Strategy to Identified Risks

a. Implementation of Know Your Customer Principles,

Interview notes, risk analyzes, know-your-customer documents and documents of all customers/suppliers related to Troy are tracked and stored on the basis of ID (Customer Account Number) in its own software, GOLDTAKAS . Risks, customer/supplier IDs and transactions can be tracked. GOLDTAKAS offers Troy a transaction-based monitoring capability on the customer/supplier side.



Controls are made through the documents supplied within the scope of customer identification, the services we have, and the scanning areas owned by other countries and international institutions. These controls are carried out not only for the customer opening an account, but also for the legal and real persons they are related to, and their scope is as follows;

- Australian Sanctions ,
- Bureau of Industry and Security (US),
- Department of State , AECA Debarred List (US),
- Department of State , Nonproliferation Sanctions (US),
- EU Financial sanctions list ,
- INTERPOL Wanted list ,
- OFAC Specially designed nationals ,
- Office of the Superintendent of Financial Institutions (Canada),
- Switzerland sanction List – SECO,
- UK Financial sanctions List (HMT),
- United Nations security Council Sanctions ,
- US Consolidated sanctions list
- Global Pep list

Outsource services have been obtained from international data and intelligence agencies, which are available in a common area of all individuals and companies included in the sanctions list of the countries and institutions whose names are mentioned above .

b. Risk Response Strategy

Troy has determined the measures to be taken and the procedures to be followed in case the high risk criteria in article 3 are met . These procedures and Borsa İstanbul INC Within the scope of “Borsa İstanbul Precious Metals Responsible Supply Chain Compliance Guide”;

- Additional information and documents are requested,
- With the new documents acquired, the scanning area is expanded,
- Risky areas are reported to the Board of Directors,
- Transactions within the scope of suspicious transaction recognition are notified,
- If the situations that prevent trade continue, the accounts are closed and the commercial relationship is terminated.

4. Appointment, Effectiveness and Activity Reports of Compliance Officers

Troy's compliance officers are responsible for the implementation of the Precious Metals Supply Chain Policy prepared within the framework of the FATF recommendations and the OECD's "Compliance Guide for Responsible Supply Chain for Minerals from Conflict-Affected and High Risk Areas" and Borsa İstanbul "Responsible Supply Chain Guide" within the operational processes. With the Board Decision dated 23.06.2021 no. 10: job description of our company's compliance officer Didem SÖNMEZ is "Internal Control and Supply Chain Compliance Officer", was decided to change Burcu DİLCE's job description is "Assistant Internal Control and Supply Chain Compliance Officer" . Compliance Officers were provided to report to the Company's Board of Directors.



The Risk Committee, including Internal Control and Supply Chain Compliance officers, consists of the following 4 people;

1. Hüseyin ÇELİK
2. Haluk YILMAZ
3. Didem SÖNMEZ
4. Burcu DİLCE

Troy participated as a compliance unit in the "Borsa İstanbul Responsible Supply Chain Training" held by Borsa İstanbul INC. on 20.12.2021.

In line with this training, personnel trainings with the same content were given in order to create the same awareness in our company and to update our personnel.

Compliance@troypm.com e-mail address has been created in order to share the opinions, information and findings of all our units related to Precious Metals Supply Chain Policy and Compliance, as well as unexpected risks. The Internal Control and Supply Chain Compliance officer monitored and evaluated the information here during the year and reported it to the risk committee and the Board of Directors when necessary.

5. Audit and Reporting of Compliance Studies by Independent Third Parties

Our company's FATF recommendations are the OECD's "Compliance Guide for Responsible Supply Chain for Minerals from Conflict-Affected and High Risk Regions" and Borsa İstanbul INC. The Precious Metals Supply Chain Policy, prepared within the framework of the "Precious Metals Responsible Supply Chain Compliance Guide", is published at www.troypm.com. Within the framework of these Policies, an agreement has been made with the independent audit company, Edit Independent Audit Services Inc., for the 2021 compliance assessment. Our Annual Compliance report, together with the "Independent Assurance Report", will be published on Troy's website, www.troypm.com, with Turkish and English language options.

Responsible Senior Management Compliance Statement,

Our company's operations in 2021 are in full compliance with our Precious Metals Supply Chain Policy prepared within the framework of Borsa İstanbul INC. "Responsible Precious Metals Supply Chain Guide", in terms of identifying and preventing risks in the supply chain, establishing strong company management systems to prevent these risks, and auditing the process by third parties.



6. GENERAL SUITABILITY

Steps	Compliance Status
Establishment of Strong Company Management Systems	Yes
Identifying and Evaluating Risks in the Supply Chain	Yes
Designing and Implementing a Strategy That Can Respond to Identified Risks	Yes
Inspection of Compliance Studies of Precious Metals Intermediary Institutions and Refineries by Independent Third Parties	Yes
Annual Reporting of Supply Chain Compliance Studies	Yes
General Eligibility	Yes

