

Transaction Risk Assessment

Background: As a result of tin being considered a “conflict mineral” as defined under the Dodd Frank Act, there are inherent risks that accompany a transaction involving primary tin, secondary tin, or tin concentrates. All Tin Tech employees and operators should be aware of these risks and understand their role in managing the risk assessment process.

Objective: Define the process for transaction risk assessment within the Tin Tech organization in order to assure that all counterparties are legitimate, and operate within business norms for the industry.

Scope: All transactions that include primary or secondary tin. A transaction starts at time of negotiation and ends with receipt and subsequent settlement.

Tin Tech Personnel Included in the Assessment:

- *Buyer:* Any employee authorized to make raw material purchases, either primary or secondary, issue purchase orders, or negotiate transaction terms.
- *Receiver:* Any employee responsible for receiving raw material
- *Finance:* Any employee responsible for payment to a supplier of raw materials, either primary or secondary
- *Logistics:* Any employee responsible for arranging the transport of raw materials, either primary or secondary.

Risk Assessment Process: Personnel listed are responsible for performing their own due diligence in a way that pertains to their role for EVERY transaction they encounter. Due diligence should include:

- *Material Identification:*
 - o How is the material generated?
 - o Is the material secondary material or concentrates?
- *Know Your Counterparty (KYC):*
 - o Who is the Customer/supplier and what is their primary business? Name, Address, banking/trade references, other documentation.
 - o Is there anything unusual with their documentation – Shipping, Financial, Material?
 - o What is the origin of the material?
 - o Is the counterparty from or involved with material from a high-risk country (CAHRA) which may include DRC, Myanmar, China?
 - o Has anyone from Tin Tech or other reputable business partners been onsite at the counterparty?
- *Does Material Receipt Match to PO?*
 - o Is this the material that was purchased?
 - o Do weights approximately equal what was purchased?
 - o Does packaging look normal?
- *Is Payment normal?*
 - o Matches PO (no last-minute changes to wire instructions)
 - o Location matches with KYC
- *Are Logistics normal?*
 - o Matches PO
 - o Release documents, pickup location, etc. are not unusual

Red Flags that may arise from KYC and due diligence:

- Counterparty located in a jurisdiction that is subject to sanctions or has been previously flagged by Tin Tech for being non-cooperative, or generally suspect.
- Information provided does not align (i.e. payment to DRC, but PO to Miami, material picked up in Baltimore).
- Material arrives as concentrates but should have been low-grade dross.

Any transaction that prompts a red flag should immediately be brought to the attention of the General Manager. The General Manager will determine appropriate disposition of transaction and follow proper risk mitigation protocol. All such instances will be recorded, along with their outcome in the company Risk Mitigation Log.