



Strictly Private & Confidential

FAO: Nicolas Rosse

RTS Swiss Television

Quai Ernest-Ansermet 20

PO Box 234

CH-1211

Geneva 8

Your ref:

Our Ref: NB.ZE.KALO0001.0002

Please ask for: Nick Booth

Date: 16 July 2020

BY EMAIL ONLY: Nicolas.Rosse@rts.ch

Dear Sirs

Our Clients: Kaloti Jewellery International DMCC and Kaloti Jewellery Factory Ltd (our clients, together with the other Kaloti Group companies shall hereinafter be referred to as "Kaloti")

We are instructed to act on behalf of Kaloti and write further to your email to our client dated 16 July 2020.

Neither we nor our client have had sight of any publication from SWISSAID, though we have responded to their enquiries previously on behalf of Kaloti; presumably in relation to the broadcast to which you refer. We cannot therefore respond to your enquiries with all necessary context at this time.

We have responded to the numbered paragraphs within your email below:

1. Kaloti cannot disclose any confidential information about any of its customers or the nature of any of its trades with them.
2. Kaloti has never been certified by the LBMA and currently has no intention of applying for membership of the LBMA; it has no requirement to do so.
3. This allegation is denied and is entirely untrue. Kaloti carries out all relevant due diligence and anti-money laundering checks which are required, having regard to all the risks relevant to each transaction. If you wish to identify any specific transaction which you believe requires further consideration, Kaloti will revisit its records and we can return to you accordingly.
4. Kaloti considers the relevant circumstances in respect of each transaction and conducts all required due diligence in relation to the seller and the source of gold. Kaloti complies with all relevant legal and regulatory requirements in respect of each transaction and in

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compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the "Guidance"), adopted by the DMCC in 2012.

Kaloti performs full, risk-based due diligence consistent with all protocols set out in the Guidance, on all its customers and their supply chains. The results of this due diligence process are then reviewed by a specialist external compliance audit firm, which also sits on Kaloti's risk committee, and only with their approval will an account be opened. Whilst this increases costs for Kaloti, it demonstrates their absolute commitment not only to compliance with the Guidance wording but also the spirit of it.

Kaloti has been successfully audited every year, by an independent firm of accountants, against all regulatory and legal standards relevant and the resulting findings are made available to any of its stakeholders or as required, from time to time, by its regulators and other competent authorities.

It is a matter of fact that no auditor (internal or external), regulator, statutory or supranational body (including the OECD and the UN) has ever found Kaloti to have conflict material in any of its supply chains. Furthermore, Kaloti have neither been accused nor questioned in respect of any serious wrongdoing by any regulator or legal authority anywhere.

5. Kaloti will only trade with customers, regardless of jurisdiction, having first conducted a full, risk-based due diligence process in line with all relevant protocols set out in the Guidance (or the required standards in force), on those customers and their supply chains. Kaloti will not deal with any jurisdictions from which they are prohibited to trade and has a list of jurisdictions, which is continually reviewed, containing jurisdictions from which Kaloti chooses not to purchase material. To be clear, Kaloti has never sourced any gold from Sudan other than by way of Sudan Government approved exports and has never sourced gold from Darfur or from the Central Bank of Sudan.

The requests made to Kaloti by SWISSAID and their purported concerns appeared to be not only with Kaloti, but with the regulatory requirements and industry standards themselves, the regulators who enforce them and the fact that commercially sensitive and confidential information is not made public. SWISSAID's enquiries indicated a worrying lack of understanding of the underlying subject matter. Kaloti is and has been operating lawfully and continues to meet all regulatory and legal standards required of it. SWISSAID has provided no evidence to the contrary but relies on assumption and inference alone in making what are incredibly serious allegations.

Kaloti denies all allegations and/or inferences made by Global Witness about it in the article, relating to any impropriety or failure to comply with its relevant regulatory and legal obligations.

For the avoidance of any doubt, all of Kaloti's rights and remedies remain fully reserved.

Yours faithfully

A handwritten signature in dark ink, appearing to read "Harrison Drury". The signature is written in a cursive, flowing style.

Harrison Drury & Co Limited

email: nick.booth@harrison-drury.com

direct dial: 01772 429 025

