

KNOW YOUR COUNTERPARTY (KYC) AND COUNTERPARTY DUE DILIGENCE POLICY

HORSAN BROKERS COMPANY SL

Registered Office: Calle Campoamor, 28 - Piso 1, Castellón de la Plana, Spain

Version 1.0 | Effective Date: 20 April 2026 | Approved by: Board of Directors

1. Purpose

As a physical trader operating in international commodity markets, HORSAN BROKERS COMPANY SL maintains relationships with a wide range of counterparties. This Policy establishes the Company's framework for Know Your Counterparty (KYC) and counterparty due diligence, in order to ensure that the Company identifies, assesses and manages the risks of money laundering, terrorism financing, sanctions breaches, bribery, corruption and fraud associated with its counterparties.

2. Legal Framework

This Policy complies with:

- Spanish Law 10/2010 of 28 April, on the prevention of money laundering and terrorist financing, and Royal Decree 304/2014.
- Directive (EU) 2015/849 (AMLD4), Directive (EU) 2018/843 (AMLD5) and Directive (EU) 2024/1640 (AMLD6).
- U.S. Foreign Corrupt Practices Act (FCPA) and U.K. Bribery Act 2010.
- EU, UN, OFAC and UK HM Treasury sanctions regimes.
- Financial Action Task Force (FATF) recommendations.

3. Scope

This Policy applies to all counterparties with which the Company enters, or intends to enter, into a commercial relationship, including physical trading counterparties, brokers, shipping agents, ship owners, ship brokers, inspectors, swap brokers, financial institutions and other commercial partners.

4. Principles

- **Risk-Based Approach:** due diligence is proportionate to the risk posed by each counterparty.
- **No Onboarding Without KYC:** no transaction is executed with a counterparty prior to completion of KYC.
- **Ongoing Monitoring:** KYC is not a one-off exercise; counterparty information is kept up to date throughout the relationship.

- **Documentation:** all KYC steps, findings and decisions are documented and retained.

5. Identification and Verification of Counterparties

5.1 Information Collected

Before onboarding, the Company collects and verifies the following information in respect of each counterparty:

- Full legal name.
- Registered office and mailing address.
- Date and place of incorporation.
- Registration number.
- VAT/Tax identification number.
- Nature of business and website.
- Telephone and email contact information.
- Names and contact details of key trading and trade-finance contacts.
- Shareholder structure, including percentages.
- Ultimate Beneficial Owner (UBO) with a threshold of 25% ownership or control.
- Directors and officers.
- Banking details (bank, branch, beneficiary, account number, SWIFT).
- Membership of recognised exchanges (LSE, LIFFE, EUREX, etc.), where applicable.

5.2 Supporting Documents

- Extract from the Register of Commerce / Certificate of Good Standing, not older than 6 months.
- Certificate of Incorporation.
- Articles of Memorandum / Association.
- Ownership structure up to and including the UBO(s).
- Passport copies of beneficial owner(s).
- Bank reference letter listing active bank accounts.
- Certified English translations where original documents are in another language.

6. Risk Assessment

Each counterparty is assessed against the following risk factors:

- **Country risk:** jurisdiction of incorporation, operation and ultimate ownership, including FATF lists, EU list of non-cooperative jurisdictions, corruption perception and sanctions exposure.
- **Customer risk:** legal form, ownership transparency, PEP status, history of regulatory issues.
- **Transaction / product risk:** nature, value, complexity and channels of the contemplated business.
- **Delivery channel risk:** face-to-face or non-face-to-face onboarding, use of intermediaries.

Each counterparty is classified as Low, Medium or High risk. High-risk counterparties are subject to Enhanced Due Diligence.

7. Standard Due Diligence

For Low- and Medium-risk counterparties:

- Identification and verification of legal form, ownership and UBOs.
- Screening against sanctions lists (EU, UN, OFAC, UK HMT).
- PEP screening.
- Adverse media screening.
- Understanding of the purpose and intended nature of the business relationship.

8. Enhanced Due Diligence (EDD)

Applied to High-risk counterparties, including those:

- Incorporated or operating in high-risk jurisdictions.
- Involving Politically Exposed Persons (PEPs) or their close associates.
- With opaque ownership structures (multiple layers, nominee shareholders, bearer shares).
- Acting as intermediaries between the Company and Public Officials or governmental entities.
- With adverse media, litigation or regulatory history.

EDD measures include:

- Deeper verification of ownership, through independent sources.
- Verification of source of funds and source of wealth.
- Senior management approval of the relationship.
- Increased frequency of monitoring and review (at least annually).
- Where justified, third-party investigation reports.

9. Sanctions Screening

All counterparties, UBOs and directors are screened against:

- EU Consolidated Financial Sanctions List.
- United Nations Security Council Sanctions List.
- U.S. OFAC Specially Designated Nationals (SDN) List and Sectoral Sanctions Identifications (SSI) List.
- UK HM Treasury OFSI Consolidated List.
- Other applicable sanctions lists depending on the jurisdictions involved in the transaction.

No business is conducted with persons or entities subject to applicable sanctions, nor with jurisdictions subject to comprehensive sanctions.

10. Ongoing Monitoring

- Periodic review of each counterparty (at least annually for High-risk, every two years for Medium-risk and every three years for Low-risk).
- Continuous re-screening against sanctions and PEP lists.
- Review upon material change in ownership, activity, jurisdiction or management.

- Transaction monitoring for unusual or suspicious patterns.

11. Suspicious Transaction Reporting

Where the Company identifies operations or attempted operations that may be related to money laundering or terrorist financing, these are reported to the Spanish Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences (SEPBLAC), or to the competent authority in the relevant jurisdiction, in accordance with applicable law. The Company's staff must not tip off the counterparty.

12. Responsibilities

- **Board of Directors:** approval of the Policy and of High-risk counterparties.
- **Compliance Officer (AML Officer):** day-to-day implementation of the Policy, suspicious transaction reporting and liaison with authorities.
- **Commercial team:** first-line application of KYC and escalation of red flags.
- **All employees:** cooperation with the Policy and reporting of suspicions.

13. Training

All employees receive training appropriate to their role on AML/CFT obligations, sanctions and KYC procedures. Training is refreshed at least annually.

14. Record Keeping

KYC documentation, risk assessments, monitoring records and suspicious transaction reports are retained for a minimum of 10 years from the end of the business relationship or the date of the transaction, as required by applicable law.

15. Review

This Policy is reviewed at least annually and updated to reflect regulatory developments and lessons learned.

Approval and Sign-Off

This Policy has been reviewed, approved and adopted by the Board of Directors of HORSAN BROKERS COMPANY SL and is effective as of 20 April 2026.

Javier Sánchez

Chief Executive Officer / Administrador Único
HORSAN BROKERS COMPANY SL

Date: 20 April 2026

