

# THIRD PARTY 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

This Policy sets out the framework applied by HORSAN BROKERS COMPANY SL for the identification, assessment, approval, monitoring and management of Third Parties with whom the Company establishes or maintains a business relationship. Its purpose is to protect the Company from legal, regulatory, financial and reputational risks — in particular risks of bribery, corruption, money laundering, fraud, sanctions breaches and human rights abuses.

## 2. Scope

This Policy applies to all Third Parties, including but not limited to:

- Counterparties (physical traders, oil brokers, shipping agents, ship owners, ship brokers, inspectors, swap brokers and other commercial counterparts).
- Agents, intermediaries, sub-agents and sales representatives.
- Consultants and professional advisers.
- Suppliers of goods or services.
- Joint-venture partners.
- Any other party acting on behalf of, or in the name of, the Company.

## 3. Definitions

- **Third Party:** any individual or entity that is not part of the Company and with whom the Company has, or intends to have, a business relationship.
- **Due Diligence:** the process of gathering and assessing information about a Third Party in order to identify and mitigate risks.
- **Risk-Based Approach:** the principle whereby the level of due diligence applied is proportionate to the risk presented by the Third Party.
- **Ultimate Beneficial Owner (UBO):** the natural person(s) who ultimately own or control a legal entity, directly or indirectly.

## 4. Principles

- The Company conducts risk-based due diligence on all Third Parties before engagement and on a periodic basis thereafter.

- No business relationship is commenced without satisfactory completion of due diligence.
- All Third Parties must be subject to contractual anti-corruption, anti-money-laundering and sanctions clauses.
- Higher-risk Third Parties are subject to enhanced due diligence and senior-level approval.
- Due diligence records are maintained and periodically reviewed.

## 5. Risk Classification

Each Third Party is classified into one of the following risk levels, taking into account factors such as country of incorporation and operation, sector, nature of services, government exposure, ownership structure, political exposure and transaction volume:

### 5.1 Low Risk

Third Parties established in low-risk jurisdictions, with transparent ownership, no government exposure and straightforward services.

### 5.2 Medium Risk

Third Parties presenting one or more moderate risk factors but no significant red flags.

### 5.3 High Risk

Third Parties incorporated or operating in high-risk jurisdictions (e.g. FATF high-risk and monitored jurisdictions, countries with high perception of corruption per Transparency International), politically exposed persons (PEPs) or entities with PEP involvement, entities with opaque ownership structures, or parties acting as intermediaries with Public Officials.

## 6. Due Diligence Requirements

### 6.1 Standard Due Diligence

For all Third Parties:

- Collection of KYC information (legal name, registered office, date and place of incorporation, registration number, tax ID, VAT number, nature of business, website, telephone and email).
- Identification of shareholders and Ultimate Beneficial Owners (UBO).
- Identification of directors, officers and head trader/trade finance contacts.
- Certificate of incorporation / good standing (less than 6 months old).
- Copy of articles of association / memorandum.
- Passport copies of beneficial owners.
- Bank reference letter listing active accounts.
- Screening against applicable sanctions lists (EU, UN, OFAC, UK HMT).
- Screening against PEP and adverse media databases.

### 6.2 Enhanced Due Diligence (for High-Risk Third Parties)

In addition to the above:

- Detailed background investigation from reputable commercial sources.
- Documentation of the source of funds and source of wealth.
- Written references from existing counterparties.
- Senior management approval by the Board of Directors or a delegated committee.
- More frequent periodic reviews (at least annually).

## 7. Contractual Requirements

All contracts with Third Parties must include:

- Anti-bribery and anti-corruption warranties and covenants.
- Anti-money laundering and counter-terrorism financing representations.
- Trade sanctions and export controls compliance clauses.
- Adherence to the Company's Code of Conduct (or demonstration of equivalent standards).
- Right of audit in respect of the services provided.
- Right of termination in the event of breach.
- Confidentiality and data protection undertakings.

## 8. Approval Process

Engagement of Third Parties requires the following approvals based on risk classification:

- **Low Risk:** approval by the relevant Department Head.
- **Medium Risk:** approval by the Compliance Officer.
- **High Risk:** approval by the Board of Directors.

## 9. Ongoing Monitoring

Third Parties are subject to ongoing monitoring, including:

- Periodic re-screening against sanctions and PEP lists.
- Review of adverse media and litigation.
- Reassessment of risk classification on a scheduled basis or upon material change.
- Review of transactions for unusual or suspicious patterns.
- Renewal or update of KYC documentation.

## 10. Red Flags

The following circumstances, among others, are considered red flags and must be escalated to the Compliance Officer:

- Refusal to provide required information or documentation.
- Requests for unusual payment arrangements (third-party payments, offshore accounts, cash).
- Requests for commissions or fees disproportionate to services provided.
- Connections to Public Officials or PEPs not previously disclosed.
- Incorporation in jurisdictions with weak regulatory oversight or bank secrecy.

- Adverse media reports or ongoing investigations.
- Discrepancies between information provided and publicly available data.

## 11. Responsibilities

- **Board of Directors:** ultimate oversight of the Policy and approval of high-risk Third Parties.
- **Compliance Officer:** implementation, monitoring and reporting; approval of medium-risk Third Parties; escalation to the Board.
- **Commercial / Operations Teams:** initiation of due diligence, collection of documentation, primary relationship management.
- **All Employees:** compliance with the Policy and escalation of any red flag.

## 12. Training

Employees involved in the engagement or management of Third Parties receive regular training on due diligence procedures and red-flag recognition.

## 13. Record Keeping

All due diligence records are retained for a minimum of 10 years, or longer where required by applicable law, in a secure and accessible format.

## 14. Review

This Policy is reviewed at least annually and updated to reflect regulatory developments and operational changes.

---

## 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

