



# **MEZZARION KYC & COUNTERPARTY ONBOARDING POLICY**

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## 1. Purpose and Philosophy

Mezzarion operates in high-risk, high-value commodity and industrial markets. Counterparty failure, fraud, sanctions breaches, and “ghost” deals are not bad luck – they are the direct result of weak standards.

This KYC & Counterparty Onboarding Policy (“Policy”) sets the minimum requirements for:

- Identifying and verifying all material counterparties;
- Filtering noise from serious opportunity; and
- Protecting Mezzarion against legal, financial, sanctions, and reputational risk.

This Policy is designed to:

- Align Mezzarion with internationally recognised KYC/AML and trade practice standards;
- Mirror the discipline of top-tier trading houses (Trafigura, Glencore, etc.);
- Integrate with:
  - Mezzarion Standard Trading Terms & Conditions (STCs);
  - Mezzarion Dealflow Codex (internal process);
  - Mezzarion Buyer KYC Form and Supplier KYC Form.

No Mezzarion entity or employee is authorised to “work around” this Policy because a deal “looks good” or “feels urgent”.

## 2. Scope

This Policy applies to:

- All Mezzarion entities and subsidiaries involved in trading, purchasing, selling or brokering commodities, fuels, minerals, agricultural products, manufactured goods and related services;



- All employees, contractors, and authorised representatives who originate, negotiate, structure, approve, or execute deals on behalf of Mezzarion.

Counterparty categories covered:

1. Buyers / Off-takers
2. Suppliers / Producers / Manufacturers / Aggregators
3. Brokers / Introducers / Agents
4. Financial counterparties (banks, escrow providers, trade finance partners) – high-level principles only.

### **3. Roles and Responsibilities**

- Group CEO / Founder
  - Owns this Policy.
  - Approves any exceptions (in writing) to KYC requirements or onboarding sequence.
- Deal Originators / Commercial Leads
  - Ensure no deal progresses beyond the defined stage without the required KYC forms and documents.
  - Are responsible for the accuracy and completeness of counterparty information they collect.
- KYC / Compliance Function (even if currently you = compliance)
  - Performs sanctions, PEP, and basic adverse media checks on all material counterparties.
  - Flags high-risk counterparties and recommends mitigation, restriction, or decline.



- Legal / External Counsel
  - Reviews and updates the STCs and this Policy as jurisdictions evolve.
  - Supports escalations for complex or high-risk structures.

If responsibility for any step is “everyone”, then it is effectively “no-one”. Responsibility must always be traceable to a named role.

## **4. Counterparty Types and Required Forms**

### **4.1 Buyers / Off-takers**

Definition: Entities that purchase product from Mezzarion (for own use, resale, or trading).

Required instrument:

- Mezzarion Trade Onboarding & KYC – Buyer / Mandate  
  
(the “Buyer KYC Form” – implemented as Google Form and/or structured PDF).

Applies when:

- Any entity wishes to purchase product from Mezzarion beyond a purely exploratory discussion; and/or
- Mezzarion is asked to issue an FCO, Term Sheet, SPA or contract draft.

Non-negotiable rule:

No FCO, Term Sheet or SPA goes out unless the Buyer KYC Form is completed and minimum documents are received.

### **4.2 Suppliers / Producers / Manufacturers / Aggregators**

Definition: Entities that supply product to Mezzarion (miners, processors, refiners, manufacturers, aggregators, depots, tank farms, etc.).

Required instrument:



- Mezzarion Supplier Onboarding & KYC – Producers / Manufacturers / Aggregators  
(the “Supplier KYC Form”).

Applies when:

- Any entity claims to control product Mezzarion might purchase or represent;
- Mezzarion is asked to sign offtake, supply, JV, aggregation, tolling or agency agreements.

Non-negotiable rule:

No supply contract, pilot shipment, or public positioning of a party as “Mezzarion supplier” without the Supplier KYC Form completed and licence/asset documents obtained.

### **4.3 Brokers / Introducers / Agents**

Definition: Individuals or entities that do not take title but introduce buyers or suppliers and seek a commission.

Principles:

- Mezzarion does not onboard brokers as full KYC counterparties unless they:
  - take title; or
  - hold funds; or
  - sign contracts in their own name.
- For brokers:
  - They must disclose whether there is a named end buyer or supplier.
  - The end buyer/supplier must complete the relevant Mezzarion KYC form if the deal goes beyond noise.

Non-negotiable rule:



No commission discussions or broker agreements override the requirement that the actual contracting entity passes KYC.

#### **4.4 Financial Counterparties**

Mezzarion will generally rely on:

- Reputable banks, escrow providers and trade finance institutions with their own KYC/AML frameworks.

However:

- Where Mezzarion enters into direct structures (e.g. escrow agreements where Mezzarion is a party), basic KYC information on the financial counterparty must be obtained and sanctions screening run on the institution.

### **5. Minimum KYC Requirements**

#### **5.1 Core KYC Data (Buyers and Suppliers)**

Both Buyer and Supplier KYC Forms must at least capture:

1. Legal entity identity
  - Full registered name
  - Registration number
  - Jurisdiction of incorporation
  - Registered and operating addresses
  - Website
2. Ownership & Governance (UBO / PEP)
  - Shareholders with  $\geq 25\%$



- Directors and key decision-makers
- PEP status of shareholders/directors/signatories
- Main countries of operation

### 3. Banking details

- Bank name, address, SWIFT, IBAN/account number
- Confirmation that no third-party accounts will be used.

### 4. Financial profile & sector

- Sector / principal activity
- Approximate annual turnover band
- Number of employees

### 5. Contact details

- Named primary contact
- Corporate email
- Mobile/WhatsApp

### 6. Document checklist and delivery commitment

- Corporate registration docs
- M&A/shareholder structure
- Director/UBO IDs
- Tax and VAT registrations
- Bank letter





- Relevant licences/permits (for suppliers)
- Written confirmation: “We can provide selected documents within 3–5 working days if requested.”

If any of the above is missing, the counterparty is not KYC-complete.

## **5.2 Product / Trade-Specific Data**

Buyers must also provide:

- Role (end buyer, mandated buyer, trader, broker);
- Product, grade, monthly quantity, contract term, Incoterm & Delivery Point;
- Intended payment instrument (SBLC, DLC/LC, escrow, etc.);
- Name & country of issuing bank;
- Expected timeline to arrange instrument;
- Basic source of funds for the transaction;
- Experience in this commodity.

Suppliers must also provide:

- Asset and licence details (mine/factory/depot name, location, licence numbers);
- Nature of control (owner, operator, offtaker, trader, etc.);
- Production capacity & allocable volume to Mezzarion;
- Load/dispatch points;
- Logistics availability/ownership;
- Quality verification methods & lab usage;



- ESG, labour, and safety declarations;
- Pricing basis & preferred payment terms;
- Openness to pilot shipments and minimum pilot size;
- History of disputes or failures in last 3 years.

### **5.3 Sanctions, AML and ESG**

For all material counterparties, Mezzarion must:

- Obtain signed declarations on:
  - Sanctions status;
  - AML/CTF control presence;
  - Record-keeping (5 years minimum);
  - Anti-bribery and corruption commitments;
  - Labour (no child/forced labour) and basic safety/environmental compliance for suppliers.
- Run sanctions and PEP screening on:
  - Legal entity;
  - Directors;
  - $\geq 25\%$  UBOs;
  - Where relevant, key related entities.

Where answers are obviously weak (“no AML policies”, “no quality records”, “no licences”) – the counterparty is high risk by default.

## **6. Integration with the Dealflow Codex (Stages & Gates)**



The KYC Policy is useless if it doesn't tie into execution. It must align with Mezzarion's Dealflow Codex (jet-mode, sprint-based).

## **6.1 Stages (Internal View)**

For simplicity, all deals follow this backbone:

1. Stage 0 – Noise & Sanity Check
  - 60-second sanity check on enquiry or LOI.
  - If obviously nonsense → decline or park.
  - If potentially real → move to Stage 1.
2. Stage 1 – Formal Enquiry & KYC Initiation
  - For buyers: request Buyer KYC Form.
  - For suppliers: request Supplier KYC Form.
  - No FCO/Term Sheet/SPA is issued before Stage 1 is complete.
3. Stage 2 – KYC Review & Deal Structuring
  - Documents are reviewed; KYC checks carried out.
  - Counterparty assigned a risk rating (Low / Medium / High).
  - Only then is a Term Sheet / FCO structured (7-day sprint clock).
4. Stage 3 – Contract & Instrument
  - SPA/Contract issued, anchored in Mezzarion STCs.
  - Counterparty must arrange payment instrument/escrow within agreed timeframe.
  - Failure resets or kills the deal per Codex rules.



## 5. Stage 4 – Execution & Post-Trade Review

- Performance on quality, timing, documentation and behaviour is tracked.
- Suppliers get graded (T1 / T2 / T3); buyers get performance notes.
- Results feed back into future KYC risk ratings.

## 6.2 Hard Gates

This Policy sets non-negotiable gates:

- Gate 1 – Before Term Sheet/FCO:
  - Buyer or Supplier KYC Form is submitted;
  - Minimum documents received (at least corporate registration, IDs, tax, bank letter, key licences).
- Gate 2 – Before SPA/Contract:
  - KYC review completed;
  - Sanctions/PEP checks done and documented;
  - Risk rating assigned;
  - Any red flags escalated & cleared.
- Gate 3 – Before First Shipment/Pilot:
  - Instruments/escrow in place;
  - For suppliers: asset/licence verification done (at least basic registry checks, documents reviewed);
  - For buyers: payment instrument validated.

No one is authorised to override these without written approval by the Group CEO.



## 7. Risk Rating and Escalation

After KYC review, each counterparty receives a risk rating:

- Low Risk –
  - Clean ownership; recognised banks; clear licences; strong documents.
  - Standard monitoring; KYC refresh every 2–3 years or on trigger events.
- Medium Risk –
  - Emerging markets, limited history, some documentation gaps but no obvious red flags.
  - Tighter monitoring; KYC refresh every 1–2 years; first deal structured as pilot.
- High Risk –
  - PEPs, weak AML controls, sanctions proximity, informal operations, missing licences, or weak behaviour.
  - Transactions only on:
    - Explicit CEO approval;
    - Tight structure (small pilot, strong security, zero tolerance for slippage).
  - Or rejected entirely.

Escalation triggers include:

- Adverse media;
- Changes in ownership/control;
- Sudden volume jumps;
- Attempts to avoid standard instruments or documentation.



## 8. Document Retention and Evidence

To prove Mezzarion is not improvising:

- All KYC Forms and supporting documents shall be:
  - Stored in a structured digital repository per counterparty;
  - Tagged with:
    - Counterparty name;
    - Country;
    - Date of completion;
    - Risk rating;
    - Reviewing person.
- Minimum retention:
  - 5 years after the last transaction with that counterparty, or longer where required by law.
- Sanctions/PEP checks:
  - Keep basic evidence (screenshot, PDF, or log) of each check done at onboarding and at major milestones.

If it's not saved, in a dispute or investigation it didn't happen.

## 9. Data Protection and Confidentiality

- All KYC information is confidential and must be used solely for:
  - Risk assessment;



- Compliance;
  - Transaction support.
- Data must be handled in line with applicable data protection laws (e.g. POPIA, GDPR equivalents where relevant).
- Access is limited to:
  - Deal originators;
  - Compliance/KYC staff;
  - Legal;
  - Senior management where necessary.

## **10. Training and Culture**

- All staff involved in originating or managing deals must receive periodic training on:
  - This Policy;
  - The KYC Forms;
  - The Dealflow Codex;
  - Practical red flags in commodity and trade finance fraud.
- Deviations from this Policy because “the deal looked too good” are treated as performance failures, not initiative.

## **11. Exceptions and Policy Review**

- Any exception to:
  - Requiring KYC forms;



- Minimum documentation;
- Following the Dealflow gates;

...must be:

- Justified in writing;
- Approved by the Group CEO;
- Logged for future audit and review.

This Policy shall be reviewed at least annually, or sooner if:

- New jurisdictions are added;
- Regulatory expectations change;
- Mezzarion moves into regulated financial activities.