



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.