



Know Your Customer (KYC) Policy and Procedures for Carfax Commodities Group of Companies

This KYC Policy is designed to outline the processes and procedures that the Carfax Commodities Group, i.e., all Carfax Commodities majority owned entities, will follow to meet its obligations under applicable anti-money laundering (AML) and counter-terrorist financing (CTF) regulations. The policy applies to all customers, suppliers, partners, and third-party entities with whom the Company engages in commodity transactions.

We understand that implementing a robust KYC process not only enhances compliance but reduces risk in our business. It promotes our strive for excellence and builds trust with our clients and stakeholders.

Regulatory Framework

This policy is based on local and international regulatory requirements, including but not limited to:

- Anti-Money Laundering (AML) Laws
- Counter-Terrorism Financing (CTF) Regulations
- Commodity Trading Regulations

The Company will ensure compliance with these legal frameworks and conduct due diligence in line with regulatory expectations.

Customer Due Diligence Procedures

The “Carfax Commodities Know Your Customer (KYC) Form”, attached to this policy document, sets out the customer due diligence procedures to verify the identity of customers and assess the risk profile associated with each customer, service provider or other transactional partners.

Identification and Verification of Customers

For legal entities, the Company will obtain, at a minimum:

- Full legal name of the entity
- Incorporation Date
- Registered address and principal place of business
- Business registration number and country of incorporation
- Registered address and principal place of business
- Names of beneficial owners (persons who own or control 25% or more of the entity)
- Names of Directors along with government-issued identification (e.g., passport (**preferable**), national ID, driver’s license)



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Risk Assessment

The completed form is to be signed by the Carfax team member and then passed to the finance team.

The finance team shall liaise with one of the Group relationships banks to feed the information into their compliance database.

The Company will conduct a risk-based approach to assess the level of risk posed by each customer. Customers will be classified as:

Low Risk

Customers with a stable, transparent business profile (e.g., large publicly listed companies, well-known financial institutions).

Medium Risk

Customers with moderate risk indicators (e.g., private companies, customers in jurisdictions with moderate risk of money laundering).

High Risk

Customers with high-risk indicators (e.g., businesses located in high-risk jurisdictions, politically exposed persons (PEPs), or complex corporate structures).

The bank or the finance team may require enhanced due diligence.

This may include:

- Obtaining additional documentation to verify the customer's identity and business purpose.
- Conducting more frequent monitoring of transactions.
- Requesting information on the source of funds and business relationships.

Once the due diligence has been performed the Operations Director shall sign the form to acknowledge the KYC procedure has been completed and all is in order.

The Company Execution Team shall then set up the client in the Company CTRM system, Agiblocks. No clients are to be setup without the signature of the Operations Director.



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Ongoing Monitoring

The Company will continuously monitor customer transactions to detect and prevent suspicious activities.

This will include:

Regular updates

Customer information will be reviewed regularly, particularly for high-risk customers, and updated when necessary.

Suspicious Activity Reporting

Any suspicious activities identified during monitoring will be reported to the Operations or Managing Director immediately.

Record Keeping

The Company will maintain comprehensive records of customer identification, transaction history, and any relevant KYC documentation. These records will be accessible to our stakeholders upon request.

Compliance and Reporting

The Operations Director shall act as the Company Compliance Officer and shall be responsible for overseeing the KYC process, ensuring adherence to this policy, and reporting any regulatory breaches or suspicious activities to the Managing Director. The compliance officer will also be responsible for ensuring that the policy is regularly reviewed and updated to reflect changes in legal and regulatory requirements.

Review and Updates

This KYC policy will be reviewed on an annual basis and be an agenda item in the annual board meeting. The policy will be updated accordingly to ensure continuous compliance with applicable laws and regulations.

Board oversight and governance

Our leaders play a critical role in promoting and ensuring a culture of ethics and compliance. They are responsible for ensuring employees understand and comply with our guiding values, standards and procedures.

Our culture of ethical business practices is emphasised in the recruitment and induction process of new team members. Existing employees confirm their awareness and understanding of our compliance requirements when they begin working at Carfax and annually thereafter.