
KYC & DUE DILIGENCE POLICY

Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), Sanctions Compliance & Counterparty Verification Framework

1. Purpose of the Policy

This **Know Your Customer (KYC) & Due Diligence Policy** (“the Policy”) outlines the governance, controls, procedures, and responsibilities required to ensure that **Metal Bridge S.M.P.C.** (“the Company”) conducts business ethically, lawfully, and in compliance with all applicable anti-money laundering (AML), counter-terrorist financing (CTF), and sanctions regulations.

The Policy ensures:

- Verification of the identity of all customers, suppliers, intermediaries, and partners.
- Assessment and mitigation of financial crime risks.
- Prevention of money laundering, terrorist financing, corruption, fraud, tax evasion, and other illicit activities.
- Compliance with international sanctions and export-control regulations.
- Protection of Metal Bridge from economic, legal, operational, and reputational risk.

This Policy is binding for all employees, directors, officers, and external partners acting on behalf of Metal Bridge.

2. Scope of Application

This Policy applies to:

- All customers (individual and corporate)
- All suppliers, intermediaries, agents, and counter-parties
- All employees involved in commercial, financial, logistics, and procurement functions
- All business relationships, transactions, and trade flows
- All jurisdictions in which Metal Bridge operates

KYC must be completed **before** entering any commercial relationship and continuously monitored throughout the engagement.

3. Regulatory & Compliance Framework

Metal Bridge complies with all applicable laws and global frameworks, including:

International Standards

- FATF Recommendations
- Basel AML Principles
- UN Sanctions & Anti-Terrorism Resolutions
- OECD Anti-Corruption Convention

European Union Framework

- 5th & 6th EU Anti-Money Laundering Directives (AMLD5, AMLD6)
- EU Sanctions Regulations
- EU Regulation 2015/847 (fund transfers)
- EU Dual Use Regulation (EU 2021/821)
- GDPR (Data Protection)

Sanctions Authorities

- OFAC (U.S. Treasury)
- EU Consolidated Sanctions List
- UN Security Council Sanctions List
- UK OFSI Sanctions List

Metal Bridge prohibits any transaction in violation of sanctions, AML, CTF, or export-control laws.

4. Definitions

Customer / Counterparty

Any individual or entity engaged in a business relationship with Metal Bridge.

Beneficial Owner (UBO)

A natural person who ultimately owns or controls a legal entity ($\geq 25\%$ ownership or other effective control).

PEP (Politically Exposed Person)

Individuals entrusted with prominent public functions, their immediate family, and close associates.

Sanctioned Entity

Any person, company, vessel, or jurisdiction listed under international sanctions.

Enhanced Due Diligence (EDD)

Additional verification required for high-risk customers or transactions.

Ongoing Monitoring

Continuous review of transactions, behaviors, and documentation throughout the business relationship.

5. KYC Principles

Metal Bridge applies the following core principles:

1. **Identify** all customers, suppliers, and intermediaries
2. **Verify** the legitimacy of their identity and business
3. **Understand** the nature, purpose, and structure of the relationship
4. **Assess** risk factors based on jurisdiction, product, industry, and ownership
5. **Monitor** transactions to ensure consistency with expected behavior
6. **Record** all KYC data and maintain archives for the required retention period
7. **Report** suspicious activity to authorities

No business will proceed unless KYC is successfully completed.

6. Customer & Counterparty Due Diligence Process

Metal Bridge's due diligence process includes:

6.1 Customer Identification (CID)

Collecting basic identifying information:

For Individuals

- Full legal name
- Nationality
- Passport or government ID
- Date of birth
- Residential address
- Contact details

For Legal Entities

- Full legal name
- Country of incorporation
- Registered address
- Trading address
- Company website
- Business activities
- Tax identification number (VAT/TIN)
- Company registration number

6.2 Beneficial Ownership Verification

Metal Bridge must identify and verify all UBOs ($\geq 25\%$ ownership) by collecting:

- Shareholder register
- UBO declaration form
- Corporate structure chart
- Identity documents of UBOs

Shell companies, anonymous ownership, and bearer shares require **EDD**.

6.3 Corporate Verification Documents

Required documents include:

- Certificate of Incorporation
 - Articles / Memorandum of Association
 - Certificate of Good Standing
 - Register of Directors
 - Register of Shareholders
 - Power of Attorney (if applicable)
 - Board resolution authorizing business relationship
 - Any applicable industry licenses
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6.4 Purpose & Intended Nature of Relationship

The Company must understand:

- Why the counterparty wants to trade with Metal Bridge
 - Expected trade volumes and frequency
 - Source of goods and destination markets
 - Payment methods and currencies
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6.5 Sanctions, PEP & Adverse Media Screening

Metal Bridge screens:

- Companies
- Directors
- Shareholders
- UBOs
- Authorized signatories
- Vessels (IMO number)
- Related entities & intermediaries

Screening databases include:

- OFAC
- EU Sanctions

- UN Sanctions
- Dow Jones / WorldCheck (where applicable)
- PEP lists
- Adverse news checks

Any match must be escalated to the Compliance Officer.

7. Risk-Based Approach (RBA)

Metal Bridge categorizes counterparties as:

Low-risk

- EU-based companies
- Transparent ownership
- Regulated entities (banks, insurers, listed companies)

Medium-risk

- Private companies in moderate-risk jurisdictions
- Industries with cash exposure
- Complex shareholding but verifiable

High-risk

- Companies registered in high-risk jurisdictions
- PEPs or associates
- Complex or opaque structures
- Sanctions-sensitive regions
- Unusual transactional behavior

High-risk customers require **Enhanced Due Diligence (EDD)**.

8. Enhanced Due Diligence (EDD)

EDD is mandatory when risk is high.

EDD measures include:

- Additional documentation
- Proof of source of funds (SOF)
- Proof of source of wealth (SOW)
- Independent verification using third-party databases
- Senior management approval
- On-site or virtual interviews
- Ongoing monitoring at increased frequency

No high-risk transaction may proceed without compliance approval.

9. Ongoing Monitoring

Metal Bridge monitors:

Transaction Behavior

- Matching expected customer profile
- Unusual or inconsistent patterns
- Large, rapid, or circular transactions
- Payments from third parties

Periodic KYC Refresh

- High-risk: annually
- Medium-risk: every 2 years
- Low-risk: every 3 years

Event-driven triggers

- Change in ownership
 - Negative media
 - Criminal investigations
 - Sanctions changes
 - Evidence of unusual behavior
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10. AML Red Flags

Metal Bridge employees must be alert to warning signs such as:

- Reluctance to provide KYC documents
- Unusually complex ownership structures
- Transactions with no economic purpose
- Use of third parties or shell companies
- Inconsistent trade patterns
- Payments from unrelated entities
- Customer involved in litigation or criminal allegations

Any red flag must be escalated.

11. Reporting Suspicious Activity

Employees must immediately report suspicious behavior to the Compliance Officer, including:

- Suspicious transactions
- Fake or altered documents
- Attempts to bypass KYC
- Links to sanctioned entities
- Evidence of tax evasion or money laundering

Suspicious Activity Reports (SARs) must be handled confidentially.

Retaliation against employees who report concerns is prohibited.

12. Record Keeping

Metal Bridge maintains KYC and transactional records for **at least 5 years**, including:

- Identification documents
- Screening logs
- Contracts & invoices
- Payment records
- Correspondence
- SAR reports

Records may be retained longer if required by law.

13. Roles & Responsibilities

Compliance Officer

Responsible for:

- Overseeing AML/KYC program
- Reviewing high-risk files
- Approving EDD
- Investigating suspicious activity
- Reporting to authorities
- Conducting training and audits

Employees

Must:

- Follow procedures
- Collect accurate KYC documents
- Report suspicious activity

Senior Management

Ensures:

- Adequate resources
- Independence of the compliance function
- Implementation of this Policy

14. Use of Third-Party Providers

Metal Bridge may use external services for:

- Identity verification
- Sanctions screening
- PEP and adverse media checks
- Background validation

Providers must meet the same compliance standards as Metal Bridge.

15. Training & Awareness

All employees receive:

- AML/KYC training upon hiring
 - Annual refresher training
 - Additional risk-specific training (trade, logistics, finance, procurement)
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16. Policy Enforcement

Non-compliance may result in:

- Disciplinary measures
 - Termination
 - Civil or criminal liability
 - Reporting to authorities
 - Supplier/partner termination
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17. Policy Review & Updates

This Policy is reviewed **annually** or sooner if:

- Regulatory changes occur
 - Internal audits recommend improvements
 - Significant new risks are identified
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FINAL STATEMENT



Metal Bridge is committed to maintaining the highest standards of international compliance, transparency, and responsible business conduct.

This Policy forms the foundation of our AML, CTF, sanctions, and KYC controls.