

ANTI-MONEY LAUNDERING (AML) AND KNOW YOUR CUSTOMER (KYC) PROCEDURES

1. Anti-Money Laundering Statement

MG-Marketing GmbH is committed to not engaging in or facilitating money laundering or terrorist financing. MG-Marketing GmbH has implemented Know Your Counterparty (KYC) identity verification procedures to:

- a) establish the identity of all counterparties;
- b) verify that counterparties and, where applicable, their beneficial owners are not listed on relevant government watchlists, and are not involved in money laundering, fraud, prohibited organizations, and/or the financing of conflicts;
- c) understand the nature and legitimacy of the counterparties' business activities; and
- d) monitor transactions for unusual or suspicious activity.

For the purpose of this policy, *money laundering* is defined as the process of concealing the financial proceeds of criminal activity to hide the illegal origin of funds. *Terrorist financing* is defined as any kind of financial support for those who promote, plan, or engage in terrorism.

2. Anti-Money Laundering Officer and Responsibilities

MG-Marketing GmbH appoints **Aneta Zumkeller** as the Anti-Money Laundering Compliance Officer (AMLCO), with full responsibility for the AML program. The AMLCO will ensure:

- a) effective implementation of the AML program;
- b) updates to the AML program when necessary; and
- c) proper training and education of relevant staff.

3. Providing Information to Law Enforcement

Upon request from the **National Crime Agency (NCA)** regarding accounts or transactions, we will promptly search our records to determine whether we maintain or have maintained accounts for, or have conducted transactions with, any person, entity, or organization named in the NCA's request. The AMLCO is responsible for responding to such inquiries.

4. Screening Business Partners Against Relevant Sanctions Lists

Before entering into business with new suppliers or customers, we will check that they are not listed on the **Office of Financial Sanctions Implementation (OFSI)** sanctions list.

If a potential counterparty, or any individual/entity they do business with, is found on the OFSI list, we will immediately cease all business dealings with them.

5. Counterparty Identification and Verification

We require all new and existing contracting parties to provide copies of official photo identification. This may include personal ID documents (such as passports or national ID cards) and business licenses, company registration numbers, or VAT identification numbers.

6. Additional KYC Information

Before establishing a business relationship, we will obtain the following from all contracting parties:

- Name of the business partner (company/organization/individual)
- Registered address
- Contact person and contact details
- Parent company and subsidiaries
- Company registration number
- Date of company incorporation
- Description of main business activity
- Beneficial owner(s)
- Shareholders
- Board members
- Management structure
- Copies of relevant policies (e.g., AML/KYC policy, supply chain policy)

7. Refusal to Provide Information

If a potential or existing counterparty refuses to provide the requested information, or knowingly provides misleading information, MG-Marketing GmbH will immediately terminate any business relationship with that person or entity. The AMLCO will decide whether to notify the NCA.

8. Identity Verification

Based on the information provided by potential or existing contracting parties, we will ensure that we can reasonably verify the true identity of the person or company by using risk-based verification procedures and documenting the process.

We will look for inconsistencies or red flags in the provided information, using both:

- **Documentary evidence** (e.g., assessing authenticity of ID documents)
- **Non-documentary evidence** (e.g., checking publicly available information)

9. Record-Keeping

We will keep all identification and verification records for **five years**. We will also retain records of all cash or cash-equivalent transactions of **EUR 10,000 or more**, whether single or linked.

MG-Marketing GmbH

Tel.: +49-911-2165876 Fax: +49-911-2165878

Amtsgericht Fürth

HRB: 17888

Geschäftsführer: Aneta Zumkeller & Antonin Kempny

Hafenstr. 37

Web: www.mg-marketing.de

Finanzamt Fürth

Steuernummer: 218/132/30736

Ust-IdNr.: DE 253 982 711

90768 Fürth

E-Mail: info@mg-marketing.de

Sparkasse Fürth

IBAN: DE46 7625 0000 0040 1900 01

BIC: BYLA DEM1 SFU

10. Identification of “Red Flags”

Based on information from potential or existing business partners, the following red flags will be used to identify possible money laundering or terrorist financing:

- Limited knowledge of the industry
- Requests for unusual financial terms
- No fixed business location or location in a high-risk jurisdiction
- Business proposals that make no sense
- Use of unusual or distant banks
- Use of non-bank financial institutions for legitimate business purposes
- Frequent unexplained changes in bank accounts or accounting staff
- Use of companies without clear legitimate tax, legal, or commercial purpose
- Unusually complex corporate structures
- Unexplained third-party involvement in transactions
- Refusal to identify beneficial owners or majority shareholders where expected
- Attempting to hide identity by conducting normal business through accountants, lawyers, or other intermediaries
- Unusual use of cash

Suspicious transactions will be reported to the NCA.

11. Review of AML Procedures and Training

MG-Marketing GmbH will review its AML and KYC procedures at least once a year to ensure they are up to date and effective. This includes ensuring the AMLCO provides all necessary AML training when applicable.

Approved by: Antonin Kempny, Managing Director

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