



A BRIEF SUMMARY OF THE BANK'S BSA/AML/CFT/CPF COMPLIANCE POLICIES

OVERVIEW

Hamilton Reserve Bank (“HRB” or the “Bank”) is a duly licensed commercial bank in good standing. HRB has worldwide relationships, offices, and a large staff from 11 countries that speaks 8 different languages (as of June 2023). As a fully regulated financial institution, HRB understands and recognizes its obligation to cooperate with and support regulators and law enforcement agencies around the world in their efforts to prevent, detect and control financial crime, and to comply with AML regulations to close off the financial channels that money launderers and terrorist organizations utilize. The Bank serves customers from around the world and is subject to the laws and regulations of banking and securities regulators that have supervisory authority over the Bank or its affiliates in those jurisdictions where the Bank operates.

Our Physical Location, Global Headquarter

The Bank’s global headquarter is a large 12-acre bank campus solely dedicated to Hamilton Reserve Bank and its staff located in Nevis, Saint Kitts & Nevis. The Bank’s physical address is listed below:

HAMILTON RESERVE BANK

Hamilton Reserve Bank Plaza

Jessups Estate, Nevis

Saint Kitts and Nevis

Telephone: +1 869 4698889

www.hrbank.com

Guided by A Comprehensive Compliance Manual: The Bank operates under a formal BSA/AML/CFT/CPF Compliance Manual (“Manual”) which seeks to ensure that HRB implements and adheres to the highest compliance standards by establishing

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and effecting policies, processes and controls reasonably designed to deter AML violations, as well as to counter terrorist financing and maintain internationally applicable reporting requirements.

The Updated Wolfsberg Group Questionnaire: The Bank also operates within the context of principles and industry standards to combat money laundering and terrorist financing developed by The Wolfsberg Group, which is a non-governmental association of thirteen global banks that aims to develop frameworks and guidance for the management of financial crime risks. HRB regularly updates its Wolfsberg Group Questionnaire and closely follows the latest compliance requirements.

Annual Independent Compliance Audit: In addition to annual independent financial audits, the Bank engages an independent, reputable, and qualified third-party firm to conduct an independent compliance audit of its BSA/AML/CFT/CPF compliance with HRB's policies, including but not limited to anti-money laundering programs, Customer Due Diligence procedures and suspicious transactions reporting procedures. The independent compliance audit assists in the identification of institution-specific money laundering (AML) risks, Combating the Financing of Terrorism (CFT) risks, and Countering the Financing of Proliferation (CFP) risks, and includes testing to determine the effectiveness of the Bank's programs and related procedures, including internal controls. The Bank is currently in full compliance with BSA/AML/CFT/CPF in all material respects.

Powered by Advanced Temenos Banking Technology: The Bank's financial technology is provided by Temenos, the world's largest core banking software that runs 80% of the world's largest banks. HRB broadly adopts risk-based Straight-Through Processing (STP), uses sophisticated facial recognition technology for identity verification, and conducts real time transaction monitoring.

A Highly Skilled Risk and Compliance Team: The Bank's risk and compliance duties are discharged daily by a team of highly experienced risk and compliance professionals under the supervision of the Bank's Board of Directors as well as the various governing committees established by the Board.

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- Board of Directors
- Office of the Chief Compliance Officer
- Office of the Chief Risk Officer
- Office of the General Counsel

A SUMMARY OF GLOBAL ANTI-MONEY LAUNDERING COMPLIANCE PROGRAM

The Bank has implemented a risk-based global Anti-Money Laundering ("AML") Compliance Program ("AML Program") designed to comply with AML laws and regulations in the U.S., including the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, the Anti-Money Laundering Act of 2020, and other applicable laws and regulations relating to the prevention of money laundering and terrorist financing in the jurisdictions where the Bank operates.

The AML Program consists of, among other things:

- Designations of a Global Head of Financial Crimes Compliance and sector, regional, and legal entity AML Compliance Officers who are responsible for coordinating and monitoring day-to-day compliance with the AML Program for their businesses and regions, respectively.
- AML risk assessments at the program, customer, and product and services levels.
- Written policies, procedures, and a system of internal controls designed to facilitate ongoing compliance with applicable AML laws and regulations.
- Know Your Customer standards including a Customer Identification Program and Customer Due Diligence procedures reasonably designed to identify and verify all customers and, where applicable, beneficial owners, source of funds, and the nature and intended purpose of the business relationship, to the extent warranted by the risk of money laundering or terrorist financing or as required by regulation.
- Performance of additional due diligence on higher risk customers, including correspondent banking and private banking customers and those who are assessed to be politically exposed persons.
- Risk-based measures and systems for ongoing monitoring of transactions and activities through customers' accounts.

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- Identification and reporting of suspicious transactions or activities to appropriate regulatory authorities in accordance with applicable laws.
- AML training for appropriate personnel.
- Independent audit and compliance testing functions to review and assess the Bank for compliance with the AML Program and applicable laws.
- Prohibition from conducting business with shell banks; and
- Record keeping and reporting requirements, including those for cash transactions and records obtained pursuant to the Customer Identification Program, which are maintained for at least five years after the termination of a customer relationship.

The Bank has implemented policies and procedures designed to comply with the prohibitions and restrictions mandated by OFAC and all other sanctions laws and regulations applicable in the jurisdictions where the Bank operates. The Bank has also implemented policies and proportionate, reasonable prevention procedures against facilitation of tax evasion, including the requirements to conduct periodic risk assessments, to undertake product due diligence and training, and to implement escalation procedures.

A SUMMARY OF GLOBAL SANCTIONS COMPLIANCE

The Bank has established a Global Sanctions Compliance Program ("GSC Program") consisting of the following elements: (i) procedures, systems, and internal controls designed to comply with applicable sanctions; (ii) a designated person responsible for the day-to-day implementation and operation of the GSC Program; (iii) independent testing; (iv) an ongoing training program; and (v) reporting and record keeping. The GSC Program is headed by the Bank's Chief Compliance Officer and Chief Risk Officer. The Bank, its employees, and contingent workers ("Employees"), wherever located, must comply with sanctions legally applicable to them in the jurisdictions in which they are located or do business.

HRB and its Employees may also be subject to additional prohibitions based on the non-U.S. sanctions in effect in the jurisdictions in which they are located. HRB and its employees are prohibited from engaging in transactions involving Specially Designated Nationals ("SDNs") and other activities such as:

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- Opening or maintaining accounts for SDNs or any other person subject to prohibitions of U.S. Sanctions.
- Conducting transactions either directly or indirectly with SDNs or any other person, entity or country prohibited by U.S. Sanctions.
- Facilitating any prohibited transaction by advising on ways to avoid U.S. Sanctions.
- Facilitating non-U.S. person to engage in transactions prohibited by U.S. sanctions.

To prevent dealings with sanctioned parties, HRB performs real time screening of customer relationships and transactions against the SDN list or other legally applicable sanctions lists, including those published or administered by the European Union and Her Majesty's Treasury of the United Kingdom. HRB has adopted policies and procedures governing the maintenance of its screening systems and processes.

A SUMMARY OF ECONOMIC SANCTIONS

Hamilton Reserve Bank (“HRB”) must comply with the sanctions administered and enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) (<http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>) and any other related U.S. laws and regulatory requirements, whether as a matter of law or HRB policy.

In addition, the European Union (“EU”) maintains sanctions and restrictive measures which apply across all its member states and, therefore, HRB entities operating within the EU must comply with EU sanctions programs (http://eeas.europa.eu/cfsp/sanctions/index_en.htm). Other countries where HRB may operate may also impose sanctions restrictions with which HRB must comply.

OFAC sanctions prohibit or restrict HRB from engaging in activities that involve sanctioned persons or comprehensively sanctioned countries and regions. Depending on the sanctions, HRB may be required to freeze assets, reject transactions, not extend credit, or provide services, or take other specific actions.

With respect to comprehensively sanctioned countries and regions - currently (*the Bank regularly updates its sanctions data base as required by law*) Cuba, Belarus, Sudan, South Sudan, Iran, Venezuela, North Korea, Syria, Russia, the Crimea, Donetsk People’s Republic (DNR), and Luhansk People’s Republic (LNR) regions of Ukraine – the Bank is

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prohibited from engaging in or facilitating transactions that have any connection to these countries or regions.

Except as specifically authorized or permitted by OFAC and other applicable sanctions regulations, HRB customers must ensure that none of their investments, services, goods or trade involving sanctioned persons, countries or regions are sent to or processed through HRB or are funded or otherwise facilitated by financing provided by HRB. HRB will take appropriate action, including potentially blocking or rejecting funds, with respect to transactions that appear to violate applicable sanctions.

Questions

Please contact the Bank directly should you have any questions.

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