Anti-Money Laundering Risk Assessment Form

Name of Trust

Each of the areas below should be considered when assessing the risk of the client and proposed transactions. **Answer each of the questions below, or supply remarks in the Comments area** that you believe are worthy of attention. **The questions outlined are non-exhaustive—there may be other pertinent risk factors which should be considered, dependent upon the nature of the client/transaction being considered. Please elaborate in the Comments section if there are additional factors to consider that may increase or decrease risk.**

CLIENT IDENTIFICATION AND VERIFICATION[1] - CLIENT RISK

ID & Address Verification

1. Is the trust created by or for the benefit of foreign nationals?

☐ Yes ☐ No

2. Does the trust hold foreign assets?

☐ Yes ☐ No

If **YES**, treat account as a Foreign Trust and complete the form.

3. Has the client's country of residence, citizenship, and/or country of employment been collected?

☐ Yes ☐ No

If **NO**, HIGH risk should be selected.

Are the countries deemed "high risk" by US authorities?[2]

☐ Yes ☐ No

If **YES**, HIGH risk should be selected.

4. If client is a US resident and the client's business activities are not classified as high risk by federal authorities, client will be classified as LOW risk.

5. Have identification documents been collected?

- ✓ Passport or government-issued picture identification card; and
- ✓ W9 or other applicable tax documentation (e.g. W8BEN); and
- ✓ For foreign accounts, physical address information such as a billing statement or other that confirms physical residence.[3]

☐ Yes ☐ No

If **NO**, HIGH risk should be selected.

[1] For certain high-risk entities, the trust company will automatically decline doing business with a potential client that falls into the following categories: Individuals/Entities that appear on OFAC lists or subject to government sanctions; transactions that originate from restricted countries; Politically Exposed Persons; publishers of racist/extreme political propaganda or pornography; or arms or munitions dealers. The OFAC Resource Center contains information on countries and sanctions: https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx. Contact the Compliance Officer with any questions regarding this form. [2] Certain countries have been identified where there is a higher risk due to a lack in money laundering enforcement by the Financial Action Task Force (FATF) and other agencies. See the updated list of countries on the N: Drive. [3] These commonly used documents are acceptable proof of physical address that are not older than 3 months: Personal bank statement, Utility bills for the residential property such as gas, electrical, water, cable, phone bill; letter from a government entity such as a tax bill that is less than 6 months old; credit card statement; lease agreement w/ rent receipt. Information can be redacted to show only the proof of address.

6. Has a search of publicly available information sources populated criminal, civil or other violations (e.g. Google, news media)?

☐ Yes ☐ No

If **YES**, MEDIUM or HIGH risk should be selected.

7. Is the client a PEP?

☐ Yes ☐ No

If **SO**, document the country, the political office, and the period of time in office, and MEDIUM or HIGH RISK should be selected.

Comments:

Status of Client

If the client is **NOT A NATURAL PERSON** (a legal entity), complete the **CERTIFICATION OF BENEFICIAL OWNERS FORM**:

- If the legal entity is an association, corporation, partnership, LLC or similar, an owner must have 25% or greater ownership;
- Is there a person who is a controlling person who is a senior manager of the legal entity (e.g. CEO, COO, president or manager);
- If the legal entity is a trust, a controlling person is the trustee, settlor, or protector. Provide the name of the individual who has the greatest degree of control over the trust.

Comments:

TRANSACTION RISK

Client Activity/Financial Profile Of Client/Transaction Risk

1. Has the Client Profile (or other similar documentation) been received?

☐ Yes ☐ No

If **NO**, MEDIUM or HIGH risk should be selected.

2. Are there discrepancies or is there missing information regarding the source of wealth/source of funds?

☐ Yes ☐ No

If **SO**, MEDIUM or HIGH risk should be selected.

3. Has the stated source of wealth/source of funds been identified?

☐ Yes ☐ No

If **NO**, HIGH risk should be selected.

4. Is the grantor's source of wealth derived from a high-risk industry, and/or does the grantor still have any connection to a high-risk industry?

☐ Yes ☐ No

If **YES**, HIGH risk should be selected.

5. If the trust will hold closely held assets or public companies, are the companies located in a high-risk jurisdiction?

☐ Yes ☐ No

If **YES**, HIGH risk should be selected.

Comments:

Additional Comments:

MONEY LAUNDERING RISK ASSESSMENT—FILE NOTE

Complete this form as part of the review process. **Assessment of risk should take both client risk and transaction risk into consideration with the rating.** Provide a rating in this Money Laundering Risk Assessment portion and add any explanation you feel is warranted. As a guide, see the Appendix to assist you. Use the definition of each rating that is provided below.

Client Risk:

☐ Low ☐ Medium ☐ High

Transaction Risk:

☐ Low ☐ Medium ☐ High

After collecting and documenting client information, assess the level of money laundering risk that the client presents. Use the rating scale below as a basis to offer an explanation of the assigned rating.

HIGH Rating:

The assessment reflects a situation where the customer is more vulnerable to money laundering or terrorist financing due to the type of client, the client's location, or the client's business activity or source of funds.

MEDIUM Rating:

The assessment reflects a situation where the client could be vulnerable to money laundering or terrorist financing, however due to client activity and the type of services performed by the trust company, the risk is determined to be moderate.

LOW Rating:

The client score is considered to be a low risk of money laundering or terrorist financing due to the type of client, client activity, and the type of services performed by the trust company.

Where the risk rating is listed as **MEDIUM** or **HIGH**, describe mitigating factors (if any) that will or could be used to reduce the risk. **If any of the factors remain rated HIGH, refer the client file for review and approval of senior management before establishing the relationship.**

Comments:

Completed by:

Trust Officer

Signature

Print

Date

Compliance Officer - For Accounts Rated High Risk or Changes to Risk Rating Level Only

Signature

Print

Date

Appendix

Anti-Money Laundering Risk Assessment Form

CLIENT IDENTIFICATION AND VERIFICATION

Factors to consider for rating purposes:

ID & Address Verification

- Before accounts are opened, we must have received and reviewed identification documents. Receipt of documentation may be pending. In the event documentation is not received after a reasonable amount of time, the risk rating should be considered HIGH. For High Risk accounts, decisions on retaining the account and continuing the client relationship must be made by senior management. **NOTE: High Risk accounts have additional ongoing due diligence requirements.**
- If the client is known to you through an existing relationship, or this is a new relationship that comes through a referral from a familiar firm and proven referral source, the risk rating can be reduced.
- If the client's residence (or business) is: a) located in a country that has been recognized as presenting a greater risk of money laundering, (review the latest list on the FinCEN website or check with the Compliance Officer); b) has possible or positive matches on World Check; c) or is a Politically Exposed Person, the risk rating should be considered HIGH.
- If the client's domicile (or business) is located in a jurisdiction that replicates U.S. AML regulation, and the client has been cleared through World Check, the risk rating is MEDIUM).

Status of Client

A review of the client's prior and current business ties is necessary to rule out the possibility of doing business with parties who are engaged in high risk activities that pose either regulatory or reputational risk to the trust company.

Financial Profile

- When collecting client information, document the client's stated purpose for the account. The trust company will use this information to: 1) ensure and document the trust is established for a lawful purpose; and 2) compare to actual transaction information to ensure there is no suspicious activity.
- Review the client's source of wealth. The source of wealth should come from low-risk and reputable activities in order to be rated LOW. In situations where client wealth is derived from activities that pose reputational concerns due to the activities or location, the risk rating should be MEDIUM or HIGH. Make sure to explain the activities or location in the comments.
- The client profile should be recorded and retained for reference purposes and to allow for ongoing monitoring for reporting of irregular activities.

CLIENT ACTIVITY

Successful administration of an AML Program requires that we understand and try to document the profile of our clients. Understanding anticipated client activities is critical to identifying transactions that depart from historical patterns and our understanding of the client's intended usage of the account which should trigger a closer review of the transaction.

Form as of July 15, 2024