

Anti - Money Laundering /
Counter Terrorism and
Proliferation of Weapon of Mass
Destruction Financing
(AML/CTPF)

Policy Statement

The AML/CTPF Policy statements herein reflect the TTB policy requirements to comply with the TTB Cultural Values, the local laws and regulations, and local and international standards for combating money laundering and terrorism and proliferation of weapon of mass destruction financing.

Article 1 Implementation and embedding of AML/CTPF Policy

For effective compliance, the AML/ CTPF Policy must be translated into processes, procedures and work instructions. The procedures have to take into account all other processes and procedures that have a ML/ TPF element, such as the Product and Service Approval Process (PSAP), the Employment Screening Process. At the same time, the business processes in which AML/CTPF requirements are implemented, e.g. the Customer Due Diligence (CDD) process, may also require controls and actions which are beyond the scope of the AML / CTPF Policy, such as FATCA and Corporate Social Responsibility (CSR) or Environmental Social Responsibility (ESR) Manual.

All AML/CTPF - related procedures and associated work instructions must be subject to a frequent review to ensure they reflect the necessary controls to adequately manage the ML / TPF risks, as stated in the AML / CTPF Policy.

In addition, the relevant AML/CTPF controls in the AML / CTPF Policy must be taken into account in the Support Control Frameworks and Product Control Frameworks.

The tooling used to support the processes and procedures must ensure proper embedding of the AML/CTPF requirements and associated controls at all levels within TTB.

TTB must perform business tracking and monitoring activities. Business is responsible for tracking the operating effectiveness of the implemented ML / TPF risk mitigation

activities. Compliance monitors this activity and assists the Business in determining whether its risk mitigation activities are operating effectively.

Compliance also assists the Business in identifying gaps in its business tracking relating to new or changed compliance risks.

Article 2 Risk Assessment and Control Objectives

The AML / CTPF Policy defines TTB's risk appetite towards ML / TPF related risks in the following control areas:

- Anti-Money Laundering (AML)
- Counter – Terrorism and Proliferation of Weapon of Mass Destruction Financing (CTPF)
- Export Trade Controls and Sanctions (economic, financial and trade)
- Ultra-High-Risk Countries (UHRCs)

All control objectives are mandatory for all business lines / units on following related activities;

1. Customer Due Diligence / Know Your Customer (KYC/CDD)

TTB shall obtain satisfactory evidence of the identity and legal existence of persons and corporates, whether face-to-face or non-face-to-face, applying to do business with the bank, and has implemented specific policies and procedures for customer identification and verification in order to make reasonable efforts to conduct business only with corporations or individuals who are involved in legitimate enterprises. Furthermore, TTB will periodically review and update customer information so that it remains current and conduct ongoing monitoring of customers and transactions using a risk-based approach. TTB aims to conduct its operations

and establish AML systems and controls in compliance with the applicable laws and regulatory guidelines.

2. Co-operation with Law Enforcement Agencies

TTB will fully co-operate with Anti-Money Laundering Office (AMLO) as the lead regulator of AML/CTPF and other relevant regulators. This includes taking appropriate measures allowed by law if there are reasonable grounds for suspecting money laundering and terrorist financing.

3. Reporting Suspicious Transaction

As required by the AML/ CTPF Act, TTB reports banking transactions including cash transactions, asset transactions, electronic fund transfer transactions and suspicious activities report (SAR) to Anti- Money Laundering Office in a timely manner as started in regulations.

4. Record Retention

TTB has record keeping procedures and guidelines in place for all applicable financial transaction documents. The retention period and format must be in line with the requirements of all relevant authorities. As required by the AML/CTPF Act, TTB shall maintain as a minimum all customer identification records and transactions and a record of customer information for a required period according to AMLO regulations from the date that the account was closed, the relationship with the customer was terminated or the date that such transaction occurred, whichever is longer. Moreover, document retention standards shall follow the regulatory guidelines so that any relevant authorities may be able to judge reliably the transactions and TTB's compliance with laws and regulations based on the available records.

5. Staff Training

TTB incorporates anti-money laundering training in the staff training program on an on-going basis, with refreshment every 2 years. All staff must be fully aware of their responsibilities of combat money laundering and terrorism and proliferation of weapon of mass destruction financing as well as be familiar with systems and procedures for applicable reporting requirements under their areas. Staff dealing with customers are educated in the importance of the Customer Due Diligence and Know Your Customer requirements. Staff are required to complete AML/CTPF e-learning within 4 months after joining TTB.

Article 3 Self - ML / TPF Risk Assessment to identify existing gap

TTB's ML/TPF Risk Assessment shall be conducted on an on-going basis (or at least every two years), and shall include the following:

- Preparing documentation on self ML/TPF Risk Assessment
- Considering the following factors
 - i. Results of ML / TPF National Risk Assessment (NRA), a comprehensive risk assessment process to generate a risk rating for customer. High risk customer such as politically exposed persons (PEP) requires an enhance due diligence and senior management sign off. The review of customer due diligence and ongoing monitoring measures are applied based on the assessed risk.
 - ii. Assess and manage ML / TPF risk based on TTB's all businesses by considering ML / TPF risk factors such as Customer Risk, locations / geography, products / services, types of financial transactions and channels

- iii. Measurements and methods to mitigate and/or prevent ML / TPF risk
- iv. Updates information used for internal ML/TPF Risk Assessment. This should be the most updated information for completeness and correctness of ML/TPF Risk Assessment Gap analysis of the Anti-Money Laundering/Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing between the existing TTB requirements and those of other countries, which are applicable to TTB businesses in such jurisdiction. The gap analysis, in particular, must consider and address the following 10 categories:
 - 1. Identification and assessment of risks
 - 2. Risk classification factors
 - 3. Risk management and mitigation
 - 4. Criteria for making CDD
 - 5. Identification - documented information
 - 6. Face to Face
 - 7. Simplified due diligence
 - 8. Record-keeping
 - 9. Wire transfers information
 - 10. The sanction lists

Article 4 Waivers and Deviations

TTB Compliance Policy shall be referred to when having issue regarding either inability to comply or need to deviate from any mandatory provision OR potentially breach of the AML/CTPF Policy. In other words, Compliance and/or MLRO must be firstly engaged to assess such inability, deviation or potential breach before further defining

dealing/handling approaches. Respective Chiefs, as well as relevant Board committees will then be reported in a timely manner.

Article 5 Audit

Audit Group shall include compliance with the AML/ CTPF Policy and AML/ CTPF relevant legislation and regulations within the audit program of TTB.