

AGREEMENT BY AND BETWEEN
BMO Harris Bank, N.A.
Chicago, IL
and
The Comptroller of the Currency

BMO Harris Bank, N.A., Chicago, Illinois, (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules and regulations.

The Comptroller, through his National Bank Examiner, has examined the Bank and found unsafe and unsound practices relating to the Bank’s compliance program for Bank Secrecy Act/anti-money laundering (“BSA/AML”).

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected and acting Board of Directors (“Board”), and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the articles of this Agreement.

ARTICLE I

JURISDICTION

(1) This Agreement shall be construed to be a “written agreement entered into with the agency” within the meaning of 12 U.S.C. § 1818(b)(1).

(2) This Agreement shall be construed to be a “written agreement between such depository institution and such agency” within the meaning of 12 U.S.C. § 1818(e)(1) and 12 U.S.C. § 1818(i)(2).

(3) This Agreement shall not be construed to be a “formal written agreement” within the meaning of 12 C.F.R. §§ 5.3(g)(4), 5.51(c)(6)(ii), and 24.2(e)(4), unless the OCC informs the Bank otherwise.

(4) This Agreement shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4, unless the OCC informs the Bank otherwise in writing.

(5) This Agreement shall be construed to be a “written agreement” within the meaning of 12 U.S.C. § 1818(u)(1)(A).

(6) All reports or plans which the Bank or Board has agreed to submit to the Deputy Comptroller pursuant to this Agreement shall be forwarded to the:

Deputy Comptroller, Large Bank Supervision
Office of the Comptroller of the Currency
400 7th Street, S.W. MS 8W
Washington, DC 20219

with a copy to:
National Bank Examiners
111 W. Monroe
Suite 4-C
Chicago, IL 60603

ARTICLE II

COMPLIANCE COMMITTEE

(1) Within thirty (30) days of the date of this Agreement, the Board shall appoint a Compliance Committee of at least three (3) directors, at least one of which shall not be an employee or officer of the Bank or any of its subsidiaries or affiliates. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Deputy Comptroller to obtain a written determination of no supervisory

objection. The Compliance Committee shall be responsible for monitoring and coordinating the Bank's adherence to the provisions of this Agreement.

(2) The Compliance Committee shall submit quarterly written progress reports to the Board setting forth in detail:

- (a) a description of each action needed to achieve full compliance with each Article of this Agreement;
- (b) actions taken to comply with each Article of this Agreement; and
- (c) the results and status of those actions.

(3) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Deputy Comptroller within ten (10) days of receiving such report.

ARTICLE III

COMPREHENSIVE BSA/AML ACTION PLAN

(1) Within ninety (90) days of this Agreement, the Board shall submit to the Deputy Comptroller and the Examiner-in-Charge a plan containing a complete description of the actions that are necessary and appropriate to achieve full compliance with Articles IV through IX of this Agreement ("BSA/AML Action Plan"). The Board shall implement the BSA/AML Action Plan upon the Deputy Comptroller's issuance of a written determination of no supervisory objection. In the event the Deputy Comptroller asks the Board to revise the plan, the Bank shall promptly make and the Board shall approve necessary and appropriate revisions and resubmit the BSA/AML Action Plan to the Deputy Comptroller and Examiner-in-Charge for review and determination of no supervisory objection. Following implementation, the Board shall not take any action

that will cause a significant deviation from, or material change to, the BSA/AML Action Plan unless and until the Board has received a prior written determination of no supervisory objection from the Deputy Comptroller.

(2) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Agreement, including, without limitation, successful implementation of the BSA/AML Action Plan. The Board shall further ensure that, upon implementation of the BSA/AML Action Plan, the Bank achieves and maintains an effective BSA/AML compliance program, in accordance with the BSA and its implementing regulations. In order to comply with these requirements, the Board shall:

- (a) require timely reporting by Bank management of such actions directed by the Board to be taken under this Agreement;
- (b) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (c) require corrective action be taken in a timely manner for any non-compliance with such actions.

(3) The BSA/AML Action Plan must specify timelines for completion of each of the requirements of Articles IV through IX of this Agreement. The timelines in the BSA/AML Action Plan shall be consistent with any deadlines set forth in Articles IV through IX, unless modified.

(4) Upon request by the Deputy Comptroller or the Examiner-in-Charge, the Board shall modify the BSA/AML Action Plan to address any Matters Requiring Attention concerning BSA/AML matters, or citations of violations of law concerning

BSA/AML matters, which the OCC may issue to the Bank following the effective date of this Agreement.

(5) The Board shall ensure that the Bank has sufficient processes, personnel, and control systems to implement and adhere to this Agreement. The BSA/AML Action Plan must specify in detail budget outlays and staffing, including aggregated staff compensation information in a format acceptable to the Examiner-in-Charge, that are necessary to achieve and maintain full compliance with Articles IV through IX of this Agreement.

(6) Any independent consultant or auditor engaged by the Bank or the Board to assist in the assessment of the BSA/AML Action Plan or other compliance with this Agreement must have demonstrated and specialized experience with the BSA/AML matters that are the subject of the engagement, and must not be subject to any conflict of interest affecting the consultant's or auditor's independence. Any independent consultant or auditor engaged by the Bank is subject to prior written determination of no supervisory objection from the Deputy Comptroller or Examiner-in-Charge.

(7) Within ten (10) days of this Agreement, the Bank shall designate an officer to be responsible for coordinating and submitting to the OCC the written plans, reports, and other documents required to be submitted under the terms and conditions of this Agreement.

ARTICLE IV

MANAGEMENT AND ACCOUNTABILITY

(1) The Board shall ensure there are clear lines of authority and responsibility for compliance management and BSA/AML compliance, and that competent and independent compliance management is in place on a full-time basis.

(2) The Board shall ensure that compliance staff has the appropriate level of authority to implement its BSA/AML compliance program and, as needed, question account relationships and business plans. Compliance staff shall maintain independence from the business line. The Bank shall follow any applicable guidance addressing independence issued by the OCC or the FFIEC.

(3) The Board shall ensure that senior management and line of business management are accountable for effectively implementing the Bank's BSA/AML-related policies and procedures, and fulfilling BSA/AML and Office of Foreign Assets Control ("OFAC") obligations. The Board shall incorporate BSA and OFAC compliance into the performance evaluation process for senior and line of business management.

Additionally, written Bank policies and procedures shall clearly outline the BSA/AML and OFAC responsibilities of senior management, and all relevant business line employees, compliance and other relevant control functions, and internal audit.

(4) The Board shall develop appropriate objectives and means to measure the effectiveness of compliance management officers and compliance management personnel within each line of business and for those with responsibilities across lines of business.

(5) The Board shall not permit any other party, including but not limited to the Bank's holding company, to perform any act on behalf of the Bank, which is the subject

of this Agreement, unless the Bank requires that party to perform such act in the manner and under safeguards and controls at least as stringent as required by the Bank under the terms of this Agreement.

ARTICLE V

BSA/AML COMPLIANCE PROGRAM EVALUATION

AND RISK ASSESSMENT

(1) Within thirty (30) days of this Agreement, the Board shall review its engagement with its current independent consultant on BSA/AML issues to review and ensure that the consultant's evaluation of the Bank's BSA/AML compliance program satisfies the requirements of this Article. The Board's evaluation shall include assessments of the Bank's BSA/AML compliance program's organizational structure, enterprise-wide effectiveness, the competency of management, accountability, staffing requirements, internal controls, customer due diligence processes, risk assessment processes, suspicious activity monitoring systems, audit/independent testing, and training.

(2) The Board's evaluation shall also include a comprehensive assessment of the Bank's BSA/AML risk, including detailed quantification of risk to accurately assess the level of risk and the adequacy of controls. The comprehensive assessment shall include:

(a) An assessment of the AML risk associated with each line of business, and an enterprise-wide assessment of AML risk for higher risk products, customers, and services. This review shall include, but is not limited to, an assessment of risk associated with foreign correspondent banking, dollar drafts, remote deposit capture, and other higher risk

products, services, customers, or geographies. The purpose of the enterprise-wide assessment is to identify systemic AML risk that may not be apparent in a risk assessment focused on line of business or assessment units.

(b) Evaluation of the Bank's current methodology for quantifying the level of BSA/AML risk associated with specific customers. This evaluation shall result in the development of a comprehensive approach to quantifying BSA/AML risk for new and existing customers. The quantification of risk shall encompass a customer's entire relationship with the Bank, include the purpose of the account, actual or anticipated activity in the account (e.g., type and volume (number and dollar) of transaction activity engaged in), nature of the customer's business or occupation, customer location (e.g., customers' geographic location and where they transact business), types of products and services used by the customer, material changes in the customer's relationship with the Bank, as well as other factors discussed within the FFIEC BSA/AML Examination Manual.

(c) The identification of specific lines of business, geographies, products or processes where controls are not commensurate with the level of AML risk exposure.

(d) The aggregation of the Bank's enterprise-wide AML risk shall be logical and clearly supported in the work papers. The work papers and supporting documentation shall be readily accessible for OCC review.

(3) The risk assessment described in clause (2) above shall be re-evaluated by the Board periodically, the timeframe for which shall not exceed twelve months, or whenever there is a significant change in AML risk within the Bank or line of business. The AML risk assessments shall also be independently reviewed by the Bank's internal audit function for the adequacy of methodology and accuracy of findings.

(4) A separate OFAC risk assessment shall be performed annually and include the same criteria.

(5) The Board shall submit the independent consultant's BSA/AML compliance program evaluation, including the comprehensive BSA/AML risk assessment and the OFAC risk assessment, to the Examiner-in-Charge for supervisory non-objection. If the Examiner-in-Charge recommends changes to the evaluation or the assessments, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE VI

STAFFING PLAN

(1) Within ninety (90) days, the Board shall develop a staffing plan for the Bank's BSA department that is consistent with the overall risk profile of the Bank. At a minimum, the plan shall consist of the following:

- (a) identification of the number of staff appropriate to administer the department effectively and efficiently and in a safe and sound manner, and the skills and expertise of the staff needed to accomplish that goal;
- (b) identification of the number of staff currently assigned to the Bank's BSA department and their relevant skills and expertise;

(c) a comparison of the current staff's number, skills and expertise identified in (1)(b) of this Article to the number, skills and expertise identified in (1)(a) of this Article; and

(d) re-evaluation of adequacy of staffing at least annually.

(2) Within thirty (30) days of the development of the staffing plan, the Board shall implement the plan and make any changes necessary to ensure that the Bank's BSA function has staff sufficient in number, skills and expertise to perform effectively and efficiently and in a safe and sound manner the duties assigned to that function.

Thereafter, the Board shall ensure that the Bank adheres to the staffing plan.

ARTICLE VII

MANAGEMENT INFORMATION

(1) Within ninety (90) days of this Agreement, the Board shall ensure that the Bank conducts a management information system ("MIS") assessment with respect to BSA/AML compliance and within thirty (30) days thereafter develops a plan that will enable the Bank to more effectively identify, monitor, and manage the Bank's BSA/AML-related risks on a timely basis. The plan should address any system limitations, provide for appropriate reporting, establish timelines for implementation, and consider the following:

(a) any trends in unusual or suspicious activity that have been identified and reported by the Bank, as well as the product lines, departments and branches in which suspicious activity has occurred;

- (b) high risk accounts by line of business and type of business, country of origin, locations of the customer's businesses and residences, average dollar, and transaction volume of activity;
- (c) information regarding compliance with this Agreement; and
- (d) any additional information deemed necessary or appropriate by the Bank's BSA officer or the Bank.

(2) Upon completion, a copy of the MIS plan shall be submitted to the Deputy Comptroller and Examiner-in-Charge. If the Deputy Comptroller recommends changes to the plan, the Board shall incorporate those changes into the plan or suggest alternative changes that are acceptable to the Deputy Comptroller.

ARTICLE VIII

CUSTOMER DUE DILIGENCE

(1) Within ninety (90) days of this Agreement, the Board shall ensure that appropriate customer due diligence policies, procedures, and processes are developed. These controls shall be implemented and applied on a Bank-wide basis. Minimum corporate standards shall provide general guidance, and individual lines of business and AML compliance management shall develop standards based on their client bases, products, services, geographic risk, and other AML risk factors. Customer due diligence shall be commensurate with the customer's risk profile, and sufficient for the Bank to develop an understanding of normal and expected activity for the customer's occupation or business operations. The customer due diligence process shall include, at a minimum, the following items:

(a) Information regarding the client's relationships with the Bank, all lines of business within the Bank, and all Bank subsidiaries. This includes accounts within other lines of business, regions, and countries (as permitted by jurisdiction).

(b) An electronic due diligence database which includes information specified in subparagraph (a) above that is readily accessible to the relationship manager or other parties responsible for the customer relationship, AML compliance personnel, suspicious activity monitoring alert analysts and investigators, and quality control personnel.

(c) Customer due diligence shall be periodically updated to reflect changes in the customer's behavior, activity profile, derogatory information, periodic reviews of the customer relationship, or other factors that impact the AML risk for the client and shall include any remediation required by the standards required by the Article. The frequency of the periodic update of due diligence shall be based on risk with the update performed at least annually for high-risk relationships, triennially for low-risk business relationships, and as appropriate for low-risk individuals. The periodic updates shall be documented, and subject to quality assurance processes.

(d) The client relationship AML risk score shall be detailed in the customer due diligence record, along with the supporting factors, including transaction activity, geographies involved, and suspicious activity monitoring alert and filing history among others.

(e) Specialized or enhanced due diligence for higher risk clients and/or products and services shall be implemented enterprise-wide. These due diligence standards shall comply with the FFIEC BSA/AML Examination Manual, the Interagency Guidance on Beneficial Ownership Information (OCC 2010-11), as well as industry standards.

(2) The Bank shall submit its policies and procedures for customer due diligence to the Examiner-in-Charge for prior supervisory non-objection. If the Examiner-in-Charge recommends changes to the policies or procedures, the Bank shall incorporate those changes or suggest alternatives that are acceptable to the Examiner-in-Charge.

ARTICLE IX

SUSPICIOUS ACTIVITY IDENTIFICATION

(1) Within ninety (90) days of this Agreement, the Board shall develop and thereafter shall maintain a written program of policies and procedures that ensure, pursuant to 12 C.F.R. § 21.11, the timely and appropriate review of transaction activity and disposition of suspicious activity alerts, and the timely filing of Suspicious Activity Reports (“SARs”).

(2) Within thirty (30) days of this Agreement, the Bank shall retain one or more independent consultants acceptable to the Examiner-in-Charge, or continue an existing or newly revised relationship with one or more independent consultants acceptable to the Examiner-in-Charge, to evaluate its suspicious activity identification processes to ensure they are effective and provide comprehensive coverage to the Bank. This evaluation shall include an assessment of the capabilities of any surveillance and

transaction monitoring systems used; the scope of coverage provided by the systems; and the management of those systems. Upon completion the Bank shall submit this evaluation to the Examiner-in-Charge for supervisory non-objection. The evaluation shall address or include, but not be limited to, the following:

- (a) An assessment of the functionality of automated transaction monitoring systems used to determine if the systems are sufficiently robust to provide for the timely identification of potentially suspicious activity. A comprehensive listing of weaknesses or deficiencies in the system and the risks presented by these deficiencies shall be highlighted for management consideration.

- (b) A feasibility study for automating manual monitoring processes that the current automated transaction monitoring system cannot accommodate.

- (3) The Bank's implementation of each surveillance and transaction monitoring system shall be designed to ensure the following:

- (a) The integrity of data feeding the transaction monitoring systems;
- (b) The system has been sufficiently tailored to the Bank's risk profile and operations;
- (c) The system's functionality is being fully utilized to appropriately address risk;
- (d) The scenarios or rules selected for automated monitoring are appropriate and effective in identifying client activity that is unreasonable

or abnormal given the nature of the client's occupation or business and expected activity;

- (e) Sufficient management information and metrics are used to manage and adjust the system, as necessary;
- (f) Statistically valid processes are used to validate and optimize monitoring system settings and thresholds, and to measure the effectiveness of the automated system and individual scenarios, where appropriate;
- (g) Alert scoring methodology is used to prioritize work flows and to facilitate management of the system and the ongoing validation and optimization of system settings;
- (h) The adequacy of staffing to investigate and clear alerts;
- (i) The quality and completeness of information available to analysts working transaction monitoring alerts and conducting investigations;
- (j) The standards for disposition of different types of alerts are reasonable, communicated in writing to relevant staff and are adhered to by the alert investigators;
- (k) Adequate documentation is maintained to support the disposition of alerts;
- (l) The availability and adequacy of information to investigate potentially suspicious activity, including, if applicable, information from multiple lines of business a customer transacts with or information from bank subsidiaries;

(m) Standards that ensure accounts with high volumes of alerts are identified, elevated and properly categorized as high risk, and subject to enhanced due diligence and monitoring; and

(n) Sufficient quality control processes designed to ensure the surveillance and transaction monitoring system, alert management process, and SAR decisioning and filing are working effectively and according to internal standards.

ARTICLE X

PROGRESS REPORTS

(1) Commencing with the second calendar quarter of 2013, within thirty (30) days after the end of each calendar quarter following the date of this Agreement, the Board shall submit to the OCC a written progress report detailing the form and manner of all actions taken to secure compliance with the provisions of this Agreement and the results thereof. The Bank shall ensure that the progress report includes information sufficient to validate compliance with this Agreement. The OCC may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

ARTICLE XI

CLOSING

(1) Although the Board has agreed that the Bank shall submit certain programs and reports to the Deputy Comptroller or Examiner-in-Charge for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for the proper and sound management of the Bank.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Agreement shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Unless this Agreement specifies otherwise, any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time requirements may be extended in writing by the Deputy Comptroller or Examiner-in-Charge for good cause upon written application by the Board.

(4) The provisions of this Agreement shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Agreement or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Agreement in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

- (a) require the Bank (1) to have sufficient processes, management, personnel, and control systems to effectively implement and adhere to all provisions of this Agreement and (2) to provide Bank management and personnel sufficient training and authority to execute their duties and responsibilities under this Agreement;

- (b) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Agreement;
- (c) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Agreement;
- (d) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (e) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Agreement is intended to be, and shall be construed to be, a supervisory “written agreement entered into with the agency” as contemplated by 12 U.S.C. § 1818(b)(1), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States. Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b)(1), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract. The Bank also expressly acknowledges that no officer or employee of the Office of the Comptroller of the Currency has statutory or other authority to bind the United States, the U.S. Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller’s exercise of his supervisory

responsibilities. The terms of this Agreement, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller,
has hereunto set her hand on behalf of the Comptroller.

/s/ Sally G. Belshaw

Sally G. Belshaw
Deputy Comptroller
Large Bank Supervision
Office of the Comptroller of the Currency

4-29-13

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting
Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/ Frank M. Clark
Frank M. Clark

April 26, 2013
Date

/s/ Ellen Costello
Ellen M. Costello

April 26, 2013
Date

/s/ Mark Furlong
Mark F. Furlong

April 26, 2013
Date

/s/ Terry Jenkins
Terry A. Jenkins

April 26, 2013
Date

/s/ John Shiely
John Shiely

April 26, 2013
Date