Cyber Security Policies and Procedures

Armis Financial, LLC

106 E. Sixth Street, Suite 900

Austin, TX 78701

USA

(956) 867-6720

Table of Contents

1. Cyber Security Policy

Armis Financial, LLC's ("Armis Financial") intentions for publishing this Cyber Security Policy is not to impose restrictions that are contrary to Armis Financial's established culture of openness, trust and integrity. Armis Financial is committed to protecting Armis Financial's employees, partners, clients and the company from illegal or damaging actions by individuals, either knowingly or unknowingly.

Internet/Intranet/Extranet-related systems, including but not limited to computer equipment, software, operating systems, storage media, network accounts providing electronic mail, WWW browsing, and FTP, are the property of Armis Financial. These systems are to be used for business purposes in serving the interests of the company, and of our clients and customers in the course of normal operations.

Effective security is a team effort involving the participation and support of every Armis Financial employee and affiliate who deals with information and/or information systems.

The Federal Trade Commission's Safeguards Rule, which implements the security provisions of the Gramm-Leach-Bliley Act, requires institutions to have in place a comprehensive security program to ensure the security and confidentiality of customer data.

To implement Armis Financial's (the "firm") information security program, they must:

- Designate an employee or employees to coordinate the program;
- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information and assess the sufficiency of any safeguards in place to control the risks;
- Design and implement safeguards to address the risks and monitor the effectiveness of these safeguards;
- Select and retain service providers that are capable of maintaining appropriate safeguards for the information and require them, by contract, to implement and maintain such safeguards; and
- Adjust the information security program in light of developments that may materially affect the program.

2. Background

The purpose of these policies and procedures is to provide administrative, technical and physical safeguards which assist employees in maintaining the confidentiality of client information. All information, whether relating to a current or former client, is subject to these policies and procedures. Any doubts about the confidentiality of client information must be resolved in favor of confidentiality.

This policy applies to the use of information, electronic and computing devices, and network resources to conduct Armis Financial's business or interact with internal networks and business systems, whether owned or leased by Armis Financial, the employee, or a third party. All employees, contractors, consultants, temporary, and other workers at Armis Financial and its subsidiaries are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources in accordance with Armis Financial policies and standards, and local laws and regulation.

This policy applies to employees, contractors, consultants, temporaries, and other workers at Armis Financial, including all personnel affiliated with third parties (collectively referred to simple as employees in the remainder of this document). This policy applies to all equipment that is owned or leased by Armis Financial.

3. Objective

Our objective in the development and implementation of this written security plan, is to create effective administrative, technical and physical safeguards in order to protect our customers' information.

The plan will evaluate our electronic and physical methods of accessing, collecting, storing, using, transmitting, protecting, and disposing of our customers' information.

4. Purposes

The purpose of this policy and procedure is to ensure the security and confidentiality of our customers' information; protect against any anticipated threats or hazards to the security or integrity of our customers' information; protect against unauthorized access to or use of customer information that could result in substantial harm or inconvenience to any of our customers.

5. Action Plans

The firm will identify reasonably foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or information systems; assess the likelihood and potential damage of these threats, taking into consideration the sensitivity of customer information; evaluate the sufficiency of existing policies, procedures, customer information systems, and other safeguards in place to control risks.

6. Action Steps

The firm has appointed a specific person or persons within the firm to be responsible for:

- initial implementation of the plan;

- training of employees;
- regular testing of the controls and safeguards established by the plan;
- evaluating the ability of prospective service providers to maintain appropriate information security practices, ensuring that such providers are required to comply with this information security plan, and monitoring such providers for compliance herewith; and
- periodically evaluating and adjusting the plan, as necessary, in light of relevant changes in technology, sensitivity of customer information, reasonably foreseeable internal or external threats to customer information, changes to our own business (such as mergers or acquisitions or outsourcing), and/or changes to customer information systems.

7. Responsibility

The Chief Compliance Officer or his/her designee is responsible for reviewing, maintaining and enforcing these policies and procedures to ensure meeting the firm's client privacy and information protection goals. He/she is responsible for distributing these policies and procedures to employees and conducting appropriate employee training to ensure employee and vendor adherence.

Violation of this policy may result in disciplinary action which may include termination for employees and temporaries; a termination of employment relations in the case of contractors or consultants; dismissal for interns and volunteers. Additionally, individuals are subject to loss of Information Resources access privileges, civil, and criminal prosecution.

8. Risks

The Chief Compliance Officer and his/her designee is responsible for determining reasonably foreseeable internal threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or information systems, assess the likelihood and potential damage of these threats, taking into consideration the sensitivity of customer information, and evaluate the sufficiency of existing policies, procedures, customer information systems, and other safeguards in place to control risks. See Internal Threat Risk Assessment included in Appendix A.

The Chief Compliance Officer and his/her designee is responsible for determining reasonably foreseeable external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or information systems, assess the likelihood and potential damage of these threats, taking into consideration the sensitivity of customer information, and evaluate the sufficiency of existing policies, procedures, customer information systems, and other safeguards in place to control risks. See External Threat Risk Assessment included in Appendix B.

9. Procedure

The firm has adopted various procedures to implement the firm's policy and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- Hiring Policies and Procedures: Background checks on all employees and any interns or temps and mandatory signing of Employee NDA document to safeguard client information.
- User Account Administration: The Chief Compliance Officer or his/her designee will manage the issuance of all users for the firm. The individual users will select their password for the systems. Upon termination, all user names will be deactivated to remove access.
- Incident Reports: Any suspected breaches in protocol or other issues are to be reported to him/her immediately either via email or phone. This report should include all information regarding users, issues, breaches, etc.
- Facilities: All facilities are kept locked at all times. No documentation will be left out unattended. All paperwork is to be scanned into secure electronic storage and the originals shredded.
- Vendor Access: Armis Financial will segregate sensitive network resources from resources accessible to third parties.

Account Management

A. All users must attest to being provided a copy of the Armis Financial policies and procedures prior to being given account access.

B. All user accounts must have a unique identifier.

C. All passwords for accounts must be constructed in accordance with the Armis Financial Password Policy.

Security Monitoring

A. The following files will be checked for signs of wrongdoing and vulnerability exploitation at a frequency determined by risk:

- User account logs
- System error logs
- Data backup and recovery logs

B. The following checks will be performed at least annually by assigned individuals:

- Password strength
- Unsecured sharing of devices
- Unauthorized modem use
- Operating System and Software Licenses

C. Any security issues discovered will be addressed immediately.

Security Training

A. All users must sign an acknowledgement stating they have read and understand Armis Financial requirements regarding computer security policies and procedures.

B. All users (employees, consultants, contractors, temporaries, etc.) must be provided with sufficient training and supporting reference materials to allow them to properly protect Armis Financial information resources.

Vendor Access

A. Vendors must comply with all applicable Armis Financial policies, practice standards and agreements, including, but not limited to:

- Privacy Policies
- Physical Security Policies

B. Vendors must comply with all applicable Armis Financial cybersecurity policies, practice standards and agreements, including, but not limited to:

- Acceptable Use Policies
- Network Access Policies

C. Vendor agreements and contracts must specify:

- The Armis Financial information the vendor should have access to
- How Armis Financial information is to be protected by the vendor
- Acceptable methods for the return, destruction or disposal of Armis Financial information in the vendor's possession at the end of the contract
- The Vendor must only use Armis Financial information and Information Resources for the purpose of the business agreement
- Any other Armis Financial information acquired by the vendor in the course of the contract cannot be used for the vendor's own purposes or divulged to others

D. Armis Financial will provide a point of contact for the Vendor. The point of contact will work with the Vendor to confirm the Vendor is in compliance with these policies.

E. Each vendor employee with access to Armis Financial sensitive information must be cleared to handle that information.

F. Vendor personnel must report all security incidents directly to the appropriate Armis Financial personnel.

G. If vendor management is involved in Armis Financial security incident management the responsibilities and details must be specified in the contract.

- Vendor must follow all applicable Armis Financial change control processes and procedures.
- Regular work hours and duties will be defined in the contract. Work outside of defined parameters must be approved in writing by appropriate Armis Financial management.

- All vendor maintenance equipment on the Armis Financial network that connects to the outside world via the network, telephone line, or leased line, and all Armis Financial IR vendor accounts will remain disabled except when in use for authorized maintenance.

- Vendor access must be uniquely identifiable and password management must comply with the Armis Financial Password Management Policy. Vendor's major work activities must be entered into a log and available to Armis Financial management upon request. Logs must include, but are not limited to, such events as personnel changes, password changes, project milestones, deliverables, and arrival and departure times.

H. Upon departure of a vendor employee from the contract for any reason, the vendor will ensure that all sensitive information is collected and returned to Armis Financial or destroyed within 24 hours.

I. Upon termination of contract or at the request of Armis Financial, the vendor will return or destroy all Armis Financial information and provide written certification of that return or destruction within 24 hours.

J. Upon termination of contract or at the request of Armis Financial, the vendor must surrender all Armis Financial identification badges, access cards, equipment and supplies immediately. Equipment and/or supplies to be retained by the vendor must be documented by authorized Armis Financial management.

K. All software used by the vendor in providing service to Armis Financial must be properly inventoried and licensed.

10. Non-Disclosure of Client Information

The firm maintains safeguards to comply with federal and state standards to guard each client's information. The firm does not share any information with any nonaffiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over the firm, or as otherwise required by any applicable law; and
- To the extent reasonably necessary to prevent fraud and unauthorized transactions.

Employees are prohibited, either during or after termination of their employment, from disclosing client information to any person or entity outside the firm, including family members, except under the circumstances described above. An employee is permitted to disclose information only to such other employees who need to have access to such information to deliver our services to the client.

11. Safeguarding and Disposal of Client Information

Safeguarding

The firm restricts access to client information to those employees who need to know such information to provide services to our clients.

Any employee who is authorized to have access to client information is required to keep such information in a secure compartment or receptacle on a daily basis as of the close of business each day. All electronic or computer files containing such information shall be password secured and firewall protected from access by unauthorized persons. Any conversations involving client information, if appropriate at all, must be conducted by employees in private, and care must be taken to avoid any unauthorized persons overhearing or intercepting such conversations.

Safeguarding standards encompass all aspects of the firm that affect security. This includes not just computer security standards but also such areas as physical security and personnel procedures. Examples of important safeguarding standards that the firm adopted include:

- Access controls on customer information systems, including controls to authenticate and permit access only to authorized individuals and controls to prevent employees from providing customer information to unauthorized individuals who may seek to obtain this information through fraudulent means (e.g. requiring employee use of user ID numbers and passwords, etc.);
- Access restrictions at physical locations containing customer information, such as buildings, computer facilities, and records storage facilities to permit access only to authorized individuals (e.g. intruder detection devices, use of fire and burglar resistant storage devices);
- Encryption of electronic customer information, including while in transit or in storage on networks or systems to which unauthorized individuals may have access;
- Procedures designed to ensure that customer information system modifications are consistent with the firm's information security program (e.g. independent approval and periodic audits of system modifications);
- Dual control procedures, segregation of duties, and employee background checks for employees with responsibilities for or access to customer information (e.g. require data entry to be reviewed for accuracy by personnel not involved in its preparation; adjustments and correction of master records should be reviewed and approved by personnel other than those approving routine transactions, etc.);
- Monitoring systems and procedures to detect actual and attempted attacks on or intrusions into customer information systems (e.g. data should be auditable for detection of loss and accidental and intentional manipulation);
- Response programs that specify actions to be taken when the firm suspects or detects that unauthorized individuals have gained access to customer information systems, including appropriate reports to regulatory and law enforcement agencies;
- Measures to protect against destruction, loss, or damage of customer information due to potential environmental hazards, such as fire and water damage or technological failures (e.g. use of fire resistant storage facilities and vaults; backup and store off site key data to ensure proper recovery);

- All mobile and computing devices that connect to applications or resources used by the firm must comply with the Cyber Security Policy;
- Providing access to another individual, either deliberately or through failure to secure its access, is prohibited;
- All computing devices must be secured with a password-protected screensaver with the automatic activation feature set to 10 minutes or less. Employees must lock the screen or log off when the device is unattended
- Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain malware;
- Employees must use extreme caution when installing updates or other software and should attempt to verify the legitimacy of it in advance. Many viruses and malware writers will try to trick the user into thinking the update/software is from a legitimate source when it is not ; and
- Everyone has the responsibility to promptly report the theft, loss or unauthorized disclosure of proprietary information.

For security and network maintenance purposes, authorized individuals within Armis Financial may monitor equipment, systems and network traffic at any time;

Armis Financial reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy

Acceptable Use

A. Users must report any weaknesses in Armis Financial computer security, any incidents of possible misuse or violation of this agreement to the proper authorities by contacting the appropriate management.

B. Users must not attempt to access any data or programs contained on Armis Financial systems for which they do not have authorization or explicit consent.

C. Users must not share their Armis Financial account(s), passwords, P, Security Tokens (i.e. Smartcard), or similar information or devices used for identification and authorization purposes.

D. Users must not make unauthorized copies of copyrighted software.

E. Users must not purposely engage in activity that may: harass, threaten or abuse others; degrade the performance of Information Resources; deprive an authorized Armis Financial user access to a Armis Financial resource; obtain extra resources beyond those allocated; circumvent Armis Financial computer security measures.

F. Users must not download, install or run security programs or utilities that reveal or exploit weaknesses in the security of a system. For example, Armis Financial users must not run password cracking programs, packet sniffers, or port scanners or any other non-approved programs on Armis Financial Information Resources. Armis Financial Information Resources must not be used for personal benefit.

G. Users must not intentionally access, create, store or transmit material which Armis Financial may deem to be offensive, indecent or obscene (other than in the course of academic research where this aspect of the research has the explicit approval of the Armis Financial official processes for dealing with academic ethical issues).

H. Access to the Internet from a Armis Financial owned, home based, computer must adhere to all the same policies that apply to use from within Armis Financial facilities. Employees must not allow family members or other non-employees to access Armis Financial computer systems.

I. Users must not otherwise engage in acts against the aims and purposes of Armis Financial as specified in its governing documents or in rules, regulations and procedures adopted from time to time.

Incidental Use

A. Incidental personal use of email, internet access, fax machines, printers, copiers, and so on, is restricted to Armis Financial approved users; it does not extend to family members or other acquaintances.

B. Incidental use must not result in direct costs to Armis Financial.

C. Incidental use must not interfere with the normal performance of an employee's work duties.

D. No files or documents may be sent or received that may cause legal action against, or embarrassment to, Armis Financial.

E. Storage of personal email messages, voice messages, files and documents within Armis Financial's Information Resources must be nominal.

Unacceptable Use

The following activities are, in general, prohibited. Employees may be exempted from these restrictions during the course of their legitimate job responsibilities (e.g., systems administration staff may have a need to disable the network access of a host if that host is disrupting production services).

Under no circumstances is an employee of Armis Financial authorized to engage in any activity that is illegal under local, state, federal or international law while utilizing Armis Financial owned resources.

The lists below are by no means exhaustive, but attempt to provide a framework for activities which fall into the category of unacceptable use.

Prohibited System and Network Activities

The following activities are strictly prohibited, with no exceptions:

- Accessing data, a server or an account for any purpose other than conducting Armis Financial business, even if you have authorized access, is prohibited.
- Introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.).

- Revealing your account password to others or allowing use of your account by others. This includes family and other household members when work is being done at home.
- Effecting security breaches or disruptions of network communication. Security breaches include, but are not limited to, accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access, unless these duties are within the scope of regular duties. For purposes of this section, "disruption" includes, but is not limited to, network sniffing, pinged floods, packet spoofing, denial of service, and forged routing information for malicious purposes.
- Executing any form of network monitoring which will intercept data not intended for the employee's host, unless this activity is a part of the employee's normal job/duty.
- Circumventing user authentication or security of any host, network or account.
- Providing information about, or lists of, Armis Financial clients or employees to parties outside Armis Financial.
- Unauthorized use, or forging, of email header information.

Password Guidelines

All passwords should meet or exceed the following guidelines:

- Contain at least 12 alphanumeric characters.
- Contain both upper and lower case letters.
- Contain at least one number (for example, 0-9).
- Contain at least one special character (for example, $ %^&*()_+|~-=\`{}[]:";'<>?,/).

Poor, or weak, passwords have the following characteristics:

- Contain less than eight characters.
- Can be found in a dictionary, including foreign language, or exist in a language slang, dialect, or jargon.
- Contain personal information such as birthdates, addresses, phone numbers, or names of family members, pets, friends, and fantasy characters.
- Contain work-related information such as building names, system commands, sites, companies, hardware, or software.
- Contain number patterns such as rabab, qwerty, zyxwvuts, or 123321.
- Contain common words spelled backward, or preceded or followed by a number (for example, terces, secret1 or 1secret).
- Are some version of “Welcome123” “Password123” “Changeme123”

Password Creation

Password creation guidelines are as follows:

- Users must not use the same password for Armis Financial accounts as for other non-firm access (for example, personal ISP account, option trading, benefits, and so on).

- Where possible, users must not use the same password for various Armis Financial access needs.
- User accounts that have system-level privileges granted through group memberships or programs must have a unique password from all other accounts held by that user to access system-level privileges.

Password Change

Password changes require the following:

- All system-level passwords (for example, root, enable, NT admin, application administration accounts, and so on) must be changed on at least a quarterly basis.
- All user-level passwords (for example, email, web, desktop computer, and so on) must be changed at least every six months. The recommended change interval is every four months.

Password Protection

For password protection purposes:

- Passwords must not be shared with anyone. All passwords are to be treated as sensitive, confidential information.
- Passwords must not be inserted into email messages or other forms of electronic communication.
- Passwords must not be revealed over the phone to anyone.
- Do not reveal a password on questionnaires or security forms.
- Do not hint at the format of a password (for example, "my family name").
- Do not share passwords with anyone, including administrative assistants, secretaries, managers, co-workers while on vacation, and family members.
- Do not write passwords down and store them anywhere in your office. Do not store passwords in a file on a computer system or mobile devices (phone, tablet) without encryption.
- Do not use the "Remember Password" feature of applications (for example, web browsers).
- Any user suspecting that his/her password may have been compromised must report the incident and change all passwords.

Data Backup

A. The frequency and extent of backups must be in accordance with the importance of the information and the acceptable risk as determined by the data owner.

B. There must be multiple backups of critical information, preferably with different media, vendors and designated personnel within each node responsible for backing up data.

C. Physical access controls implemented at offsite backup storage locations must meet or exceed the physical access controls of the source systems.

D. A process must be implemented to verify the success of the Armis Financial electronic information backup.

E. Backups must be periodically tested to ensure that they are recoverable.

Disposal

Technology equipment often contains parts which cannot simply be thrown away. Proper disposal of equipment is both environmentally responsible and often required by law. In addition, hard drives, USB drives, and other storage media may contain Armis Financial's sensitive data. In order to protect our constituent's data, all storage mediums must be properly erased before being disposed of. However, simply deleting or even formatting data is not sufficient. When deleting files or formatting a device, data is marked for deletion, but is still accessible until being overwritten by a new file. Therefore, special tools must be used to securely erase data prior to equipment disposal.

Some methods of disposal to ensure that the information cannot practicably be read or reconstructed that the firm may adopt include:

- Procedures requiring the burning, pulverizing, or shredding or papers containing client information;
- Procedures to ensure the destruction or erasure of electronic media; and
- All data shall be removed from equipment using disk sanitizing software that cleans the media overwriting each and every disk sector of the machine with zero-filled blocks.
- All electronic drives must be degaussed or overwritten with a commercially available disk cleaning program. Hard drives may also be removed and rendered unreadable (drilling, crushing or other demolition methods).
- After due diligence, contracting with a service provider engaged in the business of record destruction, to provide such services in a manner consistent with the disposal rule.
- When Technology assets have reached the end of their useful life they should be sent out for proper disposal.
- Technology equipment with non-functioning memory or storage technology will have the memory or storage device removed and it will be physically destroyed.
- No computer or technology equipment may be sold to any individual.
- Computer Equipment refers to desktop, laptop, tablet or netbook computers, printers, copiers, monitors, servers, handheld devices, telephones, cell phones, disc drives or any storage device, network switches, routers, wireless access points, backup tapes, etc.

Internet Use Filtering System

The Armis Financial may block access to Internet websites and protocols that are deemed inappropriate for the firm. The following protocols and categories of websites should be blocked:

- Adult/Sexually Explicit Material
- Advertisements & Pop-Ups
- Chat and Instant Messaging (except specific applications when approved by the firm)
- Gambling
- Hacking

- Illegal Drugs
- Intimate Apparel and Swimwear
- Peer to Peer File Sharing
- Personals and Dating
- Social Network Services
- SPAM, Phishing and Fraud
- Spyware
- Tasteless and Offensive Content
- Violence, Intolerance and Hate
- Web Based Email

Portable Devices

Any Armis Financial data stored on a portable device must be saved to an encrypted file system using firm approved software.

Files containing confidential or sensitive data may not be stored in PCDs unless protected by approved encryption. Confidential or sensitive data shall never be stored on a personal PCD. Lost or stolen equipment must immediately be reported.

Laptops must employ full disk encryption with an approved software encryption package. No Armis Financial data may exist on a laptop in plaintext.

Anti-Virus Guidelines

Recommended processes to prevent virus problems:

- Always run the standard, supported anti-virus software. Download and run the current version; download and install anti-virus software updates as they become available.
- New viruses are discovered almost every day. Perform regular updates.
- NEVER open any files or macros attached to an email from any source without verifying it does not contain a virus or malicious software. When in receipt of files or macros attached to an email from any unknown source, delete these attachments immediately, then "double delete" them by emptying them from your Trash.
- Delete spam, chain, and other junk email without forwarding.
- Unsubscribe from any non-business related email sources.
- Never download files from unknown or suspicious sources.
- Examine requests to update software or install new software for legitimacy and don’t just click to install without looking. Many virus and malware writers “trick” users into installing their software by attempting to look legitimate.
- Avoid direct disk sharing with read/write access unless there is absolutely a business requirement to do so.

- Back-up critical data and system configurations on a regular basis and store the data in a safe place.

Wireless Access

All wireless infrastructure devices must:

- Be installed, supported, and maintained by an approved person.
- Use approved authentication protocols and infrastructure.
- Use approved encryption protocols.
- Maintain a hardware address that can be registered and tracked.

Remote Access

All remote access tools or systems that allow communication to Armis Financial resources from the Internet or external partner systems must require multi-factor authentication.

Routers

No routers.

12. Review and Respond

Periodic Cyber Security Assessments

The firm will conduct periodic assessments (at least annually) to detect potential systems vulnerabilities and to ensure that cybersecurity procedures and systems are effective in protecting confidential customer information. The firm will then respond to deficiencies detected through such assessments by taking timely corrective action in response to detected deficiencies.

Response to Cyber Security Incidents

The firm will respond to data breaches depending on the type and severity of the incident. In doing so, the firm will:

- Contain and mitigate the incident/breach to prevent further damage
- Evaluate incident and understand potential impact
- Implement a disaster recovery plan (if needed)
- Alert the proper authorities (regulator, local law enforcement, FBI, United States Secret Service)
- Determine if the personal information of customers was compromised and notify affected customers within 30 days of the date the firm became aware of the breach
- Enhance systems and procedures to help prevent the recurrence of similar breaches
- Evaluate response effort to and update response plan to address any shortcomings

13. Identity Theft

Firm Policy

Pursuant to Rule: 16 C.F.R. § 681.1(d), our firm's policy is to protect our customers and their accounts from identity theft and to comply with the FTC's Red Flags Rule. Armis Financial, LLC ("Armis Financial") will do this by developing and implementing these written Identity Theft Policies and Procedures (ITPP), which have been tailored to fit our size and complexity, as well as the nature and scope of our activities. These procedures address:

- Identifying applicable identity theft Red Flags for our firm
- How we will detect those Red Flags
- Responding appropriately to any that are detected
- Updating our ITPP periodically to reflect changes in risks

Our identity theft policies, procedures and internal controls will be reviewed and updated periodically to ensure they account for changes both in regulations and in our business model.

The definitions of the abbreviations used throughout this document are listed below:

Abbreviation	Definition
ITPP	Identity Theft Policies and Procedures
CIP	Client Identification Procedures
AML	Anti-Money Laundering
FTC	Federal Trade Commission

ITPP Approval and Administration

Pursuant to Rule: 16 C.F.R. § 681.1(e) and Appendix A, Section VI.(a), David Salazar approved the initial ITPP and is the designated identity theft officer and is responsible for the oversight, development, implementation and administration (including staff training and oversight of third party service providers of ITTP services) of the ITPP.

Relationship to Other Firm Programs

Pursuant to Rule: 16 C.F.R. § 681.1, Appendix A, Section I, we have reviewed our other policies, procedures and plans required by regulations regarding the protection of our customer information, including our policies and procedures and our CIP and red flags detection under our AML Compliance Program in the formulation of the ITPP.

Identifying Relevant Red Flags

Pursuant to Rule: 16 C.F.R. § 681.1(d)(2)(i) and Appendix A, Section II, which requires Armis Financial to identify Red Flags applicable to our firm, we assessed these risk factors:

- The types of covered accounts we offer
- The methods used to open or access these accounts
- All previous experiences with identity theft
- Changing identity theft techniques

- Applicable supervisory guidance

In addition, we considered Red Flags from the following five categories and from the FTC's Red Flags Rule, as they fit our situation:

- Alerts, notifications or warnings from a credit reporting agency
- Suspicious documents
- Suspicious personal identifying information
- Suspicious account activity
- Notices from other sources

Detecting Red Flags

Pursuant to Rule: 16 C.F.R. § 681.1(d)(2)(ii) and Appendix C, Section III, we have reviewed our client accounts, how we open and maintain them, and how to detect Red Flags that may have occurred in them. Our detection of these Red Flags is based on our methods of obtaining information about our clients and verifying it under the CIP of our AML compliance procedures, authenticating customers and monitoring transactions and change of address requests. Account opening procedures include gathering identifying information about and verifying the identity of the person opening the account by using the firm's CIP. Review of existing accounts includes authenticating customers, monitoring transactions, and verifying the validity of changes of address. Based on this review, we have included in the second column ("Detecting the Red Flag") of the attached Grid how we will detect each of our firm's identified Red Flags.

Our CCO reviews, at least annually, our covered accounts, how we open and maintain them, and how to detect Red Flags.

Preventing and Mitigating Identity Theft

Pursuant to Rule: 16 C.F.R. § 681.1(d)(iii) and Appendix C, Section IV, we have reviewed our accounts, how we open and allow access to them, and our previous experience with identity theft, as well as any new methods of identity theft we have seen or believe to be likely. Based on these reviews and our review of the FTC's identity theft rules and its suggested responses to mitigate identity theft, as well as other sources, we have developed our procedures below to respond to detected identity theft Red Flags.

Procedures to Prevent and Mitigate Identity Theft

When we have been notified of a Red Flag or our detection procedures show evidence of a Red Flag, we will take the steps outlined below, as appropriate to the type and seriousness of the threat:

New Accounts

Procedures when Red Flags raised by someone applying for an account:

- Review the application.
    - We will review the applicant's information collected for our CIP under our AML Compliance Program (e.g., name, date of birth, address, and an identification number such as a Social Security Number or Taxpayer Identification Number).
- Get government identification.
    - If the applicant is applying in person, we will also check a current government-issued identification card, such as a driver's license or passport.

- Seek additional verification.
    - If the potential risk of identity theft indicated by the Red Flag is probable or large in impact, we may also verify the person's identity through non-documentary CIP methods, including:
        - Contacting the customer
        - Independently verifying the customer's information by comparing it with information from a credit reporting agency, public database or other source such as a data broker or the Social Security Number Death Master File
        - Checking references with other affiliated financial institutions
        - Obtaining a financial statement
- Deny the application.
    - If we find that the applicant is using an identity other than his or her own, we will deny the account and report the incident to the appropriate authorities.
- Report.
    - If we find that the applicant is using an identity other than his or her own, we will report it to appropriate local and state law enforcement; where organized or wide spread crime is suspected, the FBI or Secret Service; and if mail is involved, the US Postal Inspector.
- Notification.
    - If we determine personally identifiable information has been accessed, we will prepare any specific notice to customers or other required notice under state law.

Access Seekers

For Red Flags raised by someone seeking to access an existing customer's account:

- Watch.
    - We will monitor, limit, or temporarily suspend activity in the account until the situation is resolved.
- Check with the customer.
    - We will contact the customer by phone using our CIP information for them, describe what we have found and verify with them that there has been an attempt at identify theft.
- Heightened risk.
    - We will determine if there is a particular reason that makes it easier for an intruder to seek access, such as a customer's lost wallet, mail theft, a data security incident, or the customer's giving account information to an imposter pretending to represent the firm or to a fraudulent web site.
- Check similar accounts.
    - We will review similar accounts the firm has to see if there have been attempts to access them without authorization.
- Collect incident information.
    - For a serious threat of unauthorized account access we may collect if available:
        - Firm information (both introducing and clearing firms):
            - ❖ Firm name and CRD number
            - ❖ Firm contact name and telephone number
        - Dates and times of activity
        - Securities involved (name and symbol)

        - Details of trades or unexecuted orders
        - Details of any wire transfer activity
        - Customer accounts affected by the activity, including name and account number
        - Whether the customer will be reimbursed and by whom
- Report.
    - If we find unauthorized account access, we will report it to appropriate local and state law enforcement; where organized or wide spread crime is suspected, the FBI or Secret Service; and if mail is involved, the US Postal Inspector. We may also report it to the SEC, State regulatory authorities such as the state securities commission; and our clearing/custodian firm.
- Notification.
    - If we determine personally identifiable information has been accessed that results in a foreseeable risk for identity theft, we will prepare any specific notice to customers and appropriate agencies as required under state law.
- Review our insurance policy.
    - Since insurance policies may require timely notice or prior consent for any settlement, we will review our insurance policy to ensure that our response to a data breach does not limit or eliminate our insurance coverage.
- Assist the customer.
    - We will work with our customers to minimize the impact of identity theft by taking the following actions, as applicable:
        - Offering to change the password, security codes or other ways to access the threatened account
        - Offering to close the account
        - Offering to reopen the account with a new account number
        - Instructing the customer to go to the FTC Identity Theft Web Site to learn what steps to take to recover from identity theft, including filing a complaint using its online complaint form, calling the FTC's Identity Theft Hotline 1-877-ID-THEFT (438-4338), TTY 1-866-653-4261, or writing to Identity Theft Clearinghouse, FTC, 6000 Pennsylvania Avenue, NW, Washington, DC 20580.

Clearing Firm and Other Service Providers

Our firm uses a custodian in connection with our accounts. We have a process to confirm that our clearing/custodian firm and any other service provider that performs activities in connection with our covered accounts, especially other service providers that are not otherwise regulated, comply with reasonable policies and procedures designed to detect, prevent and mitigate identity theft by contractually requiring them to have policies and procedures to detect Red Flags contained in our Grid and report detected Red Flags to us or take appropriate steps of their own to prevent or mitigate the identify theft or both. This process includes, at least annually, verifying the existence of each vendor's privacy policy and/or identity theft policy and procedures and maintaining them in designated files. Our list of service providers that perform these activities in connection with our covered accounts include:

Interactive Brokers LLC

www.interactivebrokers.com

1-877-442-2757

Internal Compliance Reporting

Pursuant to Rule: 16 C.F.R. § 681.1, Appendix C, Section VI.(b), our firm's staffs who are responsible for developing, implementing and administering our ITPP will report at least annually to our CCO on compliance with the FTC's Red Flags Rule. The report will address the effectiveness of our ITPP in addressing the risk of identity theft in connection with covered account openings, existing accounts, and service provider arrangements, significant incidents involving identity theft and management's response and recommendations for material changes to our ITPP.

Updates and Annual Review

Pursuant to Rule: 16 C.F.R. § 681.1 (d)(2)(iv) and Appendix C, Sections V. and VI. (a) & (b), we will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm, or when we experience either a material identity theft from a covered account, or a series of related material identity thefts from one or more covered accounts. Our firm will also follow new ways that identities can be compromised and evaluate the risk they pose for our firm. In addition, our firm will review this ITPP annually to modify it for any changes in our operations, structure, business, or location or substantive changes to our relationship with our custodians or service providers.

Approval

I approve this ITPP as reasonably designed to enable our firm to detect, prevent and mitigate identity theft. This approval is indicated by signature below.

David Salazar

Date

Appendix A – Internal Threat Risk Assessment

Internal Threat	Risk Level	Response
Intentional or inadvertent misuse of customer information by current employees		1) Dissemination of, and annual training, on privacy laws and firm privacy policy. 2) Employment agreements amended to require compliance with privacy policy and to prohibit any nonconforming use of customer information during or after employment. 3) Employees encouraged to report any suspicious or unauthorized use of information. 4) Periodic testing to ensure these safeguards are implemented uniformly.
Intentional or inadvertent misuse of customer information by former employees subsequent to their employment		1) Require return of all customer information in the former employee's possession (i.e., policies requiring return of all firm property, including laptop computers and other devices in which records may be stored, files, records, work papers, etc.) 2) Eliminate access to customer information (i.e., policies requiring surrender of keys, ID or access codes or badges, business cards; disable remote electronic access; invalidate voicemail, e-mail, internet, passwords, etc., and maintain a highly secured master list of all lock combinations, passwords, and keys. 3) Change passwords for current employees periodically. 4) Amend employment agreements during employment to require compliance with privacy policy and to prohibit any nonconforming use of customer information during or after employment. 5) Send "pre-emptive" notices to clients when the firm has reason to believe a departed employee may attempt to wrongfully use customer

		information, informing them that the employee has left the firm. 6) Encourage employees to report any suspicious or unauthorized use of customer information. 7) Periodic testing to ensure these safeguards are implemented uniformly.
Inadvertent disclosure of customer information to the general public		1) Prohibit employees from keeping open files on their desks when stepping away. 2) Require all files and other records containing customer records to be secured at day's end. 3) Use password screensaver software to lock a computer if it has been inactive for more than a few minutes. 4) Change passwords for current employees periodically. 5) Restrict guests to one entrance point and restrict areas within the office in which guests may travel unescorted. 6) Never allow guests to join the firm's network and provide "guest only" access for guests to access the internet only. 7) Use shredding machines on unused photocopies or other records being discarded before depositing in trash or recycling containers. 8) Ensure secure destruction of obsolete equipment, including computer hardware and software systems. 9) Encourage employees to report any suspicious or unauthorized use of customer information. 10) Periodic testing to ensure these safeguards are implemented uniformly.

Appendix B – External Threat Risk Assessment

External Threat	Risk Level	Response
Inappropriate access to, or acquisition of, customer information by third parties		1) Install firewalls for access to firm internet site. Include privacy policy on the site. 2) Require secure authentication for internet and/or intranet and extranet users. 3) Require encryption and authentication for all wireless links. 4) Train employees to protect and secure laptops, handheld computers, or other devices used outside the office that contain or access customer information. Training must include best practices for joining wireless networks; never saying "yes" when browsers prompt to remember passwords; and using a strong password to login to their device. 5) Install virus-checking software on all laptops, desktops and servers, and scan all incoming and outgoing e-mail messages. 6) Establish uniform procedures for installation of updated software. 7) Establish systems and procedures for secure back-up, storage and retrieval of computerized and paper records. 8) Establish procedures to ensure external points of entry to the office are closed, locked and inaccessible to unauthorized persons when the office is closed. 9) Install burglar alarm or other security systems, with training for authorized persons on activation, deactivation. 10) Physically lock or otherwise secure, all areas in which paper records are maintained.

		11) Use shredding machines on unused photocopies or other records being discarded before depositing in trash or recycling containers. 12) Ensure secure destruction of obsolete equipment, including computer hardware and software systems. 13) Encourage employees to report any suspicious or unauthorized use of customer information. 14) Periodic testing to ensure these safeguards are implemented uniformly.
Inappropriate use of customer information by third parties		1) Evaluate the ability of all prospective third-party service providers to maintain appropriate information security practices. 2) Provide all third-party service providers to whom contractual access to premises or records has been granted (including, but not limited to, insurance companies being solicited for new or renewal policies, mailing houses, custodial or plant services, equipment or services vendors, affiliates, non-affiliated joint marketing partners) with a copy of the Privacy Policy. 2) Require all such third-parties to adhere to the Privacy Policy, agree to make no use of any information on your customers that would be prohibited thereby, or otherwise by law or contract, and agree to hold harmless and indemnify the firm for any inappropriate use of customer information. 3) Require all such third-parties to return all customer information and all other firm property at the completion or termination, for whatever reason, of the agreement between the firm and the third-party. 4) Prohibit access to customer information (i.e., policies requiring surrender of keys, ID or access codes or badges, disabling remote electronic access; invalidating voicemail, e-mail, internet, passwords, etc., if applicable) to all such third-

		parties upon completion or termination, for whatever reason, of the agreement between the firm and the third-party. 5) Change passwords for current employees periodically. 6) Send “pre-emptive” notices to clients when the firm has reason to believe a terminated third-party service provider may attempt to wrongfully use customer information, informing them that the agreement with the firm is no longer in effect. 7) Encourage employees to report any suspicious or unauthorized use of customer information. 8) Periodic testing to ensure these safeguards are implemented uniformly.

Appendix C: Red Flag Identification and Detection Grid

This grid provides FTC categories and examples of potential red flags that are applicable to our firm.

Red Flag	Detecting the Red Flag
Alerts, Notifications or Warnings from a Consumer Credit Reporting Agency	
A fraud or active duty alert is included on a consumer credit report.	We do not usually run credit reports on clients but may run credit reports on our employees. However we will verify whether the alert covers a customer and review the allegations in the alert if this occurs.
A notice of credit freeze is given in response to a request for a consumer credit report.	We do not usually run credit reports on our clients but may run credit reports on our employees. We will verify whether the credit freeze covers a customer and review the freeze.
A notice of address or other discrepancy is provided by a consumer credit reporting agency.	We do not usually run credit reports on our clients but may run credit reports on employees. We will verify whether the notice of address or other discrepancy covers a customer and review the address discrepancy.
A consumer credit report shows a pattern inconsistent with person's history, i.e. increase in the volume of inquiries or use of credit; an unusual number of recently established credit relationships; or an account closed due to an abuse of account privileges.	We do not usually run credit reports on our clients but may run credit reports on our employees. However, we will verify whether the consumer credit report covers an applicant or customer, and review the degree of inconsistency with prior history.
Suspicious Documents	
Identification presented looks altered or forged.	We will scrutinize identification presented in person to make sure it is not altered or forged. If it does look altered or forged, it will be brought to the attention of the CCO.
The identification presenter does not look like the identification's photograph or physical description.	We will ensure the photograph and physical description on the identification matches the person presenting it. Any questions will be brought to the attention of the CCO.
Information on the identification differs from what the identification presenter is saying.	We will ensure the identification and statements of the person presenting it are consistent. If there is any question about its authenticity, it will be brought to the attention of the CCO.
Information on the identification does not match other information our firm has on file for the presenter, like the original account application, signature, etc.	We will ensure that the identification presented and other information we have on file from the account, such as the application is consistent. Additional information and sources may need to be contacted for verification.
The application looks like it has been altered, forged or torn up and reassembled.	We will scrutinize each application to make sure it is not altered, forged, or torn up and reassembled. If there is any question about its authenticity, it will be brought to the attention of the CCO.

Suspicious Personal Identifying Information	
Inconsistencies exist between the information presented and other things known about the presenter or can find out by checking readily available external sources, such as an address that does not match a consumer credit report, or the Social Security Number (SSN) has not been issued or is listed on the Social Security Administration's Death Master File.	We will check personal identifying information presented to us to ensure that the SSN given has been issued but is not listed on the SSA's Master Death File. If we receive a consumer credit report, we will check to see if the addresses on the application and the consumer credit report match.
Inconsistencies exist in the information that the customer gives us, such as a date of birth that does not fall within the number range on the SSA's issuance tables.	We will check personal identifying information presented to us to make sure that it is internally consistent by comparing the date of birth to see that it falls within the number range on the SSA's issuance tables.
Personal identifying information presented has been used on an account our firm knows was fraudulent.	We will compare the information presented with addresses and phone numbers on accounts or applications we found or were reported as fraudulent. Any questions will be brought to the attention of the CCO.
Personal identifying information presented suggests fraud, such as an address that is fictitious, a mail drop, or a prison; or a phone number is invalid, or is for a pager or answering service.	We will validate the information presented when opening an account by looking up addresses on the Internet to ensure they are real and not for a mail drop or a prison, and will call the phone numbers given to ensure they are valid and not for pagers or answering services. Any questions will be brought to the attention of the CCO.
The SSN presented was used by someone else opening an account or other customers.	We will compare the SSNs presented to see if they were given by others opening accounts or other customers. Any questions will be brought to the attention of the CCO.
The address or telephone number presented has been used by many other people opening accounts or other customers.	We will compare address and telephone number information to see if they were used by other applicants and customers. Any questions will be brought to the attention of the CCO.
A person who omits required information on an application or other form does not provide it when told it is incomplete.	We will track when applicants or customers have not responded to requests for required information and will follow up with the applicants or customers to determine why they have not responded. Any questions will be brought to the attention of the CCO.
Inconsistencies exist between what is presented and what our firm has on file.	We will verify key items from the data presented with information we have on file. Any questions will be brought to the attention of the CCO.
A person making an account application or seeking access cannot provide authenticating information beyond what would be found in a wallet or consumer credit report, or cannot answer a challenge question.	We will authenticate identities for existing customers by asking challenge questions that require information beyond what is readily available from a wallet or a consumer credit report. Any questions will be brought to the attention of the CCO.

Suspicious Account Activity	
Soon after our firm gets a change of address request for an account, we are asked to add additional access means (such as debit cards or checks) or authorized users for the account.	The custodian will verify change of address requests by sending a notice of the change to both the new and old addresses so the customer will learn of any unauthorized changes and can notify us.
An account develops new patterns of activity, such as a material increase in credit use, or a material change in spending or electronic fund transfers.	We will review our accounts on at least a monthly basis and check for suspicious new patterns of activity such as nonpayment, a large increase in credit use, or a big change in spending or electronic fund transfers.
An account that is inactive for a long time is suddenly used again.	We will review our accounts on at least a monthly basis to see if long inactive accounts become very active.
Mail our firm sends to a customer is returned repeatedly as undeliverable even though the account remains active.	We will note any returned mail for an account and immediately check the account's activity. Any questions will be brought to the attention of the CCO.
We learn that a customer is not getting his or her paper account statements.	We will record on the account any report that the customer is not receiving paper statements and immediately investigate them and notify the custodian to place a watch on the account or close the account and reopen a new one if necessary.
We are notified that there are unauthorized charges or transactions to the account.	We will verify if the notification is legitimate and involves a firm account, and then investigate the report. We will notify the custodian to place a watch on the account or close the account and reopen a new one if necessary.
Notice From Other Sources	
We are told that an account has been opened or used fraudulently by a customer, an identity theft victim, or law enforcement.	We will verify that the notification is legitimate and involves a firm account, and then investigate the report. We will notify the custodian to place a watch on the account or close the account and reopen a new one if necessary.
We learn that unauthorized access to the customer's personal information took place or became likely due to data loss (e.g., loss of wallet, birth certificate, or laptop), leakage, or breach.	We will contact the customer to learn the details of the unauthorized access to determine if other steps are warranted. We will notify the custodian to place a watch on the account or close the account and reopen a new one if necessary. If the loss is a result of the firm's breach or leakage, appropriate steps will be taken to rectify the situation and the appropriate law and regulatory authorities notified.