U.S. Department of Justice

Tax Division

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October 28, 2015

Mark S. Cohen, Esq.
Jeffrey I. Lang, Esq.
Cohen & Gresser LLP
800 Third Avenue
New York, NY 10022

Re: Banque Bonhôte & Cie SA
DOJ Swiss Bank Program – Category 2
Non-Prosecution Agreement

Dear Messrs. Cohen and Lang:

Banque Bonhôte & Cie SA submitted a Letter of Intent on December 27, 2013, to participate in Category 2 of the Department of Justice's Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks, as announced on August 29, 2013 (hereafter "Swiss Bank Program"). This Non-Prosecution Agreement ("Agreement") is entered into based on the representations of Banque Bonhôte & Cie SA in its Letter of Intent and information provided by Banque Bonhôte & Cie SA pursuant to the terms of the Swiss Bank Program. The Swiss Bank Program is incorporated by reference herein in its entirety in this Agreement.[1] Any violation by Banque Bonhôte & Cie SA of the Swiss Bank Program will constitute a breach of this Agreement.

On the understandings specified below, the Department of Justice will not prosecute Banque Bonhôte & Cie SA for any tax-related offenses under Titles 18 or 26, United States Code, or for any monetary transaction offenses under Title 31, United States Code, Sections 5314 and 5322, in connection with undeclared U.S. Related Accounts held by Banque Bonhôte & Cie SA during the Applicable Period (the "conduct"). Banque Bonhôte & Cie SA admits, accepts, and acknowledges responsibility for the conduct set forth in the Statement of Facts attached hereto as Exhibit A and agrees not to make any public statement contradicting the

[1] Capitalized terms shall have the meaning ascribed to them in the Swiss Bank Program.

Statement of Facts. This Agreement does not provide any protection against prosecution for any offenses except as set forth above, and applies only to Banque Bonhôte & Cie SA and does not apply to any other entities or to any individuals. Banque Bonhôte & Cie SA expressly understands that the protections provided under this Agreement shall not apply to any acquirer or successor entity unless and until such acquirer or successor formally adopts and executes this Agreement. Banque Bonhôte & Cie SA enters into this Agreement pursuant to the authority granted by its Board of Directors in the form of a Board Resolution (a copy of which is attached hereto as Exhibit B).

In recognition of the conduct described in this Agreement and in accordance with the terms of the Swiss Bank Program, Banque Bonhôte & Cie SA agrees to pay the sum of $624,000 as a penalty to the Department of Justice ("the Department"). This shall be paid directly to the United States within seven (7) days of the execution of this Agreement pursuant to payment instructions provided to Banque Bonhôte & Cie SA. This payment is in lieu of restitution, forfeiture, or criminal fine against Banque Bonhôte & Cie SA for the conduct described in this Agreement. The Department will take no further action to collect any additional criminal penalty from Banque Bonhôte & Cie SA with respect to the conduct described in this Agreement, unless the Tax Division determines Banque Bonhôte & Cie SA has materially violated the terms of this Agreement or the Swiss Bank Program as described on pages 5-6 below. Banque Bonhôte & Cie SA acknowledges that this penalty payment is a final payment and no portion of the payment will be refunded or returned under any circumstance, including a determination by the Tax Division that Banque Bonhôte & Cie SA has violated any provision of this Agreement. Banque Bonhôte & Cie SA agrees that it shall not file any petitions for remission, restoration, or any other assertion of ownership or request for return relating to the penalty amount or the calculation thereof, or file any other action or motion, or make any request or claim whatsoever, seeking to collaterally attack the payment or calculation of the penalty. Banque Bonhôte & Cie SA agrees that it shall not assist any others in filing any such claims, petitions, actions, or motions. Banque Bonhôte & Cie SA further agrees that no portion of the penalty that Banque Bonhôte & Cie SA has agreed to pay to the Department under the terms of this Agreement will serve as a basis for Banque Bonhôte & Cie SA to claim, assert, or apply for, either directly or indirectly, any tax deduction, any tax credit, or any other offset against any U.S. federal, state, or local tax or taxable income.

The Department enters into this Agreement based, in part, on the following Swiss Bank Program factors:

(a) Banque Bonhôte & Cie SA's timely, voluntary, and thorough disclosure of its conduct, including:

- how its cross-border business for U.S. Related Accounts was structured, operated, and supervised (including internal reporting and other communications with and among management);
- the name and function of the individuals who structured, operated, or supervised the cross-border business for U.S. Related Accounts during the Applicable Period;
- how Banque Bonhôte & Cie SA attracted and serviced account holders; and

- an in-person presentation and documentation, properly translated, supporting the disclosure of the above information and other information that was requested by the Tax Division;

(b) Banque Bonhôte & Cie SA's cooperation with the Tax Division, including conducting an internal investigation and making presentations to the Tax Division on the status and findings of the internal investigation;

(c) Banque Bonhôte & Cie SA's production of information about its U.S. Related Accounts, including:

- the total number of U.S. Related Accounts and the maximum dollar value, in the aggregate, of the U.S. Related Accounts that (i) existed on August 1, 2008; (ii) were opened between August 1, 2008, and February 28, 2009; and (iii) were opened after February 28, 2009;

- the total number of accounts that were closed during the Applicable Period; and

- upon execution of the Agreement, as to each account that was closed during the Applicable Period, (i) the maximum value, in dollars, of each account, during the Applicable Period; (ii) the number of U.S. persons or entities affiliated or potentially affiliated with each account, and further noting the nature of the relationship to the account of each such U.S. person or entity or potential U.S. person or entity (e.g., a financial interest, beneficial interest, ownership, or signature authority, whether directly or indirectly, or other authority); (iii) whether it was held in the name of an individual or an entity; (iv) whether it held U.S. securities at any time during the Applicable Period; (v) the name and function of any relationship manager, client advisor, asset manager, financial advisor, trustee, fiduciary, nominee, attorney, accountant, or other individual or entity functioning in a similar capacity known by Banque Bonhôte & Cie SA to be affiliated with said account at any time during the Applicable Period; and (vi) information concerning the transfer of funds into and out of the account during the Applicable Period, including (a) whether funds were deposited or withdrawn in cash; (b) whether funds were transferred through an intermediary (including but not limited to an asset manager, financial advisor, trustee, fiduciary, nominee, attorney, accountant, or other third party functioning in a similar capacity) and the name and function of any such intermediary; (c) identification of any financial institution and domicile of any financial institution that transferred funds into or received funds from the account; and (d) identification of any country to or from which funds were transferred; and

(d) Banque Bonhôte & Cie SA's retention of a qualified independent examiner who has verified the information Banque Bonhôte & Cie SA disclosed pursuant to II.D.2 of the Swiss Bank Program.

Under the terms of this Agreement, Banque Bonhôte & Cie SA shall: (a) commit no U.S. federal offenses; and (b) truthfully and completely disclose, and continue to disclose during the

term of this Agreement, consistent with applicable law and regulations, all material information described in Part II.D.1 of the Swiss Bank Program that is not protected by a valid claim of privilege or work product with respect to the activities of Banque Bonhôte & Cie SA, those of its parent company and its affiliates, and its officers, directors, employees, agents, consultants, and others, which information can be used for any purpose, except as otherwise limited in this Agreement.

Notwithstanding the term of this Agreement, Banque Bonhôte & Cie SA shall also, subject to applicable laws or regulations: (a) cooperate fully with the Department, the Internal Revenue Service, and any other federal law enforcement agency designated by the Department regarding all matters related to the conduct described in this Agreement; (b) provide all necessary information and assist the United States with the drafting of treaty requests seeking account information of U.S. Related Accounts, whether open or closed, and collect and maintain all records that are potentially responsive to such treaty requests in order to facilitate a prompt response; (c) assist the Department or any designated federal law enforcement agency in any investigation, prosecution, or civil proceeding arising out of or related to the conduct covered by this Agreement by providing logistical and technical support for any meeting, interview, federal grand jury proceeding, or any federal trial or other federal court proceeding; (d) use its best efforts promptly to secure the attendance and truthful statements or testimony of any officer, director, employee, agent, or consultant of Banque Bonhôte & Cie SA at any meeting or interview or before a federal grand jury or at any federal trial or other federal court proceeding regarding matters arising out of or related to the conduct covered by this Agreement; (e) provide testimony of a competent witness as needed to enable the Department and any designated federal law enforcement agency to use the information and evidence obtained pursuant to Banque Bonhôte & Cie SA's participation in the Swiss Bank Program; (f) provide the Department, upon request, consistent with applicable law and regulations, all information, documents, records, or other tangible evidence not protected by a valid claim of privilege or work product regarding matters arising out of or related to the conduct covered by this Agreement about which the Department or any designated federal law enforcement agency inquires, including the translation of significant documents at the expense of Banque Bonhôte & Cie SA; and (g) provide to any state law enforcement agency such assistance as may reasonably be requested in order to establish the basis for admission into evidence of documents already in the possession of such state law enforcement agency in connection with any state civil or criminal tax proceedings brought by such state law enforcement agency against an individual arising out of or related to the conduct described in this Agreement.

Banque Bonhôte & Cie SA further agrees to undertake the following:

1. Banque Bonhôte & Cie SA agrees, to the extent it has not provided complete transaction information pursuant to Part II.D.2.b.vi of the Swiss Bank Program, and set forth in subparagraph (c) on pages 2-3 of this Agreement, because the Tax Division has agreed to specific dollar threshold limitations for the initial production, Banque Bonhôte & Cie SA will promptly provide the entirety of the transaction information upon request of the Tax Division.

2. Banque Bonhôte & Cie SA agrees to close as soon as practicable, and in no event later than two years from the date of this Agreement, any and all accounts of

recalcitrant account holders, as defined in Section 1471(d)(6) of the Internal Revenue Code; has implemented, or will implement, procedures to prevent its employees from assisting recalcitrant account holders to engage in acts of further concealment in connection with closing any account or transferring any funds; and will not open any U.S. Related Accounts except on conditions that ensure that the account will be declared to the United States and will be subject to disclosure by Banque Bonhôte & Cie SA.

3. Banque Bonhôte & Cie SA agrees to use best efforts to close as soon as practicable, and in no event later than the four-year term of this Agreement, any and all U.S. Related Accounts classified as "dormant" in accordance with applicable laws, regulations and guidelines, and will provide periodic reporting upon request of the Tax Division if unable to close any dormant accounts within that time period. Banque Bonhôte & Cie SA will only provide banking or securities services in connection with any such "dormant" account to the extent that such services are required pursuant to applicable laws, regulations and guidelines. If at any point contact with the account holder(s) (or other person(s) with authority over the account) is re-established, Banque Bonhôte & Cie SA will promptly proceed to follow the procedures described above in paragraph 2.

4. Banque Bonhôte & Cie SA agrees to retain all records relating to its U.S. cross-border business, including records relating to all U.S. Related Accounts closed during the Applicable Period, for a period of ten (10) years from the termination date of the this Agreement.

With respect to any information, testimony, documents, records or other tangible evidence provided to the Tax Division pursuant to this Agreement, the Tax Division provides notice that it may, subject to applicable law and regulations, disclose such information or materials to other domestic governmental authorities for purposes of law enforcement or regulatory action as the Tax Division, in its sole discretion, shall deem appropriate.

Banque Bonhôte & Cie SA's obligations under this Agreement shall continue for a period of four (4) years from the date this Agreement is fully executed. Banque Bonhôte & Cie SA, however, shall cooperate fully with the Department in any and all matters relating to the conduct described in this Agreement, until the date on which all civil or criminal examinations, investigations, or proceedings, including all appeals, are concluded, whether those examinations, investigations, or proceedings are concluded within the four-year term of this Agreement.

It is understood that if the Tax Division determines, in its sole discretion, that: (a) Banque Bonhôte & Cie SA committed any U.S. federal offenses during the term of this Agreement; (b) Banque Bonhôte & Cie SA or any of its representatives have given materially false, incomplete, or misleading testimony or information; (c) the misconduct extended beyond that described in the Statement of Facts or disclosed to the Tax Division pursuant to Part II.D.1 of the Swiss Bank Program; or (d) Banque Bonhôte & Cie SA has otherwise materially violated any provision of this Agreement or the terms of the Swiss Bank Program, then (i) Banque Bonhôte & Cie SA shall thereafter be subject to prosecution and any applicable penalty, including restitution, forfeiture, or criminal fine, for any federal offense of which the Department

has knowledge, including perjury and obstruction of justice; (ii) all statements made by Banque Bonhôte & Cie SA's representatives to the Tax Division or other designated law enforcement agents, including but not limited to the appended Statement of Facts, any testimony given by Banque Bonhôte & Cie SA's representatives before a grand jury or other tribunal whether prior to or subsequent to the signing of this Agreement, and any leads therefrom, and any documents provided to the Department, the Internal Revenue Service, or designated law enforcement authority by Banque Bonhôte & Cie SA shall be admissible in evidence in any criminal proceeding brought against Banque Bonhôte & Cie SA and relied upon as evidence to support any penalty on Banque Bonhôte & Cie SA; and (iii) Banque Bonhôte & Cie SA shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or documents or any leads therefrom should be suppressed.

Determination of whether Banque Bonhôte & Cie SA has breached this Agreement and whether to pursue prosecution of Banque Bonhôte & Cie SA shall be in the Tax Division's sole discretion. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, Banque Bonhôte & Cie SA, will be imputed to Banque Bonhôte & Cie SA for the purpose of determining whether Banque Bonhôte & Cie SA has materially violated any provision of this Agreement shall be in the sole discretion of the Tax Division.

In the event that the Tax Division determines that Banque Bonhôte & Cie SA has breached this Agreement, the Tax Division agrees to provide Banque Bonhôte & Cie SA with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, Banque Bonhôte & Cie SA may respond to the Tax Division in writing to explain the nature and circumstances of such breach, as well as the actions that Banque Bonhôte & Cie SA has taken to address and remediate the situation, which explanation the Tax Division shall consider in determining whether to pursue prosecution of Banque Bonhôte & Cie SA.

In addition, any prosecution for any offense referred to on page 1 of this Agreement that is not time-barred by the applicable statute of limitations on the date of the announcement of the Swiss Bank Program (August 29, 2013) may be commenced against Banque Bonhôte & Cie SA, notwithstanding the expiration of the statute of limitations between such date and the commencement of such prosecution. For any such prosecutions, Banque Bonhôte & Cie SA waives any defenses premised upon the expiration of the statute of limitations, as well as any constitutional, statutory, or other claim concerning pre-indictment delay and agrees that such waiver is knowing, voluntary, and in express reliance upon the advice of Banque Bonhôte & Cie SA's counsel.

It is understood that the terms of this Agreement, do not bind any other federal, state, or local prosecuting authorities other than the Department. If requested by Banque Bonhôte & Cie SA, the Tax Division will, however, bring the cooperation of Banque Bonhôte & Cie SA to the attention of such other prosecuting offices or regulatory agencies.

It is further understood that this Agreement and the Statement of Facts attached hereto may be disclosed to the public by the Department and Banque Bonhôte & Cie SA consistent with Part V.B of the Swiss Bank Program.

This Agreement supersedes all prior understandings, promises and/or conditions between the Department and Banque Bonhôte & Cie SA. No additional promises, agreements, and conditions have been entered into other than those set forth in this Agreement and none will be entered into unless in writing and signed by both parties.

AGREED AND ACCEPTED:
UNITED STATES DEPARTMENT OF JUSTICE, TAX DIVISION

Caroline D. Ciraolo — 11/3/2015
CAROLINE D. CIRAOLO — DATE
Acting Assistant Attorney General

Thomas J. Sawyer — 3 November 2015
THOMAS J. SAWYER — DATE
Senior Counsel for International Tax Matters

Lisa L. Bellamy — 11/3/2015
LISA L. BELLAMY — DATE
Trial Attorney

AGREED AND CONSENTED TO:
BANQUE BONHÔTE & CIE SA

By: [signature] — October 29, 2015
DATE

APPROVED:

[signature] — October 29, 2015
COHEN & GRESSER LLP — DATE

EXHIBIT A TO BANQUE BONHÔTE & CIE SA
NON-PROSECUTION AGREEMENT

STATEMENT OF FACTS

INTRODUCTION

1. Banque Bonhôte & Cie SA ("Banque Bonhôte" or the "Bank") is a private bank established in 1815 in the City of Neuchâtel, the government seat of the Canton of Neuchâtel, Switzerland. It is a privately held stock company, and the majority of its share capital is owned by its management board and employees.

2. Banque Bonhôte offers private banking services, including financial and wealth management services for private clients, institutional clients, and independent asset managers. Until 2002, Banque Bonhôte had a single office in Neuchâtel; since then it has opened branches in Bienne, Geneva, and Berne, all in Switzerland. Banque Bonhôte traditionally has served Neuchâtel and its environs, and more recently the communities where its branches are located.

3. During the period August 1, 2008 through June 30, 2014, Banque Bonhôte had fewer than 4,000 total accounts, including accounts closed during that period. As of year-end 2013, Banque Bonhôte held assets under management totaling approximately $2.6 billion, and employed approximately 70 people in Neuchâtel and its three branches, including 17 client relationship managers.

U.S. INCOME TAX & REPORTING OBLIGATIONS

4. U.S. citizens, resident aliens, and legal permanent residents have an obligation to report all income earned from foreign bank accounts on their tax returns and to pay the taxes due on that income. Since tax year 1976, U.S. citizens, resident aliens, and legal permanent residents have had an obligation to report to the Internal Revenue Service ("IRS") on Schedule B of a U.S. Individual Income Tax Return, Form 1040, whether they had a financial interest in, or signature authority over, a financial account in a foreign country in a particular year by checking "Yes" or "No" in the appropriate box and identifying the country where the account was maintained.

5. Since 1970, U.S. citizens, resident aliens, and legal permanent residents who have had a financial interest in, or signature authority over, one or more financial accounts in a foreign country with an aggregate value of more than $10,000 at any time during a particular year have been required to file with the Department of the Treasury a Report of Foreign Bank and Financial Accounts, FinCEN Form 114 (the "FBAR," formerly known as Form TD F 90-22.1). The FBAR must be filed on or before June 30 of the following year.

6. An "undeclared account" was a financial account owned by an individual subject to U.S. tax and maintained in a foreign country that had not been reported by the

individual account owner to the U.S. government on an income tax return or other form and an FBAR as required.

7. "U.S. Related Accounts" means accounts which exceeded $50,000 in value at any time during the Applicable Period, and as to which indicia exist that a U.S. Person or Entity has or had a financial or beneficial interest in, ownership of, or signature authority (whether direct or indirect) or other authority over the account. [1]

8. Since 1935, Switzerland has maintained criminal laws that ensure the secrecy of client relationships at Swiss banks. While Swiss law permits the exchange of information in response to administrative requests made pursuant to a tax treaty with the United States and certain legal requests in cases of tax fraud, Swiss law otherwise prohibits the disclosure of identifying information without client authorization. Because of the secrecy guarantee that they created, these Swiss criminal provisions have historically enabled U.S. clients to conceal their Swiss bank accounts from U.S. authorities.

9. In or about 2008, Swiss bank UBS AG ("UBS") publicly announced that it was the target of a criminal investigation by the IRS and the United States Department of Justice and that it would be exiting and no longer accepting certain U.S. clients. On February 18, 2009, the Department of Justice and UBS filed a deferred prosecution agreement in the Southern District of Florida in which UBS admitted that its cross-border banking business used Swiss privacy law to aid and assist U.S. clients in opening accounts and maintaining undeclared assets and income from the IRS. Since the UBS investigation became public, several other Swiss banks have publicly announced that they were or are the targets of similar criminal investigations and that they would likewise be exiting and not accepting certain U.S. clients (UBS and the other targeted Swiss banks are collectively referred to as "Category 1 banks"). These cases have been closely monitored by banks operating in Switzerland, including Banque Bonhôte, since at least August of 2008.

OVERVIEW OF BANQUE BONHÔTE'S U.S. BUSINESS

10. Banque Bonhôte's business traditionally has been focused in and around Neuchâtel and surrounding communities. Banque Bonhôte did not market its services in the United States. It never maintained a desk dedicated to the U.S. market, assigned private bankers responsibility for soliciting U.S. business, or encouraged private bankers to solicit U.S. business. Banque Bonhôte's U.S. clients by and large had personal connections to the Neuchâtel region, including many who at one time resided, or had families who resided, in and around the Neuchatel region. Banque Bonhôte, however,

[1] Capitalized terms not otherwise defined in this Statement of Facts have the meanings set forth in the Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks, issued on August 29, 2013 (the "Swiss Bank Program") or in the Agreement between the United States of America and Switzerland for Cooperation to Facilitate the Implementation of FATCA, dated February 14, 2013 (the "FATCA Agreement").

knew or should have known that at least some of those clients were for tax purposes U.S. persons.

11. The Bank was aware that U.S. taxpayers had a legal duty to report to the IRS and pay taxes on all of their income, including income earned in accounts that these U.S. taxpayers maintained at the Bank. The Bank knew, or should have known, that it was likely that certain U.S. taxpayers who maintained accounts at the Bank during the Applicable Period were not complying with their U.S. reporting obligations.

12. During the Applicable Period, Banque Bonhôte held and managed 63 U.S. Related Accounts, including both declared and undeclared accounts, which had a peak of aggregated assets under management of $88.7 million.

13. Banque Bonhôte's cross-border banking business aided and assisted some U.S. clients in opening and maintaining undeclared accounts in Switzerland and concealing the assets and income the clients held in their accounts from the IRS. The Bank used a variety of means to assist U.S. clients in concealing the assets and income the clients held in their Bonhôte undeclared accounts, including:

    - opening and maintaining accounts for U.S. taxpayers in the name of non-U.S. corporations, foundations, trusts, or other entities, including sham entities, thereby assisting such U.S. taxpayers in concealing their beneficial ownership of the accounts;

    - accepting the use of IRS or substitute forms that falsely stated under penalties of perjury that sham entities beneficially owned the assets in the undeclared accounts;

    - opening and maintaining numbered accounts for 14 U.S. taxpayers;

    - holding bank statements and other mail, for some period of time during the Applicable Period, relating to 27 U.S. Related Accounts at the Bank's offices in Switzerland rather than sending them to the U.S. taxpayers in the United States. As a result, all documents reflecting the existence of these accounts remained outside the United States;

    - referring bank clients to Bonhôte Trust SA ("Bonhôte Trust"), located in Neuchâtel. In 2001, the Bank acquired this Swiss fiduciary and trust advisory firm from an Australian owner. The Bank's acquisition of this firm led primarily to the establishment of account relationships for clients from Australia and the United Kingdom. Nevertheless, Bonhôte Trust provided assistance in setting up entities including offshore companies and foundations, including sham entities, for clients, including without limitation, U.S. taxpayers and provided administrative services to those entities;

- in six instances, opening accounts for U.S. taxpayers who had left UBS or Credit Suisse when these banks were being investigated by the U.S. Department of Justice; and

- processing requests from U.S. taxpayers to transfer assets from accounts being closed to accounts held by non-U.S. relatives and/or friends at other Swiss banks.

14. Banque Bonhôte acquired U.S. Related Accounts primarily from direct referrals, walk-ins, and business arrangements with external asset managers.

15. Private bankers (referred to as "client relationship managers") served as Banque Bonhôte's primary contact for account holders at the Bank. Since August 2008, approximately 13 client relationship managers opened or managed one or more U.S. Related Accounts. In some instances, client relationship managers aided or assisted U.S. clients to open and manage accounts that were undeclared, and that were established and maintained in a manner designed to conceal the U.S. taxpayers' ownership or beneficial interest in the accounts. Banque Bonhôte compensated client relationship managers, in part, based on the amount of business they generated for the Bank.

16. Since August 2008, approximately eight external asset managers were responsible for independently managing one or more U.S. Related Accounts held at Banque Bonhôte, and often served as the primary contact with the beneficial owner of an account. One such external asset manager was Bonhôte Trust, which was responsible for independently managing 19 U.S. Related Accounts. Banque Bonhôte knew or should have known that, at least in some instances, external asset managers opened and managed accounts at Banque Bonhôte in the name of a sham offshore structure that in reality held assets owned by a U.S. client. Banque Bonhôte generally compensated the external asset managers for business generated.

17. Due in part to the assistance of Banque Bonhôte and its personnel, and with the knowledge that Swiss banking secrecy laws would prevent Banque Bonhôte from disclosing their identities to the IRS, some U.S. account holders of Banque Bonhôte filed false and fraudulent U.S. income tax returns, which failed to report interests in undeclared accounts and related income, and otherwise failed to report interests in undeclared accounts in FBARs.

18. Effective in or about January 2001, Banque Bonhôte entered into a Qualified Intermediary ("QI") Agreement with the IRS. The QI regime provided a comprehensive framework for U.S. information reporting and tax withholding by a non-U.S. financial institution regarding U.S. securities. The QI Agreement was designed to help ensure that non-U.S. persons were subject to the proper U.S. withholding tax rates and that U.S. persons were properly paying U.S. tax, in each case, with respect to U.S. securities held in an account with the QI.

19. The QI Agreement expressly recognized that a non-U.S. financial institution such as Banque Bonhôte may be prohibited by foreign law, such as Swiss law, from disclosing an account holder's name or other identifying information. In general, a QI subject to

such foreign-law restrictions must request that its U.S. clients either (a) grant the QI authority to disclose the client's identity or mandate the QI to provide an IRS Form W-9 completed by the account holder, or (b) grant the QI authority to sell all U.S. securities of the account holder (in the case of accounts opened before January 1, 2001) or to exclude all U.S. securities from the account (in the case of accounts opened on or after January 1, 2001). Following the effective date of the QI Agreement, a sale of U.S. securities, if any, held by a U.S. person who chose not to provide a QI with an IRS Form W-9 was subject to tax information reporting on an anonymous basis and backup withholding.

20. As a consequence of Banque Bonhôte entering into a QI Agreement with the IRS, Banque Bonhôte generally required individual U.S. account holders to execute a Qualified Intermediary form pursuant to which the account holder was required to elect to: (i) allow Banque Bonhôte to send a completed Form W-9 to the United States; (ii) prohibit Banque Bonhôte from giving the account holder's name to U.S. authorities, authorize Banque Bonhôte during the year 2000 to sell U.S. securities, and prohibit Banque Bonhôte from conducting further transactions in U.S. securities; or (iii) prohibit Banque Bonhôte from giving the account holder's name to U.S. authorities and from selling U.S. securities. In the absence of authorization to disclose the account holder's name, after 2000, Banque Bonhôte refused to conduct transactions in U.S. securities in the account.

THE USE BY U.S. CLIENTS OF SHAM ENTITIES

21. In some instances, Banque Bonhôte structured a U.S. Related Account that appeared as if it was held by a non-U.S. legal entity, such as an offshore corporation or trust, which aided and abetted the clients' ability to conceal their undeclared accounts from the IRS. Approximately 35% of Banque Bonhôte's U.S. Related Accounts were held in the name of offshore structures.

22. Banque Bonhôte, through its wholly-owned subsidiary Bonhôte Trust, created offshore foundations, corporations, trusts and similar entities ("structures") organized in jurisdictions such as the British Virgin Islands and Nevis. Banque Bonhôte also opened accounts through external asset managers and maintained in the name of offshore structures, despite knowing that in at least some instances the beneficial owners of such accounts were U.S. persons. Banque Bonhôte client relationship managers and other employees accepted IRS Forms W-8BEN (or Banque Bonhôte's substitute forms) provided by the offshore structures that represented that such structures were the beneficial owners of the assets in the accounts for U.S. federal income tax purposes. In some instances, these structures served as nominal account holders of assets that in reality belonged to U.S. clients. In at least some instances, Banque Bonhôte mailed correspondence associated with one or more accounts to Bonhôte Trust, rather than to the U.S. client, who was the actual beneficial owner of the accounts.

MITIGATING FACTORS

23. Banque Bonhôte did not pursue a plan or strategy to solicit business from the United States. It did not market its services in the United States, and did not allow client relationship managers to travel to the United States on business. Banque Bonhôte's U.S. accounts generally arose out of the Bank's domestic business.

24. In January 2009, in the wake of the Department of Justice's criminal investigation into UBS's U.S. cross-border business, Banque Bonhôte resolved to update and clarify its internal banking procedures regarding accounts held by or for the benefit of U.S. taxpayer-clients. In July 2009, to reduce the risk of error or mismanagement, Banque Bonhôte began consolidating all known accounts that were held by or for the benefit of U.S. clients under the supervision of a single bank officer.

25. By December 2009, Banque Bonhôte decided to decline to open accounts for new U.S. clients who appeared to intend to use the accounts to evade U.S. income taxes.

26. Although Banque Bonhôte opened 15 U.S. Related Accounts after December 2009, Banque Bonhôte understood that none of those accounts was intended to conceal assets or hide income of a U.S. person from U.S. authorities.

27. In June 2011, Banque Bonhôte resolved to reduce the number of banking relationships with U.S. clients. Thereafter, Banque Bonhôte adopted a policy against opening accounts by or for new U.S clients absent: (i) explicit approval by the Legal/Compliance Department with notice to management; (ii) the elimination of a previously existing U.S. banking relationship; and (iii) the receipt of a signed IRS Form W-9.

28. By February 2012, Banque Bonhôte decided to refuse all new accounts to be opened by a new client who was a U.S. national or U.S. resident, or a proxy for a U.S. national or resident. Banque Bonhôte also decided to require all U.S. clients who had not already executed an IRS Form W-9 to do so immediately, or else (i) leave only cash and liquidities in the accounts, or (ii) close their accounts and leave Banque Bonhôte. In July 2012, senior management announced a list of U.S. account characteristics to help employees identify and isolate such accounts.

BANQUE BONHÔTE'S COOPERATION THROUGHOUT THE SWISS BANK PROGRAM

29. Throughout its participation in the Swiss Bank Program, Banque Bonhôte committed to providing full cooperation to the U.S. government and has made timely and comprehensive disclosures regarding its U.S. business. Specifically, the Bank, with the assistance of U.S. and Swiss counsel, forensic investigators, and in compliance with Swiss privacy law has:

    - conducted an expansive internal investigation which included but is not limited to: (a) interviews of current client relationship managers who had responsibility for one or more U.S. Related Accounts, and members of management; (b) reviews

of client account files and correspondence; (c) analysis of relevant management policies; and (d) email searches;

- made substantial efforts to encourage account holders to participate in the IRS offshore voluntary disclosure programs. Among other efforts, the Bank hired a U.S. tax adviser to reach out to U.S. account holders to persuade them to come into compliance with U.S. tax law, and to counsel account holders in the voluntary disclosure program. As a result of those and other efforts, approximately 80% of undeclared U.S. Related Accounts entered into the IRS voluntary disclosure program;

- obtained waivers of Swiss bank secrecy for more than half of its U.S. Related Accounts, and provided customer names and other identifying information for those accounts to the Department of Justice;

- provided information concerning 12 U.S. client accounts held at Banque Bonhôte since August of 2008 sufficient to make treaty requests to the Swiss competent authority for U.S. client account records;

- described in detail the structure and operation of its U.S. business, including: (a) its cross-border business policies; (b) a summary of the top five U.S. Related Accounts by assets under management; (c) written narrative summaries of other U.S. Related Accounts; (d) narrative of circumstances surrounding the closure of certain accounts involving the withdrawal of assets in cash or precious metals, or transfers to non-U.S. affiliates; and,

- provided information to the Department of Justice concerning associated persons, entities, and areas of concern for use in other ongoing and potential Department of Justice investigations.

EXHIBIT B TO NON-PROSECUTION AGREEMENT

RESOLUTION OF THE BOARD OF DIRECTORS OF

BANQUE BONHÔTE & CIE SA

At a duly held meeting held on **October 29th 2015**, the Board of Directors (the "Board") of Banque Bonhôte & Cie SA (the "Company") resolved as follows:

WHEREAS, the Company has been engaged in discussions with the United States Department of Justice (the "DOJ") regarding certain issues arising out of, in connection with, or otherwise relating to the conduct of its U.S. cross-border business;

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain non-prosecution agreement with the DOJ (the "Agreement"); and

WHEREAS, the Company's U.S. and Swiss counsel have advised the Board of Directors of the Company's rights, possible defenses, and the consequences of entering into the Agreement;

This Board hereby **RESOLVES** that:

1. The Board of the Company has reviewed the entire Agreement attached hereto, including the Statement of Facts attached as Exhibit A to the Agreement, consulted with Swiss and U.S. counsel in connection with this matter and voted to enter into the Agreement, including to pay a sum of $ 624'000.- to DOJ in connection with the Agreement;

2. Any of Yves de Montmollin, Chief Executive Officer, Olivier Vollenweider, Chief Operating Officer, with joint signature by two; or Mark S. Cohen and Jeffrey I. Lang of Cohen & Gresser LLP by sole signature (collectively, the "Authorized Signatories"), are hereby authorized on behalf of the Company to execute the Agreement substantially in such form as reviewed by this Board with such non-material changes as the Authorized Signatories may approve;

3. The Board hereby authorizes, empowers and directs the Authorized Signatories to take, on behalf of the Company, any and all actions as may be necessary or appropriate, and to approve and execute the forms, terms or provisions of any agreement or other document, as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and

4. All of the actions of the Authorized Signatories of the Company, are hereby severally ratified, confirmed, approved and adopted as actions on behalf of the Company

IN WITNESS WHEREOF, the Board of Directors of the Company has executed this Resolution.

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Jean Louis-George BERTHOUD
Chairman of the Board

.....
Nicolas Wavre
Member of the Board