U.S. Department of Justice

Tax Division

Washington, D.C. 20530

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December 10, 2015

Kathryn Ruemmler
Christopher Clark
Latham & Watkins LLP
555 Eleventh Street NW
Suite 1000
Washington, DC 20004

Re: Edmond de Rothschild (Suisse) SA
Edmond de Rothschild (Lugano) SA
DOJ Swiss Bank Program – Category 2
Non-Prosecution Agreement

Dear Ms. Ruemmler and Mr. Clark:

Banque Privee Edmond de Rothschild SA and its Lugano-based subsidiary, Banca Privata Edmond de Rothschild Lugano SA, submitted separate Letters 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"). Since submitting their respective letters, the banks have changed their names to Edmond de Rothschild (Suisse) SA and Edmond de Rothschild (Lugano) SA respectively (hereinafter collectively referred to as "EdR Switzerland" or the "Bank") and joined for the purposes of the Swiss Bank Program. This Non-Prosecution Agreement ("Agreement") is entered into based on the representations in the aforementioned Letters of Intent and information provided by EdR Switzerland 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 Edmond de Rothschild (Suisse) SA or Edmond de Rothschild (Lugano) SA of the Swiss Bank Program will constitute a breach of this Agreement. Edmond de Rothschild (Suisse) SA and Edmond de Rothschild (Lugano) SA are separate legal entities that participated jointly in the Swiss Bank Program. They are severally bound by the obligations of this Agreement and severally liable for any individual breach of this Agreement.

On the understandings specified below, the Department of Justice will not prosecute EdR Switzerland 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

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

connection with undeclared U.S. Related Accounts held by EdR Switzerland during the Applicable Period (the "conduct"). EdR Switzerland 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 Statement of Facts. This Agreement does not provide any protection against prosecution for any offenses except as set forth above, and applies only to EdR Switzerland and does not apply to any other entities or to any individuals. EdR Switzerland 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. EdR Switzerland enters into this Agreement pursuant to the authority granted by the Board of Directors of Edmond de Rothschild (Suisse) SA and Edmond de Rothschild (Lugano) SA in the form of Board Resolutions (copies of which are attached hereto as Exhibits B and C).

In recognition of the conduct described in this Agreement and in accordance with the terms of the Swiss Bank Program, EdR Switzerland agrees to pay the sum of $45,245,000 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 EdR Switzerland. This payment is in lieu of restitution, forfeiture, or criminal fine against EdR Switzerland for the conduct described in this Agreement. The Department will take no further action to collect any additional criminal penalty from EdR Switzerland with respect to the conduct described in this Agreement, unless the Tax Division determines EdR Switzerland has materially violated the terms of this Agreement or the Swiss Bank Program as described on pages 5-6 below. EdR Switzerland 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 EdR Switzerland has violated any provision of this Agreement. EdR Switzerland 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. EdR Switzerland agrees that it shall not assist any others in filing any such claims, petitions, actions, or motions. EdR Switzerland further agrees that no portion of the penalty that EdR Switzerland has agreed to pay to the Department under the terms of this Agreement will serve as a basis for EdR Switzerland 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) EdR Switzerland'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 EdR Switzerland 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) EdR Switzerland'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) EdR Switzerland'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 EdR Switzerland 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) EdR Switzerland's retention of a qualified independent examiner who has verified the information EdR Switzerland disclosed pursuant to II.D.2 of the Swiss Bank Program.

Under the terms of this Agreement, EdR Switzerland 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 EdR Switzerland, 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, EdR Switzerland 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 EdR Switzerland 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 EdR Switzerland'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 EdR Switzerland; 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.

EdR Switzerland further agrees to undertake the following:

1. The Tax Division has agreed to specific dollar threshold limitations for the initial production of 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. EdR Switzerland agrees that, to the extent it has not provided complete transaction information, it will promptly provide the entirety of the transaction information upon request of the Tax Division.

2. EdR Switzerland 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 EdR Switzerland.

3. EdR Switzerland 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. EdR Switzerland 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, EdR Switzerland will promptly proceed to follow the procedures described above in paragraph 2.

4. EdR Switzerland 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.

EdR Switzerland's obligations under this Agreement shall continue for a period of four (4) years from the date this Agreement is fully executed. EdR Switzerland, 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) EdR Switzerland committed any U.S. federal offenses during the term of this Agreement; (b) EdR Switzerland 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) EdR Switzerland has otherwise materially violated any provision of this Agreement or the terms of the Swiss Bank Program, then (i) EdR Switzerland 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 EdR Switzerland'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 EdR Switzerland'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 EdR Switzerland shall be admissible in evidence in any criminal proceeding brought against EdR Switzerland and relied upon as evidence to support any penalty on EdR Switzerland; and (iii) EdR Switzerland 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 EdR Switzerland has breached this Agreement and whether to pursue prosecution of EdR Switzerland 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, EdR Switzerland, will be imputed to EdR Switzerland for the purpose of determining whether EdR Switzerland 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 EdR Switzerland has breached this Agreement, the Tax Division agrees to provide EdR Switzerland with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, EdR Switzerland may respond to the Tax Division in writing to explain the nature and circumstances of such breach, as well as the actions that EdR Switzerland has taken to address and remediate the situation, which explanation the Tax Division shall consider in determining whether to pursue prosecution of EdR Switzerland.

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 EdR Switzerland, notwithstanding the expiration of the statute of limitations between such date and the commencement of such prosecution. For any such prosecutions, EdR Switzerland 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 EdR Switzerland'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 EdR Switzerland, the Tax Division will, however, bring the cooperation of EdR Switzerland 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 EdR Switzerland consistent with Part V.B of the Swiss Bank Program.

This Agreement supersedes all prior understandings, promises and/or conditions between the Department and EdR Switzerland. 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.

12/18/2015

CAROLINE D. CIRAOLO
Acting Assistant Attorney General
Tax Division

18 December 2015

THOMAS J. SAWYER
Senior Counsel for International Tax Matters

12/18/2015

KEVIN F. SWEENEY
Trial Attorney

AGREED AND CONSENTED TO:
EDMOND DE ROTHSCHILD (SUISSE) SA

By: _____ 2015-12-16
Yves Baschlmann (Group Head of Legal & Compliance) Emmanuel Flévet (CEO) DATE

EDMOND DE ROTHSCHILD (LUGANO) SA

By: _____ 2015-12-16
Nicola Paris (CEO) Tiziano Tunesi (Senior Vice-President) DATE

APPROVED:

12/16/15

KATHRYN RUEMMLER
Latham & Watkins LLP DATE

12/16/15

CHRISTOPHER CLARK
Latham & Watkins LLP DATE

EXHIBIT A TO EDR SWITZERLAND
NON-PROSECUTION AGREEMENT

STATEMENT OF FACTS

INTRODUCTION

1. Edmond de Rothschild (Suisse) SA is a corporation organized under the laws of Switzerland with its headquarters in Geneva, Switzerland.[1] It operates a subsidiary called Edmond de Rothschild (Lugano) SA. Edmond de Rothschild (Suisse) SA and Edmond de Rothschild (Lugano) SA are hereinafter collectively referred to as "EdR Switzerland" or the "Bank."

2. EdR Switzerland operates a financial services business in Geneva, Lausanne, Fribourg, and Lugano, Switzerland. It offers private banking and wealth management services for individual clients around the world, including U.S. citizens, legal permanent residents, and resident aliens.

3. EdR Switzerland is affiliated with the Edmond de Rothschild Group, an independent, family-controlled financial group focused on high-net-worth individual clients. Edmond de Rothschild Group was founded in 1953 and currently operates in 19 countries worldwide. EdR Switzerland is an independent Swiss legal entity, led by its own board of directors, chief executive officer, and executive committee, and is supported by its own legal and compliance functions.

4. In 2012, EdR Switzerland agreed to acquire the Lugano-based Sella Bank AG, which became part of Edmond de Rothschild (Lugano) SA in 2013.

5. In 2014, the Edmond de Rothschild Group held assets under management totaling approximately $165.0 billion, out of which $44.0 billion comprised client assets managed in Switzerland. This made EdR Switzerland one of the largest private banks in Switzerland.

U.S. INCOME TAX & REPORTING OBLIGATIONS

6. United States ("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 the Schedule B of a U.S. Individual Income Tax Return,

[1] Edmond de Rothschild (Suisse) SA was formerly called Banque Privée Edmond de Rothschild SA and Edmond de Rothschild (Lugano) SA was formerly known as Banca Privata Edmond de Rothschild Lugano SA.

Form 1040, whether that individual 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.

7. 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 were required to file with the Department of the Treasury a Report of Foreign Bank and Financial Accounts, FinCEN Form 114, formerly known as Form TD F 90-22.1 (the "FBAR").

8. 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 and an FBAR.

9. Since approximately the 1930s, Switzerland has maintained laws that ensure the secrecy of client relationships at Swiss banks. Swiss law prohibits the disclosure of identifying information without client authorization, especially to foreign government investigators. These are Swiss criminal laws punishable by imprisonment. Because of the secrecy guarantee that they created, these Swiss laws enabled U.S. clients to conceal their Swiss bank accounts from U.S. authorities.

10. 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 ("DOJ") and that it would be exiting and no longer accepting certain U.S. clients. On February 18, 2009, the DOJ 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 banking secrecy and privacy laws to aid and assist U.S. clients in opening and maintaining accounts and concealing undeclared assets and income from the IRS. Since UBS's announcement, 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. These cases have been closely monitored by banks operating in Switzerland, including EdR Switzerland, since at least the third quarter of 2008.

OVERVIEW OF EDR SWITZERLAND'S U.S. CROSS-BORDER BUSINESS

11. For decades prior to and through in or about 2013, EdR Switzerland aided and assisted U.S. clients in opening and maintaining undeclared accounts in Switzerland and concealing the assets and income they held in these accounts. During the Applicable

Period,[2] EdR Switzerland held and managed approximately 950 U.S. client accounts, which included both declared and undeclared accounts, with aggregate peak of assets under management of $2.16 billion.[3]

12. EdR Switzerland 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 EdR Switzerland. EdR Switzerland knew that it was likely that certain U.S. taxpayers who maintained accounts at EdR Switzerland during the Applicable Period were not complying with their U.S. reporting obligations.

13. EdR used a variety of means to assist U.S. clients in concealing their undeclared accounts, including by:

- providing traditional Swiss banking products such as hold mail, code name, and numbered account services;
- assisting clients in using sham entities such as structures as nominee beneficial owners of the undeclared accounts;
- providing offshore credit cards, cash cards, and debit cards to repatriate funds from the undeclared accounts;
- structuring transfers of funds from undeclared accounts to evade currency transaction reporting requirements;
- facilitating the covert repatriation of undeclared accounts via cash withdrawals, the purchase of luxury goods, and transfers to the foreign bank accounts of non-U.S. friends, family, and business associates;
- accepting and suggesting the use of IRS forms that falsely stated under penalties of perjury that the sham entities beneficially owned the assets in the undeclared accounts;
- divesting U.S. securities from its undeclared U.S. accounts for the purpose of subverting its Qualified Intermediary ("QI") Agreement with the IRS.

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[2] 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").

[3] Of the 161 U.S. client accounts at Edmond de Rothschild (Lugano) SA, 58 accounts with peak assets under management of approximately $56 million were accounts opened by Sella Bank AG and inherited by Edmond de Rothschild (Lugano) SA as a result of its acquisition of Sella Bank AG .

14. Approximately 101 private bankers were responsible for managing at least one U.S. client account during the Applicable Period. These private bankers (referred to as "relationship managers") served as the points of contact for U.S. clients at EdR Switzerland and were responsible for opening and servicing U.S. client accounts at EdR Switzerland. Certain relationship managers assisted or otherwise facilitated some U.S. individual taxpayers in establishing and maintaining undeclared accounts in a manner that concealed the U.S. taxpayers' ownership or beneficial interest in said accounts. EdR Switzerland acquired U.S. client accounts primarily from direct referrals, walk-ins, and business arrangements with external asset managers.

15. Since August 2008, approximately 43 external asset managers were responsible for independently managing at least one U.S. client account held at EdR Switzerland. EdR Switzerland compensated certain of these external asset managers for the business they generated for the Bank based on a negotiated fee structure.

16. Relationship managers typically communicated via telephone, fax, business email, and mail (when clients did not request hold mail services) with certain of their clients in the United States. Certain relationship managers also met with U.S. clients outside of the United States to provide banking services and investment advice related to their undeclared accounts. On at least one occasion, a relationship manager traveled to the United States after August 1, 2008 and met with an existing U.S. client to discuss the client's accounts.

METHODS USED TO CONCEAL ASSETS AND INCOME

17. EdR Switzerland offered a variety of traditional Swiss banking services that it knew would and did assist U.S. clients in concealing assets and income from the IRS. One such service was hold mail. For an annual fee, the Bank would hold all mail correspondence for a particular client at the Bank. At least 352 U.S. accounts utilized EdR Switzerland's hold mail services. These services allowed U.S. clients to eliminate the paper trail of undeclared assets and income held at EdR Switzerland back to the United States.

18. The Bank also offered code name or numbered account services. For an annual fee, it allowed U.S. account holders to keep their names off of account statements and other documentation received from the Bank. In lieu of referring to the U.S. client by name, the Bank would use a secret code name or number. At least 198 U.S. accounts utilized EdR Switzerland's code name or numbered account services. These services allowed U.S. clients to conceal their names from bank records which would otherwise document the undeclared assets and income they held at EdR Switzerland.

19. EdR Switzerland relationship managers assisted U.S. clients in opening and maintaining bank accounts in the names of non-U.S. structures. In total, at least 359 of the Bank's U.S. Related Accounts, with aggregate peak of assets under management of

approximately $1.36 billion, that were open on or after August 1, 2008 were nominally held in the name of offshore entities.

20. At least one EdR Switzerland relationship manager coordinated with an external trust company to create and administer an offshore structure incorporated in Singapore. EdR Switzerland relationship managers also knew or had reason to know that U.S. clients used external trust companies and attorneys to create and administer structures incorporated or based in offshore locations such as the British Virgin Islands, Panama, and Liechtenstein. Because Swiss law requires EdR Switzerland to identify the true beneficial owner of structures on a document called a Form A, it knew that these were U.S. client accounts. Nonetheless, for certain U.S. client accounts, EdR relationship managers and other employees knowingly accepted and included in EdR Switzerland's account records IRS Forms W-8BEN (or EdR Switzerland's substitute forms) provided by the directors of the offshore companies that falsely represented under penalty of perjury that such companies were the beneficial owners, for U.S. federal income tax purposes, of the assets in the EdR Switzerland accounts. This aided and assisted the U.S. clients in concealing these assets and income from the IRS.

21. At least one relationship manager assisted two U.S. clients in closing their undeclared accounts at the Bank by briefly opening up new individual accounts at the Bank, into which the Bank transferred the funds from the undeclared accounts, and then transferred the funds from the new accounts to insurance wrapper accounts in Liechtenstein. Insurance wrappers were marketed to U.S. clients by third-party providers in the wake of the UBS investigation as a means of disguising the beneficial ownership of U.S. clients. By the operation of Swiss bank secrecy laws, the U.S. client's ownership would not be disclosed to U.S. authorities, including the IRS.

22. EdR Switzerland employees assisted U.S. clients in covertly repatriating offshore funds by providing credit cards, cash cards, and debit cards linked to their undeclared accounts, including three types of cards issued by American companies. These services allowed U.S. clients to withdraw funds remotely or pay for goods and services without a paper trail back to their undeclared accounts in Switzerland. The Bank issued such cards to at least 24 U.S. account holders at the Bank.

23. EdR Switzerland relationship managers assisted numerous U.S. clients in structuring transfers from their undeclared accounts in amounts less than $10,000 to avoid detection by U.S. authorities. This conduct assisted U.S. clients in avoiding United States currency transaction reporting requirements. For example, after numerous discussions with one U.S. client regarding his intent to covertly repatriate his undeclared account funds, an EdR Switzerland relationship manager issued a series of checks in the amount of $8,500 made out to the U.S. client drawn on EdR Switzerland's bank account at UBS in Switzerland. The same relationship manager also assisted this U.S. client in withdrawing $11,000 in cash before re-depositing $2,000 based on "customs limitations."

24. EdR Switzerland relationship managers assisted numerous U.S. clients in covertly repatriating their undeclared account funds with large cash withdrawals. Between August 1, 2008 and May 2014, the Bank processed at least 155 cash withdrawals of $30,000 or more totaling more than $20.68 million for at least 53 U.S. clients. In one instance in August of 2011, the Bank closed a U.S. client's account by processing a single cash withdrawal in the amount of $2.53 million.

25. EdR Switzerland relationship mangers assisted U.S. clients in covertly repatriating their undeclared account funds by purchasing luxury goods. This allowed U.S. clients to convert their undeclared accounts funds into small, transportable items of value that are difficult to trace. For example, in one instance, after numerous discussions with a U.S. client about how the client intended to close his account and covertly repatriate his undeclared account funds, an EdR Switzerland relationship manager assisted this U.S. client in transferring 145,000 Swiss francs to the Swiss UBS account of a luxury watch maker.

26. EdR Switzerland relationship managers assisted U.S. clients in closing their accounts and covertly repatriating their undeclared account funds via transfers to the foreign bank accounts of non-U.S. friends, relatives, and business associates. For example, one relationship manager noted the following about his discussion with a U.S. client:

> Telephonic contact with the account holder. Explained to him the situation with respect to U.S. citizen account holders. Asked what to do. Suggested to him to make a donation to his wife.

An assistant to another relationship manager made this note in an account file:

> Explained to [the niece] our need to close the account (client residing in USA) and only possible solution transfer of account to a person not resident in the USA.

27. In one instance, the representative of a Panama company account holder told EdR Switzerland that he was the "man of confidence" in Switzerland for the beneficial owner of the account, whom he identified as a non-U.S. citizen resident in the U.S. All communication regarding his account went through the "man of confidence." Even though no one at the Bank had ever met the beneficial owner, an EdR Switzerland relationship manager assisted the "man of confidence" in closing the company account and transferring the balance to the "man of confidence's" account at another Swiss bank. In other instances, EdR Switzerland relationship managers assisted U.S. clients in closing their accounts and covertly repatriating their undeclared account funds by opening up new accounts at the Bank for family members and then transferring the balance of the U.S. client's undeclared account into the newly formed bank accounts of their non-U.S. relatives.

EDR SWITZERLAND SUBVERTED ITS QUALIFIED INTERMEDIARY AGREEMENT

28. Effective in or about January 2001, EdR Switzerland entered into a Qualified Intermediary ("QI") Agreement with the IRS. To comply with its responsibilities as a QI, EdR Switzerland introduced a new form titled "Declaration of U.S. Status / or / Non-U.S. Status in relation to assets and income subject to United States withholding tax" ("DNUS"). EdR Switzerland required all new and existing account holders to complete a DNUS form. It required all clients to self-certify whether they were or were not U.S. persons. If the U.S. client provided EdR Switzerland with a validly signed IRS Form W-9, then the client could hold U.S. securities and EdR Switzerland would conduct Form 1099 reporting in respect of any reportable amounts, in accordance with the terms of its QI Agreement with the IRS. If the U.S. client did not provide a Form W-9, then EdR Switzerland prohibited the client from holding any U.S. investments, in accordance with the QI Agreement, and the client's name was not provided to the IRS.

29. As a consequence of EdR Switzerland entering into a QI Agreement with the IRS, certain relationship managers and supervisory relationship managers encouraged and allowed U.S. clients to create and open accounts in the name of sham offshore entities. In connection with these accounts, EdR Switzerland employees knowingly accepted and included in its account records IRS Forms W-8BEN (or EdR Switzerland's substitute forms) provided by the directors of the offshore companies that falsely represented under penalty of perjury that such companies were the beneficial owners of the assets in the accounts for U.S. federal income tax purposes.

30. Certain relationship managers and others assisted U.S. clients in executing forms that directed EdR Switzerland not to acquire U.S. securities in their accounts. The purpose of such forms was to avoid EdR Switzerland having to disclose the identities of U.S. clients to the IRS under its QI Agreement.

31. Certain relationship managers, supervisory relationship managers, and others caused EdR Switzerland to certify compliance with the QI Agreement even though the true beneficial owners were not reflected in the IRS Forms W-8BEN in the account files.

EDR SWITZERLAND'S EXIT OF ITS U.S. CROSS-BORDER BUSINESS

32. Beginning in mid to late 2008, in the wake of the UBS investigation and deferred prosecution agreement, EdR Switzerland instituted policies that were intended to limit its potential criminal and civil tax liability by ensuring compliance with U.S. laws.

33. Beginning in approximately September 2008, EdR Switzerland instituted a formal policy prohibiting relationship managers from opening new accounts for U.S. clients unless the U.S. client first provided a Form W-9. This policy applied irrespective of whether the U.S. client wished to hold U.S. investments. Thereafter, EdR Switzerland

declined to open accounts for certain prospective U.S. clients who refused to provide a Form W-9.

34. Beginning in May 2008, EdR Switzerland's management formally advised relationship managers and other Bank employees against traveling to the United States for business reasons and required employees to report to the Executive Committee any planned U.S. travel. In January 2009, EdR Switzerland formally prohibited relationship managers from making business trips to the United States.

35. Recognizing that certain accounts had been opened under prior policies without a Form W-9, EdR Switzerland instituted a legacy account remediation project beginning in October 2008. Thereafter, EdR Switzerland affirmatively required every existing U.S. client account to provide a signed, valid Form W-9, regardless of whether the U.S. client's account held U.S. securities. If the existing U.S. client did not provide a Form W-9, EdR Switzerland eventually terminated the account relationship. Although these policies did remediate most of its undeclared U.S. accounts, not all such accounts were immediately closed. With few exceptions, EdR Switzerland had successfully exited most of its undeclared U.S. client accounts by the end of 2011. EdR Switzerland closed approximately 646 U.S. accounts between August 1, 2008 and June 30, 2014, totaling approximately $992.2 million. Many of these U.S. accounts were closed in connection with EdR Switzerland's remediation efforts.

36. Beginning in October 2008, EdR Switzerland adopted a policy of encouraging U.S. clients who had undeclared accounts to declare those accounts to the IRS. Under this policy, relationship managers and Bank management proactively encouraged U.S. clients to make a voluntary disclosure to U.S. authorities, through the IRS's Offshore Voluntary Disclosure Program ("OVDP") or otherwise, if and when EdR Switzerland has learned of a client's non-compliance with U.S. tax obligations. However, EdR Switzerland identified one relationship manager who violated this policy by discouraging U.S. clients from declaring their accounts.

37. In July 2012, EdR Switzerland began requiring all new and existing U.S. clients to provide a signed FBAR or other proof of U.S. tax compliance since the opening of the U.S. client account, such as evidence of participation in an OVDP.

EDR SWITZERLAND'S COOPERATION THROUGHOUT THE SWISS BANK PROGRAM

38. In December 2013, EdR Switzerland entered into the Department of Justice's Swiss Bank Program as a Category 2 bank.

39. Since 2013, EdR Switzerland has cooperated with the Department of Justice to comply with the Swiss Bank Program. At the outset, EdR Switzerland formed a Steering Committee consisting of EdR Switzerland representatives and U.S. and Swiss law firm partners who, along with independent accountants, oversaw and executed each phase

of Program compliance. Along with its outside advisors, EdR Switzerland established a multi-tiered review protocol to identify and analyze all U.S. accounts in accordance with the Program. Specifically, the Bank, with the assistance of U.S. and/or Swiss counsel and/or its independent accountants, performed an electronic search of U.S. indicia across all of its accounts, manually conducted a full paper record search of hundreds of physical account files, analyzed relevant management policies, interviewed dozens of current and former relationship managers and members of management, reviewed relevant paper and electronic communications, and contacted hundreds of current and former U.S. clients or their representatives, among other efforts.

40. EdR Switzerland has devoted significant time and effort to convince certain U.S. clients to participate in the OVDP, including through in-person meetings and numerous follow-up discussions to ensure that those individuals follow through on the commitment to enter the OVDP. To date, at least 140 of EdR Switzerland's U.S. clients, totaling approximately $311 million in assets under management, have participated in the OVDP following the Bank's efforts.

41. Throughout its participation in the Swiss Bank Program, EdR Switzerland has made comprehensive disclosures regarding its U.S. Related Accounts. Specifically, EdR Switzerland, with the assistance of U.S. and Swiss counsel, forensic investigators, and in compliance with Swiss banking secrecy and privacy laws has:

    a. Obtained waivers of Swiss banking secrecy and data privacy protections from 395 current and former U.S. clients, which permit EdR Switzerland to disclose account information to the Department of Justice;

    b. Provided actionable information concerning numerous U.S. client accounts held at EdR Switzerland since August of 2008 permitting the Department of Justice to make treaty requests to the Swiss competent authority for U.S. client account records;

    c. Described in detail information about EdR Switzerland's U.S. cross-border business, which included but is not limited to: (1) the policies or lack of policies that contributed to misconduct committed by relationship managers, supervisory relationship managers, and Bank management; (2) the supervisory chain overseeing relationship managers; and (3) the names of senior management and legal and compliance officials;

    d. Provided detailed information concerning the operation of its U.S. cross-border business, which included but is not limited to: (1) misconduct committed by EdR Switzerland; and (2) names of relationship managers who committed misconduct;

e. Provided the names and information of key external asset managers who made significant contributions to the operation of EdR Switzerland's U.S. cross-border business as well as the relationship managers who assisted those external asset managers; and

f. Provided responsive, specific, and actionable information to the Department of Justice concerning associated persons, entities, and areas of concern for use in other ongoing and potential DOJ investigations.

EXHIBIT B TO NON-PROSECUTION AGREEMENT

Resolution of the Board of Directors of Edmond de Rothschild (Suisse) SA

At a duly held meeting on December 16, 2015, the Board of Directors (the "Board") of Edmond de Rothschild (Suisse) 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 USD 42,370,000.-- to DOJ in connection with the Agreement.

2. Emmanuel Fiévet, CEO of the Company and Yves Aeschlimann, Group Head of Legal & Compliance of the Company with joint signature by two (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 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 the Directors of the Company has executed this Resolution on December 16, 2015.

Benjamin de Rothschild

Chairman of the Board of Directors

E. Trevor Salathé

Board Member

EXHIBIT C TO NON-PROSECUTION AGREEMENT

Resolution of the Board of Directors of Edmond de Rothschild (Lugano) SA

At a duly held meeting on December 16, 2015, the Board of Directors (the "Board") of Edmond de Rothschild (Lugano) 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 USD 2,875,000.-- to DOJ in connection with the Agreement.

2. Nicola Paris, CEO of the Company and Tiziano Tunesi, Senior Vice-President of the Company with joint signature by two (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 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 the Directors of the Company has executed this Resolution on December 16, 2015.

Luca Venturini

Chairman of the Board of Directors

E. Trevor Salathé

Vice-Chairman of the Board of Directors