U. S. Department of Justice

Criminal Division

Fraud Section
Bond Building, 4th Floor
1400 New York Ave., N.W.
Washington, DC 20005

December 22, 2008

Mr. John L. Hardiman, Esq.
Sullivan & Cromwell LLP
One New Fetter Lane
London EC4A 1AN
England

Re: Fiat S.p.A., et. al.; United States v. Iveco S.p.A.; United States v. CNH Italia S.p.A.; and United States v. CNH France S.A.

Dear Mr. Hardiman:

This letter sets out the agreement ("the Agreement") between Fiat S.p.A. ("Fiat") on behalf of itself and its subsidiaries, Iveco S.p.A. ("Iveco"), CNH Italia S.p.A. ("CNH Italia"), and CNH France S.A. ("CNH France"); and the United States Department of Justice, Criminal Division, Fraud Section ("the Department") relating to illegal conduct committed by Iveco, CNH Italia, and CNH France in connection with certain United Nations Oil For Food Program contracts. The terms of the Agreement are as follows:

1. **Relevant Parties**: Fiat, by Fiat's undersigned attorneys, pursuant to authority granted by Fiat's Board of Directors, enters into this Agreement with the Department, which shall apply to Fiat, an Italian corporation with its principal place of business in Turin, Italy; its subsidiary Iveco, an Italian corporation with its principal place of business in Turin, Italy; its majority-owned subsidiary CNH Italia, an Italian corporation with its principal place of business in Modena, Italy; and its majority-owned subsidiary CNH France, a French corporation with its principal place of business in Le Plessis-Belleville, France.

2. **Charges**: Fiat accepts and acknowledges that the United States will file three one-count Criminal Informations in the United States District Court for the District of Columbia. The first Information charges Iveco with conspiracy to commit the following offenses against the United States, in violation of Title 18, United States Code, Section 371: (a) wire fraud, in violation of Title 18, United States Code, Section 1343; and (b) falsification of books and records of Fiat, in violation of the books and records provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff(a). The second Information charges CNH Italia with conspiracy to commit the following offenses against the United States, in violation of Title 18, United States Code, Section 371: (a) wire fraud, in violation of Title 18, United States Code, Section 1343; and (b) falsification of books and records of Fiat, in violation of the books and records provisions of the FCPA, Title 15,

United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff(a). The third Information charges CNH France with conspiracy to commit the following offense against the United States, in violation of Title 18, United States Code, Section 371: wire fraud, in violation of Title 18, United States Code, Section 1343.

3. **Waiver of Rights**: Fiat, on its own behalf and on behalf of Iveco, CNH Italia, and CNH France knowingly waives its right to indictment on the charges described in Paragraph 2 and contained in the Informations, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b). In addition, Fiat knowingly waives any objection based on venue to the filing of the Informations and the Agreement in the United States District Court for the District of Columbia.

4. **Acceptance of Responsibility**: Fiat admits, accepts, and acknowledges that it is responsible for the acts of its officers and employees and the officers, employees, and agents of its subsidiaries, Iveco, CNH Italia, and CNH France, as set forth in the Statement of Facts attached to the Agreement as Appendix A. Should the Department initiate the prosecutions deferred by this Agreement, Fiat, Iveco, CNH Italia, and CNH France agree that they will neither contest the admissibility of, nor contradict, in any such proceeding, the facts contained in the Statement of Facts.

5. **Monetary Penalty**: Fiat agrees, on behalf of itself and Iveco, CNH Italia, and CNH France, to pay a monetary penalty of $7,000,000 to the U.S. Treasury within ten (10) days of the execution of this Agreement. This amount is a final payment and shall not be refunded: (a) if the Department moves to dismiss the Informations pursuant to this Agreement; or (b) should the Department later determine that Fiat, Iveco, CNH Italia, or CNH France has breached this Agreement and brings a prosecution against Fiat, Iveco, CNH Italia, and/or CNH France. Further, nothing in this Agreement shall be deemed an agreement by the Department that this amount is the maximum criminal fine that may be imposed in any such prosecution, and the Department shall not be precluded in such a prosecution from arguing that the Court should impose a higher fine. The Department agrees, however, that in the event of a subsequent breach and prosecution, it will recommend to the Court that the amount paid pursuant to this Agreement should be offset against whatever fine the Court shall impose as part of its judgment. Fiat, Iveco, CNH Italia, and CNH France understand that such a recommendation will not be binding on the Court. Fiat, Iveco, CNH Italia, and CNH France acknowledge that no tax deduction may be sought in connection with the payment of this $7,000,000 penalty.

6. **Basis for Agreement**: The Department enters into this Agreement based upon the following facts and circumstances: (a) Fiat conducted a thorough investigation of the criminal conduct described in the Statement of Facts and other possible misconduct; (b) Fiat promptly and thoroughly reported all of its findings to the Department; (c) Fiat cooperated in the Department's investigation of this matter; and (d) Fiat has undertaken, and has agreed to undertake, further remedial measures to ensure that this conduct will not recur.

7. **Cooperation**: This Agreement shall be in effect for three years. During the three-year term of the Agreement, Fiat, Iveco, CNH Italia, and CNH France agree to cooperate fully with the Department and any other authority or agency, domestic or foreign, designated by the Department, in any investigation of Fiat or any subsidiary thereof, including Iveco, CNH Italia, and CNH France, or any of their present and former directors, officers, employees, agents, consultants, contractors and subcontractors, or any other party, in any and all matters relating to corrupt payments, related false books and records, and related inadequate internal controls in connection with the operations of Fiat or any subsidiary thereof, including Iveco, CNH Italia, and CNH France. Fiat, Iveco, CNH Italia, and CNH France agree that their cooperation shall include, but not be limited to, the following:

a. Fiat, Iveco, CNH Italia, and CNH France shall continue to cooperate fully with the Department, and with all other authorities and agencies designated by the Department, and shall truthfully disclose all information with respect to the activities of Fiat, Iveco, CNH Italia, and CNH France and their present and former subsidiaries and affiliates, and the directors, officers, employees, agents, consultants, contractors and subcontractors thereof, concerning all matters relating to corrupt payments in connection with their operations, related false books and records, and related inadequate internal controls about which Fiat, Iveco, CNH Italia, and CNH France have any knowledge or about which the Department shall inquire. This obligation of truthful disclosure includes the obligation of Fiat, Iveco, CNH Italia, and CNH France to provide to the Department, upon request, any document, record, or other tangible evidence relating to such corrupt payments, books and records, and internal controls about which the Department inquires of Fiat, Iveco, CNH Italia, and CNH France.

b. Upon request of the Department, with respect to any issue relevant to its investigation of corrupt payments and related false books and records and internal controls weaknesses in connection with the operations of Fiat, Iveco, CNH Italia, and CNH France, or any of their present or former subsidiaries or affiliates, Fiat, Iveco, CNH Italia, and CNH France shall designate knowledgeable employees, agents, or attorneys to provide to the Department the information and materials described in Paragraph 7(a) above, on behalf of Fiat, Iveco, CNH Italia, and CNH France. It is further understood that Fiat, Iveco, CNH Italia, and CNH France must at all times provide complete, truthful, and accurate information.

c. With respect to any issue relevant to the Department's investigation of corrupt payments and false books and records and internal controls weaknesses in connection with the operations of Fiat, Iveco, CNH Italia, and CNH France, or any of their present or former subsidiaries or affiliates, Fiat, Iveco, CNH Italia, and CNH France shall use their best efforts to make available for interviews or testimony, as requested by the Department, present or former directors, officers, employees, agents and consultants of Fiat, Iveco, CNH Italia, and CNH France, or any of their present or former subsidiaries or affiliates, as well as directors, officers, employees, agents and consultants of contractors and sub-contractors. This includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement authorities. Cooperation under this paragraph will include identification of witnesses who, to the knowledge of Fiat, Iveco, CNH Italia, and CNH France, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, document, record, or other tangible evidence provided to the Department pursuant to this Agreement, Fiat, Iveco, CNH Italia, and CNH France consent to any and all disclosures to other government agencies, whether agencies of the United States or a foreign government, of such materials as the Department, in its sole discretion, shall deem appropriate. Before any such disclosure to a foreign government, the Department shall notify counsel for Fiat, Iveco, CNH Italia, and CNH France of its intent to make such a disclosure unless, in the sole discretion of the Department, such notice would interfere with legitimate law enforcement goals.

8. **Compliance Undertakings**: Fiat, Iveco, CNH Italia, and CNH France represent that they will adhere to the requirements of Appendix B hereto and that they have implemented and, where necessary and appropriate, will continue to implement a compliance and ethics program designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws throughout their operations, including those of subsidiaries, affiliates, and, where necessary and appropriate, joint ventures and those of its contractors and subcontractors with responsibilities that include interactions with foreign officials. Implementation of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not protected from prosecution by Paragraph 9 of this Agreement.

9. **Government Commitments**: In return for the full and truthful cooperation of Fiat, Iveco, CNH Italia, and CNH France, and compliance with all the terms and conditions of this Agreement, the Department agrees as follows:

a. The Department will not use any information in the attached Statement of Facts or information Fiat disclosed to the Department prior to the date of this Agreement concerning business activities under the United Nations Oil for Food Program against Fiat or any subsidiary or affiliate thereof, including Iveco, CNH Italia, and CNH France, in any criminal or civil case, except in a prosecution for perjury or obstruction of justice; in a prosecution for making a false statement; in a prosecution or other proceeding relating to any crime of violence; or in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code.

b. Except as provided in this Agreement, the Department will not bring any criminal or civil case based upon the conduct described in the attached Statement of Facts, or the conduct Fiat disclosed to the Department prior to the date of this Agreement concerning business activities under the United Nations Oil for Food Program against Fiat or any subsidiary or affiliate thereof, including Iveco, CNH Italia, and CNH France. This paragraph does not provide any protection against prosecution for any corrupt payments or false accounting, if any, made in the future by Fiat or any subsidiary thereof, including Iveco, CNH Italia, or CNH France, or any directors, officers, employees, agents or consultants, whether or not disclosed by Fiat, Iveco, CNH Italia, or CNH France, pursuant to the terms of this Agreement. This paragraph provides protection against prosecution only with regard to those corrupt payments made in the past in connection with the business activities of Fiat and any subsidiary or affiliate thereof, including

Iveco, CNH Italia, and CNH France, that: (i) are described in the attached Statement of Facts; or (ii) were disclosed to the Department prior to the date of this Agreement. This paragraph does not provide any protection against criminal prosecution of any present or former director, officer, employee, shareholder, agent, consultant, contractor, or subcontractor of Fiat or any subsidiary thereof, including Iveco, CNH Italia, and CNH France, for any violations committed by them.

c. In consideration of the actions of Fiat in voluntarily conducting an investigation by outside legal counsel regarding the matters described in the attached Statement of Facts and other matters disclosed to the Department, the cooperation of Fiat, Iveco, CNH Italia, and CNH France with the investigation conducted by the Department, and the willingness of Fiat, Iveco, CNH Italia, and CNH France to: (i) acknowledge responsibility for their conduct and that of their subsidiaries, affiliates and agents; (ii) continue their cooperation with the Department; and (iii) adopt and maintain remedial measures and independently review and audit such measures, the Department agrees that any prosecution of Fiat, Iveco, CNH Italia, and CNH France for the conduct set forth in the attached Statement of Facts, and for all other conduct Fiat, Iveco, CNH Italia, and CNH France disclosed to the Department prior to the date of this Agreement concerning its business activities under the United Nations Oil For Food Program, be and hereby is deferred for a period of three (3) years from the date of this Agreement.

10. **Terms of Dismissal**: The Department further agrees that if at the end of the three-year term of this Agreement, Fiat, Iveco, CNH Italia, and CNH France are, and have been, in full compliance with all of their obligations under this Agreement, the Department will not continue the criminal prosecutions against Iveco, CNH Italia, and CNH France described in Paragraph 2 or bring any criminal prosecution against Fiat, Iveco, CNH Italia, and CNH France, and will move to dismiss the Informations, and this Agreement shall expire.

11. **Breach of Agreement**: If the Department determines, in its sole discretion, that Fiat, Iveco, CNH Italia, and/or CNH France, at any time during the three-year term of this Agreement, have committed any crime which would constitute a felony under federal law; have at any time provided deliberately false, incomplete, or misleading information to the Department; or have otherwise breached this Agreement, Fiat, Iveco, CNH Italia, and CNH France, shall thereafter be subject to prosecution for any federal criminal violation of which the Department has knowledge. Any such prosecution may be premised on information provided by Fiat, Iveco, CNH Italia, and CNH France. Fiat, Iveco, CNH Italia, and CNH France acknowledge that the Department has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if Fiat, Iveco, CNH Italia, and/or CNH France breaches this Agreement and this matter proceeds to judgment. Fiat, Iveco, CNH Italia, and CNH France further acknowledge that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of its discretion. In the event of a breach:

a. Fiat, Iveco, CNH Italia, and CNH France agree that any prosecution that is not time-barred by the applicable statute of limitations on the date of this Agreement may be commenced against Fiat or any subsidiary thereof, including Iveco, CNH Italia, and CNH France, in accordance with this Agreement, notwithstanding the expiration of the statute of

limitations between the signing of this Agreement and the termination of this Agreement plus one year. Thus, by signing this Agreement, Fiat, on behalf of itself and all of its subsidiaries, including Iveco, CNH Italia, and CNH France, agrees that the statute of limitations with respect to any prosecution that is not time-barred on the date of this Agreement shall be tolled for the term of this Agreement, plus one year. By this Agreement, Fiat, Iveco, CNH Italia, and CNH France expressly intend to and do waive any rights with respect to the statute of limitations discussed herein.

b. All statements made by or on behalf of Fiat, Iveco, CNH Italia, and CNH France to the Department or to the Court, including the attached Statement of Facts, and any testimony given by Fiat, Iveco, CNH Italia, and CNH France before a grand jury or any tribunal, at any legislative hearings, or to the Securities and Exchange Commission ("SEC"), whether prior or subsequent to this Agreement, or any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Department against Fiat, Iveco, CNH Italia, and CNH France, or one of them.

c. Fiat, Iveco, CNH Italia, and CNH France shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by or on behalf of Fiat, Iveco, CNH Italia, and CNH France prior or subsequent to this Agreement, or any leads derived there from, should be suppressed. The decision whether conduct or statements of any individual will be imputed to Fiat, Iveco, CNH Italia, or CNH France for the purpose of determining whether Fiat, Iveco, CNH Italia, or CNH France has violated any provision of this Agreement shall be in the sole discretion of the Department.

12. **Successor Liability**: Fiat, Iveco, CNH Italia, and CNH France each agree that in the event they, during the term of this Agreement, sell, merge, or transfer all or substantially all of the business operations of any of them as they exist as of the date of this Agreement, whether such sale is structured as a stock or asset sale, merger, or transfer, they shall include in any contract for sale, merger or transfer a provision binding the purchaser or any successor in interest thereto to the obligations described in this Agreement.

13. **Public Statements**: Fiat, Iveco, CNH Italia, and CNH France expressly agree that they shall not, through present or future attorneys, directors, officers, or any other person authorized to speak for them, make any public statement, in litigation or otherwise, contradicting either the acceptance of responsibility by Fiat, Iveco, CNH Italia, and CNH France set forth above or any fact contained in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights below by Fiat, Iveco, CNH Italia, and CNH France, constitute a breach of this Agreement and Fiat, Iveco, CNH Italia, and CNH France thereafter shall be subject to prosecution as set forth in Paragraph 11 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to Fiat, Iveco, CNH Italia, or CNH France for the purpose of determining whether they have breached this Agreement shall be in the sole discretion of the Department. If the Department determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Department

shall so notify Fiat, Iveco, CNH Italia, and CNH France and they may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after notification. Consistent with the obligations of Fiat, Iveco, CNH Italia, and CNH France set forth above, Fiat, Iveco, CNH Italia, and CNH France shall be permitted to raise defenses and to assert affirmative claims in non-U.S. civil, regulatory, and criminal proceedings relating to the matters set forth in the Statement of Facts. This paragraph is not intended to apply to any statement made by any current or former employee of Fiat, Iveco, CNH Italia, or CNH France in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of Fiat, Iveco, CNH Italia, or CNH France.

14. **Statements to the Media**: In connection with this Agreement, Fiat, Iveco, CNH Italia, and CNH France shall only issue a press release if they first determine that the text of the release is acceptable to the Department.

15. **Agreement Binding on Parties Only**: It is understood that this Agreement is binding on Fiat and its subsidiaries, Iveco, CNH Italia, and CNH France and, where so stated above, their subsidiaries and affiliates, and the Department, but does not bind any other federal agencies, or any state or local law enforcement or regulatory agencies, although the Department will bring the cooperation of Fiat, Iveco, CNH Italia, and CNH France and their compliance with their obligations under this Agreement to the attention of such agencies and authorities if requested to do so by Fiat, Iveco, CNH Italia, or CNH France.

16. **Complete Agreement**: This Agreement sets forth all the terms of the Agreement between Fiat and its subsidiaries, Iveco, CNH Italia, and CNH France, and the Department. No modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Department, the attorneys for Fiat, Iveco, CNH Italia, and CNH France, and a duly authorized representative of Fiat, Iveco, CNH Italia, and CNH France.

17. **Notice**: Any notice to Fiat under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service or registered or certified mail, in each case addressed to Roberto Russo, Senior Counsel, Fiat S.p.A., Via Nizza 250, Torino, Italy and copied to John L. Hardiman, Sullivan & Cromwell LLP, One New Fetter Lane, London EC4A 1AN, England. Notice shall be effective upon actual receipt by Fiat. Notice to the Department shall be made to Mark F. Mendelsohn (or his successor), Deputy Chief, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, N.W., Washington, D.C. 20005.

AGREED:

FOR FIAT, IVECO, CNH ITALIA, AND CNH FRANCE:

JOHN L. HARDIMAN
Sullivan & Cromwell LLP
Counsel for Fiat S.p.A.

ROBERTO RUSSO
Senior Counsel
Fiat S.p.A.

FIAT S.p.A.

FOR THE DEPARTMENT OF JUSTICE:

STEVEN A. TYRRELL
Chief, Fraud Section

By: LORI A. WEINSTEIN
Trial Attorney, Fraud Section
Criminal Division
United States Department of Justice
1400 New York Avenue, N.W.
Washington, D.C. 20005

Filed at Washington, D.C., on this 22nd day of December, 2008.

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for Fiat S.p.A. ("Fiat"). I understand the terms of this Agreement and voluntarily agree, on behalf of Fiat, its wholly-owned subsidiary Iveco S.p.A. ("Iveco"), its majority-owned subsidiary CNH Italia S.p.A. ("CNH Italia"), and its majority-owned subsidiary CNH France S.A. ("CNH France") to each of its terms. Before signing this Agreement, I consulted with outside counsel for Fiat. Outside counsel fully advised me of the rights of Fiat, Iveco, CNH Italia, and CNH France, and of the consequences of entering into this Agreement.

I have carefully reviewed this Agreement with the Board of Directors of Fiat. I have advised and caused investigative and outside counsel for Fiat to advise the Board fully of the rights of Fiat, Iveco, CNH Italia, and CNH France, of possible defenses, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf Fiat, Iveco, CNH Italia, and CNH France, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am an officer of Fiat and that I have been duly authorized by Fiat to execute this Agreement on behalf of Fiat, Iveco, CNH Italia, and CNH France.

Date: DECEMBER 16TH, 2008

By: Roberto Russo

Roberto Russo
Senior Counsel
Fiat S.p.A.

FIAT S.p.A.

CERTIFICATE OF COUNSEL

I am outside counsel for Fiat S.p.A. ("Fiat") in the matter covered by this Agreement. In connection with such representation, I have examined relevant documents and have discussed this Agreement with the Senior Counsel of Fiat. Based on my review of the foregoing materials and discussions, I am of the opinion that: (1) Fiat's representative has been duly authorized to enter into this Agreement on behalf of Fiat, its wholly-owned subsidiary Iveco S.p.A. ("Iveco"), its majority-owned subsidiary CNH Italia S.p.A. ("CNH Italia"), and its majority-owned subsidiary CNH France S.A. ("CNH France"); and (2) this Agreement has been duly and validly authorized, executed, and delivered on behalf of Fiat, Iveco, CNH Italia, and CNH France. Further, I have carefully reviewed this Agreement with the Senior Counsel of Fiat. I have fully advised them of the rights of Fiat, Iveco, CNH Italia, and CNH France, of possible defenses, and of the consequences of entering into this Agreement. To my knowledge, the decision by Fiat to enter into this Agreement is an informed and voluntary one.

Date: 12/17/2008

/DAG

John L. Hardiman
Sullivan & Cromwell LLP
Counsel for Fiat S.p.A.

APPENDIX A

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Agreement (the "Agreement") between the United States Department of Justice (the "Department") and Fiat S.p.A. ("Fiat"), on behalf of itself, its wholly-owned subsidiary Iveco S.p.A. ("Iveco"), its majority-owned subsidiary CNH Italia S.p.A. ("CNH Italia"), and its majority-owned subsidiary CNH France S.A. ("CNH France"), and the parties hereby agree and stipulate that the following information is true and accurate. As set forth in Paragraph 4 of the Agreement, Fiat admits, accepts and acknowledges that it is responsible for the acts of its officers and employees, and those of its subsidiaries, Iveco, CNH Italia, and CNH France, that are set forth below. Should the Department initiate the prosecution that is deferred by the Agreement, Fiat, Iveco, CNH Italia, and CNH France agree that they will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding.

If this matter were to proceed to trial, the United States would prove beyond a reasonable doubt, by admissible evidence, the facts alleged in this Statement of Facts and the Criminal Informations to be filed against Iveco, CNH Italia, and CNH France. This evidence would establish the following:

I. The United Nations Oil for Food Program

1. On or about August 6, 1990, days after Iraq's invasion of Kuwait, the U.N. adopted Security Council Resolution 661, which prohibited U.N. member-states from transacting business with Iraq, except for the purchase and sale of humanitarian supplies. Resolution 661 prohibited virtually all direct financial transactions with the Government of the Republic of Iraq.

2. On or about April 15, 1995, the U.N. adopted Security Council Resolution 986, which served as a limited exception to the Iraq sanctions regime in that it allowed Iraq to sell its oil. However, Resolution 986 required that the proceeds from oil sales be used by the Iraqi government to purchase humanitarian supplies, including but not limited to food, for the Iraqi people. Hence, this program became known as the Oil for Food Program (the "OFFP"). Payments made to the Iraqi government that were not approved by the U.N. and that were outside the strict contours of the OFFP were prohibited.

3. The rules of the OFFP required that the proceeds from all sales of Iraqi oil be deposited into a U.N.-controlled escrow account at the New York, New York, branch of Banque Nationale de Paris ("BNP-Paribas"). That escrow account funded the purchase of humanitarian goods by the Iraqi government.

4. Under the rules of the OFFP, a supplier of humanitarian goods contracted with a ministry or other department of the Iraqi government to sell goods to the government. Once that contract was finalized, the contract was submitted to a U.N. Committee ("the 661 Committee") which reviewed the contracts to ensure that their terms complied with all OFFP and Iraqi sanction regulations. The 661 Committee accepted the contracts, rejected them, or asked the supplier to provide additional information upon which the committee could make a decision.

5. If a contract was approved by the 661 Committee, a letter of credit was issued by BNP-Paribas to the supplier's bank stating that the supplier would be paid by the OFFP for the relevant goods once certain conditions were met, including delivery of the goods to Iraq and inspection of the goods by a U.N. contractor based in Geneva, Switzerland, that provided inspection services in Iraq on behalf of the U.N. (the "inspection company"). Once those

conditions were deemed by the U.N. to have been met, the U.N. would direct BNP-Paribas to release payment to the supplier.

6. On or about December 10, 1996, the first Iraqi oil exports under the OFFP began. The OFFP continued from in or about December 1996 until the United States' invasion of Iraq on or about March 19, 2003. From in or about December 1996 through March 2003, the United States government prohibited United States companies and individuals from engaging in transactions with the Government of the Republic of Iraq, unless such transactions were authorized by the U.N. pursuant to the OFFP.

7. Beginning in approximately August 2000, the Iraqi government demanded that suppliers of humanitarian goods pay a kickback, usually valued at 10% of the contract price, to the Government of the Republic of Iraq in order to be awarded a contract by the government. These kickbacks violated OFFP regulations and U.N. sanctions, which prohibited payments to the Iraqi government that were not expressly approved by the U.N. and that were not contemplated by the guidelines of the OFFP.

8. Often, these kickbacks were termed "after sales service fees" ("ASSFs"), but did not represent any actual service being performed by the supplier. These ASSFs were usually included in the contract price submitted by the supplier to the U.N. without disclosing to the U.N. that the contract contained an extra 10% which would be returned to the Iraqi government. Including the 10% in the contract price allowed the supplier to avoid paying the 10% out of its profits; instead, the suppliers caused the U.N., unknowingly, to fund the kickbacks to the Iraqi government.

9. Some suppliers labeled the ASSFs as such, thereby leading the U.N. to believe that actual after-sales services were being provided by the supplier. Other suppliers disguised

the ASSFs by inserting fictitious line items into the contracts for goods or services that were not being provided. Still other suppliers simply inflated their contract prices by 10% to account for the payments they would make, or cause to be made, to the Iraqi government.

II. Fiat S.p.A.

10. Fiat was an Italian company headquartered in Turin, Italy. Until August 23, 2007, Fiat had American Depositary Receipts ("ADRs") publicly traded on the New York Stock Exchange ("NYSE"). As such, Fiat issued and maintained a class of publicly-traded securities registered pursuant to Section 12(g) of the Securities Exchange Act of 1934 (15 U.S.C. § 78l), and was required to file periodic reports with the United States Securities and Exchange Commission under Section 13 of the Securities Exchange Act (15 U.S.C. § 78m). Accordingly, Fiat was an "issuer" within the meaning of the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. § 78dd-1(a). By virtue of its status as an issuer within the meaning of the FCPA, Fiat was required to make and keep books, records, and accounts that, in reasonable detail, accurately and fairly reflected the transactions and disposition of assets of Fiat and its subsidiaries, including the books and records of Iveco, CNH Italia, and CNH France, which were incorporated into those of Fiat.

III. <u>Iveco S.p.A.</u>

Relevant Entities and Individuals

11. Iveco, a wholly owned subsidiary of Fiat, was headquartered in Turin, Italy, and was an international manufacturer and supplier of commercial trucks, parts, and diesel engines.

12. Fiat Finance North America, Inc., a wholly-owned subsidiary of Fiat, was a Delaware corporation headquartered in New York, New York, and provided financing for other Fiat companies.

13. "Employee A," a citizen of Italy, was employed as an Area Manager in Iveco's Egypt office from 1996 until in 2003.

14. "Employee B," a citizen of Italy, was employed as an Assistant Sales Manager in Iveco's Egypt office from 2000 until 2003.

15. "Company X," a Lebanese company, acted as both an agent and distributor for Iveco in connection with sales to the Iraqi government under the OFFP.

16. "Company Y," a United Arab Emirates company, acted as a conduit for payments to the Iraqi government under the OFFP.

17. "Consultant A," a United States citizen with an office in Washington, D.C., provided consulting services for Iveco under the OFFP.

Iveco's Kickback Scheme

18. From in or about October 2000 through in or about June 2001, Iveco and Company X were awarded sixteen contracts worth approximately €31.9 million to supply various Iveco trucks and parts to the Republic of Iraq under the OFFP. To obtain these contracts, Iveco and Company X paid approximately $3.17 million in kickbacks to the Government of the Republic of Iraq.

19. From November 2000 to January 2001, Iveco entered into four direct contracts with Iraqi ministries to provide fuel tankers, trucks, and spare parts. Company X served as an agent for Iveco on those four direct contracts. From November 2000 to June 2001, Iveco also sold trucks and parts indirectly to the Iraqi government through Company X, which entered into twelve contracts with Iraqi ministries for the sale of Iveco parts.

20. In order to generate the funds to pay the kickbacks and to conceal those payments, Iveco and Company X inflated the price of each of the contracts by approximately 10% to 15% before submitting them to the 661 Committee and the U.N. for approval.

21. After the U.N. approved the contracts, BNP-Paribas issued letters of credit, via international wire communication, to banks used by Iveco and Company X, in the amount of the contract price. These letters of credit authorized Iveco and Company X to be paid contracted amounts, which included the 10% to 15% kickbacks to be paid to the Iraqi government.

Contract 801576

22. On or about November 29, 2000, Iveco executed a contract, referenced by the U.N. as Contract 801576, with the Iraqi Ministry of Irrigation to supply 75 Iveco fuel tankers and spare parts for €7,170,000, which included an extra 12% to be used to pay a kickback to the Iraqi government.

23. In or about 2001, Company X paid the Iraqi government $611,836 in kickbacks on behalf of Iveco in connection with Contract 801576.

24. From on or about February 21, 2002, to on or about April 23, 2002, Iveco caused the fuel tankers and spare parts to be delivered to Iraq, prompting the inspection company to send several facsimiles from Iraq to the U.N. in New York, New York, notifying the U.N. that Iveco products purchased pursuant to Contract 801576 had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to Iveco for Contract 801576.

25. In or about June 2002, Iveco paid Company X €1,252,855, and in or about October 2002, Iveco paid Company X €154,915, which payments included Company X's

commission and reimbursement to Company X for the payment of $611,836 in kickbacks to the Iraqi government for Contract 801576.

Contract 802243

26. On or about August 1, 2000, Company X entered into an agreement with Company Y under which Company Y purportedly would supply "after sales and maintenance services" on behalf of Company X upon the delivery to Iraq of 112 Iveco trucks with lifters and spare parts.

27. On or about November 30, 2000, Iveco executed a contract, referenced by the U.N. as Contract 802243, with the Iraqi Commission of Electricity to supply 112 trucks with lifters and spare parts for €9,287,723, which included an extra 15% to be used to pay a kickback to the Iraqi government.

28. In or about June 2001, Company X caused its bank in Libya to issue a guarantee to Company Y to pay €1,211,443 to Company Y upon delivery to Iraq of the 112 Iveco trucks with lifters and spare parts.

29. On or about October 5, 2001, Company Y sent a letter to the Iraqi Commission of Electricity stating that Iveco had established a bank guarantee in favor of Company Y in the amount of €1,211,443 in connection with Contract 802243. The letter further stated that upon Iveco's delivery of the 112 trucks with lifters and spare parts into Iraq, Company Y would transfer the money to an account previously specified by the Deputy Manager of the Commission of Electricity and the Iraqi Minister of Finance.

30. On or about October 5, 2001, Company X sent a facsimile to Employee A at Iveco in Egypt, which included the letter from Company Y to the Iraqi Commission of Electricity.

31. On or about October 11, 2001, Employee A directed Employee B to create a spreadsheet of OFFP contracts that included a column titled "restituzione," which in English (or in this context in English) means "payback." The amount in the "restituzione" column for Contract 802243 was €1,211,443.

32. From on or about February 19, 2002, to on or about April 27, 2002, Iveco caused 112 trucks with lifters and spare parts be delivered to Iraq, prompting the inspection company to send several facsimiles from Iraq to the U.N. in New York, New York, notifying the U.N. that Iveco products purchased pursuant to Contract 802243 had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to Iveco for Contract 802243.

33. In or about April 2002, Company X paid Company Y $1,107,695 on behalf of Iveco, which Company Y, in turn, transferred to the Iraqi government as a kickback in connection with Contract 802243, as contemplated by the October 5, 2001 letter from Company Y to the Iraqi Commission of Electricity.

34. In or about June 2002, Iveco paid Company X €1,685,763, which payment included Company X's commission and reimbursement to Company X for the payment of $1,107,695 in kickbacks to the Iraqi government for Contract 802243.

Contract 900554

35. On or about January 25, 2001, Iveco entered into a contract, referenced by the U.N. as Contract 900554, with the Iraqi Ministry of Housing and Construction to supply five drop side trucks with cranes and spare parts for €361,775, which included an extra 12% to be used to pay a kickback to the Iraqi government.

36. On or about June 11, 2001, after the U.N. approved Contract 900554, BNP-Paribas issued a letter of credit to a Lebanese bank in favor of Iveco for €361,775.

37. On or about October 11, 2001, Employee B noted on a spreadsheet of OFFP contracts that the amount of "restituzione" for Contract 900554 was €38,761, equal to 12% of the non-inflated contract value.

38. In or about 2001, Company X paid the Iraqi government $28,419 in kickbacks on behalf of Iveco in connection with Contract 900554.

39. On or about January 24, 2002, Iveco caused five drop side trucks with cranes and spare parts purchased pursuant to Contract 900554 to be delivered to Iraq, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that the Iveco products had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to Iveco for Contract 900554.

40. In or about June 2002, Iveco paid Company X €51,526, which payment included Company X's commission and reimbursement to Company X for the payment of $28,419 in kickbacks to the Iraqi government for Contract 900554.

Contract 830347

41. On or about October 1, 2000, Iveco executed a contract, referenced by the U.N. as Contract 830347, with the Iraqi Ministry of Oil to supply spare parts for €687,256, which included a 10% fee for "Technical Supervision and After Sales Service" by Company X, to be used to pay a kickback to the Iraqi government.

42. On or about March 9, 2000, Consultant A entered into an agreement with Fiat Finance North America, Inc. to provide various services to Fiat subsidiaries and affiliated companies, which services included support in connection with "procurement schemes of the

multilateral and bilateral agencies located in Washington and New York, New York, including…the United Nations." On or about November 7, 2000, and on or about November 7, 2001, Fiat Finance North America, Inc. extended the term of Consultant A's consulting agreement, ultimately extending the term until March 31, 2003.

43. On or about June 26, 2001, in response to a letter from the U.N. requesting information regarding the 10% ASSF included in Contract 830347, Iveco sent a facsimile from Italy to the U.N. falsely representing the fact and nature of the after sales services that Company X purportedly would provide.

44. On or about July 31, 2001, Consultant A sent a facsimile to the U.N. in New York, New York, from Washington, D.C., falsely affirming the legitimacy of the after sales services to be performed in connection with Contract 830347.

45. In or about 2001, Company X paid the Iraqi government $55,930 in kickbacks on behalf of Iveco in connection with Contract 830347.

46. On or about February 14, 2002, Iveco caused the spare parts purchased pursuant to Contract 830347 to be delivered to Iraq, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that the Iveco products had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to Iveco for 90% of the value for Contract 830347.

47. From in or about June 2001, through in or about July 2002, Consultant A and Iveco made numerous, unsuccessful attempts to obtain further payment from the U.N.

48. In or about July 2002, Iveco paid Company X €600,000 in connection with several OFFP contracts, which payment included Company X's commission and reimbursement to Company X for the payment of $55,930 in kickbacks to the Iraqi government for Contract 830347.

Contract 930077

49. On or about June 2, 2001, Company X executed a contract, referenced by the U.N. as Contract 930077, with the Iraqi Ministry of Oil to supply six Iveco tipper trucks with spare parts for €476,982, which included an extra 10% to be used to pay a kickback to the Iraqi government.

50. On or about July 12, 2001, Employee A in Egypt received via facsimile a cost analysis from Company X pertaining to Contract 930077 and several other contracts; in a column labeled "after sale," Company X set forth the 10% kickback to the Iraqi government for Contract 930077 and the other contracts.

51. In or about 2001, with Iveco's knowledge, Company X paid the Iraqi government $37,153 in kickbacks in connection with Contract 930077.

52. On or about August 25, 2002, Iveco caused Company X to deliver six Iveco tipper trucks to Iraq, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that products purchased pursuant to Contract 930077 had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to Company X for Contract 930077.

Additional Indirect Contracts

53. Between in or about November 2000, and in or about June 2001, Company X entered into at least eleven other contracts with the Iraqi government for the purchase of Iveco

trucks and parts, in return for which Company X, with the knowledge of Iveco, paid kickbacks to the Iraqi government. The total value of the kickbacks paid to the Iraqi government in connection with these twelve contracts was approximately $1.36 million. These contracts were executed, and the kickback payments were made, on or about the dates specified below:

Contract Number	Date of Execution	Buyer	Contract Value	Items Purchased	Kickback Paid
800883	November 14, 2000	General Corporation for Water and Sewerage – Ministry of the Interior	€731,117	15 Iveco ten-ton Lorry trucks with spare parts	$58,861
800884	November 14, 2000	General Corporation for Water and Sewerage – Ministry of the Interior	€2,215,955	30 Iveco garbage container hook loader trucks with spare parts	$179,167
801147	December 6, 2000	General Corporation for Water and Sewerage – Ministry of the Interior	€1,983,680	30 Iveco water tank trucks with spare parts	$165,664
801822	January 2001	Telecommunication & Post Company – Ministry of Transport & Communications	€287,146	6 Iveco cargo trucks with spare parts	$28,446
801828	January 2001	Telecommunication & Post Company – Ministry of Transport & Communications	€290,050	5 Iveco cargo trucks with cranes and spare parts	$28,956
801913	February 6, 2001	Baghdad Mayoralty	€2,231,554	20 Iveco trailer tipper trucks with spare parts	$198,761

Contract Number	Date of Execution	Buyer	Contract Value	Items Purchased	Kickback Paid
801945	February 11, 2001	General Corporation for Water and Sewerage – Ministry of the Interior	€215,064	5 Iveco ten-ton Lorry trucks with spare parts	$16,894
900969	May 31, 2001	General Corporation for Water and Sewerage – Ministry of the Interior	€1,150,000	15 Iveco fifteen-ton Lorry trucks with spare parts	$98,588
901132	June 4, 2001	State Company for Manufacturing Drugs and Medical Appliances	€480,000	6 Iveco garbage collection vehicles	$113,599
901133	June 7, 2001	Baghdad Mayoralty	€1,480,050	20 Iveco garbage container lifting trucks with spare parts	$130,398
901134	June 7, 2001	Baghdad Mayoralty	€ 3,289,000	40 Iveco water tankers with spare parts	$307,593

Books and Records

54. In or about 2002, in order to conceal on its corporate books and records the kickback payments made to the Iraqi government, Iveco improperly characterized payments to Company X, part of which were paid as kickbacks to the Iraqi government, as "service and commission payments" to Company X.

55. At the end of Fiat's fiscal year 2002, the books and records of Iveco, including those containing false characterizations of the kickbacks paid to the Iraqi government, were incorporated into the books and records of Fiat for purposes of preparing Fiat's year-end financial statements.

IV. CNH Italia S.p.A.

Relevant Entities and Individuals

56. CNH Italia was an Italian corporation headquartered in Modena, Italy, and was a wholly-owned subsidiary of CNH Global N.V., an international manufacturer of agricultural and construction equipment. Approximately ninety percent of CNH Global N.V. was owned by Fiat.

57. "Employee C," a citizen of Italy, was the CNH Italia Business Director for Africa, the Middle East, and Asia, based in Modena, Italy.

58. "Company Z," a Jordanian company, acted as an agent and distributor for CNH Italia in connection with sales to the Iraqi government under the OFFP.

CNH Italia's Kickback Scheme

59. From in or about December 2000, through in or about January 2002, CNH Italia and its agent and distributor, Company Z, obtained four contracts worth approximately €12 million with the Ministry of Agriculture of the Government of the Republic of Iraq to supply agricultural equipment under the OFFP. To obtain these contracts, CNH Italia paid approximately $1 million in kickbacks to the Iraqi government.

60. More specifically, in or about December 2000 and May 2001, CNH Italia, with Company Z serving as its agent, entered into two direct contracts with the Ministry of Agriculture to provide tractors. Thereafter, in order to conceal its kickback payments, CNH Italia sold tractors and harvesters indirectly to the Iraqi government through Company Z, which entered into two contracts in or about January and February 2002 with the Ministry of Agriculture for the sale of CNH Italia products.

61. In order to generate the funds to pay the kickbacks and to conceal those payments, CNH Italia and Company Z inflated the price of the contracts by approximately 10% before submitting them to the 661 Committee and the U.N. for approval.

62. After the U.N. approved the CNH Italia and Company Z contracts, BNP-Paribas issued letters of credit, via international wire communications, to banks used by CNH Italia and Company Z. These letters of credit authorized CNH Italia and Company Z to be paid the contracted amounts, which included the 10% kickbacks to be paid to the Iraqi government.

Contract 601985

63. On or about December 24, 2000, CNH Italia executed a contract, referenced by the U.N. as Contract 601985, with the Iraqi Ministry of Agriculture, to supply 100 tractors with accessories for €1,693,850, which included an extra 10% to be used to pay a kickback to the Iraqi government.

64. In or about April 2001, the Iraqi Ministry of Agriculture sent a facsimile pertaining to Contract 601985 to Company Z, which Company Z then faxed to CNH Italia on or about April 8, 2001. The facsimile, requested a bank guarantee for "after sales services value" within ten days and referenced a December 24, 2000 letter from CNH Italia to the Ministry of Agriculture promising such a bank guarantee.

65. In or about April 2001, Company Z paid the Iraqi government $141,532 in kickbacks on behalf of CNH Italia in connection with Contract 601985.

66. On or about June 7, 2001, upon notification of the U.N.'s approval of Contract 601985, BNP-Paribas in New York, New York, sent a facsimile to its Milan branch issuing a letter of credit in favor of CNH Italia for €1,693,850 to be paid upon delivery of the 100 tractors to Iraq.

67. From in or about October 2001, to in or about November 2001, CNH Italia caused the tractors purchased pursuant to Contract 601985 to be delivered to Iraq, prompting the inspection company to send several facsimiles from Iraq to the U.N. in New York, New York, notifying the U.N. that the products had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to CNH Italia for Contract 601985.

Contract 1100303

68. On or about May 12, 2001, CNH Italia executed a contract, referenced by the U.N. as Contract 1100303, with the Iraqi Ministry of Agriculture, to supply 200 tractors with spare parts for €3,838,992, which included an extra 10% to be used to pay a kickback to the Iraqi government.

69. On or about January 22, 2001, on behalf of CNH Italia, Company Z deposited $305,584 into an account held by the Iraqi government at a Jordanian bank, representing kickbacks in connection with Contract 1100303, which had originally been submitted for approval in or about 2000, but was on hold until it was revised and executed on or about May 12, 2001.

70. On or about June 3, 2002, upon notification of the U.N.'s approval of Contract 1100303, BNP-Paribas in New York, New York, sent a facsimile to its Milan branch issuing a letter of credit in favor of CNH Italia for €3,838,992 to be paid upon delivery of the 200 tractors with spare parts to Iraq.

71. In or about September 2002, CNH Italia caused the tractors and spare parts purchased pursuant to Contract 1100303 to be delivered to Iraq, prompting the inspection company to send several facsimiles from Iraq to the U.N. in New York, New York, notifying the

U.N. that the products had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to CNH Italia for Contract 1100303.

Contract 1100313

72. On or about November 4, 2001, Company Z sent a letter to Employee C stating that direct contracts between CNH Italia and the Iraqi government were impractical as long as the "famous 10" was required, a reference to the 10% kickbacks.

73. In or about November 2001, Employee C told the Iraqi Minister of Agriculture that CNH Italia had concerns about entering into further direct contracts with the Ministry of Agriculture due to the 10% kickback requirement, and the Minister of Agriculture and Employee C agreed CNH Italia would sell products to Iraq through Company Z to further conceal the kickback payments.

74. On or about January 30, 2002, Company Z executed a contract, referenced by the U.N. as Contract 1100313, with the Iraqi Ministry of Agriculture, to supply 100 CNH Italia tractors for €2,972,638, which was approximately 20% more than the price Company Z paid CNH Italia for the tractors. This mark-up included the extra 10% to be used to pay a kickback to the Iraqi government, as well as the profit for Company Z.

75. On or about June 25, 2002, upon notification of the U.N.'s approval of Contract 1100313, BNP-Paribas in New York, New York, sent a facsimile to a Jordanian bank used by Company Z issuing a letter of credit in favor of Company Z for €2,972,638 to be paid upon delivery of the 100 tractors to Iraq.

76. On or about October 22, 2002, CNH Italia caused Company Z to deliver the 100 CNH Italia tractors purchased pursuant to Contract 1100313, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that the

products had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to Company Z for Contract 1100313.

77. On or about December 3, 2002, with the knowledge of CNH Italia, Company Z paid the Iraqi government $237,865 in kickbacks in connection with Contract 1100313.

Contract 1100148

78. On or about February 21, 2002, Company Z executed a contract, referenced by the U.N. as Contract 1100148, with the Iraqi Ministry of Agriculture, to supply 50 CNH Italia wheat combine harvesters for €3,468,078, which was approximately 20% more than the price Company Z paid CNH Italia for the wheat combine harvesters. This mark-up included the extra 10% to be used to pay a kickback to the Iraqi government, as well the profit for Company Z.

79. On or about June 11, 2002, upon notification of the U.N.'s approval of Contract 1100148, BNP-Paribas in New York, New York, sent a facsimile to a Jordanian bank used by Company Z issuing a letter of credit in favor of Company Z for €3,468,078 to be paid upon delivery of the 50 wheat combine harvesters to Iraq.

80. On or about December 13, 2002, CNH Italia caused Company Z to deliver the 50 CNH Italia wheat combine harvesters purchased pursuant to Contract 1100148 to Iraq, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that the products had been received and inspected upon entry into Iraq; this notification, in turn, triggered payment by the U.N. to Company Z for Contract 1100148.

81. On or about March 10, 2003, with the knowledge of CNH Italia, Company Z paid the Iraqi government $338,996 in kickbacks in connection with Contract 1100148.

Books and Records

82. In or about 2002, in order to conceal on its corporate books and records the kickback payments made to the Iraqi government, CNH Italia improperly characterized payments to Company Z, part of which were paid as kickbacks to the Iraqi government, as "service fees" to Company Z.

83. At the end of Fiat's fiscal year 2002, the books and records of CNH Italia, including those containing false characterizations of the kickbacks paid to the Iraqi government, were incorporated into the books and records of Fiat for purposes of preparing Fiat's year-end financial statements.

V. CNH France S.A.

Relevant Entities and Individuals

84. CNH France was a French corporation headquartered in Le Plessis-Belleville, France and was a wholly-owned subsidiary of CNH Global N.V., an international manufacturer of agricultural and construction equipment. Approximately ninety percent of CNH Global N.V. was owned by Fiat.

85. "Employee D," a citizen of France, was employed as a CNH France Regional Sales Marketing Manager for the Middle East, and based in Le Plessis-Belleville, France.

86. "Company ZZ," a Lebanese company, acted as a distributor for CNH France in connection with sales to the Iraqi government under the OFFP.

CNH France's Kickback Scheme

87. From in or about June 2001, through in or about July 2001, as part of the OFFP, CNH France obtained three contracts worth approximately €2.2 million with the Ministry of Oil of the Government of the Republic of Iraq to supply construction vehicles and spare parts. To

obtain these contracts, CNH France caused approximately $188,000 in kickbacks to be paid to the Government of the Republic of Iraq.

88. In order to generate funds to pay the kickbacks and to conceal those payments, CNH France inflated the price of the contracts by approximately 10% before submitting them to the U.N. for approval.

89. After the U.N. approved the CNH France contracts, BNP-Paribas issued letters of credit, via international wire communications, to the bank used by CNH France. These letters of credit authorized CNH France to be paid the contracted amounts, which included the 10% kickbacks to be paid to the Iraqi government.

Contract 930323

90. On or about June 27, 2001, CNH France executed a contract, referenced by the U.N. as Contract 930323, with the Iraqi Ministry of Oil to supply five wheel loaders with spare parts and two graders with spare parts for €825,189, which included an extra 10% to be used to pay a kickback to the Iraqi government.

91. On or about June 24, 2001, Employee D executed a side letter agreement on behalf of CNH France with the Ministry of Oil promising to pay a 10% kickback to the Iraqi government "either in cash or through a mechanism," and noting that the kickback amount was included in the contract amount for Contract 930323.

92. On or about October 17, 2001, upon notification of the U.N.'s approval of Contract 930323, BNP-Paribas in New York, New York, sent a facsimile to its Paris branch issuing a letter of credit in favor of CNH France for €825,189 to be paid upon delivery of the wheel loaders and graders with spare parts to Iraq.

93. In or about 2001, Company ZZ paid the Iraqi government approximately $74,269 in kickbacks on behalf of CNH France in connection with Contract 930323.

94. On or about June 15, 2002, CNH France caused its products purchased pursuant to Contract 930323 to be delivered to Iraq, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that the products had been received and inspected upon entry into Iraq. This notification, in turn, triggered payment by the U.N. to CNH France for Contract 930323.

Contract 930302

95. On or about July 9, 2001, CNH France executed a contract, referenced by the U.N. as Contract 930302, with the Iraqi Ministry of Oil to supply ten backhoe loaders with spare parts for €559,574.40, which included an extra 10% to be used to pay a kickback to the Iraqi government.

96. On or about September 25, 2001, Company ZZ sent via facsimile a letter to Employee D of CNH France discussing the modification of Contract 930302 to increase the number of backhoe loaders from ten to 20, noting a new total price of €1,097,430.40, and including a line item for "10% ASS."

97. On or about September 26, 2001, the U.N. approved an amendment to Contract 930302, adding ten backhoe loaders for a new total contract price of €1,097,430.40.

98. In or about 2001, Employee D created a profitability analysis for Contract 930302, which contained line items reflecting a 5% commission payment to Company ZZ and 10% for ASSFs.

99. In or about 2001, Company ZZ paid the Iraqi government approximately $87,355 in kickbacks on behalf of CNH France in connection with Contract 930302.

100. On or about March 14, 2002, upon notification of the U.N.'s approval of the amendment to Contract 930302, BNP-Paribas in New York, New York, sent a facsimile to its Paris branch containing an amended letter of credit in favor of CNH France for €1,097,430.40 to be paid upon delivery of the backhoe loaders with spare parts to Iraq.

101. On or about August 13, 2002, CNH France caused its products purchased pursuant to Contract 930302 to be delivered to Iraq, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that the products had been received and inspected upon entry into Iraq; this notification, in turn, triggered payment by the U.N. to CNH France for Contract 930302.

Contract 830614

102. On or about July 10, 2001, CNH France executed a contract, referenced by the U.N. as Contract 830614, with the Iraqi Ministry of Oil to supply two crawler excavators with hydraulic hammers for €327,838.94, which included an extra 10% to be used to pay a kickback to the Iraqi government.

103. In or about 2001, Employee D created a profitability analysis for Contract 830614, which contained line items reflecting a 5% commission payment to Company ZZ and 10% for ASSFs.

104. In or about 2001, Company ZZ paid the Iraqi government approximately $26,096 in kickbacks on behalf of CNH France in connection with Contract 830614.

105. On or about May 10, 2002, CNH France caused its products purchased pursuant to Contract 830614 to be delivered to Iraq, prompting the inspection company to send a facsimile from Iraq to the U.N. in New York, New York, notifying the U.N. that the products had been

received and inspected upon entry into Iraq; this notification, in turn, triggered payment by the U.N. to CNH France for Contract 830614.

APPENDIX B

In order to address potential deficiencies in Fiat's internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq.* ("FCPA"), and other applicable anti-corruption laws, Fiat and its subsidiaries and affiliates (collectively, "Fiat") agree to conduct, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal controls, policies, and procedures.

Where necessary and appropriate, Fiat agrees to adopt new or modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that Fiat makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements:

1. A clearly articulated corporate policy against violations of the FCPA and other applicable anti-corruption laws;

2. A system of financial and accounting procedures, including a system of internal accounting controls, designed to ensure the maintenance of fair and accurate books, records, and accounts;

3. Promulgation of a compliance code, standards, and procedures designed to reduce the prospect of violations of the FCPA, other applicable anti-corruption laws, and Fiat's compliance code. These standards and procedures should apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of Fiat in a

foreign jurisdiction, including agents, consultants, representatives, distributors, teaming partners, and joint venture partners (collectively referred to as "agents and business partners").

4. The assignment of one or more senior corporate officials of Fiat to the implementation and oversight of compliance with policies, standards, and procedures regarding the FCPA and other applicable anti-corruption laws. Such corporate official(s) shall have the authority to report matters directly to the Audit Committee of the Board of Directors of Fiat.

5. Mechanisms designed to ensure that Fiat's policies, standards, and procedures regarding the FCPA and other applicable anti-corruption laws are effectively communicated to all directors, officers, employees and, where necessary and appropriate, agents and business partners. This should include: (a) periodic training for all directors and officers, and, where necessary and appropriate, employees, agents and business partners; and (b) annual certifications with regard to this training by all directors and officers, and, where necessary and appropriate, employees, agents and business partners.

6. An effective system for reporting suspected criminal conduct and/or violations of the policies, standards, and procedures regarding the FCPA and other applicable anticorruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners.

7. Appropriate disciplinary procedures to address, among other things, violations of the FCPA, other applicable anti-corruption laws, and Fiat's compliance code, standards, and procedures by Fiat's directors, officers, and employees.

8. Appropriate due diligence requirements pertaining to the retention and oversight of agents and business partners.

9. Where necessary and appropriate, standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the FCPA and other applicable anti-corruption laws, which may, depending upon the circumstances, include: (a) anticorruption representations and undertakings relating to compliance with the FCPA and other applicable anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any violation of the FCPA and other applicable anti-corruption laws or breach of representations and undertakings related to such matters.