U.S. Department of Justice

Brian A. Benczkowski
Assistant Attorney General
Criminal Division

Jessie K. Liu
United States Attorney
District of Columbia

Robert F. Kennedy Department of Justice Building
Pennsylvania Avenue, NW
Washington, D.C. 20530

Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530

April 15, 2019

Jamie L. Boucher, Esq.
Gary DiBianco, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
1400 New York Ave, NW
Washington, DC 20005

Re: UniCredit Bank Austria AG

Dear Ms. Boucher and Mr. DiBianco:

The United States Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of Columbia (the Offices), and UniCredit Bank Austria AG (the "Bank") pursuant to authority granted by the Bank's Management Board as reflected in Attachment B, enter into this Non-Prosecution Agreement (the "Agreement"). On the understandings specified below, the Offices will not criminally prosecute the Bank for any crimes (except for criminal tax violations, as to which the Offices do not make any agreement) relating to any of the conduct described in the Statement of Facts attached hereto as Attachment A (the "Statement of Facts") or disclosed by the Bank in writing to the Offices prior to the Agreement. The Bank, pursuant to authority granted by its Management Board, also agrees to certain terms and obligations of the Agreement as described below.

The Offices enter into this Agreement based on the individual facts and circumstances presented by this case and the Bank, including:

(a) the Bank did not receive voluntary disclosure credit because it did not voluntarily and timely disclose to the Offices the conduct described in the Statement of Facts;

(b) the Bank received credit for its cooperation with the Offices' investigation, including conducting a thorough internal investigation, making regular factual presentations to the Offices, voluntarily making employees available for interviews, producing documents to the Offices consistent with applicable data privacy laws, and collecting, analyzing, and organizing voluminous evidence and information for the Offices;

(c) the Bank provided to the Offices all relevant facts known to it, including information about the individuals involved in the conduct described in the attached Statement of Facts and conduct disclosed to the Offices prior to the Agreement;

(d) the Bank engaged in remedial measures, including improvement of its U.S. economic sanctions compliance program;

(e) the Bank has enhanced and has committed to continuing to enhance its U.S. sanctions compliance program, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment C to this Agreement;

(f) based on the Bank's remediation and the state of its U.S. sanctions compliance program including the commitments set forth in Attachment C, and the Bank's agreement to report to the Offices as set forth in Attachment D to this Agreement, the Offices determined that an independent compliance monitor was unnecessary;

(g) the nature and seriousness of the offense conduct, including the illegal export of U.S. financial services to sanctioned geographies and entities;

(i) the Bank has no prior criminal history; and

(j) the Bank has agreed to continue to cooperate with the Offices in any ongoing investigation of the conduct of the Bank and its officers, directors, employees, agents, and consultants relating to violations of U.S. economic sanctions.

The Bank admits, accepts, and acknowledges that it is responsible under U.S. law for the acts of its officers, directors, employees, and agents as set forth in the attached Statement of Facts, and that the facts described therein are true and accurate. The Bank also admits, accepts, and acknowledges that the facts described in the attached Statement of Facts establish a violation of law, specifically a conspiracy to violate the International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C. § 1701 *et seq*, and to defraud the United States, in violation of 18 U.S.C. § 371.

The Bank expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for the Bank make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Bank set forth above or the facts described in the attached Statement of Facts. The Bank agrees that if it, its parent bank, or any of the Bank's direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Bank shall first consult the Offices to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Offices and the Bank; and (b) whether the Offices have any objection to the release. If the Offices determine, in their sole discretion, that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Offices shall so notify the Bank, and the Bank may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after notification. The Bank shall be permitted to raise defenses and to assert affirmative claims in other proceedings relating to the matters set forth in the Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts. This paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of the Bank in the course of any criminal, regulatory, or civil case

initiated against such individual or by such individuals against the Bank, unless such individual is speaking on behalf of the Bank.

The Bank's obligations under this Agreement shall have a term of three years from the date on which the Agreement is executed (the Term). The Bank agrees, however, that, in the event the Offices determine, in their sole discretion, that the Bank has knowingly violated any provision of this Agreement or has failed to completely perform or fulfill each of the Bank's obligations under this Agreement, an extension or extensions of the Term may be imposed by the Offices, in their sole discretion, for up to a total additional time period of one year, without prejudice to the Offices' right to proceed as provided in the breach provisions of this Agreement below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the requirements in Attachments C and D, for an equivalent period. Conversely, in the event the Offices find, in their sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirements in Attachment D, and that the other provisions of this Agreement have been satisfied, the Agreement may be terminated early.

The Bank shall cooperate fully with the Offices in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts and other conduct related to U.S. sanctions violations, subject to applicable law and regulations, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded, or the Term has expired. At the request of the Offices, the Bank shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies in any investigation of the Bank, its parent company or its affiliates, or any of its present or former officers, directors, employees, agents, consultants, or any other party, in any and all matters relating to conduct described in this Agreement and the attached Statement of Facts and other conduct related to U.S. sanctions violations during the Term. The Bank agrees that its cooperation shall include, but not be limited to, the following:

a. In response to any inquiry from the Offices during the Term, the Bank shall truthfully disclose all factual information with respect to its activities those of its parent company and affiliates, and those of its present and former directors, officers, employees, agents, and consultants including any evidence or allegations and internal or external investigations, about which the Bank has any knowledge. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Bank to provide to the Offices, upon request, any document, record or other tangible evidence about which the Offices may inquire of the Bank.

b. Upon request of the Offices, the Bank shall designate knowledgeable employees, agents or attorneys to provide to the Offices the information and materials described above on behalf of the Bank. It is further understood that the Bank must at all times provide complete, truthful, and accurate information.

c. The Bank shall use its best efforts to make available for interviews or testimony, as requested by the Offices, present or former officers, directors, employees, agents, and consultants of the Bank. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation shall include identification of witnesses who,

to the knowledge of the Bank, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Offices pursuant to this Agreement, the Bank consents to any and all disclosures to other governmental authorities, including U.S. authorities and those of a foreign government of such materials as the Offices, in its sole discretion, shall deem appropriate.

In addition, during the Term, should the Bank learn of any non-frivolous evidence or allegation of conduct that may constitute a violation of U.S. economic sanctions, the Bank shall report such evidence or allegation to the Offices within thirty (30) days. Sixty (60) days before the Term expires and again on the date that the Term expires, the Bank, represented by the Chief Executive Officer of the Bank and the Chief Financial Officer of the Bank, or two other Management Board members, will certify to the Offices that the Bank has met its disclosure obligations pursuant to this Agreement. Each certification will be deemed a material statement and representation by the Bank, made in the District of Columbia, to the executive branch of the United States for purposes of 18 U.S.C. § 1001.

The Bank represents that it has implemented and will continue to implement a U.S. sanctions compliance program designed to prevent and detect violations of U.S. economic sanctions throughout its operations, including those of its affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include processing payments through the United States, including, but not limited to, the minimum elements set forth in Attachment C. In addition, the Bank agrees that it will report to the Offices annually during the Term regarding remediation and implementation of the compliance measures described in Attachment D. These reports will be prepared in accordance with Attachment D.

In order to address any deficiencies in its U.S. sanctions compliance and ethics program, the Bank represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, review of its existing U.S. sanctions compliance and ethics program, policies and procedures. Where necessary and appropriate, the Bank agrees to adopt new, or to modify its existing U.S. sanctions compliance and ethics program, policies, or procedures, including internal controls, compliance policies, and procedures in order to ensure that it maintains a rigorous U.S. sanctions compliance and ethics program that incorporates relevant policies and procedures designed to effectively prevent, detect, and deter violations of U.S. sanctions and money laundering laws and regulations throughout its operations, including those of its affiliates, agents, subsidiaries, and joint ventures. The compliance program will include, but not be limited to, the minimum elements set forth in Attachment C.

The Bank agrees that it is subject to forfeiture in the amount of $20 million. The Bank agrees that the facts contained in the Statement of Facts establish that $20 million is forfeitable to the United States as representing the amount of proceeds obtained by the Bank in violation of IEEPA or substitute assets. See 18 U.S.C. § 981(a)(1)(C); 21 U.S.C. § 853(p); 28 U.S.C. § 2461. The Offices agree, however, that payments made by the Bank in connection with its concurrent settlement of the related regulatory action brought by the New York State Department of Financial Services (DFS) shall be credited in an amount of $20 million against the forfeiture, resulting in no forfeiture payment by the Bank.

The Offices agree, except as provided herein, that it will not bring any criminal or civil case (except for criminal tax violations, as to which the Offices do not make any agreement) against the Bank relating to any of the conduct described in the attached Statement of Facts or disclosed in writing by the Bank to the Offices prior to the date of the Agreement. The Offices, however, may use any information related to the conduct described in the attached Statement of Facts against the Bank: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by the Bank or any of its present or former parents or subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Bank or any of its present or former parents or subsidiaries.

If, during the Term, the Bank (a) commits any felony under U.S. federal law; (b) provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with its disclosure of information about individual culpability; (c) fails to cooperate as set forth in this Agreement; (d) fails to implement a compliance program as set forth in this Agreement and Attachment C; or (e) otherwise fails to completely perform or fulfill each of the Bank's obligations under the Agreement, regardless of whether the Offices become aware of a such a breach after the Term is complete, the Bank shall thereafter be subject to prosecution for any federal criminal violation of which the Offices have knowledge, including, but not limited to, the conduct described in the attached Statement of Facts, which may be pursued by the Offices in the U.S. District Court for the District of Columbia or any other appropriate venue. The Bank waives any challenge to venue in the District of Columbia. Determination of whether the Bank has breached the Agreement and whether to pursue prosecution of the Bank shall be in the Offices' sole discretion. Any such prosecution may be premised on information provided by the Bank or its personnel. Any such prosecution relating to the conduct described in the attached Statement of Facts or relating to conduct known to the Offices prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Bank, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, the Bank agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, the Bank agrees that the statute of limitations as to any violation of U.S. federal law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Offices are made aware of the violation or the duration of the Term plus one year, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

In the event the Offices determine the Bank has breached this Agreement, the Offices agree to provide the Bank with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, the Bank shall have the opportunity to respond to the Offices in writing to explain the nature and circumstances of such breach, as well as the actions the Bank has taken to address and remediate the situation, which explanation the Offices shall consider in determining whether to pursue prosecution of the Bank.

In the event that the Offices determine that the Bank has breached this Agreement: (a) all statements made by or on behalf of the Bank to the Offices or to a court, including the attached Statement of Facts and any testimony given by the Bank before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Offices against the Bank; and (b) the Bank 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 any such statements or testimony made by or on behalf of the Bank prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. 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, the Bank, will be imputed to the Bank for the purpose of determining whether the Bank has violated any provision of this Agreement shall be in the sole discretion of the Offices.

Except as may otherwise be agreed by the parties in connection with a particular transaction, the Bank agrees that in the event that, during the Term, it undertakes any change in corporate form, including if it sells, merges, or transfers business operations that are material to the Bank's consolidated operations, or to the operations of any subsidiaries or affiliates involved in the conduct described in the attached Statement of Facts, as they exist as of the date of this Agreement, whether such change is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Offices' ability to determine there has been a breach under this Agreement is applicable in full force to that entity. The Bank agrees that the failure to include this Agreement's breach provisions in the transaction will make any such transaction null and void. The Bank shall provide notice to the Offices at least thirty (30) days prior to undertaking any such sale, merger, transfer, or other change in corporate form. The Offices shall notify the Bank prior to such transaction (or series of transactions) if it determines that the transaction(s) will have the effect of circumventing or frustrating the enforcement purposes of this Agreement. If at any time during the Term the Bank engages in a transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, the Offices may, in their sole discretion, deem it a breach of this Agreement pursuant to the breach provisions of this Agreement, although the Bank shall have the opportunity to attempt to cure any such breach within thirty (30) days. Nothing herein shall restrict the Bank from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Offices.

Nothing in this Agreement shall be construed to require the Bank to produce any documents, records or tangible evidence, or other information that are protected by the attorney-client privilege, attorney work product doctrine, or any applicable confidentiality, criminal, or data protection laws. To the extent that a United States request requires transmittal through formal

government channels, the Bank agrees to use its best efforts to facilitate such a transfer and agrees not to oppose any request made in accordance with applicable law either publicly or privately.

This Agreement binds only the United States Attorney's Office for the District of Columbia ("USAO-DC") and the Criminal Division's Money Laundering and Asset Recovery Section ("MLARS"). It does not bind any other United States Attorney's Office or any other office or agency of the United States government, including, but not limited to, the Tax Division of the United States Department of Justice; the Internal Revenue Service of the United States Department of the Treasury; or any State or local prosecutor. These individuals and agencies remain free to prosecute the Bank for any offenses committed within their respective jurisdictions. The USAO-DC and MLARS agree to contact any prosecuting jurisdiction and advise that jurisdiction of the terms of this Agreement and the cooperation, if any, provided by the Bank.

It is further understood that the Bank and the Offices may disclose this Agreement to the public.

This Agreement sets forth all the terms of the agreement between the Bank and the Offices. No amendments, modifications or additions to this Agreement shall be valid unless they are in

writing and signed by the Offices, the attorneys for the Bank, and a duly authorized representative of the Bank.

Sincerely,

DEBORAH L. CONNOR
Chief, Money Laundering
and Asset Recovery Section
Criminal Division
United States Department of Justice

Date: _____ BY: _____
Margaret A. Moeser
Senior Trial Attorney

JESSIE K. LIU
United States Attorney

Date: _____ BY: _____
Gregg A. Maisel
Michelle A. Zamarin
Assistant United States Attorneys

AGREED AND CONSENTED TO:

UniCredit Bank Austria AG

Date: 12/6/19 BY: _____
Alexander Schall
General Counsel
UniCredit Bank Austria AG

Date: _____ BY: _____
Jamie L. Boucher, Esq.
Gary DiBianco, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Counsel for UniCredit Bank Austria AG

writing and signed by the Offices, the attorneys for the Bank, and a duly authorized representative of the Bank.

Sincerely,

DEBORAH L. CONNOR
Chief, Money Laundering
and Asset Recovery Section
Criminal Division
United States Department of Justice

Date: _____ BY: _____
Margaret A. Moeser
Senior Trial Attorney

JESSIE K. LIU
United States Attorney

Date: _____ BY: _____
Gregg A. Maisel
Michelle A. Zamarin
Assistant United States Attorneys

AGREED AND CONSENTED TO:

UniCredit Bank Austria AG

Date: _____ BY: _____
Alexander Schall
General Counsel
UniCredit Bank Austria AG

Date: Apr. 12, 2019 BY: Jamie Boucher
Jamie L. Boucher, Esq.
Gary DiBianco, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Counsel for UniCredit Bank Austria AG

ATTACHMENT A
STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the non-prosecution agreement between the United States Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of Columbia (the "Offices") and UniCredit Bank Austria AG ("BA" or the "Bank"), and between the New York County's District Attorney Office ("DANY") and BA. BA hereby agrees and stipulates that the following information is true and accurate. BA admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below:

1. BA admits that its conduct, as described herein, violated Title 18, United States Code, Section 371, by conspiring to violate the International Emergency Economic Powers Act ("IEEPA"), specifically Title 50, United States Code, Section 1701 *et seq.*, which, during the period of relevant conduct, made it a crime to willfully attempt to commit, conspire to commit, or aid and abet in the commission of any violation of the regulations prohibiting the export of services from the United States to Iran, Libya, Sudan, and Burma.

2. Specifically, BA admits that it conspired with certain customers to violate IEEPA from at least in or around 2002 to at least in or around 2012 by processing payments to or through the United States involving persons prohibited under IEEPA from accessing the U.S. financial system.

3. BA further admits that its conduct, as described herein, violated New York State Penal Law Sections 105.05 and 175.10.

4. Beginning in 2002, and up through and including 2012, BA knowingly and willfully conspired to violate United States and New York State laws by processing sixteen

transactions worth at least $20 million through the United States involving persons located or doing business in Iran and other countries subject to U.S. economic sanctions or otherwise subject to U.S. economic sanctions, willfully causing financial services to be exported from the United States to sanctioned customers in Iran and elsewhere in violation of U.S. sanctions laws and regulations. BA's conduct caused U.S. financial institutions located in New York, New York, to process U.S. dollar transactions that otherwise should have been rejected, blocked, or stopped for investigation pursuant to U.S. economic sanctions laws and regulations.

Applicable Law

5. Pursuant to U.S. law, financial institutions are prohibited from participating in certain financial transactions involving persons, entities, and countries that are subject to U.S. economic sanctions ("Sanctioned Entities"). The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") promulgates regulations to administer and enforce U.S. law governing economic sanctions, including regulations for sanctions related to specific countries, as well as sanctions related to Specially Designated Nationals ("SDNs"). SDNs are individuals and companies specifically designated by OFAC as having their assets blocked from the U.S. financial system by virtue of being owned or controlled by, or acting for or on behalf of, targeted countries, as well as individuals, groups, and entities, such as terrorists and weapons of mass destruction proliferators, designated under sanctions programs that are not country-specific. Violators of OFAC regulations are subject to a range of penalties, both criminal and civil, and U.S. financial institutions, among others, are required to reject or block those transactions from proceeding.

The International Emergency Economic Powers Act

6. The International Emergency Economic Powers Act, Title 50, United States Code, Sections 1701 to 1706 ("IEEPA"), grants the President of the United States a broad spectrum of powers necessary to "deal with any unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat." Title 50, United States Code, Section 1701(a).

7. The President exercised these IEEPA powers through Executive Orders that imposed economic sanctions to address particular emergencies and delegate IEEPA powers for the administration of those sanctions programs. On March 15, 1995, the President issued Executive Order No. 12957, finding that "the actions and policies of the Government of Iran constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States," and declaring "a national emergency to deal with that threat." On May 6, 1995, the President issued Executive Order No. 12959, which imposed comprehensive trade and financial sanctions on Iran. These sanctions prohibited, among other things, the exportation, re-exportation, sale, or supply, directly or indirectly, to Iran or the Government of Iran of any goods, technology, or services from the United States or U.S. persons, wherever located. This includes persons in a third country with knowledge or reason to know that such goods, technology, or services are intended specifically for supply, transshipment, or re-exportation, directly or indirectly, to Iran or the Government of Iran. On August 19, 1997, the President issued Executive Order No. 13059, consolidating and clarifying Executive Order Nos. 12957 and 12959 (collectively, the "Executive Orders"). The most recent continuation of this national emergency was executed on March 12, 2019. 84 Fed. Reg. 9219 (Mar. 13, 2019).

8. The Executive Orders authorized the U.S. Secretary of the Treasury to promulgate rules and regulations necessary to carry out the Executive Orders. Pursuant to this authority, the Secretary of the Treasury promulgated the Iranian Transactions and Regulations ("ITRs"),[1] 31 C.F.R. Part 560, implementing the sanctions imposed by the Executive Orders. With the exception of certain exempt transactions, the ITRs prohibited, among other things, the export of financial services to Iran, including prohibiting U.S. depository institutions from servicing Iranian accounts, and directly crediting or debiting Iranian accounts, without a license from OFAC. 31 C.F.R. § 560.204. The ITRs defined "Iranian accounts" to include accounts of "persons who are ordinarily resident in Iran, except when such persons are not located in Iran" and explicitly prohibited the exportation of financial services performed on behalf of a person in Iran or where the benefit of such services was received in Iran. 31 C.F.R. §§ 560.320, 560.410. The ITRs also prohibited unlicensed transactions by any U.S. person who evades or avoids, has the purpose of evading or avoiding, or attempts to evade or avoid the restrictions imposed under the ITRs. The ITRs were in effect at all times relevant to the conduct described herein.

9. OFAC has provided exemptions for certain types of transactions. For example, until November 2008, OFAC permitted U.S. banks to act as an intermediary bank for U.S. dollar transactions related to Iran between two non-U.S., non-Iranian banks (the "U-turn exemption"). The U-turn exemption applied only to sanctions regarding Iran, and not to sanctions against other countries or entities, and only applied until November 2008.

10. OFAC was located in the District of Columbia.

[1] On October 22, 2012, OFAC renamed and reissued the ITRs as the Iranian Transactions and Sanctions Regulations. All of the conduct described herein took place prior to the renaming.

11. Pursuant to Title 50, United States Code, Section 1705, it is a crime to willfully violate, attempt to violate, conspire to violate, or cause a violation of any license, order, regulation, or prohibition issued under IEEPA, including the ITRs.

12. The unlawful transactions discussed below were not licensed or authorized by OFAC.

New York State Law Regarding False Business Records

13. New York State Penal Law Sections 175.05 and 175.10 make it a crime to, "with intent to defraud,…1. [m]ake[] or cause[] a false entry in the business records of an enterprise [(defined as any company or corporation)]…or 4. [p]revent[] the making of a true entry or cause [] the omission thereof in the business records of an enterprise." It is a felony under Section 175.10 of the New York State Penal Law if a violation under Section 175.05 is committed and the person's or entity's "intent to defraud includes an intent to commit another crime or aid or conceal the commission thereof."

Sanctions Screening Generally

14. Financial institutions using the United States financial system are obligated to ensure they do not violate U.S. sanctions and other laws, and, as a result, screen financial transactions including international wire payments effected through the use of Society for Worldwide Interbank Financial Telecommunication ("SWIFT") messages. Because of the vast amount of wire payments processed by financial institutions in the United States, particularly those involved in correspondent banking, institutions often employ sophisticated computer software, commonly referred to as filters, to automatically screen all wire payments and messages against lists of sanctioned countries and parties, among other things. When the filters detect a possible match to a sanctioned country or party, the payment can be stopped and held for further manual

review. When a financial institution determines that a transaction violates U.S. sanctions regulations, the institution must "reject" or "block" the payment—that is, refuse to process or execute the payment—and notify OFAC of the attempted transaction. The sending institution must then demonstrate to OFAC that the payment does not violate U.S. sanctions before the funds can be released and the payment processed.

UNICREDIT BANK AUSTRIA

15. BA was established in 1991 as a result of the merger of two Austrian banks. In 2000, HypoVereinsbank ("HVB") acquired Bank Austria. In 2005, UniCredit S.p.A. ("SpA") acquired both HVB and BA. HVB was renamed UniCredit Bank AG ("UCB AG") and BA was renamed UniCredit Bank Austria AG.

BA Consistently Processed Transactions Connected to Sanctioned Jurisdictions through the United States Non-Transparently

16. BA is a member of SWIFT and historically has used the SWIFT system to transmit international payment messages to and from other financial institutions around the world. There are a variety of different SWIFT message formats, depending on the type of payment or transfer to be executed. For example, when a corporate or individual customer sends an international wire payment, the de facto message type is known as an MT103 SWIFT message. When a financial institution sends a bank-to-bank credit transfer the de facto standard is known as an MT202 SWIFT message. The different message types contain different fields of information to be completed by the sending party or institution. During the relevant period, some of these fields were mandatory—that is, they had to be completed for a payment to be processed—and others were optional.

17. Transactions in U.S. dollars between two parties who are located outside the United States and who maintain accounts at different banks typically must transit through the United

States and U.S. correspondent banks through the use of SWIFT messages. This process typically is referred to as "clearing" through the United States

18. In September 1999, a BA document relating to the processing of foreign commercial payments explained that U.S. banks were obligated to "FREEZE, WITHOUT EXCEPTION, PAYMENT ORDERS and COVER PAYMENT ORDERS which have any connection to" what BA called "embargo countries," which included Iran, Cuba, Syria, and others. This document instructed BA employees that they should "ON NO ACCOUNT WHATSOEVER" route wire transfers denominated in U.S. dollars that were connected with embargo countries and destined for a third country through U.S. banks. The document also instructed BA employees to conceal the nexus to the sanctioned jurisdiction in processing foreign commercial payments. Specifically, the document stated: "IT IS ABSOLUTELY IMPERATIVE to replace the Ordering Party's information (to the extent he/she is a resident of an embargo country) by 'BY ORDER OF OUR CLIENT.' Reasons for payment which show a connection to an embargo country must ON NO ACCOUNT WHATSOEVER be mentioned."

19. Consistent with this practice, between 2004 and 2012, BA processed approximately 83.9% of its foreign exchange, money market, and financial institution payments, including certain trade finance payments, with a connection to a sanctioned jurisdiction through U.S. banks using a non-transparent double MT202 method, and approximately 92.6% of its commercial payments, including certain trade finance payments, using a cover payment method. Under these methods, BA sent one payment message to the U.S. correspondent bank that did not contain information on the originator or beneficiary of the payment and a separate message to the overseas beneficiary bank that did contain information regarding the originator and beneficiary of the payment. As a

result, the U.S. bank did not receive adequate information needed to screen and potentially reject or block transactions involving a sanctioned jurisdiction.

20. In contrast, during the same period, BA processed approximately 52.8% of all customer transfers (including certain trade finance payments) and approximately 99.6% of financial institution transfers (including certain trade finance payments) that did not involve a sanctioned jurisdiction using transparent serial MT202 or serial MT103 methods. These methods would have allowed the U.S. bank to identify and screen the originator or beneficiary of the transaction.

21. Between 2004 and 2012, BA processed transactions worth approximately $4.2 billion with a connection to a sanctioned jurisdiction through the United States. Of this total, BA processed transactions worth approximately $3.9 billion using a non-transparent method, which meant that U.S. banks could not screen the originator or beneficiary of the transaction. The majority of these transactions, totaling approximately $3.8 billion were, however, legal Iranian U-turns.

BA Understood that U.S. Dollar Payments Could Violate U.S. Sanctions and, Despite Warnings from the Treasury Department, Sent Sanctions Violative Transactions through the United States

22. During the relevant time period, BA employees were aware of U.S. sanctions and understood that U.S. sanctions could impact BA's U.S. transactions. For example, in early 2006, BA employees drafted a message to the Treasury Department explaining that the bank was "willing to support [U.S.] efforts to mitigate or eliminate concerns" regarding BA's relations with sanctioned jurisdictions. In March 2006, BA employees met with representatives from the U.S. Treasury Department who raised concerns that BA was conducting transactions with Iran, Syrian, North Korea, and other sanctioned jurisdictions. During this time period, employees discussed whether the bank could "simply cancel the business relationships [with clients in sanctioned

jurisdictions] (as obviously the United States wishes)." BA did not cancel these relationships at this time, however.

23. Later, in June 2006, BA employees again acknowledged the impact U.S. sanctions could have on the Bank's business, noting that other banks had stopped banking a particular Iranian bank as a "result of US pressure in connection with their US activities." When considering whether to accept dollar clearing business for the Iranian bank, employees explained that BA's "activities will eventually become known to the US authorities which might lead to some restrictions of group's US activities [and] also … to restrictions on our USD – clearing accounts."

24. In September 2006, a senior employee of the United States Treasury Department told SpA that UniCredit Group banks, which included BA, were sending or receiving payments to and from Iran "without correct indications of the ordering and the beneficiary [party], not allowing the monitoring of suspect transactions" at U.S. banks. SpA employees asked BA and UCB AG employees to investigate this statement. A BA employee responded that BA did not "withhold" information regarding Iranian bank clients but "[w]hat indeed can be [sic] is that the information indicated in the payment request is not sufficient for inquiries."

25. Effective September 8, 2006, OFAC removed Bank Saderat ("Saderat") from the U-turn exemption, making it illegal for U.S. banks to process transactions involving Saderat. BA was aware of the issue, circulating a news article regarding the change. BA employees discussed whether to freeze Saderat transactions and raised concerns that the U.S. government could monitor SWIFT messages and that this "theoretically this might cause damage to image or other damage to us" if BA did not freeze Saderat transactions.

26. UCB AG employees also discussed Saderat's designation in the days after Saderat's designation, explaining that Saderat would be "cut off from access to the U.S. financial system

and banking market in the future. … This results in that U.S. financial institutions may no longer conduct USD clearing transactions with direct or indirect involvement of Saderat. … the following consequences are to be expected for foreign … banks (such as, e.g., HVB) participating in transactions which, in any case, indicate a reference of any kind to Saderat: (a) withdrawal and permanent loss of (client) funds, which have been forwarded to the respective U.S. bank for USD clearing purposes; and (b) lasting damage if not outright termination of a business relationship between the participating U.S. and foreign bank. Against this background, we recommend, no longer executing any USD clearing transactions whatsoever with the participation of an OFAC-regulated financial institution (i.e., U.S. financial institutions, their foreign branch offices as well as U.S. branch offices of non-U.S. financial institutions)." BA employees received this email.

27. In the wake of Saderat's removal from the U-turn exemption, BA employees discussed whether the Bank should continue business with Saderat and the importance of processing U.S. dollar transactions for Iranian banks, explaining that "the USD remains the most important currency for commercial business transactions and investments." Despite the recommendation from UCB AG above and understanding that U.S. banks could not process certain transactions for Saderat, BA processed eight U.S. dollar payments involving Saderat between September 14, 2006 and April 3, 2007.

28. Concerned that the United States would place restrictions on additional Iranian banks, in October 2006, BA employees discussed how to route U.S. dollar payments for Iranian banks to handle "possible problems in connection with the freezing of further Iranian banks by OFAC." In November 2006, while searching for a new U.S. dollar correspondent bank, a BA employee noted in connection with BA's Iranian bank business that it was "strictly forbidden by US law to hide any information with respect to any transaction." At the same time, BA employees

discussed processing U.S. dollar transactions for sanctioned Iranian banks with UCB AG employees, who explained that UCB AG would no longer process U.S. dollar transactions for sanctioned Iranian banks and that not disclosing the ultimate beneficiary in U.S. dollar transactions was "unlawful."

29. In 2007, BA employees discussed the intensifying risks associated with U.S. sanctions in conjunction with new EU requirements that the ordering party be listed on transfer messages and BA's continued policy to route payments up to $35,000 through the United States without revealing the ordering party. In February 2007, BA employees noted that payments with connections to Iran and certain other countries were "too hot" for many other large banks and questioned whether BA should continue to take the risk to process these payments. In July 2007, a BA employee noted that previously BA did not provide the ordering party's nationality to the U.S. banks and so the connection to a sanctioned jurisdiction was "not apparent."

30. In August 2007, BA employees escalated the "problems" with crisis country payments internally. BA made a "business policy decision" to continue non-transparent payment processing and created guidelines for processing payments related to crisis countries like Iran and Syria. The policy instructed employees to process payments up to $35,000 through the United States and to give "attention … that no **obvious references** in the payment request are included which can suggest an infringement of international regulations (e.g. reason for payment or acting parties)."

31. BA stopped processing U.S. dollar business with Iranian banks by November 2007 and stopped using the non-transparent double MT202 payment message method in 2008.

32. In November 2009, SWIFT introduced a new type of message, the MT202COV, which replaced the MT202 and required a bank to include information on the ordering and

beneficiary parties for cover transactions. BA employees noted that this new message type "might have implications on our payments business with OFAC countries in the sense that if a MT202COV is used certain client data (details as to the sender/receiver of payment) will be fully disclosed to third party banks incl. US settlement banks." By this time, the Bank had substantially wound-down any business involving sanctioned countries, and the last payment involving an SDN bank was in November 2007.

33. Between 2002 and 2012, BA processed at least $20 million through the United States on behalf of sanctioned banks, including Bank Saderat, in willful violation of U.S. sanctions. All of these payments were processed without obtaining a license from OFAC in violation of IEEPA and the ITRs, and caused false entries to be made in the business records of financial institutions located in New York, New York.

ATTACHMENT B
CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, UniCredit Bank Austria AG (the "Bank") has been engaged in discussions with the United States Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of Columbia (the "Offices") regarding issues arising in relation to violations of U.S. economic sanctions laws; and

WHEREAS, in order to resolve such discussions, it is proposed that the Bank enter into a certain agreement with the Offices; and

WHEREAS, the Bank's Alexander Schall, General Counsel of the Bank, together with outside counsel for the Bank, have advised the Management Board of the Bank of its rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Offices;

Therefore, the Management Board has RESOLVED that:

1. The Bank enters into this non-prosecution agreement ("Agreement") with the Offices;

2. The Bank accepts the terms and conditions of this Agreement, including, but not limited to, (a) a knowing waiver for purposes of this Agreement and any charges by the United States arising out of the conduct described in the attached Statement of Facts of any objection with respect to venue in the United States District Court for the District of Columbia and (b) a knowing waiver of any defenses based on the statute of limitations for any prosecution relating to the conduct described in the attached Statement of Facts or relating to conduct known to the Offices prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement;

3. The General Counsel of the Bank, Alexander Schall, is hereby authorized, empowered and directed, on behalf of the Bank, to execute the Agreement substantially in such form as reviewed by this Management Board at this meeting with such changes as the General Counsel of Bank, Alexander Schall, may approve;

4. The General Counsel of the Bank, Alexander Schall, is hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions; and

5. All of the actions of the General Counsel of the Bank, Alexander Schall, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Bank.

Date: 14.04.2019

By: _____
Corporate Secretary
UniCredit Bank Austria AG

ATTACHMENT C
CORPORATE COMPLIANCE PROGRAM

UniCredit Bank Austria AG (the "Bank") agrees to the following corporate compliance program requirements in connection with its agreement with the United States Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of Columbia (the "Offices"), subject to applicable laws and regulations.

a. The Bank agrees that any compliance consultant imposed by the Board of Governors of the Federal Reserve System (the "Federal Reserve") or the New York State Department of Financial Services ("DFS") on the Bank individually or together with its parent, UniCredit S.p.A., and its affiliate, UniCredit Bank AG, shall, at the Bank's own expense, submit to the Offices any report that it submits to the Federal Reserve or DFS.

b. The Bank agrees to abide by any and all requirements of the Settlement Agreement, dated April 15, 2019, by and between the Department of the Treasury's Office of Foreign Assets Control ("OFAC") and the Bank regarding remedial measures or other required actions related to this matter.

c. The Bank agrees to abide by any and all requirements of a Cease and Desist Order, dated April 15, 2019, by and between the Federal Reserve and UniCredit S.p.A., UniCredit Bank AG, and the Bank regarding remedial measures or other required actions related to this matter.

d. The Bank agrees to abide by any and all requirements of the Consent Order, dated April 15, 2019, by and between DFS and the Bank regarding remedial measures or other required actions related to this matter.

e. The Bank agrees to continue to implement compliance procedures and training designed to ensure that the relevant Bank compliance officer in charge of sanctions is made aware in a timely manner of any attempts by any person or entity (including, but not limited to, the Bank's employees and its customers, financial institutions, companies, organizations, groups, persons, or agents) to circumvent or evade U.S. sanctions laws, including but not limited to, apparent circumvention attempts involving deceptive business practices, suspected front companies, withholding or altering names or other identifying information, or any other infiltration attempts. The Bank shall report to the Offices the name and contact information, if available to the Bank, of any person or entity that makes such a request. The Bank further agrees to timely report to the Offices any known attempts by any Bank employees to circumvent or evade U.S. sanctions laws.

f. The Bank agrees to continue to complete Bank-wide sanctions training, covering United States, United Nations, and European Union sanctions and trade control laws for all employees (1) involved in the processing or investigation of U.S. dollar payments and all employees and officers who directly or indirectly supervise these employees; (2) involved in execution of U.S. dollar denominated securities trading orders and all employees and officers who directly and indirectly supervise these employees; and (3) involved in transactions or business

activities involving any nation or entity subject to U.S., U.N., or E.U. sanctions, including the execution of cross-border payments.

g. The Bank agrees to continue to apply the OFAC Specially Designated Nationals and Blocked Persons List to U.S. dollar transactions, acceptance of customers, and all U.S. dollar cross-border SWIFT incoming and outgoing messages involving payment instructions or electronic transfer of funds.

h. The Bank agrees to not knowingly undertake any U.S. dollar cross-border electronic transfers or any other U.S. dollar transactions for, on behalf of, or in relation to any person or entity resident or operating in, or the government of, Iran, North Korea, Syria, Cuba, or Crimea that is prohibited by U.S. law or OFAC regulations.

ATTACHMENT D
CORPORATE COMPLIANCE REPORTING

UniCredit Bank Austria AG (the "Bank") agrees that it will report to the United States Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section and the United States Attorney's Office for the District of Columbia (the "Offices") annually regarding remediation and implementation of compliance enhancements imposed or implemented under its agreements with the Offices, the Board of Governors of the Federal Reserve System (the "Federal Reserve"), the New York State Department of Financial Services ("DFS"), or the Department of the Treasury's Office of Foreign Assets Control ("OFAC"). Such report should consist of information regarding the status of the Bank's compliance with U.S. economic sanctions laws and with any remediation required by the Federal Reserve, OFAC, or DFS, subject to receiving the required approvals and consents from the Federal Reserve, OFAC, or DFS, as applicable. The report will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the report could discourage cooperation or impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the report and the contents thereof are intended to and shall remain non-public, except as otherwise agreed to the parties in writing, or except to the extent that the Offices determine in their sole discretion that disclosure would be in furtherance of the Offices' discharge of their duties and responsibility or is otherwise required by law.