



**U.S. Department of Justice**

*United States Attorney  
Eastern District of New York*

*Criminal Division  
Fraud Section*

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1400 New York Ave., NW  
Washington, DC 20005

May 24, 2018

Herbert S. Washer, Esq.  
Anirudh Bansal, Esq.  
Cahill Gordon & Reindel LLP  
80 Pine Street  
New York, NY 10005

**Re: Credit Suisse (Hong Kong) Limited Criminal Investigation**

Dear Counsel:

The United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the Eastern District of New York (collectively, the "Offices") and Credit Suisse (Hong Kong) Limited ("CSHK" or the "Company") enter into this Non-Prosecution Agreement ("Agreement"). The Company, pursuant to authority granted by the Company's Board of Directors, and Credit Suisse AG ("CSAG"), pursuant to authority granted by CSAG's Board of Directors, also agree 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 Company, including:

(a) the Company did not receive voluntary disclosure credit because neither it nor CSAG voluntarily and timely disclosed to the Offices the conduct described in the Statement of Facts;

(b) the Company received partial credit for its and CSAG's cooperation with the Offices' investigation, including credit for conducting an internal investigation, making factual presentations to the Offices, voluntarily making foreign-based employees available for interviews in the United States, producing documents to the Offices from foreign countries in ways that did not implicate foreign data privacy laws, providing translations of foreign language documents, and collecting and presenting evidence to the Offices; however, the Company did not receive full cooperation credit because its cooperation was reactive, instead of proactive;

(c) by the conclusion of the investigation, the Company and CSAG provided to the Offices all relevant facts known to them, including information about individuals involved in the misconduct;

(d) the Company and CSAG implemented remedial measures, including: (1) adopting additional controls related to their hiring programs; (2) implementing procedures in the Asia Pacific region in 2013, and globally in 2015, to ensure the identification of and anti-corruption vetting for all candidates referred for employment by government officials and employees of state-owned enterprises (“SOEs”); (3) requiring all candidates for employment to be screened by an independent service for connections to government officials, SOE employees and other “politically exposed persons” (“PEPs”) and verifying the efficacy of this screening; (4) requiring additional post-hire controls on employees linked to government officials and SOE employees, such as ring fencing them from work involving such officials and SOE employees, and requiring compliance personnel to track their performance; (5) requiring and conducting periodic reviews of hiring controls, and developing procedures for the regular evaluation of hiring controls; (6) conducting yearly headcount reviews to ensure accurate record-keeping concerning hiring; and (7) requiring improved Foreign Corrupt Practices Act (“FCPA”) and anti-corruption training for all staff, including job-specific training for bankers, recruiters, human resources, and compliance personnel. However, the Company did not receive full credit for remediation because it did not sufficiently discipline employees who engaged in the misconduct, and instead only recorded policy infractions internally and provided notices of infractions to three employees.

(e) the Company and CSAG have enhanced and are committed to continuing to enhance their compliance programs and internal controls, including by ensuring that their compliance programs satisfy the minimum elements set forth in Attachment B to this Agreement (“Corporate Compliance Program”);

(f) based on the state of the Company’s and CSAG’s compliance programs, and the Company’s and CSAG’s agreement to report to the Offices as set forth in Attachment C to this Agreement (“Corporate Compliance Reporting”), the Offices determined that an independent compliance monitor was unnecessary;

(g) the nature and seriousness of the offense conduct; and

(h) the Company and CSAG (on behalf of itself and through its subsidiaries and affiliates) have agreed to continue to cooperate with the Offices in any ongoing investigation of the conduct of the Company, CSAG, and their subsidiaries and affiliates and their officers, directors, employees, agents, business partners, and consultants relating to violations of the FCPA;

(i) accordingly, after considering (a) through (h) above, the Offices believe an appropriate resolution of this case is a non-prosecution agreement for the Company and an aggregate discount of 15% off of the bottom of the U.S. Sentencing Guidelines fine range.

The Company admits, accepts, and acknowledges that it is responsible under United States 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 Company expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, or agents or any other person authorized to speak for the Company make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the attached Statement of Facts. The Company agrees that if it, its parent companies, or any of its direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Company 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 Company; and (b) whether the Offices have any objection to the release.

The Company's and CSAG's obligations under this Agreement shall have a term of three years from the date on which the Agreement is executed (the "Term").

The Company and CSAG shall cooperate fully with the Offices in any and all matters relating to the conduct described in this Agreement and the Statement of Facts and other conduct related to corrupt payments, false books and records, failure to implement adequate internal accounting controls, and circumvention of internal controls under investigation by the Offices, subject to applicable laws and regulations, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded or the end of the Term of the Agreement. At the request of the Offices, the Company and CSAG shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies as well as the Multilateral Development Banks ("MDBs") in any investigation of the Company, its subsidiaries, its parent company, its affiliates, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and the Statement of Facts, and other conduct related to corrupt payments, false books and records, failure to implement adequate internal accounting controls, and circumvention of internal controls under investigation by the Offices. The Company and CSAG agree that their cooperation shall include, but not be limited to, the following:

(a) The Company and CSAG shall, subject to applicable local laws and regulations, truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work-product doctrine with respect to their activities, those of their subsidiaries, parent companies or affiliates, and those of their present and former directors, officers, employees, agents, and consultants, including any evidence or allegations and internal or external investigations, about which the Company or CSAG has any knowledge or about which the Offices may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Company and CSAG to provide to the Offices, upon request, any document, record or other tangible evidence about which the Offices may inquire of the Company and CSAG.

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

(c) The Company and CSAG shall, subject to applicable local laws and regulations, use their 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 Company and CSAG. 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 Company or CSAG, 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 Company and CSAG consent to any and all disclosures, subject to applicable laws and regulations, to other governmental authorities, including United States authorities and those of a foreign government, as well as MDBs, of such materials as the Offices, in their sole discretion, shall deem appropriate.

In addition, during the Term of the Agreement, should the Company or CSAG learn of any evidence or allegation of actual or potentially corrupt payments, false books, records, and accounts, or the failure to implement adequate internal accounting controls, the Company or CSAG shall, subject to applicable local laws and regulations, promptly report such evidence or allegation to the Offices. At the end of the Term of this Agreement, the Company, by the Chairperson and Legal Entity Controller of the Company, will certify to the Offices that the Company has met its disclosure obligations pursuant to this Agreement. Each certification will be deemed a material statement and representation by the Company to the executive branch of the United States for purposes of 18 U.S.C. § 1001.

The Company and CSAG represent that they have implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout their operations, including those of their subsidiaries, affiliates, agents, and joint ventures, and those of their contractors and subcontractors whose responsibilities include interacting with foreign officials or other activities carrying a high risk of corruption, including, but not limited to, the minimum elements set forth in Attachment B. In addition, the Company and CSAG agree that they will report to the Offices annually during the Term regarding remediation and implementation of the compliance measures described in Attachment B. These reports will be prepared in accordance with Attachment C.

In order to address any deficiencies in their internal accounting controls, policies, and procedures, the Company and CSAG represent that they have undertaken, and will continue to undertake in the future, in a manner consistent with all of their obligations under this Agreement, a review of their existing internal accounting controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws. Where necessary and appropriate, the Company and CSAG agree to adopt a new compliance program, or to modify their existing programs, including internal controls, compliance policies, and procedures in order to ensure that they maintain: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting

controls, as well as policies and procedures designed to effectively detect and deter violations of the FCPA and other applicable anti-corruption laws. The compliance program, including the internal accounting controls system will include, but not be limited to, the minimum elements set forth in Attachment C.

The Company agrees to pay a monetary penalty in the amount of \$47,029,916.00 to the United States Treasury no later than five business days after the Agreement is fully executed. The monetary penalty is based upon profits of at least \$46,107,761.00 as a result of the offense conduct, and reflects a discount of 15% off of the bottom of the U.S. Sentencing Guidelines fine range. The Company acknowledges that no tax deduction may be sought in connection with the payment of any part of this \$47,029,916.00 penalty. The Company shall not seek or accept directly or indirectly reimbursement or indemnification from any source, other than from CSAG or any of its affiliates or subsidiaries, with regard to the penalty that the Company pays pursuant to this Agreement or any other agreement entered into with an enforcement authority or regulator concerning the conduct set forth in the Statement of Facts. No other payments, penalties or interest are due under this Agreement.

The Offices agree, except as provided herein, that they 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 Company or any of its present or former parents or subsidiaries, relating to any of the conduct described in this Agreement, the Statement of Facts, or relating to the hiring or treatment of individuals referred for employment by clients, prospective clients, and government officials in China, including Hong Kong, through May 5, 2017. The Offices, however, may use any information related to the conduct described in the Statement of Facts against the Company: (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 Company 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 Company or any of its present or former parents or subsidiaries.

If, during the Term of this Agreement: (a) the Company commits any felony under U.S. federal law; (b) the Company or CSAG provides in connection with this Agreement deliberately false, incomplete, or misleading information, including in connection with their disclosure of information about individual culpability; (c) the Company or CSAG fails to cooperate as set forth in this Agreement; (d) the Company or CSAG fails to implement a compliance program as set forth in this Agreement and Attachment C; (e) the Company or CSAG commits any acts that, had they occurred within the jurisdictional reach of the FCPA, would be a violation of the FCPA; or (f) the Company or CSAG otherwise fails to completely perform or fulfill each of the Company's or CSAG's obligations under the Agreement, regardless of whether the Offices become aware of such a breach after the Term of the Agreement is complete, the Company and CSAG, and their subsidiaries and affiliates, 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 Statement of Facts, which may be pursued by the Offices in the U.S. District Court for the Eastern District of New York or any other appropriate venue.

Determination of whether the Company or CSAG has breached the Agreement and whether to pursue prosecution of the Company shall be in the Offices' sole discretion. Any such prosecution may be premised on information provided by the Company, CSAG, or their personnel. Any such prosecution relating to the conduct described in the 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 Company, CSAG or their subsidiaries or affiliates, 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 Company and CSAG agree 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 Company and CSAG agree 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 five years, 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 that the Company or CSAG has breached this Agreement, the Offices agree to provide the Company and CSAG 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 Company and CSAG 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 Company and CSAG have taken to address and remediate the situation, which explanation the Offices shall consider in determining whether to pursue prosecution of the Company, CSAG, or their subsidiaries or affiliates.

In the event that the Offices determine that the Company or CSAG has breached this Agreement: (a) all statements made by or on behalf of the Company, CSAG, or their subsidiaries or affiliates to the Offices or to the Court, including the Statement of Facts, and any testimony given by the Company, CSAG, or their subsidiaries or affiliates 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 Company, CSAG, or their subsidiaries or affiliates; and (b) the Company, CSAG or their subsidiaries or affiliates 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 Company, CSAG or their subsidiaries or affiliates 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 Company, CSAG or their subsidiaries or affiliates will be imputed to the Company or CSAG for the purpose of determining whether the Company or CSAG 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 Company agrees that in the event that, during the Term of the Agreement, it

undertakes any change in corporate form, including if it sells, merges, or transfers business operations that are material to the Company's consolidated operations, or to the operations of any subsidiaries or affiliates involved in the conduct described in the 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, the Company 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 Company agrees that the failure to include this Agreement's breach provisions in the transaction will make any such transaction null and void. The Company 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. If the Offices notify the Company prior to such transaction (or series of transactions) that they have determined that the transaction or transactions have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined in the sole discretion of the Offices, the Company agrees that such transaction(s) will not be consummated. In addition, if at any time during the Term of the Agreement, the Offices determine in their sole discretion that the Company has engaged in a transaction or transactions that have the effect of circumventing or frustrating the enforcement purposes of this Agreement, the Offices may deem it a breach of this Agreement pursuant to the breach provisions of this Agreement. Nothing herein shall restrict the Company 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.

This Agreement is binding on the Company, CSAG, and the Offices but specifically does not bind any other component of the Department of Justice, other federal agencies, or any state, local or foreign law enforcement or regulatory agency, or any other authorities, although the Offices will bring the cooperation of the Company and CSAG and their compliance with their obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company and CSAG.

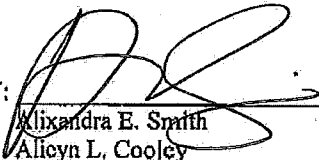
It is further understood that the Company and the Offices may disclose this Agreement to the public.


This Agreement sets forth all the terms of the agreement between the Company, CSAG, 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 Company and CSAG, and a duly authorized representative of the Company.

Sincerely,

RICHARD P. DONOGHUE  
United States Attorney  
Eastern District of New York

SANDRA L. MOSER  
Acting Chief, Fraud Section  
Criminal Division  
United States Department of Justice

BY:   
Alexandra E. Smith  
Alicyn L. Cooley  
James P. McDonald  
Assistant U.S. Attorneys

BY:   
Katharine Nielsen  
Trial Attorney


Date: 5/30/18

Date: 5/30/18

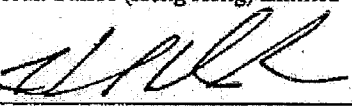
AGREED AND CONSENTED TO:

CREDIT SUISSE (HONG KONG) LIMITED

Date: 5/29/18

BY:   
Alex Charter  
Managing Director  
General Counsel Division  
Credit Suisse (Hong Kong) Limited


Date: 5/29/18

By:   
Herbert S. Washer, Esq.  
Counsel for Credit Suisse (Hong Kong)  
Limited

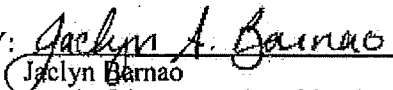


CREDIT SUISSE AG

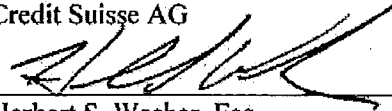
Date: 5/29/18

BY:   
Alan Reifenberg  
Global Head of Litigation and  
Investigations, Managing Director  
Credit Suisse AG

Date: 5/29/18

BY:   
Jaclyn Barnao  
Head of Cross-Border Litigation  
and Investigations  
Credit Suisse AG

Date: 5/29/18

By:   
Herbert S. Washer, Esq.  
Counsel for Credit Suisse AG

## ATTACHMENT A

### STATEMENT OF FACTS

1. The following Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement (the “Agreement”) between the United States Department of Justice, Criminal Division, Fraud Section, the United States Attorney’s Office for the Eastern District of New York (collectively, the “Offices”), and Credit Suisse (Hong Kong) Limited (“Credit Suisse” or “CS”). Credit Suisse hereby agrees and stipulates that the following facts and conclusions of law are true and accurate. Credit Suisse admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below.

#### **Relevant Entities and Individuals**

2. Credit Suisse Group AG was a Switzerland-based corporation that, together with its subsidiaries and affiliated companies (collectively, “CSAG”), provided numerous types of financial services, including investment banking, globally. CSAG shares were publicly traded on the New York Stock Exchange and it was an “issuer” within the meaning of the Foreign Corrupt Practices Act (“FCPA”), Title 15, United States Code, Section 78dd-1(a).

3. Credit Suisse (Hong Kong) Limited was a Hong Kong-registered company and wholly-owned subsidiary of CSAG. Credit Suisse offered securities products and financial advisory services in the Asia-Pacific (“APAC”) region under the “Credit Suisse” brand. Credit Suisse (Hong Kong) Limited was an “agent” of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a). Many of Credit Suisse’s clients in China were state-owned enterprises (“SOEs”), which were owned and controlled by the government of China and which performed a function that the government treated as its own, and thus were each an

“instrumentality” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

### **Relevant Credit Suisse Clients, Regulators, and Government Officials**

4. “SOE #1” was a state-owned power company incorporated in Hong Kong and supervised by the Chinese government under State-owned and controlled “Agency A.” SOE #1 was a subsidiary of another state-owned power company, and it was an “instrumentality” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1). SOE #1 was a client of Credit Suisse.

5. “Foreign Official #1” was a high-ranking official at SOE #1, and a close relative of a former, prominent senior Chinese official. Foreign Official #1 was a “foreign official” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

6. “SOE #2” was a diversified holding company registered in Hong Kong and owned by the Chinese government under the supervision of Agency A. SOE #2 held a number of operating business units and subsidiaries based in China and it was an “instrumentality” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1). SOE #2 was a client of Credit Suisse.

7. “Foreign Official #2” was a high-ranking official at SOE #2, who also held board roles with a number of SOE #2’s subsidiary companies. Foreign Official #2 was a “foreign official” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

8. “Agency B” was a Chinese government executive agency that administered macroeconomic policy, budget, and government expenditures. Agency B oversaw most SOEs and SOE-related transactions, and was often a necessary signatory to investment banking transactions involving Chinese SOEs.

9. “Foreign Official #3” was a high-ranking official at Agency B. Foreign Official #3 was a “foreign official” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

10. “SOE #3” was a state-owned investment holding company headquartered in Beijing, China and an “instrumentality” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1). SOE #3 was a client of Credit Suisse.

11. “SOE #4” was a large, state-owned power company in China. It was a client of Credit Suisse and an “instrumentality” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

### **Relevant Credit Suisse Policies and Hiring Procedures**

12. As early as 2007, Credit Suisse’s Global Anti-Bribery Policy specified that “[o]ffers of employment, including internships, to Government Officials, their family members, or associates,” could be considered to be “things of value” under the FCPA, and were prohibited if offered “to obtain or retain business, or otherwise secure an improper advantage.”

### **Overview of Scheme**

13. In or about and between 2007 and 2013, several senior Credit Suisse managers in APAC engaged in a practice to hire, promote, and retain candidates referred by, related to, or otherwise connected with clients, potential clients, and government officials (known as “referral hires” or “relationship hires”), as part of a *quid pro quo*, whereby Credit Suisse bankers sought to win business from the referral sources. Employees in other CSAG subsidiaries and affiliates were aware of certain of these “relationship hires,” and their hires, promotions, and remuneration were approved by certain of these employees.

14. During this time, the aforementioned Credit Suisse managers decided to recommend hiring certain referral hires before conducting interviews or vetting a candidate's qualifications, and instead made hiring decisions principally on the basis of securing business, including specific business mandates from the referring official's employer. For example, one SOE executive emailed a senior Credit Suisse banker to refer a candidate who had a "very good and close relationship"<sup>1</sup> with senior management at the SOE, and wrote that hiring the referral hire would "bring [Credit Suisse] the big surprise in the near future if you could coordinate with CS Asian team to arrange a position in CS team in Beijing." The senior Credit Suisse banker later told a colleague about an impending deal that the SOE was pursuing and explained that the referring SOE official "was focused on having us make a relationship hire and said it was very important for us to win future business with [the SOE]."

15. Credit Suisse managers in APAC instructed subordinate employees to engage in practices to give the appearance that normal hiring processes were being followed for referral hires when they were not. For example, on one occasion a Credit Suisse manager instructed a subordinate employee to draft a resume for a referral hire candidate. On at least one other occasion, Credit Suisse managers instructed subordinate employees to artificially inflate ratings for a referral hire during employment interviews or score individuals highly on hiring forms, regardless of their actual abilities or interview performance.

16. Certain referral hires of government and SOE clients were prioritized based on the understanding and expectation that officials at these clients would reward Credit Suisse with

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<sup>1</sup> Unless bracketed, all quotations appear as in the original document, without corrections or indications of misspellings or typographical errors.

business, and some were deemed a “must hire” even though that term was reserved for exceptional interviewees, which they were not.

17. Credit Suisse maintained spreadsheets that listed “referral hires” or “relationship hires.” These spreadsheets included information identifying the referring client or relationship when the relationship was with a government regulator. Some of these spreadsheets identified the “[c]ontribution” of the referral hire, including in at least three instances, deals specifically attributable to the relevant relationship. In an email to colleagues, a Credit Suisse employee explained: “Relationship hires have to translate to \$” or “the relationship is worthless to our organization.” In a different email, a senior Credit Suisse banker stated that a referral hire “will get us a US\$1bn bond deal. . . . His family requested to change his status to permanent with CS. Given [ ] the level of importance of this deal, we will decide to renew his contract for another 24 months instead of permanent.”

18. Credit Suisse’s referral hires often lacked technical skills, were less qualified, and had significantly less banking and other relevant experience than candidates hired through Credit Suisse’s other employment channels.

19. After the initial hiring of certain referral hires, Credit Suisse continued to provide these referral hires with additional benefits and promotions, including at the request of certain SOE or other government officials, even though these referral hires had performed poorly or were not otherwise suited to receive such benefits or promotions.

20. As a result of the above-mentioned conduct, Credit Suisse received investment banking mandates from Chinese SOEs whose executives referred or were connected to candidates hired by Credit Suisse. Credit Suisse earned over \$46 million in revenues from those mandates.

## Examples of Credit Suisse's Corrupt Hiring Practices

### A. Referral Hire #1

21. In or around March 2010, Credit Suisse was actively pitching for a mandate involving “Chinese Company #1,” a power company. Referral Hire #1 was the daughter of Foreign Official #1, a high-ranking official at SOE #1, which was the controlling shareholder of Chinese Company #1.

22. On or about March 9, 2010, a Credit Suisse Vice President sent an email to a senior investment bank executive in Hong Kong (hereafter, “Employee #1”), attaching Referral Hire #1’s resume and asking whether Employee #1 could “check with [Foreign Official #1] as to whether we can move things to the next step at the same time?” After suggesting “not too many interviews,” as Referral Hire #1 was “a princess [who was] not used to too many rounds of interview,” Employee #1 proposed “giv[ing] her the offer letter asap,” at which point Employee #1 would “push her mum.” Credit Suisse employees realized that Referral Hire #1’s application needed to be more presentable, so they created a resume for her and had “to be a bit ‘creative’ in filling” in the details.

23. Four days after receiving the request to hire, on or about March 13, 2010, Employee #1 emailed the Credit Suisse Vice President, using a shorthand term that referred to Chinese Company #1 in the subject line, writing, “I am seeing [Foreign Official #1] to push. [Foreign Official #1] will get us in the deal.” Two days later, Employee #1 sent another email, again using a shorthand reference to Chinese Company #1 in the subject line, writing, “I am meeting [Foreign Official #1] . . . tomorrow. Where is [Referral Hire #1’s] contract?” A Credit Suisse employee responded that the offer letter was being prepared, and a Credit Suisse HR senior manager (hereafter, “Employee #2) subsequently confirmed Referral Hire #1 would

receive a first year analyst salary and a housing allowance, respectively approximately \$70,000 and \$30,000 annually. In or around April 2010, Credit Suisse booked the mandate for Chinese Company #1, realizing a \$950,000 fee.

24. On or about July 1, 2010, Referral Hire #1 began working at Credit Suisse, without having received any screening or approval from the Credit Suisse Legal and Compliance Department (“LCD”) or any other compliance body. During her probationary period, Referral Hire #1 exhibited unprofessional behavior. In connection with a July 2010 training, Credit Suisse employees complained that she failed to attend a mandatory boot camp, brought her mother to training events, and left early. One Credit Suisse employee wrote that she received the worst grade in the class on an assessment, commenting that “from the looks of her assessment she didn’t even try (she filled in a pattern of 5As in a row, 5 Bs in a row, etc. on the answer key).” Less than a month later, in or around early August 2010, Referral Hire #1 and another intern made “the same exact error which nobody makes” on a homework assignment, and it was “apparent that they shared an Excel file and cheated on the homework.” On or about August 5, 2010, after a Credit Suisse employee reported that Referral Hire #1 “has been leaving at 4 pm right after every lecture every day this week while the rest of the class is working until at least 9pm, 10 pm” and that she “has yet to show up to training today,” Employee #2 commented, “[Referral Hire #1] is the most famous intern ever.” Notwithstanding these performance issues during the probationary period, in or around early October 2010, Referral Hire #1’s employment was fully approved, and both Employee #1 and another employee vouched for her performance.

25. In April 2011, Credit Suisse obtained a mandate from SOE #1 for a convertible bond offering, generating approximately \$1,248,111 in revenue for Credit Suisse upon the closing of the deal. On or about April 12, 2011, a senior investment banking executive (hereafter



“Employee #3”) emailed Employee #1: “We’ve just closed books on the [SOE #1] \$150m CB. Order book is above \$900m.” Employee #1 responded, “[Referral Hire #1] is a star” who “also will help us to get [a] USD2bn [initial public offering (“IPO”)],” adding that they should “say we will promote her to associate 1 if she delivers.” On or about April 18, 2011, shortly before Credit Suisse hosted a dinner in Paris for “[Foreign Official #1] and her delegation” (including Referral Hire #1), Employee #1 emailed a colleague that Referral Hire #1 was Foreign Official #1’s daughter and that they “will promote her to associate soon as she will bring some sizeable IPO mandates to CS.”

26. On or about June 17, 2011, a Credit Suisse managing director emailed Employee #2 that the managing director was “at a complete loss as to what to write for” Referral Hire #1’s evaluation, asking, “[h]as anything been written on her file previously that we could copy and paste?” The two then proposed feedback for Referral Hire #1: “Pls come to the office more often – we would like to see more of your smiling face,” and, “Come to the office, answer your phone, don’t be rude...” On or about June 22, 2011, a Credit Suisse employee emailed Employee #2, attaching “manager summaries for everyone but [Referral Hire #1],” along with the message, “I’m wondering if we can explain that she’s a special situation and there’s no need to give feedback.” Despite this, on or about June 30, 2011, Credit Suisse awarded Referral Hire #1 a bonus of approximately \$58,000.

27. During Referral Hire #1’s employment with Credit Suisse, Referral Hire #1’s mother attended Credit Suisse trainings in New York with her, traveled with her on Credit Suisse business trips, approved a list of client deals for her to work on, and requested that she be promoted by Credit Suisse. For example, in or around May 2012, Employee #1 and a senior investment bank executive (hereafter, Employee #4) had a meeting with Foreign Official #1,

during which Foreign Official #1 approved a list of Credit Suisse clients with whom Referral Hire #1 could work, including SOE #1.

28. On July 5, 2012, Referral Hire #1 was promoted to Associate. Approximately one week later, Employee #1 reported to another banker that Foreign Official #1 told Employee #1 that Foreign Official #1 would do a block trade with Credit Suisse and another international investment bank and would inform Credit Suisse through Referral Hire #1 “when the time is right.” Employee #1 added a request to “[p]ls keep this confidential for now.”

29. In addition, Credit Suisse employees took steps to attribute credit for certain deals to Referral Hire #1, even where she did not contribute any work to those projects. For example, on or about July 25, 2012, Employee #1 drafted an email that Employee #1 directed Referral Hire #1 to send back to Employee #1 and other Credit Suisse managers to make it appear as though Referral Hire #1 had worked to win a mandate from SOE #1 for the privatization of a Chinese state-owned hydroelectric company. After the email was sent, Employee #1 forwarded it to various Credit Suisse employees, giving them the false impression that Referral Hire #1 had herself worked to secure the deal and drafted the email. Later, Employee #1 emailed other Credit Suisse employees to alert them to another email from Referral Hire #1 regarding a SOE #1 block trade, and Employee #1 advised them to respond to Referral Hire #1 that, “[W]e know you made this deal possible for us,” and they ultimately sent similar emails to Referral Hire #1. Shortly thereafter, on or about August 6, 2012, Credit Suisse received the mandate to act as joint bookrunner with the other international investment bank on the SOE #1 equity block trade and convertible bond offering promised by Foreign Official #1 in July, internally referred to by a project name (“Project X”), which generated approximately \$2,680,733 in revenue for Credit Suisse.

30. On or about August 16, 2012, Employee #1 emailed Employee #3 and Employee #4 with the message, “Btw – [Foreign Official #1] mentioned about [Referral Hire #1]’s promotion to VP again.” On or about August 17, 2012, Employee #1 emailed Employee #3 and Employee #4, directing them to “send an email to [Referral Hire #1] on [SOE #1 . . .] [t]hank[ing] her and her mum for the deal.” On or about August 27, 2012, Employee #1 inquired about when Referral Hire #1 could be promoted to “Associate 2,” and Employee #2 agreed to “move [her] class year” on or about September 1, 2012.

31. On or about February 4, 2013, an employee in Credit Suisse’s legal department sent an email to Employee #1, with the subject “I[nvestment ]B[anking ]D[ivision] audit – Project [X],” asking whether the fact that Referral Hire #1 (“the daughter of [Foreign Official #1]”) “worked on Project [X] . . . was highlighted to the in-house legal counsel.” Employee #1 responded that it was Employee #1’s “oversight not to bring to the attention of the in-house legal counsel at the time of the transaction in 2012.”

32. During her tenure at Credit Suisse, Referral Hire #1 received multiple promotions, and Credit Suisse “fast tracked” her promotions by changing her class year. Referral Hire #1 remained at Credit Suisse until her resignation on or about May 31, 2015. In sum, Credit Suisse paid Referral Hire #1 over \$1 million in total compensation.

**B. Referral Hire #2**

33. On or about October 15, 2007, after receiving a resume for Referral Hire #2, Employee #4 emailed three colleagues: “This is the candidate referred by [Foreign Official #2, a high-ranking official at SOE #2].” On or about November 27, 2007, Employee #4 emailed a senior Credit Suisse manager about Referral Hire #2 and another referral hire candidate, writing: “We’re seriously approached by two important clients or business partners for jobs,” noting that

one of the candidates was “referred by [Foreign Official #2, a high-ranking official at SOE #2].” After willfully recommending that they offer each candidate “a 3 month intern opportunity,” Employee #4 added, “Btw, we’re expecting two mandates (one equity and one m&a) from SOE #2 later this year and it’s an important account for us longer term.” On or about December 17, 2007, Credit Suisse provided Referral Hire #2 a three-month employment contract in Shanghai.

34. On or about March 4, 2008, multiple senior employees of Credit Suisse had dinner with Foreign Official #2, during which an upcoming IPO by SOE #2 was discussed. That same evening following dinner, Foreign Official #2 spoke to at least one Credit Suisse attendee about Referral Hire #2 obtaining a permanent position at Credit Suisse. The next day, that Credit Suisse attendee emailed a colleague that Foreign Official #2 would send an email about Referral Hire #2 to a Credit Suisse employee, and added: “We’re pitching for the [SOE #2] IPO, a[] multi billion dollar IPO...” In another email, Employee #4 sought support from another senior banker for Referral Hire #2’s hire, noting “we’re pushed by [Foreign Official #2],” and reiterating that Credit Suisse was pitching for the SOE #2 IPO. Less than two weeks later, or about March 17, 2008, Credit Suisse provided Referral Hire #2 a full-time position in Hong Kong with a salary of approximately \$90,000. In or about May 2008, Credit Suisse received the mandate from a subsidiary of SOE #2 to act as bookrunner on its then forthcoming IPO, generating approximately \$21,090,349 in revenue for Credit Suisse upon the closing of the deal in or around the early-fall of 2009. Credit Suisse was also mandated to act as financial advisor on a SOE #2-related merger and acquisition in May 2008, earning approximately \$225,000.

35. During Referral Hire #2’s four years of employment at Credit Suisse, senior bankers repeatedly emphasized to their colleagues the importance of including Referral Hire #2 in all matters related to SOE #2, referring to ways Referral Hire #2 could be “leveraged” or

included on transactions for which Referral Hire #2 lacked relevant banking experience and expertise.

36. In or around November 2008, during a discussion about reducing the number of junior employees at Credit Suisse in Hong Kong, several senior managers decided to eliminate highly-rated, regular analysts in order to keep client referral hires linked to banking mandates expected in the next year. Employee #4 wrote that with respect to “[Referral Hire #2 (Foreign Official #2 of SOE #2)]” and two other candidates, “we’ll see real relationship revenue coming in the next 12 months if we show good will to them at this critical moment.” In or around March 2009, Credit Suisse was awarded a mandate by SOE #2 that brought in \$1,179,906.

37. Senior APAC managers at Credit Suisse exaggerated Referral Hire #2’s contributions and attributed deal successes and business to Referral Hire #2. On or about May 18, 2009, Employee #4 emailed Referral Hire #2: “We just did the block for [a subsidiary of SOE #2]. You’ll be nominated in the deal team pls give [Foreign Official #2] a call to congratulate him and thank him for the mandate.” Referral Hire #2 later replied, “[A]s I know, almost all banks want to have this deal, including [three competitor banks of Credit Suisse]...But [a subsidiary of SOE #2] decided to give CS si[n]ce [Foreign Official #2] made lots of efforts on this.”

38. The next day, on or about May 19, 2009, Credit Suisse acted as a bookrunner on a secondary offering for the subsidiary company associated with SOE #2 valued at over a half-billion dollars, earning fees of approximately \$6,787,128. On or about June 30, 2009, Referral Hire #2 received a bonus of approximately \$40,000.

39. On or about May 17, 2010, Employee #4 emailed three senior colleagues that “[Foreign Official #2 was] ready for [a SOE #2 affiliate] to do the block next month, aiming to

raise approximately [] via an asset injection. . . He will ask [the SOE #2 affiliate] to arrange a[] bidding process, similar to the [SOE #2 property development company] block we did before. However, given the parent will be in the deal, he won't be too sensitive on the bid price. Let's get ourselves prepared and keep [i]t very confidential at this stage. . . Please make sure that [Referral Hire #2] is invited to the working team.”

40. On or about June 15, 2010, a Credit Suisse banker emailed various senior banking employees to provide an update on the pending and future deals. The banker wrote that a senior official of [SOE #2] “recently obtained greenlight from [Foreign Official #2] regarding asset injection.” In response to the email, Employee #4 directed an employee to “leverage [Referral Hire #2] on all [SOE #2] deal flows.”

41. On or about July 27, 2010, Credit Suisse learned that a SOE #2 affiliate had awarded mandates for a several-hundred-million-dollar bond deal to two Credit Suisse competitors. That day, Referral Hire #2 took steps with senior officials at SOE #2 to secure Credit Suisse a last minute role in the deal. Employee #4 emailed senior colleagues: “Due to [Referral Hire #2]’s last minute lobbying effort with [Foreign Official #2], we can squeeze into a JBR [joint bookrunner] role.” On or about July 28, 2010, Employee #4 referenced the deal and wrote: “It was [Referral Hire #2] who made the last minute breakthrough and got us a role around 6pm last night.” This deal earned Credit Suisse \$222,899. Referral Hire #2’s bonus for 2010 was over \$320,000.

42. Or about May 16, 2011, Employee #1 emailed others that two managing directors wanted to cover SOE #2 more proactively. Employee #1 noted steps a select group of Credit Suisse managers had taken to increase Referral Hire #2’s compensation (without informing their colleagues), writing “we matched [Referral Hire #2]’s bump-up and guarantee. [Referral Hire

#2's] major contribution to the firm will be on this account. How can we push [Referral Hire #2] harder to pursue this account?" Employee #3 then replied privately to Employee #1 that the other senior bankers "don't know about what we did with [Referral Hire #2]. Only [Employee #4], you and me plus H.R." During Referral Hire #2's period of employment with Credit Suisse, Referral Hire #2 was paid approximately \$1.5 million in total compensation. During that same period, Credit Suisse was mandated on five SOE #2 deals, earning over \$29 million dollars.

**C. Referral Hire #3**

43. On February 9, 2009, Employee #1 emailed Employee #4 a copy of Referral Hire #3's resume. Employee #4 forwarded the email to another employee and copied Employee #1 and Employee #2, writing: "The attached candidate is the daughter of [Foreign Official #3, a high-ranking official at Agency B]. [Foreign Official #3] is a very powerful person in the Chinese financial industry and extremely influential in all the banking restructurings/IPOs and . . . m&a transactions.... In addition, [Foreign Official #3] sits on [a significant Chinese] Board and will be very influential to the . . . mandate.... Given the above important background, both [Employee #1] and I are proposing we take an exceptional decision to enroll [Referral Hire #3] into our first year analyst program this year. Please let us know your thoughts." Approximately five days later, on or about February 13, the four agreed to recommend that Referral Hire #3 be offered a term position.

44. On or about November 16, 2009, after receiving a summary of interview feedback for Referral Hire #3, Employee #1 authorized a Credit Suisse recruiting specialist to offer Referral Hire #3 an 18-month contract for a paid position at an approximate salary of \$70,000 per year with a \$30,000 yearly housing allowance eligible for bonuses and a relocation expenses. Shortly thereafter, Employee #1 informed Foreign Official #3 about her daughter's offer, and

Foreign Official #3 also asked Employee #1 and Employee #4 about her daughter's employment arrangement on at least one other occasion. Referral Hire #3 began working at Credit Suisse in or around March 2010.

45. Certain Credit Suisse employees emailed their concerns about Referral Hire #3's qualifications and ability after she was hired. For example, on or about May 9, 2011, a Credit Suisse employee emailed Employee #2, asking with whom Referral Hire #3 was affiliated, as the employee "[d]idn't see that in our RH [referral hire] file/list." Employee #2 replied that Referral Hire #3's mother was "[at or near the top]" of "[Agency B]." In response, the employee asked if they could "share this with LCD [Credit Suisse's Legal and Compliance Department]," to which Employee #2 responded, "I would prefer not to unless there is a clear conflict." Employee #2 added that he doubted Referral Hire #3 was qualified for the position, noting that he had "doubts about her abilities beyond getting a meeting and completing a ppt slide for a pitchbook" and that "if you have met her you might not even believe that!" He also noted, "[I]f we must [disclose Referral Hire #3's relationship], think it is fair to share this as long as we don't ask her Mom to do or sign anything?"

46. During Referral Hire #3's tenure at Credit Suisse, Employee #1 and other Credit Suisse employees sought to promote and convey other benefits upon Referral Hire #3 and use Referral Hire #3's connection to Foreign Official #3 to secure business for Credit Suisse. For example, in or around October 2010, Employee #1 and Employee #4 exchanged emails discussing several meetings the two had had with Foreign Official #3 regarding a mandate Credit Suisse was pursuing with SOE #3 which required Agency B's approval. Employee #1 emailed that Foreign Official #3 had "called [Employee #1] and asked [Employee #1] to pay a visit to [Foreign Official #3]. [Foreign Official #3] wants to know if [Foreign Official #3's] daughter is



happy... I told [Foreign Official #3 that Referral Hire #3] is very happy and we are taking very good care of [Referral Hire #3]...” Immediately thereafter, Referral Hire #3 was placed on the deal team for SOE #3.

47. In or around February 2011, while Credit Suisse was still actively pursuing the SOE #3 mandate, Referral Hire #3 emailed Employee #4 and complained that Referral Hire #3 was not listed as a more senior analyst, stating, “as far as I remember, my mom has told me that CS has agreed to provide a contract with an earlier programme to me.” Less than a week later, Referral Hire #3’s starting class year was changed from 2010 to 2009, meaning that she would be paid at the salary of a third-year employee, rather than a second-year employee.

48. In or around April 2011, while Credit Suisse sought to secure the mandate for the SOE #3 IPO, Employee #1 emailed Referral Hire #3 to “[g]et your mum a full set of the docs which we gave to [the Chairman of SOE #3] when she is back!” On or about May 12, 2011, Employee #4 sent an email to Credit Suisse employees, with the subject “[SOE #3],” encouraging them to “involve[] [Referral Hire #3] in all the meetings given her deep insight of the deal and close relationship with [the Chairman of SOE #3],” which “will be very important to position us on the overall progress.” In or around May 2011, Credit Suisse secured a mandate for the multi-billion dollar IPO of SOE #3 shares that would occur later in 2012, generating approximately \$8,961,177.00 in revenue for Credit Suisse. In or around June 2011, Referral Hire #3 received a bonus of approximately \$90,000.

49. In or around July 2011, as work on the SOE #3 IPO continued, Referral Hire #3 again expressed displeasure at not being promoted, causing Employee #4 to email Employee #1 that Referral Hire #3 is “not happy that she’s not in the newly promoted Associate list,” adding, “Btw, are we done on her situation?” Employee #1 responded that Employee #1 “would take

care of it” and directed Employee #2 to “work on the paperwork approval” to promote Referral Hire #3 from “analyst 2 to Associate 1.” According to Employee #4, such a “bump-up” was an exceptional promotion and an unusual occurrence.

50. On or about May 30, 2011, Employee #1 sent an email to various Credit Suisse employees, noting that “[Referral Hire #3] was instrumental in helping us to secure [SOE #3]” and directing them to “invite [Referral Hire #3] ... on all communications” as she was feeling “left out” and Employee #1 “[w]ant[ed] to keep [Referral Hire #3] happy :).” Less than a month later, on or about June 17, 2011, Employee #2 emailed a Credit Suisse banking manager regarding “[Referral Hire #3],” to inform him that her performance rating had been moved “up to AA” from A, and that “they did so for work to get [SOE #3](?).” In June 2011, Referral Hire #3 received a bonus of approximately \$90,000.

51. On or about August 6, 2011, Employee #1 emailed Employee #3, Employee #4 and others, with the subject, “Don’t forward-Confidential-[SOE #3] political meeting,” writing that “[a Chinese official] promised to the political contact he will give CS the JGC [joint global coordinator] and JBR [joint bookrunner] role in the IPO, based on [Referral Hire #3]’s family’s contribution to [SOE #3].”

52. In or around March 2012, Foreign Official #3 informed Credit Suisse that it received a mandate on an equity offering by a bank for which it earned \$1,776,019.

53. In or around June 2012, Referral Hire #3 received the lowest-level ratings among those to be promoted, and she rose to the level of Associate, with a \$20,000 yearly increase in pay. Thereafter, Referral Hire #3 expressed her “disappoint[ment] that the promotion was only to asso 1 instead of asso 2,” and on or about August 27, 2012, Employee #2 agreed to again

artificially change Referral Hire #3's class year, effectively resulting in another unscheduled and unearned promotion.

54. On or about November 19, 2012, in the context of discussing another potential relationship hire whose aunt was a powerful figure in China, Employee #1 acknowledged that Referral Hire #3 brought in mandates based on her political connections, noting that the potential hire "should be equivalent to [Referral Hire #3] . . . in bringing mandates . . ." In or around December 2012, Employee #2 confirmed Referral Hire #3 had been promoted to Associate 2 and indicated she would become "Associate 3" in January 2013, with a pay increase of approximately \$50,000.

**D. Referral Hire #4**

55. In or about June 2010, Credit Suisse hired Referral Hire #4 as a referral hire from SOE #4 in order to obtain business from SOE #4. Referral Hire #4's hire was arranged by Credit Suisse in or around the summer of 2010, with Employee #3's approval, and Referral Hire #4 was to start as an Associate with a promotion to Vice President ("VP") that same year.

56. Referral Hire #4 started work at Credit Suisse on or about November 8, 2010, and Credit Suisse was awarded a mandate to act "as a joint bookrunner in [a SOE #4 affiliate]'s IPO" on or about November 11, 2010, three days after Referral Hire #4 started. Several weeks later, CS booked approximately \$986,439 in revenue upon the closing of this transaction.

57. In a November 16, 2010 email related to the SOE #4 deal, Employee #1 relayed that when Employee #1 had asked a high-ranking executive of SOE #4 to "push for our incentive," the high-ranking executive "reminded [Employee #1] that we need to pay [SOE #4's] relationship hire – [Referral Hire #4], the Associate well at the year end bonus." On the previous day, Employee #1 had told Employee #2 that Referral Hire #4 was not up for a promotion to VP.

After the discussion with the high-ranking executive at SOE #4, Employee #1 pushed for Referral Hire #4's promotion, which came through less than two months after Referral Hire #4 began working at Credit Suisse. Referral Hire #4 was promoted and consequently became eligible for a bonus. In a prior email exchange between Employee #2 and Credit Suisse employees in London and New York about the requested promotion for Referral Hire #4, a London employee noted that the promotion request was "abnormal."

58. In a Credit Suisse internal spreadsheet that listed specific deals attributable to relationship hires, "[SOE #4]" was listed as Referral Hire #4's "[c]ontribution" to the company. Referral Hire #4 was terminated approximately one year after starting at Credit Suisse.

## ATTACHMENT B

### **CORPORATE COMPLIANCE PROGRAM**

In order to address any deficiencies in its internal controls, compliance codes, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, Credit Suisse AG (“CSAG”) on behalf of itself and its subsidiaries and affiliates, agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, CSAG agrees to adopt new, or to modify its existing, compliance programs, including internal controls, compliance policies, and procedures in order to ensure that it maintains: (a) an effective system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that incorporates relevant internal accounting controls, as well as policies and procedures designed to effectively detect and deter violations of the FCPA and other applicable foreign law counterparts (collectively, the “anti-corruption laws”). At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of CSAG’s existing internal controls, compliance codes, policies, and procedures:

#### *High-Level Commitment*

1. CSAG will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policies against violations of the anti-corruption laws and its compliance codes.

2. CSAG will develop and promulgate a clearly articulated and visible corporate policy against violations of the anti-corruption laws, which policy shall be memorialized in a written compliance code or codes.

3. CSAG will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws and CSAG's compliance code, and CSAG will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws by personnel at all levels of CSAG. These anti-corruption policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of CSAG in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"). CSAG shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of CSAG. Such policies and procedures shall address:

- a) hiring;
- b) gifts;
- c) hospitality, entertainment, and expenses;
- d) customer travel;
- e) political contributions;
- f) charitable donations and sponsorships;
- g) facilitation payments; and
- h) solicitation and extortion.

4. CSAG will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that:

- a) transactions are executed in accordance with management's general or specific authorization;
- b) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;
- c) access to assets is permitted only in accordance with management's general or specific authorization; and
- d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

#### *Periodic Risk-Based Review*

5. CSAG will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of CSAG, in particular the foreign bribery risks facing CSAG, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in CSAG's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. CSAG shall review its anti-corruption compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

#### *Proper Oversight and Independence*

7. CSAG will assign responsibility to one or more senior corporate executives of CSAG for the implementation and oversight of CSAG's anti-corruption compliance codes, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, CSAG's Board of Directors, or any

appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

#### *Training and Guidance*

8. CSAG will implement mechanisms designed to ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk to CSAG, and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. CSAG will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with CSAG's anti-corruption compliance codes, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which CSAG operates.

#### *Internal Reporting and Investigation*

10. CSAG will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or CSAG's anti-corruption compliance code, policies, and procedures.



11. CSAG will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or CSAG's anti-corruption compliance code, policies, and procedures.

#### *Enforcement and Discipline*

12. CSAG will implement mechanisms designed to effectively enforce its compliance codes, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. CSAG will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and CSAG's anti-corruption compliance codes, policies, and procedures by CSAG's directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. CSAG shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance codes, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

#### *Third-Party Relationships*

14. CSAG will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. informing agents and business partners of CSAG's commitment to abiding by anti-corruption laws, and of CSAG's anti-corruption compliance code, policies, and procedures; and

c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, CSAG will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the 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 breach of the anti-corruption laws, CSAG's compliance code, policies, or procedures, or the representations and undertakings related to such matters.

#### *Mergers and Acquisitions*

16. CSAG will develop and implement policies and procedures for mergers and acquisitions requiring that CSAG conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

17. CSAG will ensure that CSAG's compliance code, policies, and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with CSAG and will promptly:

a. train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anti-corruption laws and CSAG's compliance code, policies, and procedures regarding anti-corruption laws; and

b. where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

*Monitoring and Testing*

18. CSAG will conduct periodic reviews and testing of its anti-corruption compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and CSAG's anti-corruption code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT C

**CORPORATE COMPLIANCE REPORTING**

Credit Suisse (Hong Kong) Limited (“CSHK”) and Credit Suisse AG (“CSAG”) agree that they will report to the Offices periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment B. During this three-year period, CSHK and CSAG shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two follow-up reviews and reports, as described below:

a. By no later than one year from the date this Agreement is executed, CSHK and CSAG shall submit to the Offices a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve CSHK and CSAG’s internal controls, policies, and procedures for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to Deputy Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Eleventh Floor, Washington, DC 20530 and Chief, Business and Securities Fraud Unit, United States Attorney’s Office for the Eastern District of New York, 271 Cadman Plaza East, Brooklyn, NY 11201. CSHK and CSAG may extend the time period for issuance of the report with prior written approval of the Offices.

b. CSHK and CSAG shall undertake at least two follow-up reviews and reports, incorporating the Offices’ views on CSHK and CSAG’s prior reviews and reports, to further monitor and assess whether CSHK and CSAG’s policies and procedures are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

c. The first follow-up review and report shall be completed by no later than one year after the initial report is submitted to the Offices. The second follow-up review and report shall be completed and delivered to the Offices no later than thirty days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by 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 responsibilities or is otherwise required by law.

e. CSHK and CSAG may extend the time period for submission of any of the follow-up reports with prior written approval of the Offices.