



compliance systems which cover in an appropriate manner all activities concerning the United States;

WHEREAS, a separate Crédit Lyonnais Order to Cease and Desist and an Order of Assessment of a Civil Money Penalty issued by the Board of Governors (the "Crédit Lyonnais Board Order") resolves in the United States on its effective date allegations relating to conduct by Crédit Lyonnais, before it became a subsidiary of Crédit Agricole, that Crédit Lyonnais: (a) made repeated false representations to the Board of Governors in violation of 18 U.S.C. § 1001 in connection with the Board of Governors' supervision of Crédit Lyonnais concerning its relationships to and investments in Apollo Investment Fund, L.P., AIF II, L.P., New California Life Holdings, Inc., and Artemis, S.A. and its parent company; (b) violated section 4 of the Bank Holding Company Act of 1956, as amended (the "BHC Act"), 12 U.S.C. § 1843, in connection with its indirect acquisition and retention for purposes of the BHC Act of more than five percent of the voting shares of New California Life Holdings, Inc.; and (c) violated section 5(c) of the BHC Act, 12 U.S.C. § 1844 (c), and section 225.5 of Regulation Y, 12 C.F.R. § 225.5 in connection with the filing of false Federal Reserve Forms Y-7 with the Board of Governors with respect to the investments set forth above;

WHEREAS, there is no evidence or allegation that Crédit Agricole has been involved in any manner whatsoever in the matters that have resulted in the issuance of the Crédit Lyonnais Board Order, which conduct occurred before Crédit Lyonnais became a subsidiary of Crédit Agricole on or about June 19, 2003;

WHEREAS, solely in light of Crédit Lyonnais' status as a subsidiary of Crédit Agricole and Crédit Agricole's proposed business plans to consolidate some or all of Crédit

Lyonnais' activities in the United States with other entities within the Crédit Agricole group, it is necessary and appropriate for Crédit Agricole to adopt an Enhanced Compliance Program;

WHEREAS, Crédit Agricole and Crédit Lyonnais have thus consented to the Order issued by the Board of Governors and to the Decision taken by the Commission Bancaire herein joined (the "Order and Decision");

WHEREAS, for the Board of Governors this Order and Decision is an Order issued pursuant to section 8(b) of the Federal Deposit Insurance Act, as amended (12 U.S.C. § 1818(b)) (the "FDI Act");

WHEREAS, for the Commission Bancaire this Order and Decision is a Decision taken pursuant to Articles L.613-8, L.613-13 and L.613-16 of the Code monétaire et financier (the C.M.F.);

WHEREAS, this Order and Decision is in France a measure of application of the Decision, issued July 24, 2003, by the Commission Bancaire pursuant to C.M.F. Article L.613-16, (the "July 24 Decision") which provides for a Global Enhanced Compliance Program, whose supervision, as far as it concerns the application of the rules and regulations of the United States of America, calls for a close cooperation between the Commission Bancaire as the home country supervisor and the Board of Governors as a host country supervisor, pursuant to C.M.F. Article L.613-13, and furthermore needs specific reporting requirements pursuant to C.M.F. Article L.613-8;

WHEREAS, this Order and Decision, the Crédit Lyonnais Board Order, and a separate Written Agreement between Crédit Agricole and the Federal Reserve Bank of New York (the "Reserve Bank") on Crédit Agricole's responsibilities with respect to the Crédit

Lyonnais Board Order, constitute the formal action by the Board of Governors on this matter (the "Board Actions");

WHEREAS, on July 18, 2003, the Board of Directors of Crédit Agricole adopted a resolution authorizing Jean Laurent to enter into this Order and Decision on behalf of Crédit Agricole, and consenting to compliance by Crédit Agricole and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(4) of the FDI Act (12 USC. §§ 1813(u) and 1818(b)(4)), with each and every provision of this Order and Decision; waiving any and all rights that Crédit Agricole may have pursuant to section 8 of the FDI Act (12 U.S.C. § 1818) to: a hearing for the purpose of taking evidence on any matters set forth in this Order and Decision; to judicial review of this Order and Decision; and to challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provisions hereof; and consenting to public issuance of this Order and Decision; and

WHEREAS, on July 30, 2003, the Board of Directors of Crédit Lyonnais adopted a resolution authorizing and directing Dominique Ferrero or his delegee (Jean-Francois Verny, pursuant to a power of attorney granted by Dominique Ferrero on November 24, 2003) to enter into this Order and Decision on behalf of Crédit Lyonnais, and consenting to compliance by Crédit Lyonnais and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(4) of the FDI Act (12 USC. §§ 1813(u) and 1818(b)(4)), with each and every provision of this Order and Decision; waiving any and all rights that Crédit Lyonnais may have pursuant to section 8 of the FDI Act (12 U.S.C. § 1818) to: a hearing for the purpose of taking evidence on any matters set forth in this Order and Decision; to judicial review of this Order and Decision; and to challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of

this Order or any provisions hereof; and consenting to public issuance of this Order and Decision.

NOW, THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein pursuant to U.S. law in full recognition of the respect of the provisions of article 24 of the French law n°2000-321 relating to the rights of the citizens in their relations with administrations, and without this Order and Decision constituting an admission or denial by Crédit Agricole and Crédit Lyonnais of any allegation made or implied by the Commission Bancaire or the Board of Governors in connection with this matter, and, in the United States of America solely for the purpose of settling the above-mentioned matters without formal proceedings being filed and without the necessity for protracted or extended hearings or testimony and pursuant to the aforesaid resolutions and, in France, for the application of the July 24 Decision to matters of compliance with the laws and regulations of the United States of America:

Pursuant to L.613-8, L.613-13 and L.613-16 of the C.M.F. with respect to the Commission Bancaire and section 8(b) of the FDI Act (12 U.S.C. § 1818(b)) with respect to the Board of Governors, it is hereby decided and ordered that Crédit Agricole, Crédit Lyonnais and each of their subsidiaries and above-mentioned institution-affiliated parties, shall take action as follows:

**ENHANCED AMERICAN LAW COMPLIANCE PROGRAM**

1. The enhanced global bank regulatory compliance program (the “Program”) that Crédit Lyonnais and CAI, under the responsibility of Crédit Agricole as head of the consolidated financial group, shall develop pursuant to the July 24 Decision will specifically cover all matters related to compliance with the Laws of the United States of America (“US

Law”), in particular the BHC Act and the other laws and regulations mentioned in this Order and Decision, with respect to any activity to which such laws and regulations apply (“Specific US Compliance”). The committee on compliance of the Board of Directors of Crédit Agricole provided for by the July 24 Decision will also have responsibility for overseeing Specific US Compliance; and its semi-annual and other reports, as necessary, to the Crédit Agricole Board of Directors shall review all significant matters in this field.

2.
  - (a) The executive level officer responsible for the Program will be directly responsible for monitoring compliance with the requirements of this Order and Decision and of the Crédit Lyonnais Board Order. He or she shall be given the authority and the resources necessary to meet these responsibilities;
  - (b) The head internal auditor with responsibility for the global audit programs of Crédit Agricole, CAI, and Crédit Lyonnais will be responsible for all audits related to Specific US Compliance.
3. As part of the Program, a segment shall focus on Specific US Compliance. The focus on US compliance issues shall include, at a minimum:
  - (a) designation of an experienced management level employee familiar with United States banking law and regulations with responsibility and authority for that portion of the program that addresses operations and investments in the United States by Crédit Agricole, Crédit Lyonnais and CAI. The designated person shall be or shall report directly to the executive level officer described in Paragraph 2 (a), above;
  - (b) detailed steps the relevant compliance unit with responsibility for Specific US Compliance will take to ensure that the operations and investments of Crédit Agricole, CAI, and Crédit Lyonnais in the United States comply with relevant laws and regulations, including the requirements set forth in the Board Actions;
  - (c) an audit program to ensure a regular audit by internal and external auditors of Crédit Agricole’s, CAI’s, and Crédit Lyonnais’ operations and investments in the United States with respect to Specific US Compliance; and
  - (d) a regimen for the periodic and ongoing assessment by business areas of the effectiveness of policies and procedures implemented pursuant to this Order and Decision and the Board Action, reports to the management compliance committee chaired by the executive level officer responsible for the implementation of the Program of the results of such self assessments together with plans for addressing

issues uncovered in such reviews, and oversight by the Crédit Agricole Board level committee focusing on the implementation and effectiveness of the plans proposed and implemented by business areas.

4. Within 60 days, Crédit Agricole, and Crédit Lyonnais shall submit to the Commission Bancaire and Board of Governors a written plan to implement the Specific US Compliance part of the Program in relation to activities in or affecting the United States of America, including a schedule for implementation. The written plan shall be acceptable to the Commission Bancaire and to the Board of Governors. Crédit Agricole and Crédit Lyonnais, as addressees of the Board Actions and of this Order and Decision shall fully comply with the accepted written plan. Crédit Agricole shall cause CAI to fully comply with the accepted written plan, in the framework of the July 24 Decision. Crédit Agricole and Crédit Lyonnais shall not amend or rescind the written plan, as accepted, without the prior written approval of the Commission Bancaire and the Board of Governors.
  
5. Crédit Agricole and Crédit Lyonnais shall develop and Crédit Agricole shall cause CAI to develop written policies and procedures designed to implement fully the accepted written plan required by Paragraph 4, above. The initial written policies and procedures shall be furnished in writing to the Commission Bancaire and to the Board of Governors within 60 days after acceptance of the written plan. Any amendments or additions to, or deletions from the policies and procedures as furnished to the Commission Bancaire and the Board of Governors shall be furnished promptly to the Commission Bancaire and the Board of Governors. Such policies and procedures shall include, at a minimum:
  - (a) principles which are the basis for structuring transactions and business activities for Specific US Compliance including provision for obtaining, as appropriate, legal or any other technical advice; and making notification, as required, to the

Commission Bancaire or the Board of Governors or, if relevant, another host country supervisor, sufficient to ensure compliance with the law in the location where the investment is made or activity is taking place, regardless of the entity through which the investment or activity is made or managed;

- (b) establishment of a compliance reporting system widely publicized within the organization and integrated in the general reporting system provided for by the July 24 Decision that employees may use to report any Specific US Compliance problems, and that enable Crédit Agricole, CAI and Crédit Lyonnais to report promptly any such problems as required by law to the Commission Bancaire, the Board of Governors, or any other US governmental authority as appropriate;
  - (c) procedures to monitor the status and evaluate the effectiveness of corrective action taken to address any weaknesses identified by audit and compliance personnel. Such procedures will include specific notification to the board level compliance committee of any weaknesses discovered in relation to Specific US Compliance, the plans for corrective action, and results observed through monitoring remediation and follow up validation reviews;
  - (d) procedures related to Specific US Compliance addressing, in application of the July 24 Decision:
    - (i) pre-transaction approval procedures including counterparty review; and
    - (ii) post-transaction control procedures;
  - (e) procedures on receiving employee information on any compliance problems arising under the Program or Program weaknesses which procedures shall apply to all matters related to Specific US Compliance including assuring the maintenance of the employment status of employees providing such information;
  - (f) training of employees in compliance issues appropriate to the employee's job responsibilities on an ongoing or periodic basis, which will cover specifically, whenever appropriate, Specific US Compliance; and
  - (g) standards for performance appraisals of employees which will take into account the employee's role in the avoidance of compliance problems covered by this Order and Decision and the Board Actions and the reporting of compliance incidents when discovered or suspected.
6. On at least an annual basis, in conjunction with its audit(s) of the Program or otherwise, Crédit Agricole and Crédit Lyonnais shall review, and Crédit Agricole shall cause CAI to review, their policies and procedures and make any changes appropriate to ensure that the Program is functioning effectively to minimize the incidence of compliance problems in

the field covered by this Order and Decision, and effectively detect, correct, and report them when they occur.

**EFFECT AND TERMS OF THE ORDER AND DECISION**

7. The provisions of this Order and Decision shall not bar, estop or otherwise prevent the Board of Governors or any other U.S. federal or state agency or department from taking any other action affecting Crédit Agricole or Crédit Lyonnais or any of their current or former subsidiaries, or affiliates based on facts other than those encompassed in the allegations recited in this Order and Decision or the above-mentioned Board Actions. The provisions of this Order and Decision shall not prohibit the issuance of the other above-mentioned Actions that constitute with it the Board Actions.
8. Each provision of this Order and Decision shall remain effective and enforceable according to the laws of the United States of America and of the French Republic until stayed, modified, terminated or suspended by the Commission Bancaire and the Board of Governors. Crédit Agricole and Crédit Lyonnais may apply to the Commission Bancaire and the Board of Governors to have this Order and Decision terminated, modified, suspended or amended.
9. No amendment to the provisions of this Order and Decision shall be effective unless made in writing by the Commission Bancaire, the Board of Governors and by Crédit Agricole and Crédit Lyonnais.
10. The provisions of this Order and Decision shall be binding on Crédit Agricole, Crédit Lyonnais, and their successors and assigns according to the laws of the United States of America and the French Republic. Crédit Agricole shall cause CAI to comply with all relevant terms of this Order in the framework provided for by the July24 Decision.

11. No representations, either oral or written, except those provisions as set forth herein, were made to induce any of the parties to agree to the provisions as set forth herein.
12. Notwithstanding any provision of this Order and Decision, the Commission Bancaire and the Reserve Bank may in their discretion, grant written extensions of time to Crédit Agricole or Crédit Lyonnais to comply with any provision of this Order and Decision.
13. All communications regarding this Order and Decision shall be addressed to:
  - (a) J. Virgil Mattingly, Jr., Esq.  
General Counsel  
Board of Governors of the  
Federal Reserve System  
20th & C Streets NW  
Washington, DC 20551
  - (b) Mr. Robert A. O'Sullivan  
Senior Vice President  
Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045
  - (c) Secrétariat Général de la Commission Bancaire,  
Commission Bancaire  
73, rue de Richelieu  
75002 PARIS

With a copy to:

- (d) Jean Laurent  
Chief Executive Officer  
Crédit Agricole, S.A.  
91-93 Boulevard Pasteur  
75710 Paris CEDEX 15, France
- (e) Jean-François Verny  
Secretary general  
Crédit Lyonnais  
19 Boulevard des Italiens  
75002 Paris, France

IN WITNESS WHEREOF, the parties have caused this Order and Decision,  
issued in French and English, both languages deemed to be of equal legal value in accordance  
with the applicable laws, to be executed this 8<sup>th</sup> day of January 2008<sup>4</sup>

COMMISSION BANCAIRE

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM

By: \_\_\_\_\_

Danièle Nouy  
Secretary general

\_\_\_\_\_  
Jennifer J. Johnson  
Secretary of the Board

CRÉDIT LYONNAIS, S.A.

CRÉDIT AGRICOLE, S.A.

By: \_\_\_\_\_

Jean-François Verny  
Secretary general

By: \_\_\_\_\_

Jean Laurent  
Chief Executive Officer