



BANK SADERAT PLC

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IMPORTANT NOTICE

Financial Sanctions

The London Branch of Bank Saderat Iran first opened for business in 1963 and in 2002 merged with the Iran Overseas Investment Bank PLC to form Bank Saderat PLC.

Despite having been regulated by the Financial Services Authority of the United Kingdom (FSA) and prior to the formation of the FSA, by the Banking Supervision Division of the Bank of England, Bank Saderat PLC is disappointed to have to announce that on 27th July 2010, the Council of the European Union imposed financial sanctions on the Bank. There is no allegation that the Bank has broken any UK or EC laws or regulations and the notice states the reason for the sanctions being that Bank Saderat PLC is a 100% owned subsidiary of Bank Saderat Iran. These sanctions were imposed under Council Implementing Regulation (EU) No. 668/2010 implementing Article 7(2) of Council Regulation (EU) No 423/2007 concerning restrictive measures against Iran and further by the Iran (European Community Financial Sanctions) Regulations 2007 (the "UK Iran Regulations").

One of the effects of the imposition of sanctions is that Bank Saderat PLC is subject to an asset freeze. This includes a prohibition on the Bank or any other person dealing with the Bank's funds and economic resources and a prohibition on any person making funds or economic resources available, directly or indirectly, to or for the benefit of the Bank without a licence from HM Treasury in the United Kingdom.

"Funds" are defined in both the EU Regulation and the UK Regulations and include financial assets and benefits of every kind. The Bank will not be able to access money held in its accounts, nor use any funds currently in its possession without a licence from HM Treasury.

The Bank is working together with HM Treasury to ensure that all appropriate licences are made available without delay.

PAYMENTS TO BANK SADERAT PLC

The asset freeze prohibits persons from making funds available, directly or indirectly, to or for the benefit of the bank unless licensed by the Treasury. However there are certain exceptions to this prohibition, where payments can be made to frozen accounts held with the bank. Any payments in to a frozen account held with the Bank will themselves become automatically frozen.

The exception that already appears in regulation 8 of the UK Iran Regulations allows funds to be credited to a frozen account in connection with any contracts, agreements or obligations that were concluded or arose prior to 23rd December 2006. Annex I to the Notification published on 27th July 2010 provides a licence from HM Treasury to extend the date of those contracts, agreements or obligations to which the exemption applies, to those concluded or which arose before 27th July 2010 where a person has been added to Annex V of Regulation 423/2007 by virtue of Regulation No 668/2010.

If your payment fits into this category you do not need to apply to HM Treasury for a licence but, if you have any questions regarding payments due to Bank Saderat PLC please contact us and we will advise you so that your payment is made without any breach of UK or EC regulations.

PAYMENTS BY BANK SADERAT PLC

If you hold an account with Bank Saderat PLC and wish us to make a payment on your behalf, we may be able to do so, subject to the receipt of the appropriate licence from HM Treasury. We will apply for the necessary licence on your behalf and are in the process of writing to all of our customers to inform you individually of the information we will need from you in order for us to make the application. If you are a beneficiary under a letter of credit, you may apply directly to HM Treasury for a licence using the form available on HM Treasury's website. We would ask however, that you inform us of your application and provide us with a copy of the completed form to avoid unnecessary duplication.

If you are a supplier to the Bank, do not be concerned that the Bank will be unable to settle your invoices. Bank Saderat PLC has already received a Routine Payments Licence from HM Treasury therefore all invoices will be paid as normal, subject of course, to our normal authorisation process.

Further Information

Further information may be obtained from the following web-site:
http://www.hm-treasury.gov.uk/fin_sanctions_iran.htm