DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

SETTLEMENT AGREEMENT

This settlement agreement (the "Agreement") with respect to [redacted] is made by and between the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and Unicat Catalyst Technologies, LLC for itself and as successor to Unicat Catalyst Technologies, Inc and its subsidiaries, assignees, successors, and affiliates worldwide (collectively, "Unicat" or "Respondent").

I. PARTIES

OFAC administers and enforces economic sanctions against targeted foreign countries, regimes, terrorists, international narcotics traffickers, human rights abusers, and proliferators of weapons of mass destruction, among others. OFAC acts under Presidential national emergency authorities, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction.

Respondent is located in Alvin, Texas. Its primary business involves supplying catalyst products used in petrochemical refining operations and steel mills and providing consulting services related to the use of catalyst products in refining operations. In September 2020, Respondent was acquired by a U.S.-based private equity company (the "Parent Company"). Then later in April 2021, the Parent Company subsequently merged Respondent's operations with a newly acquired United Kingdom-based ceramics and catalyst manufacturing company.

II. FACTUAL STATEMENT

Unicat's Structure and Operations

From at least 2016 and throughout the relevant period, Respondent sourced most of its catalysts from manufacturers in China through a natural person (the "Supplier") that operated in both the United States and China. In doing so, the Supplier would directly coordinate the purchase and exportation of catalysts from Chinese manufacturers. In 2018, the Supplier incorporated a company under the Unicat brand name in Dalian, China (the "China Office") to fulfill purchase orders for the Respondent. For the most part, the China Office shipped directly from China to Respondent's customers around the world, or, once the Supplier arranged shipment and received payment for the goods in China, shipped the catalysts to distribution warehouses in the United States or the Netherlands, where Respondent's majority-owned Dutch affiliate would make onward delivery to Unicat's global clientele. Although most of Respondent's orders were satisfied by exports from China, a smaller number of orders were fulfilled by Respondent's exportation of catalyst products from the United States.

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Respondent's Sales to Iran

In August 2016, Respondent entered into a distribution agreement with a regional distributor (the "Distributor") operating in the United Arab Emirates (UAE) and Iran, pursuant to which the Distributor would sell Respondent's catalyst products to Iran. This agreement was renewed in July 2020.

Once the Respondent or Distributor received and confirmed an order, Respondent would work with the Supplier and the China Office to source catalyst products from Chinese manufacturers and arrange for shipment from China or the United States to the Distributor in the UAE for onward shipment to Iran. Respondent typically received payment for its sale of catalyst products and services directly from the Distributor, or in the form of a credit with the China Office. Respondent also used its Dutch affiliate to facilitate sales from China or the United States to the UAE for onward shipment to Iran. Additionally, Respondent provided technical consultation on the use of its catalyst products through email correspondence and on-site visits to Iran. Respondent knew that the end users of these catalyst products were petrochemical refineries, petrochemical companies, and steel plants in Iran, including the Lavan Refinery, Esfahan Steel Company, the Bandar Abbas Refinery, Persian Gulf Star Refinery, Arya Sasol Polymer Company, and Morvarid Petrochemical.[1]

Senior Management and Shareholders Knew that Dealing with Iran was Prohibited

Respondent's former senior management, including the former chief executive officer (CEO), and at least two of the Respondent's former shareholders knew that Respondent's dealings with Iran would constitute a violation of U.S. law, but nonetheless proceeded to sell catalyst products to end users in Iran. For example, in 2015, Respondent's former CEO acknowledged in correspondence with a sales agent that selling products to and dealing with Iranian customers violated U.S. laws.

Respondent also knew about the need for authorization from OFAC to engage in transactions involving Iran. On September 22, 2017, a U.S.-based shipping agent forwarded a supply chain manager advice that Respondent's shipment could proceed if it qualified for an OFAC general license concerning Iran, or that Respondent could request a specific license from OFAC as an alternative. In response, Respondent informed the shipping agent that the products did not qualify for an OFAC general license. Subsequently, rather than applying for a specific license from OFAC, Respondent instead used a freight forwarder nominated by the Distributor to ship goods to the UAE for onward shipment to Iran.

Similarly, in correspondence related to a July 2018 purchase order, a Unicat supply chain manager shared information that described U.S. sanctions against Iran with the former CEO and asked how to proceed. The supply chain manager stated that "sending from the US [sic] will not be an option" and copied several paragraphs from a third-party logistics company describing "what is allowed" and "what is prohibited" in relation to the U.S. "trade embargo with Iran." In

[1] Esfahan Steel Company, Arya Sasol Polymer Company, Morvarid Petrochemical, and Persian Gulf Star Refiner were later designated. *See* Designation Press Release, January 10, 2020; Designation Press Release, October 29, 2020; and Designation Press Release, July 6, 2022.

response, the former CEO advised Unicat's Dutch affiliate it could handle the order and that products could be shipped to Iran from China. Subsequently, the supply chain manager confirmed receipt of the purchase order with the Distributor.

Likewise, in early December 2018, an accountant forwarded two of Respondent's then partial owners email correspondence related to how the Distributor would settle payment for a sale made to a customer in Iran. One partial owner responded to the other: "I deleted this out of the wires and told them to see if they can push this off…at least until Tuesday." A week later, on December 11, 2018, Respondent's then board of directors assembled to discuss its "ongoing business in Iran and [h]ow that affects the company and how it's being handled internally."

Concealment of Iranian Nexus on Business Documents

Aware that its conduct would violate U.S. law, Unicat employees sought to conceal their involvement with Iran since at least 2017. In correspondence regarding catalyst products shipped from the United States to the UAE in October 2017, the Distributor advised Respondent not to mention Iran or Bandar Iran when working with U.S. freight companies. Respondent confirmed that it would use addresses provided by the Distributor that did not include references to Iran or Bandar Iran.

Similarly, in May 2018 email correspondence concerning an order for catalyst products destined for Iran, an employee of the Distributor emailed Respondent's former CEO to request information for a bank in Europe or China that could receive payment for catalyst products because "obviously, we cannot perform with the US." The former CEO instructed the Distributor to open the purchase order with the Dutch affiliate while noting that the catalyst products would be shipped from China. In the same email, the former CEO instructed the Dutch affiliate employees to provide information for a bank in Europe or otherwise place the order directly with the China Office. Additionally, in correspondence with the Distributor, Respondent's former CEO stated, "see what bank our group can use in China to receive these orders from Iran directly as Europe and USA cant [sic] process." On June 14, 2018, the Distributor requested additional payment information from the China Office and stated that "the only reason" it was dealing with the China Office "on this PO" was because it could not send money directly to Respondent because "it is Iran."

Likewise, in January 2019, when discussing shipping logistics associated with Iranian customer orders Respondent employees began referring to Iran as "I" in email communications. They also discussed who to share, or not share, shipping documents with since, according to the Respondent employees, "sanctions have been tougher now." Months later, in April 2019, a Respondent logistics manager informed another employee that "we are supposed to receive another [purchase order] from 'I'" in correspondence discussing business in Iran. The very next month, in May 2019, a Respondent sales manager wrote to another employee that "[W]e should drop all these activities immediately. And please I suggest you don't put the country name on any communication, especially not on email title or subject."

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Sale to Blocked Venezuelan Entity

In addition to Respondent's dealings involving Iran, it also sold catalyst products to the Venezuelan company Orinoco Iron S.C.S. ("Orinoco") in May 2020. Orinoco, located in Puerto Ordaz, Venezuela, was owned by the Government of Venezuela at this time. Similar to its dealings involving Iran, Respondent worked with the Supplier and the China Office to source the catalyst products and arranged for shipment directly from China to Venezuela. In May 2020, the former CEO wrote to the Supplier, "[T]his is the first order from Venezuela…from Orinoco Iron" and he instructed the Supplier to obfuscate the ultimate recipient of the shipment by addressing it to another company. The former CEO also arranged to receive the $517,000 payment as a credit from the China Office, so Respondent would not receive funds for the transaction with the Venezuelan entity directly.

III. APPARENT VIOLATIONS

Between October 2016 and February 2021, Respondent appears to have violated § 560.204 of the Iranian Transactions Sanctions Regulations, 31 C.F.R. part 560 ("ITSR") on ten occasions when it exported, sold, or supplied: (1) catalyst products from the United States to the UAE with the knowledge these goods would be reexported to end users in Iran; (2) catalyst products to Iran that were sourced from manufacturers in China; and (3) technical services for the use of catalyst products to a person in Iran. Additionally, between July 2018 and February 2020, Respondent appears to have violated § 560.208 of the ITSR on three occasions when it facilitated the sale of catalyst products through its majority-owned Dutch affiliate to Iran. Separately, in May 2020, Respondent appears to have also violated § 591.201 of the Venezuela Sanctions Regulations, 31 C.F.R. part 591 ("VSR") on one occasion when it sold catalyst products to Orinoco, which was prohibited because it is owned by the Government of Venezuela. (Respondent's 14 apparent violations of the ITSR and VSR are collectively rereferred to as the "Apparent Violations.")

Pursuant to OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, Appendix A (the "Enforcement Guidelines"), OFAC determined that Respondent's conduct was voluntarily self-disclosed and constitutes an egregious case.

IV. TERMS OF SETTLEMENT

OFAC and Respondent agree as follows:

1. In consideration of the undertakings of Respondent in paragraph 2 below, and subject to the breach provisions of this Agreement in 2.D and 2.E below, OFAC agrees to enter into a monetary settlement in the amount of **$3,882,797** and to release and forever discharge Respondent, without any finding of fault, from any and all civil liability in connection with the Apparent Violations described above, and to no other potential violations, whether or not disclosed to OFAC, arising under the legal authorities that OFAC administers.

   A. Respondent's obligation to pay OFAC the portion of the settlement totaling $3,325,052 arising from its apparent violations of the ITSR and the VSR shall be

deemed satisfied up to an equal amount of payments in forfeiture of the proceeds of the offenses described in the Statement of Facts attached to Respondent's Non-Prosecution Agreement with the U.S. Department of Justice arising out some of the same conduct, such that Respondent would be obligated to pay $557,745 to the U.S. Department of the Treasury upon such forfeiture.

2. In consideration of the undertakings of OFAC in paragraph 1 above:

   A. Respondent agrees, as promptly as possible and no later than thirty (30) days after both parties have signed this Agreement, to: (1) pay the U.S. Department of the Treasury (the "Department") the amount of **$557,745.** Respondent's payment must be made either by electronic funds transfer in accordance with the enclosed "Electronic Funds Transfer (EFT) Instructions," or by cashier's or certified check or money order payable to the "U.S. Treasury" and referencing [redacted] Unless otherwise arranged with the Department's Bureau of the Fiscal Service, Respondent must either: (1) indicate payment by electronic funds transfer, by checking the box on the signature page of this Agreement; or (2) arrange to send the payment by cashier's or certified check or money order.

   B. Respondent agrees to waive (i) any claim by or on behalf of Respondent, whether asserted or unasserted, against OFAC, the Department, or its officials and employees arising out of the facts giving rise to the enforcement matter that resulted in this Agreement, including but not limited to OFAC's investigation of the Apparent Violations; and (ii) any possible legal objection to this Agreement at any future date.

   C. **Compliance Commitments:** By entering into this Agreement, Respondent represents that Respondent, including its senior management, recognizes the seriousness of apparent violations of the laws and regulations administered by OFAC, and acknowledges its understanding of the apparent violations at issue. Respondent also (1) represents that it has terminated the apparently violative conduct described above; and (2) has established and will maintain for at least five years following the execution date of this Agreement a sanctions compliance program, and associated measures, designed to minimize the risk of recurrence of similar conduct.

      Specifically, as part of these sanctions compliance measures, Respondent agrees to the following Compliance Commitments:

      (1) **Management Commitment:**

         a. Senior management has reviewed and approved Respondent's sanctions compliance program, including enhancements implemented in response to the Apparent Violations and related sanctions compliance risks.

         b. Respondent's compliance unit(s) is (are) delegated sufficient authority and autonomy to deploy its policies and procedures in a manner that effectively controls Respondent's sanctions risk.

c. Respondent's compliance unit(s) receive(s) adequate resources — including in the form of human capital, expertise, information technology, and other resources, as appropriate — that are relative to Respondent's breadth of operations, target and secondary markets, and other factors affecting its overall risk profile, as informed by the risk assessment described in paragraph (2) below.

d. Respondent promotes a "culture of compliance" throughout the organization.

e. Respondent will implement any additional necessary measures to reduce the risk of recurrence of apparent violations in the future.

(2) **Risk Assessment:**

a. Respondent conducts a sanctions risk assessment in a manner, and with a frequency, that adequately accounts for potential sanctions compliance risks. Such risks could be posed by its clients and customers, products, services, supply chain, intermediaries, counterparties, transactions, or geographic locations, depending on the nature of the organization.

b. Respondent has developed a methodology to identify, analyze, and address the particular risks. The risk assessments will be updated to account for the conduct and root causes of any apparent violations or systemic deficiencies identified by Respondent during the routine course of business, for example, through a testing or audit function.

(3) **Internal Controls:**

a. Respondent has designed and implemented written policies and procedures outlining its sanctions compliance program. These policies and procedures are relevant to the organization, capture Respondent's day-to-day operations and procedures, are easy to follow, and designed to prevent employees from engaging in misconduct.

b. Respondent has implemented internal controls that adequately address the results of its sanctions risk assessment and profile. These internal controls should enable Respondent to clearly and effectively identify, interdict, escalate, and report to appropriate personnel within the organization transactions and activity that may be prohibited by OFAC. Respondent has selected and calibrated information technology solutions in a manner that is appropriate to address Respondent's risk profile and compliance needs, and Respondent routinely tests the solutions to ensure effectiveness.

c. Respondent's sanctions-related recordkeeping policies and procedures will adequately account for its requirements pursuant to the regulations administered by OFAC.

d. Upon learning of a weakness in its internal controls pertaining to sanctions compliance, Respondent will take immediate and effective action, to the extent possible, to identify and implement compensating controls until the root cause of the deficiency can be determined and remediated.

e. Respondent has clearly communicated its sanctions compliance program's policies and procedures to all relevant staff, including relevant gatekeepers and business units (e.g., customer acquisition, payments, sales, etc.) as well as to as well as, where applicable, external parties acting on behalf of Respondent.

f. Respondent has appointed personnel to integrate the sanctions compliance program's policies and procedures into Respondent's daily operations. This process includes consultations with relevant business units and confirms that Respondent's employees understand the policies and procedures.

(4) **Testing and Audit:**

a. Respondent will ensure that the testing or audit function is accountable to senior management, is independent of the audited activities and functions, and has sufficient authority, skills, expertise, resources, and authority within the organization.

b. Respondent will ensure that it employs testing or audit procedures appropriate to the level and sophistication of its sanctions compliance program and that this function, whether deployed internally or by an external party, reflects a comprehensive and objective assessment of Respondent's sanctions-related risks and internal controls.

c. Respondent will ensure that, upon learning of any test result, audit finding, or other assessment of a failure or deficiency related to its sanctions compliance program, it will take immediate and effective action to identify and implement compensating controls until the root cause of the deficiency can be determined and remediated.

d. Respondent agrees to expeditiously identify for OFAC any apparent sanctions violation identified through such audits.

(5) **Training:**

a. Respondent will ensure that its sanctions-related training program provides adequate information and instruction to employees and, as appropriate,

stakeholders (for example, clients, suppliers, business partners, and counterparties) in order to support Respondent's sanctions compliance efforts.

b. Respondent will provide sanctions-related training with a scope that is appropriate for the products and services that Respondent offers; the customers, clients, and partner relationships it maintains; and the geographic regions in which it operates.

c. Respondent will provide sanctions-related training with a frequency that is appropriate based on its sanctions risk assessment and risk profile and, at a minimum, at least once a year to all relevant employees.

d. Upon learning of a confirmed negative testing result or audit finding, or other deficiency pertaining to its sanctions compliance program, Respondent will take immediate and effective action to provide training to relevant personnel.

e. Respondent will ensure that its training program includes easily accessible resources and materials that are available to all applicable personnel.

(6) **Annual Certification:** On an annual basis, for a period of five years beginning 180 days after the date this Agreement is executed, a senior-level executive of Respondent will submit to OFAC a written explanation that provides substantive details regarding how Respondent is meeting all the Compliance Commitments detailed in this Subparagraph 2.C of this Agreement.

D. Should OFAC have reason to believe that a breach of, or misrepresentation in or pursuant to, this Agreement has occurred, including due to a failure to specifically perform or fulfill completely each of Respondent's Compliance Commitments, OFAC will provide written notice to Respondent of the breach or misrepresentations and provide Respondent with 30 days from the date of Respondent's receipt of such notice, or longer as determined by OFAC, to provide a response demonstrating that no breach or misrepresentation has occurred, or that any breach or misrepresentation has been cured. Respondent will make available to OFAC the underlying evidence relevant to a potential breach or misrepresentation, as appropriate.

E. If, after receiving such response, OFAC determines, in its sole discretion, that a breach of, or misrepresentation in or pursuant to, this Agreement has occurred, including due to a failure to specifically perform or fulfill completely each of the Respondent's Compliance Commitments, OFAC will provide notice to Respondent of its determination. In such event, OFAC may re-open its investigation with respect to the Apparent Violations. Any such investigation may be premised on information provided by Respondent or its present or former owners, directors, officers, employees, agents, consultants, or any other person. Respondent agrees that the statute of limitations applying to the Apparent violations shall be deemed tolled until a date 360 days following Respondent's receipt of notice of OFAC's determination that a breach of, or misrepresentation in, this Agreement has occurred.

F. Should the Respondent engage in any violations of the sanctions laws and regulations administered by OFAC — including those that are either apparent or alleged — OFAC may consider Respondent's sanctions history, or its failure to employ an adequate sanctions compliance program or appropriate remedial measures, associated with this Agreement as a potential aggravating factor consistent with the Enforcement Guidelines.

3. This Agreement does not constitute a final agency determination that a violation has occurred and shall not in any way be construed as an admission by Respondent that Respondent engaged in the Apparent Violations.

4. OFAC may, in its sole discretion, post on OFAC's website this entire Agreement and/or issue a public notice describing the conduct underlying this Agreement, including the identity of any entities involved, the settlement amount, and a description of the Apparent Violations, as well as OFAC's application of the Enforcement Guidelines.

5. The certifications to OFAC required under this Agreement shall be submitted to OFAC by email at OFAC_Compliance_Certification@treasury.gov, addressed to Assistant Director, Enforcement Division, Office of Foreign Assets Control, Freedman's Bank Building, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220.

6. Respondent agrees that if a court of competent jurisdiction considers any of the provisions of this Agreement unenforceable, such unenforceability does not render the entire Agreement unenforceable. Rather, the entire Agreement will be construed as if not containing the particular unenforceable provision(s), and the rights and obligations of OFAC and Respondent shall be construed and enforced accordingly.

7. This Agreement expresses the complete understanding of OFAC and Respondent regarding resolution of OFAC's enforcement matter involving the Apparent Violations. No other agreements, oral or written, exist between OFAC and Respondent regarding resolution of this matter.

8. Respondent agrees that the provisions of this Agreement are binding on its owners, directors, officers, and as applicable to its employees, agents, consultants, and any other person within its authority or control. If Respondent (i) sells any of it operating divisions, subsidiaries, affiliates, business units, operations, or assets, or any portion thereof, that were involved in the activities that are the subject of this Agreement, (ii) is a party to a corporate merger or restructuring, or (iii) is acquired by another party (collectively, (i)-(iii) being "purchased or merged entities"), then such purchased or merged entities shall be bound by and fully responsible for all terms and conditions of this Agreement to the same extent as Respondent. Respondent further agrees to notify OFAC 60 days prior to such event. Respondent further agrees to notify the purchaser or other responsible party in writing and to require the purchaser or other responsible party to acknowledge in writing, prior to the sale, merger, restructuring, or acquisition event that the purchased or merged

entities shall be bound by the terms and conditions of this Agreement to the same extent as Respondent.

9. Respondent affirms that it agrees to and approves this Agreement and all terms herein freely and voluntarily and that no offers, promises, or inducements of any nature whatsoever have been made by OFAC or any employee, agent, or representative of OFAC to induce Respondent to agree to or approve this Agreement, except as specified in this Agreement.

10. Respondent's Duly Authorized Representative, by signing this Agreement, hereby represents and warrants that the Duly Authorized Representative has full power and authority to execute and agree to this Agreement for and on behalf of Respondent, and further represents and warrants that Respondent agrees to be bound by the terms and conditions of this Agreement.

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[redacted]
Unicat Catalyst Technologies, LLC

Respondent accepts the terms of this Agreement on this 19th day of December, 2024

[redacted]
Signature

MARK STUCKEY
Respondent's Printed Name (or in the case of an entity, the name of Respondent's Duly Authorized Representative)

CHIEF EXECUTIVE OFFICER
Printed Title of Respondent's Duly Authorized Representative and Name of Entity (if applicable)

☑ Please check this box if you have not enclosed payment with this Agreement and will instead be paying or have paid by electronic funds transfer (see paragraph 2(A)(ii) and the EFT Instructions enclosed with this Agreement).

Date: 12/23/24

[redacted]
Lawrence M. Scheinert
Acting Deputy Director
Office of Foreign Assets Control