

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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	)	
<b>U.S. SECURITIES AND EXCHANGE</b>	)	
<b>COMMISSION,</b>	)	
<b>100 F. Street, NE</b>	)	
<b>Washington, D.C. 20549,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	<b>Civil Action No. _____</b>
<b>v.</b>	)	
	)	
<b>SIEMENS AKTIENGESELLSCHAFT</b>	)	
<b>Wittelsbacherplatz 2</b>	)	
<b>D-80333 Munich</b>	)	
<b>Federal Republic of Germany,</b>	)	
	)	
<b>Defendant.</b>	)	
	)	
	)	
_____	x	

**FINAL JUDGMENT AS TO DEFENDANT SIEMENS  
AKTIENGESELLSCHAFT**

The Securities and Exchange Commission having filed a Complaint and Defendant Siemens Aktiengesellschaft (“Defendant” or “Siemens”) having, solely for purposes of this action, entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except, solely for purposes of this action, as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by

personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 30A of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78dd-1] by use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of any offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

- (1) any foreign official for purposes of—
  - (A)(i) influencing any act or decision of such foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage; or
  - (B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist Defendant in obtaining or retaining business for or with, or directing business to, any person;
- (2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—
  - (A)(i) influencing any act or decision of such party, official, or candidate in its or his official capacity, (ii) inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or (iii) securing any improper advantage; or

(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist Defendant in obtaining or retaining business for or with, or directing business to, any person; or

(3) any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office for purposes of—

(A)(i) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, (ii) inducing such foreign official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, party official, or candidate, or (iii) securing any improper advantage;

(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist Defendant in obtaining or retaining business for or with, or directing business to, any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 13(b)(2)(A) of the Exchange Act , 15 U.S.C. § 78m(b)(2)(A), by failing to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Defendant.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(B), by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) 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; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the

recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

IV.

1. Siemens agrees to engage an independent compliance monitor (the “Monitor”) not unacceptable to the staff of the Securities and Exchange Commission (the “Commission”) within sixty (60) calendar days of the entry of the Final Judgment. If the individual selected as Monitor is not a United States lawyer with demonstrated expertise with respect to the Foreign Corrupt Practices Act, 15 U.S.C. §§78dd-1, et seq. (the “FCPA”), Siemens also agrees to engage a U.S. lawyer with such expertise not unacceptable to the Commission staff as independent U.S. counsel to the Monitor (“Independent U.S. Counsel”) within sixty (60) calendar days of the entry of the Final Judgment to provide U.S. legal advice to the Monitor with respect to the FCPA, in which case the term “Monitor” as used herein shall refer to the Monitor with the legal advice as needed of the Independent U.S. Counsel. The Monitor will, for a period of up to four (4) years from the date of his engagement (the “Term of the Monitorship”), evaluate, in the manner set forth in paragraphs 2 through 8 below, the effectiveness of Siemens’ internal controls, record-keeping, and financial reporting policies and procedures as they relate to Siemens’ current and ongoing compliance with the books and records, internal accounting controls and anti-bribery provisions of the FCPA, codified at Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78dd-1, 78m(b)(2)(A), and 78m(b)(2)(B)] and other applicable counterparts (collectively, the “anti-corruption

laws”) and take such reasonable steps as, in his or her view, may be necessary to fulfill the foregoing mandate (the “Mandate”).

2. Siemens shall cooperate fully with the Monitor and the Monitor shall have the authority to take such reasonable steps as, in his or her view, may be necessary to be fully informed about Siemens’ compliance program within the scope of the Mandate in accordance with the principles set forth herein and applicable law, including applicable data protection and labor laws and regulations. To that end, Siemens’ existing Project Office shall: (1) facilitate the Monitor’s access to Siemens’ documents and resources, (2) not limit such access, except as provided in this paragraph, (3) serve as the Monitor’s principal interface with Siemens and (4) provide guidance on applicable local law (such as relevant data protection and labor law). Siemens shall provide the Monitor with access to all information, documents, records, facilities and/or employees, as reasonably requested by the Monitor, that fall within the scope of the Mandate of the Monitor under the Final Judgment. Any disclosure by Siemens to the Monitor concerning corrupt payments, related books and records, and related internal controls, shall not relieve Siemens of any otherwise applicable obligation to truthfully disclose such matters to the Commission staff.

a. The parties agree that no attorney-client relationship shall be formed between Siemens and the Monitor.

b. In the event that Siemens seeks to withhold from the Monitor access to information, documents, records, facilities and/or employees of Siemens which may be subject to a claim of attorney-client privilege or to the attorney work-product

doctrine, or where Siemens reasonably believes production would otherwise be inconsistent with applicable law, Siemens shall work cooperatively with the Monitor to resolve the matter to the satisfaction of the Monitor. If the matter cannot be resolved, at the request of the Monitor, Siemens shall promptly provide written notice to the Monitor and the Commission staff. Such notice shall include a general description of the nature of the information, documents, records, facilities and/or employees that are being withheld, as well as the basis for the claim. The Commission staff may then consider whether to make a further request for access to such information, documents, records, facilities and/or employees. To the extent Siemens has provided information to the Commission staff in the course of the investigation leading to this action pursuant to a non-waiver of privilege agreement, Siemens and the Monitor may agree to production of such information to the Monitor pursuant to a similar non-waiver agreement.

c. Except as provided in this paragraph, Siemens shall not withhold from the Monitor any information, documents, records, facilities and/or employees on the basis of an attorney-client privilege or work-product claim.

3. To carry out the Mandate, during the Term of the Monitorship, the Monitor shall conduct an initial review and prepare an initial report, followed by up to three (3) follow-up reviews and reports as described below. With respect to each review, after consultation with Siemens and the Commission staff, the Monitor shall prepare a written work plan which shall be submitted no fewer than sixty (60) calendar days prior to commencing each review to Siemens and the Commission staff for comment, which comment shall be provided no more than thirty (30) calendar days after receipt of the

written work plan. The Monitor's work plan for the initial review shall include such steps as are reasonably necessary to conduct an effective initial review in accordance with the Mandate, including by developing an understanding, to the extent the Monitor deems appropriate, of the facts and circumstances surrounding any violations that may have occurred before the entry of the Final Judgment, but in developing such understanding the Monitor is to rely to the extent possible on available information and documents provided by Siemens, and it is not intended that the Monitor will conduct his or her own inquiry into those historical events. In developing each work plan and in carrying out the reviews pursuant to such plans, the Monitor is encouraged to coordinate with Siemens personnel including auditors and compliance personnel and, to the extent the Monitor deems appropriate, he or she may rely on Siemens processes, on the results of studies, reviews, audits and analyses conducted by or on behalf of Siemens and on sampling and testing methodologies. The Monitor is not expected to conduct a comprehensive review of all business lines, all business activities or all markets. Any disputes between Siemens and the Monitor with respect to the work plan shall be decided by the Commission staff in its sole discretion.

4. The initial review shall commence no later than one hundred twenty (120) calendar days from the date of the engagement of the Monitor (unless otherwise agreed by Siemens, the Monitor and the Commission staff), and the Monitor shall issue a written report within one hundred twenty (120) calendar days of initiating the initial review, setting forth the Monitor's assessment and making recommendations reasonably designed to improve the effectiveness of Siemens' program for ensuring compliance with the anti-

corruption laws. The Monitor is encouraged to consult with Siemens concerning his or her findings and recommendations on an ongoing basis, and to consider and reflect Siemens' comments and input to the extent the Monitor deems appropriate. The Monitor need not in its initial or subsequent reports recite or describe comprehensively Siemens' history or compliance policies, procedures and practices, but rather may focus on those areas with respect to which the Monitor wishes to make recommendations for improvement or which the Monitor otherwise concludes merit particular attention. The Monitor shall provide the report to the Managing Board of Siemens and contemporaneously transmit copies to Cheryl Scarborough, Associate Director, Division of Enforcement, 100 F Street, NE, Washington, DC 20549. After consultation with Siemens, the Monitor may extend the time period for issuance of the report for up to sixty (60) calendar days with prior written approval of the Commission staff.

5. Within one hundred and twenty (120) calendar days after receiving the Monitor's report, Siemens shall adopt all recommendations in the report; provided, however, that within sixty (60) calendar days after receiving the report, Siemens shall notify the Monitor and the Commission staff in writing of any recommendations that Siemens considers unduly burdensome, inconsistent with local or other applicable law or regulation, impractical, costly or otherwise inadvisable. With respect to any recommendation that Siemens considers unduly burdensome, inconsistent with local or other applicable law or regulation, impractical, costly, or otherwise inadvisable, Siemens need not adopt that recommendation within that time but shall propose in writing an alternative policy, procedure or system designed to achieve the same objective or

purpose. As to any recommendation on which Siemens and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within forty-five (45) calendar days after Siemens serves the written notice. In the event Siemens and the Monitor are unable to agree on an acceptable alternative proposal, Siemens shall promptly consult with the Commission staff, which will make a determination as to whether Siemens should adopt the Monitor's recommendation or an alternative proposal, and Siemens shall abide by that determination. Pending such determination, Siemens shall not be required to implement any contested recommendation(s). With respect to any recommendation that the Monitor determines cannot reasonably be implemented within one hundred and twenty (120) calendar days after receiving the report, the Monitor may extend the time period for implementation with prior written approval of the Commission staff.

6. The Monitor shall undertake up to three (3) follow-up reviews to carry out the Mandate. If, reasonably promptly after completing two (2) follow-up reviews, the Monitor and Siemens mutually agree that Siemens' compliance program is reasonably designed and implemented to detect and prevent violations of the anti-corruption laws, and that further monitoring and review is not warranted, the Monitor may apply to the Commission staff for permission to forego the third follow-up review. If the Commission staff approves, the Term of the Monitorship shall be reduced accordingly. Within one hundred and twenty (120) calendar days of initiating each follow-up review, the Monitor shall: (a) complete the review; (b) certify whether the compliance program of Siemens, including its policies and procedures, is reasonably designed and implemented to detect

and prevent violations within Siemens of the anti-corruption laws; and (c) report on the Monitor's findings in the same fashion as set forth in paragraph 4 with respect to the initial review. The first follow-up review shall commence one year after the initial review commenced. The second follow-up review shall commence one year after the first follow-up review commenced. The third follow-up review, if one is deemed necessary by the Commission staff, shall commence one year after the second follow-up review commenced. After consultation with Siemens, the Monitor may extend the time period for these follow-up reviews for up to sixty (60) calendar days with prior written approval of the Commission staff.

7. In undertaking the assessments and reviews described in paragraphs 3 through 6, the Monitor shall formulate conclusions based on, among other things: (a) inspection of relevant documents, including Siemens' current anti-corruption policies and procedures; (b) on-site observation of selected systems and procedures of Siemens at sample sites, including internal controls and record-keeping and internal audit procedures; (c) meetings with and interviews of relevant employees, officers, directors and other persons at mutually convenient times and places; and (d) analyses, studies and testing of Siemens' compliance program with respect to the anti-corruption laws.

8. Should the Monitor, during the course of his or her engagement, discover that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any entity or person within Siemens, or any entity or person working directly or indirectly for Siemens, or that related false books and records may have been maintained relating to Siemens either (i)

after the date of the Final Judgment or (ii) that have not been adequately dealt with by Siemens (collectively “improper activities”), the Monitor shall promptly report such improper activities to Siemens’ General Counsel or Audit Committee for further action. If the Monitor believes that any improper activity or activities may constitute a significant violation of law, the Monitor should also report such improper activity to the Commission staff. The Monitor should disclose improper activities in his or her discretion directly to the Commission staff, and not to the General Counsel or Audit Committee, only if the Monitor believes that disclosure to the General Counsel or the Audit Committee would be inappropriate under the circumstances, and in such case should disclose the improper activities to the General Counsel or the Audit Committee of Siemens as promptly and completely as the Monitor deems appropriate under the circumstances. The Monitor shall address in his or her reports the appropriateness of Siemens’ response to all improper activities, whether previously disclosed to the Commission staff or not. Further, in the event that Siemens, or any entity or person working directly or indirectly within Siemens, refuses to provide information necessary for the performance of the Monitor’s responsibilities, if the Monitor believes that such refusal is without just cause the Monitor shall disclose that fact to the Commission staff. Siemens shall not take any action to retaliate against the Monitor for any such disclosures or for any other reason. The Monitor may report any criminal or regulatory violations by Siemens or any other entity discovered in the course of performing his or her duties, in the same manner as described above.

9. Siemens shall require the Monitor and the Independent U.S. Counsel, if any, each to enter into an agreement with Siemens that provides that for the Term of the Monitorship and for a period of two (2) years thereafter, each shall not enter into any additional employment, consultant, attorney-client, auditing or other professional relationship with Siemens, or any affiliates, directors, officers, employees, or agents acting in their capacity as such. The agreement also shall provide that the Monitor or the Independent U.S. Counsel, as the case may be, will require that any firm with which he or she is affiliated or of which he or she is a member shall not, without prior written consent of the Commission staff, enter into any employment, consultant, agency, attorney-client, auditing or other professional relationship with Siemens or any affiliates, directors, officers, or employees, or agents acting in their capacity as such for the Term of the Monitorship and for a period of two (2) years thereafter. To ensure the independence of the Monitor and the Independent U.S. Counsel, if any, Siemens shall not have the authority to terminate either during the Term of the Monitorship without the prior written approval of the Commission staff.

10. At least annually, and more frequently if appropriate, representatives from Siemens and the Commission staff will meet together to discuss the monitorship and any suggestions, comments or improvements Siemens may wish to discuss with or propose to the Commission staff.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$350 million, representing profits gained as a

result of the conduct alleged in the Complaint. Defendant shall satisfy this obligation by paying \$350 million within ten (10) business days after entry of this Final Judgment by wire transfer, certified check, bank cashier's check, United States postal money order or other mutually agreed means, payable to the Securities and Exchange Commission. The payment shall be made to the attention of the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a cover letter identifying Siemens as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of or other suitable proof of the payment of disgorgement and letter to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: \_\_\_\_\_, \_\_\_\_

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UNITED STATES DISTRICT JUDGE