

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**U.S. SECURITIES AND EXCHANGE
COMMISSION,
100 F. Street, NE
Washington, D.C. 20549**

Plaintiff,

v.

**SIEMENS AKTIENGESELLSCHAFT
Wittelsbacherplatz 2
D-80333 Munich
Federal Republic of Germany**

Defendant.

Case: 1:08-cv-02167
Assigned To : Leon, Richard J.
Assign. Date : 12/12/2008
Description: General Civil

COMPLAINT

Plaintiff, U.S. Securities and Exchange Commission (the "Commission"), alleges:

SUMMARY

1. Between March 12, 2001 and September 30, 2007 (the "Relevant Period"), Siemens Aktiengesellschaft ("Siemens" or the "Company") violated the Foreign Corrupt Practices Act [15 U.S.C. § 78dd-1] (the "FCPA") by engaging in a widespread and systematic practice of paying bribes to foreign government officials to obtain business. Siemens created elaborate payment schemes to conceal the nature of its corrupt payments, and the Company's inadequate internal controls allowed the illicit conduct to flourish. The misconduct involved employees at all levels of the Company, including former senior management, and reveals a corporate culture that had long been at odds with the FCPA.

2. During this period, Siemens made thousands of separate payments to third parties in ways that obscured the purpose for, and the ultimate recipients of, the money. At least 4,283 of those payments, totaling approximately \$1.4 billion, were used to bribe government officials in return for business to Siemens around the world. Among the transactions on which Siemens paid bribes were those to design and build metro transit lines in Venezuela; metro trains and signaling devices in China; power plants in Israel; high voltage transmission lines in China; mobile telephone networks in Bangladesh; telecommunications projects in Nigeria; national identity cards in Argentina; medical devices in Vietnam, China, and Russia; traffic control systems in Russia; refineries in Mexico; and mobile communications networks in Vietnam. Siemens also paid kickbacks to Iraqi ministries in connection with sales of power stations and equipment to Iraq under the United Nations Oil for Food Program. Siemens earned over \$1.1 billion in profits on these fourteen categories of transactions that comprised 332 individual projects or individual sales.

3. In November 2006, Siemens' current management began to implement reforms to the Company's internal controls. These reforms substantially reduced, but did not entirely eliminate, corrupt payments. All but \$27.5 million of the corrupt payments occurred prior to November 15, 2006.

4. Siemens violated Section 30A of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78dd-1] by making illicit payments to foreign government officials in order to obtain or retain business. Siemens violated Section 13(b)(2)(B) of the Exchange Act by failing to have an adequate internal control system in place to detect and prevent the illicit payments. Siemens violated Section 13(b)(2)(A) of

the Exchange Act by improperly recording each of those payments in its accounting books and records.

JURISDICTION

5. This Court has jurisdiction over this action under Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa]. Siemens, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

6. Venue is appropriate in this Court under Section 27 of the Exchange Act [15 U.S.C. § 78aa] or 28 U.S.C. § 1391(d).

DEFENDANT

7. **Siemens** is a German corporation with its executive offices in Munich, Federal Republic of Germany. Siemens is one of the world's largest manufacturers of industrial and consumer products. Siemens builds locomotives, traffic control systems and electrical power plants. The Company also manufactures building control systems, medical equipment and electrical components, and formerly manufactured communications networks. Siemens employs approximately 428,200 people and operates in approximately 190 countries worldwide. Siemens reported net revenue of \$116.5 billion and net income of \$8.9 billion for its fiscal year ended September 30, 2008.

8. In accordance with German law, Siemens has a Supervisory Board and a Managing Board. The Supervisory Board is generally comparable to the board of directors of a corporation in the United States in that it oversees management but with

less oversight power under German law. The Managing Board -- or "Vorstand" -- generally performs the duties and responsibilities of senior management of a corporation in the United States and includes the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

9. Prior to a recent reorganization, Siemens operated through a complex array of business groups and regional companies. The business groups are divisions within Siemens and are not separate legal entities. The regional companies are wholly- or partly-owned subsidiaries of Siemens. The thirteen principal business groups during the Relevant Period were: Communications ("COM"), Siemens Business Services ("SBS"), Automation and Drives ("A&D"), Industrial Solutions and Services ("I&S"), Siemens Building Technologies ("SBT"), Power Generation ("PG"), Power Transmission and Distribution ("PTD"), Transportation Systems ("TS"), Siemens VDO Automotive ("SV"), Medical Solutions ("MED"), Osram Middle East, Siemens Financial Services ("SFS"), and Siemens Real Estate ("SRE"). In 2008, Siemens reorganized the groups into three Sectors -- Energy, Healthcare and Industry.

10. Since March 12, 2001, Siemens' American Depositary Shares have been registered with the Commission pursuant to Section 12(b) of the Exchange Act. [15 U.S.C. § 78l(b)]. Siemens' American Depositary Shares trade on the New York Stock Exchange ("NYSE") under the symbol "SI."

FACTS

A. Background

11. Siemens traces its origins to 1847 and for over 160 years has been one of the most successful conglomerate companies in Germany. After World War II, Siemens

had difficulty competing for business in many Western countries and responded by seeking business opportunities in certain less developed countries where corrupt business practices were common.

12. During the pre-1999 period, *the first period*, bribery at Siemens was largely unregulated. German law did not prohibit foreign bribery and allowed tax deductions for bribes paid in foreign countries. Siemens was not yet listed on the NYSE and therefore was not subject to U.S. regulation. Undeterred by foreign laws that prohibited bribery, Siemens put several payment mechanisms in place, including the use of cash and off-books accounts, to make payments as necessary to win business.

13. The term Nützliche Aufwendungen (“NA”) or “useful expenditures” was a commonly used tax law term and was commonly listed on Siemens’ cost calculation sheets to denote payments to third parties, including illicit payments to foreign officials. Though as a rule Siemens required two signatures on all major documents in accordance with an internal control known as the “four-eyes” principle, many exceptions to the rule were made to ensure quick access to cash to make illicit payments.

14. Over time, Siemens developed a network of payment mechanisms designed to funnel money through third parties in a way that obscured the purpose and ultimate recipient of the funds. On at least one project, bribes to high ranking government officials were arranged personally by a member of the Vorstand. The success of Siemens’ bribery system was maintained by lax internal controls over corruption related activities and an acceptance of such activities by members of senior management and the compliance, internal audit, legal and finance departments.

1. NYSE Listing

15. From 1999 to 2003, *the second period*, the Vorstand was ineffective in implementing controls to address constraints imposed by Germany's 1999 adoption of the Organization for Economic Cooperation and Development ("OECD") anti-bribery convention that outlawed foreign bribery. On February 15, 1999, the very day that Germany ratified the OECD Convention, the then-CEO of Siemens "expressed his concern at the number of criminal and other investigations into members of the Company," further noting that "[a]s the Board could possibly be held responsible for various offenses, it was important to take protective measures." However, bribery continued for years afterward.

16. The Vorstand was also ineffective in meeting the U.S. regulatory and anti-bribery requirements that Siemens was subject to following its March 12, 2001, listing on the NYSE.

17. The changes in the legal landscape caused by Germany's ratification of the OECD Convention and Siemens' listing on the NYSE should have put an end to bribery at Siemens. Unfortunately, they did not. Instead, a steady flow of improper payments continued to emanate from the Company, in large part because of certain actions and inactions taken by the Vorstand.

18. For instance in mid-2000, as Siemens prepared for its NYSE listing, its legal department forwarded a memorandum to the Supervisory Board Chairman and CFO identifying certain off-books accounts. The memorandum made it clear that Siemens' accounts had to be maintained "in harmony with the principles of orderly accounting.

Otherwise sanctions are likely under criminal law.” The Vorstand failed to act, and the off-books accounts continued to exist even after Siemens’ NYSE listing.

19. In addition, the Vorstand failed to adopt meaningful compliance measures, failed to adequately staff Siemens’ compliance function and, at times, failed to adopt reasonable recommendations designed to enhance compliance procedures at the Company. As illustrated herein, many of the improper payments made by Siemens involved the use of business consultants and business consulting agreements to funnel illicit payments to third parties, including government officials. In April 2000, the Vorstand rejected a proposal by the Company’s General Counsel to create a Company-wide list of business consultants and a committee to review these relationships. Although Siemens issued various principles and recommendations regarding business consultants, Siemens had no mandatory and comprehensive Company-wide rules in place governing the use of business consultants until June of 2005.

2. Red Flags (Communications Group – Nigeria)

20. From 2003 to 2006, the *third period*, members of the Vorstand failed to respond appropriately to indications that bribery was widespread at Siemens. Red flags that the Vorstand members missed or ignored included substantial cash payments in Nigeria by senior level employees within the COM business group. In the fall of 2003, Siemens’ outside auditor KPMG identified €4.12 million in cash that was brought to Nigeria by COM employees and flagged the payments for review. A compliance attorney at the Company conducted a one-day investigation of the payments and wrote a report indicating that COM employees admitted that it was not an isolated event and warned of numerous possible violations of law. Though the compliance report was

reviewed in November 2003 by Siemens' then-CFO, no disciplinary action was taken, no further investigative work was conducted, and the report was not provided to or discussed with the Vorstand as a whole or the Company's audit committee. COM employees identified in the report, including a former COM manager, continued to pay bribes through a series of slush funds until at least November 2006, when they were arrested following a raid of Siemens' offices (the "Dawn Raid") by criminal authorities in Munich, Germany. Had senior management responded differently, bribes paid by the COM group could have been reduced or eliminated.

3. Red Flags (Power Generation Group - Italy)

21. During the *third period*, the Vorstand also failed to respond appropriately to multi-million dollar bribes paid in Italy by managers of the Siemens PG business group. In July 2003, the news media reported that prosecutors in Milan were investigating bribes paid to employees of ENEL, an energy company partly-owned by the Italian government, in connection with two power plant projects. Siemens PG managers made approximately €6 million in corrupt payments to two ENEL officials. The corrupt payments were routed through slush funds in Liechtenstein using a Dubai-based business consultant.

22. In April 2004, a judge in Milan issued a written opinion concluding that the evidence indicated that Siemens viewed bribery "at least as a possible business strategy." In or around May 2004, a legal memorandum concerning the ruling was sent to members of the Vorstand, including the then-CEO and then-CFO of the Company. Another memorandum, sent to members of the Vorstand, including the then-CEO and the then-CFO in April 2004, detailed severance packages that had been given to the PG

managers and attached a September 2003 memorandum prepared by an American law firm. The legal memorandum suggested that Siemens should immediately review and assure proper functioning of its FCPA compliance program, that the allegations and steps taken to address them should be reported to the board, and that the employees involved should be disciplined.

23. Subsequently, Siemens, along with two of its PG managers, entered into a plea bargain with criminal authorities in Italy pursuant to which Siemens paid a €0.5 million fine, gave up €6.2 million in profits and was barred from selling gas turbines in Italy for one year. Despite their criminal conduct, the two PG managers involved in the ENEL matter received early retirement with full retirement benefits. The PG CFO received a €1.8 million severance package from Siemens when he left the Company as a result of the ENEL matter. In a related criminal proceeding in Germany, the longtime CFO of PG confessed to authorizing the bribes. Siemens' corporate response to bribery assured certain employees that they could expect to be taken care of if and when caught paying bribes on behalf of the Company.

24. There were additional significant red flags of corruption including admissions of bribery or so called "bonus payments" to government officials in March 2006 by a manager at Siemens Greece of over €37 million, as well as an April 2006 KPMG audit identification of over 250 suspicious payments made through an intermediary on behalf of Information and Communication Mobile, a corporate predecessor of COM, and Siemens S.p.A. in Italy.

4. Tone at the Top

25. The Vorstand's response to the situations in Nigeria and Italy demonstrated a tone at the top of Siemens that was inconsistent with an effective FCPA compliance program and created a corporate culture in which bribery was tolerated and even rewarded at the highest levels of the company.

26. Siemens implemented certain improvements to its compliance program in response to the situation in Italy. These included an anti-bribery speech delivered by the then-CFO to high-level business managers in summer 2004 and the establishment of a Corporate Compliance Office in October 2004. In addition, the Company issued policies over bank accounts, including requirements relating to the initiation and use of Company accounts and authorizations regarding cash. However, it was not until one year later, in June 2005, that the Company issued mandatory rules governing the use of business consultants, e.g. prohibiting success fees and requiring compliance officers to sign off on business consulting agreements. While these measures appear to have been partially effective, improper payments continued at least until the Dawn Raid in November 2006.

27. Despite the Vorstand's knowledge of bribery at two of its largest groups - COM and PG - the Corporate Compliance Office continued to have a conflicted mandate and lacked resources. There was an inherent conflict in the Corporate Compliance Office mandate, which included both defending the Company, and preventing compliance breaches. The Corporate Compliance Office was significantly understaffed, with a part-time Chief Compliance Officer, and up to six full-time lawyers until 2007. Despite knowledge of numerous instances of corruption in multiple areas of the business, the Company did not implement mandatory FCPA compliance training until 2007.

B. Illicit Payment Mechanisms Used to Pay Bribes

28. During the Relevant Period, Siemens made thousands of payments to third parties in ways that obscured the purpose for, and ultimate recipient of, the money. The principal payment mechanisms used to facilitate illicit payments were business consultants, payment intermediaries, slush funds, cash, and intercompany accounts.

29. Through its use of business consultants and payment intermediaries, Siemens funneled more than \$982.7 million to third parties, including government officials. All but \$27.5 million of the payments were made prior to November 15, 2006. Business consultants were typically hired pursuant to business consultant agreements, contracts that on their face obligated Siemens to pay for legitimate consulting services. In reality, many business consultant agreements were shams in that the business consultants performed no services beyond funneling bribes. PG had specific instructions on how to use a “confidential payment system” to conceal payments to business consultants. Payment intermediaries were additional entities and individuals through which Siemens funneled bribes. In many cases, Siemens would pay the intermediary an amount and simultaneously direct that the money be transferred to a third-party bank account, less a small portion as the intermediary’s fee.

30. Siemens also funneled more than \$211 million through slush funds for use as bribes. All but \$2.3 million of the payments were made prior to September 30, 2004. Slush funds were bank accounts held in the name of current or former senior Siemens employees, third parties, or affiliated entities. The most notable slush funds were maintained by a former COM manager recently convicted in Germany for his role in the

payment of bribes to foreign officials, which included several slush funds held in the name of U.S. shell companies.

31. Siemens also used cash and cash equivalents to funnel more than \$160.4 million to third parties. All but \$9.2 million of the payments were made prior to September 30, 2004. Siemens COM employees used cash desks maintained by the Siemens Real Estate Group to obtain large amounts of cash to pay bribes. Often, employees would obtain hundreds of thousands of dollars and, at times, even \$1 million in various currencies from the cash desks in Germany. The cash was transported, sometimes in suitcases, across international borders into various countries. At times, the cash was then stored in safes maintained by Siemens employees to ensure ready access to cash to pay bribes.

32. Lastly, Siemens used various types of internal accounts to funnel more than \$16.2 million to third parties. Approximately 99% of the payments were made prior to September 30, 2005. An intercompany account is a type of Siemens' internal account that is used to make payments on transactions between two Siemens entities, i.e., for entity to entity business. Siemens used the intercompany accounts to make third party payments and in a number of instances, Siemens maintained the accounts in the names of unconsolidated entities around the globe, including Ecuador and Nicaragua, in order to avoid detection. Some of the intercompany accounts maintained at unconsolidated entities were known to, and possibly created by, a former member of the Vorstand, who had oversight responsibility for Latin America.

33. As early as 2004, a Siemens Corporate Finance Financial Audit employee raised concerns about the use of intercompany accounts. He was phased out of his job

and assigned to work on “special projects” from his home until leaving the Company in 2005. Siemens thereafter began closing some of the accounts and eventually closed all of them.

34. Another type of internal account that employees abused was Siemens MED internal commission accounts. These balance-sheet accounts were intended to be used to record commissions MED earned on transactions with other Siemens entities. These accounts were used to make third party payments. Many of the intercompany account payments and the MED internal commission account payments were done manually to bypass Siemens’ automated payment system. The manual payments, executed through SFS, did not require the submission of documentation in support of a payment.

35. Siemens used a host of other schemes to make more than \$25.3 million in payments to third parties. In particular, Siemens used sham supplier agreements, receivables and other write-offs to generate payments.

C. Breakdown of Third Party Payments

36. During the Relevant Period, Siemens made 4,283 separate payments totaling approximately \$1.4 billion to bribe government officials in foreign countries throughout the world. An additional approximately 1,185 separate payments to third parties totaling approximately \$391million were not properly controlled and were used, at least in part, for illicit purposes, including commercial bribery and embezzlement. The following chart breaks down the \$1.4 billion in illicit payments to foreign government officials by business group.

Business Group	Bribes to Foreign Officials	
	Number of Payments	\$Millions
Communications (COM)	2,505	\$813.9
Industrial Solutions (I&S)	89	\$22.5
Medical Solution (MED)	705	\$92.6
Power Generation (PG)	353	\$208.7
Power Transmission (PTD)	356	\$148.2
Transportation Systems (TS)	154	\$70.0
Other	121	\$44.8
Total	4,283	\$1,400.7

D. Bribery of Government Officials

37. The following paragraphs provide examples of bribery schemes involving projects and individual sales carried out by Siemens using U.S. means during the Relevant Period with profits of over \$1.1 billion.

1. Metro Transit Lines in Venezuela

38. Between 2001 and 2007, Siemens TS and Siemens S.A., a regional company in Venezuela, paid an estimated \$16.7 million in bribes to Venezuelan government officials in connection with the construction of metro transit systems in the cities of Valencia and Maracaibo, Venezuela. The two projects, Metro Valencia and Metro Maracaibo, generated approximately \$642 million in revenue to Siemens. The Metro Valencia project was awarded to a TS entity in the United States and later transferred to Siemens, and the Metro Maracaibo project was awarded to Siemens and

part of the work was assigned to the U.S. TS entity. Each of the contracts was financed in part by the U.S. Export-Import Bank in Washington, D.C. The corrupt payments were made using four separate, overlapping payment schemes.

39. Under the first scheme, Siemens maintained a numbered, off-books bank account in Panama and either maintained a similar account in Miami or had contacts to a banker in Miami who had access to such accounts. These accounts were controlled by two CEOs and two CFOs of Siemens' regional subsidiary in Venezuela. One of the regional CFOs estimated that between 2001 and 2003 he paid \$5 to \$6 million per year out of the accounts, a portion of which went to government officials in support of the Venezuelan projects. The regional CFO periodically destroyed the account statements.

40. Under the second scheme, Siemens paid over \$6.8 million to four U.S.-based entities controlled by a longtime Siemens business consultant. Siemens called upon the consultant, known as a political "fixer" in Venezuela and who had been an advisor to former Venezuelan presidents, to ensure political support for the Maracaibo and Valencia projects and for Siemens' role in them. Siemens made payments into the U.S. bank accounts of the four controlled entities pursuant to sham consulting agreements in return for no legitimate work. Bank records reveal payments to Venezuelan government officials and politically-connected individuals, including a high-ranking member of the central government, two prominent Venezuelan attorneys acting on behalf of government officials, a former Venezuelan defense minister and diplomat, and a relative of a local politician, all of whom had influence over these and other Siemens contracts in Venezuela. Siemens transferred an additional \$4.9 million to one of the

controlled entities between 2006 and 2007 by artificially inflating the terms of a contract with a U.S. engineering firm.

41. Under the third scheme, Siemens used a Cyprus-based business consultant as an intermediary to fund up to \$2.5 million in bribe payments on the Valencia project. Sham agreements were entered into with the business consultant that purported to be for other Siemens projects, but were actually designed to transfer money to Valencia. This payment scheme was authorized by a former CFO of the Turnkey Division within the TS group at Siemens.

42. Under the fourth scheme, Siemens in 2002 and 2003 entered into a sham agreement with a Dubai-based business consultant to supply Metro Maracaibo with approximately \$2.6 million in workshop equipment. The equipment was actually supplied by another supplier, and the business consultant did not supply any goods under the contract. After the business consultant came under suspicion as a result of its involvement in the investigation of possible bribes paid to ENEL managers in Italy, the CFO of Siemens' Turnkey Division's successor was ordered to terminate the contract. Instead, the new CFO arranged the assignment of the contract to another Dubai-based business consultant that continued the sham workshop equipment arrangement.

2. Metro Trains and Signaling Devices in China

43. Between 2002 and 2007, Siemens TS paid approximately \$22 million to business consultants who used some portion of those funds to bribe foreign officials in connection with seven projects for the construction of metro trains and signaling devices on behalf of government customers in China. The total value of the projects was over \$1 billion. After experiencing difficulty breaking into the modern Chinese market, Siemens

began using a Hong-Kong based business consultant and related entities to pay bribes to influence the award of contracts to Siemens. Siemens typically hired the business consultant based on an oral agreement to pay a success fee equal to a percentage of the project value and would enter into a written business consulting agreement after the government contract was awarded to Siemens. In connection with one Shanghai project, four wholly-owned subsidiaries of the Hong Kong business consultant submitted invoices totaling \$11.7 million to Siemens and requested payment routed through a U.S. correspondent bank and then to various Swiss accounts. The illicit arrangement was entered into by a Sales & Marketing manager, who later became a Vice President of Siemens TS in China with the knowledge and approval of his supervisors. There were few, if any, legitimate services provided by the business consultant; backdated agreements and phony work product were used to support at least some of the payments. E-mails relating to a variety of projects indicate that the business consultant was funneling money to government officials and "friends" with inside information and influence over government contracting decisions.

3. Power Plants in Israel

44. Between 2002 and 2005, Siemens PG paid approximately \$20 million in bribes to a former Director of the state-owned Israel Electric Company ("IEC"). The bribes were paid in connection with four contracts to build and service power plants in Israel. The total value of the contracts was approximately \$786 million. Siemens routed the corrupt payments through a business consultant owned and managed by the brother-in-law of the CEO of Siemens Israel Limited, a regional subsidiary. The business consultant was ostensibly paid to "identify and define sales opportunities, provide market

intelligence,” and support contract negotiations. In reality, the business consultant was a Hong Kong-based clothing company with no expertise in the power generation industry. The business consultant never provided the services called for under its business consultant agreement.

45. Some of the money paid to the business consultant was traced to the former IEC Director, who was in a position to influence the award of the contracts won by Siemens. A portion of the funds passed through U.S. bank accounts.

4. High - Voltage Transmission Lines in China

46. Between 2002 and 2003, Siemens PTD paid approximately \$25 million in bribes to government customers in connection with two projects for the installation of high voltage transmission lines in South China. The total value of the projects was approximately \$838 million. The payments were funneled through multiple intermediaries, including a Dubai-based business consulting firm controlled by a former Siemens PTD employee and then paid to several entities associated with a Chinese business consultant who held a U.S. passport and maintained a U.S. residence. Payments to the Dubai-based business consultant were supported by phony distribution contracts. Senior management of PTD in Germany approved the payments with the understanding that they would be shared with “partners” in China, including government officials. In 2002, Siemens used U.S. banks to funnel \$1.2 million in bribes to another business consultant whose principal shareholders held U.S. passports. That business consultant also entered into a sham business consultant agreement with Siemens under which no legitimate services were provided.

5. Mobile Telephone Services in Bangladesh

47. Between 2004 and 2006, Siemens COM paid approximately \$5.3 million in bribes to government officials in Bangladesh in connection with a contract with the Bangladesh Telegraph & Telephone Board ("BTTB") to install mobile telephone services. The total value of the contract was approximately \$40.9 million. The payments were made to three business consultants pursuant to sham agreements calling for services associated with the mobile telephone project. The ultimate recipients of the payments included the son of the then-Prime Minister in Bangladesh, the Minister of the Ministry of Posts & Telecommunications in Bangladesh, and the BTTB Director of Procurement. In addition, Siemens Limited Bangladesh, a regional company, hired relatives of two other BTTB and Ministry of Post and Telecom officials. Most of the money paid to the business consultants was routed through correspondent accounts in the United States, with at least one payment originating from a U.S. account. Since approximately September 2004, a Siemens business consultant who served as a principal payment intermediary on the Bangladesh bribe payments has been resident in the United States. At least \$1.7 million of the bribe payments made through this intermediary were paid into a Hong Kong bank account while the intermediary was residing in the United States.

48. The involvement of senior officials at Siemens' regional company in Bangladesh, including a former CEO and the director of the regional company's COM division, in the bribery scheme is revealed both in statements by the officials and in internal email messages, several of which include the tagline, "kindly delete this mail once the purpose is done."

6. Four Telecommunications Projects in Nigeria

49. Siemens COM made approximately \$12.7 million in suspicious payments in connection with Nigerian projects, with at least \$4.5 million paid as bribes in connection with four telecommunications projects with government customers in Nigeria, including Nigeria Telecommunications Limited and the Ministry of Communications. The total value of the four contracts was approximately \$130 million. The practice of paying bribes by Siemens COM in Nigeria was long-standing and systematic. According to a high ranking official within Siemens Limited Nigeria, a regional company, corrupt payments in 2000 and 2001 commonly reached 15 to 30% of the contracts' value. Bribe payments were typically documented using fictitious business consultant agreements under which no actual services were performed. The CEO of Siemens Limited Nigeria forwarded requests for "commission" payments to Siemens headquarters in Germany. The illicit payments were then made through a number of means, frequently including large cash withdrawals from cash desks that were then hand-carried in suitcases to Nigeria.

50. In the four telecommunications projects, approximately \$2.8 million of the bribe payments was routed through a bank account in Potomac, Maryland, in the name of the wife of a former Nigerian Vice President. The Vice President's wife, a dual U.S.-Nigerian citizen living in the United States, served as the representative of a business consultant that entered into fictitious business consultant agreements to perform "supply, installation, and commissioning" services but did no actual work for Siemens. The purpose of these payments was to bribe government officials. Other corrupt payments included the purchase of approximately \$172,000 in watches for Nigerian officials

designated in internal Siemens records as "P." and "V.P.," likely referring to the President and Vice-President of Nigeria.

7. Identity Card Project in Argentina

51. Between 1998 and 2004, Siemens paid over \$40 million in bribes to senior officials of the government of Argentina in an effort to secure a \$1 billion project to produce national identity cards. Siemens officials between 1998 and 1999, including the then-CEO of Siemens regional company in Argentina, Siemens S.A., caused \$19 million to be paid to business consultants for bribes. At least \$2.6 million was transferred from the business consultants' accounts directly to the President of Argentina, the Minister of the Interior, and the Head of Immigration Control to obtain the contract. During this period, Siemens officials promised to pay an additional \$30 million or more to the President and his Cabinet ministers. In late 1999, the Argentine President ended his term when his party was voted out of office, and the new administration threatened to terminate the contract on the ground that it had been procured by fraud. In an effort to head off that possibility, Siemens paid \$6 million in additional bribes to officials in the new Argentine administration. Despite these payments, the contract was nonetheless canceled in May 2001.

52. Over the following four years, Siemens officials received a series of payment demands and threats against its employees in Argentina if it did not fulfill its past commitment to pay additional bribes. Between 2002 and 2004, Siemens paid over \$23 million to settle these demands. The Siemens officials involved in authorizing the payments included a member of the Vorstand, who in 2003 personally flew to the United States to meet with Siemens' principal intermediary to negotiate the payment terms, as

well as the CEO and CFO of Siemens' regional company in Argentina. Approximately \$9.5 million of these payments were routed through the books of an unrelated PTD transmission project in China in an effort to conceal the payments from Siemens' internal auditors. Other payments were made through U.S. bank accounts based on fictitious invoices for non-existent past services in connection with the identity card project and other projects in the region, including payments to a former government Minister and member of the Argentine Congress.

8. Medical Devices in Vietnam

53. Siemens MED paid \$183,000 in early 2005 and \$200,000 in early 2006 in connection with the sale of approximately \$6 million of medical devices on two projects involving the Vietnamese Ministry of Health. After learning that bribe payments were required in Vietnam, Siemens MED sought the name of the business consultant entrusted by Siemens TS to conduct business in that market, including making its bribe payments. Siemens MED then entered into an agreement with an affiliate of the group of Hong-Kong based business consultants used by Siemens TS to act as Siemens MED's payment intermediary. The payments were routed through a U.S. correspondent bank and then to Singapore bank accounts of the Hong Kong business consultant. The amounts were then withdrawn in cash and transported to Vietnam. Project calculation sheets connected to the sales describe the payments to the intermediary as relating to "room preparation." A number of Siemens senior managers, including the then-CFO of Siemens' business in Vietnam, admitted that the purpose of the payments was to bribe government officials.

54. With regard to the \$183,000 payment that was made in early 2005, the former CFO of Siemens Limited Vietnam ("SLV") described how he and the then CEO

of Siemens SLV picked up an envelope with \$183,000 cash at a hotel in Singapore “from a Hong Kong business man” and flew to the Hanoi airport where the money was left with the then-head of Siemens MED in Vietnam, who had primary responsibility for contract negotiations with officials at the Vietnamese Ministry of Health.

9. Medical Devices in China

55. Between 2003 and 2007, Siemens MED paid approximately \$14.4 million in bribes to the same intermediary described above in connection with \$295 million in sales of medical equipment to five Chinese-owned hospitals, as well as to fund lavish trips for Chinese doctors. The former controller of Siemens oversaw the business relationship between Siemens and the affiliate of the Hong-Kong-based intermediary that it used to pay the bribes. A majority of the sales on which the intermediary received a payment involved a bribe to a government official. The same intermediary was used by Siemens TS to pay bribes in China and by Siemens MED to pay bribes in Vietnam.

56. For example, Siemens paid \$64,800 in May 2006 in connection with the sale of a \$1.5 million MRI system to the Songyuan City Central Hospital in China. The payment was sent to a U.S. bank account, and later routed to a Singapore bank account in the name of the intermediary. A project calculation sheet signed by the then-CFO of Siemens MED China described the payment as relating to “expenses (commission)”; however, no services were provided by the intermediary aside from acting as a vehicle for the transfer of bribe payments. In or around March 2008, Songyuan Hospital’s deputy director and head of the radiology department was convicted in China of corruption charges, including a charge for accepting a \$60,000 bribe from a

Siemens salesperson in connection with the sale of the MRI system and sentenced to fourteen years in prison.

57. Siemens also used the Hong Kong intermediary to pay \$9 million in travel costs for “study trips” taken by doctors who worked at government-owned hospitals in China. The study trips, which included lavish trips to Las Vegas, Miami, and other vacation spots in the United States, were connected to at least 231 separate sales to hospitals awarded to Siemens with revenue of approximately \$235 million. The former CFO of Siemens MED in China used the intermediary to pay for study trips because of concerns about the lavishness and “non-scientific content” of the trips, which were taken by doctors who were in a position to award business to Siemens.

58. Bribes were also paid to secure sales of medical equipment to hospitals in China on behalf of two Siemens U.S.-based subsidiaries, Oncology Care Solutions (“OCS”) in California and Molecular Imaging (“MI”) in Illinois. For OCS, Siemens developed a scheme to minimize the risk of anti-bribery prosecution in the United States for these transactions by routing the approval of business consulting agreements and the payment of business consultants through Siemens’ headquarters in Germany rather than in the United States. Between 1998 and 2004, this scheme was used to approve improper payments of approximately \$650,000 to Chinese business consultants in connection with the U.S.-related sales. A senior manager at Siemens MED in Germany and officials of the U.S.-based subsidiaries, including the CFOs of OCS and MI were aware of the business consultant payments and facilitated the scheme by verifying the amounts to be paid and that the payments were due and owing. At one point after approving twenty-six such payments, the senior manager at Siemens MED refused to continue the payment

scheme, citing concern for the welfare of his family if he were sent to prison. The CFO of MED attempted to pressure the senior manager to keep the payment scheme going, but without success.

59. In 2005, these officials also verified that “clean up” payments totaling over \$500,000 were owed to Siemens’ Hong Kong-based intermediary in connection with sales by OCS and MI in China. The outstanding payments were for bribes owed to third parties on behalf of Siemens. After receiving confirmation from OCS and MI that the payments were outstanding, the former controller of Siemens Med authorized three “clean up” payments in 2005 for \$377,400, \$140,000 and \$44,000.

10. Traffic Control System in Russia

60. From 2004 to 2006, Siemens I&S and OOO Siemens, a regional company in Russia, paid approximately \$741,419 in bribes to government officials in connection with a World Bank-funded project for the design and installation of a \$27 million traffic control system in Moscow called the Moscow Third Ring Project. First, Siemens paid money to its business consultant who simultaneously worked as a technical consultant for the Moscow Project Implementation Unit (the “MPIU”), a quasi-governmental unit that ran the Moscow Third Ring project. The MPIU hired the technical consultant at Siemens’ suggestion. From 2004 to 2006, Siemens paid approximately \$313,000 to three entities associated with the technical consultant, with at least \$141,419 of the payment in exchange for favorable treatment in the tendering process. The technical consultant used his position at the MPIU to create tender specifications favorable to Siemens, to provide tender documents to Siemens before their official publication, to evaluate project bids in

a way that ensured Siemens would win the contract, and to assist during the implementation phase of the project.

61. Second, Siemens colluded with a competitor who agreed to inflate its project bid to ensure Siemens won the project. In return, Siemens hired the competitor at an inflated rate of approximately \$800,000. Siemens also hired two of the competitor's former consortium members to become subcontractors to Siemens on the project ("Subcontractor A and Subcontractor B"). Siemens paid Subcontractor A approximately \$1.3 million for a sham traffic study and approximately \$1.4 million to Subcontractor B for other alleged services. In fact, both subcontractors were used to funnel at least \$600,000 of the \$741,419 described in paragraph 60 to senior officials of the MPIU.

11. Refinery Modernization Project in Mexico

62. In late 2004, Siemens PG and Siemens S.A. de CV, a regional entity, made three separate illicit payments totaling approximately \$2.6 million to a politically-connected business consultant to assist in settling cost overrun claims in connection with three refinery modernization projects in Mexico. Some portion of these payments were routed through the business consultant to a senior official of the Mexican state-owned petroleum company, Petroleos Mexicanos ("Pemex"). The official was in a position to influence the settlement. The payments were made with the knowledge and approval of the then-CEO of Siemens' regional company in Mexico. The payments were supported by invoices reflecting consulting services that were not provided or only vaguely described. A portion of Siemens' work on the contracts was performed by a regional subsidiary in Atlanta, and some of the contract financing was provided by the U.S. Export-Import Bank in Washington, DC.

12. Medical Devices in Russia

63. Between 2000 and 2007, Siemens MED made improper payments of over \$55 million to a Dubai-based business consultant in connection with sales of medical equipment in Russia. The business consultant was used as a payment intermediary for bribes to government-owned customers in Russia. The former CFO of Siemens MED knew of and approved the payments. Senior Siemens officials estimated that up to 80% of Siemens' MED business in Russia involved illicit payments. On one such transaction in 2006, Siemens made payments of approximately \$287,914, some of which was used for bribes, in connection with the \$2.5 million sale of a computer tomograph system to a public hospital in Ekaterinburg. On this contract, the bribes were routed through the Dubai-based business consultant, as well as a second business consultant that was registered in Des Moines, Iowa.

13. GSM Mobile Network Services in Vietnam

64. In 2002, Siemens COM paid approximately \$140,000 in bribes in connection with a tender worth approximately \$35 million for the supply of equipment and services related to a Global Systems mobile network for Vietel, a government owned telecommunications provider founded by the Vietnamese Ministry of Defense. Two separate payments totaling \$140,000 were made to the Singapore account of a Siemens business consultant. The payments were then routed through a U.S. correspondent account and likely paid to officials at the Vietnamese Ministry of Defense. The payments were part of a much larger bribery scheme concocted by high-level managers at Siemens regional company in Vietnam, SLV, to pay bribes to government officials at Vietel and the Vietnamese Ministry of Defense in order to acquire Phase I of the Vietel GSM tender.

In a June 2002, facsimile that discussed the bribery scheme, the former head of COM sales for the regional company described Siemens' explicit agreement to pay 8% of the value of the Vietel project to officials at the Ministry of Defense and 14% of the project value to officials at Vietel. In August and September 2002, Siemens signed agreements with two business consultants who were retained for the sole purpose of funneling the bribes to government officials connected to Vietel. Ultimately, Siemens was unsuccessful in its pursuit of the Vietel project and lost the tender before paying additional bribes.

E. The Oil for Food Program

65. The Oil for Food Program was intended to provide humanitarian relief for the Iraqi population, which faced severe hardship under the international trade sanctions that followed Iraq's 1990 invasion of Kuwait. The Program permitted the Iraqi government to sell its crude oil and use the proceeds to purchase food, medicine, and critical infrastructure supplies. The proceeds of the oil sales were transferred directly from the buyers to an escrow account (the "U.N. Escrow Account") maintained in New York by the United Nations 661 Committee. Funds in the U.N. Escrow Account were available for the purchase of humanitarian supplies, subject to U.N. approval and supervision. The intent of this structure was to prevent the proceeds of Iraq's crude oil sales from undermining the sanctions regime by supplying cash to Saddam Hussein.

66. Corruption was rampant within the Program. By mid-2000, Iraqi ministries on the instruction of top government officials instituted a policy requiring suppliers of humanitarian goods to pay a ten percent kickback on each contract. This kickback requirement was euphemistically referred to as an "after-sales service" fee

(“ASSF”); however, no services were provided. Suppliers competing to obtain contracts under the Program were encouraged to include a ten percent markup in their bids or purchase orders. The inflated contract prices were incorporated into the Oil for Food contracts as a way to permit the suppliers to recover from the U.N. Escrow Account the kickback payments they had paid secretly to Iraq. Following the 2004 release of a report by the U.S. General Accounting Office exposing some of the abuses, the U.N. commissioned an independent inquiry committee, headed by former Federal Reserve Chairman Paul Volcker (the “Volcker Committee”), to investigate the Program’s performance. That committee’s October 27, 2005, final report estimated that the Iraqi government had diverted \$1.7 billion in illicit income from the Program.

1. Siemens’ Involvement in the Oil for Food Program

67. Siemens participated in the Program through two of its regional companies, Siemens S.A.S. (“Siemens France”) and Siemens Sanayi ve Ticaret A.S. (“Siemens Turkey”) and two subsidiaries, Osram Middle East FZE (“Osram ME”) and Gas Turbine Technologies SpA (“GTT”). In total, 42 Oil for Food contracts were entered into, and secret kickback payments of approximately \$1.7 million were made to Iraqi controlled accounts in order to avoid detection by the U.N. Total revenues on the contracts were over \$124 million with profits of approximately \$38,226,537. The payments were characterized as after sales service fees; however, no services were actually rendered. The ASSFs were effectively bribes paid to the Iraqi regime, which Siemens improperly disguised on its books and records by mischaracterizing the bribes as legitimate commissions.

2. Siemens France

68. From approximately September 2000 to July 2001, Siemens France entered into twelve contracts covering power station renovation, servicing and spare parts with the Iraqi Ministry of Electricity and paid illicit ASSFs of approximately \$321,745. The contracts were artificially inflated by 10% and then submitted to the U.N. for payment. The U.N. was not informed that the contracts had been inflated or that Siemens France intended to pay illicit kickbacks to Iraq.

69. For instance, in July 2000 Siemens submitted a bid for the refurbishment of cranes at the Daura Power Station in Iraq. The purchase order was subsequently signed in November 2000, and included a 10% increase in the contract value. Shortly thereafter, in January 2001, Siemens signed a Supplement to its business consultant agreement with its local agent in Iraq providing for a 10% commission to the agent for "after sales services and activities." The document was unusual because it provided a higher agent compensation than was usually provided on such contracts; it was "inconsistent with Siemens' practice" which required specification and pricing of any true after sales services; and because there was only one Siemens signatory on the contract. In various letters and memoranda, one former Siemens salesman documented discussions that he had with Iraqi officials regarding the requirement of ASSFs. In a memorandum written by another Siemens employee discussing how to make the ASSF payments, the employee stated that Siemens' agent in Iraq told him that another Siemens subsidiary, Siemens Turkey, had chosen to pay ASSFs in cash "so that no names appear on paper."

70. Siemens France used a local agent in Iraq to deposit the ASSF payments in cash into a Jordanian bank account held by two Iraqi officials, which were later transferred to an account controlled by the Iraqi Ministry of Electricity. The local agent confirmed the bank deposits were made on behalf of Siemens and bank records reflect the payments. When making the ASSF payments, the local agent used the name of an acquaintance who did not work for Siemens so as to conceal his true identity.

3. Siemens Turkey

71. From approximately September 2000 to June 2002, Siemens Turkey entered into twenty contracts relating to the building and rehabilitation of power stations, and paid after sales service fees totaling approximately \$1,243,119. Many aspects of Siemens Turkey's involvement in the Oil for Food Program were similar to those of Siemens France. Both companies used the same local agent in Iraq and both dealt principally with the Ministry of Electricity in their payment of illicit ASSFs. As described above, a Siemens employee stated that the agent informed him that Siemens Turkey was paying ASSFs in cash "so that no names appear on paper." Siemens' local agent also deposited some ASSFs into a Jordanian bank account controlled by Iraqi officials.

4. Osram Middle East

72. From approximately May 2000 to June 2002, Osram Middle East ("Osram"), a Siemens subsidiary, entered into six contracts with state companies within the Ministry of Oil, and paid ASSFs of approximately \$89,250 for the sale of lighting equipment. Osram employees admitted that Siemens' local agent relayed the Ministry of Oil's demand for ASSFs sometime in late 2000. On three of the contracts, Osram entered

into secret side agreements agreeing to pay a 10% kickback to the Iraqi ministry. The local agent signed each of the side letters on Osram's behalf. The contracts between Osram and the Ministry of Oil typically contained a 10% markup for ASSFs. The inflated contracts were submitted to the U.N. for approval, but the U.N. was not informed that the contracts were inflated and the side letters were not disclosed. The agent admitted that he made the ASSF payments to Jordanian bank accounts held for the benefit of the Iraqi Ministry of Oil on Osram's behalf.

5. GTT

73. Beginning in 2001, GTT entered into four contracts with the Ministry of Electricity in which ASSFs of \$81,962 were paid. For each contract, the value of the contract was increased by approximately 10% between the submission of the initial bid and the signing of the purchase order. GTT employees admit to the ASSF kickback scheme, and documents reflect that GTT's agent in Iraq informed GTT that ASSF payments were a condition to obtaining contracts. Though all of the contracts were signed before 2003, none were performed before the start of the Iraqi war. After the war began, the U.N asked GTT to amend each contract to decrease its value by the 10% ASSF.

F. Siemens Employed U.S. Means to Engage in Bribery

74. In total, Siemens made bribe payments directly or indirectly to foreign government officials in connection with at least 290 projects or individual sales involving business in Venezuela, China, Israel, Bangladesh, Nigeria, Argentina, Vietnam, Russia, and Mexico that employed the mails and other means and instrumentalities of U.S. interstate commerce. The corrupt payments were made to government officials or their

designees for the purpose of obtaining or retaining business in connection to the above projects. The use of interstate commerce in connection with bribery included involving U.S.-based Siemens subsidiaries and their employees in the bribery schemes; financing of three underlying projects by the World Bank and the U.S. Export-Import Bank; making illegal payments through U.S. banks; using U.S.-based companies as intermediaries, business consultants, and holders of slush funds; conducting meetings in the United States in furtherance of a bribery scheme; and transmitting mail, electronic mail, and facsimile messages into and out of the United States.

G. Siemens Failed to Maintain Its Books and Records

75. During the Relevant Period, Siemens made thousands of payments to third parties in ways that obscured the purpose for, and the ultimate recipients of, the payments. In particular, Siemens paid approximately \$1.4 billion in bribes to foreign government officials. Doing so involved the falsification of Siemens' books and records by employees throughout the Company. Specifically, Siemens failed to keep accurate books and records by: 1) establishing and funding secret, off-books accounts; 2) establishing and using a system of payment intermediaries to obscure the source and destination of funds; 3) making payments pursuant to business consultant agreements that inaccurately described the services provided; 4) generating false invoices and other false documents to justify payments; 5) disbursing millions in cash from cash desks with inaccurate documentation authorizing or supporting the withdrawals; 6) using post-it notes for the purpose of concealing the identity of persons authorizing illicit payments; 7) recording illicit ASSF payments as legitimate commissions in Oil for Food

transactions; 8) falsifying U.N. documents in connection with the Oil for Food Program; and 9) recording bribes as payment for legitimate services.

H. Siemens Failed to Maintain Adequate Internal Controls

76. Siemens failed to implement adequate internal controls to comply with the Company's NYSE listing, including the detection and prevention of violations of the FCPA. First, Siemens engaged in the knowing falsification of books and records. Siemens established numerous off-books accounts and secret slush funds for the purpose of obscuring the purpose for, and ultimate recipient of, illicit payments. Elaborate payment mechanisms were used to conceal the fact that bribe payments were made around the globe to obtain business, including the PG confidential payment system and extensive use of business consultants and intermediaries to funnel bribes. False invoices and payment documentation was created to make payments to business consultants under false business consultant agreements that identified services that were never intended to be rendered. Illicit payments were falsely recorded as expenses for management fees, consulting fees, supply contracts, room preparation fees, and commissions. Documents related to its participation in the Oil for Food Program were also inaccurate. Siemens inflated U.N. contracts, signed side agreements with Iraqi ministries that were not disclosed to the U.N., and recorded the ASSF payments as legitimate commissions despite U.N., U.S., and international sanctions against such payments.

77. Second, Siemens employees routinely circumvented the internal controls the Company had in place. Slush funds were opened in the names of former and current employees and maintained off-books. At any given point, Siemens had no central record of the true number of bank accounts opened on its behalf, from which, millions in illicit

payments were made. Despite a “four-eyes” policy that required two signatures on Company documents to authorize transactions, a significant number of business consultant agreements were entered into and a significant number of payments were authorized in violation of the policy. In many instances, signatures authorizing the withdrawal of hundreds of thousands of dollars from cash desks were placed on post-it notes and later removed in order to eradicate any permanent record of the approvals. In numerous instances, officials signing documents failed to conduct any review of the documents. For example, an official who authorized payments on behalf of Siemens’ Russian regional subsidiary authorized payments despite his inability to read the language in which the supporting documentation of the payments were prepared. Siemens officials frequently misused internal accounts by transferring money from one Siemens entity to another without any legitimate business purpose or proper documentation of the disposition of the funds. Siemens officials modified the format of agreements to avoid internal controls on the use of business consultants by backdating agreements, misidentifying counterparties as “agents” rather than “business consultants,” and obscuring the amounts paid to business consultants by splitting the payments among separate agreements.

78. Finally, Siemens failed to establish adequate internal controls despite its knowledge that corruption was rampant. Siemens did not issue mandatory and comprehensive Company-wide controls regarding the use of business consultants until June 2005, well after senior officials were aware of widespread bribery in the Company’s two largest divisions, COM and PG. Despite those controls, due diligence on business consultants remained largely inadequate, and payments continued to be made without

adequate proof of services rendered. Siemens failed to establish controls over numerous off-books accounts held on its behalf around the world. The Company maintained no central list of corporate accounts held at unconsolidated entities or in the names of individual Siemens officials. Siemens failed to establish controls over cash disbursements, allowed manual payments without documentation, and failed to ensure the proper use of intercompany accounts. Siemens failed to establish an effective central compliance function. The compliance office lacked independence and was severely understaffed. Siemens tone at the top was inadequate for a law abiding entity, and employees engaged in bribery and other misconduct on behalf of the Company were not adequately disciplined. Siemens also failed to conduct appropriate anti-bribery and corruption training.

CLAIMS FOR RELIEF

FIRST CLAIM

[Violations of Section 30A of the Exchange Act]

Paragraphs 1 through 78 are realleged and incorporated by reference.

79. As described above, Siemens, through its officers, agents, and subsidiaries, corruptly offered, promised to pay, or authorized payments to one or more persons, while knowing that all or a portion of those payments would be offered, given, or promised, directly or indirectly, to foreign officials for the purpose of influencing their acts or decisions in their official capacity, inducing them to do or omit to do actions in violation of their official duties, securing an improper advantage, or inducing such foreign officials to use their influence with foreign governments or instrumentalities thereof to assist Siemens in obtaining or retaining business.

80. By reason of the foregoing, Siemens violated, and unless enjoined will continue to violate, Section 30A of the Exchange Act. [15 U.S.C. § 78dd-1]

SECOND CLAIM

[Violations of Section 13(b)(2)(A) of the Exchange Act]

Paragraphs 1 through 80 are realleged and incorporated by reference.

81. As described above, Siemens, through its officers, agents and subsidiaries, failed to keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected its transactions and dispositions of its assets.

82. By reason of the foregoing, Siemens violated, and unless enjoined will continue to violate, Section 13(b)(2)(A) of the Exchange Act. [15 U.S.C. § 78m(b)(2)(A)]

THIRD CLAIM

[Violations of Section 13(b)(2)(B) of the Exchange Act]

Paragraphs 1 through 82 are realleged and incorporated by reference.

83. As described above, Siemens failed to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

(i) transactions were executed in accordance with management's general or specific authorization; and (ii) transactions were recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for its assets.

84. By reason of the foregoing, Siemens violated, and unless enjoined will continue to violate, Section 13(b)(2)(B) of the Exchange Act. [15 U.S.C. § 78m(b)(2)(B)]

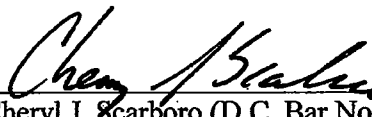
PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment:

- A. Permanently restraining and enjoining Siemens from violating 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)];
- B. Ordering Siemens to disgorge ill-gotten gains wrongfully obtained as a result of its illegal conduct; and
- C. Granting such further relief as the Court may deem just and appropriate.

Dated: Dec 12 2008

Respectfully submitted,


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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

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

UNITED STATES DISTRICT JUDGE

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**U.S. SECURITIES AND EXCHANGE
Commission,
100 F. Street, NE
Washington, D.C. 20549,**

Plaintiff,

- against -

**SIEMENS AKTIENGESELLSCHAFT
Wittelsbacherplatz 2
D-80333 MUNICH
Federal Republic of Germany,**

Defendant.

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Civil Action No. _____

CONSENT OF DEFENDANT SIEMENS AKTIENGESELLSCHAFT

1. Defendant Siemens Aktiengesellschaft ("Defendant" or "Siemens") waives service of a summons and the complaint in this action and, solely for purposes of this action, enters a general appearance and admits the Court's jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Defendant admits for purposes of this action only), Defendant hereby consents to the entry of the Final Judgment in the form attached hereto (the "Final Judgment") and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violations of Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”);
- (b) orders Defendant to pay disgorgement in the amount of \$350,000,000; and
- (c) orders Defendant, through its Managing Board, within sixty (60) calendar days of the entry of the Final Judgment, to retain an independent compliance monitor to perform the services described in paragraphs 3 through 10 of this Consent.

3. 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 4 through 10 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").

4. 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.

5. 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.

6. 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 Scarboro, 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.

7. 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.

8. 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 6 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.

9. In undertaking the assessments and reviews described in paragraphs 5 through 8, 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.

10. 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.

11. 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.

12. 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.

13. Defendant agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors or others. Defendant further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors or others. Nothing herein shall prevent Siemens from pursuing, and recovering monies with respect to, civil claims against current or former employees of Siemens or any subsidiary, affiliate or agent.

14. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

15. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

16. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission

or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

17. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

18. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

19. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

20. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding and related claims considered by the Commission staff relating to or arising out of the facts alleged in the Complaint, including without limitation disclosure-related claims. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim that settlement of this proceeding, including the imposition of any remedy or civil penalty herein, is in

any way barred by Double Jeopardy or similar concepts prohibiting double payment or penalty for the same act or transactions. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

21. Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy and except as may be permitted under the last sentence of this paragraph, Defendant agrees: (i) not to take any action or to make or permit to be made any public statement, denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court

to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation, or other proceedings of any kind in which the Commission is not a party.

22. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

23. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party and subject to compliance with applicable law, including local labor and data protection law, Defendant (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) solely for purposes of this action, will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned attorney as agent, solely to receive service of such notices and subpoenas; (iv) solely with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure

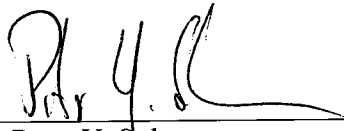
and any applicable local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) solely for purposes of enforcement of such subpoenas, consents to personal jurisdiction over Defendant in any United States District Court. Defendant shall use its best efforts to secure the voluntary cooperation of its current and former employees in complying with such requests to appear and testify. However, nothing herein shall require Defendant to seek to compel any employee to waive any legal or other right to refuse to appear.

24. Subject to compliance with applicable law, including local labor and data protection laws, Defendant agrees to cooperate fully with investigations and related judicial or administrative proceedings commenced by the Commission, the Department of Justice, the Munich Prosecutor and such other foreign prosecutors as may be mutually agreed.

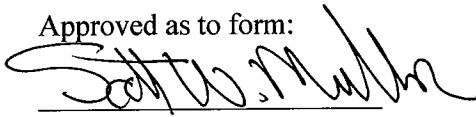
25. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

26. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: November 25, 2008 Siemens

By: 
Peter Y. Spilmssen
Title: General Counsel and Member of
Siemens Managing Board
Address: Wittelsbacherplatz 2
D-80333 Munich
Federal Republic of Germany

Approved as to form:



Margaret Ayres, Esq.
Angela B. Burgess, Esq.
John P. Cooney, Jr., Esq.
Robert B. Fiske, Jr., Esq.
Scott W. Muller, Esq.
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450 Lexington Ave.
New York, NY 10012
USA 212. 450 4359

Attorneys for Defendant

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**U.S. SECURITIES AND EXCHANGE
COMMISSION,
100 F. Street, NE
Washington, D.C. 20549,**

Plaintiff,

v.

**SIEMENS AKTIENGESELLSCHAFT
Wittelsbacherplatz 2
D-80333 Munich
Federal Republic of Germany,**

Defendant.

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Civil Action No. _____

**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 Scarboro, 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: _____, ____

UNITED STATES DISTRICT JUDGE

SIEMENS AKTIENGESELLSCHAFT

CERTIFICATE OF CORPORATE RESOLUTION

I, Solms U. Wittig, do hereby certify that I am the General Counsel Corporate & Finance of Siemens Aktiengesellschaft ("Company"), a German stock corporation, as well as the minute taker for the Managing Board of the Company and that the following is a complete and accurate copy of a resolution adopted by the Managing Board of the Company at a meeting held on November 21, 2008, at which a quorum was present and resolved as follows:


Peter Solmssen, General Counsel and Member of the Managing Board of Siemens Aktiengesellschaft, be and hereby is authorized to, on behalf of the Company, negotiate, execute and deliver to the United States Securities and Exchange Commission ("SEC") the presented ""Offer of Settlement" (consisting of, among others, the Siemens Consent and the Final Judgment) in connection with the investigation conducted by the SEC, whereby Mr. Solmssen be and hereby is particularly authorized to

- take any and all actions necessary in this context, including to sign the Siemens Consent and deliver it to the SEC, and
- make, on behalf of the Company, any and all written or verbal declarations necessary in this context.

I further certify that the aforesaid resolution has not been amended or revoked in any respect and remains in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate this 21st day of November, 2008.

By:



Name: Solms U. Wittig

Title: General Counsel Corporate & Finance,
Company: Siemens Aktiengesellschaft

CIVIL COVER SHEET

JS-44

(Rev. 1/05 DC)

I (a) PLAINTIFFS U.S. Securities & Exchange Commission 100 F Street NE Washington, DC 20549-6030	DEFENDANTS Siemens Aktiengesellschaft Wittelsbacherplatz 2 D-80333 Munich Federal Republic of Germany
(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF (EXCEPT IN U.S. PLAINTIFF CASES)	COUNTY OF RESIDENCE OF FIRST LISTED DEFENDANT (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED
(c) ATTORNEYS (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER) Cheryl J. Scarboro, Tracy L. Price, Denise Y. Hansberry, Robert J. Dodge U.S. Securities & Exchange Commission 100 F Street, NE, Washington, DC 20549-6030 202-551-4403 (Scarboro)	ATTORNEYS (IF KNOWN) Scott W. Muller (See Attachment A) Davis Polk & Wardwell 450 Lexington Ave. New York, NY 10012 212-450-4359

II. BASIS OF JURISDICTION (PLACE AN x IN ONE BOX ONLY)	III CITIZENSHIP OF PRINCIPAL PARTIES (PLACE AN x IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT) FOR DIVERSITY CASES ONLY!																								
<div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="radio"/> 1 U.S. Government Plaintiff </div> <div> <input type="radio"/> 3 Federal Question (U.S. Government Not a Party) </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <input type="radio"/> 2 U.S. Government Defendant </div> <div> <input type="radio"/> 4 Diversity (Indicate Citizenship of Parties in item III) </div> </div>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">PTF</th> <th style="text-align: center;">DFT</th> <th></th> <th style="text-align: center;">PTF</th> <th style="text-align: center;">DFT</th> </tr> </thead> <tbody> <tr> <td>Citizen of this State</td> <td style="text-align: center;"><input checked="" type="radio"/> 1</td> <td style="text-align: center;"><input type="radio"/> 1</td> <td>Incorporated or Principal Place of Business in This State</td> <td style="text-align: center;"><input type="radio"/> 4</td> <td style="text-align: center;"><input type="radio"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="radio"/> 2</td> <td style="text-align: center;"><input type="radio"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td style="text-align: center;"><input type="radio"/> 5</td> <td style="text-align: center;"><input type="radio"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="radio"/> 3</td> <td style="text-align: center;"><input type="radio"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="radio"/> 6</td> <td style="text-align: center;"><input type="radio"/> 6</td> </tr> </tbody> </table>		PTF	DFT		PTF	DFT	Citizen of this State	<input checked="" type="radio"/> 1	<input type="radio"/> 1	Incorporated or Principal Place of Business in This State	<input type="radio"/> 4	<input type="radio"/> 4	Citizen of Another State	<input type="radio"/> 2	<input type="radio"/> 2	Incorporated and Principal Place of Business in Another State	<input type="radio"/> 5	<input type="radio"/> 5	Citizen or Subject of a Foreign Country	<input type="radio"/> 3	<input type="radio"/> 3	Foreign Nation	<input type="radio"/> 6	<input type="radio"/> 6
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IV. CASE ASSIGNMENT AND NATURE OF SUIT

(Place a X in one category, A-N, that best represents your cause of action and one in a corresponding Nature of Suit)

<input type="radio"/> A. Antitrust <input type="checkbox"/> 410 Antitrust	<input type="radio"/> B. Personal Injury/Malpractice <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Medical Malpractice <input type="checkbox"/> 365 Product Liability <input type="checkbox"/> 368 Asbestos Product Liability	<input type="radio"/> C. Administrative Agency Review <input type="checkbox"/> 151 Medicare Act <u>Social Security:</u> <input type="checkbox"/> 861 HIA ((1395ff)) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <u>Other Statutes</u> <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 890 Other Statutory Actions (If Administrative Agency is Involved)	<input type="radio"/> D. Temporary Restraining Order/Preliminary Injunction Any nature of suit from any category may be selected for this category of case assignment. *(If Antitrust, then A governs)*
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<input checked="" type="radio"/> E. General Civil (Other)	<input type="radio"/> F. Pro Se General Civil
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<u>Real Property</u> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent, Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property <u>Personal Property</u> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<u>Bankruptcy</u> <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <u>Prisoner Petitions</u> <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <u>Property Rights</u> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <u>Federal Tax Suits</u> <input type="checkbox"/> 870 Taxes (US plaintiff or defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609	<u>Forfeiture/Penalty</u> <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 RR & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other <u>Other Statutes</u> <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 430 Banks & Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 470 Racketeer Influenced & Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Satellite TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 900 Appeal of fee determination under equal access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions (if not administrative agency review or Privacy Act)
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<input type="radio"/> G. Habeas Corpus/ 2255 <input type="checkbox"/> 530 Habeas Corpus-General <input type="checkbox"/> 510 Motion/Vacate Sentence	<input type="radio"/> H. Employment Discrimination <input type="checkbox"/> 442 Civil Rights-Employment (criteria: race, gender/sex, national origin, discrimination, disability age, religion, retaliation) <i>*(If pro se, select this deck)*</i>	<input type="radio"/> I. FOIA/PRIVACY ACT <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 890 Other Statutory Actions (if Privacy Act) <i>*(If pro se, select this deck)*</i>	<input type="radio"/> J. Student Loan <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (excluding veterans)
<input type="radio"/> K. Labor/ERISA (non-employment) <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Labor Railway Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="radio"/> L. Other Civil Rights (non-employment) <input type="checkbox"/> 441 Voting (if not Voting Rights Act) <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 445 American w/Disabilities-Employment <input type="checkbox"/> 446 Americans w/Disabilities-Other	<input type="radio"/> M. Contract <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholder's Suits <input type="checkbox"/> 190 Other Contracts <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<input type="radio"/> N. Three-Judge Court <input type="checkbox"/> 441 Civil Rights-Voting (if Voting Rights Act)

V. ORIGIN

- ☒ 1 Original Proceeding
 ☐ 2 Removed from State Court
 ☐ 3 Remanded from Appellate Court
 ☐ 4 Reinstated or Reopened
 ☐ 5 Transferred from another district (specify)
 ☐ 6 Multi district Litigation
 ☐ 7 Appeal to District Judge from Mag. Judge

VI. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE)

See Attachment A

VII. REQUESTED IN COMPLAINT
☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

Check YES only if demanded in complaint

JURY DEMAND:

YES

☐

NO

☒**VIII. RELATED CASE(S) IF ANY**

(See instruction)

YES

☒

NO

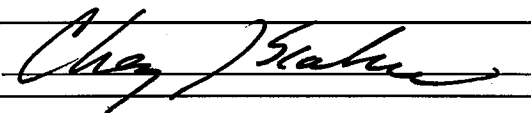
☐

If yes, please complete related case form.

DATE

Dec 12, 2008

SIGNATURE OF ATTORNEY OF RECORD

**INSTRUCTIONS FOR COMPLETING CIVIL COVER SHEET JS-44**

Authority for Civil Cover Sheet

The JS-44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. Listed below are tips for completing the civil cover sheet. These tips coincide with the Roman Numerals on the Cover Sheet.

- I.** COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF/DEFENDANT (b) County of residence: Use 11001 to indicate plaintiff is resident of Washington, D.C.; 88888 if plaintiff is resident of the United States but not of Washington, D.C., and 99999 if plaintiff is outside the United States.
- III.** CITIZENSHIP OF PRINCIPAL PARTIES: This section is completed only if diversity of citizenship was selected as the Basis of Jurisdiction under Section II.
- IV.** CASE ASSIGNMENT AND NATURE OF SUIT: The assignment of a judge to your case will depend on the category you select that best represents the primary cause of action found in your complaint. You may select only one category. You must also select one corresponding nature of suit found under the category of case.
- VI.** CAUSE OF ACTION: Cite the US Civil Statute under which you are filing and write a brief statement of the primary cause.
- VIII.** RELATED CASES, IF ANY: If you indicated that there is a related case, you must complete a related case form, which may be obtained from the Clerk's Office.

Because of the need for accurate and complete information, you should ensure the accuracy of the information provided prior to signing the form.

Civil Cover Sheet Attachment A

U.S. Securities and Exchange Commission v. Siemens Aktiengesellschaft

I (c). Defendant's Attorneys

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VI. Cause of Action

This case is filed under the following civil statutes: 15 U.S.C. §§ 78u(d), 78(u)e and 78aa. Venue is appropriate under 15 U.S.C. § 78aa or 28 U.S.C. § 1391(d).

This action arises from the Defendant's violation of the following provisions of the Federal Securities laws: Sections 13(b)(2)(A), 13(b)(2)(B) and 30A of the Securities Exchange Act of 1934 [15 U.S.C. § 78m(b)(2)(A), 15 U.S.C. § 78m(b)(2)(B) and 15 U.S.C. . § 78dd-1].