

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

UNITED STATES SECURITIES AND :
EXCHANGE COMMISSION, :
100 F Street, NE :
Washington, DC 20549-6030 :

Plaintiff, :

v. :

DAIMLER AG, :
Mercedesstrasse 137 :
70327 :
Stuttgart, Germany :

Defendant. :

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FINAL JUDGMENT AS TO DEFENDANT DAIMLER AG

The Securities and Exchange Commission having filed a Complaint and Defendant Daimler AG, formerly known as DaimlerChrysler AG (“Defendant” or “Daimler”), 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.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant will engage an independent compliance monitor (the "Monitor") not unacceptable to the staff of the Securities and Exchange Commission (the "Commission"). If the 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"), Defendant 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") 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's term as the independent corporate monitor shall be three (3) years from the date of the Final Judgment, subject to extension or early termination. Defendant agrees that, in the event that the Commission staff determines, in its sole discretion, that Defendant has knowingly violated any provision of the consent attached hereto and incorporated by reference herein ("the Consent") or this Final Judgment, an extension or extensions of the Monitor's term may be imposed by the Commission staff, in its sole discretion, for up to a total additional time period of one-year. Any extension of the Monitor's term extends all terms of the Consent for an equivalent period. Conversely, in the event the Commission staff finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the Monitor, and the other provisions of the Consent have been satisfied, the Monitor's term may be terminated early.

During this period, the Monitor will review and evaluate, in the manner set forth in the paragraphs below, Defendant's internal controls, record-keeping, and financial reporting policies and procedures as they relate to compliance with the anti-bribery, books and records, and internal accounting controls provisions of the FCPA, codified at Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and other applicable anti-corruption laws. Defendant shall exclusively bear all costs, including compensation and expenses, associated with the retention of the Monitor.

Defendant shall cooperate fully with the Monitor and the Monitor shall have the authority to take such reasonable steps, in his view, as may be necessary to be fully informed about Defendant's compliance program within the scope of his responsibilities under the Final Judgment. To that end, Defendant shall provide the Monitor with access to all information, documents, records, facilities and/or employees that fall within the scope of responsibilities of

the Monitor under the Final Judgment. Any such disclosure to the Monitor by Defendant concerning corrupt payments, related books and records, and related internal controls, shall not relieve Defendant of its obligation to truthfully disclose such matters to the Commission staff.

The parties agree that the Monitor is an independent third-party, not an employee or agent of Defendant or the Securities and Exchange Commission, and that no attorney-client relationship shall be formed between Defendant and the Monitor.

In the event that Defendant seeks to withhold from the Monitor access to information, documents, records, facilities and/or employees of Defendant which may be subject to a claim of attorney-client privilege or to the attorney work-product doctrine, Defendant shall promptly provide written notice of this determination 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. Except as provided in this paragraph, Defendant 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.

Defendant agrees that the Monitor shall assess whether Defendant's compliance program is reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

During the three (3) year term, the Monitor shall conduct an initial review and prepare an initial report, followed by two follow-up reviews and reports as described below. With respect to each of the three (3) reviews, after initial consultations with Defendant and the Commission

staff, the Monitor shall prepare a written work plan for each review, which shall be submitted in advance to Defendant and the Commission staff for comment. In order to conduct an effective initial review and to understand fully any existing deficiencies in controls, policies and procedures related to the FCPA and other applicable anti-corruption laws, the Monitor's initial work plan shall include such steps as are reasonably necessary to develop an understanding of the facts and circumstances surrounding any violations that may have occurred, but the parties do not intend that the Monitor will conduct his or her own inquiry into those historical events. Any disputes between Defendant and the Monitor with respect to the work plan shall be decided by the Commission staff in its sole discretion.

The Monitor shall issue a written report within one hundred and twenty (120) calendar days of the date of entry of the Final Judgment setting forth the Monitor's assessment and making recommendations reasonably designed to improve the policies and procedures of Defendant for ensuring compliance with the FCPA and other applicable anti-corruption laws. The Monitor shall provide the report to Defendant's Supervisory Board, Board of Management and Audit Committee and contemporaneously transmit copies to Cheryl Scarboro, Associate Director, Division of Enforcement, 100 F Street, NE, Washington, DC 20549-6030. The Monitor may extend the time period for issuance of the report with prior written approval of the Commission staff.

Within one hundred and twenty (120) calendar days after receiving the Monitor's report, Defendant shall adopt all recommendations in the report; provided, however, that within sixty (60) calendar days after receiving the report, Defendant shall advise the Monitor and the Commission staff in writing of any recommendations that Defendant considers unduly burdensome, impractical, costly or otherwise inadvisable. With respect to any recommendation

that Defendant considers unduly burdensome, impractical, costly, or otherwise inadvisable, Defendant 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. Defendant shall also explain why the objective or purpose of such recommendation is unduly burdensome, impractical, costly or otherwise inadvisable. As to any recommendation on which Defendant and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within forty-five (45) calendar days after Defendant serves the written advice. In the event Defendant and the Monitor are unable to agree on an alternative proposal, Defendant shall abide by the determination of the Monitor. 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.

The Monitor shall undertake two (2) follow-up reviews to further monitor and assess whether the policies and procedures of Defendant are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws. Within sixty (60) calendar days of initiating each follow-up review, the Monitor shall: (a) complete the review; (b) certify whether the anti-bribery compliance program of Defendant, including its policies and procedures, is appropriately designed and implemented to ensure compliance with the FCPA and other applicable anti-corruption laws; and (c) report on the Monitor's findings in the same fashion as set forth above with respect to the initial review. The first follow-up review shall commence one year after the date of entry of the Final Judgment. The second follow-up review shall commence at least one year after completion of the first follow-up review. The Monitor

may extend the time period for these follow-up reviews with prior written approval of the Commission staff.

In undertaking the assessments and reviews described in the above paragraphs relating to the Monitor, the Monitor shall formulate conclusions based on, among other things: (a) inspection of relevant documents, including Defendant's policies and procedures relating to anti-corruption compliance; (b) onsite observation of the systems and procedures of Defendant, including Defendant's 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 Defendant's anti-bribery compliance program.

Should the Monitor, during the course of his 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 Defendant, or that related false books and records have been maintained by Defendant, the Monitor shall promptly report such payments to Defendant's General Counsel, to Defendant's Audit Committee and to Defendant's outside counsel for further investigation, unless the Monitor believes, in the exercise of his discretion, that such disclosure should be made directly to the Commission staff. If the Monitor refers the matter only to Defendant's General Counsel, Defendant's Audit Committee, and Defendant's outside counsel, Defendant shall promptly report the same to the Commission staff. If Defendant fails to make such disclosure within ten (10) calendar days of the report of such payments, the Monitor shall independently disclose his or her findings to the Commission staff at the address listed above. Further, in the event that Defendant refuses to provide information necessary for the performance of the Monitor's responsibilities, the Monitor shall disclose that fact to the

Commission staff. Defendant and its shareholders shall not take any action to retaliate against the Monitor for any such disclosures or for any other reason. The Monitor may report other criminal, civil or regulatory violations discovered in the course of performing his or her duties, in the same manner as described above.

Defendant shall require the Monitor to enter into an agreement with Defendant that provides that for the period of the three (3) year engagement and for a period of one (1) year from completion of the engagement, the Monitor shall not enter into any additional employment, consultant, attorney-client, auditing or other professional relationship with Defendant or any of its affiliates, directors, officers, employees, or agents acting in their capacity as such. The agreement also shall provide that the Monitor will require that any firm with which he is affiliated or of which he is a member, and any person that he engages to assist in the performance of his duties under the Consent shall not, without prior written consent of the Commission staff, enter into any employment, consultant, agency, attorney-client, auditing or other professional relationship with Defendant or any of its affiliates, directors, officers, or employees, or agents acting in their capacity as such for the period of the engagement and for a period of one (1) year after the engagement. To ensure the independence of the Monitor, Defendant shall not have the authority to terminate the Monitor without the prior written approval of the Commission staff.

Defendant represents that it has implemented and will continue to implement a compliance and ethics program designed to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that Defendant makes and keeps fair and accurate books, records and accounts; and (b) a rigorous anti-corruption compliance code, standards and

procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws throughout its operations, including those of its affiliates, joint ventures, and those of its contractors and subcontractors, with responsibilities that include interactions with foreign officials. Implementation of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any violations not disclosed to the Securities and Exchange Commission as of the date of signing of the Consent for which Defendant would otherwise be responsible.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$91,432,867, representing profits gained as a result of the conduct alleged in the Complaint. Defendant shall satisfy this obligation by paying \$91,423,867 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 Daimler AG 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: _____, 2010

UNITED STATES DISTRICT JUDGE