

FILED
2014-09-10
CLERK OF DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

DLJ

UNITED STATES OF AMERICA,

Plaintiff,

v.

ZAO HEWLETT-PACKARD A.O.

Defendant.

CR 14 201

PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-PACKARD A.O.

PLEA AGREEMENT

The United States of America, by and through the Fraud Section of the Criminal Division of the United States Department of Justice and the United States Attorney's Office for the Northern District of

PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-PACKARD A.O.,

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1 California (collectively the "Department of Justice" or the "Department"), and the defendant, ZAO
2 Hewlett-Packard A.O. (the "defendant"), by and through its undersigned attorneys, and through its
3 authorized representative, pursuant to authority granted by Power of Attorney granted on behalf of the
4 defendant, hereby submit and enter into this plea agreement (the "Agreement"), pursuant to Rule
5 11(c)(1)(C) of the Federal Rules of Criminal Procedure. The terms and conditions of this Agreement are
6 as follows:
7

8 **The Defendant's Agreement**

9 1. Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the defendant
10 agrees to waive its right to indictment by a grand jury and further agrees to plead guilty to the four-count
11 Criminal Information (hereinafter "Information") in this case, which charges the defendant with: (i)
12 conspiracy to commit offenses against the United States in violation of 18 U.S.C. § 371, that is, to
13 violate the anti-bribery, books and records, and internal controls provisions of the Foreign Corrupt
14 Practices Act of 1977 ("FCPA"), as amended, 15 U.S.C. §§ 78dd-3, 78m(b)(2)(A), 78m(b)(2)(B),
15 78m(b)(5), and 78ff(a); (ii) violating the FCPA's anti-bribery provisions, 15 U.S.C. § 78dd-3; (iii)
16 violating the FCPA's internal controls provisions, 15 U.S. C. §§ 78m(b)(2)(B), 78m(b)(5), and 78ff(a);
17 and (iv) violating the FCPA's books and records provisions, 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and
18 78ff(a). In doing so, the defendant: (i) knowingly waives its right to indictment on these charges, as
19 well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution,
20 Title 18, United States Code, Section 3161, and the Federal Rule of Criminal Procedure 48(b); and (ii)
21 consents to the filing of the Information, as provided under the terms of this Agreement, in the United
22 States District Court of the Northern District of California, San Jose Division, and waives for purposes
23 of this Agreement any objection to venue in the Northern District of California. Upon acceptance by the
24 Court of this Agreement, the defendant further agrees to persist in that plea through sentencing and, as
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1 set forth below, to continue to cooperate fully with the Department in its investigation into any and all
2 matters relating to corrupt payments, false books and records, and the failure to implement or
3 circumvention of internal controls, subject to applicable law and regulations.

4 2. The defendant understands and agrees that this Agreement is between the Department
5 and the defendant and does not bind any other division or section of the Department of Justice, or any
6 other federal, state, local, or foreign prosecuting, administrative, or regulatory authority. The
7 Department will bring this Agreement and the cooperation of the defendant and its ultimate parent
8 corporation, Hewlett-Packard Company ("HP Co."), to the attention of other prosecuting authorities or
9 other agencies, if requested by the defendant or HP Co.

11 3. All obligations and commitments undertaken by the defendant and HP Co. in this
12 agreement shall commence from the date on which the Court accepts the defendant's plea and shall end
13 three (3) years and seven (7) calendar days from that date (the "Term"). The defendant agrees, however,
14 that, in the event that the Department determines, in its sole discretion, that the defendant or HP Co. has
15 knowingly violated any provision of this Agreement, an extension or extensions of the Term of the
16 Agreement may be imposed by the Department, in its sole discretion, for up to a total additional time
17 period of one year, without prejudice to the Department's right to proceed as provided in Paragraphs 42
18 through 44 below. The Department agrees to provide the Company with written notice prior to
19 instituting such extension. Within thirty (30) days of receipt of such notice, the Company shall have the
20 opportunity to respond to the Department in writing to explain the nature and circumstances of the
21 alleged breach in question, as well as the actions the Company has taken to address and remediate the
22 situation, which explanation the Department shall consider in determining whether to require an
23 extension. Any extension of the Agreement extends all terms of this Agreement, including the terms of
24 the reporting requirements in Exhibit 4, for an equivalent period. Conversely, in the event the

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1 Department finds, in its sole discretion, that there exists a change in circumstances sufficient to
2 eliminate the need for the reporting requirements in Exhibit 4, and that the other provisions of this
3 Agreement have been satisfied, the Term of the Agreement may be terminated early.

4 4. The defendant agrees that this Agreement will be executed by an authorized corporate
5 representative. The defendant further agrees that a resolution duly adopted by the shareholders of the
6 defendant and a Power of Attorney duly adopted by the defendant's General Director, attached to this
7 Agreement as Exhibit 1, authorizes the defendant to enter into this Agreement and to take all necessary
8 steps to effectuate this Agreement, and that signatures on this Agreement by the defendant and its
9 counsel are authorized by the defendant's General Director and duly issued Power of Attorney, on
10 behalf of the defendant. In connection with this Agreement, the defendant has also provided to the
11 Department a certified resolution of the Board of Directors of HP Co., attached as Exhibit 2 hereto, that
12 provides that HP Co. and all of its direct or indirect affiliates or subsidiaries other than the defendant
13 (collectively, "HP"), agree to certain undertakings as set forth in this Agreement in exchange for the
14 Department's agreement in Paragraphs 23-24.

15 5. Except as may otherwise be agreed by the parties hereto in connection with a particular
16 transaction, the defendant agrees that if at any time while the defendant has obligations under the
17 Agreement the defendant sells, merges, or transfers all or substantially all of its business operations as
18 they exist as of the date of this Agreement, whether such sale(s) is/are structured as a stock or asset sale,
19 merger, or transfer, the defendant shall include in any contract for sale, merger, or transfer a provision
20 fully binding the purchaser(s) or any successor(s) in interest thereto to the guarantees and obligations
21 described in this Agreement.

1 6. The defendant waives any statute of limitations with regard to any conduct relating to
2 corrupt payments and related internal accounting controls or books and records violations as of the date
3 of this Agreement until all of the defendant's obligations under this agreement have been satisfied.

4 7. The defendant agrees and represents that it has the full legal right, power, and authority to
5 enter into and perform all of its obligations under this Agreement.

6 8. The defendant agrees to pay the United States a criminal fine in the amount of
7 \$58,772,250. The payment shall be made in full on or before the twentieth (20) business day after the
8 date of the entry of the judgment of conviction following the defendant's sentencing. The defendant
9 agrees to wire transfer the payment to the Clerk of the Court for the United States District Court for the
10 Northern District of California, San Jose Division. The defendant further agrees to pay the Clerk of the
11 Court for the United States District Court for the Northern District of California, San Jose Division, the
12 mandatory special assessment of \$400 per count within twenty (20) business days from the date of entry
13 of the judgment of conviction. The defendant acknowledges that no tax deductions may be sought in
14 connection with the payment of the \$58,772,250 fine.

15 9. The defendant agrees to abide by all terms and obligations of this Agreement as described
16 herein, including, but not limited to, the following:

- 17 a. to plead guilty as set forth in this Agreement;
18 b. to abide by all sentencing stipulations contained in this Agreement;
19 c. to appear, through its duly appointed representatives, as ordered for all
20 court appearances, and obey any other ongoing court order in this matter;
21 d. to commit no further felonies under U.S. federal law;
22 e. to be truthful at all times with the Court;
23 f. to pay the applicable fine and special assessment; and
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1 g. to continue to participate in and abide by the Corporate Compliance
2 Program maintained by HP Co. in accordance with the terms described in Exhibit 3.

3 10. The defendant agrees to continue to cooperate fully with the Department, the Internal
4 Revenue Service-Criminal Investigations Division (the "IRS"), the Federal Bureau of Investigation (the
5 "FBI"), and the U.S. Securities and Exchange Commission (the "SEC") in a manner consistent with
6 applicable law and regulations, in any and all matters relating to the conduct described in Exhibit 5, and
7 other conduct under investigation by the Department that has commenced before or during the term of
8 this Agreement, until the date upon which all investigations and prosecutions arising out of such conduct
9 are concluded, whether or not those investigations and prosecutions are concluded within the term of
10 this Agreement. At the request of the Department, the defendant shall also cooperate fully with foreign
11 law enforcement authorities and agencies and the Multilateral Development Banks ("MDBs"). Such
12 cooperation shall include, but not be limited to, the following:
13

14 a. The defendant shall, to the extent consistent with the foregoing, truthfully disclose
15 to the Department all factual information not protected by a valid claim of attorney-client privilege or
16 work product doctrine protection with respect to the activities of the defendant, HP, their present and
17 former member representatives, directors, officers, employees, agents, consultants, contractors, and
18 subcontractors, concerning all matters relating to corrupt payments to foreign public officials or
19 concerning related internal controls or books and records violations about which the defendant or HP
20 has any knowledge or about which the Department, the FBI, the IRS, the SEC, or, at the request of the
21 Department, any domestic or foreign law enforcement authorities and agencies and MDBs, shall inquire;
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23 b. The defendant shall provide to the Department, upon request, any non-privileged
24 or non-protected document, record, or other materials relating to such corrupt payments to foreign public
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1 officials about which the aforementioned authorities and agencies shall inquire of the defendant, subject
2 to the direction of the Department; and

3 c. The defendant shall use its best efforts to make available for interviews, or
4 testimony, as requested by the Department, present or former officers, directors, employees, agents, and
5 consultants of the defendant and HP. This obligation includes, but is not limited to, sworn testimony
6 before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law
7 enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of
8 witnesses who, to the knowledge of the Company, may have material information regarding the matters
9 under investigation.
10

11 11. The defendant agrees that if it issues a press release or holds a press conference in
12 connection with this Agreement, the defendant shall first consult with the Department to determine
13 whether (a) the text of the release or proposed statements at any press conference are true and accurate
14 with respect to matters between the Department and the defendant and HP; and (b) the Department has
15 no objection to the release or statement. Statements made by or on behalf of the defendant at any press
16 conference concerning this matter shall be consistent with this press release.
17

18 **HP Co.'s Agreement**

19 12. In exchange for the Department's agreement in Paragraphs 23 and 24, HP Co. agrees that
20 it will fulfill the commitments and be bound to the terms outlined in Paragraphs 9(g) and 13 to 22 of this
21 Agreement and in Exhibits 3 and 4 attached hereto.
22

23 13. HP Co. agrees to guarantee, secure, and ensure delivery by the defendant of all payments
24 due from the defendant under the Agreement; provided, however, that such guarantee shall be expressly
25 conditioned upon the Court's acceptance of the Agreement and entry of a judgment consistent with all
26

1 provisions of the Agreement. HP Co. acknowledges that no tax deductions may be sought in connection
2 with the payment of the \$58,772,250 fine.

3 14. HP Co. hereby stipulates and agrees that neither it nor any of its subsidiaries will institute
4 or participate in any proceeding to interfere with, alter, or bar enforcement of any fine, penalty, special
5 assessment, or forfeiture order imposed on the defendant pursuant to this Agreement pursuant to the
6 automatic stay or other provision of the United States Bankruptcy Code.
7

8 15. Except as may otherwise be agreed by the parties hereto in connection with a particular
9 transaction, HP Co. agrees that if at any time while HP Co. still has obligations and commitments to the
10 Department under this Agreement HP Co. sells, merges, or transfers all or substantially all of its
11 business operations as they exist as of the date of this Agreement, whether such sale(s) is/are structured
12 as a stock or asset sale, merger, or transfer, HP Co. shall include in any contract for sale, merger, or
13 transfer a provision fully binding the purchaser(s) or any successor(s) in interest thereto to the
14 guarantees and obligations described in this Agreement.
15

16 16. HP Co. agrees that it and its subsidiaries, divisions, groups, and affiliates shall continue
17 to cooperate fully with the Department on all matters relating to the conduct described in Exhibit 5, and
18 other conduct under investigation by the Department that has commenced before or during the term of
19 this Agreement, in a manner substantially similar to the cooperation required of the defendant in
20 Paragraph 10 (including subparagraphs (a)-(c)), with the Department, the IRS, the FBI, and the SEC.
21 Such cooperation shall be in a manner consistent with applicable law and regulations. This includes
22 cooperating fully in any investigation of HP Co., and any of its present and former officers, directors,
23 employees, agents, and consultants, or any other party, in any and all matters relating to Exhibit 5, and
24 other conduct under investigation by the Department that has commenced before or during the term of
25 this Agreement.
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1 17. HP Co. agrees that if it or any of its direct or indirect affiliates or subsidiaries issues a
2 press release or holds a press conference in connection with this Agreement, it shall first consult with the
3 Department to determine whether (a) the text of the release or proposed statements at any press
4 conference are true and accurate with respect to matters between the Department and the defendant and
5 HP ; and (b) the Department has no objection to the release or statement. Statements made by or on
6 behalf of HP Co. or any of its subsidiaries at any press conference concerning this matter shall be
7 consistent with this press release. Nothing in this provision shall restrict HP Co.'s obligations under the
8 federal securities laws.

10 18. HP Co. and all of its subsidiaries waive all rights, whether asserted directly or by a
11 representative, to request or receive from any department or agency of the United States any records
12 pertaining to the investigation or prosecution of this case, including without limitation any records that
13 may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the
14 Privacy Act, Title 5, United States Code, Section 552a.

16 19. HP Co. waives all defenses based on the statute of limitations, venue, speedy trial under
17 the United States Constitution and the Speedy Trial Act, and any and all constitutional and non-
18 jurisdictional defenses with respect to any prosecution of HP Co. that is not time-barred on the date that
19 this Agreement is signed related to or arising from the conduct charged in the Information to be filed
20 against the defendant, in the event that HP Co. breaches this Agreement or fails to fulfill its
21 commitments under this Agreement for any reason, provided such prosecution is brought within one
22 year of such breach or failure plus the remaining time period of the statute of limitations as of the date
23 that this Agreement is signed.

25 20. HP Co. represents that it has implemented and will continue to implement and maintain,
26 consistent with Exhibit 3 which is incorporated by reference into this Agreement, a compliance and
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1 ethics program designed to prevent and detect violations of the FCPA and other applicable anti-
2 corruption laws throughout its operations, including those of its subsidiaries, affiliates, agents, and joint
3 ventures, and those of its contractors and subcontractors whose responsibilities include interacting with
4 foreign officials or other activities carrying a high risk of corruption. Implementation of these policies
5 and procedures shall not be construed in any future criminal proceeding initiated by the Department as
6 providing immunity or amnesty to HP Co. or the defendant for any crimes not disclosed to the
7 Department as of the date of signing of this Agreement for which HP Co. or the defendant would
8 otherwise be responsible.

10 21. In order to address any deficiencies in its internal controls, policies, and procedures, HP
11 Co. represents that it has undertaken, and will continue to undertake in the future, a review of its existing
12 internal controls, policies, and procedures regarding compliance with the FCPA and other applicable
13 anti-corruption laws, consistent with the minimum elements set forth in Exhibit 3, which is incorporated
14 by reference into this Agreement.

16 22. HP Co. agrees that it will report to the Department annually during the Term regarding
17 remediation and implementation of the compliance measures described in Exhibit 3. These reports will
18 be prepared in accordance with Exhibit 4.

19 **The Department's Agreement**

20 23. In exchange for the corporate guilty plea of the defendant and the complete fulfillment of
21 all of the defendant's and HP Co.'s obligations under this Agreement, the Department agrees, except as
22 provided herein and subject to related agreements between the Department and certain HP subsidiaries
23 concerning FCPA violations in Poland and Mexico, that it will not file additional criminal or civil
24 charges against the defendant or HP relating to (a) any of the conduct described in Exhibit 5 or the
25 Information filed pursuant to this Agreement, or (b) any other conduct disclosed by the defendant or HP
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1 to the Department prior to December 1, 2013. This Paragraph does not provide any protection against
2 prosecution for any corrupt payments, false accounting, or failure to implement internal controls or
3 circumvention of internal controls, if any, made in the future by the defendant or HP. This Agreement
4 further does not close or preclude the investigation or prosecution of any natural persons, including any
5 officers, directors, employees, agents, or consultants of the defendant or HP, who may have been
6 involved in any of the matters set forth in the Information, Exhibit 5, or in any other matters.
7

8 24. The Department agrees, if requested to do so by defendant or HP Co., to bring to the
9 attention of governmental and other debarment authorities the nature and quality of the defendant's and
10 HP Co.'s cooperation and remediation.

11 **Factual Basis**

12 25. The defendant is pleading guilty because it is guilty of the charges contained in the
13 Information. The defendant admits, agrees, and stipulates only that the factual allegations with respect
14 to its conduct as set forth in Exhibit 5 and incorporated herein, are true and correct, that it is responsible
15 for the acts of its present and former officers and employees described in Exhibit 5, and that Exhibit 5
16 accurately reflects the defendant's criminal conduct.
17

18 **The Defendant's Waiver of Rights, Including the Right to Trial and Appeal**

19 26. Rule 11(f) of the Federal Rules of Criminal Procedure and Rule 410 of the Federal Rules
20 of Evidence limit the admissibility of statements made in the course of plea proceedings or plea
21 discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. The defendant
22 expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the
23 extent set forth below, the defendant voluntarily waives and gives up the rights enumerated in Rule 11(f)
24 of the Federal Rules of Criminal Procedure and Rule 410 of the Federal Rules of Evidence.
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26 Specifically, the defendant understands and agrees that any statements that it makes in the course of its
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1 guilty plea or in connection with the Agreement are admissible against it for any purpose in any U.S.
2 federal criminal proceeding if, even though the Department has fulfilled all of its obligations under this
3 Agreement and the Court has imposed the agreed-upon sentence, the defendant nevertheless withdraws
4 its guilty plea.

5 27. The defendant is satisfied that the defendant's attorneys have rendered effective
6 assistance. The defendant understands that by entering into this Agreement, the defendant surrenders
7 certain rights as provided in this Agreement. The defendant understands that the rights of criminal
8 defendants include the following:

9 a. If the defendant had persisted in a plea of not guilty to the charges, the defendant
10 would have the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by
11 a judge sitting without a jury if the defendant, the Department, and the Court all agree.

12 b. At a trial, the Department would be required to present its witnesses and other
13 evidence against the defendant. The defendant would be able to confront and cross-examine adverse
14 witnesses. In turn, the defendant could, but would not be required to, present witnesses and other
15 evidence on its own behalf. If the witnesses for the defendant would not appear voluntarily, the
16 defendant could require their attendance through the subpoena power of the Court.

17 c. At a trial, no inference of guilt could be drawn from the defendant's refusal to
18 present evidence. However, if the defendant desired to do so, it could present evidence on its own
19 behalf.

20 28. The defendant also understands that Title 18, United States Code, Section 3742, affords a
21 defendant the right to appeal the sentence imposed. Nonetheless, the defendant knowingly waives the
22 right to appeal the conviction and sentence imposed by the Court, provided that such sentence is
23 consistent with the terms of this Agreement, in exchange for the concessions made by the Department in
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1 this Agreement. This Agreement does not affect the rights or obligations of the Department as set forth
2 in Title 18, United States Code, Section 3742(b).

3 29. The defendant is also aware that the United States Constitution and the laws of the United
4 States afford the defendant the right to contest or "collaterally attack" its conviction or sentence after the
5 conviction has become final. Knowing that, the defendant knowingly waives the right to contest or
6 "collaterally attack" the defendant's plea, conviction, and sentence, provided that such sentence is
7 consistent with the terms of this Agreement, by means of any post-conviction proceeding.
8

9 30. The defendant also hereby waives all rights, whether asserted directly or by a
10 representative, to request or receive from any department or agency of the United States any records
11 pertaining to the investigation or prosecution of this case, including without limitation any records that
12 may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the
13 Privacy Act, Title 5, United States Code, Section 552a.
14

15 31. The defendant waives all defenses based on the statute of limitations and venue with
16 respect to any prosecution that is not time-barred on the date that this Agreement is signed in the event
17 that: (a) the conviction is later vacated for any reason; (b) the defendant or HP violates this Agreement;
18 or (c) the plea is later withdrawn, provided such prosecution is brought within one year of any such
19 vacation of conviction, violation of agreement, or withdrawal of plea plus the remaining time period of
20 the statute of limitations as of the date that this Agreement is signed. The Department is free to take any
21 position on appeal or any other post-judgment matter.
22

23 32. The defendant waives all defenses to its conduct charged in the Information based on
24 venue, speedy trial under the United States Constitution and the Speedy Trial Act, and any and all
25 constitutional and non-jurisdictional defects.
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33. The defendant acknowledges that no threats have been made against the defendant and that the defendant is pleading guilty freely and voluntarily because the defendant is guilty.

Penalty

34. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 371, is a fine of \$500,000 or twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest, 18 U.S.C. § 3571(c)(3), (d); five years' probation, 18 U.S.C. § 3561(c)(1); and a mandatory special assessment of \$400, 18 U.S.C. § 3013(a)(2)(B). The statutory maximum sentence that the Court can impose for a violation of Title 15, United States Code, Section 78dd-3, is a fine of \$2,000,000 or twice the gross pecuniary gain or gross loss resulting from the offense, whichever is greatest, 15 U.S.C. § 78dd-3(e)(1)(A), 18 U.S.C. § 3571(d); five years' probation, 18 U.S.C. § 3561(c)(1); and a mandatory special assessment of \$400, 18 U.S.C. § 3013(a)(2)(B). The statutory maximum sentence that the Court can impose for a violation of Title 15, United States Code, Section 78m (b)(2)(A) and (b)(5) is a fine of \$25,000,000 or twice the gross pecuniary gain or loss resulting from the offense, whichever is greatest, 15 U.S.C. § 78ff(a), 18 U.S.C. § 3571(d); five years' probation, 18 U.S.C. § 3561(c)(1); and a mandatory special assessment of \$400, 18 U.S.C. § 3013(a)(2)(B).

35. The defendant hereby stipulates and agrees not to institute or participate in any proceeding to interfere with, alter, or bar enforcement of any fine, penalty, special assessment, or forfeiture order pursuant to the automatic stay or other provision of the United States Bankruptcy Code.

36. The defendant agrees that nothing in this Agreement is intended to release the defendant from any and all of the defendant's excise and income tax liabilities and reporting obligations for any and all income not properly reported and/or legally or illegally obtained or derived.

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Sentencing Factors

37. The Department and the defendant agree that pursuant to *United States v. Booker*, 543 U.S. 220 (2005), the Court must determine an advisory sentencing guideline range pursuant to the United States Sentencing Guidelines ("USSG"). The Court will then determine a reasonable sentence within the statutory range after considering the advisory sentencing guideline range and the factors listed in 18 U.S.C. § 3553(a). The parties' agreement herein to any guideline sentencing factors constitutes proof of those factors sufficient to satisfy the applicable burden of proof.

38. The Department and the defendant agree that a faithful application of the USSG to determine the applicable fine range yields the following analysis:

- a. The 2013 USSG Manual sets forth the appropriate guidelines to be used in this matter.
- b. Offense Level: Based upon USSG §2 C1.1, the total offense level is 38, calculated as follows:

(a)(2) Base Offense Level	12
(b)(1) Multiple Bribes	+ 2
(b)(2) Value of benefit received more than \$7,000,000	+20
(b)(3) High-Level Recipient	<u>+ 4</u>
TOTAL	38

- c. Base Fine: Based upon USSG § 8C2.4(d), the base fine is \$72,500,000 (the fine indicated in the Offense Level Fine Table)
- d. Culpability Score: Based upon USSG § 8C2.5, the culpability score is 6, calculated as follows:

(a) Base Culpability Score	5
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(b)(3)(A) The organization had 200 or more employees and individuals within high-level personnel participated in, condoned, or were willfully ignorant of the offense + 3

(g) The organization fully cooperated in the investigation and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct - 2

TOTAL 6

e. Calculation of Fine Range: Based upon USSG § 8C2.7, the fine range is calculated as follows:

Base Fine	\$72,500,000
Multipliers	1.2 (min)/2.4 (max)
Fine Range	\$87,000,000/ \$174,000,000

Sentencing Recommendation

39. Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the Department and the defendant agree that the following represents the appropriate disposition of the case:

a. Fine. The parties agree that the imposition of a fine in the amount of \$58,772,250 is appropriate in this case. The United States and the defendant have agreed that a fine of \$58,772,250 is the appropriate disposition based on the following factors and those in 18 U.S.C. § 3553(a): (a) monetary assessments that HP has agreed to pay to the SEC and is expected to pay to law enforcement authorities in Germany relating to the same conduct at issue in this case; (b) the defendant's and HP Co.'s cooperation has been, on the whole, extraordinary, including conducting an extensive internal investigation, voluntarily making U.S. and foreign employees available for interviews, and collecting, analyzing, and organizing voluminous evidence and information for the Department; (c) the defendant and HP have engaged in extensive remediation, including by taking appropriate disciplinary action

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1 against culpable employees of HP and enhancing their internal accounting, reporting, and compliance
2 functions as described in Exhibit 3 to this Agreement; (d) HP has committed to continue enhancing its
3 compliance program and internal accounting controls, including ensuring that its compliance program
4 satisfies the minimum elements set forth in Exhibit 3 to this Agreement; (e) the misconduct identified in
5 Exhibit 5 was largely undertaken by employees associated with the defendant organization, which
6 employed a small fraction of HP Co.'s global workforce during the relevant period; (f) neither HP Co.
7 nor the defendant has previously been the subject of any criminal enforcement action by the Department
8 or law enforcement authority in Russia or elsewhere; and (g) the defendant and HP Co. have agreed to
9 continue to cooperate with the Department and other U.S. and foreign law enforcement authorities, if
10 requested by the Department, as provided in Paragraphs 10 and 16 above.

12 b. Mandatory Special Assessment. The defendant shall pay to the Clerk of the Court
13 for the United States District Court for the Northern District of California, San Jose Division, within
14 twenty (20) business days of the time of sentencing the mandatory special assessment of \$400 per count.

16 c. Court Not Bound. This agreement is presented to the Court pursuant to Rule
17 11(c)(1)(C) of the Federal Rules of Criminal Procedure. The defendant understands that, if the Court
18 rejects this Agreement, the Court must: (a) inform the parties that the Court rejects the Agreement; (b)
19 advise the defendant's counsel that the Court is not required to follow the Agreement and afford the
20 defendant the opportunity to withdraw its plea; and (c) advise the defendant that if the plea is not
21 withdrawn, the Court may dispose of the case less favorably toward the defendant than the Agreement
22 contemplated. The defendant further understands that if the Court refuses to accept any provision of this
23 Agreement, neither party shall be bound by the provisions of the Agreement. The defendant, however,
24 also understands that if the Court accepts this Agreement, the Court is bound by the sentencing
25 recommendations in Paragraph 39.

27 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
28 PACKARD A.O.,
United States v. Zao Hewlett-Packard A.O., Case No.

1 **Consolidation of Plea and Sentencing and Waiver of Presentence Investigation**

2 40. The Department and the defendant agree, subject to the Court's approval, to waive the
3 requirement for a presentence investigation report, pursuant to Rule 32(c)(1)(A) of the Federal Rules of
4 Criminal Procedure, based on a finding by the Court that the record contains information sufficient to
5 enable the Court to meaningfully exercise its sentencing power. The Department and the defendant
6 agree, however, that in the event the Court orders the preparation of a presentence report prior to
7 sentencing, such order will not affect the agreement set forth herein except that the defendant's and HP
8 Co.'s obligations and commitments, financial and otherwise, will not be triggered until after the
9 sentencing. Additionally, if the Court directs the preparation of a presentence report, the Department
10 will fully inform the preparer of the presentence report and the Court of the facts and law related to the
11 defendant's case, including the defendant's and HP Co.'s substantial cooperation and remediation as
12 described herein.
13
14

15 41. The Department and the defendant further agree to request that the Court combine the
16 entry of the guilty plea and sentencing into one proceeding. The Department and the defendant,
17 however, agree that in the event the Court orders that the entry of the guilty plea and sentencing hearing
18 occur at separate proceedings, such an order will not affect the agreement set forth herein.
19

20 **Breach of the Plea Agreement**

21 42. The defendant and HP Co. agree that if they breach the terms of this Agreement, commit
22 any felony under U.S. federal law subsequent to the date of this Agreement, or have provided or provide
23 deliberately false, incomplete, or misleading information in connection with this Agreement, the
24 Department may, in its sole discretion, characterize such conduct as a breach of this Agreement. In the
25 event of such a breach, (a) the Department will be free from its obligations under the Agreement and
26 may take whatever position it believes appropriate as to the sentence; (b) the defendant will not have the
27

28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,

United States v. Zao Hewlett-Packard A.O., Case No.

1 right to withdraw the guilty plea; (c) the defendant shall be fully subject to criminal prosecution for any
2 other crimes that it has committed, if any, including perjury and obstruction of justice; and (d) the
3 Department will be free to use against the defendant, directly and indirectly, in any criminal or civil
4 proceeding any of the information or materials provided by the defendant and HP pursuant to this
5 Agreement, as well as Exhibit 5.

6
7 43. In the event that the Department determines that defendant has breached this Agreement,
8 the Department agrees to provide the Company with written notice of such breach prior to instituting
9 any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, the
10 Company shall have the opportunity to respond to the Department in writing to explain the nature and
11 circumstances of such breach, as well as the actions the Company has taken to address and remediate the
12 situation, which explanation the Department shall consider in determining whether to institute a
13 prosecution.

14
15 44. In the event of a breach of this Agreement by the defendant or HP Co., if the Department
16 elects to pursue criminal charges, or any civil or administrative action that was not filed as a result of
17 this Agreement, then:

18 a. The defendant and HP Co. agree that any applicable statute of limitations is tolled
19 between the date of this Agreement and the discovery by the Department of any breach by HP Co. or the
20 defendant, plus one year; and

21 b. The defendant and HP Co. give up all defenses based on the statute of limitations,
22 venue, any claim of pre-indictment delay, or any speedy trial claim with respect to any such prosecution
23 or action, except to the extent that such defenses existed as of the date of the signing of this Agreement.

24 Complete Agreement

25
26 45. This written Agreement constitutes the complete plea agreement between the parties.

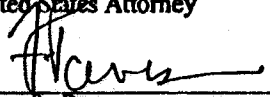
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28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,
United States v. Zao Hewlett-Packard A.O., Case No.

1 There are no other promises or agreements, express or implied. Any modification of this Agreement
2 shall be valid only as set forth in writing in a supplemental or revised plea agreement signed by all
3 parties.
4

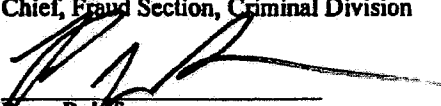
5
6 DATED: April 9, 2014

Respectfully submitted,

7 MELINDA HAAG
United States Attorney

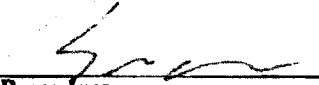
8 
9 Adam A. Reeves
Assistant United States Attorney

10
11 Jeffrey H. Knox
Chief, Fraud Section, Criminal Division

12 
13 Ryan Rohnisen
14 Jason Linder
Trial Attorneys, Fraud Section, Criminal Division

15 FOR ZAO HEWLETT-PACKARD A.O.:

16
17 
18 F. Joseph Warin
Gibson, Dunn & Crutcher LLP
Counsel for ZAO Hewlett-Packard A.O.

19
20 
21 Bruce Ives
Senior Vice President and Deputy General Counsel
Hewlett Packard Co.
For ZAO Hewlett-Packard A.O.

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28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,
United States v. Zao Hewlett-Packard A.O., Case No.

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for ZAO Hewlett-Packard A.O. (the "defendant"). I understand the terms of this Agreement and voluntarily agree, on behalf of the defendant, to each of its terms. Before signing this Agreement, I consulted with outside counsel for the defendant. Counsel fully advised me of the rights of the defendant, of possible defenses, of the United States Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

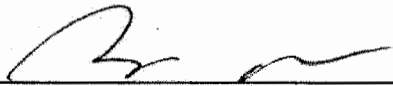
No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of the defendant, in any way to enter into this Agreement. I am also satisfied with counsel's representation in this matter.

I certify that I am an officer of Hewlett-Packard Company, a parent corporation of the defendant, and that I have been duly authorized by the defendant to execute this Agreement on behalf of the defendant.

Date: April 7, 2014

ZAO HEWLETT-PACKARD A.O.

By:



Bruce Ives
Senior Vice President and Deputy General Counsel
Hewlett-Packard Company

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA)

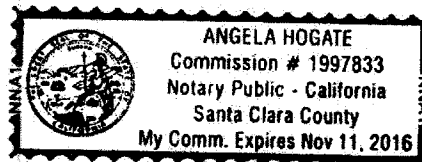
On April 7, 2014 before me, Angela Hogate, Notary Public, personally
appeared Bruce Ives, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Angela Hogate
SIGNATURE OF NOTARY

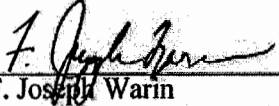
(Seal)



1 CERTIFICATE OF COUNSEL

2 I am counsel for ZAO Hewlett-Packard A.O. (the "defendant") in the matter covered by this
3 Agreement. In connection with such representation, I have examined the relevant documents and have
4 discussed the terms of this Agreement with the defendant's General Director. Based on my review of
5 the foregoing materials and discussions, I am of the opinion that the defendant's representatives have
6 been duly authorized to enter into this Agreement on behalf of the defendant and that this Agreement
7 has been duly and validly authorized, executed, and delivered on behalf of the defendant and is a valid
8 and binding obligation of the defendant. Further, I have carefully reviewed every part of this Agreement
9 with the General Director of the defendant. I have fully advised them of the defendant's rights, of
10 possible defenses, of the United States Sentencing Guidelines' provisions, and of the consequences of
11 entering into this Agreement. To our knowledge, the defendant's decision to enter into this Agreement,
12 based upon the authorization of the General Director, is an informed and voluntary one.
13

14
15 Date: 4/9/14

16 
17 F. Joseph Warin
18 GIBSON, DUNN & CRUTCHER LLP
19 1050 Connecticut Avenue, N.W.
20 Washington, D.C. 20036
21 (202) 955-9500
22
23
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25
26
27

28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,
United States v. Zao Hewlett-Packard A.O., Case No.

1 EXHIBIT 1

2 CERTIFICATE OF CORPORATE RESOLUTIONS OF ZAO HEWLETT-PACKARD A.O.

3 A copy of the executed Certificate of Corporate Resolutions, the shareholder resolutions, and Power of
4 Attorney of ZAO Hewlett-Packard A.O. is annexed hereto as "Exhibit 1."

27
28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,

United States v. Zao Hewlett-Packard A.O., Case No.

**ZAO HEWLETT-PACKARD A.O.
CERTIFICATE OF CORPORATE RESOLUTIONS**

I, Bruce Ives, do hereby certify that I am the Senior Vice President and Deputy General Counsel of Hewlett-Packard Company, the ultimate parent company of ZAO Hewlett-Packard A.O. (the "Company"), and that the following is an accurate excerpt of certain resolutions unanimously adopted by Hewlett-Packard The Hague B.V. and Hewlett-Packard Gouda B.V. (collectively, the "Shareholders"), the sole shareholders of the Company, on 4/7, 2014:

WHEREAS, the Shareholders of the Company have been informed by their counsel of a proposed criminal resolution with the United States Department of Justice ("DOJ") in relation to certain matters which have been under investigation by DOJ (the "Proposed Resolution"), and the key terms of the Proposed Resolution have been distributed to the Shareholders as Annex 1 to these resolutions;

WHEREAS, the Proposed Resolution contemplates:

- (1) The Company pleading guilty to certain crimes pursuant to a plea agreement with the DOJ (the "Plea Agreement"),
- (2) the government and the Company agreeing to recommend to the court a fine of \$58,772,250 and a term of cooperation and reporting obligations for three (3) years as appropriate under the circumstances;
- (3) the court retaining under the law the final determination of the fine to be imposed;
- (4) imposition of commitments set out in the Plea Agreement on the Company; and
- (5) the Company agreeing to include in any sale or merger agreement the requirement that the successor or purchaser company abide by the commitments set out in item 4 above.

WHEREAS, counsel for the Company has advised the General Director of the Company's rights, possible defenses, the United States Sentencing Guidelines' provisions, and the consequences of entering into the Plea Agreement.

NOW, THEREFORE, BE IT:

RESOLVED, that the key terms of the Proposed Resolution that have been distributed to the Shareholders as Annex 1 to these resolutions are hereby approved and the Proposed Resolution is hereby agreed to in principle by the Company;

FURTHER RESOLVED, that John F. Schultz, Executive Vice President and General Counsel of the Company's ultimate parent corporation, Hewlett-Packard Company, or his delegate, is authorized and directed to execute and deliver the Plea Agreement on behalf of the Company and such other documents as are necessary to effect the Proposed Resolution, and to take such other and further actions as may be approved by the Shareholders of the Company, as applicable, to consummate the Proposed Resolution and the resolution of the investigation referenced above, including appearing before the United States District Court for the Northern District of California, to enter a plea of guilty on behalf of the Company and accept the sentence of the Court. Pursuant to the above mentioned authorization, the General Director of the Company shall issue a Power of Attorney to John F. Schultz, Executive Vice President and General Counsel of Hewlett-Packard Company, with the relevant scope of authorities.

FURTHER RESOLVED, that duly authorized internal and external counsel for the Company and Hewlett-Packard Company are authorized to take such actions in furtherance of the Proposed Resolution to effectuate the intent of the Proposed Resolution.

I further certify that the aforesaid resolutions have not been amended or revoked in any respect and remain in full force and effect on the date of this certification.

IN WITNESS WHEREOF, I have executed this Certificate on 7 April, 2014.



Bruce Ives
Senior Vice President and
Deputy General Counsel
Hewlett-Packard Company
For ZAO Hewlett-Packard A.O.

Signed before me this 7 day of April, 2014.

Notary Public in and for the State of California

Please see attached California acknowledgment. AH

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA)

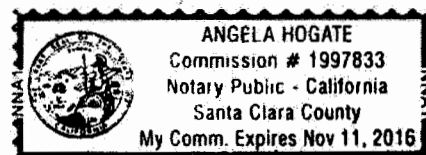
On April 7, 2014 before me, Angela Hogate, Notary Public, personally
appeared Bruce Ives, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Angela Hogate
SIGNATURE OF NOTARY

(Seal)



ПРОТОКОЛ / PROTOCOL

**Внеочередного общего собрания участников
Закрытого акционерного общества
«Хьюлетт-Паккард А.О.» /
of Extraordinary general meeting of the shareholders of
Closed Joint-Stock Company "Hewlett-Packard A.O."
(далее – «Общество») / (hereinafter – "Company")**

Нидерланды/the Netherlands

7 апреля 2014 г. / April 7, 2014

ПОСКОЛЬКУ Частная компания с ограниченной ответственностью «Хьюлетт-Паккард Зе Хааг Б.В.», зарегистрированная в Нидерландах, в лице Бас ван дер Гурберг (Bas van der Goorbergh), и Частная компания с ограниченной ответственностью «Хьюлетт-Паккард Гоуда Б.В.», зарегистрированная в Нидерландах, в лице Тай Ким Фонг Дао-Лай (Thi Kim Phuong Dao-Lai) (далее совместно именуемые «Акционеры»), являются единственными акционерами ЗАО «Хьюлетт-Паккард А.О.» (далее – «Общество»);

ПОСКОЛЬКУ, Акционеры должным образом уведомлены своим юриконсультантом о предлагаемом решении по урегулированию спора по уголовному делу с Министерством юстиции Соединенных Штатов Америки («МЮ») в отношении некоторых дел, по которым проводилось расследование МЮ («Предлагаемое решение по урегулированию спора»), и основные условия Предлагаемого решения по урегулированию спора были предоставлены Акционерам в рамках Приложения 1 к настоящему решению;

ПОСКОЛЬКУ, Предлагаемое решение по урегулированию спора предусматривает:

(1) признание Обществом своей вины в некоторых преступлениях согласно соглашению о признании вины с МЮ («Соглашение о признании вины»);

(2) согласие правительства США и

WHEREAS, Hewlett-Packard The Hague B.V., registered in the Netherlands and represented by Bas van der Goorbergh, and Hewlett-Packard Gouda B.V. registered in the Netherlands and represented by Thi Kim Phuong Dao-Lai (collectively, the "Shareholders"), are the sole shareholders of ZAO HEWLETT-PACKARD A.O. (the "Company").

WHEREAS, the Shareholders have been informed by their counsel of a proposed criminal resolution with the United States Department of Justice ("DOJ") in relation to certain matters which have been under investigation by DOJ (the "Proposed Resolution"), and the key terms of the Proposed Resolution have been distributed to the Shareholders as Annex 1 to these resolutions;

WHEREAS, the Proposed Resolution contemplates:

(1) The Company pleading guilty to certain crimes pursuant to a plea agreement with the DOJ (the "Plea Agreement"),

(2) the government and the Company

Общества рекомендовать суду наложить штраф в размере 58 772 250 долларов США и определить срок по обязательствам в отношении сотрудничества и предоставления отчетности в три (3) года, в зависимости от обстоятельств;

(3) сохранение судом права, согласно законодательству, на вынесение окончательного решения о налагаемом штрафе;

(4) наложение на Общество обязательств, изложенных в Соглашении о признании вины; и

(5) согласие Общества включать в любой договор купли-продажи или соглашение о слиянии требование о том, чтобы правопреемник или компания-покупатель выполняли обязательства, изложенные в пункте 4 выше;

ПОСКОЛЬКУ, юридический консультант Общества разъяснил Генеральному Директору Общества права, возможные способы защиты, положения Правил США о вынесении приговоров и последствия заключения Соглашения о признании вины

ТАКИМ ОБРАЗОМ, АКЦИОНЕРЫ

ПОСТАНОВИЛИ, что основные условия решения по урегулированию спора, которые были предоставлены Акционерам в качестве Приложения 1 к настоящему решению настоящим одобрены и Предлагаемое решение по урегулированию спора в принципе принимается Обществом;

ДАЛЕЕ ПОСТАНОВИЛИ, что Джон Ф. Шульц, Исполнительный Вице-Президент и Главный Юрисконсульт конечного собственника Общества, корпорации Хьюлетт-Пакард Кампани либо назначенное им лицо уполномочен и направлен подписать и заключить от имени Общества Соглашение о признании вины и прочие документы, которые необходимы для исполнения Предлагаемого решения по урегулированию

agreeing to recommend to the court a fine of \$58,772,250 and a term of cooperation and reporting obligations for three (3) years as appropriate under the circumstances;

(3) the court retaining under the law the final determination of the fine to be imposed;

(4) imposition of commitments set out in the Plea Agreement on the Company; and

(5) the Company agreeing to include in any sale or merger agreement the requirement that the successor or purchaser company abide by the commitments set out in item 4 above;

WHEREAS, counsel for the Company has advised the General Director of the Company's rights, possible defenses, the United States Sentencing Guidelines' provisions, and the consequences of entering into the Plea Agreement.

NOW, THEREFORE, BE IT:

RESOLVED, that the key terms of the Proposed Resolution that have been distributed to the Shareholders as Annex 1 to these resolutions are hereby approved and the Proposed Resolution is hereby agreed to in principle by the Company;

FURTHER RESOLVED, that John F. Schultz, Executive Vice President and General Counsel of the Company's ultimate parent corporation, Hewlett-Packard Company, or his delegate, is authorized and directed to execute and deliver the Plea Agreement on behalf of the Company and such other documents as are necessary to effect the Proposed Resolution, and to take such other and further actions as may be approved by the Shareholders of the Company,

спора, а также выполнить прочие и дополнительные действия, в зависимости от ситуации, для заключения Предлагаемого решения по урегулированию спора и завершения расследования указанного выше, включая участие в судебном заседании Окружного суда Соединенных Штатов Америки по Северному округу штата Калифорния, подписывать заявление о признании вины от имени Общества и признавать приговор Суда. В связи с необходимостью предоставить указанные выше полномочия Генеральный Директор Общества должен выдать Джону Ф. Шульцу, Исполнительному Вице-Президенту и Главному Юриконсульту Хьюлетт-Пакард Кампани доверенность с соответствующим объемом полномочий.

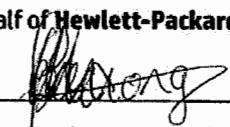
ДАЛЕЕ ПОСТАНОВИЛИ, что наделенные соответствующими правами внутренние и внешние юриконсульты Общества и Хьюлетт-Пакард Кампани уполномочены предпринять действия во исполнение Предлагаемого решения по урегулированию спора с тем, чтобы оно было выполнено.

От имени Хьюлетт-Пакард Зе Хааг Б.В. /
On behalf of Hewlett-Packard The Hague B.V.

as applicable, to consummate the Proposed Resolution and the resolution of the investigation referenced above, including appearing before the United States District Court for the Northern District of California, to enter a plea of guilty on behalf of the Company and accept the sentence of the Court. Pursuant to the above mentioned authorization, the General Director of the Company shall issue a Power of Attorney to John F. Schultz, Executive Vice President and General Counsel with the relevant scope of authorities.

FURTHER RESOLVED, that duly authorized internal and external counsel for the Company and Hewlett-Packard Company are authorized to take such actions in furtherance of the Proposed Resolution to effectuate the intent of the Proposed Resolution.

От имени Хьюлетт-Пакард Гоуда Б.В. /
On behalf of Hewlett-Packard Gouda B.V.


T.K.P. Dao-Lai
Managing Director

ПРОТОКОЛ / PROTOCOL

**Внеочередного общего собрания участников
Закрытого акционерного общества
«Хьюлетт-Паккард А.О.» /
of Extraordinary general meeting of the shareholders of
Closed Joint-Stock Company "Hewlett-Packard A.O."
(далее – «Общество») / (hereinafter – "Company")**

7 апреля 2014 г.

г. Лондон, Великобритания

ПОСКОЛЬКУ Частная компания с ограниченной ответственностью «Хьюлетт-Паккард Зе Хааг Б.В.», зарегистрированная в Нидерландах, в лице Бас ван дер Гурберг (Bas van der Goorbergh), и Частная компания с ограниченной ответственностью «Хьюлетт-Паккард Гоуда Б.В.», зарегистрированная в Нидерландах, в лице Тай Ким Фонг Дао-Лай (Thi Kim Phuong Dao-Lai) (далее совместно именуемые «Акционеры»), являются единственными акционерами ЗАО «Хьюлетт-Паккард А.О.» (далее – «Общество»);

ПОСКОЛЬКУ, Акционеры должным образом уведомлены своим юрисконсультom о предлагаемом решении по урегулированию спора по уголовному делу с Министерством юстиции Соединенных Штатов Америки («МЮ») в отношении некоторых дел, по которым проводилось расследование МЮ («Предлагаемое решение по урегулированию спора»), и основные условия Предлагаемого решения по урегулированию спора были предоставлены Акционерам в рамках Приложения 1 к настоящему решению;

ПОСКОЛЬКУ, Предлагаемое решение по урегулированию спора предусматривает:

(1) признание Обществом своей вины в некоторых преступлениях согласно соглашению о признании вины с МЮ

7 April 2014

City of London, Great Britain

WHEREAS, Hewlett-Packard The Hague B.V., registered in the Netherlands and represented by Bas van der Goorbergh, and Hewlett-Packard Gouda B.V. registered in the Netherlands and represented by Thi Kim Phuong Dao-Lai (collectively, the "Shareholders"), are the sole shareholders of ZAO HEWLETT-PACKARD A.O. (the "Company").

WHEREAS, the Shareholders have been informed by their counsel of a proposed criminal resolution with the United States Department of Justice ("DOJ") in relation to certain matters which have been under investigation by DOJ (the "Proposed Resolution"), and the key terms of the Proposed Resolution have been distributed to the Shareholders as Annex 1 to these resolutions;

WHEREAS, the Proposed Resolution contemplates:

(1) The Company pleading guilty to certain crimes pursuant to a plea agreement with the DOJ (the "Plea Agreement"),

(«Соглашение о признании вины»);

(2) согласие правительства США и Общества рекомендовать суду наложить штраф в размере 58 772 250 долларов США и определить срок по обязательствам в отношении сотрудничества и предоставления отчетности в три (3) года, в зависимости от обстоятельств;

(3) сохранение судом права, согласно законодательству, на вынесение окончательного решения о налагаемом штрафе;

(4) наложение на Общество обязательств, изложенных в Соглашении о признании вины; и

(5) согласие Общества включать в любой договор купли-продажи или соглашение о слиянии требование о том, чтобы правопреемник или компания-покупатель выполняли обязательства, изложенные в пункте 4 выше;

ПОСКОЛЬКУ, юридический консультант Общества разъяснил Генеральному Директору Общества права, возможные способы защиты, положения Правил США о вынесении приговоров и последствия заключения Соглашения о признании вины

ТАКИМ ОБРАЗОМ, АКЦИОНЕРЫ

ПОСТАНОВИЛИ, что основные условия решения по урегулированию спора, которые были предоставлены Акционерам в качестве Приложения 1 к настоящему решению настоящим одобрены и Предлагаемое решение по урегулированию спора в принципе принимается Обществом;

ДАЛЕЕ ПОСТАНОВИЛИ, что Джон Ф. Шульц, Исполнительный Вице-Президент и Главный Юрисконсульт конечного собственника Общества, корпорации Хьюлетт-Пакард Кампани либо назначенное им лицо уполномочен и направлен подписать и заключить от имени Общества Соглашение о признании вины и прочие документы,

(2) the government and the Company agreeing to recommend to the court a fine of \$58,772,250 and a term of cooperation and reporting obligations for three (3) years as appropriate under the circumstances;

(3) the court retaining under the law the final determination of the fine to be imposed;

(4) imposition of commitments set out in the Plea Agreement on the Company; and

(5) the Company agreeing to include in any sale or merger agreement the requirement that the successor or purchaser company abide by the commitments set out in item 4 above;

WHEREAS, counsel for the Company has advised the General Director of the Company's rights, possible defenses, the United States Sentencing Guidelines' provisions, and the consequences of entering into the Plea Agreement.

NOW, THEREFORE, BE IT:

RESOLVED, that the key terms of the Proposed Resolution that have been distributed to the Shareholders as Annex 1 to these resolutions are hereby approved and the Proposed Resolution is hereby agreed to in principle by the Company;

FURTHER RESOLVED, that John F. Schultz, Executive Vice President and General Counsel of the Company's ultimate parent corporation, Hewlett-Packard Company, or his delegate, is authorized and directed to execute and deliver the Plea Agreement on behalf of the Company and such other documents as are necessary to effect the Proposed Resolution, and to take

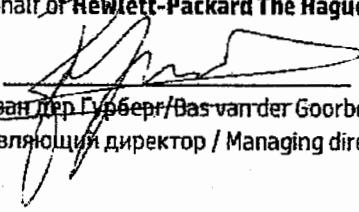
которые необходимы для исполнения Предлагаемого решения по урегулированию спора, а также выполнить прочие и дополнительные действия, в зависимости от ситуации, для заключения Предлагаемого решения по урегулированию спора и завершения расследования указанного выше, включая участие в судебном заседании Окружного суда Соединенных Штатов Америки по Северному округу штата Калифорния, подписывать заявление о признании вины от имени Общества и признавать приговор Суда. В связи с необходимостью предоставить указанные выше полномочия Генеральный Директор Общества должен выдать Джону Ф. Шульцу, Исполнительному Вице-Президенту и Главному Юристу Хьюлетт-Пакард Кампани доверенность с соответствующим объемом полномочий.

ДАЛЕЕ ПОСТАНОВИЛИ, что наделенные соответствующими правами внутренние и внешние юристы Общества и Хьюлетт-Пакард Кампани уполномочены предпринять действия во исполнение Предлагаемого решения по урегулированию спора с тем, чтобы оно было выполнено.

such other and further actions as may be approved by the Shareholders of the Company, as applicable, to consummate the Proposed Resolution and the resolution of the investigation referenced above, including appearing before the United States District Court for the Northern District of California, to enter a plea of guilty on behalf of the Company and accept the sentence of the Court. Pursuant to the above mentioned authorization, the General Director of the Company shall issue a Power of Attorney to John F. Schultz, Executive Vice President and General Counsel with the relevant scope of authorities.

FURTHER RESOLVED, that duly authorized internal and external counsel for the Company and Hewlett-Packard Company are authorized to take such actions in furtherance of the Proposed Resolution to effectuate the intent of the Proposed Resolution.

От имени Хьюлетт-Пакард Зе Хаар Б.В. /
On behalf of Hewlett-Packard The Hague B.V.

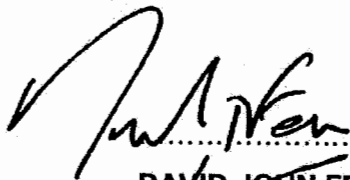

Бас ван дер Гурбер / Bas van der Goorbergh
Управляющий директор / Managing director

CERTIFICATE

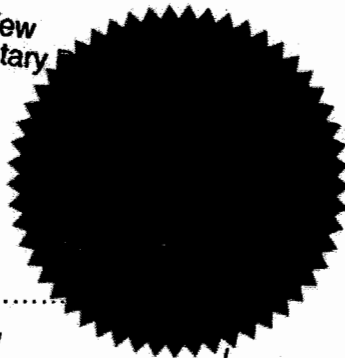
BE IT KNOWN that I, DAVID JOHN FEW of One Friar Street, Reading, Berkshire RG1 1DA, England, Notary Public duly authorised admitted and sworn and practising within the United Kingdom of Great Britain and Northern Ireland do hereby certify only that the attached Power of Attorney dated 7th April 2014 has today been signed before me at 88, Wood Street, London, England, by Alexander Nikolaevich Mikoyan, a director of Hewlett -Packard A.O (" the Company") purporting to sign on behalf of the Company and that the signature of Alexander Nikolaevich Mikoyan subscribed thereto is in the proper handwriting of the said Alexander Nikolaevich Mikoyan who has identified himself to me by production of his personal documentation.

In witness whereof I have signed this Notarial Act and affixed my Seal of Office this 7th day of April 2014.

David John Few
Solicitor & Notary
1 Friar Street
Reading
England



DAVID JOHN FEW
Notary Public
Reading
England



107/14.

my commission endures for life.

ДОВЕРЕННОСТЬ / POWER OF ATTORNEY

г. Лондон, Великобритания

City of London, Great Britain

7 апреля 2014 г.

7 April 2014

Настоящей Доверенностью ЗАО «Хьюлетт-Пакард А.О.», акционерное общество (далее – «Общество»), ОГРН 1027739267093, учрежденное в соответствии с законодательством Российской Федерации, зарегистрированное по адресу: Россия, 125171, Москва, Ленинградское шоссе, 16А, стр. 3, в лице Генерального директора Александра Николаевича Микояна, действующего на основании Устава Общества, уполномочивает

г-на Джона Френсиса Шульца, Исполнительного Вице-Президента и Главного Юрисконсульта Хьюлетт-Пакард Компани, корпорации, зарегистрированной в штате Дэлавер, головной офис которой расположен в г. Пало-Альто, штат Калифорния, Соединенные Штаты Америки либо уполномоченное им лицо

By this Power of Attorney ZAO "Hewlett-Packard A.O.", a joint-stock Company (hereinafter, the "Company"), the main state registration number 1027739267093, incorporated under the laws of the Russian Federation, with its registered office at: Russia, 125171 Moscow, Leningradskoe shosse, 16A, bld. 3, represented by its General Director Mr. Alexander Nikolaevich Mikoyan acting on the grounds of the Company's Charter authorizes

Mr. John Francis Schultz, Executive Vice President and General Counsel of Hewlett-Packard Company, a Delaware corporation headquartered in Palo Alto, California, United States of America, or his delegate

1. осуществлять любые действия в связи с предлагаемым решением по урегулированию спора по уголовному делу с Министерством юстиции Соединенных Штатов Америки («МЮ») в отношении некоторых дел, по которым проводилось расследование МЮ («Предлагаемое решение по урегулированию спора»), которое предусматривает:

1. to take any actions in connection with a proposed criminal resolution with the United States Department of Justice ("DOJ") in relation to certain matters which have been under investigation by DOJ (the "Proposed Resolution") that contemplates:

- признание Обществом своей вины в некоторых преступлениях согласно соглашению о признании вины с МЮ («Соглашение о признании вины»);

- Company pleading guilty to certain crimes pursuant to a plea agreement with the DOJ (the "Plea Agreement"),

- согласие правительства США и Общества рекомендовать суду наложить штраф в размере 58 772 250 долларов США и определить срок по обязательствам в отношении сотрудничества и предоставления отчетности в три (3) года, в зависимости от обстоятельств;

- the US government and the Company agreeing to recommend to the court a fine of \$58,772,250 and a term of cooperation and reporting obligations for three (3) years as appropriate under the circumstances;

- сохранение судом права, согласно

- the court retaining under the law the final

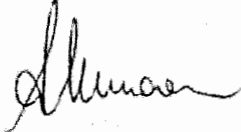
законодательству, на вынесение
окончательного решения о налагаемом
штрафе;

- наложение на Общество обязательств, изложенных в Соглашении о признании вины; и
- согласие Общества включать в любой договор купли-продажи или соглашение о слиянии требование о том, чтобы правопреемник или компания-покупатель выполняли обязательства, изложенные выше.

2. подписывать и заключать от имени Общества Соглашение о признании вины и прочие документы, которые необходимы для исполнения Предлагаемого решения по урегулированию спора, а также выполнять прочие и дополнительные действия, в зависимости от ситуации, для заключения Предлагаемого решения по урегулированию спора и завершения расследования, указанного выше, включая участие в судебном заседании Окружного суда Соединенных Штатов Америки по Северному округу штата Калифорния, подписывать заявление о признании вины от имени Общества и признавать приговор Суда.

Настоящая Доверенность выдана с правом передоверия сроком действия до 1 июля 2014.

От имени ЗАО «Хьюлетт-Пакард А.О.»



Александр Николаевич Микоян
Генеральный директор

determination of the fine to be imposed;

- imposition of commitments set out in the Plea Agreement on the Company; and
- the Company agreeing to include in any sale or merger agreement the requirement that the successor or purchaser company abide by the commitments set forth above.

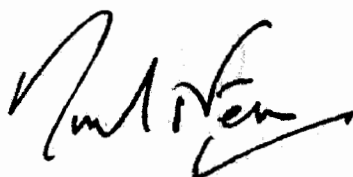
2. to execute and deliver the Plea Agreement on behalf of the Company and such other documents as are necessary to effect the Proposed Resolution, and to take such other and further actions, as applicable, to consummate the Proposed Resolution and the resolution of the investigation referenced above, including appearing before the United States District Court for the Northern District of California, to enter a plea of guilty on behalf of the Company and accept the sentence of the Court.

The present Power of Attorney is transferrable and shall be valid until July 1, 2014.

Signed as a deed on behalf of ЗАО "Hewlett-Packard A.O.":



Alexander Nikolaevich Mikoyan
General Director



David John Few
Solicitor & Notary Public
1 Friar Street
Reading
England

1 EXHIBIT 2

2 CERTIFICATE OF CORPORATE RESOLUTIONS OF HEWLETT-PACKARD COMPANY

3 A copy of the executed Certificate of Corporate Resolutions of Hewlett-Packard Company is
4 annexed hereto as "Exhibit 2."

**HEWLETT-PACKARD COMPANY
CERTIFICATE OF CORPORATE RESOLUTIONS**

I, Bruce Ives, do hereby certify that I am the Senior Vice President and Deputy General Counsel of Hewlett-Packard Company (the "Company"), incorporated in Delaware, and that the following is an accurate excerpt of certain resolutions unanimously adopted by the Board of Directors of the Company at a meeting held on 4/11, 2014, at which a quorum was present, by unanimous written consent dated 4/11, 2014:

WHEREAS, the Board of Directors of the Company has been informed by its counsel of a proposed criminal resolution with the United States Department of Justice ("DOJ") in relation to certain matters which have been under investigation by DOJ (the "Proposed Resolution"), and the key terms of the Proposed Resolution have been distributed to the members of the Board as Annex 1 to these resolutions;

WHEREAS, the Proposed Resolution contemplates:

- (1) The Company's subsidiary ZAO Hewlett-Packard A.O. pleading guilty to certain crimes pursuant to a plea agreement with the DOJ (the "Plea Agreement"),
- (2) the government and ZAO Hewlett-Packard A.O. agreeing to recommend to the court a fine of \$58,772,250 and a term of cooperation and reporting obligations for three (3) years as appropriate under the circumstances;
- (3) the court retaining under the law the final determination of the fine to be imposed;
- (4) imposition of commitments set out in the Plea Agreement on the Company and on ZAO Hewlett-Packard A.O.; and
- (5) the Company agreeing to include in any sale or merger agreement the requirement that the successor or purchaser company abide by the commitments set out in item 4 above.

NOW, THEREFORE, BE IT:

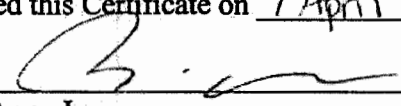
RESOLVED, that the key terms of the Proposed Resolution that have been distributed to the members of the Board as Annex 1 to these resolutions are hereby approved and the Proposed Resolution is hereby approved by the Company;

FURTHER RESOLVED, that Bruce Ives, Senior Vice President and Deputy General Counsel, or his delegate, is authorized and directed to execute and deliver the Plea Agreement on behalf of the ZAO Hewlett-Packard A.O. and such other documents as are necessary to effect the Proposed Resolution, and to

take such other and further actions as may be approved by the Board of Directors of the Company or any authorized committee or subcommittee thereof, as applicable, to consummate the Proposed Resolution and the resolution of the investigation of past payments and practices referenced above, including appearing before the United States District Court for the Northern District of California, to enter a plea of guilty on behalf of the ZAO Hewlett-Packard A.O. and accept the sentence of the Court.

FURTHER RESOLVED, that duly authorized internal and external counsel for the Company and ZAO Hewlett-Packard A.O. are authorized to take such actions in furtherance of the Proposed Resolution to effectuate the intent of the Proposed Resolution. I further certify that the aforesaid resolutions have not been amended or revoked in any respect and remain in full force and effect on the date of this certification.

IN WITNESS WHEREOF, I have executed this Certificate on 7 April, 2014.



Bruce Ives
Senior Vice President and
Deputy General Counsel
Hewlett-Packard Company

Signed before me this 7 day of _____, 2014.

Notary Public in and for the State of California

Please see attached California Acknowledgment. Att

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA)

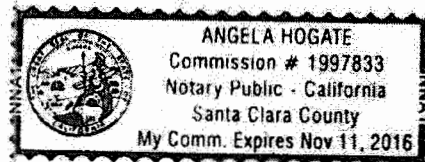
On April 7, 2014 before me, Angela Hogate, Notary Public, personally
appeared Bruce Ives, who proved to me on the basis of satisfactory
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Angela Hogate
SIGNATURE OF NOTARY

(Seal)



1 EXHIBIT 3

2 CORPORATE COMPLIANCE PROGRAM

3 In order to address any deficiencies in its internal controls, compliance code, policies, and
4 procedures regarding compliance with the Foreign Corrupt Practices Act of 1977 ("FCPA"), as
5 amended, 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, HEWLETT-
6 PACKARD COMPANY, on behalf of itself and its subsidiaries, (collectively, the "Company") agrees to
7 continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate
8 reviews of its existing internal controls, policies, and procedures.
9

10 Where necessary and appropriate, the Company agrees to adopt new or to modify existing
11 internal controls, compliance code, policies, and procedures in order to ensure that it maintains: (a) a
12 system of internal accounting controls designed to ensure that the Company makes and keeps fair and
13 accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance program that
14 includes policies and procedures designed to detect and deter violations of the FCPA and other
15 applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following
16 elements to the extent they are not already part of the Company's existing internal controls, compliance
17 code, policies, and procedures:
18

19 *High-Level Commitment*

20
21 1. The Company will ensure that members of its Board of Directors (hereinafter,
22 "directors") and senior management provide strong, explicit, and visible support and commitment to its
23 corporate policy against violations of the anti-corruption laws and its compliance code.

24 *Policies and Procedures*

25 2. The Company will maintain, or where necessary establish, a clearly articulated and
26 visible corporate policy against violations of the FCPA and other applicable foreign law counterparts
27

28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,
United States v. Zao Hewlett-Packard A.O., Case No.

1 (collectively, the "anti-corruption laws,"), which policy is and shall continue to be memorialized in a
2 written compliance code.

3 3. The Company will maintain, or where necessary establish, compliance policies and
4 procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company's
5 compliance code, and the Company will take appropriate measures to encourage and support the
6 observance of ethics and compliance policies and procedures against violation of the anti-corruption
7 laws by personnel at all levels of the Company. These anti-corruption policies and procedures shall
8 apply to all directors, officers, and employees and, where necessary and appropriate, outside parties
9 acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and
10 intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers,
11 consortia, and joint venture partners (collectively, "agents and business partners"). The Company shall
12 notify all employees that compliance with the policies and procedures is the duty of individuals at all
13 levels of the company. Such policies and procedures shall address:
14
15

- 16 a. gifts;
- 17 b. hospitality, entertainment, and expenses;
- 18 c. customer travel;
- 19 d. political contributions;
- 20 e. charitable donations and sponsorships;
- 21 f. facilitation payments; and
- 22 g. solicitation and extortion.

23
24 4. The Company will ensure that it has a system of financial and accounting procedures,
25 including a system of internal controls, reasonably designed to ensure the maintenance of fair and
26
27

28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,

United States v. Zao Hewlett-Packard A.O., Case No.

1 accurate books, records, and accounts. This system should be designed to provide reasonable assurances
2 that:

3 a. transactions are executed in accordance with management's general or specific
4 authorization;

5 b. transactions are recorded as necessary to permit preparation of financial
6 statements in conformity with generally accepted accounting principles or any other criteria applicable
7 to such statements, and to maintain accountability for assets;

8 c. access to assets is permitted only in accordance with management's general or
9 specific authorization; and
10

11 d. the recorded accountability for assets is compared with the existing assets at
12 reasonable intervals and appropriate action is taken with respect to any differences.
13

14 *Periodic Risk-Based Review*

15 5. The Company will maintain, or where necessary, develop these compliance policies and
16 procedures on the basis of a periodic risk assessment addressing the individual circumstances of the
17 Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its
18 geographical organization, interactions with various types and levels of government officials, industrial
19 sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in
20 the Company's operations, degree of governmental oversight and inspection, and volume and
21 importance of goods and personnel clearing through customs and immigration.
22

23 6. The Company shall review its anti-corruption compliance policies and procedures no
24 less than annually and update them as appropriate to ensure their continued effectiveness, taking into
25 account relevant developments in the field and evolving international and industry standards.
26
27

28 PLEA AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ZAO HEWLETT-
PACKARD A.O.,

United States v. Zao Hewlett-Packard A.O., Case No.

1 *Proper Oversight and Independence*

2 7. The Company will continue to assign responsibility to one or more senior corporate
3 executives of the Company for the implementation and oversight of the Company's anti-corruption
4 compliance code, policies, and procedures. Such corporate official(s) shall have the authority to report
5 directly to independent monitoring bodies, including internal audit, the Company's Board of Directors,
6 or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy
7 from management as well as sufficient resources and authority to maintain such autonomy.
8

9 *Training and Guidance*

10 8. The Company will maintain, or where necessary establish, mechanisms designed to
11 ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated
12 to all directors, officers, employees, and, where necessary and appropriate, agents and business partners.
13 These mechanisms shall include: (a) periodic training for all directors and officers, all employees in
14 positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal,
15 compliance, finance), or positions that otherwise pose a corruption risk to the Company, and, where
16 necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such
17 directors, officers, employees, agents, and business partners, certifying compliance with the training
18 requirements.
19

20 9. The Company will maintain, or where necessary establish, an effective system for
21 providing guidance and advice to directors, officers, employees, and, where necessary and appropriate,
22 agents and business partners, on complying with the Company's anti-corruption compliance code,
23 policies, and procedures, including when they need advice on an urgent basis or in any foreign
24 jurisdiction in which the Company operates.
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Internal Reporting and Investigation

10. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

11. The Company will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

Enforcement and Discipline

12. The Company will maintain, or where necessary establish, mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will maintain, or where necessary establish, appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall maintain, or where necessary establish, procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

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Third-Party Relationships

14. The Company will maintain, or where necessary establish, appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

- a. properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;
- b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws, and of the Company's anti-corruption compliance code, policies, and procedures; and
- c. seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance code, policies, or procedures, or the representations and undertakings related to such matters.

Mergers and Acquisitions

16. The Company will maintain, or where necessary establish, policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel.

1 17. The Company will ensure that the Company's compliance code, policies, and procedures
2 regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or
3 entities merged with the Company and will promptly:

4 a. train the directors, officers, employees, agents, and business partners consistent
5 with Paragraph 8 above on the anti-corruption laws and the Company's compliance code, policies, and
6 procedures regarding anti-corruption laws; and
7

8 b. where warranted, conduct an FCPA-specific audit of all newly acquired or
9 merged businesses as quickly as practicable.

10 *Monitoring and Testing*

11 18. The Company will conduct periodic reviews and testing of its anti-corruption
12 compliance code, policies, and procedures designed to evaluate and improve their effectiveness in
13 preventing and detecting violations of anti-corruption laws and the Company's anti-corruption code,
14 policies, and procedures, taking into account relevant developments in the field and evolving
15 international and industry standards.
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EXHIBIT 4

REPORTING REQUIREMENTS

HEWLETT-PACKARD COMPANY, on behalf of itself and its subsidiaries, (collectively, the "Company") agrees that it will report to the Department periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Exhibit 3. Should the Company discover credible evidence, not already reported to the Department, that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any Company entity or person, or any entity or person working directly for the Company (including its affiliates and any agent), or that related false books and records have been maintained, the Company shall promptly report such conduct to the Department. During this three-year period, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two (2) follow-up reviews and reports, as described below:

a. By no later than one (1) year from the date this Agreement is executed, the Company shall submit to the Department a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the Company's internal controls, policies, and procedures for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to Deputy Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Eleventh Floor, Washington, DC 20005. The Company may extend the time period for issuance of the report with prior written approval of the Department.

1 b. The Company shall undertake at least two (2) follow-up reviews, incorporating
2 the Department's views on the Company's prior reviews and reports, to further monitor and assess
3 whether the Company's policies and procedures are reasonably designed to detect and prevent violations
4 of the FCPA and other applicable anti-corruption laws.

5 c. The first follow-up review and report shall be completed by no later than one (1)
6 year after the initial review. The second follow-up review and report shall be completed by no later than
7 one (1) year after the completion of the preceding follow-up review.

8 d. The reports will likely include proprietary, financial, confidential, and competitive
9 business information. Moreover, public disclosure of the reports could discourage cooperation, impede
10 pending or potential government investigations and thus undermine the objectives of the reporting
11 requirement. For these reasons, among others, the reports and the contents thereof are intended to remain
12 and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the
13 extent that the Department determines in its sole discretion that disclosure would be in furtherance of the
14 Department's discharge of its duties and responsibilities or is otherwise required by law.

15 e. The Company may extend the time period for submission of any of the follow-up
16 reports with prior written approval of the Department.

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EXHIBIT 5

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Plea Agreement between the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney's Office for the Northern District of California (collectively, the "Department") and ZAO Hewlett-Packard A.O. (the "defendant" or "HP RUSSIA"), and the parties agree and stipulate that the following information is true and accurate. Had this matter proceeded to trial, the Department would have proven beyond a reasonable doubt, by admissible evidence, the facts alleged below. This evidence would establish the following:

The Foreign Corrupt Practices Act

1. The Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, Title 15, United States Code, Sections 78dd-1, *et seq.*, prohibited certain classes of persons and entities from corruptly offering, paying, promising to pay, or authorizing the payment of any money or anything of value, directly or indirectly, to a foreign government official for the purposes of obtaining or retaining business for, or directing business to, any person. The FCPA also required certain entities to maintain accurate books and records and adequate internal accounting controls.

2. In relevant part, the FCPA's anti-bribery provisions specifically prohibited any person, other than an issuer or domestic concern, while in the territory of the United States, from making use of the mails or any means or instrumentality of interstate commerce or to do any other act corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person while knowing that all or a portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to a foreign official for the purpose of assisting in

obtaining or retaining business for or with, or directing business to, any person. 15 U.S.C. § 78dd-3(a)(1), (a)(3).

3. The FCPA also required any issuer of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, (“the Exchange Act”), 15 U.S.C. § 78l, or required to file periodic reports with the United States Securities and Exchange Commission (“SEC”) under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d) (hereinafter “issuer”), to make and keep books, records, and accounts that accurately and fairly reflect the transactions and disposition of the company’s assets, and prohibited the knowing falsification of an issuer’s books, records, or accounts. 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a). The FCPA’s accounting provisions also required that issuers 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; (ii) transactions were recorded as necessary to (I) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) maintain accountability for assets; (iii) access to assets was permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets was compared with the existing assets at reasonable intervals, and appropriate action was taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B). The FCPA also prohibited the knowing circumvention of, or knowing failure to implement, such a system of internal accounting controls. 15 U.S.C. §§ 78m(b)(5) and 78ff(a).

Relevant Corporate Entities and Employees

4. At all times relevant to this Statement of Facts, Hewlett-Packard Company (“HP Co.”) and all of its direct or indirect affiliates or subsidiaries (collectively, “HP”), was a technology company headquartered in Palo Alto, California, and incorporated in Delaware. HP was a global provider of

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1 personal computing devices, information technology infrastructure, and imaging and printing products
2 and services. HP employed more than 300,000 employees worldwide.

3 5. From at least in or around 2000 until the date of the Agreement, HP Co. issued and
4 maintained a class of publicly traded securities registered pursuant to Section 12(b) of the Exchange Act
5 (15 U.S.C. § 78l) and was required to file periodic reports with the SEC under the Exchange Act (15
6 U.S.C. § 78m). Accordingly, HP Co. was an issuer within the meaning of the FCPA, Title 15, United
7 States Code, Section 78dd-1.
8

9 6. HP's global operations were organized by (1) business units, based on the types of
10 products and services offered, (2) sales regions, and (3) wholly owned or indirect subsidiaries. HP
11 reported earnings from operations, net revenue, and assets by business unit. HP Co.'s financial
12 statements reflected the performance of its international subsidiaries.
13

14 7. In or about 2003, HP's principal business units included the Enterprise Systems Group
15 ("ESG"), which provided servers, storage, and software solutions; HP Services ("HPS"), which included
16 consulting and integration, technology services, and managed services; and others.

17 8. HP's operations were also organized by sales region and multiple layers of sub-regions.
18 The three principal sales regions were Europe, Middle East, and Africa ("EMEA"); Americas; and Asia
19 Pacific Japan. EMEA, which was headquartered in Switzerland, comprised several sub-regions,
20 including International Sales Europe ("ISE"). ISE, in turn, comprised further sub-regions, including
21 Central and Eastern Europe ("CEE"). Finally, CEE also comprised several sub-regions, including,
22 among others, the Commonwealth of Independent States ("CIS") and Russia.
23

24 9. Within the international sales regions, HP business units employed personnel and
25 transacted business through wholly owned or indirect subsidiaries. Each subsidiary in EMEA
26 designated one or more "statutory directors" to execute contracts on behalf of the subsidiary (or
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1 designate others to do so) and otherwise manage subsidiary operations. The international subsidiaries
2 entered employment contracts with employees outside the United States.

3 10. The defendant, HP RUSSIA, was a wholly owned subsidiary of HP Co. operating and
4 incorporated in the Russian Federation. HP RUSSIA employed HP personnel in the Russia region from
5 multiple HP business units, and was principally responsible for transacting business in Russia and CIS.
6 HP RUSSIA had between approximately 315 and 550 employees during the relevant time period. HP
7 RUSSIA was subject to HP's internal accounting controls, and HP RUSSIA's financial results were
8 included in the consolidated financial statements that HP Co. filed with the SEC.
9

10 11. Between in or about 1999 and October 2004, "HP Russia Executive 1" was the manager
11 for the ESG business unit in Russia, and was based in Moscow, Russia. In addition, between in or about
12 1999 and 2008, HP Russia Executive 1 was the Managing Director and ESG lead for the CIS region. He
13 had an employment contract with HP International Sarl, a Swiss entity, with long-term transfer to HP
14 RUSSIA. HP Russia Executive 1 served as a statutory director of HP RUSSIA between in or about
15 October 2001 and June 2002, and as a statutory director of Hewlett-Packard Europe B.V., a Dutch
16 subsidiary, between in or about November 2005 and November 2006.
17

18 12. "HP Russia Executive 2" had an employment contract with HP RUSSIA from in or about
19 1997 to 2009 and was based in Moscow, Russia. From in or about 1997 to 2002, HP Russia Executive 2
20 was an account manager within the ESG business unit in Russia. From in or about 2002 to 2003, HP
21 Russia Executive 2 was responsible for government sales for the ESG business unit within Russia, and
22 reported to HP Russia Executive 1. Between in or about 2004 and 2009, HP Russia Executive 2 was
23 ESG Sales Director for the CIS countries, reporting to HP Russia Executive 1 for most of this period.
24

25 13. "HP Russia Manager 1" had an employment contract with HP RUSSIA from in or about
26 2002 until 2010. HP Russia Manager 1 worked as a Government Account Manager for the ESG
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1 business unit in Russia, and was based in Moscow, Russia. HP Russia Manager 1 reported to HP Russia
2 Executive 2 between in or about 2002 and 2003.

3 14. "HP Russia Manager 2" had an employment contract with HP RUSSIA between in or
4 about 1994 and 2012. Between in or about 2000 and 2012, HP Russia Manager 2 worked as the
5 Operations Manager for HP RUSSIA and the CIS region, and was based in Moscow, Russia. Between
6 in or about 2000 and 2004, HP Russia Manager 2 also worked as a Finance Manager for the ESG
7 business unit in the ISE sub-region.
8

9 15. "HP Russia Manager 3" had an employment contract with HP RUSSIA between in or
10 about 1998 and 2008. Between in or about 1999 and 2004, HP Russia Manager 3 worked as the
11 manager of the consulting and integration business unit in Russia, and was based in Moscow, Russia.
12

13 *HP Internal Controls*

14 16. At all times relevant to this Statement of Facts, HP policies prohibited corruption, self-
15 dealing, and other misconduct. HP's Standards of Business Conduct ("SBC") in effect during the
16 relevant period specified company rules and regulations governing legal and ethical practices,
17 preparation of accurate books and records, contracting, and approvals and engagement of third parties.
18 The SBC applied to all HP business divisions and subsidiaries, including HP RUSSIA. HP RUSSIA
19 employees received mandatory SBC training annually, among other training. The SBC was
20 promulgated at HP Co.'s headquarters in the Northern District of California.
21

22 17. The SBC manuals specifically referenced the FCPA, and prohibited, among other things,
23 corrupt payments, "side letters," "off-the-books' arrangements," and "other express or implied
24 agreements outside standard HP contracting processes." The SBC manuals in effect during this period
25 further instructed employees of HP that they were not to "commit [the relevant HP business] to
26 undertake any performance, payment or other obligation unless [the employee was] authorized under the
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1 appropriate HP [business] delegation of authority policies,” and further required accurate accounting
2 records and proper finance practices.

3 18. HP’s policies placed restrictions and due diligence requirements on contracts with third
4 parties, including “HP customers, channel partners, suppliers, other business partners or outside parties.”
5 They required credit checks and approvals for certain third parties, and required the preparation of
6 “Subcontractor Qualification Worksheets” and “Pre-Bid Risk Identification & Assessment
7 Questionnaires” that related to qualifications and financial capabilities of certain third parties. Among
8 other due diligence requirements, the policies required telephonic interviews of certain third parties
9 regarding experience, references, and checks to determine whether the third party had the capacity and
10 geographic coverage for the project, and an overall evaluation of doubts, reservations, and
11 “risks/weaknesses” of the third party.
12

13 19. HP’s Solution Opportunity Approval and Review (“SOAR”) process applied to all
14 service-related projects valued at greater than \$500,000 anywhere in the world, including Russia.
15 Among other things, the SOAR process was designed to provide HP’s senior company management
16 visibility into pricing, discounts, and profit margins for transactions. It required review of relationships
17 with third parties, including scope of work, contract terms, qualifications, and necessity of services.
18 Business, legal, finance, credit, tax, and other units participated in the SOAR review. No services-
19 related transaction greater than \$500,000 could proceed without SOAR approval.
20

21 20. Pursuant to the Sarbanes-Oxley Act of 2002, HP Co. management was required to certify
22 the accuracy of HP Co.’s financial statements and the adequacy of its related internal controls to develop
23 those statements. In supporting these certifications, HP Co. executive management required senior and
24 regional management of HP’s business units to sign sub-certifications certifying that HP’s financial
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1 statements were accurate and that their internal controls provided assurances that transactions were
2 properly authorized and recorded, and assets were safeguarded from improper use.

3 21. While the SBC prohibited corrupt payments, required due diligence of third-parties, and
4 included other control requirements to maintain accountability for assets, the policies were not adequate
5 to detect and prevent the misconduct described herein, and in practice certain HP business divisions and
6 subsidiaries failed to implement and enforce the policies consistently, and on occasion circumvented or
7 disregarded the policies entirely.
8

9 *Overview of the Criminal Conduct*

10 A. Introduction

11 22. In or about January 1999, a Russian government agency ("Russian Government Agency
12 1") commenced work on a project to automate the telecommunications and computing infrastructure of
13 the Office of the Prosecutor General of Russia (the "GPO" or "GP"). By mid-2001, the projected value
14 of the project was more than \$100 million, with the first stage valued at approximately \$35 million.
15 (The first stage of the project was subsequently valued in Euros at €35 million.). The Russian
16 government used a state-owned entity ("Russian Government Agency 2"), organized under the
17 Department of Affairs of the President of the Russian Federation, to manage the GPO project tender and
18 execution.
19

20 23. The GPO project represented an opportunity for HP RUSSIA to become a more
21 significant player in the Russian government sector. According to an internal project memorandum
22 circulated within HP RUSSIA and elsewhere, the project was the "'golden key' to open the door of huge
23 business opportunities with other legal authorities." The memorandum stated that in addition to the
24 GPO project's potential \$100 million value, the GPO project could lead to \$100 – \$150 million in other
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1 business with the Ministry of Justice and the Supreme Court. HP RUSSIA, ESG, and HPS, respectively,
2 were the HP subsidiary and two HP business units principally responsible for the project.

3 24. Between in or about 2000 and 2007, HP RUSSIA and co-conspirators agreed to make
4 and did make improper payments to secure, retain, and implement the GPO project. Members of the
5 conspiracy structured the deal to create a secret slush fund, at least part of which was intended for
6 bribes, kickbacks, and other improper payments. To execute and hide the scheme, members of the
7 conspiracy failed to implement internal controls intended to maintain accountability over HP's assets,
8 willfully circumvented existing internal controls, and falsified corporate books and records relied on by
9 HP officers and external auditors to authorize the transaction and prepare HP Co.'s consolidated
10 financial statements.
11

12 B. Formation and Concealment of Third-Party Relationships
13

14 25. From the deal's inception, and with almost no due diligence, HP RUSSIA and co-
15 conspirators agreed to partner with third-party intermediaries having close ties to the Russian
16 government, including: recipients identified in internal financial documents as "[Russian Government
17 Agency 1]" or its "authorized companys"; "Intermediary 1," a company registered in Switzerland but
18 operated by Russian nationals; and "Intermediary 2," a three-employee shell company incorporated in
19 New York in 1997 with its business address at an apartment building in Jersey City, New Jersey. HP
20 RUSSIA contemplated paying these entities several million dollars.
21

22 26. Russian Government Agency 2 declared HP the winner of the first tender in or about
23 January 2001, approximately six weeks after HP signed a teaming agreement with Intermediary 1, and
24 in the midst of negotiating an agreement with Intermediary 2. HP Co., GPO, and Russian Government
25 Agency 2 executed a contract in June 2001. The contract, valued at \$35,294,000, was executed by HP
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1 Russia Executive 1 on behalf of HP Co. pursuant to a power-of-attorney signed by HP Co.'s then-
2 general counsel.

3 C. Attempts to Secure U.S. Government-backed Financing

4 27. To finance the GPO project, Russian Government Agency 2 initially attempted to secure
5 U.S. government-backed financing. To qualify for the financing, rules required that at least 85% of all
6 goods and services provided under the contract have U.S. origin. This posed a large obstacle for the
7 GPO project, as structured, as almost all of the services, and a large percentage of the products, did not
8 have U.S. origin. Members of the conspiracy substituted Intermediary 2, the three-person U.S. shell
9 company, for Intermediary 1, a Swiss firm, as the principal contractor on the deal. In reality,
10 Intermediary 2 was a pass-through entity incapable of performing this role.
11

12 28. HP Co. employees in the United States conducted due diligence on Intermediary 2 and
13 other aspects of the transaction. In July and September 2001, HP Russia Executive 2 and HP Russia
14 Manager 3 met with HP Co. managers and Intermediary 2's principals at HP's offices in Rockville,
15 Maryland. During the meeting, the HP Co. managers asked pointed questions about Intermediary 2's
16 expertise and financial wherewithal, and requested that Intermediary 2 provide financial statements and
17 a detailed scope of work. The Intermediary 2 principals balked, informing the HP Co. managers that HP
18 was lucky to be in the deal, and that Intermediary 2 could redirect the deal to HP's principal competitor.
19 The HP Co. managers told the conspirators that they would not approve the transaction until their
20 questions about Intermediary 2 were answered, which never happened.
21

22 D. Switch to German Financing

23 29. In late 2002, the Russian government switched to German government-backed financing
24 for the GPO project. Germany had similar content requirements to qualify for financing guarantees.
25 Russia replaced Russian Government Agency 2 with another foreign trade agency ("Russian
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1 Government Agency 3") with experience managing German export projects. "Russian Official A" was
2 a director of Russian Government Agency 3, and assumed responsibility for the GPO project.

3 "Individual A" was an associate of Russian Official A.

4 30. The switch in financing and management resulted in the termination of the June 2001
5 GPO project contract, and the Russian government considered re-opening the bidding process. Afraid
6 that they may lose the deal to a German competitor, HP RUSSIA employees and representatives agreed
7 to make corrupt payments to individuals associated with Russian Government Agency 3, including
8 Russian Official A. They also dropped U.S.-based Intermediary 2 as the pass-through entity in favor of
9 a German one, "Intermediary 3," and caused HP to replace HP Co. as the contracting entity with the
10 German-based HP entity, Hewlett-Packard ISE GmbH.

11 31. Members of the conspiracy structured bribe payments to individuals associated with
12 Russian Government Agency 3 through a €2.836 million, off-the-books contract with Burwell
13 Consulting, Ltd. ("Burwell"), a shell company registered in the United Kingdom associated with
14 Russian Official A and Individual A. Russian Official A, Individual A, and their associates had
15 previously used Burwell and related shell companies, including Bracefield Builders, Ltd. ("Bracefield
16 Builders") and Laurel Commerce Ltd. ("Laurel Commerce"), to conceal and launder corrupt payments
17 from other Western-based companies in similarly large transactions.

18 32. An intermediary for Burwell e-mailed a draft of the Burwell contract to HP Russia
19 Executive 2 in March 2003. Titled "letter of obligation," the document required HP to pay Burwell a
20 €2.834 million "commission fee," which was 8% of the contemplated €35,429,000 GPO contract. HP
21 Russia Executive 2 forwarded the e-mail to HP Russia Manager 1, copying HP Russia Executive 1 and
22 another co-conspirator, asking HP Russia Manager 1 to "check the numbers and prepare a letter for [HP
23 Russia Executive 1]'s signature." On or about April 16, 2003, HP Russia Executive 2 e-mailed an

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1 executed version of the document to HP Russia Manager 1, copying HP Russia Executive 1, with a
2 revised commission fee of €2.836 million. The contract contained HP Russia Executive 1's signature,
3 on letterhead with the HP logo and the name of the German-based HP entity Compaq Computers BDG,
4 which had been acquired by HP in May 2002. In circumvention of HP internal controls, including third-
5 party due diligence requirements and prohibitions against "side letters, 'off-the-books' arrangements, or
6 other express or implied agreements outside standard HP contracting processes," HP RUSSIA never
7 disclosed the existence of the Burwell agreement to internal or external auditors or management outside
8 of HP RUSSIA, and conducted no due diligence of Burwell.

10 E. Tracking Slush Fund Recipients

11 33. HP RUSSIA and co-conspirators created millions of dollars in excess margin for use as a
12 slush fund by (1) selling the contract hardware and other products to an often-used channel partner of
13 HP ("Russian Channel Partner"), which in turn sold them to Intermediary 3, and (2) contemporaneously
14 buying the same products back from Intermediary 3 at a nearly €8 million mark-up, and paying
15 Intermediary 3 an additional €4.232 million for purported services. To keep track of the fund, which
16 was concealed in the project's financials, HP RUSSIA maintained two sets of project pricing records:
17 off-the-books versions, known only to the conspirators, which identified slush fund recipients, and
18 sanitized versions of the same documents which were provided to HP credit, finance, and legal officers
19 outside of HP RUSSIA.

20 34. One example of an off-the-books document was an encrypted, password-protected
21 spreadsheet that tracked the GPO deal's financial inflows and outflows (the "Encrypted Spreadsheet").
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1 The spreadsheet included a column labeled "*Other Costs*,"¹ which listed the following payment
2 recipients and amounts:

3	<i>[Russian Government Agency 3] People (Burwell Consulting Ltd.)</i>	€2,836,705.88
4	<i>Approvals</i>	€2,000,000.00
	<i>Germanization and Design in Germany</i>	€2,836,705.88
5	<i>[Intermediary 1], Commission</i>	€280,636

6 Another column labeled "Services" listed payments to "GIS" for €744,323, "[Russian Government
7 Agency 4]" for €136,202, and "[Russian Government Agency 4] deficit" for €93,545. A second page of
8 the same document contained a financial flowchart diagram, which tracked the distribution of the
9 contemplated €35 million in contract proceeds. The flowchart listed the same payments to "[Russian
10 Government Agency 3]" (a later version referred to "Burwell" instead of "[Russian Government Agency
11 3]"), "Approvals," and the other payment recipients. The chart depicted these payments flowing
12 through the German pass-through Intermediary 3, Russian Channel Partner, or both. In contrast, the on-
13 the-books version of this spreadsheet omitted all references to the slush fund recipients, and eliminated
14 the flowchart page entirely.

15
16 35. A second document used to track slush fund payments was a financial spreadsheet
17 template called a "Pricing Worksheet," which was designed to identify transaction revenues and costs.
18 The off-the-books version included a page labeled "Passthrough Activity," which listed the same
19 payment recipients and amounts as the Encrypted Spreadsheet:

21	<i>[Russian Government Agency 3] (8% = \$2,8M)</i>	2,836,705
	<i>Germany registration and logistics (8% from 35M)</i>	2,836,705
22	<i>Gosorgony</i>	2,000,000
	<i>Commission [Intermediary 1]</i>	280,636

23 Notably, the €2,000,000 for "Approvals" in the Encrypted Spreadsheet is described as "Gosorgony" in
24 the Pricing Worksheet. "Gosorgony" is a Russian word that means "state agencies" or "state
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27 ¹ Italicized words are English translations of the Russian language.

1 authorities.” Members of the conspiracy sanitized the Pricing Worksheet in August 2003 before
2 providing it to HP approval officers in Europe. A transitional version of the document, created on or
3 about August 20, 2003, includes an explanation of how the slush fund payments should be hidden. The
4 “Passthrough Activity” page highlights the slush fund amounts, along with the notation “to move to
5 HW.” The next page of the document, which listed hardware prices, is inflated by €7,954,046—the sum
6 of the highlighted payments (including “[Russian Government Agency 3]” and “Gosorgony” payments).
7 Versions of the Pricing Worksheet provided to management outside of HP RUSSIA omit all references
8 to the slush fund payments, instead inflating hardware prices to create margin for the payments.
9

10 F. Concealment of Slush Fund During SOAR Review

11 36. HP’s SOAR process was designed to provide senior company management with visibility
12 into pricing, discounts, and profit margin for transactions greater than \$500,000. In early August 2003,
13 HP management in Europe pressed HP RUSSIA to begin the SOAR process for the GPO contract so
14 that it could be executed. In circumvention of company policy, however, HP Russia Executive 1 had
15 already executed the €35 million contract with the GPO and Russian Government Agency 3 on or about
16 August 1, 2003. HP Russia Executive 1 signed on behalf of Hewlett-Packard ISE GmbH, with no
17 authorization and no power of attorney, and Russian Official A signed on behalf of Russian Government
18 Agency 3. HP RUSSIA, HP Russia Executive 1, and other members of the conspiracy hid the existence
19 of the signed contract for nearly three months.
20

21 37. The HP credit officer assigned to the SOAR review (“Credit Officer”) initially denied
22 credit approval to proceed with the contract, informing HP Russia Manager 1 and other conspirators by
23 e-mail that they had not provided “exact names of all partners (subcontractors) involved,” their “roles in
24 the project,” “payment terms,” or the partners’ financial statements. HP Russia Manager 1 replied,
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1 purporting to provide the list of all subcontractors. The list included Intermediary 3, but omitted the
2 slush fund entities and concealed that Intermediary 3 was merely a pass-through entity.

3 38. Credit Officer also observed that while the HP contracting entity in Germany had
4 contracted to pay Intermediary 3 more than €21 million, €8 million of that total was unaccounted for in
5 the documents provided by HP Russia Manager 1. Credit Officer directly questioned HP Russia
6 Manager 1: "Could you explain to me exactly what we pay for with the remaining 8 million to
7 [Intermediary 3]?" In response, HP Russia Manager 1 falsely represented that the €8 million was for
8 services that Intermediary 3 or its subcontractors would perform, such as "organization of work in
9 Germany," "processing," "consolidation of equipment," "dispatch of goods to Russia," and
10 "performance of work to install the equipment," failing to mention that the money was earmarked for
11 "[Russian Government Agency 3] people," "*Gosorgony*" (approvals of state agencies), and other
12 entities. In a separate e-mail, HP Russia Manager 2 attempted to reassure Credit Officer, explaining that
13 HP Russia Executive 1 had personally approved the selection of Intermediary 3 and visited its offices in
14 Germany and Russia, and observed that Intermediary 3's exclusion could "lead to problems with HP
15 participation in the contract." In reality, Intermediary 3 was a small, undercapitalized computer
16 distributor in Germany and had no ability to perform the work assigned to it under this deal structure.
17 HP RUSSIA was able to use Intermediary 3 in the GPO transaction without meaningful due diligence or
18 other controls over such third-party arrangements.
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22 39. The SOAR meeting was held on or about November 12, 2003. The day before, HP
23 Russia Manager 2 e-mailed to ISE management in Germany the "final financials," which contained a
24 sanitized version of the Encrypted Spreadsheet (omitting the slush fund payments and flowchart). The
25 SOAR package also included the sanitized version of the Pricing Worksheet, as well as a "third party"
26 analysis document, which purported to identify all third-party participants, but did not mention the slush
27

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1 fund entities. Participants in the SOAR meeting included several of the conspirators from HP RUSSIA,
2 as well as HP ISE executives and HP lawyers.

3 40. While SOAR approval was granted subject to final credit approval, Credit Officer
4 requested additional information about Intermediary 3 and the overall scheme. Credit Officer sent e-
5 mails to members of the conspiracy, requesting a chart or graph "clearly illustrating who has subcontract
6 with whom and on which conditions, including contractual and payment relations between [Intermediary
7 3] and [Russian Channel Partner]." In response, conspirators e-mailed a diagram purporting to identify
8 all payments to subcontractors, but that once again omitted any reference to the slush fund payments and
9 recipients. Based on these false representations, Credit Officer granted credit approval, observing in the
10 approval memo that the "subcontractual relations are clearly illustrated in the Scheme attached; i.e. who
11 has subcontract with whom and on which conditions."
12

13 41. Concurrent with these misrepresentations and internal control violations, senior HP
14 management in Europe requested that HP Russia Executive 1, as the ESG Russian country manager and
15 CIS general manager, certify to the accuracy of company financial statements and adequacy of internal
16 controls, pursuant to the Sarbanes-Oxley Act of 2002. On or about November 19, 2003, HP Russia
17 Executive 1 falsely certified that "there are no deficiencies in internal controls that would impact ESG's
18 ability to record, process, summarize and report financial data," and "I am not aware of any fraud
19 involving employees in ESG's management or other employees that have a significant role in ESG's
20 internal controls." This certification was relied upon by HP's EMEA businesses to certify to HP's
21 headquarters in the United States that EMEA's financial statements were accurate.
22

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24 G. Performance of the Contract and Distribution of the Slush Fund

25 42. On the last day of 2003, the HP contracting entity in Europe received the initial payment
26 under the GPO contract. The slush fund was created and amounts disbursed in a manner generally
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1 consistent with the off-the-books documents. In total, nearly €21 million of the €35 million contract
2 amount passed through Intermediary 3.

3 43. Despite being paid nearly €21 million, Intermediary 3 kept less than €200,000 of this
4 amount, passing on the rest to third parties—mostly bank accounts in the names of shell companies.
5 These shell companies then transferred most of the money through multiple layers of additional shell
6 companies. Portions of these funds were used to purchase expensive jewelry, luxury automobiles, travel
7 services, tuition, electronic equipment, furniture, clothing, and various other items. For example,
8 Intermediary 3 wired €311,038 to a Lithuanian bank account in the name of Bracefield Builders, Ltd.
9 As noted, Bracefield Builders, a shell company registered in the United Kingdom, was related to
10 Burwell Consulting, and was directly associated with Russian Official A, Individual A, and other
11 transactions involving Russian Government Agency 3. Russian Official A's daughter was identified as
12 the "project manager" of Bracefield Builders. The payment was made pursuant to a back-dated contract,
13 valued at €1,001,345, between Intermediary 3 and Bracefield Builders, concerning technical support for
14 the GPO project. 98% of the money was then laundered to a Lithuanian account of another shell
15 company, Laurel Commerce, which also was associated with Russian Official A, Individual A, and other
16 transactions involving Russian Government Agency 3. No actual services were performed in exchange
17 for these payments.
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