

# **Anti-Corruption Regulations**

## **Chapter 1: General Provisions**

### **Article 1 (Purpose)**

The purpose of these Regulations is to ensure compliance with the Hitachi Construction Machinery Co., Ltd.(hereinafter referred to as “HCM”) Standards of Corporate Conduct and the HCM Group Codes of Conduct, which direct that each HCM group employee shall act according to the rule of law and ethical corporate rectitude through performing business lawfully and appropriately in relation to domestic and foreign Anti-Bribery Laws (as defined below).

### **Article 2 (Basic Principles)**

1. PT Hexindo Adiperkasa Tbk. (hereinafter referred to as “HAP”) (including its employees, officers, directors, and any party acting for or on behalf of the company) shall never give, or offer or promise to give, or authorize the giving of, money or anything of value to a Public Officer, either domestic or foreign, for the purpose of obtaining unjust gains or advantages in business. Also, HAP will strictly abstain from any act which may give rise to the appearance of bribery.
2. HAP (including its employees, officers, directors, and any party acting for or on behalf of the company) shall never give, or offer or promise to give, or authorize the giving of, money or anything of value to a third party other than a Public Officer, either domestic or foreign, for the purpose of obtaining unjust gains or advantages in business. Also, HAP will strictly abstain from any act which may give rise to the appearance of bribery.
3. Officers and employees (including associate, senior employee, temporary employee, part-time worker, seconded employee, dispatched employee, and any individual performing services on behalf of HAP; the same applies hereinafter) shall never solicit, receive, or promise to receive money or anything of value from any person or organization, either domestic or foreign, in the conduct of business.
4. HAP will maintain internal structures and business procedures, and conduct education and audits, necessary for compliance with domestic and foreign Anti-Bribery Laws.

### **Article 3 (Definitions)**

1. The term “Anti-Bribery Laws” in these Regulations shall mean the Penal Code, Unfair Competition Prevention Act, National Public Service Ethics Act, National Public Service Ethics Code, other ethics codes enacted by local governments, etc., and the Political Fund Regulation Law in Japan, Foreign Corrupt Practices Act in the United States, the Bribery Act 2010 in the United Kingdom, and any other laws and regulations relating to the prevention of bribes, public service ethics or punishment in relation thereto in any other countries or regions (including any national laws implemented in fulfillment of obligations under the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the

United Nations Convention Against Corruption).

2. The term “Public Officer” in these Regulations shall mean any of the following, regardless of whether domestic or foreign: (i) any person who engages in services for national or local governments; (ii) any person who engages in services for an agency or organization affiliated with a government entity; (iii) any person who engages in services for a public enterprise or state-owned entity; (iv) any person who is an employee or agent of an international public organization; (v) any political party, party official, or candidate for political office; or (vi) any person authorized by a government entity to exercise a public function.

3. The term “Family Member” shall mean any relative of the Public Officer such as a spouse, child, or sibling as well as other members of the extended family.

4. The term “Corrupt Practice” in these Regulations shall mean any act prohibited by Anti-Bribery Laws, and, even if not so applicable, any act of giving, or offering or promising to give, or authorizing the giving of, money or anything of value, directly or indirectly, to obtain unjust gains or advantages in business, for the purpose of:

(i) influencing any official act or decision of any person,

(ii) inducing an act or omission in violation of any person’s lawful duty, or

(iii) inducing any person to use his or her influence to affect or influence any official act or decision of a Public Officer.

Payment of money to a Business Partner knowing that part or all of such money will be used for any of the purposes in (i) through (iii) above shall also constitute a Corrupt Practice.

5. The term “Business Partner” in these Regulations shall mean a company and/or individual that would be involved in the business of HAP A Business Partner includes, but is not limited to, an agent, an adviser, or a consultant; a representative; a distributor or a reseller; a contractor or a supplier; a business associate in collaboration with HAP and as well as their officers, employees and subcontractors.

6. The term “Entertainment and Gifts” in these Regulations shall mean any monetary rewards, gifts, business meals and/or entertainment, travel, per diem expense payments, transportation/lodging costs, or any goods or services of value, either provided directly or indirectly.

7. A “Charitable Contribution” shall mean any monetary donation, gift, or “in kind” contribution (e.g. goods or services) or anything of value provided directly or indirectly by or on behalf of the Company to an individual or organization that supports charitable activities.

8. A “Political Contribution” shall mean, subject to any applicable laws, any monetary donation, gift, or “in kind” contribution (e.g. goods or services), or anything of value provided directly or indirectly by or on behalf of the Company to an individual or organization for the purpose of promoting, supporting, or influencing any political process, political organization, political party or candidate, or an election for public office at any level.

9. The term “Facilitation Payment” (also known as “grease payment”) shall mean a payment

made to a Public Officer to expedite or secure routine governmental action, such as issuing permits, immigration controls, providing services or clearing customs.

10. The term “Investment” in these Regulations shall mean M&A (merger and acquisition) and joint venture (a business concern managed jointly with other investors).

11. The Term “Group Company” in these Regulations shall mean a consolidated subsidiary of HCM or HAP.

12. The Term “Global Guideline” in these Regulations shall mean a rule that specifies the standards and procedures necessary to implement the Anti-Corruption Measures (as defined below) appropriately and shall be interpreted together with these Regulations as a whole.

## **Chapter 2: Organizations**

### **Article 4 (Chairperson of Compliance and Risk Management Committee)**

1. HAP will maintain a Chairperson of Compliance and Risk Management Committee (hereinafter referred to as “Chairperson”), who will be responsible for the compliance activities of the entire HAP, including compliance with Anti-Bribery Laws.

2. The Chairperson shall form their own compliance structures and conduct education of their employees and a self-audit in accordance with these Regulations.

3. The Chairperson shall establish regulations and guidelines necessary for the compliance with Anti-Bribery Laws to enforce the Global Guidelines (hereinafter “Guideline,” and together with Global Guideline “Guidelines”).

4. The Chairperson may, as he or she deems necessary to attain the purpose set forth in Article 1 and in addition to the other provisions of these Regulations, request each department to submit reports on the compliance activities carried out by each department, conduct investigations, or order improvement measures to the existing compliance program.

5. With the purpose of enhancing compliance within the HAP, the Chairperson shall chair meetings of the Compliance and Risk Management Committee, and report to the President on the content thereof. As necessary, the Chairperson shall report it to the Board of Directors.

### **Article 5 (Compliance and Risk Management Committee)**

1. The Compliance and Risk Management Committee shall report and deliberate on the following matters:

- (i) matters relating to compliance promotional activities, including education;
- (ii) matters relating to audits of the status of compliance;
- (iii) matters relating to compliance violations; and

(iv) matters relating to updates and continuous improvement of the overall compliance program.

2. The administrative office of the Compliance and Risk Management Committee shall be the Legal Department.

**Article 6 (Legal Department)**

1. The Legal Department (hereinafter “Legal Department”) shall be responsible for these Regulations and the Global Guidelines and thoroughly ensure compliance with them under the supervision of the Chairperson.

2. The Legal Department shall plan, draft and promote important matters relating to the measures for prevention of Corrupt Practices provided for in Chapter 4 and the measures for mitigation of the risk of violating Anti-Bribery Laws provided for in Chapter 5 (collectively “Anti-Corruption Measures”) under the supervision of the Chairperson.

**Chapter 3: Responsibilities of Officer and Employee**

**Article 7 (Responsibility of Officer/Employee)**

All officers and employees shall understand that the basic principles in Article 2 are the foundation of the business activities of HAP, and shall implement the Anti-Corruption Measures appropriately in accordance with these Regulations and the Guidelines established thereupon.

**Chapter 4: Measures to Prevent Corrupt Practices**

**Article 8 (Contract with Business Partner)**

Prior to contracting with a Business Partner, approval must be obtained from an authorized manager after a review of the Business Partner’s integrity, business history, and relations with Public Officers (i.e., due diligence process), and the legality and appropriateness of the contract terms, in accordance with the applicable Guidelines.

**Article 9 (Payment to Business Partner)**

Prior to payment of a commission or compensation fee to a Business Partner, approval must be obtained from an authorized manager after the review of payment details in accordance with the applicable Guidelines.

**Article 10 (Entertainment and Gifts)**

When Entertainment and Gifts are offered from officers and employees to a third party, whether a Public Officer or not, or from a third party to officers and employees, Anti-Bribery Laws and the applicable Guidelines must be complied with.

**Article 11 (Charitable or Political Contributions)**

When charitable or political contributions are made, Anti-Bribery Laws and the applicable Guidelines must be complied with.

**Article 12 (Hiring Former and Current Public Officers)**

When hiring or discussing possible employment or consulting relationships with former or current Public Officers or their Family Members Anti-Bribery Laws and the applicable Guidelines must be complied with.

**Article 13 (Facilitation Payments)**

Facilitation Payments are prohibited under these Regulations with exception of the following cases:

- (i) Officers or employees are confronted with imminent danger to their life or body; or
  - (ii) Public Officers can provide a formal receipt or written confirmation of its legality.
- The officer or employee making any Facilitation Payment must report to the [GA department] the circumstances and amount of the payment as soon as possible. All Facilitation Payments must be accurately documented in the finance and accounting records.

**Chapter 5: Measures to Mitigate Risk of Violating Anti-Bribery Laws**

**Article 14 (Pre-Investment)**

When a transaction involving Investment is planned and executed, in order to mitigate the risk of violating Anti-Bribery Laws, approval must be obtained in accordance with applicable rules after the review of integrity, relations with Public Officers and lawful and appropriate business performance of the target company or joint venture partner prior to entering into relevant agreements.

**Article 15 (Post-Investment)**

The department executing the Investment shall take the measures provided in Chapter 8 at the target or joint venture company which became its affiliated Group Company.

**Chapter 6: Education**

**Article 16 (Education)**

1. In order to secure compliance with Anti-Bribery Laws, the Legal Department shall maintain, in collaboration with the human resources personnel, a necessary training and education program.
2. In order to thoroughly ensure compliance with these Regulations and the Guidelines, each department shall plan and implement periodic education initiatives such as original training, etc.

in addition to the education instructed to be implemented by the Legal Department.

## **Chapter 7: Documentation and Record**

### **Article 17 (Documentation)**

Each department shall prepare documents certifying that the Anti-Corruption Measures have been taken in accordance with these Regulations and the Guidelines.

### **Article 18 (Authentic Document)**

The documents set forth in the preceding Article shall be authentic and must state all necessary matters.

### **Article 19 (Document Administration)**

The documents prepared in implementing these Regulations and the Guidelines must be maintained appropriately in accordance with the document retention rules.

## **Chapter 8: Consultation, Report, Investigation**

### **Article 20 (Consultation & Inquiry)**

1. Officers and employees shall consult the Legal Department and follow its instruction and advice if they are requested to participate in Corrupt Practice or any act which may give rise to the appearance thereof, or if they are not certain whether specific action is in compliance with these Regulations and the Guidelines.
2. Legal Department provides instruction and advice in response to the inquiry from each department.

### **Article 21 (Report & Investigation)**

1. In case an officer or employee is aware of a violation of Anti-Bribery Laws involving HAP, he or she must promptly report the matter to the Legal Department. The Legal Department, upon receipt of the report, must immediately report to the Chairperson.
2. The Chairperson, upon receipt of the report in the preceding paragraph, shall conduct an investigation of the matter in collaboration with each department. The officer or employee who made the report shall co-operate with the investigations, if necessary.
3. Notwithstanding the preceding two paragraphs, employees may directly make a report to the HCM Compliance and Risk Management Division through the Compliance Internal Reporting System, which allows for the submission of anonymous reports.
4. The content of all reports and investigations in the preceding three paragraphs shall be kept

confidential.

## **Chapter 9: Self Audit**

### **Article 22 (Self-Audit)**

The Legal Department shall conduct a periodical self-audit to verify the status of implementing the Anti-Corruption Measures.

## **Chapter 10: Discipline**

### **Article 23 (Discipline)**

1. An officer or employee who has violated any of Anti-Bribery Laws shall be disciplined, which may include discharge or dismissal, and the matter shall be strictly addressed.
2. Notwithstanding the preceding paragraph, discipline may be reduced or remitted in the case of persons who voluntarily report such violation.

### **Article 24 (Damages)**

If an officer or employee causes damage to HAP due to a violation of Anti-Bribery Laws, HAP may claim damages from such person, in addition to the measures in the preceding Article.