

Gifts, Travel and Entertainment Protocol

Owner: Hitachi Group Head of Risk Management (GHRM)

Publication Date: March 4, 2021

Effective Date: April 1, 2021

Applicability: Global

Scope:

This Hitachi Group Gifts, Travel and Entertainment Protocol (“Protocol”) applies worldwide to Hitachi, Ltd. and all of its consolidated subsidiaries (“Hitachi Group”), to Hitachi Group’s workforce (meaning its officers, employees – whether full-time, part-time or temporary - and contractors). And Hitachi Group’s workforce shall take steps to ensure that anyone doing business with or on behalf of Hitachi Group, including contractors, consultants, advisors, agents, lobbyists, distributors, resellers, suppliers and business associates, as well as their respective officers, employees and subcontractors (collectively “Hitachi Group Business Partners”) comply with the terms of this Protocol.

Objective:

To ensure that Hitachi Group remains in compliance with all anti-bribery and anti-corruption laws in effect in all parts of the world in which it does business, as well as to demonstrate Hitachi Group’s firm commitment to acting with integrity at all times and to conducting business globally in an ethical and legal manner.

Background:

Following a sharp increase in media and public focus on corruption around the world, most countries or regions have now enacted some form of legislation to outlaw bribery and other forms of unethical and corrupt behavior, in both the public and private sectors. Hitachi Group has always prided itself on conducting its business ethically, but it is more important than ever that we make sure that we avoid even the perception of corruption or other illegal dealings.

When companies or individuals are investigated following bribery allegations, there is often a focus on activities surrounding gifts, meals, entertainment, travel and lodging. In particular, there is a growing push-back against cash or cash-equivalent gifts, even in countries in which they were previously an integral part of the culture. For this reason, this Protocol separates these items out from the broader topic of corruption that is addressed in the ABAC Policy.

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While jail time and individual and corporate fines are well-publicized penalties, reputational damage and huge costs are other major problems faced by companies found guilty of bribery or other illegal behavior.

This Policy reflects and expands on the provisions of the Hitachi Group Codes of Conduct, the Hitachi Group Code of Ethics and Compliance, and the Hitachi Group Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”).

Statements of Principle:

- 1. Hitachi Group, its workforce and Hitachi Group Business Partners may only offer, promise, provide or accept gifts, meals, entertainment, travel and lodging (collectively “GTE”) in accordance with the criteria set out in this Protocol and subject where applicable to the limits set out in the Appendices attached to and made a part of this Protocol.**
- 2. In no event shall GTE be offered, promised, provided or accepted, directly or indirectly, with the intent to obtain or retain business or otherwise to gain an improper advantage for Hitachi Group.**
- 3. In accordance with applicable accounting and auditing standards, accurate and complete accounting records, including expense reports, shall be kept of all GTE provided or accepted by Hitachi Group’s workforce and Hitachi Group Business Partners.**

1. Government or Public Officers

While bribery of anyone is unacceptable, the consequences of bribing Government or Public Officers are particularly severe. Hitachi Group’s workforce and Hitachi Group Business Partners must know who they are dealing with and be particularly careful about offering or providing GTE to Government or Public Officers.

Regardless of whether domestic or foreign, Government or Public Officers include:

- a) Any person who provides services for national or local governments
- b) Any person who provides services for an agency or organization affiliated with a government entity
- c) Any person who provides services for a public enterprise or state-owned entity

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- d) Any person who is an employee or agent of an international public organization (for example, the United Nations, World Trade Organization or World Bank)
- e) Any political party, party official, or candidate for political office
- f) Any person authorized by a government entity to exercise a public function
- g) Active or reserve members of police and armed forces
- h) Educational and medical employees of state-owned entities, including professors and doctors
- i) Journalists and representatives of state-controlled media
- j) Members of ruling or royal families

Persons who do not fall within the definition of “Public/Government Officers” and not covered under any of the above categories of persons will be considered as “Commercial Recipients”.

2. Rules for offering or providing gifts, meals and entertainment to Government or Public Officers

A. Gifts

- a) No gifts may be offered or given in excess of the values set out in Appendix A, without prior written approval of your organization’s legal and compliance department (“Legal and Compliance”).
- b) Gifts may not be offered or provided to the same Government or Public Officers more than once in any calendar quarter and more than twice in any fiscal year, without prior written approval of Legal and Compliance.
- c) Gifts may never comprise cash or cash equivalents, including gift, restaurant or store cards, or store credits.
- d) Gifts are required in all cases to have a legitimate business purpose. In general, gifts may only comprise inexpensive items containing Hitachi Group company or Hitachi logos, such as pens or mugs, as these are promotional items that are consistent with normal business practices.
- e) No gifts may be offered or given to spouses or family members of Government or Public Officers, without prior written approval of Legal and Compliance.
- f) Tickets to sporting, cultural or other events at which Hitachi Group officers or employees or Hitachi Group Business Partners are not present will be considered gifts and subject to the restrictions of this section 2.A. of this Protocol.

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- g) No gifts may be offered or given in breach of laws or policies governing the recipient or the giving party.

B. Meals and Entertainment

- a) Meals and entertainment are required in all cases to have a legitimate business purpose and in general may only comprise breakfast, lunch, dinner and drinks, as these are common business courtesies. In no event may entertainment take place at casinos or other gambling establishments or involve any illegal or immoral activities.
- b) No meals or entertainment may be offered or given in excess of the values set out in Appendix B, without prior written approval of Legal and Compliance.
- c) Meals and entertainment may not be provided to the same Government or Public Officers more than once in any calendar quarter and more than twice in any fiscal year, without prior written approval of Legal and Compliance.
- d) No meals or entertainment may be offered or provided to spouses or family members of Government or Public Officers, except as part of a reception previously approved in writing by Legal and Compliance.
- e) Tickets to sporting, cultural or other events at which Hitachi Group officers or employees or Hitachi Group Business Partners are present will be considered entertainment and subject to the restrictions of this section 2.B. of this Protocol.
- f) No meals or entertainment may be offered or provided in breach of laws or policies governing the recipient or the giving party.

3. Rules for offering or providing gifts, meals and entertainment to commercial recipients

- a) Under no circumstances are Hitachi Group's workforce or Hitachi Group Business Partners permitted to offer or provide gifts, meals or entertainment to a commercial recipient, that are lavish or extravagant, unsupported by a legitimate business purpose, or otherwise create the perception of corruption or other illegal or unethical dealings. For the avoidance of doubt, the term 'commercial recipient' means anyone who is not a Government or Public Officer, as described in section 1.a) to j) above.

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- b) Meals and entertainment are required in all cases to have a legitimate business purpose and in general may only comprise breakfast, lunch, dinner and drinks, as these are common business courtesies. In no event may entertainment take place at casinos or other gambling establishments or involve any illegal or immoral activities.
- c) Gifts or meals and entertainment may not be offered or provided to the same commercial recipient more than once in a calendar quarter and more than twice in a fiscal year, without prior written approval of Legal and Compliance.
- d) Value limits for gifts, meals and entertainment for commercial recipients may vary from country to country and Hitachi Group companies shall set such limits as reflect the business environment and locations in which they operate, provided that they do not violate the rules set out in the two preceding paragraphs of this section 3. or otherwise violate local laws.
- e) Each Hitachi Group company shall: (i) submit their value limits for gifts, meals and entertainment for commercial recipients and permitted frequency of such gifts, meals and entertainment to the GHRM; (ii) update their submission promptly in the event of changes; and (iii) self-audit at least once every two years to ensure that they comply with their stated value limits and frequency and that there have been no violations within their organization.

4. Rules for offering or providing travel and lodging to any third parties, whether Government or Public Officers or commercial recipients

- a) Payment of third party travel and lodging expenses is only permitted if there is a valid business justification, such as visits to Hitachi Group facilities for the purposes of training or product demos, or to the location of other events that are sponsored by Hitachi Group. The recipient's supervisor must have signed off on a written invitation to the event, that describes its purpose and agenda, as well as details of the benefits to be extended to the recipient.
- b) All such travel and lodging must be appropriate for the seniority and status of the recipient, while adhering to Hitachi Group's own internal limitations with respect to class of travel and quality of lodging.
- c) No unaccompanied side trips may be arranged, paid for or reimbursed by Hitachi Group and any accompanied side trips must be local and reasonable (for example, city sight-seeing tours but not visits to resorts or casinos).

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- d) No per diems may be offered or paid to third parties, whether directly or indirectly, without prior written approval of Legal and Compliance.
- e) No travel or lodging expenses may be paid or reimbursed, directly or indirectly, in cash or cash equivalents.
- f) No travel or lodging may be offered or provided to spouses or family members of Government or Public Officers or of commercial recipients, without prior written approval of Legal and Compliance.
- g) No travel or lodging may be offered, arranged or paid for in breach of laws or policies governing the recipient or the giving party.

5. Rules for accepting GTE from third parties

A. Gifts

- a) No gifts may be accepted from Government or Public Officers without prior written approval of Legal and Compliance and no gifts may be accepted in excess of the values or frequency set by each Hitachi Group company for commercial recipients, as set out in section 3. above, without prior written approval of Legal and Compliance.
- b) Gifts may never comprise cash or cash equivalents, including gift, restaurant or store cards, or store credits.
- c) Gifts are required in all cases to have a legitimate business purpose. In general, gifts provided by third parties may only comprise inexpensive items containing their organization's logo, such as pens or mugs, as these are promotional items that are consistent with normal business practices. If gifts are in the form of food or beverages, they should be shared where feasible with the local work colleagues of the recipient.
- d) Tickets to sporting, cultural or other events at which officers or employees of the inviting entity **are not present** will be considered gifts and subject to the restrictions of this section 5.A. of this Protocol.
- e) No gifts may be accepted that are in breach of laws or policies governing the giving party or the recipient and no gifts may be accepted by the same Hitachi Group recipient from the same third party individual or organization more than once in a fiscal year, without prior written approval of Legal and Compliance.

B. Meals and Entertainment

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- a) Meals and entertainment are required in all cases to have a legitimate business purpose and in general may only comprise breakfast, lunch, dinner and drinks, as these are common business courtesies. In no event may entertainment take place at casinos or other gambling establishments or involve any illegal or immoral activities.
- b) No meals and entertainment may be accepted from Government or Public Officers, except as part of a reception previously approved in writing by Legal and Compliance, and no meals and entertainment may be accepted in excess of the values or frequency set by each Hitachi Group company for commercial recipients, as set out in section 3. above, without prior written approval of Legal and Compliance.
- c) Tickets to sporting, cultural or other events at which officers or employees of the inviting entity are present will be considered entertainment and subject to the restrictions of this section 5.B. of this Policy.
- d) No meals or entertainment may be accepted that are in breach of laws or policies governing the giving party or the recipient and no meals or entertainment may be accepted by the same Hitachi Group recipient from the same third party individual or organization more than once in a fiscal year, without prior written approval of Legal and Compliance.

C. Travel and Lodging

- a) Payment by a third party of travel and lodging expenses for Hitachi Group's workforce is only permitted if there is a valid business justification, such as in respect of visits to customer or supplier facilities for the purposes of training or product demos, or to the location of other approved events that are sponsored by that third party. The supervisor of the Hitachi Group recipient must have signed off on a written invitation to the event, that describes its purpose and agenda, as well as details of the benefits to be extended to the recipient.
- b) All such travel and lodging shall be appropriate for the seniority and status of the recipient, while adhering to Hitachi Group's own internal limitations with respect to class of travel and quality of lodging.
- c) No unaccompanied side trips may be paid for or reimbursed by a third party and any accompanied side trips must be local and reasonable (for example, city sight-seeing tours but not visits to resorts or casinos).
- d) No per diems may be accepted by Hitachi Group's workforce, unless previously approved in writing by Legal and Compliance.

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- e) No travel or lodging expenses may be paid or reimbursed, directly or indirectly, in cash or cash equivalents.
- f) No travel or lodging may be accepted that is in breach of laws or policies governing the recipient or the giving party.

6. Exceptions to this Protocol

Should any Hitachi Group company wish to adopt stricter or more lenient principles or examples than those outlined in this Protocol, an application must be made in writing to the GHRM, whose decision on such exceptions will be final.

In addition to this Hitachi Group GTE Protocol, "Gifts & Entertainment Monetary Guidelines" introduced at HHPE vide Doc # HHPE/HR POLICY/GEMG/39/12/2013 /Rev.01 shall also prevail and in case of any conflict in any manner regarding interpretation or implmenetaion, the decision of Internal Compliane Committee AND / OR Board of Directors in consultation with the concerned at Hitachi, Japan shall be final.

7. Hitachi's Expectations

Anti-bribery and anti-corruption laws vary in terms of their focus, their stringency and their degree of flexibility. For this reason and to comply with Hitachi's commitment to conducting business in an ethical and legal manner worldwide, this Protocol reflects the highest level of integrity expected of Hitachi Group and its workforce, irrespective of any lesser requirements that may exist in any given region or country in which Hitachi Group does business.

8. Accounting and Business Records

Many anti-bribery and anti-corruption laws emphasize the need to keep accurate and timely books and records. Trying to hide or disguise bribes or other inappropriate expenditures through false accounting entries is not only against the law, but it will be treated as an exacerbating factor when penalties are being assessed. All records to demonstrate the compliance with this Protocol must be retained in accordance with the relevant rules on retention of compliance related documents of the Hitachi Group.

Contact Finance or Legal & Compliance, if you have any questions as to how to record payments, either made or received.

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9. Personal Liability

While companies are fined large amounts for breaches of anti-bribery and anti-corruption laws, penalties for individuals may include both personal fines and significant jail time. Separately, Hitachi Group's workforce who violate this Protocol will be subject to disciplinary action, up to and including termination of employment. Prompt and proper disciplinary action must be taken after undertaking proper investigation of all violations of this Protocol, whether actual or suspected, carried out in accordance with the relevant rules on conducting compliance related internal investigations and compliance related disciplinary actions of the Hitachi Group.

10. Suspicions and Reporting Violations

You must report any actual or suspected instance of a breach of this Protocol to Legal and Compliance or to the Hitachi Global Compliance Hotline ("Hotline"), either online or by phone. When using the Hotline, you may report anonymously, unless prohibited by local law. Hitachi will never retaliate against you or tolerate harassment, discrimination or retaliation by others, if you report in good faith.

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Appendix A:

Country limits on gift values for Government or Public Officers

~~NOTE 1: All limits are shown in United States Dollars in the left column and apply to a single gift provided to a single Government or Public Officer. In countries where a local currency maximum is mandated, that is included in the right column. An additional explanation is provided alongside, where necessary.~~

~~KEY: E+G means entertainment and gifts
"if i/c" means if provided in that country~~

~~THE LIMIT FOR ALL COUNTRIES IS US\$30.00 PER RECIPIENT, WITH THE EXCEPTION OF THE FOLLOWING:~~

~~APAC:~~

Australia	\$36	AUD50
Cambodia	\$25	KHR100,000
Hong Kong	\$30	HKD250
India	\$30	INR2,000
Japan	\$0	JPY0 Refer to the National Public Service Ethics Code
Malaysia	\$25	MYR100
Myanmar	\$16	MMK25,000 combined E+G
Nepal	\$18	NPR2,000
New Zealand	\$36	AUD50
Pakistan	\$8	PKR1,000
PRC	\$30	RMB200; consult with local lawyer for local regulations
Singapore	\$20	SGD28
South Korea	\$45	KRW50,000; many sub-regulations, so consult with local lawyer
Taiwan	\$30	Procurement staff TWD500/\$16; TWD10,000/\$325 for E+G/yr.
Vietnam	\$20	VND500,000

~~AMERICAS:~~

Bolivia	\$0	Consult with local lawyer
Brazil	\$25	BRL100
Chile	\$25	CLP17,675
Colombia	\$0	Consult with local lawyer
Ecuador	\$0	Consult with local lawyer

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Mexico	\$0	Consult with local lawyer
Panama	\$30	Notify superior of recipient if gift value to exceed \$10
Peru	\$0	Consult with local lawyer
United States	\$20	\$50 annual max. for E+G
Uruguay	\$0	Consult with local lawyer
Venezuela	\$0	Consult with local lawyer

EMEA:

Austria	\$20	EUR20
Croatia	\$30	HRK500 combined for E+G
Czech Rep.	\$15	CZK300 combined for E+G
Egypt	\$25	EGP390
Finland	\$30	EUR15/\$16 if i/c
Germany	\$28	EUR25
Hungary	\$15	HUF3,865
Kuwait	\$0	Consult with local lawyer
Latvia	\$30	EUR430/\$485 annual max. for E+G
Macedonia	\$18	MKD1,000 annual max. for E+G
Montenegro	\$30	EUR50/\$55 annual max. value for all gifts
Nigeria	\$0	Consult with local lawyer
Qatar	\$0	Consult with local lawyer
Serbia	\$20	EUR19
Slovenia	\$30	EUR125/\$140 annual max. for E+G without prior approval
South Africa	\$25	ZAR350 annual max. for total E+G
Sweden	\$20	SEK200
Switzerland	\$30	>CHF200/\$200 combined E+G requires prior approval
Tajikistan	\$30	TJS5,500/\$582 total E+G/yr.
Tanzania	\$21	TZS50,000
Turkey	\$20	TRY100
Ukraine	\$30	UAH4,204/\$152 annual max. for E+G
Uzbekistan	\$15	UZS127,485

~~NOTE 2: It may be permissible in some of the countries marked as \$0 value to hand out small company-logoed souvenirs such as calendars, golf balls, mugs, paperweights, pens or T-shirts. This should be checked in advance with Legal and Compliance.~~

~~NOTE 3: This list is only intended as guidance and exact requirements and restrictions may vary even within a given country. It is country or regional management's responsibility, with input from local legal counsel, to ensure that all laws and~~

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~~regulations are followed, including particular value limits applied by different governmental agencies.~~

Appendix B:

Country limits on meal & entertainment values for Government or Public Officers

~~NOTE 1: All limits are shown in United States Dollars in the left column and apply to a single meal or other entertainment provided to a single Government or Public Officer. In countries where a local currency maximum is mandated, that is included in the right column. An additional explanation is provided alongside, where necessary.~~

~~KEY: "if i/c" means if provided in that country~~

~~— E+G means entertainment and gifts~~

~~**THE LIMIT FOR ALL COUNTRIES IS US\$100 PER RECIPIENT, WITH THE EXCEPTION OF THE FOLLOWING:**~~

APAC:

Australia	\$107	AUD150
Bangladesh	\$100	BDT4,000/\$50, if i/c
Cambodia	\$100	KHR200,000/\$50, if i/c
Hong Kong	\$100	>HKD250/\$30 requires superior's prior approval
India	\$75	>INR5,000/\$75 requires superior's prior approval
Japan	\$0	JPY0 - Refer to the National Public Service Ethics Code
Laos	\$65	LAK542,000; LAK100,000/\$12, if i/c
Myanmar	\$16	MMK25,000 combined for E+G
Nepal	\$100	NPR2,500/\$23, if i/c
New Zealand	\$107	AUD150
Philippines	\$50	PHP2,600
PRC	\$50	RMB350
Singapore	\$80	SGD110
South Korea	\$27	KRW30,000; KRW50,000/\$45 max. for combined E+G
Sri Lanka	\$100	LKR8,00/\$45, if i/c
Taiwan	\$100	Procurement staff TWD500/\$16; TWD10,000/\$325 for E+G/yr.
Thailand	\$95	THB3,000
Vietnam	\$100	VND2,000,000/\$85, if i/c

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AMERICAS:

Argentina	\$100	ARS270/\$5 to ARS680/\$12, if i/c
Bolivia	\$0	Consult with local lawyer
Brazil	\$50	BRL200
Colombia	\$0	Consult with local lawyer
Chile	\$70	CLP495,000
Ecuador	\$0	Consult with local lawyer
Honduras	\$50	HNL1,120
Peru	\$100	PEN40/\$12 to PEN120/\$36, if i/c
United States	\$20	\$50 annual max. for E+G
Uruguay	\$0	Consult with local lawyer
Venezuela	\$0	Consult with local lawyer

EMEA:

Albania	\$100	ALL5,525/\$50, if i/c
Austria	\$110	EUR100
Bulgaria	\$100	BGN80/\$45, if i/c
Croatia	\$75	HRK500 combined for E+G
Czech Rep.	\$15	CZK300 combined for E+G
Egypt	\$100	EGP585/\$35, if i/c
Ethiopia	\$100	ETB2,345/\$80, if i/c
Finland	\$75	EUR66; EUR40/\$45, if i/c
Germany	\$55	EUR50
Hungary	\$100	HUF4,000/\$15, if i/c
Kazakhstan	\$65	KZT24,050 max. combined E+G
Latvia	\$100	EUR430/\$485 for total annual E+G
Lebanon	\$70	LBP106,000
Lithuania	\$100	EUR150/\$170 max. combined E+G
Macedonia	\$18	MKD1,000 max. for total annual E+G
Montenegro	\$55	EUR50 max. for total annual E+G
Russia	\$0	Consult with local lawyer
Serbia	\$20	EUR19
Slovakia	\$100	EUR50/\$55, if i/c
Slovenia	\$40	EUR36; EUR125/\$140 annual max. without prior approval
South Africa	\$25	ZAR350 annual max. for total E+G
Sweden	\$100	SEK300/\$32, if i/c

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Switzerland	\$100	>CHF200/\$200 combined E+G requires superior's prior approval
Tajikistan	\$100	TJS236/\$25, if i/c; TJS5,500/\$582 total E+G/yr.
Tanzania	\$21	TZS50,000
Tunisia	\$100	TND180/\$50, if i/c
Ukraine	\$76	UAH2,102; UAH4,204/\$152 annual max. for E+G
Uzbekistan	\$100	UZS350,000/\$50, if i/c
Zambia	\$60	ZMK311,370

~~NOTE 2: In many of the countries with a permissible meal value level below \$100, prior approval is required from the recipient's supervisor and there may be other limitations. You should therefore check with Legal and Compliance before offering or arranging meals in any of these countries.~~

~~NOTE 3: This list is only intended as guidance and exact requirements and restrictions may vary even within a given country. It is country or regional management's responsibility, with input from local legal counsel, to ensure that all laws and regulations are followed, including particular value limits applied by different governmental agencies.~~