

12.

Trade control

As a global company, MHI delivers products and services all over the world. As part of these world-wide activities, we must comply with all applicable export controls, import and customs laws and regulations, and applicable economic sanctions of the countries where we do business.

Export occurs when a product, service, technology or piece of information is delivered to a counterpart in another country. Export also occurs when technology, technical information, drawings or software is provided in any way, including by fax, telephone, verbally or electronic mail, to someone outside the country or, in certain jurisdictions, to someone of a foreign residence or to a foreign national. Questions regarding whether a disclosure (including a disclosure to someone of a foreign residence or to a foreign national) constitutes an “export” should be referred to your Security Trade Officer or the Legal Department.



Employees involved in export activities should have an understanding of all the facts of the transaction to determine if specific licenses are required. Licensing requirements, or other trade restrictions or embargoes, are imposed for various reasons including the product(s) having ‘dual use’ applications with concerns about the development of weapons of mass destruction or military use, or other trade sanctions or arms embargoes. It is vital to understand the details of the proposed transaction because trade controls tend to be complex and their application depends heavily on the specific facts of each case. To determine whether specific licenses are required, MHI employees should verify key facts of the transaction by checking the following five functional questions in light of applicable laws and regulations:



- What are you exporting? (Classification Check)
- Who will receive your items? (User & End-User Check)
- What are your items used for? (End Use Check)
- Where are you exporting (including known re-exports)? (Destination Check)
- Does the transaction look suspicious and/or lack transparency? (Red Flag Check)

The export, re-export or re-transfer of any controlled equipment, technology or technical data must be consistent with the terms of the export license and all applicable regulations. Employees should only engage in export and/or import activities when all required licenses and permits have been obtained and employees fully understand the requirements of such licenses and permits. In addition, if MHI receives any controlled equipment, technology or technical data from third parties, employees must ensure that they fully understand the requirements of any accompanying licenses and permits.

Violating trade control laws and regulations can have severe consequences for the company and the individuals involved, including the potential loss of export privileges, imprisonment and civil and criminal penalties.

It is our obligation to monitor and have access to the latest lists of sanctioned countries/parties and regulated goods and services. In case of doubt, employees should contact your Security Trade Officer or the Legal Department.

13.

Relationship with politics

Corporate political activities

MHI may, at its discretion, disclose its political views and participate in government initiatives if invited by political or public bodies. In many countries, however, there are stringent legal restrictions on contributions (financial and non-financial) that can be made to elected officials, members of their staff and political parties. Employees should not provide or offer company funds or other company contributions (directly or indirectly) for politically related causes or activities without pre-approval by the Legal Department. Political contributions are defined broadly and can even include buying tickets for or loaning corporate resources to a political fundraising event. In principle, all political contributions should be disclosed to avoid being construed as a bribe designed to improperly influence the recipients.

Lobbying

In many countries, there are also strict rules governing corporate lobbying activities whereby lobbyists might require registration. Lobbying requires disclosure to the government and covers many kinds of activities. Employees may be deemed to engage in lobbying activities if their work involves:

- contacts with legislators, regulators, government officials or their staff,
- sales and marketing activities related to government procurement contracts, and
- efforts to influence legislative or administrative action.

No MHI employee should engage in any activity that might be considered lobbying without prior approval from the Legal Department.



14.

Company property

Company assets are the tools we all use to achieve the company's goals. They may be either tangible or intangible. Misuse or loss of company assets can damage the performance of the company or its financial stability.

All MHI assets must be used only for valid business purposes, in accordance with the company's guidelines and procedures and in its best interests. Assets must be protected and safeguarded to prevent their loss.





When an employee creates significant written material (such as a new manual), makes any advance in technology, makes any new discovery or invention, or otherwise develops an “improvement” to MHI’s technology, manufacturing processes or business processes, the employee should immediately contact the appropriate manager and the Legal Department to determine if the work needs protection through a patent or other legal means, and should not make any attempt to register the intellectual property by themselves before MHI has the opportunity to assert its rights to the work, invention or other creation.