

# 15.

## Financial integrity



Any business decision regarding a group company's future development is taken based on data, documentation and reports. It is crucial that reporting and documentation be honest, accurate and complete. Besides being a legal requirement, adequate and truthful reporting is also of crucial importance for the company's management, shareholders and other stakeholders, and for company's reputation and credibility.

Integrity and transparency are important to MHI. As such, all data must accurately reflect transactions and events. This approach applies to all of MHI's data, but is of particular importance to its financial and accounting matters.

MHI and its employees should:

- ensure that every transaction is properly authorized and recorded promptly, truthfully and accurately,
- never distort the true nature of any transaction,
- ensure that all accounting follows MHI's adopted General Accepted Accounting Principles (GAAP) unless these principles are not acceptable under country-specific laws or accounting requirements,
- avoid exaggeration, guesswork, and derogatory remarks in business records and other documentation,
- not falsify records or use creative accounting,
- demonstrate financial integrity in submitting or approving expense claims, and
- ensure that all documents are safely retained to satisfy both internal and legal requirements.



Employees must strive to be accurate when preparing any information for the company, but honest mistakes occasionally do happen. Only intentional efforts to misrepresent or improperly record transactions, or otherwise to falsify a company business record, are violations of the Code of Conduct.

If an employee has concerns or complaints regarding accounting practices, internal controls, audit matters or financial reporting, the employee should be encouraged to consult with their manager, the HR Department or the Finance Department. In the event the employee would not feel comfortable discussing these matters with his or her supervisor, HR or Finance Department, the employee should be encouraged to contact the Legal Department or the Whistle-Blowing helpline.

Employees should only enter into transactions on behalf of MHI when they have the authority to do so, either because they have been given the authority through a specific power of attorney or because of the authority that comes with their position and which is documented in the company's authorization matrix.



# 16.

## Anti-money laundering

Money laundering is the process by which individuals or entities conceal illicit funds or make them look legitimate. Money laundering is a serious crime and is regulated by international conventions and national criminal codes. Monetary transactions, including bank transfers and currency exchanges, are now routinely monitored by national and international authorities.

MHI will not condone, facilitate or support money laundering.

Employees should look out for irregularities in the way payments are made and be cautious when working with business partners who appear to lack integrity.

Examples of transactions that may point to irregularities include:

- payments made in currencies other than those specified on the invoice,
- payments made to or received from countries unrelated to the transaction,
- attempts to make payments in cash or cash equivalents,
- payments made by a third party not involved in the contract or from an account other than the counterpart's normal business account,
- requests or attempts to make payments for each invoice or group of invoices through multiple forms of payment, and
- requests to make overpayments.

MHI employees should report all suspicious behavior or suspicious requests from within MHI or other parties to the Legal Department.

It is MHI's expectation that employees always perform proper "Due Diligence" when initiating contacts with new business partners to prevent and detect illegal financial transactions.

# 17.

## Monitoring, reporting and sanctions

### Monitoring

MHI managers in every country in which MHI operates should distribute this Code of Conduct widely and ensure its implementation throughout the business.

Furthermore, all MHI Group companies should, on a regular basis, monitor company employees and activities for compliance with local and international laws, and for observance of the Code of Conduct, in accordance with applicable national procedures and legal provisions.

An extensive compliance organization is in place at the level of MHI's HQ, Domains, and Regions to support the enforcement of the global compliance program.

### Reporting a breach of the Code of Conduct

Employees are strongly encouraged to take action promptly when faced with an actual or potential breach of the Code of Conduct. Employees should report breaches to their line manager or supervisor. When an employee feels uncomfortable approaching his or her line manager, the employee should approach another management representative, the Legal Department or their company's Whistle-Blowing helpline.



MHI takes all reports of possible misconduct seriously. The company will investigate the matter confidentially, make a determination whether the Code of Conduct or any law has been violated, and take appropriate corrective action. If any employee becomes involved in any investigation, the employee should cooperate fully and answer all questions completely and honestly.

It is in the best interest of MHI that employees report breaches of the Code of Conduct. As such MHI will not tolerate retaliation against anyone who reports non-compliance with the Code of Conduct, regardless of whether or not their claim can be substantiated. Any retaliation against an employee who raises an issue honestly is a violation of the Code of Conduct.

## Sanctions

Violation of the Code of Conduct may result in disciplinary action up to and including dismissal. In cases where a breach of the Code of Conduct implies a violation of the law, criminal prosecution may result.

MHI Group Global Code of Conduct



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