

# **Anti-Corruption Guidelines**



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**Futaba Industrial Co. Ltd.**

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## **Request to All Staff Working at Futaba**

- ◆ All members of staff working at Futaba Industrial or Group companies worldwide (collectively referred to as Futaba) are requested to strictly comply with the Anti-Corruption Guidelines (the Guidelines).
- ◆ These Guidelines were formulated based on global standards such as the UK Bribery Act (UKBA) and Foreign Corrupt Practices Act (FCPA).
- ◆ Note, however, that some countries and regions enforce regulations that are stricter than the Guidelines.
- ◆ Bribery is illegal in many countries, and you are required to fully comply with the laws in the relevant countries and regions as well as with the Guidelines.
- ◆ You must be particularly cautious to avoid involvement in bribery conducted through third parties such as consultants or intermediaries, or in the form of gifts or entertainment.
- ◆ Also, duly note that practices tolerated in a specific country may not be acceptable by global standards, and that practices tolerated in the past may no longer be accepted today.

## 1. Prohibition of Bribery

Futaba does not accept or seek any form of profit that require resorting to bribery or other fraudulent means.

You must not, whether at home or abroad, offer, promise, give, either directly or indirectly (through a third party), any money, or other financial reward or benefit (*Payment*) to a public official or anyone serving in an equivalent capacity (*Public Official*) with the intent to influence that Public Official in his or her official duties for the purpose of gaining or retaining business, or *advantages in the conduct of business* for Futaba, nor must you approve of or condone any such acts. You must also comply with the laws and social customs of the respective countries with respect to entertainment or gifts provided to business partners or executives thereof, or any other person not regarded as a Public Official.

### Explanation

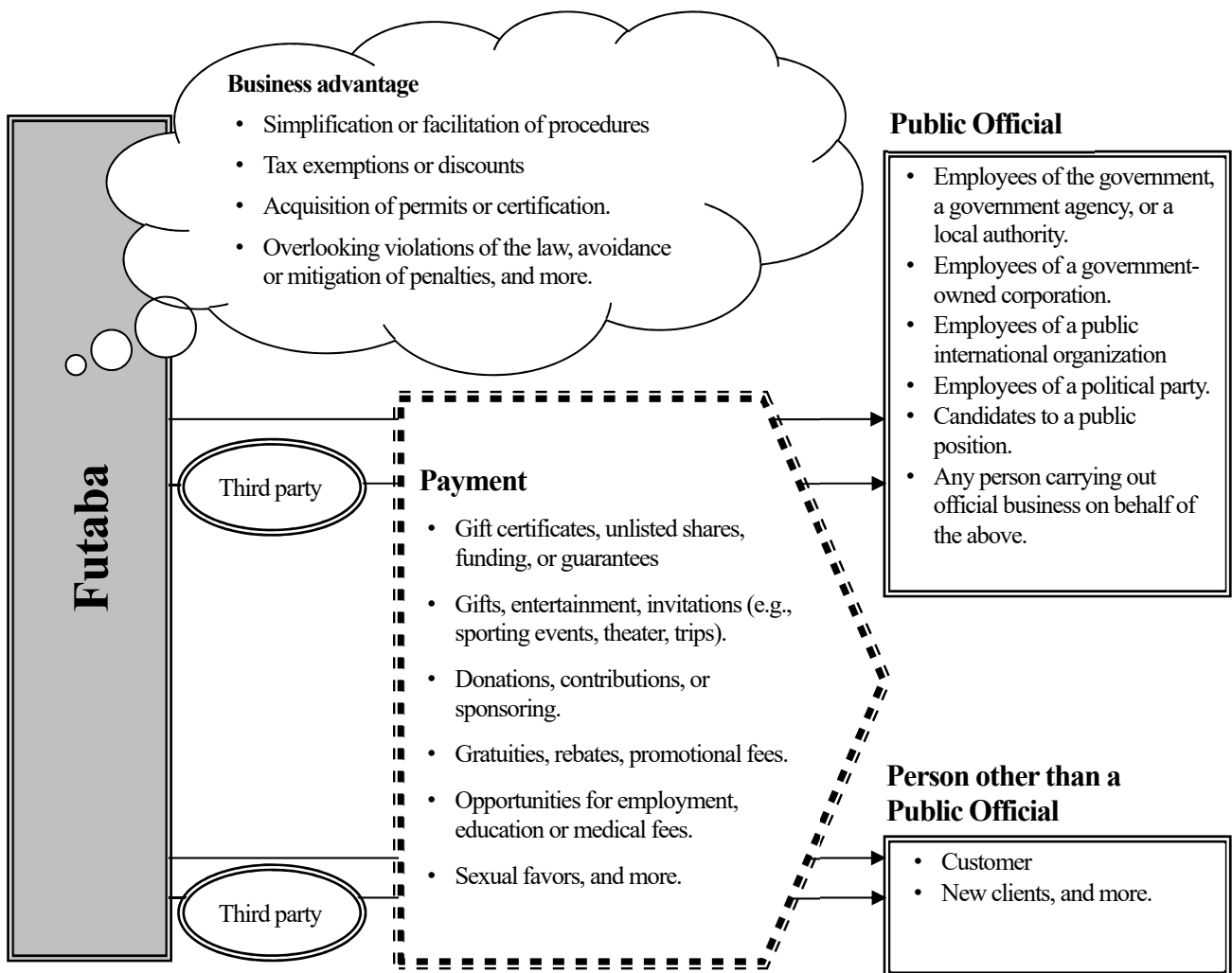
#### ◆ What is bribery?

If you,

- i. for the purpose of gaining a business advantage for Futaba,
- ii. give Payment to a Public Official with intent to influence said Public Official in his or her official duties, your actions may expose Futaba to legal liability. Furthermore, you may also be personally held legally liable for your actions.

(Obviously, the payment of legitimate fees to a Public Official based on applicable laws is not illegal.)

- ◆ Bribing a Public Official is particularly subject strong social disapproval and severe penalties. You must exercise due caution in dealings with a Public Official to avoid any misunderstandings or unfounded suspicions.
- ◆ Even if the other party is not a Public Official, giving Payment directly or indirectly (through a third party) to influence that party in his or her duties for the purpose of gaining a business advantage for Futaba may similarly expose Futaba to legal liability.
- ◆ While it goes without saying for acts of bribery you engage in on behalf of Futaba through a third party such as an agent, consultant, distributor, supplier, subsidiary or affiliate company, neglecting to take action when aware of, or faced with signs of, acts of bribery by such third parties may also expose not only Futaba, but you personally, to legal liability.
- ◆ Note that even if no actual business advantage was gained, the other party refused to accept the offered Payment, or the other party was not influenced in his or her duties, any attempted act of bribery is treated as bribery and subject to legal liability.



### Facilitating Payments

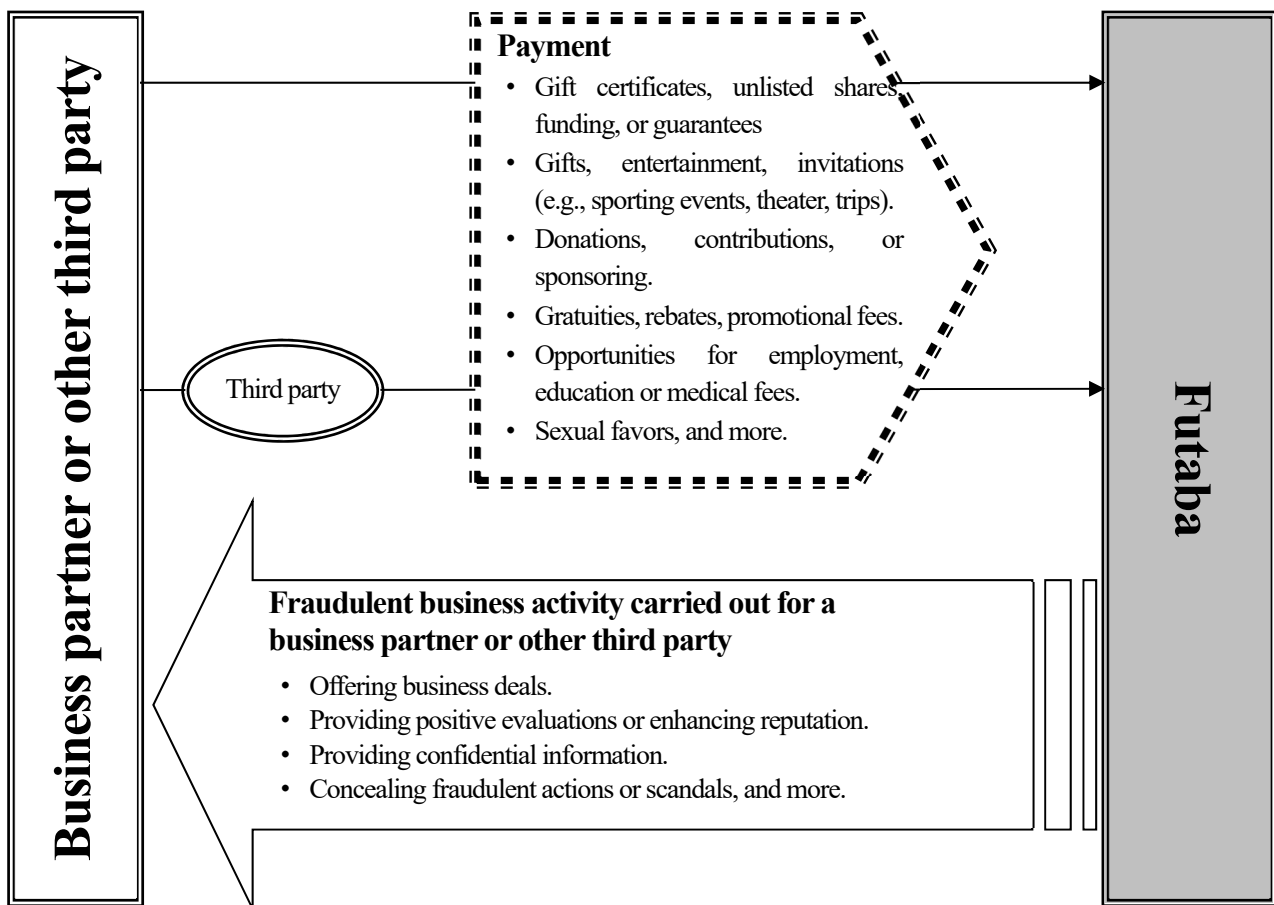
- ◆ In some countries or regions, the payment of small sums without basis in the relevant laws (Facilitating Payments) may be requested by a Public Official for clearing customs, inspections, admission into the country, issuing or extending visas, or for setting up water and sewage or phone lines. Such Facilitating Payments also constitute bribing a Public Official and are prohibited.
- ◆ If you make Facilitating Payments for the purpose of gaining a business advantage for Futaba, you may expose not only Futaba, but yourself as well, to legal liability.
- ◆ However, it goes without saying that personal safety should be given the highest priority should it be necessary to pay Money in some for to avoid actions (e.g., violence, threats, arrest, or confinement) posing danger to your life, physical well-being, or freedom.

## 2. Prohibition of Accepting Bribes

In the course of conducting Futaba business, you must not, whether at home or abroad, request, agree to receive, or accept *Payment* for any *fraudulent business activity* carried out for a business partner or other third party.

### Explanation

- ◆ It goes without saying that you must neither engage in fraudulent business activities for a business partner, nor make any other person do so, and any *Payment* received for such actions exposes both Futaba and yourself to legal liability for accepting a bribe.
- ◆ If you accept a bribe through a family member, friend, or other close third party, you expose both Futaba and yourself to the same legal liability as if you had accepted the bribe directly.
- ◆ Even if you received no *Payment* or the other party gained no business advantage, the act of receiving a bribe exposes both Futaba and yourself to legal liability for accepting a bribe.



### **3. Prohibition of Accounting Fraud**

In the course of conducting Futaba business, you must not carry out off-the-books, fictional, or otherwise false transactions, nor engage in dealings that could be misconstrued as such, and you must take due care in preparing and maintaining accounting records (reports and ledgers) that reflect all transactions and disposition of assets in a reasonably detailed, fair, and accurate manner.

### **4. Fostering of Anti-Bribery Awareness and Cooperation with Investigations**

You are requested to extensively spread awareness and knowledge of anti-bribery laws and of the purpose of the Guidelines.

Wherever necessary, you are also requested to make the purpose of the Guidelines extensively known to business partners.

Should you have any questions or need any clarification on matters concerning bribery or fraudulent accounting, lack confidence in your actions, become involved, or at risk of being involved in such acts, consult the Futaba Industrial Co. Ltd. Legal & Intellectual Property Division immediately.

Submit information and documents allowing Futaba to verify strict compliance with the Guidelines should you be asked to do so by Futaba.

In the event that you are involved, or act in manner construed as involvement, in bribery or fraudulent accounting, you must fully cooperate with any investigation, conducted by either Futaba or the applicable authorities.

### **5. Policies on the Monetary Amount for Gifts in Various Countries**

Futaba is subject to the local laws and regulations concerning the bribery of a Public Official in the various countries where it conducts business.

Policies on the monetary amount for gifts or entertainment vary from country to country, but the refusal to tolerate acts of bribery intended to gain an unfair business advantage is a value shared by all countries.

Consequently, Futaba management will set a clear scope of interactions with a Public Official (e.g., purpose, monetary amount, duration, number of times) that takes the particularities of the specific country into account, and further intensify the control of appropriate conduct.

In specific terms, that control will take the form of establishing monetary value policies reflecting the local state of affairs in specific countries and requiring case-by-case prior approval for any gift or entertainment exceeding the amounts set in the applicable policy. Rather than applying a blanket refusal of cases where the gift or entertainment exceeds the amount in the policy, appropriate control that takes local customs (such as mooncakes in China), the intended purpose, and other factors will be applied.