

(Translation)

Basic Rules of Compliance for IHI Group

Chapter 1 General Provisions

Article 1. Purpose

The purpose of these Rules is to specify the necessary efforts to commit to “compliance”, which forms the basis for the IHI Group to conduct business activities in society, thereby responding to social requests as a company.

Article 2. Scope of Applicability

These Rules shall be applicable to all persons working for the IHI Group companies, including officers, employees and temporary staff (hereinafter referred to as the “Employees”).

Article 3. Basic Concept of Compliance

1. The IHI Group’s “compliance” shall be defined as the Employees’ performance of the following behavior in accordance with [“Basic Code of Conduct for the IHI Group” \(GG101-01\)](#) in performing their services:
 - (1) Observing strictly all laws, company rules, and other regulations; and
 - (2) Acting in a fair and responsible manner as business people
2. The IHI Group shall implement the activities to increase the awareness of compliance which each one of employees has (hereinafter referred to as the “Compliance Activities”) by providing multifaceted education and training.
3. The Compliance Activities set forth in the preceding paragraph shall, in principle, be implemented through the implementation system set forth in Chapter 2 below.

Chapter 2 System for Implementing Compliance Activities

Article 4. Officer in Charge of Group Compliance

IHI shall have an officer in charge of group compliance (hereinafter referred to as the “Chief Compliance Officer”) to promote the IHI Group’s Compliance Activities. The Chief Compliance Officer shall build the organizational structure for compliance, instruct IHI’s divisions/headquarters and Affiliated Companies through the Group-wide Committee set forth in Article 5 and enhance the Compliance Activities.

Article 5. Group-wide Committee

IHI shall have the “Compliance Committee” as a Group-wide committee to establish the policy concerning compliance and promote the Compliance Activities. The Compliance Committee shall establish the activity policy for each business year and assess and supervise the IHI Group’s commitment and efforts. The details shall be specified in “Compliance Committee Rules” (*zen2309-11*).

Article 6. Division Responsible for Promoting Company-wide Activities

The Compliance Group of IHI Corporation’s Legal Division shall not only plan and implement the Compliance Activities applicable to the entire IHI Group in conformity with the activity policy established by the Compliance Committee but also provide necessary guidance and assistance while monitoring the activities of each division described in the following article.

Article 7. Divisional Structure

The following structure shall be established for and implemented by each of the Head Office, Business Areas and companies in the case of Affiliated Companies (a “Division”) to practically perform the Compliance Activities:

- (1) A head of a Division shall appoint a person responsible for compliance implementation and promotion (hereinafter referred to as the “Compliance Officer”) and person practically in charge of the Compliance Activities (hereinafter referred to as the “Compliance Manager”) within the Division.
- (2) The Compliance Officer shall build the organizational structure concerning the Compliance Activities in accordance with the actual situation of the Division to make the Compliance Activities effective.
- (3) The Compliance Officer shall establish a meeting structure to understand and assess the status of the Compliance Activities within the Division and hold a meeting at least annually.
- (4) The Compliance Officer shall ensure that the Compliance Activities should be made known to the Employees in the Division.
- (5) With respect to Affiliated Companies, a responsible division described in “IHI Group Basic Management Regulations for Subsidiaries and Affiliated Companies” (GG110-01) shall provide guidance and assistance.
- (6) A regional headquarters company shall provide guidance and assistance to Affiliated Companies in the region in collaboration with the responsible divisions of such Group companies according to the local characteristics, including the laws and regulations and social customs in the region.

Article 8. Roles of the Head Office concerning Compliance

1. The divisions/headquarters of the Head Office shall endeavor to understand the social requests to the IHI Group such as compliance issues and relevant laws and regulations in their respective functional fields, discuss and plan the measures and considerations, and provide education, etc., to make the same known.
2. The divisions/headquarters of the Head Office shall investigate any compliance issue or concern in cooperation with the relevant Divisions, and provide guidance to remedy the same. They shall also communicate the same to Affiliated Companies as necessary.

Chapter 3 Performance, Assessment and Improvement of Compliance Activities

Article 9. Activity Policy and Activity Plan

The Compliance Officer shall establish the Division policy based on the activity policy established by the Compliance Committee and the issues faced by the Division, and develop the specific activity plan.

Article 10. Performance

The Compliance Officer shall practically promote the planned activities, and ensure that the objectives of the activities are achieved by monitoring the performance thereof from time to time or by other means.

Article 11. Assessment and Improvement

The Compliance Officer shall periodically assess whether the objectives of the activities have been achieved, clarify the issues where improvement is needed, and reflect them in the activity policy and activity plan for the following year.

Chapter 4 Addressing Compliance Issues

Article 12. Divisional Response

1. Responses to any compliance issue shall be specified in [“IHI Group Risk Management Rules”](#)

[\(GG106-01\)](#).

2. The Compliance Officer shall report the issue arising and process to the resolution to the Chief Compliance Officer, and also inform the existence and background of the issue, recurrence prevention measures, etc., to other Divisions through the Compliance Committee.
3. The Compliance Officer and the Compliance Manager shall apply the compliance lesson learned from the issue arising to the Compliance Activities to enhance the content of the subsequent activities.

Chapter 5 Compliance Hotline

Article 13. Establishment

IHI shall establish a compliance hotline as a contact point where the Employees of the IHI Group directly report or seek consultation on the existence of a compliance issue or the behavior causing such issue to discover and correct the issue at an early stage.

Article 14. Operation

1. When operating the compliance hotline set forth in the preceding article, the following rules shall be followed and applied strictly.
 - (1) In Japan
“Basic Rules for IHI Group Compliance Hotline” (GJ206-01)
 - (2) Overseas affiliated companies, sites and sales offices
“Basic Rules of Compliance Hotline”
2. The “Basic Rules of Compliance Hotline” set forth in the preceding paragraph shall be in compliance with the “Basic Rules for IHI Group Compliance Hotline” and shall be established, revised and abolished in accordance with the following items:
 - (1) Laws, regulations and other rules of each country and territory shall be complied with; and
 - (2) The establishment, revision and abolition shall be confirmed by a department in charge of these Rules in advance.

Supplementary Provisions

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| 1. Date of enforcement: | July 1, 2015 |
| Amendment | April 1, 2017 |
| | April 1, 2018 |
| | March 1, 2021 |
| 2. Approver: | Officer in charge of Group’s compliance |
| 3. Responsible Division: | Compliance Group, Legal Division |