

## **COMPLIANCE GUIDELINES**

Among a number of key management issues, the F&A Aqua Holdings Group positions compliance as an overriding priority in its efforts to fulfill its corporate social responsibility. Based on an overarching fundamental compliance policy, the Group strives to ensure that its corporate activities are conducted with integrity and in an ethical manner, adhering strictly to all appropriate laws, regulations and societal norms.

In carrying out its business activities, the F&A Aqua Holdings Group has formulated the following Code of Conduct — a set of guidelines that focus on critical compliance issues for particular care and attention.

### **Fundamental Policy**

#### **I. Compliance with Laws and Regulations**

In addition to adhering strictly to all appropriate laws and regulations, while fully respecting societal mores and norms, each and every member of the F&A Aqua Holdings Group will act in accordance with the highest ethical standards and within the bounds of public decency and common sense.

#### **II. Compliance with the Rules of Employment**

Based on a complete understanding and appreciation of its content, each and every employee of the F&A Aqua Holdings Group will refrain from acting in a manner that contravenes expressly prohibited behavior and is not in the spirit of the Group's Rules of Employment.

## **1. *Together with Customers***

### ***(1) Developing and Delivering High-Quality Products and Services***

In providing its products and services to customers, the F&A Aqua Holdings Group complies with all related laws, regulations, codes and standards. At the same time, the Group strives to ensure product safety, working tirelessly to consistently enhance quality.

### ***(2) Providing Information***

In an effort to fulfill its disclosure responsibilities and to ensure complete accountability, the F&A Aqua Holdings Group provides its customers with all relevant information in an appropriate manner. In addition, the Group strictly adheres to all related laws and regulations, including the Law for Preventing Unjustifiable Extra or Unexpected Benefit and Misleading Representation and the Unfair Competition Prevention Act, while providing useful and valuable information to its customers in every facet of its sales, marketing, promotion and advertising activities.

### ***(3) Responding to Customers***

Each and every member of the F&A Aqua Holdings Group will interact with customers in a fair, equitable and honest manner, responding promptly and accurately to their inquiries and needs.

### ***(4) Safeguarding and Handling Personal Information***

In the collection and handling of personal information, the F&A Aqua Holdings Group fully recognizes the imperative nature of safeguarding individual privacy. In this context, each and every member of the Group will comply with all related laws, regulations and rules.

## **2. *Together with Partner Companies***

### ***(1) Maintaining Fair and Free Competition among Companies***

Fully recognizing that its trading partners are all counterparties of equal standing, the F&A Aqua Holdings Group will

adhere strictly to fair and free trade, while refraining from behavior and conduct that contravenes the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

*(2) Engaging in Gift-Giving and Business Entertainment*

Each and every member of the F&A Aqua Holdings Group will follow commonly accepted business and social practice in the giving and receiving of gifts and business entertainment, reporting all details to relevant superiors in every instance.

**3. Together with Shareholders**

*(1) Disclosing Relevant Information*

While conforming to all laws and regulations, such as the Corporations Law and the Financial Instruments and Exchange Law, as they relate to corporate management, the F&A Aqua Holdings Group will also engage in sound business activities as well as lawful and appropriate information disclosure.

*(2) Maintaining Corporate Management Transparency*

The F&A Aqua Holdings Group will adopt and apply all appropriate accounting methods and procedures to ensure the accuracy and reliability of financial and tax accounts. At the same time, the Group will make every effort to bolster its internal and external auditing functions with the aim of ensuring transparent corporate management.

*(3) Prohibiting Insider Trading*

In order to secure the trust and confidence of investors with respect to the fairness and soundness of securities markets, the F&A Aqua Holdings Group will adhere strictly to a set of separately formulated rules for the management of internal information with the aim of preventing insider trading. In the event that a member of the F&A Aqua Holdings Group comes into possession of insider information, that party will refrain from the purchase and sale of F&A Aqua Holdings and all company shares until such information is publicly disclosed.

#### **4. Together with Employees**

##### *(1) Respecting Human Rights and Prohibiting Discrimination*

Each and every member of the F&A Aqua Holdings Group will conform to respective human rights and refrain from hurtful and degrading language and behavior that could lead to discrimination, sexual harassment or injury to an individual's dignity.

##### *(2) Fostering a Healthy and Safe Working Environment*

Members of the F&A Aqua Holdings Group will comply with all laws, regulations and internal rules as they relate to workplace safety and hygiene, while maintaining a sound environment that is conducive to work.

##### *(3) Protecting Privacy*

F&A Aqua Holdings will take the utmost care in the handling and management of individual employee personal information.

##### *(4) Distinguishing between Work-related and Private Matters*

Each and every member of the F&A Aqua Holdings Group will refrain from using his or her work-related duties or position to gain or provide favors, including entertainment, gifts or cooperation in a private and personal capacity.

#### **5. Together with Society**

##### *(1) Protecting the Environment*

As an organization that consumes and utilizes limited natural resources, the F&A Aqua Holdings Group will strictly adhere to all environment-related laws and regulations. In this manner, and in endeavoring to conserve energy, reduce waste and promote recycling, F&A Aqua Holdings will work diligently to provide environmentally conscious products and services.

*(2) Prohibiting Relationships with Antisocial Forces*

The F&A Aqua Holdings Group will not respond to or grant requests for money or services from antisocial individuals or organizations. Any employee who receives such a request will consult with his or her immediate supervisor with the aim of ensuring a swift resolution.

**6. Implementation**

*(1) Scope of Implementation*

These guidelines cover F&A Aqua Holdings, Inc., its Group companies, directors and all employees including both full-time and junior employees.

*(2) Penalties*

Any breach of the aforementioned guidelines will incur disciplinary action in accordance with the Group's internal rules and regulations.

*(3) Reporting, Consulting and Counseling Procedures*

In the event that an employee is unable to make a decision or has serious doubts about an action or behavior that is considered to breach the aforementioned compliance guidelines, he or she will immediately report the nature of the subject action or behavior to his or her immediate supervisor or the General Affairs Department, or seek remedial action in accordance with the Group's rules regarding compliance inquiry handling.