

JAL Group Anti-Corruption Guidelines

The JAL Group has established Anti-Corruption Guidelines (hereinafter “these Guidelines”) to increase compliance effectiveness, in accordance with JAL Group Anti-Corruption Policy Compliance Regulations (hereinafter “these Regulations”).

It is essential that the JAL Group pursues profit in a fair and honest manner. Corruption such as bribery is a violation of laws and regulations and we must not gain profit through unfair methods. In addition, corruption will become a main obstacle for realizing a sustainable society, and illegitimate remittances such as money laundering will lead to promoting crime and terrorism.

JAL Group employees, etc. and contractors commissioned to conduct work must understand and comply with these Regulations and these Guidelines. It is the responsibility of employees, etc. and contractors to not only prevent corruption such as bribery but also detect and report corrupt behavior and activities. Employees, etc. and contractors must avoid behavior and activities that violate or may violate this Policy.

<Applicable laws and regulations>

Laws and regulations applicable to this Policy are divided into Japanese domestic laws and national laws and regulations of countries and regions where we operate, international conventions and social norms.

National laws and regulations of countries and regions where we operate refers to, for example, the Unfair Competition Prevention Act of Japan, Foreign Corrupt Practices Act of the US, the Bribery Act of the UK, and Anti-Bribery Regulations of China. International conventions and social norms refer to, for example, the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of the Organization for Economic Co-operation and Development (OECD).

<Scope of application>

This Policy applies to employees, etc. of Japan Airlines, JAL Group companies (hereinafter “Group companies”) and contractors who act on behalf of the JAL Group. “Employees, etc.” include all JAL Group officers and employees (including contracted, temporary and part-time employees). “Contractors” include all third parties who are hired to contribute to transactions of the Company and may have contact with government employees or corresponding persons (hereinafter “government employees, etc.”), regardless of what they are called, such as agent, consultant or intermediary.

“Government employees, etc.” include the following persons.

- ① Employees of domestic and foreign central or local governments, and officers of international organizations
- ② Officers of government-related companies and corporations, and officers of companies who are treated similarly as government employees under law, etc.

<Prohibited practices>

1) Bribery

Provision, requests or promises of undue entertainment, gifts, favors or other economic benefits to domestic and foreign government employees, etc. by employees, etc. and contractors is prohibited. For example, even if you are requested by government employees, etc. to provide economic benefits, you must refuse and notify relevant authorities depending on the circumstances.

Provision of “favors and other economic benefits” include the following;

- ① Provision of items with monetary value such as cash, cash vouchers and goods
- ② Provision of gratuitous services such as entertainment, invitations and transportation
- ③ Provision of benefits and favors using your position in the company such as gratuities, discounts and employment opportunities

< What does “have interests” mean? >

- When applying for or receiving permits, etc. and subsidies
- When undergoing on-site investigation, audits or inspections
- When issued unfavorable administrative dispositions or guidance
- When concluding an agreement with a government agency
- When carrying out a project subject to government administration and others

Bribes to domestic and foreign government employees, etc. is strictly controlled by national laws. The provision or request of benefits that do not constitute bribes in Japan may be prohibited under ethical standards applicable to government employees, etc. of the respective country. Therefore, it is necessary to comply with national laws of each country and avoid behavior that raises suspicion of bribery.

Do not make payments to contractors of the JAL Group when discovering or suspecting that payments are partly used to unlawfully approach government employees, etc. When hiring contractors, it is necessary to check their eligibility to perform the job, services and validity of compensation. As a general rule, agreements with contractors must include provisions that prohibit unlawful payments to government employees, etc. and conditions to cancel the agreement when the provision is breached in order to prevent bribery through contractors.

In addition, charitable donations, sponsorship funds, and political contributions must be made only for legitimate purposes and must go through the pre-approval procedures set forth by internal regulations.

2) Behavior and activities that exceed social norms

Even entertainment, gifts, favors and other economic benefits to business partners or officers, etc. who are not government employees, etc. must be provided within reasonable social norms in compliance with national laws. Accepting entertainment or gifts in excess of social courtesy from business partners is prohibited. Even entertainment, gifts, etc. for private companies and private citizens may be punishable under law if it is determined to be illegal (e.g. bribery and breach of trust of company officers under the Companies Act (Japan), Fraud Regulations (US), Bribery Act (UK), and the Penal Code and Unfair Competition Prevention Law (China)). Therefore, you must pay attention to comply with national laws and regulations of each country and social norms even when offering entertainment, gifts, etc. to private companies or private

citizens.

Furthermore, it is necessary to be very careful of requests, whether express or implied, from a public or government official for the payment of small sums of money without legal grounds to facilitate some action or procedure, or so-called facilitation payments, because they may be punishable by law.

Repeated remittances of crime funds or converting crime funds to precious metals to cover up the source and evade seizure or exposure by investigative authorities is called money laundering. These funds could be used for activities by crime syndicates or terrorist organizations. The JAL Group prohibits participation in money laundering that abuses financial services or involvement in terrorist financing, whether direct or indirect.

■ Case 1 (Bribery to government employees through a third party)
To participate in a government-run major project, Mr. A concluded a comprehensive agreement with an advertising agent that has relations with a government official and won an order for the project. However, he found out that opaque funds were flowing from the advertising agent to the government official. Mr. A was charged with criminal liability and the company's stock hit limit down.

■ Case 2 (Entertained employees of a public association)
To win a new air service route, Mr. B invited ● to wining and dining and golf, etc. 16 times in 5 months, totaling roughly 800, 000 yen, but was charged with bribery (excess entertainment to a "deemed public servant") and was sentenced to 10 months in prison suspended to 3 years.

■ Case 3 (Participated in government-run collusive bidding)
Mr. C participated in a bid for ●●Project based on advice from a government employee. The competitive bidding developed into a government-initiated collusive bidding incident. Mr. C was charged with obstruction of competitive bidding and was arrested. The government employee was also charged with bribery and arrested for allegedly accepting excess entertainment in return for favors to enable Mr. C to participate in vendor selection. He was found guilty.

■ Case 4 (Involved in money laundering)
Mr. D received delivery of goods for inflight sales from a foreign intermediary vendor and was asked to pay costs from another foreign company. During in-house investigations, it was found that this vendor was involved in drug trafficking. He cancelled the deal, but had the risk of participation in money laundering of crime funds.

<When in doubt, consult and report >

In enforcing this Policy, the JAL Group has set up a whistle blower system to receive consultation and reports from employees, etc. concerning any breach of this Policy or corruption such as bribery which may

violate this Policy. On setting up a whistle blower system, retaliation of employees, etc. who consult or report is prohibited.

When events in contravention of this Policy occur or may occur in the future, employees, etc. must report to the contact below, and contractors must report at once to staff in charge of contacts in Japan Airlines or Group companies. In addition, when a suspected breach of this Policy is discovered, it must be reported to the contact below to ask for its decision.

Contact) Japan Airlines Co., Ltd., Risk Management Department, Business Risk Management Group

<Implementation System of this Policy>

The Risk Management Department of Japan Airlines is in charge of the implementation system of this Policy. Executive Officers of Japan Airlines Head Office divisions and business unit serve as the Compliance Officer of the respective division. Compliance Officers have the responsibility to execute matters specified in this Policy with the support of the relevant division (including execution in subsidiaries under its supervision). If you have any questions regarding this Policy or Guidelines, contact Risk Management Department, Japan Airlines.

end

(Effective August01, 2019)