

**Anti-Bribery Guidelines**

**(For Business Partners)**

**November 2012**

**TOYOTA MOTOR CORPORATION**

## Index

<b>I. Requests to Business Partners</b> .....	2
1. Prohibition of bribing (a Public Official, etc.).....	3
Facilitation Payments .....	6
2. Prohibition of bribing (persons other than a Public Official, etc.) .....	7
3. Prohibition of being bribed.....	9
4. Prohibition of fraudulent accounting.....	11
5. Raising awareness and diligence with respect to prohibition of bribery, and cooperation with investigations.....	12
<b>II. Revision of these Guidelines</b> .....	13

## I. Requests to Business Partners

- ◆ We request all our business partners involved in the business of Toyota Motor Corporation (hereinafter referred to as “TMC”, and each such business partner is referred to as the “**Business Partner**”) to comply with these Anti-Bribery Guidelines (hereinafter referred to as these “**Guidelines**”).
- ◆ These Guidelines were compiled to reflect global standards of anti-bribery regulations, including those under U.S. and U.K. laws.
- ◆ Note in particular that some countries or regions may impose anti-bribery regulations stricter than these Guidelines.
- ◆ Bribery is illegal in many countries and regions. The Business Partner must comply with these Guidelines, as well as any laws and regulations of the countries and regions that are applicable.
- ◆ The Business Partner is cautioned in particular never to be involved in bribery through third parties such as consultants or intermediaries, under the pretext of gifts, entertainment and the like.
- ◆ It should also be noted that certain conduct that may be tolerated in a particular country may not be permitted in light of global standards, and that conduct that was formerly lawful and tolerated may subsequently become illegal or no longer tolerated.

## 1. Prohibition of bribing (a Public Official, etc.)

TMC must not seek any profits that would require resorting to improper means, including acts of bribery.

The Business Partner must not offer, promise or give, directly or through a third party, irrespective of whether at home or abroad, for the purpose of obtaining or retaining business or an advantage in the conduct of business for TMC, any money or other financial advantage or anything of value (hereinafter referred to as “**Money, etc.**”) to a public official, employee of a public organization, or any person similar thereto (hereinafter referred to as a “**Public Official, etc.**”) intending to influence any act of such Public Official, etc., in his or her official capacity, or authorize any of the aforementioned acts.

### Notes

- ◆ The act of the Business Partner:
  - i) undertaken for the purpose of obtaining an advantage in the conduct of business for TMC,
  - ii) intending to influence a Public Official, etc., in his or her official capacity, by giving Money, etc. to such Public Official, etc. (and the like), may expose TMC, as well as the Business Partner to legal liability.  
(Needless to say, the payment of fees specifically permitted under applicable laws or regulations is not illegal.)
- ◆ Bribing a Public Official, etc., in particular attracts harsh social criticism and is subject to severe penalties. Particular caution is required to avoid any conduct which may be suspected or misconstrued as bribery whenever you have any contact with a Public Official, etc.
- ◆ Acts of bribery committed by the Business Partner on behalf of TMC through the use of third parties such as agents, consultants, distributors, dealers, suppliers, subsidiaries or affiliate companies etc., or knowingly tolerating such third parties’ bribery on behalf of TMC, or neglecting to take action in the face of suspicious signs thereof (i.e., ‘red flags’) may expose TMC to legal liability, in which case the Business Partner may also face legal liability as severe as when such acts of bribery are committed directly by the Business Partner.

- ◆ The Business Partner may face legal liability for bribery even when neither TMC nor the Business Partner actually procure any advantage from the act of bribery, even when the bribed person did not accept any Money, etc., and also even when no conduct of such Public Official, etc. is influenced.

#### **Who is a “Public Official, etc.”?**

- ◆ The following are examples of a “Public Official, etc.”, irrespective of whether domestic or foreign. Note that the definition of a “Public Official, etc.” encompasses a broader scope of persons than one might assume from the term’s everyday language interpretation.
  - Officers and employees of a government or any government agency thereof or a local government, etc.  
(Examples: assembly members, military, police officers, fire fighters, tax inspectors and customs officials, etc.)
  - Officers and employees of a government-controlled company, corporation or other legal entity  
(Such government-controlled entities include an organization that is effectively controlled by a government, government agency or a local government, etc. through the dispatch of principal directors, etc., irrespective of the government’s shareholding ratio in such organization. Examples include state-run or semi-public entities engaging in public services such as electricity, gas and railways, national universities or national hospitals, etc.)
  - Officers and employees of a public international organization  
(Examples: United Nations (‘UN’) and the World Trade Organization (‘WTO’), etc.)
  - Officers and employees of a political party
  - Candidates for political office
  - Persons performing public functions on behalf of the aforementioned persons  
(Examples: an inspection agency or examination institution designated by the government)

In some countries or regions, persons who belong to private international organizations, such as the International Olympic Committee (‘IOC’), the International Red Cross or any other such organizations may be regarded as a “Public Official, etc.”

**What constitutes “obtaining or retaining business or an advantage in the conduct of business”?**

- ◆ The following are examples of “obtaining or retaining business or an advantage in the conduct of business”:
  - Simplification or facilitation (expedition) of procedures
  - Total or partial tax exemptions
  - Standardization of specifications, etc.
  - Obtaining a license, permission or approval
  - Obtaining commercial transactions
  - Obtaining a favorable evaluation or reputation
  - Obtaining confidential information
  - Request not to disclose misconduct or scandals
  - Overlooking a violation of law
  - Avoidance or mitigation of punishmentEtc.

**What constitutes “Money, etc.”?**

- ◆ The following are examples of “Money, etc.”:
  - Money, cash vouchers, gift cards, gift coupons, unlisted shares, loans, mortgages and guarantees
  - Gifts, entertainment and invitations (watching a sports game, theater and tours, etc.)
  - Donations, contributions and sponsorship
  - Gratuities, rebates, promotional fees and discounts
  - Access to job opportunities, education or medical care, etc.
  - Sexual favorsEtc.

## **Facilitation Payments**

- ◆ In some countries and regions, the payment of a small amount of money without any legal basis under the applicable laws and regulations may be requested by a Public Official, etc. for a certain purpose, such as clearing customs, passing an inspection, immigration admission, issuance of or application for extension of a visa or for installation of water and sewerage or laying telephone lines. (Such payments are hereinafter referred to as “**Facilitation Payments**”.) Facilitation Payments are also deemed to be a bribe to a Public Official, etc., and are therefore prohibited.
  
- ◆ The act of the Business Partner making Facilitation Payments for the purpose of obtaining an advantage in the conduct of business for TMC (and the like) may expose TMC, as well as such Business Partner involved in such act to legal liability.
  
- ◆ Needless to say, in the event that the payment of Money, etc. is necessary to avoid a threat to life, body or personal freedom (assault, threats, arrest or incarceration, etc.), the Business Partner should instruct the director(s) or employee(s), etc. concerned to give the highest priority to the safety of the individual involved.

## **2. Prohibition of bribing (persons other than a Public Official, etc.)**

TMC must not seek any profits that would require resorting to improper means including acts of bribery.

The Business Partner must not offer, promise or give Money, etc. to a third party, whether directly or indirectly, and irrespective of whether at home or abroad, for the purpose of obtaining or retaining business or an advantage in the conduct of business for TMC:

- i) intending to induce such third party to improperly perform a relevant function or activity;
- ii) to reward such third party for the improper performance of such a function or activity; or
- iii) while knowing or believing that the acceptance of Money, etc. by such third party would itself constitute the improper performance of a relevant function or activity.

### **Notes**

- ◆ Even when the bribed person does not fall under the definition of a “Public Official, etc.”, the act of the Business Partner:
  - i) for the purpose of obtaining an advantage in the conduct of business for TMC,
  - ii) intending to induce a third party to improperly perform a relevant function or activity, by giving Money, etc. to such third party (and the like), may expose TMC, as well as the Business Partner involved in such act to legal liability.
  
- ◆ Acts of bribery committed by the Business Partner on behalf of TMC through the use of third parties such as agents, consultants, distributors, dealers, suppliers, subsidiaries or affiliate companies, etc., or knowingly tolerating such third parties’ bribery on behalf of TMC, or neglecting to take action in the face of suspicious signs thereof (i.e., ‘red flags’) may expose TMC to legal liability, in which case the Business Partner may also face legal liability as severe as when such acts of bribery are committed directly by the Business Partner.
  
- ◆ The Business Partner may face legal liability for bribery even when neither TMC nor the Business Partner could actually procure any advantage from the act of bribery, even when the bribed person did not accept any Money, etc., and also even when no relevant function or activity is performed improperly.

**What constitutes “obtaining or retaining business or an advantage in the conduct of business”?**

- ◆ The following are examples of “obtaining or retaining business or an advantage in the conduct of business”:
  - Obtaining commercial transactions
  - Obtaining a favorable evaluation or reputation
  - Obtaining confidential information
  - Request not to disclose misconduct or scandals
  - Etc.

**What constitutes “Money, etc.”?**

- ◆ The following are examples of “Money, etc.”:
  - Money, cash vouchers, gift cards, gift coupons, unlisted shares, loans, mortgages and guarantees
  - Gifts, entertainment and invitations (watching a sports game, theater and tours, etc.)
  - Donations, contributions and sponsorship
  - Gratuities, rebates, promotional fees and discounts
  - Access to job opportunities, education or medical care, etc.
  - Sexual favors
  - Etc.

### **3. Prohibition of being bribed**

The Business Partner must not, in the course of business for or in connection with TMC, request, agree to receive, or accept Money, etc., irrespective of whether at home or abroad, in connection with any improper performance of a relevant function or activity for any third party.

#### **Notes**

- ◆ Needless to say, the Business Partner must not, by themselves or through third parties, engage in any improper performance of a relevant function or activity for third parties. In addition, the receipt of Money, etc., in connection therewith (and the like) may expose the Business Partner involved to legal liability for being bribed.
  
- ◆ The acts of the Business Partner being bribed through third parties such as their family, friends or other close relatives may expose the Business Partner involved to legal liability as severe as when such acts of being bribed are committed directly by the Business Partner.
  
- ◆ The Business Partner may face legal liability for being bribed even when they did not actually accept Money, etc., and also even when the bribing person could not procure any advantage from the act of bribery.

#### **What constitutes “improper performance of a relevant function or activity for third parties”?**

- ◆ The following are examples of “improper performance of a relevant function or activity for third parties” (when improperly performed):
  - Providing commercial transactions
  - Giving a favorable evaluation or reputation
  - Disclosure of confidential information
  - Request not to disclose misconduct or scandalsEtc.

**What constitutes “Money, etc.”?**

- ◆ The following are examples of “Money, etc.”:
  - Money, cash vouchers, gift cards, gift coupons, unlisted shares, loans, mortgages and guarantees
  - Gifts, entertainment and invitations (watching a sports game, theater and tours, etc.)
  - Donations, contributions and sponsorship
  - Gratuities, rebates, promotional fees and discounts
  - Access to job opportunities, education or medical care, etc.
  - Sexual favors
  - Etc.

#### **4. Prohibition of fraudulent accounting**

The Business Partner must not, in the course of business for or in connection with TMC, conduct off-the-book, fictitious or otherwise falsified transactions, or any other similar acts prone to be misconstrued as such, and shall make and keep books, records and accounts (ledger sheets and account ledgers, etc.), which, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets. In addition, a system of internal accounting controls to ensure the above should be devised and maintained.

## **5. Raising awareness and diligence with respect to the prohibition of bribery, and cooperation with investigations**

The Business Partner is requested to raise awareness and diligence with respect to the applicable anti-bribery laws and regulations, and these Guidelines among the directors and employees, etc. of the Business Partner by way of seminars and/or training programs, etc. In addition, the Business Partner is also requested, as may be necessary and appropriate, to raise awareness and diligence with respect to the prohibitions and obligations under these Guidelines among the Business Partner's own respective business partners.

The Business Partner is requested to instruct its directors and employees, etc. to immediately report to and consult with the division (or person) in charge of compliance within the Business Partner, whenever they have any doubts or concerns about bribery or fraudulent accounting, or are unable to behave and proceed with confidence, or when they have been or may be involved in any acts of bribery or fraudulent accounting, etc.

The Business Partner is also requested to provide, when required by TMC, any relevant information and materials, etc. to enable TMC to verify the Business Partner's compliance with these Guidelines.

Should the Business Partner become involved in any actual or suspected bribery or fraudulent accounting, the Business Partner is requested to fully cooperate with any investigations conducted by TMC or the competent authorities.

## **II. Revision of these Guidelines**

- ◆ TMC will, working together with outside professionals, periodically review, amend and/or modify the contents of these Guidelines from time to time.
- ◆ The latest version of these Guidelines will be published on TMC's global website immediately after it takes effect.