

Subject

Corporate Policy

Code of Conduct

Code HRU PO 001

Rev. 0

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Attachments

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Written by

Verified by

Approved by

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HR

CEO

BoD

The Hitachi Group has adopted a Code of Conduct that applies to Hitachi, Ltd, Hitachi Rail Italy S.p.A. and to all its branches and consolidated subsidiaries. Each subsidiaries of the Hitachi Group has the authority to independently implement its own Code of Conduct by incorporating the Hitachi Group's Code of Conduct with such specification or integration that may be necessary based on the specific country, region or area of business, and applicable laws that may apply. Nonetheless the company's individual Code of Conduct must explicitly specify that it has been prepared on the basis or by making reference to the Code of Conduct of the Hitachi Group.

1. Purposes

This Code of Conduct (this "Code") sets forth the standards of behavior that the Hitachi Group promotes amongst all its companies in conducting their day to day business operations worldwide. This Code, the referenced policies and such other internal policies that we may adopt from time to time aim to provide the guidelines that each director, officer and employee at any level shall abide by. This Code cannot address all situations that an employee may face in the day to day business activities. However, HRU believes that this Code gives each employee the tools to properly address any issue that each employee may encounter. This Code will also provide information on how to report and escalate any violation of the Code itself or to address any concern that the employees may have regarding this Code or any other related compliance matter in a proper way.

2. Application

This Code is immediately effective and applies to Hitachi Rail USA, Inc. (hereinafter also referred to as "HRU"), and to all of HRU's members of the Board of Directors, officers, and employees. HRU expects that HRU suppliers, agents and customers shall also abide by this Code when dealing with HRU.

3. Implementation of the Code

This Code as well as any other HRU policy will be adopted by resolution of the Board of Directors of HRU (the "Board"). The Board further will empower the Chief Executive Officer of HRU ("CEO") to select and hire a Compliance Manager of HRU ("CM"), in accordance with HRU internal rules and regulations, who will be assigned such compliance duties and responsibilities as the Board may deem proper and consistent with HRU policies and procedures, in cooperation and coordination with the Compliance Committee of HRU. HRU endeavors to ensure that all HRU activities will be carried out according to our standards of behavior and in compliance with applicable laws and regulations, in line with the inspirational concept "*Principles and ethics*".

4. Relationship with Stakeholders

4.1. Supplying high-quality products and services.

In our relationship with our customers, we are committed to:

- Meet the needs and specifications of our customers and to foster their pride and confidence in HRU. To this end, we engage in business operations worldwide in compliance with the applicable laws and with the highest quality, safety and environmental standards to ensure the excellence of our products and services.
- Address promptly any claim made by our customers with regard to the quality of HRU products and services. We ensure that any claim will be properly investigated in order to take the appropriate action and to prevent that similar incidents could occur in the future.
- Periodically implement, manage and improve HRU quality control systems in an effort to provide products and services of excellence.

4.2. Customers

At any stages of the sale process, HRU implements best practices to ensure the highest customers satisfaction. To this end, we are committed to:

- Comply worldwide with the anti-trust laws and take steps that prevent HRU from committing any violations. HRU conducts business with integrity, fostering freedom and transparency of competition.
- Promote among our sales force high principles of integrity and respect for customers avoiding any type of conduct that will be misleading or pressuring.
- Avoid unlawful and unfair trade practices.
- Implement marketing, advertising and promotional activities of HRU products and services which are in compliance with the laws. Dealing with the community and social media in a manner consistent with our highest ethical standards.
- Comply with the applicable privacy laws in the collection, treatment, use and disclosure of information collected by employees, customers, suppliers and any other third party dealing with HRU, and ensure the confidentiality of all such information.
- When negotiating contracts, carefully assess the risk and the costs associated with complying with HRU policies and practices, and consult with legal experts if deemed necessary.

4.3. Suppliers

- We strive to ensure an excellent level of cooperation with entrusted suppliers, encouraging long-term working relationships, developing an excellent network of international suppliers and preserving the spirit of free market competition.
- We select our suppliers based on HRU's internal procedures and evaluation process, appropriately and objectively. We take into account their quality, reliability, delivery terms, prices, management stability and technological development skills and also we evaluate the way in which they fulfil their social responsibilities, including but not limited to the transparency of information disclosure, the compliance with rules and regulation, the respect for human rights, their anti-discrimination and no child and forced labor policies and practices, the undertaking of activities to safeguard the environment and support the society, the preservation of a safe and sustainable work environment. It is very important to us that our business partners, as well as our suppliers, share our core values and conduct their business in a way that is consistent with our best practices and the highest standards that we promote and encourage.
- HRU does not and will not accept any personal payment offered by suppliers in connection with our business relationships.
- All agreements with our suppliers must be in writing and shall comply with market standards and practices. HRU will be committed to negotiate such provisions that will ensure that suppliers act in accordance with the Supplier Code of Conduct.
- Procedure to select our suppliers shall be fair and compliant with HRU internal policies and procedures.

4.4. Shareholders

- We intend to enhance the dialogue with our shareholders in order to gain such information, recommendations and advice as appropriate to improve our performance, products and services. In the dialogue with our shareholders we communicate with honesty and transparency and we will promptly address any concerns that the shareholders may raise in connection with our business, financial or compliance conduct.
- When an incident occurs we will respond promptly to a crisis situation in an effort to protect our shareholders' interest.

4.5. Local Communities

- HRU offers support to the community carrying out public initiatives that will encourage, promote and inspire proper reforms in connection with environmental issues and respect for human rights.

4.6. Politicians and Government Authorities

- We intend to maintain healthy relationships with politicians and governmental authorities, always in compliance with the laws.
- We strongly contrast bribery of local and foreign public officials and any action which is similar in nature and that may be conduct to the violation of anti-bribery laws. In addition, HRU and all of its employees strive not to commit any sort of bribery or any other action that may be trigger corruption concerns.
- We undertake not to carry out any activities that may be detrimental to the fairness of public contracts.
- Our charitable contributions to organizations are consistent with our internal policies and procedures promoting transparency.

4.7. Competitors

- HRU conducts its business in compliance with principles of fairness towards its competitors and is aware that violations of laws which prohibit companies for gaining an unfair advantage in the market may lead to serious consequences. To this end, HRU strongly encourages to abide to the following guidelines.

(a) Relationship with Competitors

- Avoid entering into any agreement that may create an unfair advantage in the market (including fixing prices, dividing customers, or preventing competitors from entering the market).
- Do not discuss competitively sensitive topics with competitors, such as price, contract terms or marketing plans.
- Keep in mind that casual conversations may be considered anti-competitive so be mindful when you conduct a conversation with a competitor or any of their employees.

(b) Gathering Competitors' Information

HRU promotes the gathering of competitive information in an ethical manner:

- Use publicly available sources whenever possible
- Do not ask for sensitive or confidential information directly from a competitor
- Collect information from customers and third parties about competitor fairness and with integrity
- Do not ask current or former employees of competitors to share non-public competitor information.

5. HRU's Values

5.1. Environmental Protection

- HRU is committed to pursue its business goals respecting the environment and the community with "*monozukuri*" (i.e. the ability of knowing how to do things in the right way).
- We are dedicated to conduct our activities supporting sustainable and environmentally friendly business practices, developing and implementing our own standards of environmental protection in compliance with the applicable laws and regulations.
- We work to actively develop products and services that are compatible with the environment, reducing waste and pollutants, conserving resources and using recycled

resources at every stage of the product life cycle.

- We pursue the development and implementation of technologies to minimize pollution and to continuously assess the impact of our facilities in the environment and communities.

5.2. Prevention of Anti-Social Transactions

- We reject any contact with anti-social forces such as organized criminal groups, and we will under no circumstances be involved in anti-social transactions.
- We work to prevent any form of anti-social transaction, starting, first, from analyzing our own transactions autonomously.
- We decisively oppose to any anti-social force, in particular organized criminal groups, also rejecting any inappropriate request.

5.3. Human Rights

- We respect human rights and dignity of people in conducting our business throughout our operations globally. We promote safety conditions and individual security in the workplace, we strongly comply with laws prohibiting forced labor, child labor, and human trafficking and freedom of association. We share such culture of respect for human beings with the companies of the Hitachi Group and we expect that our suppliers will embrace the same and behave accordingly.
- We will not promote, directly or indirectly, collaboration with business partners which violate labor or employment laws or which take unlawful advantage of individuals based on their economic background or age.

6. How we Protect HRU

6.1. Bookkeeping and Financial Reporting

- HRU manages records and bookkeeping accurately and with integrity in order to avoid penalties or adverse consequences. Retention of records shall be in compliance with our HRU internal practices and under certain circumstance by the laws or by specific circumstances such as an ongoing investigation, a litigation or an audit. HRU encourages all of their employees to comply with the HRU best practices and seek the support and advice of the supervisor or the CFO if any doubts may arise in connection with the retention or the keeping of records.
- We are committed to implementing proper accounting practices and to record and report all information, including financial information, in an appropriate manner. We discourage collaboration with business partners who do not share similar policies and practices.
- We protect our companies and to this end in the relationship with customers, suppliers and competitors we do not encourage financial or sales reports that are in conflict or are not in compliance with our policies, procedures and standards.

6.2. Use of HRU Assets

HRU places outmost importance in the protection and preservation of HRU's assets. To this end, HRU prohibits:

- The use of HRU's assets for a personal benefit or for a benefit of any third party other than HRU. Although HRU cannot identify any conduct that may constitute a "personal benefit", HRU encourages you to use common sense in making such determination and to refer to any other policy of HRU that will be from time to time adopted.
- Theft of HRU's assets may occur either physically or through other conduct such as embezzlement or intentional misreporting of time or expenses. Theft of HRU's assets and theft of other employees' belonging will be investigated and treated in the same way.
- HRU's assets include HRU money, products, computers and related systems, telephones,

copy machines, vehicles, trademark and technology in general.

- We are committed to efficiently use tangible and intangible assets of our companies, including but not limited to land, buildings, facilities, equipment, products, office equipment, cash and deposits, and to comply with all our internal policies and procedures to prevent their improper use, loss or theft.
- We do not carry out any action that may diminish the value of tangible and intangible assets of HRU or the Hitachi Group.
- If you have concerns or doubts relating to the use of HRU assets or you are in a situation where a misuse or theft of HRU's asset may occur, you should contact your supervisor or the CM.

6.3. Employees' Relationship and Work Environment

- HRU prohibits discrimination, harassment and retaliation in any form, either verbal, physical, or visual. All employees are treated respectfully, fairly, and with dignity. HRU promotes equal employment opportunities regardless of sex, gender, age, race, religion, citizenship, disability, marital status and other factors that may lead to discrimination based on the applicable laws and regulations in each country where HRU conducts business.
- If you believe that you have been harassed, discriminated or retaliated by anyone at HRU, you are strongly encouraged to report the incident in accordance with the guidelines and reporting lines provided to you in the Employee Handbook.
- HRU is strongly committed to comply with the applicable employment laws and any laws which govern recruitment, personnel affairs, working conditions, salaries, and other related matters. We will also make sure that employees can benefit from periods of leave for pregnancy, childbirth, breast-feeding, raising their children and taking care of their family members, as permitted by U.S. federal, State and any other local laws.
- One of our goals is to create a workplace where all employees feel respected and proud of what they are doing and the way in which they are performing their job, promoting a balance between work and private life showing our respect for the family.
- Our core values and employment practice encompass the guidelines and principles set forth in the the United Nations Global Compact the world's largest corporate citizenship and sustainability initiative.
- For more information please review the [HRU Employee Handbook](#).

6.4. Drugs and Alcohol

- HRU is an alcohol and drug free work environment. Illegal drugs at our office are strictly prohibited as well as the consumption of alcohol at the HRU's facilities, unless during events or receptions organized and authorized by HRU for special occasions. If your supervisor has the legitimate suspicion that the employee's consumption of drugs or alcohol may adversely impact such employee's performance or the safety of such employee or other employees, he or she may request an alcohol and drug test.
- For more information please review the [HRU Employee Handbook](#).

6.5. Respect of the Hitachi Brand; Intellectual Property

- We value the Hitachi brand as an important management asset and we make sure to protect and enhance its value, so that it is acknowledged and accepted by society.
- HRU and the Group intellectual property assets comprises our trademark, inventions, know-how, ideas, software, designs, business information, copyrights, patents, and any other proprietary information belonging to HRU (collectively, "IP")
- We are committed to protect our IP and to use it efficiently, according to applicable laws. We respect intellectual property rights of others and implement suitable control measures to prevent infringement without diminishing or impairing the use of IP. To this end, before

starting any activity that may involve the use of third parties' rights such as research, development, design, production and sale of new products and technologies, we make the necessary investigations.

- We do not violate the copyrights of third parties in connection with the use of software programs and Internet. For example, we do not install, use or duplicate such programs in violation of the terms of a license agreement and we treat such software programs with the same respect and protective measures as they were HRU corporate assets.

6.6. Privacy and Cybersecurity - Use of Information

- HRU encourages all of its personnel to treat all the information acquired by employees, customers, Hitachi Group and third parties as confidential in compliance with applicable laws as may be in effect from time to time.
- To this end, HRU provides the following guidelines that employees should follow when dealing with privacy data which include:
 - (i) Comply with all laws and contractual obligations of HRU;
 - (ii) Collect and use such information only in connection with a legitimate business purpose;
 - (iii) Protect such information from unauthorized disclosure and improper use.
- We will make concerted efforts throughout the Hitachi Group to secure employee safety and business continuity in case of disasters and threats such as cyberattacks.
- We are committed to protecting non-public information from any unauthorized and improper disclosure, both inside and outside HRU, including family and friends. We refuse to acquire any such information through illegal means. If we are provided non-public information pursuant to an agreement between HRU and another company or any other third party, we make sure to process the information in strict compliance with such contract enforcing any required protective measure of such information. If HRU acquires trade secrets of any other third party, we are committed to use such information in strict compliance with the related contract with such third party, implementing protecting measures.
- When disclosure will be requested due to formal investigation, litigation or audit, it is advisable that you seek consultation with your supervisor or the CM before disclosing such information.
- In order to maintain and expand our trusting relationship with the Hitachi Group's diverse stakeholders, we will disclose information openly and transparently, and respond to stakeholders responsibly through dialogue and other means of communication.
- We make sure to properly organize and store and record documents, electronic files, and any other types of information, as well as to adequately store documents and electronic files that have already been processed and to destroy them with suitable means upon the expiration of the storage period.
- Our third parties' data is very important to us and we are committed to developing and offering products and services keeping in mind the role of cybersecurity in protecting our customers. To this end, at HRU:
 - We implement cybersecurity by design as an integral part of all phases of the design and development process.
 - We strive to ensure that our products are safe and secure, and we engage our specialized personnel to implement monitoring procedures and to update the cybersecurity systems to prevent attacks.
- For US-based employees, the term "employee information" shall not be construed to prevent the employee from disclosing information in connection with benefits, wage, or terms and conditions of the employment instrumental to the exercise of his or her right under the applicable law. Nonetheless, no employee is entitled to disclose sensitive information about other employees of HRU that he or she may acquire in the course of performing his or her duties at HRU.

7. Conflict of Interest

A conflict of interest may arise when your personal activities and relationships interfere with, or appear to interfere with, your ability to act and make decisions in the best interests of HRU.

In this Code we take into account some areas where a conflict of interest may likely arise and we strongly encourage you to follow the guidelines that HRU provides below.

In an effort to prevent conflict of interest situations, HRU requires its employees to disclose the existence of any conflict of interest. To this end, once a year, HRU will require employees performing managerial duties to sign a specific statement of absence of conflict of interest, in the form attached as Exhibit A.

7.1. Personal Investment

- You are not permitted to make any business investment that may harm HRU or in companies which are HRU competitors, business partners, suppliers, or customers.
- Before entering in any of the above transactions, you should disclose the potential conflict of interest to your supervisor and you shall not enter into such transaction unless you receive prior written approval from the HR.

7.2. Friends and Relatives

- HRU prohibits you to participate in, or make, any business decisions for HRU which involve your relatives, spouse or significant others, or close friends.
- Any personal relationship you may have at work shall not impair your ability to make any decision in the best interests of HRU. Keep in mind that we strive to ensure that any employment-related decisions should be based on qualifications, performance, skills and experience.
- You have the obligation to fully disclose such situation of conflict of interest and HRU will address such situation in accordance with its internal policies and procedures.

7.3. Gifts, Meals and Entertainment

- HRU has in place policies and procedures that regulate the acceptance of gifts, meals, entertainment and other business courtesy from a competitor, a supplier and in general from a business partner by all employees of HRU. HRU is committed to avoid any sort of or even the appearance of a conflict of interest. Each employee will be directed to become familiar with HRU procedures and the Hitachi Group compliance program that will regulate in detail such matter.
- Such policies and procedures shall make available to each employee according to standard HRU practices and procedures.

8. HRU Best Practices

8.1. Compliance with technical code of ethics

- When HRU and any of its employees face situations that may be contrary to our mission, as a group of technical companies we give top priority to safety, health and public welfare. We make every possible effort to ensure the safety of our products, systems and services, preventing any liability or negative impact that may arise out of their use. To this end, we are also committed to ensure that our products feature high-quality, reliable functions and performance.
- As a group of technical companies, we aim to protect the environment and use resources efficiently in order to maximize the sustainability of society.
- As a group of technical companies, we commit to assess and evaluate every situation

based on facts and by adopting an objective and impartial approach. We make decisions on an informed basis, engaging if necessary outside professionals and experts to receive advice and work together in order to solve any issue.

- As a group of technical companies, we strive to ensure the transparency of information that may affect people, society and the environment.
- As a group of technical companies, we are always loyal to our duty to maintain confidentiality. Nonetheless, we will promptly disclose such non confidential information, even if connected to confidential information that materially impact on people, society or the environment.
- As a group of technical companies, we respect both our intellectual property rights and those of third parties, and we cooperate with them to establish a market environment based on loyalty.
- As a group of technical companies, we embrace diversity and we respect the culture, religion, systems and values of other people and countries.
- As a group of technical companies, we autonomously and constantly pursue improvement while maintaining our leading position worldwide.

8.2. International Trade

- As part of our business, we are subject to a number of trade restrictions and boycotts imposed by the U.S. Government. We are committed to comply with such laws and to honor our obligation and trade with integrity. Indeed, failure to comply with such laws may seriously impact our business, harm our reputation and may lead to the loss of export privileges. To this end, when conducting business internationally, we will comply with the following:
 - Scrupulously abide by HRU internal policies, procedure and applicable laws.
 - Verify that a transaction does not involve restricted or sanctioned individuals, entities or countries.
 - Ensure to have the necessary authorizations or export licenses before proceeding with a transaction.
 - Document transactions completely and accurately.
 - We are committed to implement effective procedures to monitor export activities in compliance with our internal procedures and to verify the actual use of products and the identity of our customers, also in respect to domestic sales.

8.3. Anti-Corruption Laws

- HRU strives and promotes its employees to strive to comply with the anti-bribery laws in each country where HRU conducts its business operations, with specific attention to the Foreign Corrupt Practices Act ("FCPA") and U.K. Anti-Bribery Act ("UKBA"). In general, such laws prohibit anyone, including governmental officials and private individuals, from offering, accepting, receiving or giving anything of value to improperly influence a business decision or obtain a business advantage. For more detailed information about Anti-Bribery refer to the [HRU Anti-Corruption Policy](#).

9. Full Compliance with this Code of Conduct

9.1. Full Compliance with Applicable Laws and Regulations

- Our employees are given easy access to this Code of Conduct and to all HRU internal policies and procedures adopted from time to time, as well as available information concerning applicable laws and regulations that govern our business operations.
- HRU will notify you of any update of internal policies and procedures as well as any relevant change in the laws that the employees should be aware of, in the effort to act, constantly, in compliance with this Code and with the any applicable laws and regulations.
- In addition to promote full compliance with this Code and all policies that we adopt, we encourage our employees to act always in good faith and according to common sense which shall govern all their actions. Even if a specific circumstance is not addressed in this Code or elsewhere, employees will use their best judgment conforming their behavior to such "*Principles and Ethics*" on which we built up our core values and business activities.
- We adopt strict measures whenever our employees act in violation of applicable laws, regulations and this Code, leading to serious penalties such as disciplinary actions and even termination according to our Employee Handbook.
- For more information please review the [HRU Employee Handbook](#).

9.2. Reporting violations

- Employees, customers, suppliers, business partners or any other third party who witness or become aware of any violation of applicable laws, this Code or any other referenced policy by HRU or any of its employees, shall have the duty to report such violation.
- Any violations or concerns should be immediately addressed pursuant to HRI policies and procedures that have been adopted and ratified by HRU and that shall be provided to you.
- All inquiries will be treated with confidentiality and discretion and you may remain anonymous.
- An employee who reports a breach of this Code or any type of violation shall not be penalized, disciplined, terminated, harassed, or retaliated.
- For reference and more information see [HRU PO 003 – Annex 2](#).

9.3. Investigation of Potential Code Violations

- HRU takes all reports of potential Code violations very seriously and is committed to confidentiality and a full investigation of all allegations. The CM may conduct Code-related investigations, if required by the Compliance Committee. Employees who are being investigated for a potential Code violation will have an opportunity to be heard prior to any determination.
- HRU has in place an effective system of disciplinary actions that take into account and are proportioned to the seriousness of the violations perpetrated in accordance with HRI standard policies and the Employee Handbook.
- The Compliance Committee periodically reports all Code investigations and final decisions, including disciplinary actions taken, to the Board of Directors.

9.4. Signature and Acknowledgment

- All new employees must sign an acknowledgement form confirming that they have read this Code of Conduct and agree to abide by all its provisions. All current employees shall be required to make a periodic acknowledgement of this Code especially after any update that may occur. Even in the absence of the acknowledgment employees must abide to this Code.

9.5. Waivers

- Any waiver of this Code by any officers of the Company must be approved in writing by the Board of Directors or by the Compliance Committee.

9.6. Reference

- Hitachi Group Code of Conduct
- HRI DA 002 - Code of Conduct
- HRU Employee Handbook
- HRU Supplier Code of Conduct
- HRU PO 002 - Anti-Corruption Policy
- HRU PO 003 – Framework Policy Compliance Program

10. Exhibit

- Exhibit A - Annual declaration of absence of conflicts of interest