

HITACHI
Inspire the Next



The Right Way to Work

Hitachi Data Systems
Corporate Ethics Policy



The Right Way to Work

**Hitachi Data Systems
Corporate Ethics Policy**



**“We Aim to Be the
World’s Most
Trusted Company”**

:: Etsuhiko Shoyama
Chairman of Hitachi, Ltd.



**A Message from
Minoru Kosuge
and Jack Domme**
President and Chief Executive Officer
and Chief Operating Officer
of Hitachi Data Systems

Our Corporate Ethics Policy – the Right Way to Work – reflects the commitment to uphold our reputation for honest and ethical conduct toward our customers, our partners and our competitors. It will also help you understand and appreciate the way in which we like to do business.

As Hitachi Data Systems employees and contractors we expect you to maintain the very highest standards of ethical business conduct, because ethical behavior is the cornerstone upon which we base our future growth. Failing to do business in an ethical and lawful fashion endangers our success.

Hitachi Data Systems provides you with the resources so that you will know where to turn when an ethical question arises:

- ∴ **Code of Conduct** – The Code of Conduct describes what is expected from each of us. It shows how we operate today and every day, and is the minimum acceptable level of behavior.
- ∴ **Training-Compulsory** training on critical topics such as our Ethics policy and Anti-Bribery training are available via the web 24 hours a day, 7 days a week. “Not knowing” is not good enough. We all have an individual responsibility to become aware of what separates acceptable and unacceptable behavior.
- ∴ **Committed Management** – The entire management team of Hitachi Data Systems is committed to ensuring that all our business is conducted in compliance with the Code of Conduct. No one in this company is authorized to conduct any business or to act in a manner (or direct any employee or other party to conduct business or act in any manner) which conflicts with these guidelines or any applicable law. Questions may be addressed to any member of the Executive Committee or directly to our Chief Compliance Officer, Greg Coplans. Your confidentiality will be maintained.
- ∴ **Anonymous Compliance Hotline** – Hitachi Data Systems operates and is committed to maintaining a “non-retaliatory” workplace. Employees may not be censured or penalized in any manner for bringing forward compliance infractions, issues or concerns. Even so, employees who feel uncomfortable being identified may use the compliance hotline and retain complete anonymity. It is available by phone or on HDSnet at: <http://hdsnet.hds.com/compref/>.

While each of us is responsible and accountable for our own actions, we do not face ethical challenge by ourselves. We count on each person to uphold our Code of Conduct to help each other and make us collectively stronger as a company. We trust you will do your part.



**The Hitachi Spirit distinguishes us as the
employer and partner of choice.**

WA

Harmony • Trust • Respect

MAKOTO

Sincerity • Fairness • Honesty • Integrity

KAITAKUSHA-SEISHIN

Pioneering Spirit • Challenge



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Introduction

This Ethics Policy applies to all employees of Hitachi Data Systems Corporation and its subsidiaries and affiliates as well as consultants, representatives and anyone doing business on the Company's behalf.

As an employee of Hitachi Data Systems, you are entrusted with primary responsibility for sound business conduct and compliance with our Ethics Policy. Although the Company's ethics and principles remain constant, the environment and the situations in which they are applied are fluid. This Ethics Policy does not anticipate every ethical question that may arise, and it cannot substitute for sound judgment on your part. However, your enduring honesty, integrity, and good faith as an employee will help safeguard the Hitachi Data Systems reputation for ethical business practices.

This Ethics Policy covers three main topics:

- Personal conduct and protection of Company assets
- Doing business with other people and organizations
- Conflicts of interest and other considerations that may arise outside of work



Employee Responsibility

If you have any questions about interpreting or applying this Ethics Policy, or if you disagree with any part of this or any other Company policy, your responsibility is to consult your manager, the Legal Affairs Department, or Human Resources. In some cases, your manager may need to consult other Hitachi Data Systems personnel, such as the Legal Affairs Department. A violation of any Hitachi Data Systems policy or guideline can put you, your Hitachi Data Systems co-workers, and Hitachi Data Systems at risk, and may result in disciplinary action, including dismissal. This Ethics Policy does not create any contractual right to employment, employee benefits, or other terms and conditions of employment.

Managers' and Leaders' Responsibility

Managers or supervisors at Hitachi Data Systems have additional responsibilities. They must:

- Develop and support a work environment where ethical conduct is recognized, valued, and exemplified
- Assist and support employees who raise questions or concerns in good faith about ethics and legal compliance
- Monitor and enforce compliance with the standards in this Policy
- Set a good example and encourage others to do likewise



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**You and Your Job
at Hitachi Data Systems**

Seeking Help and Reporting a Concern

In keeping with the Hitachi Data Systems commitment to open communication and the highest standards of conduct, and as an employee and a representative of the Company, you must immediately report whatever you know or have heard about a situation that appears to you, in good faith, to be unlawful or unethical. You may make a report anonymously, if you wish. (Please refer to the *Compliance Reporting Policy*.) The person or department to whom you make the report must pass the information directly to the Compliance Officer or Legal Affairs. Your report will be reviewed promptly, and we will not tolerate threats, attacks, or acts of retaliation against you for making a report.

Personal Conduct of Employees

Every day, we each make thousands of decisions and statements, and take other actions that collectively create the reality and perception of the fairness and integrity of Hitachi Data Systems. Everything you do as an individual reflects on the Company as a whole. You are expected to support the spirit and abide by the letter of the Ethics Policy, and to solicit the guidance of senior management when any questions arise.

It is not the policy of the Company to set standards for the conduct of your personal life. However, when your actions off the job affect the Company's interests, your own performance, or that of your co-workers, the Ethics Policy will apply. In addition, if your personal conduct negatively affects Hitachi Data Systems, its employees, or other aspects of the business, it may also be appropriate for the Company to take action to protect its interests.

Work Environment

We have specific policies and procedures related to employment, and we comply with local laws governing employee relationships. You are expected to acquaint yourself with our employment policies to whatever extent your assignment requires.

We pride ourselves on providing a healthy, safe, and productive work environment that is free from discrimination or harassment based on race, color, religion, sex, sexual orientation, age, national origin, disability, or other factors unrelated to our legitimate business interests. We encourage and support relationships of mutual respect among employees. You are expected to do your part to create a safe and productive work environment for everyone. This includes bringing issues to management's attention when you believe certain conditions are distracting from a safe and productive work environment.

All managers, supervisors, and employees otherwise in positions of authority have a special burden to maintain and support a healthy work environment. Promotion or assignment to a position of authority carries with it the responsibility to treat employees respectfully and fairly.

:: Sample Behaviors

Cindy's manager, Dereck, gives her a shoulder rub every time he stops by her cubicle. Dereck's behavior makes Cindy uncomfortable and her co-workers tease her about it. Cindy wants to ask Dereck not to give her any more shoulder rubs but is afraid of offending him and worries that he might not promote her if she says something.

His conduct violates Company policy and Cindy should contact HR for advice.

Phil circulates ethnic jokes on Company e-mail. Because they concern more than one ethnic group, he reasons that he's "not targeting any group in particular" and believes the jokes are not offensive.

This type of conduct violates Company policy.

Employee Privacy

Hitachi Data Systems and Hitachi Data Systems–authorized companies and individuals collect and maintain personal information relating to your employment, including compensation, medical, and other benefit information. Hitachi Data Systems and its affiliates also collect personal information relating to employees of our sales prospects, customers, and strategic partners. We are a global organization with business processes, management structures, and technical systems that may require the sharing of such information across country borders. While not all countries have data protection laws, we have implemented worldwide data privacy policies to protect information wherever it is stored or processed. If your job position requires you to access personal information of employees of our sales prospects, customers, or strategic partners, you must confirm with your manager that proper authorization has been obtained before any disclosure of this information to third parties, including any application service providers. Please see the Hitachi Data Systems *Global Personal Data Protection and Privacy Policy*.

::: Sample Behavior

Antonio works in the Human Resources department. He receives a call from a woman who says she is a school nurse and urgently needs to contact a Hitachi Data Systems employee because the employee's child, who attends the school, is sick. He gives the woman the employee's phone number.

Antonio should have called the Hitachi Data Systems employee instead.

Leaving Hitachi Data Systems

If you leave Hitachi Data Systems for any reason, including retirement, you must return all Company property, including documents and media that contain proprietary or confidential information, and you may not disclose or use any proprietary or confidential information. You may not reformat your computer's hard drive or delete any information or data from it. After you leave the Company, Hitachi Data Systems will continue to own any intellectual property that you created while you were an employee, and your confidentiality obligations will continue.

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:: Sample Behavior

Tammy, before leaving Hitachi Data Systems, reformats her computer's hard drive in order to "save IT the trouble."

By doing so, Tammy may be violating the Record Retention Policy and destroying proprietary information, intellectual property, or other intangible assets.





**Protection of
Hitachi Data Systems
Assets**

Safeguarding Hitachi Data Systems Assets

Hitachi Data Systems has many business assets, both tangible (physical property, equipment, and documents) and intangible (information, human resources, intellectual property, goodwill, and so on). You are expected to be prudent and vigilant in protecting all Company assets.

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If you learn of any theft, misuse, wrongful disclosure, or other risk to Company assets, promptly notify your manager, the Legal Affairs Department, and/or local Hitachi Data Systems security officers. For a summary of how to treat confidential information please visit the Global Legal section of HDSnet and click on Training.

:: Sample Behavior

Puja develops a new workflow algorithm during Company hours and using Hitachi Data Systems resources. She recognizes the algorithm has substantial potential commercial value. She does not tell her manager about the algorithm and resigns from Hitachi Data Systems, taking it with her.

Puja has violated her agreement with Hitachi Data Systems and has taken intellectual property belonging to the Company for her personal gain.

:: Sample Behavior

Janet is given a Company laptop to use at an offsite conference. She leaves it lying on a table in the conference room during lunch. When Janet returns, the laptop is missing.

Janet failed to reasonably protect the computer (a Company asset).

Hitachi Data Systems Intellectual Property Rights

When you joined Hitachi Data Systems, you were required to sign an agreement, under which you assumed specific obligations relating to intellectual property as well as the treatment of confidential information. Among other things, you agreed that any ideas, inventions, computer programs, technical innovations, system designs, or technical enhancements that you design or conceive while at Hitachi Data Systems are the sole property of the Company. You must disclose this intellectual property to Hitachi Data Systems and the property must be protected like any other form of confidential information.

Record Retention

Every department is responsible for keeping and retaining its own records and is expected to comply fully with all legal requirements and audits. Records include electronic records, such as business e-mail messages and must be retained for legal and business purposes. They may not be destroyed, altered, or removed from where they are stored except in accordance with the Hitachi Data Systems *Records Retention Policy*.

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:: Sample Behavior

Charlie works in the accounting department. He has run out of storage space on the department server. In order to make room for new files, he deletes records from an old Defense Department project without checking the *Records Retention Policy* to see whether the records need to be kept.

Charlie has not complied with the Hitachi Data Systems *Records Retention Policy*.

Cooperation in Inquiries

As Hitachi Data Systems is a large company with many people, plans, and activities, the Company frequently conducts internal inquiries to fully inform its management and make sound business judgments. When Hitachi Data Systems conducts inquiries about its business, it is your duty to cooperate and assist fully in providing materials, data, and information.



Symbol	Price	Change	Volume
100	100	+ 2.24	
105	105	+ 1.18	
110	110	+ 0.23	
115	110	- 0.50	
120	120	+ 0.00	
125	120	- 0.50	
130	130	+ 0.00	
135	130	- 0.50	
140	140	+ 0.00	
145	140	- 0.50	
150	150	+ 0.00	
155	150	- 0.50	
160	160	+ 0.00	
165	160	- 0.50	
170	170	+ 0.00	
175	170	- 0.50	
180	180	+ 0.00	
185	180	- 0.50	
190	190	+ 0.00	
195	190	- 0.50	



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Hitachi Data Systems
**Confidential and
Protected Information**

Protecting Information from Unauthorized Disclosure

One of our most valuable assets is the body of information in the minds of employees and the work they originate. We are determined to protect such knowledge and information from unauthorized disclosure.

At times, certain locations and departments may adopt special procedures for marking and storing confidential documents. Regardless of such procedures, you must treat all internal information and documents as confidential unless they are specifically intended for distribution or release outside Hitachi Data Systems. Never disclose confidential internal information to any other party or place it in a location (including blogs) or situation that makes its loss or disclosure possible. Always follow these two rules:

- ::: Maintain strict secrecy of confidential information entrusted to you.
- ::: Do not share that information with anyone—even a co-worker—who does not need to know about it.

If you leave Hitachi Data Systems, you must still follow these rules concerning the use of our confidential information.

On occasion, certain individuals may be authorized to publicly disclose specific information about Hitachi Data Systems. If your job includes such responsibilities, be careful to limit your disclosures to only the scope and breadth necessary to achieve the business purpose. As a general rule, you must refrain from discussing confidential or proprietary Company business matters or disclosing information to anyone inside or outside Hitachi Data Systems who does not have an authorized need to know.

While it is not the intention or practice of Hitachi Data Systems to encroach on employees' personal lives, the Company must ask all its employees to consider carefully what Hitachi Data Systems business they discuss with their families. Confidential and/or sensitive Company information must remain private and must not reach audiences where it could affect our business. If you have family or other close personal ties to a competitor, customer, prospect, or other organization involved with our business, you must be especially careful. As a precautionary measure, it's best to discuss any such situation with your manager, Human Resources, or Legal Affairs and to take any actions necessary to avoid even the appearance of impropriety.

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For a summary of how to treat confidential information please visit the Global Legal section of HDSnet and click on Training.

:: Sample Behaviors

Barbara, who has signed a nondisclosure agreement regarding the development of a new product, mentions the name and purpose of the product to a co-worker who is not working on the project.

Barbara has violated the nondisclosure agreement

Tori sends confidential documents to a public printer. She forgets to pick them up until several hours later.

Tori has not kept the information confidential because it can be read by anyone who visits the printer before she picks up the documents.

Alice, a consultant, has been given access to confidential source code. She moves it onto a shared public drive so that she can discuss it with an engineer elsewhere in the Company.

Alice has not kept the source code confidential because others have access to the shared drive.



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Recording and Reporting Information

Accurate and Honest Reporting

16 Almost any job at Hitachi Data Systems involves recording information of some kind and submitting it to the Company. For example: an engineer fills out a product test report; a marketing representative reports orders; an accountant records revenues and costs; an engineer prepares a research report; and a customer engineer completes a service call report. Whatever your position, you must accurately and honestly report information as required by the Company.

Various U.S. state and federal laws as well as international conventions and other national laws require us to maintain books and records of our transactions. These books and records must, of course, be accurate; dishonest reporting (for example, to management or auditors within the Company, or to organizations or people outside the Company) is strictly prohibited. "Dishonest reporting" includes not only reporting information inaccurately but also organizing it in a way that is intended to mislead or misinform those who receive it. Never make false or misleading statements in external financial reports, environmental monitoring reports, documents submitted to or maintained for government agencies, or status reports on contracts, particularly in situations where Hitachi Data Systems is serving a government customer. Dishonest reporting can lead to civil or even criminal liability for you and the Company.

In accordance with this practice, we advise customers, suppliers, and business partners of any clerical or accounting errors as soon as they come to our attention, and we promptly correct any errors through credits, refunds, or other appropriate means.

Sample Behaviors

Geraldine has been running performance tests on a new storage system. The second round of tests has produced very different results from the first. Final results are overdue and she has run out of time to run more tests, so she makes up numbers for the second round of tests that are more consistent with the first test results.

Geraldine is falsifying information.

Marty works in accounts receivable. A customer that is habitually late in paying sends in a substantial overpayment. Marty does not report the overpayment to the customer because he theorizes the customer "owes" the extra money to Hitachi Data Systems for its past late payments.

Marty's conduct is dishonest.


Statements of Hitachi Data Systems

As leaders in ethical business conduct, we refuse to indulge in any perceived “right” or “license” to create or sustain a false impression. All of the Company’s public and private statements must be strictly honest, fair, and free of intent to mislead or deceive. If your job responsibilities include direct interaction with customers, the press, or other public audiences, you must recognize that you are entrusted with a special obligation to make fair and honest statements.

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If an attorney, investigator, law enforcement official, or government official asks you for information about Hitachi Data Systems, refer the request immediately to Legal Affairs. If a reporter or securities analyst approaches you for information about Hitachi Data Systems, refrain from responding directly and refer the request to Corporate Communications.





**Conducting
Hitachi Data Systems
Business**

Employing Lawful and Ethical Behavior

At Hitachi Data Systems, we're engaged in a variety of business relationships with other companies and organizations, including alliance companies and original equipment manufacturers. Whether you are selling, buying, or representing Hitachi Data Systems to other businesses, your lawful and ethical behavior will support our global reputation as a fair-dealing company. Always observe the standards described below, no matter what type of organization you are dealing with or what its relationship is to Hitachi Data Systems.

::20

Customer Relationships

A long and fruitful customer relationship is one of our most valued assets. In dealing with customers, you must preserve those assets by dealing in good faith at all times, by representing our products, services, and capabilities accurately, making competitive comparisons fairly and without disparagement, and promising only what can be delivered.

We compete aggressively for new business, and we constantly strive to improve relationships with our existing customers. Our ultimate aim is the success and satisfaction of all our customers, existing and new. Never sacrifice that long-term goal for a short-term gain. A transaction that offers an immediate benefit to Hitachi Data Systems at the expense of customer happiness is never worth it.

At Hitachi Data Systems, we firmly believe that our products are superior to those of our competition. The most effective way to sell is to explain what our products do for our customers—not to talk down or disparage the competition. If customers ask about a competing firm, product, or offering, direct them to the competitor's sales representatives or to the literature distributed by that company. When you possess non-public information about a competing firm, you must refrain from using it to

influence a customer, even if you believe the information to be true. Hitachi Data Systems is, of course, entitled to produce marketing and educational materials that make factual comparisons of competing products based on public information and developed in good faith by internal analysis, such as performance measurement or benchmarking in documented conditions.

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You may, in the normal course of work, interact with friends in a business setting. You may form personal relationships with customer employees, or you may find yourself representing Hitachi Data Systems to personal friends who work for our customers. In such cases, you must use good judgment to avoid the possibility that your friendship might create or be perceived as creating undue influence. You must also take care that your personal activities relating to the customer or individual employees exclude any exchange of obligations that could affect Hitachi Data Systems business.

:: Sample Behaviors

Jenny, a salesperson, hears a rumor from a reliable source that a competitor company is going to begin phasing out its modular storage product. A potential customer owns a sizeable amount of the competitor's modular product. She tells the customer that in the future the competitor will not offer the level of support the customer needs for its installed modular product.

She is not acting in good faith because she portraying a rumor as the truth.

Aisha is a sales engineer. While working on a customer implementation, she is asked to recommend a storage software product for use with the customer's newly installed Hitachi storage system. Both Hitachi Data Systems and a competitor sell software that will fit the customer's needs. Aisha tells the customer that the competitor's software isn't worth investigating and future earnings reports will reflect that the competitor has lost business due to the number of bugs in its software.

She is disparaging the competitor.

Competitors

Hitachi Data Systems expects to compete, not just vigorously and effectively, but lawfully and ethically as well. These expectations need not conflict, nor do they preclude cordial relationships with our competitors. Competing companies may also be suppliers, customers, or even partners in joint bids. Hitachi Data Systems also meets with its competitors in a number of venues, including industry associations, standards bodies, conventions, and trade shows. Because of competition laws, however, you must be particularly careful about relationships with competing companies. If your assignment requires you to interact with our competitors, you must observe the following restrictions and consult Legal Affairs as necessary:

- :: Avoid any discussion of pricing and contracting policies, costs, inventories, production capacities, and plans related to competing products with any Hitachi Data Systems competitors.
- :: Do not disclose any market or product plans, market segmentation or analysis, or market surveys in areas where the companies compete.
- :: Do not offer or solicit any agreement, formal or informal, with any competitor or group of competitors concerning Hitachi Data Systems business practices, sales, territories, prices, terms, conditions, or supply volumes.
- :: If a competitor initiates a discussion in any of these areas, you are required to remove yourself from the discussion and immediately report the matter to the Legal Affairs Department.

Competition laws in some countries may impose more restrictive standards than common sense suggests, and our Company is committed to upholding and complying with antitrust laws in all countries. Even if there are no competition laws in your country, Hitachi Data Systems policies are binding and your transaction may still be subject to foreign competition laws. If you have any doubts about the legality of your discussions with a competitor, immediately end your discussions and consult with the Hitachi Data Systems Legal Affairs Department.

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:: Sample Behavior

At a conference, Darius happens to see a former co-worker who now works for a competitor. They meet for dinner and, in the course of discussion, the former co-worker complains that a customer “plays his company and Hitachi Data Systems off against each other” to get lower prices. Darius commiserates, saying, “It’s your turn to win the next one, so we won’t bid.”

This “agreement” not to bid violates a competition law.

:: Sample Behavior

Lucy is tasked with finding a design firm to produce a new product brochure. Her manager tells her to include her mother-in-law's design firm in the bidding, joking that she'd like to "keep it in the family."

:: 24

Lucy's manager is attempting to influence a decision to get special treatment.

Suppliers

Suppliers competing for our business must have confidence in the fairness of our selection process; it's the only way to ensure that we'll get honest bids from the best competitors. In our process, we gather and weigh the facts to determine who will best suit our needs. If you participate in supplier selection, you must have an impartial approach, regardless of the size of the purchase or its importance to the business. Keep pricing and any other information submitted by suppliers, confidential. Do not use any information about suppliers outside of Hitachi Data Systems without written permission from management.

Regardless of whether you are actually in a position to influence decisions about suppliers, you must not exert (or attempt to exert) influence to get "special treatment" for anyone. Even to appear to do so can undermine the integrity of our established procedures.

Industry Practices

We believe that our industry is generally an ethical one, and that our competitors intend to conduct their business in a fair and moral way. At the same time, we recognize that other companies—or the employees of other companies—may sometimes observe less stringent standards.

If you encounter or suspect such transgressions and feel that we suffer a business disadvantage as a result, report the matter promptly to Legal Affairs. You should also explain the situation to your manager and develop a plan for the appropriate business response.

Under no circumstances are you permitted to relax or violate the Hitachi Data Systems Ethics Policy or to operate outside the guidelines laid out in this document. Neither Hitachi Data Systems policy nor the law exonerates your unethical conduct on the grounds that another company or individual has behaved unethically.

:: Sample Behavior

Bernice learns that a salesperson for a competitor has told a customer that Hitachi is behind schedule on a new product and preliminary tests have been unsatisfactory. Bernice knows this is untrue but does not discuss the test results because she knows they are confidential. Instead Bernice tells the customer that the other salesperson obviously feels pressured to push a sale because his company is about to release quarterly earnings well below expectations.

Bernice should not make untruthful comments about a competitor. She should, however, tell her manager what the competitor's salesperson said.



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Avoiding Misrepresentation

Clear Communication Is Essential

Employees must not make misrepresentations or dishonest statements to anyone when conducting business for Hitachi Data Systems. If you believe that the person with whom you're conducting business may have misunderstood you, promptly clarify or correct your statement. Honesty based on clear communication is essential to forming and maintaining sound, lasting business relationships and upholding the ethical reputation of Hitachi Data Systems.

Fraud

Fraud is an act or intent to cheat, trick, steal, deceive, or lie. Fraud is an act of dishonesty and, in most cases, is a criminal act. Intentional acts of fraud are treated very seriously and will be subject to strict disciplinary action, up to and including termination of employment and possible further legal recourse. Some examples of fraud include:

- :: Submitting false expense reports
- :: Forging or altering checks
- :: Misappropriating assets or misusing Company property
- :: Unauthorized handling or reporting of transactions
- :: Inflating sales numbers by shipping inventory known to be defective or non-conforming

:: Sample Behaviors

John submits an expense report using hotel and restaurant receipts from a personal vacation. He has neglected to submit receipts for legitimate business expenses in the past, and calculates that the amount of reimbursement for this report will be about equal to what he forgot to claim previously.

John submitted a fraudulent expense report.

Anita works in accounting. She uses a Company check to pay her daughter's college tuition bill for a semester, intending to repay the Company eventually.

Anita used the Company's money for personal purposes.

∴ Sample Behaviors

Marjorie copies performance statistics from a report published by a prominent technical analyst for her PowerPoint presentation and does not attribute them to the analyst.

This is a breach of copyright.

An employee of a reseller that also resells a competitor's products hands Jake an envelope, saying, "Your competitor is killing you in the channel. You better read this channel sales plan—but you didn't get it from me!"

Jake should not open the envelope. Instead, Jake should contact Legal Affairs.

Information Owned by Others

Just as Hitachi Data Systems believes that its internal information, work, and expertise constitute a major business asset, we recognize that other companies are entitled to retain control of their internal information assets.

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In our industry, we encounter a broad spectrum of "intellectual property" every day, and each type of information and materials has its own legal protections. Trade secrets, copyright, trademark, patent statutes, and case laws are very complex. Licensing terms or other agreements impose their own restrictions on the use and distribution of information and products. For a summary of how to treat confidential information please visit the Global Legal section of HDSnet and click on Training.

Our Ethics Policy requires that you strictly observe all such limitations on the acquisition, use, and distribution of information or materials belonging to another company or person. Be prudent when you handle protected information, and seek management and legal guidance when you have questions.

- ∴ **Copying.** Be careful when you copy documents or computer software prepared outside Hitachi Data Systems. You may legally be able to copy small portions or quote copyrighted documents. If the materials were obtained under a license or other agreement, you may not be allowed to copy even those small parts that might otherwise be permitted under copyright law. You should always seek management guidance or legal counsel from the Legal Affairs Department to be certain in advance that you're complying with applicable laws when you copy external materials.

Information Owned by Others *continued*

:::30

- ::: **Using third-party information.** If you or your department routinely uses intellectual property belonging to other parties, you must consult with management and the Legal Affairs Department to develop specific guidelines or procedures for the conduct of business related to such information and material. These procedures, at the discretion of Hitachi Data Systems, may be more restrictive than applicable laws.
- ::: **Proprietary information.** Refrain from soliciting, acquiring, using, or distributing the proprietary, confidential, or trade secret information of another company or party. There is no generally applicable standard for recognizing proprietary documents, but you should at least assume that markings such as “Company Private,” “Confidential,” “Proprietary,” “Restricted Distribution,” “Internal Use,” and so on, mean that the materials should not be used without prior written authorization from the owner. Even if the materials aren’t specially marked, if you have any reason to believe they are or may be proprietary, you must treat them as such or take specific steps to clarify that they aren’t.

When you are working with approved or permitted third-party proprietary information, including computer software and related materials, familiarize yourself with the terms and restrictions imposed by the owner and comply with the requirements. You must obtain written management authorization to acquire any information offered on terms or with restrictions on its use that would limit your full execution of your job responsibilities.

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If you inadvertently acquire confidential documents, are offered confidential information, or become aware that another employee has solicited or possesses protected information, you must promptly notify the Hitachi Data Systems Legal Affairs Department. You may not copy or otherwise use confidential third-party documents except when Hitachi Data Systems has received written permission from that party.

:: Sample Behavior

Omar is conducting market research and calls a sales representative who works for a channel partner for information. The rep sends Omar a packet that includes a photocopy marked "Company Private." Omar does not bring this to the attention of the rep and uses the information in his final report.

Omar should assume from the "Company Private" marking that the information is confidential and should not use it without proper authorization from that company or first checking the status of the information with that company.



The background is a solid light orange color. It features several large, overlapping white curved lines that create a sense of movement and depth. One prominent curve starts from the left edge and sweeps upwards and to the right. Another curve starts from the bottom left and sweeps upwards and to the right, overlapping the first. A third curve starts from the top right and sweeps downwards and to the left, overlapping the others. These lines intersect to form various organic shapes.

Bribes, Gifts and Entertainment

Acceptable and Unacceptable Gifts

Different companies offer a wide variety of gifts. These can range from conference souvenirs, which you may readily give or accept, to bribes, which unquestionably must not be given or accepted. Gifts include not only material goods, but also services, promotional premiums, and discounts.

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:: Sample Behavior

Daniel nearly misses a meeting with a vendor that supplies product to Hitachi Data Systems because his watch is broken. However, the meeting goes well, and several weeks later he receives an expensive watch in the mail. An attached note reads: "Please accept this gift as a gesture of appreciation for your excellent work (and a safeguard against future late arrivals)."

An expensive gift from a vendor raises questions of influence and Daniel should immediately report it to Human Resources and his manager. In this case, the gift would have to be returned.

Receiving Gifts

You may accept a gift from a supplier, customer, or another party if it is customary and of nominal value (US\$100 or less or the equivalent in any other currency), and it is offered without any express or implied condition. Examples include a pen or similar typical corporate gift embossed with a company logo, a meal at a fine local restaurant, or a product discount if a vendor offers it to all similar customers.

If the gift has a value greater than the equivalent of US\$100 (or the equivalent in any other currency) or if at any time the value or the commercial context of a gift raises questions of influence, you must report it to your manager and seek management guidance and approval before accepting it. Always consider the appearance (how would your receipt of the gift appear to other employees and people outside the Company?) and the reasons why the gift was made (is it intended to influence your objectivity?). If you are offered a gift of substantial value that could be construed as a reward or incentive for doing business with a particular company, you must politely refuse the gift, explain that Company policy prohibits its retention, and report the incident. Examples of such gifts include: a paid overnight trip to a resort; an opportunity to personally acquire "Friends and Family" stock of one of the Company's vendors at

a favorable offering price or an option to acquire stock in such a company. Any gift of cash or a cash equivalent (such as a loan or stock in a company) should be politely refused and reported.

Sometimes you may find it difficult to determine whether the value or the context of a gift raises an inference of undue influence or conflict of interest. As stated above, you should always seek management guidance and authorization before accepting anything. For example, a gift of free attendance at a widely attended gathering and similar events where the invitation is extended by the sponsor (or from a person other than the sponsor if more than 100 people are expected to attend the event) may be permissible where the gift of free attendance has a market value of US\$250 or less (or the equivalent in any other currency).

Never accept a gift from a U.S. or foreign government official.

Contact Human Resources or Legal Affairs if you have any specific questions.

As previously stated, this Ethics Policy regulates business conduct; it is not intended to regulate or control private and personal affairs. It is not intended to apply to situations where a company offers you something of substantial value for personal reasons that have absolutely nothing to do with Hitachi Data Systems (that is, the company is not a customer, vendor, reseller, or prospective customer, reseller, or vendor to Hitachi Data Systems). It may be hard to tell whether you are being offered something in your personal capacity or as a Hitachi Data Systems employee. If you have the slightest doubt, you should review the proposed gift with your manager or the Legal Affairs Department before accepting it.

:: Sample Behavior

Marlena works in the purchasing department. A vendor whose account she manages is about to go public, and she is offered “Friends and Family” stock.

Marlena cannot accept an offer of “Friends and Family” stock from the vendor. She should refuse it and tell her manager.

:: Sample Behavior

Bonnie frequently visits a customer in Idaho. The customer's receptionist is always polite and helpful. Bonnie discovers that he has never visited San Francisco where Bonnie lives. She gives him a return ticket to San Francisco that is paid for by Hitachi Data Systems and says he can stay at her apartment for free.

This is not a nominal gift and may be prohibited by the customer's policies.

Giving Gifts

Do not give money or any gift to an executive, official, or employee of any supplier, customer, or other organization if doing so would *influence or give the appearance of influencing* the organization's relationship with Hitachi Data Systems. Like Hitachi Data Systems, customers have strict policies regarding the receipt of gifts. You may offer a gift of nominal value, such as an advertising novelty, if it is not prohibited by law or the customer's known business policies and practices. U.S. Internal Revenue Service guidelines indicate that unsolicited gifts with an aggregate market value of US\$20 or less per occasion (provided that the recipient does not receive more than US\$50 worth of gifts from the same source in a calendar year) are acceptable. Regulations in other countries may be more or less restrictive than the above. Gifts to government officials are discussed in detail in the Section titled "Relationships with Governments and Their Employees: Anti-bribery and Anti-corruption Laws".

Bribery

Hitachi Data Systems does business with customers and other organizations that have a reputation for ethical business conduct, but there is always a risk that you may be offered something of value intended to result in an illicit advantage for the giver. Likewise, you may be considering a valuable gift to a decision-making employee of a customer in the hope that he or she will choose Hitachi Data Systems over another vendor. A bribe or improper payment, including kickbacks, on any portion of a contract payment or the use of other routes or channels to provide improper benefits to customers, agents, contractors, suppliers, their employees, or government officials must not be accepted.

A bribe is something of value (usually money) offered to a person in a position of trust to influence his or her judgment or conduct (i.e., to circumvent ethical or other rules). Bribes can include but are not limited to:

- ∴ Cash payments
- ∴ Gifts
- ∴ Travel and entertainment
- ∴ Kickbacks
- ∴ Preferential treatment
- ∴ Unexplained rebates
- ∴ Payments for advertising or other disguised allowances or expenses

∴ Sample Behaviors

A paper goods supplier's contract is up for renewal. When Horace reviews their latest invoice, he notices that Hitachi Data Systems has been substantially undercharged. He calls the supplier and is told that they are happy to leave some items off the invoice if they can be assured of a lasting relationship with Hitachi Data Systems.

Horace should tell the supplier to invoice Hitachi Data Systems for the true amount.

A government official in a foreign country visits the Hitachi Data Systems office located there and tells Rudolph, the office manager, that the office must be closed because Hitachi Data Systems has failed to get the necessary office permit. The official says that although it usually takes six months for a permit to be issued, Hitachi Data Systems can get the permit the next day if the permit fee is immediately paid to him in cash. This is sometimes called a "grease" or "facilitation" payment.

This is an attempt to obtain a bribe and Rudolph should contact Legal Affairs.

Relationships with Governments and Their Employees: Anti-Bribery and Anti-Corruption Laws

Government standards are much more stringent than those for the private sector. What might normally be considered acceptable practice in private industry is often entirely unacceptable and may even violate certain U.S. federal, state, or local laws and regulations and/or the laws and regulations of other countries when you deal with a government and its officials and employees. Virtually every country has such laws.

Do Not Give “Government Officials” “Things of Value.” Just who is or isn’t a government official is very broadly interpreted under national and international law to include: government department officials; officials, such as executives and employees (regardless of nationality) of state-owned entities even if the entity is only partly state-owned or controlled; officials working for research institutes and universities; companies (e.g., a consulting company) owned or partly owned by a government official; political parties, their candidates and officials; doctors; members of charitable organizations and other entities; and private persons who have responsibilities similar to government employees, such as architects or engineers retained by a government. Spouses and family members of all of the above are also included.

Things of value are also broadly interpreted and include money, gifts (including customary holiday gifts), paid entertainment, unjustified discounts, travel, meals, training and education. Funds for training can be a way of rewarding a customer with a sight-seeing trip instead of providing actual product training; this could be seen as a benefit that improperly influences a business decision.

Sample Behaviors

Bill makes a US\$1 million sale to the Department of Transport. The Minister of Transport tells him to invoice the Department for US\$1.2 million, saying that the Department will pay US\$1.2 million but the additional US\$200,000 is to be paid into a numbered Swiss bank account.

Bill should contact Legal Affairs immediately as this arrangement appears to be a “disguised” payment to the Minister and violate more than one law.

A reseller, hoping to make a sale of Hitachi Data Systems products to a customer, intends to give valuable gifts to the customer at an event it is holding. The customer is a publicly traded company in Bribia, with a minority shareholding owned by the Briberia Telecommunications Ministry. The reseller does not tell the Company it intends to give the gift and does not ask for reimbursement of the cost of the gift to the customer.

You should ensure that your reseller clearly understands that any gift or “benefit” that it gives to any customer of Hitachi Data Systems products must conform to Company policy.

:: Sample Behaviors

There is a sale of equipment to Grabit Telecom, which is owned by the Government of Corruptia. A third-party “services” consultant is to be paid 30 percent of the contract value but does not appear to be providing any services. Immediately review the third party and its role with Finance and Legal.

The consultant could be owned by a government official and this could be a disguised bribe or kickback.

The *Anti Bribery Policy* provides important additional information and guidance on bribes, gifts and entertainment. If you know of or suspect any activities, such as bribes or other dealings contrary to this Policy, you should report it to the Company. Please refer to the *Compliance Reporting Policy* to see how to report something.

You should not, under any circumstances, give “things of value” to a “government official.” It’s crucial that you be aware of, and adhere to, the laws and regulations concerning government relationships in every country where you conduct business. If it is found that you or the Company, by giving a thing of value to a government official, succeeded in inducing him or her to influence the government entity’s business relationship in favor of the Company, the penalties can be very severe (imprisonment, fines or both) and can apply if you tried to give a thing of value to a government official but did not succeed. So, always review the proposed item with the Legal Affairs Department *before* you do anything.

It is also unlawful and against Company policy to give something of value to a government official through an intermediary (like a reseller, consultant, independent sale representative, customs agent or relative of a government official). The Company can be held liable for the actions of its agents and third parties, such as resellers, if they give something of value to a government official.

Know your customer, consultants and resellers and always ask the Legal Affairs and the Finance Departments if you have any doubt regarding government ownership or control of an entity.

Hiring Current and Former Government Employees. Certain legal or ethical restrictions may exist with respect to the Company (or with respect to third parties involved with the Company’s business) regarding the hiring of current or former government employees or their family members. Consult with your manager and the Legal Affairs Department before attempting to hire any such persons.



The image features a solid blue background with three large, overlapping white circles. The circles are positioned in the upper right, middle left, and lower left areas, creating a dynamic, abstract composition. The text 'Compliance with Laws' is centered in the middle-right area, overlapping the intersection of the two circles on the right.

Compliance with Laws

Relevant Laws and Standards: Compliance Required

Laws in many locations have a direct impact on the conduct of business by Hitachi Data Systems. You must comply with all relevant laws, in addition to the standards set in this Ethics Policy, which may be more restrictive than those required by law. If you have any questions on specific laws or regulations, contact Hitachi Data Systems Legal Affairs.

::: Sample Behaviors

A channel partner tells Angie, a Hitachi Data Systems sales rep, that the product she is ordering will be shipped to a customer in a third country, the customer will then install it in their office in Nuclearland. Nuclearland is an embargoed country and no U.S. product may be sold or shipped to embargoed countries, no matter how many hands or countries it passes through on the way there. Angie conceals the information about the product's ultimate destination.

She is violating one or more export control laws because she knows the destination is illegal.

Mick, a software engineer, is asked to make an emergency flight from Dallas to Brazil to assist with a customer storage problem. Without thinking, he takes his laptop, which contains technical data and encrypted software for which a U.S. export license is required.

Mick is illegally exporting the software.

Export Laws

We are committed to full compliance with all export control laws of the U.S. and other jurisdictions in which it operates, including obtaining proper export authorization, establishing eligibility of export recipients, and acquiring and retaining all required documentation.

Export laws cover more than just physical shipments. Internet and extranet transfers of technology, application development and delivery, e-business and e-services activities, travel outside the United States with Hitachi Data Systems products or technology, providing technical specifications and performance requirements to suppliers for procurement from non-U.S. sources, and the application of personal knowledge (technical assistance) abroad all involve activities that are subject to U.S. and other countries' export requirements.

Hitachi Data Systems is a major exporter, so we must follow export regulations and requirements when engaging in international trade. It is against the law to export without authorization or to facilitate the unauthorized export of technology from Hitachi Data Systems. Penalties for failure to comply with export laws and regulations are severe and can result in fines, loss of export privileges, and even jail time.

Import Laws

Similarly, we expect that all Hitachi Data Systems employees, agents, and contractors also will adhere to applicable customs laws for importing products or technology. Relevant situations include: importing parts or products into the U.S. or another country on behalf of Hitachi Data Systems; importing parts or products on behalf of a customer; and shipping marketing samples.

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Anti-Boycott

U.S. law prohibits Hitachi Data Systems, its subsidiaries, its affiliates, and their agents from complying with or supporting a foreign country's boycott of a country that is "friendly" to the United States. We are also required to report promptly to the U.S. government any request to support a boycott or to furnish information concerning a boycott. These requests on behalf of a foreign country might come in the form of a bid invitation, a purchase order or contract, a letter of credit, verbally in connection with a transaction, or in a number of other ways. Examples of improper boycott requests are: requests that we refuse to do business with a boycotted country, including its citizens; requests that we refuse to do business with so-called blacklisted companies who do business with the boycotted country; or requests to provide information about activities in a boycotted country or implement letters of credit with boycott conditions. If you hear of a boycott or receive a request to support a boycott or to provide information related to it, you should contact Legal Affairs.

:: Sample Behavior

Tom makes a large sale to a customer. When he receives the order, it says that a condition of the transaction is that Hitachi Data Systems must agree to comply with the laws of that country, including its boycott rules.

Tom should refer the order to the Legal Department because of the boycott provision.

Accounting and Financial Reporting Laws

Hitachi Data Systems is required to follow strict accounting principles and standards, to report financial information accurately and completely, and to use appropriate internal controls and processes to ensure that accounting and financial reporting complies with the law.

We maintain specific policies and procedures for our financial accounting and reporting practices. We place a high value on the integrity and accuracy of our records, which are maintained in accordance with generally accepted accounting principles and regulatory requirements.

The rules for accounting and financial reporting require the proper recording of and accounting for revenues and expenses. If you are involved with or responsible for any of these procedures, you must understand and adhere to the rules. You must neither account improperly or make false or misleading financial reports, nor encourage or assist others to commit these acts. Additionally, you must never provide advice to anyone outside of Hitachi Data Systems, including customers, suppliers, and business partners, about how they should be recording or reporting their own revenues and expenses.

Violations of laws associated with accounting and financial reporting can result in fines, penalties, and imprisonment, and they can lead to a loss of public faith in a company. As a result, those who violate these principles will be subject to disciplinary action, including dismissal.

If you learn of any action related to accounting or financial reporting that you believe may be illegal, unethical, or inappropriate, you must immediately report the situation in the manner outlined by the Hitachi Data Systems *Compliance Reporting Policy* or to your manager, Legal Affairs, or Human Resources. (This can be done anonymously if you prefer.) We will not permit retaliation of any kind against anyone who makes a report or complaint in good faith.

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:: Sample Behavior

Jodi, an accountant at Hitachi Data Systems, omits a number of expenses in order to improve the quarterly bottom line. She intends to include the expenses next quarter when revenues are expected to increase, reasoning that no harm has been done because the numbers will still be reported.

Jodi is unlawfully distorting the financial statement.



The image features a dark blue background with a large, lighter blue circular shape on the right side. Inside this circle, the text "Conflicts of Interest" is written in white, bold, sans-serif font. The overall design is minimalist and modern, with clean lines and a limited color palette.

Conflicts of Interest

Avoid Dividing Loyalties

Avoid situations in which there is a potential for divided loyalties between your personal interest and your obligations to Hitachi Data Systems. Conflicts of interest can take many forms but generally arise when another company's or person's commercial interest runs counter to the business interests of Hitachi Data Systems. Conflicts of interest have the potential to adversely affect the way you perform your duties at Hitachi Data Systems. Sometimes you may find it difficult to determine whether a conflict of interest exists. You should always seek guidance and approval from your manager, Human Resources, or the Legal Affairs Department before proceeding in such a situation.

Competitors. An obvious conflict of interest is providing assistance to an organization that markets products and services in competition with our current or potential offerings. Without express consent from Hitachi Data Systems, you may not work for such an organization in any capacity—as an employee, a consultant, or a member of its board of directors.

Competing against Hitachi Data Systems. Many of us are engaged, on our own personal time, in routine activities that involve personal computers, software, or other products that Hitachi Data Systems sells. Generally, such activities do not result in a conflict of interest. However, certain activities do conflict with the business interests of Hitachi Data Systems.

::: Sample Behavior

Eric is a product manager who has responsibility for the Hitachi Data Systems e-mail archiving product. He joins the board of directors of a startup company that is developing an e-mail archiving product.

This is a conflict of interest because the product is competing with the Hitachi Data Systems product.

You may not commercially market products or services in competition with current or potential product offerings from Hitachi Data Systems. Your activities are “commercial” if you receive direct or indirect payment of any kind for them. You can usually perform such activities on a non-commercial basis, but you should first discuss them with your manager, Human Resources, or the Legal Affairs Department.

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Because our Company is always expanding into new lines of business and areas of interest, we constantly have to redraw lines of acceptable activity. You probably won’t find definitive answers as to what constitutes “acceptable” in published guidelines. It is your responsibility to consult with your manager *before* you undertake any activity you have a question about. Your manager may further consult with the Legal Affairs Department to determine whether your proposed activity will compete with any actual or potential Hitachi Data Systems businesses.

Suppliers. Unless approved in advance in writing by both an Executive Committee member *and* Legal Affairs, you may not act as, represent, work for, or serve on the board of a supplier to Hitachi Data Systems while you are a Hitachi Data Systems employee. You may not accept money or benefits of any kind for advice or services you provide to a supplier in connection with its business with Hitachi Data Systems.

Avoid Dividing Loyalties *continued*

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Hitachi Data Systems Time and Assets. Hitachi Data Systems property, such as its facilities and computer/communications equipment, is provided to you so you can perform business activities on behalf of the Company. You may not perform non-Company work or solicit non-Company business on Hitachi Data Systems premises or by using Hitachi Data Systems equipment or while working on Hitachi Data Systems time. Also, you are not permitted to use Company assets, including equipment, telephones, materials, resources, or proprietary information for any outside work. You may not under any circumstances use Company equipment to store or access pornographic or offensive materials or material that is discriminatory or contains derogatory references to national origin, race, color, age, disability, religion, sex, sexual orientation, marital or family status, or any other characteristic protected by law.

The only software that should be loaded on your Company-provided computer is that which the Company has licensed and provided to you for business use. In most cases, it is illegal to copy, duplicate, download, or distribute software or other materials that are protected by copyright. You may not download so-called “freeware” or “shareware” programs or files as they can serve as a source of disabling computer viruses.

:: Sample Behavior

A job search agency tells Vanessa, a manager at Hitachi Data Systems, that it will pay her five percent of the fee it receives from Hitachi Data Systems every time the Company hires an employee introduced by the agency.

This is a conflict of interest for Vanessa when selecting an agency and also an example of wrongful influence.

Miranda is a customer service representative at Hitachi Data Systems. She uses her computer, phone line, and the Company's fax to manage the used clothing business she operates on an Internet auction site.

Miranda is violating Company policy because she is using Company assets to run a personal business on Company time.

The image features a background with a vertical color gradient from light green at the top to a darker green at the bottom. Three large, overlapping circles are drawn with thin white outlines. One circle is on the left, another is in the center, and a third is on the right. The text is positioned in the lower-right quadrant, within the area of the central and right-hand circles.

Personal Financial Interest

Avoid Financial Conflicts of Interest

You should not maintain a financial interest in any organization that Hitachi Data Systems does business with or competes with if that interest would create (or appear to create) a conflict of interest with Hitachi Data Systems. Such organizations include suppliers, competitors, customers, distributors, and alliance companies. Financial interests in competitors usually will present a conflict of interest.

Publicly Traded Securities. To determine whether an improper interest exists, ask yourself the following questions:

- :: What is the extent of the competition or the nature of the relationship between Hitachi Data Systems and the other company? If the other company is in more than one line of business, how significant is the part that competes with or supplies Hitachi Data Systems?
- :: What is the size of my investment in relation to my salary and other family income, including income from other investments? Is it significant enough to cause me to take some action as a Hitachi Data Systems employee to protect or enhance my investment?
- :: Given the nature of my job at Hitachi Data Systems, could my actions as a Hitachi Data Systems employee affect the value of my investment in the other company? Could my actions significantly enhance my investment, even if it is a relatively modest one?

A financial interest is improper if your job, the amount of your investment, or the particular company in which you invested could—when viewed objectively by another person—influence your actions as a Hitachi Data Systems employee.

In the case of a supplier or alliance company, if you have anything to do, either directly or indirectly, with deciding whether Hitachi Data Systems does business with that company, you should not have any financial interest at all in the company.

Additionally, from time to time, an existing or prospective Hitachi Data Systems supplier, business partner, or customer may offer stock options or other securities to a select group of investors in connection with the company's initial public offering. You should not accept or buy any of that company's securities if there is any question whether the offer was motivated by your employment at Hitachi Data Systems, or if the investment does not meet any other Hitachi Data Systems guidelines.

You should not evade these guidelines by acting indirectly through anyone else, such as your spouse, in-laws, friends or relatives.

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Closely Held Organizations. Closely held organizations—typically, closely held corporations, partnerships, or even sole proprietorships—raise additional concerns because their investors have stronger ties to them. Such companies tend to have relatively few investors or owners, so each has a greater stake in ownership; investors often have a chance to participate in the company's day-to-day operations; and investors may be perceived to be closely identified with the company.

If you work for Hitachi Data Systems and invest in a closely held company, our competitors may have the impression that the company derives some benefit from Hitachi Data Systems. Your co-workers may also perceive that you're using Hitachi Data Systems time, facilities, or confidential information to help the closely held company. For these reasons, you may not make any investment in a closely held organization that is a competitor, supplier, distributor, or reseller of products from Hitachi Data Systems. Exceptions must be specifically approved by management with the advice of the Legal Affairs Department.

:: Sample Behavior

Claude accepts a 10 percent stake in a startup to which Hitachi Data Systems has made overtures regarding an acquisition.

He should not have a financial interest in a company with which Hitachi Data Systems does business.



The background is a solid purple color. It features three white, curved lines that sweep across the page from left to right, creating a sense of motion and depth. The lines are thin and elegant, intersecting to form various shapes and negative spaces.

Insider Trading and Insider Information

Treat Nonpublic Information with Care

When you're working at Hitachi Data Systems, you may become aware of information about a public company that has not been made public. The use of such nonpublic or "inside" information for your benefit, financial or otherwise, is not only unethical, but it also may be a violation of law. It is illegal for any person who has "material" nonpublic information about a company to trade the stock or other securities of the company or to disclose such information to others who may trade them. Violation of such laws may result in civil and criminal penalties, including fines and jail sentences. Hitachi Data Systems will not tolerate the improper use of inside information. These prohibitions also apply outside the U.S.

Material inside information is information that is not available to the general public and could influence a reasonable investor to buy, sell, or hold stock or securities. Some examples include nonpublic information about: financial performance, including earnings and dividend actions; acquisitions or other business combinations; divestitures; major new product announcements; significant advances in research; and other significant activities affecting Hitachi Data Systems. Here are some examples of how you can avoid the improper use of inside information:

- :: If you know that Hitachi Data Systems is considering an alliance or is about to announce a new product or make a purchasing decision that could affect the price of the stock of a Hitachi Data Systems supplier or other company, you should not buy or sell the stock of that company until after the information becomes public.

- ∴ You should not buy or sell the stock of a customer or alliance company based on any inside information you have about that company.
- ∴ You should not disclose inside information to Hitachi Data Systems employees who do not have a business need to know, or to anyone outside of Hitachi Data Systems.

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As with investments, you should not evade these guidelines by acting through anyone else or by giving inside information to others for their use even if you will not financially benefit from it.

If you have any doubt about what you can or cannot do in this area, you should consult the Hitachi Data Systems *Insider Trading Policy*.

∴ Sample Behaviors

Suzanne is responsible for managing a product that is manufactured by PublicCo, a public company, and which Hitachi Data Systems resells. She attends a confidential meeting at PublicCo at which PublicCo outlines its future product road map strategy. Suzanne is so impressed with what she hears that as soon as she returns to the office, she purchases PublicCo shares.

Suzanne is trading shares on "inside" (nonpublic) information in violation of one or more laws.

Jackson, a vice president at Hitachi Data Systems, acquires stock in a company shortly before a major partnership with Hitachi Data Systems is made public.

Jackson is trading shares on "inside" information in violation of one or more laws.



The image features a solid orange background. A large, dark orange, teardrop-shaped area is positioned on the right side. Two thin, white, curved lines sweep across the frame from the left towards the center, intersecting the dark orange area. The text "On Your Own Time" is centered within the dark orange area in a white, bold, sans-serif font.

On Your Own Time

:: Sample Behavior

Julie serves on the board of a large nonprofit that has solicited a bid from Hitachi Data Systems.

She insists that her employment status will not affect her decisions on the board.

Julie should not participate in any nonprofit board discussion or decision regarding the Hitachi Data Systems bid.

Public Service

It can be very rewarding to participate in the civic life of your community, and we encourage you to do so. We are also aware that, at times, your civic activities may place you in a situation that presents a potential conflict of interest with Hitachi Data Systems. You might be on a board or committee that is considering buying equipment or services from Hitachi Data Systems, or you might be on a zoning board making a decision about Hitachi Data Systems property. In such circumstances, you should make it clear that you are a Hitachi Data Systems employee and you may need to abstain from voting or participating in the decision.

Participation in Political Life

There are extensive legal restrictions on the ability of Hitachi Data Systems to make political contributions or to otherwise support, either directly or indirectly, political parties or candidates for election to public office. The restrictions vary, depending on the country and branch of government involved and, in many countries, political contributions by corporations are illegal. Hitachi Data Systems will make political contributions only in elections in which its contributions are permitted under applicable law. To ensure compliance with the law, any contribution to be made by Hitachi Data Systems must be reviewed and approved in advance by the Hitachi Data Systems General Counsel. If a contribution is approved, it will be made directly to the recipient candidate or political organization.

:: Sample Behavior

Jack, a sales manager, is invited to a fundraiser for the local mayor's re-election campaign in the State of Fundonia. Fundonia law prohibits corporations from directly or indirectly making political contributions. Funds received from admission tickets will be used by the re-election campaign. Jack buys a ticket, attends the fundraiser, and submits an expense report in which he seeks reimbursement from Hitachi Data Systems.

He must not submit the expense report because if Hitachi Data Systems reimburses him, Hitachi Data Systems will be indirectly making a political contribution, which will be illegal.

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