

Honda Policy Governing Political Contributions and Disclosure in the United States

I. Preamble

- A. Honda strives to be a company that society wants to exist by providing sustainable, safe, and fun products. A comprehensive and transparent policy governing Honda's political contributions is an important component to fulfill our corporate social responsibility objectives.
- B. The objectives in establishing this policy are as follows:
 - 1. Establish policies to govern the company's political contributions, including contributions to candidates and ballot initiatives, and participation in political conventions.
 - 2. Establish disclosure mechanisms that make transparent both the company's political contributions policy and any partisan political activities in which we participate.

II. Definitions

- A. "Honda" means all wholly-owned subsidiaries of Honda Motor Co. in the United States. Please see the attached Appendix for a list of the companies.
- B. "Contribution" means the following:
 - 1. Any direct or indirect payment, loan, advance or gift of money, services or anything of value; and
 - 2. Any non-monetary ("in-kind") contributions, including goods or services, provided to benefit a campaign such as the use of office space, equipment and materials.
- C. "Ballot Initiative" means a non-partisan election of a matter that does not relate to a candidate for office.

III. Honda Core Values

- A. Honda is a company which strives to be transparent and accountable in its activities.
- B. All Honda companies and Honda associates are expected to comply with federal, state, and local laws governing corporate contributions to candidates for public office, campaign funds, political parties, political action committees, ballot initiatives, and elections.
- C. All associates may participate in the political process in their individual capacity as they see fit. However, associates' political activity must be on their own time, using their own resources, and taking such precautions as are necessary to assure that their activity is perceived as personal and not on behalf of Honda. Examples of permissible activities include volunteering on behalf of a candidate or advocating or opposing a ballot initiative during off-duty time.
- D. This policy is not intended to unlawfully interfere with, or to discriminate or retaliate against, Honda associates with respect to their political activities or affiliations during their personal off-duty time. Nor is this policy intended to infringe on any associate's rights under federal, state, or local law.

IV. Candidate Contributions

- A. Honda corporate resources may not be used as a contribution to support the election or defeat of any candidate for public office. This includes contributions to an executive, legislative or judicial campaign fund, political party, or political action committee at the local, state and federal level.
- B. Notwithstanding the foregoing, where state law permits, Honda corporate resources may be used as a contribution to a political action committee associated with a trade association of which the company is a member. Such contribution shall be disclosed pursuant to Section X-B.

V. Ballot Initiatives

- A. A Honda company may evaluate whether it is in the company's interest to provide contributions to support or oppose a ballot initiative on a case-by-case basis.
- B. Should Honda choose to support or oppose a ballot initiative, all decisions will be made based on the company's interests and without regard for the private political preferences of company officers, executives or associates.
 - 1. The evaluation of Honda's potential participation in a ballot initiative will consider the following factors:
 - a. Consistency with Honda core values;
 - b. Consistency with Honda's public policy positions;
 - c. Impact on Honda's overall business and operations;
 - d. Effect on Honda's corporate citizenship and/or relationship with community representatives;
 - e. Impact on Honda's relationship with political leaders; and
 - f. Likelihood of participation creating similar or repeat requests for contributions.
 - 2. In considering whether to support or oppose a ballot initiative, the Government Relations (GR) group¹ at the relevant Honda company will evaluate whether it is appropriate to participate, based on the factors stated above. If the GR group decides to move forward with the request:
 - a. The Honda North America-DC (HNA-DC) office shall be notified and consulted.
 - b. The proposal shall be submitted to senior management of the initiating company that is considering whether to support or oppose the ballot initiative for approval. Each Honda company shall designate which senior manager is responsible for evaluating such proposals.
HNA-DC notification and senior management approval is required regardless of the monetary level of the request.
 - 3. The contribution shall be disclosed pursuant to Section X-B.

VI. Political Party Conventions

- A. A Honda company may evaluate whether it is in the company's interest to support political party conventions on a case-by-case basis.

¹ Some Honda companies do not have a dedicated GR group. In that situation, the request will be processed by the Public Relations, Communications, or Human Relations associate with responsibility for responding to the request.

- B. Should Honda choose to support a political party convention, all decisions will be made based on the company's interests and without regard for the private political preferences of company officers, executives or associates.
1. The evaluation of Honda's potential participation in a political party convention should consider the following factors:
 - a. Consistency with Honda core values;
 - b. Opportunity to highlight Honda products, brand, or corporate philosophy or values;
 - c. Effect on Honda's corporate citizenship or relationship with community representatives; and
 - d. Impact on Honda's relationship with political leaders.
 2. Honda will participate in the conventions of both major political parties in a substantially similar manner if it decides to participate in one convention.
 3. In considering whether to support a political party convention, the GR group² at the relevant Honda company (or the HNA-DC office in the case of a national convention) will evaluate whether it is appropriate to participate, based on the factors stated above. If the GR group decides to move forward with the request:
 - a. The HNA-DC office shall be notified and consulted.
 - b. The proposal shall be submitted to senior management of the initiating company that is considering whether to support the convention for approval. Each Honda company shall designate which senior manager is responsible for evaluating such proposals. HNA-DC notification and senior management approval is required regardless of the monetary level of the request.
 4. The contribution shall be disclosed pursuant to Section X-B.

VII. Trade Associations

- A. No portion of dues paid by Honda to a trade association may be used to support the election or defeat of any candidate for public office, except for special assessments to a political action committee associated with a trade association as specified in Section IV-B. This includes contributions to a legislative campaign fund, political party, or political action committee in support of a candidate.
- B. No portion of dues or special assessments paid by Honda to a trade association may be used to support or oppose a ballot initiative without the express consent of Honda on a case-by-case basis. The same factors and process shall be used to evaluate Honda's potential participation as outlined in Section V.
- C. Honda does not maintain a political action committee (PAC) but several of our trade associations do. Honda's dues to those trade associations are not used to make political contributions through those PACs. A small portion of our dues to those trade associations may be used to cover the costs, to the extent they are lawful, with establishing and administering those PACs.

² Some Honda companies do not have a dedicated GR group. In that situation, the request will be processed by the Public Relations, Communications, or Human Relations associate with responsibility for responding to the request.

VIII. Political Action Committee

- A. Honda does not maintain a political action committee.
- B. Honda encourages its automobile dealer network to contribute to the Automotive Free International Trade Political Action Committee (AFIT-PAC).

IX. Miscellaneous Payments

- A. No payments made by Honda to other tax-exempt organizations, such as 501(c)(4) organizations, may be used to support the election or defeat of any candidate for public office, except contributions to a political action committee associated with a trade association as specified in Section IV-B. This includes contributions to a legislative campaign fund, political party, or political action committee in support of a candidate.
- B. No payments made by Honda to other tax-exempt organizations, such as 501(c)(4) organizations, may be used to support or oppose a ballot initiative without the express consent of Honda on a case-by-case basis. The same factors and process shall be used to evaluate Honda's potential participation as outlined in Section V.

X. Disclosure

- A. A copy of this policy is available online at Honda's Corporate Social Responsibility website (<http://csr.honda.com/what-we-believe/honda-us-political-activities-and-disclosure-policy>).
- B. On a semiannual basis, Honda will publish online a report of its political activities for the prior six month period. Honda will maintain an archive of these reports available online to the public. The report will include:
 - a. The ballot initiative or political convention and the amount of the contribution;
 - b. Contributions made to a political action committee of a trade association in which Honda is a member;
 - c. Direct contributions and indirect contributions from a third party (e.g. trade association, tax-exempt organization) if they used Honda funds; and
 - d. The name of the Vice President of Government and Industry Relations of Honda North America and the executive level associate in the respective Honda company who were responsible for approving the spending decision.

Any changes or updates to this Political Activities and Disclosure policy will be reflected in the report.

Appendix: Honda companies

1. American Honda Finance Corporation
2. American Honda Motor Co., Inc.
3. Honda Aero, Inc.
4. Honda Access America, Inc.
5. Honda Aircraft Company, LLC
6. Honda Engineering North America, Inc.
7. Honda Manufacturing of Alabama, LLC
8. Honda Manufacturing of Indiana, LLC
9. Honda North America, Inc.
10. Honda of America Manufacturing, Inc.
11. Honda of South Carolina Manufacturing, Inc.
12. Honda Patents & Technologies North America, LLC
13. Honda Performance Development, Inc.
14. Honda Power Equipment Manufacturing, Inc.
15. Honda Precision Parts of Georgia, LLC
16. Honda R&D Americas, Inc.
17. Honda Trading America Corporation
18. Honda Transmission Manufacturing of America, Inc.