

July 25, 2019

Nissan Motor Co., Ltd.

Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer

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The corporate governance of Nissan Motor Co., Ltd. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

- In order to create unique and innovative automotive products and services, and deliver superior measurable value to all stakeholders, we will pursue the Vision of "Enriching people's lives," as a company that is trusted by society; and we will address improvement of corporate governance as one of our most prioritized managerial tasks.
- We will conduct our business while considering society's expectations and our social responsibilities and devote ourselves to the development of a sustainable society by aiming for sustainable growth of our business.
- We will select, as our corporation form, a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions. As such, we will improve the transparency of the decision-making process and also conduct speedy and agile business execution.
- Through the supervision, oversight, and auditing by the Board of Directors and other corporate bodies, we will ensure the effectiveness of our structure related to internal controls, compliance, and risk management. Officers and employees, including Executive Officers, will sincerely respond to the supervision, oversight, and auditing contemplated hereby.

【Reasons for Non-compliance with the Principles of the Corporate Governance Code】

Principle 1-4 Cross-Shareholdings

(2) Assessment regarding individual cross-shareholdings

The Board of Directors shall verify the purpose of holdings and the benefits associated with individual cross-shareholdings to determine the appropriateness of holdings. Furthermore, cross-shareholdings held by the Company shall not be verified to the relationship with cost of capital in view of holding purposes.

(3) Voting rights regarding Cross-Shareholdings

While the Company does not currently establish standards with respect to voting rights, regarding the proposal of the general meeting of shareholders of the cross-shareholders, the Company shall consider the exercise of voting rights appropriately from the perspective of raising the medium- and long-term corporate values of the cross-shareholders and improving the shareholders' interests.

Supplementary Principle 4-11-3 Analysis and evaluation of effectiveness of the board

Due to the serious misconduct by the former chairman and representative director of the Company, based on the recommendations by the Special Committee for Improving Governance, of which is consisted by three (3) independent outside directors and four (4) independent third party members, the Company board of director meeting held in March 2019 decided the direction to transform to a company with three statutory committees. Therefore, the Company decided to restructure its corporate governance system in June 2019 and after such, to conduct the evaluation of effectiveness of the Board of Directors under the new governance system instead of evaluating for fiscal year 2018.

【Disclosure Based on the Principles of the Corporate Governance Code】

Principle 1-4 Cross-Shareholdings

(1) Policy regarding Cross-Shareholdings

The Company's basic policy on crossholding of stocks is to limit its collaborative/cooperative relationship with counterparties to within a reasonable scope with the aim of achieving the Company's business advantages. The Board of Directors shall verify medium- to long-term crossholding-related benefits and/or risks to determine the appropriateness of the respective crossholdings by considering the nature and/or scale of the transaction and other factors. If a continued holding is determined to be inappropriate, its treatment shall be studied, including sell-off.

Principle 1-7 Related Party Transactions

The Company has an internal rule covering all transactions including those with its directors or major shareholders. Such rule provides for transactions to be reviewed by various functions e.g. financial, accounting, tax, legal, etc. and approved by the appropriate level of decider depending on the importance and nature of the transactions.

Besides, in case of any transaction that involves conflicts of interest between the Company and a director or an executive officer, the Board Regulations provides that board approval, as well as a post-facto report of important facts associated with such a transaction to the board, are required. In addition, the Company has established the Director Conflict of Interest Resolution Policy which defines the conflicts of interest between a director and the Company, requires directors to report any actual, potential or perceived conflicts and also establishes the procedures to resolve such conflicts.

Principle 2-6 Roles of Corporate Pension Funds as Asset Owners

Nissan adopts contract type defined benefit corporate pension plan.

Decisions on matters related to the pension fund investment such as asset allocation ratio and operational structure is made based on the 'Basic Pension Plan Investment Policy' by Investment Committee consisted of the Finance executives and other proper talents and the investment of each fund is entrusted to external expert institutions to avoid the conflict of interests between the subscribers, beneficiaries, and the Company.

Also, Corporate Pension Management Committee which is consisted of those who represent HR, Treasury, Control, Internal Auditing, Legal, and the Labor Union are regularly convened to check on the overall state of financial management and investment to ensure stable asset building for the subscribers and the beneficiaries and sound management of the pension plan on the continued basis.

Principle 3-1 Full Disclosure

(1) Company objectives (e.g., business principles), business strategies and business plans

For our vision and mission, refer to:

<https://www.nissan-global.com/EN/COMPANY/MESSAGE/VISION/>

For our mid-term plan, refer to: <https://www.nissan-global.com/EN/IR/MIDTERMPLAN/>

(2) Basic views and guidelines on corporate governance

Refer to I-1. Basic Policy of this report.

(3) Board policies and procedures in determining the remuneration of senior management and directors

The compensation policies is disclosed in pages 51 to 53 of Financial Information as of March 31st 2019 (<https://www.nissan-global.com/EN/DOCUMENT/PDF/FR/2018/fr2018.pdf>).

(4) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of directors candidates

The company has established its Corporate Governance Guideline (https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Guidelines_EN.pdf), the nomination policy for directors is defined in Article 15 thereof.

Regarding the process of nomination, the Nomination Committee has the right to determine the necessary general principles and the contents of a proposal (of which to be submitted to the general shareholders meeting) regarding the appointment and dismissal of directors.

The Nomination Committee also determine the proposal regarding the representative executive officers, to be submitted to the board of directors for its decision.

The representative executive officer proposes the candidates of executive officers to the board of directors for its decision.

(5) The rationale for the nomination of individual appointment/dismissal and nomination based on the above (4)

The rationale for selection and nomination of each director candidate is as explained in the general shareholder meeting reference materials. Each candidate's experience etc. as provided therein is consistent with the company's policy for nominating directors.

As for appointment of representative executive officers, the Nomination Committee determined the proposal

to the board of directors considering the candidates' management skill and experience etc. for the decision by the board of directors. Executive officers were proposed by representative executive officer considering the management skill and experience etc. and appointed by the board of directors.

Supplementary Principle 4-1-1 Roles and Responsibilities of the Board

The Company selected, as its corporation form, the company with three statutory committees system which can clearly separate management functions and supervisory, oversight and auditing functions. The Board of Directors has established Board Regulations matters to be resolved by the board, including the matters defined in laws and the Articles of Incorporation, such as the basic management policies. The Board of Directors shall decides on important matters set forth in the Regulations of the Board of Directors, and, in order to carry out effective and flexible management, as a general rule, delegates its power to decide on business activities to executive officers. Further, we set forth internal rules specifying the scope of delegation to representative executive officers, other executive officers and corporate officers.

Principle 4-9 Independence Standards and Qualification for Independent Directors

The Company established its Directors Independence Standards, of which is referred to in page 47 of Financial Information as of Mar.31, 2019 (<https://www.nissan-global.com/EN/DOCUMENT/PDF/FR/2018/fr2018.pdf>).

Supplementary Principle 4-11-1 Preconditions for Board Effectiveness

The Company established its Corporate Governance Guideline. Please refer to Article 15 thereof regarding the appointment of directors (https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Guidelines_EN.pdf).

Supplementary Principle 4-11-2 Preconditions for Board Effectiveness

The status of major concurrently-held offices of directors are explained in our business report and general shareholder meeting reference material.

Supplementary Principles 4-14-2 Director and Statutory Auditors Training

We provide trainings, including, but not limited to those regarding code of conduct and compliance to directors and statutory auditors, and provide explanations about the business and offer opportunities to observe the business as necessary.

Principle 5-1 Policy for Constructive Dialogue with Shareholders

- i) A member of the management or a director responsible for constructive dialogue with shareholders:
The Company (under responsibility of the CFO) engages in constructive dialogue with shareholders and investors and will build a relationship of mutual trust through timely and adequate disclosure of company information and continuous communication.
- ii) Measures to ensure positive cooperation between internal departments with the aim of supporting dialogue;
We have a dedicated IR department directly reporting to the CFO, and, it will conduct the above dialogue by cooperating with other departments as necessary, such as the corporate planning, general affairs, finance, accounting and legal departments, and obtaining necessary information.
- iii) Measures to promote opportunities for dialogue;
For analysts and institutional investors, we have held timely financial results briefing sessions, as well as business strategy briefings consistent with the interests of investors etc. Further we have conducted road shows abroad to facilitate dialogue with foreign investors. As for individual shareholders and individual investors, we have held shareholder get-togethers after the shareholder meeting in order to provide opportunities for direct dialogue between the shareholders and management, and also held joint briefing sessions with securities companies about the Company for individual investors.
- iv) Measures to relay shareholder views and concerns to the management;
Comments from shareholders and investors obtained through the above dialogue are provided to management through the corporate officer in charge, and referred to by management.
- v) Measures to control insider information when engaging in dialogue;
In order to prevent insider trading, we refrain from communications related to our financial information for

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the period from the day after the end of each financial quarter until the date of official announcement of our financial information.

2.Capital Structure

Foreign Shareholding Ratio	More than 30%
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【Major Shareholders】

Status of Major Shareholders	Number of Shares	Percentage
	Owned	(%)
Renault S.A.	1,831,837,027	43.40
The Chase Manhattan Bank, N.A. London Special Account No. 1	144,413,277	3.42
The Master Trust Bank of Japan (Trust account)	141,411,400	3.35
Japan Trustee Services Bank Ltd. (Trust account)	111,033,300	2.63
Japan Trustee Services Bank Ltd. (Trust account9)	57,048,000	1.35
Nippon Life Insurance Company	54,028,652	1.28
State Street Bank West Client - Treaty 505234	48,887,250	1.16
Japan Trustee Services Bank Ltd. (Trust account5)	46,279,400	1.10
Japan Trustee Services Bank Ltd. (Trust account1)	30,758,200	0.73
JP Morgan Chase Bank 385151	29,975,567	0.71

Controlling Shareholder (except for Parent Company)	N/A
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Parent Company	N/A
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Supplementary Explanation

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3. Corporate Attributes

Listed Stock Exchange and Market Section	Tokyo Stock Exchange(First Section)
Fiscal Year-End	March
Type of Business	Transportation Equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) in the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

5. Other Special Circumstances which may have Material Impact on Corporate Governance

Nissan Shatai Co., Ltd. is the listed subsidiary which the Company has 43.1% of the total number of the issued shares. The Company respects the independence of the business operation of that listed subsidiary while keeping close relations with it.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with three statutory committees
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【Directors】

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Number of Directors Stipulated in Articles of Incorporation	No maximum limitation
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Outside Director
Number of Directors	11
Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company *1										
		a	b	c	d	e	f	g	h	i	j	k
Keiko Ihara	N/A											
Masakazu Toyoda	From another company								○			
Bernard Delmas	From another company								○			
Andrew House	From another company								△			
Yasushi Kimura	From another company								△			
Motoo Nagai	From another company					△						
Jenifer Rogers	N/A											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party who has a significant business relationship with the Company or an executive thereof

e. A party with whom the Company has a significant business relationship or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/statutory auditor

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a party with whom the Company has a business relationship (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/statutory auditors are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Committee			Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
	Nomination Committee Member	Compensation Committee Member	Audit Committee Member			
Keiko Ihara	○	○		○	—	She has participated in various international races as a driver, and contributed to the development of the auto industry by supporting various global automakers with efforts including technology development and branding, infrastructure development for electric vehicles in Japan and MaaS (mobility as a service) research at Keio University's graduate school. She also advises international organizations and publicly-listed Japanese companies in the areas of governance, safety, environment and education. She has played a key role in addressing improvements in the Company's governance and led the

						<p>Provisional Nomination and Compensation Committee during her previous term. The Company appointed her as Outside Director on the basis that she is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.</p> <p>And she meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.</p>
Masakazu Toyoda	○		○	○	—	<p>He has held prominent positions, including Vice-Minister for International Affairs of METI, and Special Advisor to the Cabinet Secretariat. He has extensive experience in economics, international trade and energy. He has been instrumental in leading governance improvements within the Company during his previous term and led the Independent Director Committee. The Company appointed him as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above, although he has not been involved in corporate management, other than as an Outside Director or Outside Statutory Auditor. And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.</p>
Bernard Delmas		○		○	—	<p>He has extensive international experience in the automotive industry with a focus on Asian markets and Japan. He is skilled in R&D, business planning, and cross-functional team leadership. His experience in European-owned companies will bring a diverse perspective to the Company. The Company appointed him as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above. And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.</p>
Andrew House	○			○	—	<p>He has international business management experience, as well as understanding of customer needs in consumer products and emerging technologies through key roles in global companies. Having worked both inside and outside of Outside Japan, he has an excellent cross-cultural perspective. He will bring a</p>

						<p>diverse perspective that he has gained from his industry background. The Company appointed him as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.</p> <p>And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.</p>
Yasushi Kimura	○		○	○	—	<p>He has experience serving in top management roles in a key industry in Japan. He also has deep insight and a wealth of experience in corporate management, as well as and leadership experience from his tenure at the Japan Business Federation (Keidanren) and in the capacity as Chairman of the Petroleum Association of Japan (PAJ). The Company appointed him as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.</p> <p>And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.</p>
Motoo Nagai	○	○	○	○	—	<p>He has strong experience and insight in on risk management gained through executive leadership positions that he held at institutions including Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) and Mizuho Trust & Banking Co., Ltd. Considering his service as full-time Statutory Auditor since 2014 and his wealth of management experience in the Company, the Company believes that his experience and expert knowledge will enhance its compliance and governance. The Company appointed him as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.</p> <p>And he meets the requirements of Independent Director of the Tokyo Stock Exchange as well as “Director Independence Standards” of the Company.</p>
Jenifer Rogers		○	○	○	—	<p>She has ample legal, compliance and risk management expertise. She comes with solid board experience at globally operating Japanese corporations, and experience as an in-house lawyer and head of a range of legal functions at international financial</p>

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						<p>institutions. Her board presence brings important diversity to the Company's Board of Directors in terms of gender, business experience and nationality. The Company appointed her as Outside Director on the basis that she is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.</p> <p>And she meets the requirements of Independent Director of the Tokyo Stock Exchange as well as "Director Independence Standards" of the Company.</p>
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【Three statutory committees】

Constitution and Chair of each Committee

	Total	Full-Time	Internal Directors	Outside Directors	Chair
Nomination Committee	6	0	1	5	Outside Director
Compensation Committee	4	0	0	4	Outside Director
Audit Committee	5	1	1	4	Outside Director

【Executive Officers】

Number of Executive Officers	9
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Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Compensation Committee Member	
Hiroto Saikawa	○	○	×	×	×
Yasuhiro Yamauchi	○	○	×	×	×
Christian Vandenhende	×	×	×	×	×
Philippe Klein	×	×	×	×	×
Hiroshi Karube	×	×	×	×	×
Hideyuki Sakamoto	×	×	×	×	×
Asako Hoshino	×	×	×	×	×
Hitoshi Kawaguchi	×	×	×	×	×
Kunio Nakaguro	×	×	×	×	×

【Auditing Structure】

Appointment of Directors and/or Staff to Support the Audit Committee	Appointed
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Matters Related to the Independence of Such Directors and/or Staff from Executive Officers

<p>The Company has Audit Committee secretariat as an organization to support the activities of the Company's Audit Committee. The required number of staff members shall be assigned to the Audit Committee secretariat and they carry out their duties under the direction of the Audit Committee member.</p> <p>The evaluation of staff members in the Audit Committee secretariat shall be discussed among the Audit Committee members, and consent of the Audit Committee is necessary for personnel changes and disciplinary actions.</p>
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Cooperation among Audit Committee, Independent Auditors and Internal Audit Department

<p>The Independent Outside Directors shall lead the Company's Board of Directors which decide the basic direction of management into account and plays the role of supervising the Executive Directors. The Audit Committee takes</p>

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charge of the department for internal audit and instruct the department for internal audit with regard to auditing, and the department for internal audit shall report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. The Statutory Auditors receive similar reports from the Independent Auditor, as well as detailed explanations on the status of the quality control of internal audits, to confirm whether their oversight is at a suitable level.

【Independent Directors】

Number of Independent Directors	7
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Matters relating to Independent Directors

All Outside Directors that meet the requirements of Independent Directors have been designated as Independent Directors.

【Incentives】

Incentive Policies for Directors / Executive Officers	Performance-linked Remuneration
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Supplementary Explanation

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【Compensation for Directors and Executive Officers】

Disclosure of Individual Directors' Remuneration	Only for certain Directors
Disclosure of Individual Executive Officers' Remuneration	None

Supplementary Explanation

Details of the Director Remuneration are disclosed in accordance with related laws and regulations such as Corporate law, Financial Instruments and Exchange Act and Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

In general, a Director's compensation may consist of a combination of (1) a fixed annual basic salary determined in relation to the Director's role and the responsibility and (2) a variable compensation component determined in relation to the Company's achievement of its major goals in each fiscal year. However, the variable compensation is only paid to the Directors who concurrently serve as Corporate Officers of the Company, and not for the Outside Directors.

The compensation payable to a Statutory Auditor consists only of an annual basic salary, the amount of which is determined in consultation with the Statutory Auditors as a group.

<Determining the amounts of annual basic salaries >

The annual basic salary payable to each Executive Director is determined based on the Director's contribution to the Company's performance, as well as with reference to regular executive compensation benchmarking reports prepared by the Company's compensation consultant, Willis Towers Watson, using a peer group of large multi-national companies.

<Determining the amounts of performance-linked compensation>

The Company uses financial data of its consolidated operating profit, free cash flow and consolidated revenue based on the proportionate consolidation of the Chinese joint venture as the Group's KPI for managerial purpose considering China as one of the most important markets in the global automotive industry today. To determine an Director's variable compensation, the Company uses a formula based on its performance in the categories of such consolidated operating profit, free cash flows and consolidated sales, and quality. These four categories were selected because they are drivers contributing to the Company's "sustainable growth".

Each of the four categories has been assigned a weighted ratio, the sum of all of which equals 100%. Each category is also broken down into two target thresholds, the "commitment" and the "target." The first "commitment" threshold is the goal the Company believes needs to be achieved from the perspective of sustainability. The higher

“target” threshold is the goal that the Company believes is needed from a business growth perspective. With respect to the three financial categories included in the variable compensation formula, the Company uses financial figures that reflect the impacts of exchange rate fluctuations.

【Supporting System for Independent Directors】

Outside Directors shall periodically hold meetings comprised only of Outside Directors (“Outside Directors’ Meetings”). A lead Independent Outside Director shall be selected at an Outside Directors’ meeting from among the Independent Outside Directors, and such lead Independent Outside Director shall serve as the Chair of the Outside Directors’ Meetings. The lead Independent Outside Director must not concurrently serve as the Chair of the Board of Directors.

The Company formed a Board of Directors’ Secretariat which takes necessary actions to assist the Board of Directors in supervising the Executive Directors under the instruction of the Board of Directors and to appropriately administer the Board of Directors, the Nomination Committee, the Compensation Committee, the Audit Committee and the Outside Directors’ Meetings.

2. Matters on Functions of Business Execution, Auditing and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company’s Board of Directors, led by the Independent Outside Directors, shall decide the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the Directors and Executive Directors. The number of Directors is a number appropriate to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in meetings of the Board of Directors are led by the Independent Outside Directors, a majority of the Directors is Independent Outside Directors and the Board Chair is also an Independent Outside Director.

The Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors and, in order to carry out effective and flexible management, as a general rule, the Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to Executive Officers.

The Board of Directors currently consists of eleven (11) Directors, whose names are listed in 4. Corporate governance (2) Members of the Board of Directors and Statutory Auditors. Of the 11 Directors, seven (7) are Outside Directors: Keiko Ihara, Masakazu Toyoda, Bernard Delmas, Andrew House, Yasushi Kimura, Motoo Nagai and Jenifer Rogers. The Board of Directors has appointed Yasushi Kimura as the Board Chair and Jean-Dominique Senard as the Vice Board Chair. Masakazu Toyoda is acting as the lead Independent Outside Director.

The Company has three (3) statutory committees.

i) The Nomination Committee

The Board of Directors appoints at least a majority of the members of the Nomination Committee from among the Independent Outside Directors. The committee chair is also an Independent Outside Director. The Nomination Committee has the authority to determine the content of the general shareholder’s meeting agenda concerning the appointment and dismissal of Directors as provided for in the Corporate Law. In addition, the Nomination Committee has (a) the authority to decide on the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the Representative Executive Officer and (b) the authority to formulate an appropriate succession plan regarding the President and Chief Executive Officer and review it at least once a year.

The Nomination Committee consists of six (6) Directors: Masakazu Toyoda (the chair), Keiko Ihara, Andrew House, Yasushi Kimura, Motoo Nagai, Jean-Dominique Senard.

ii) Compensation Committee

The Board of Directors appoints an Independent Outside Director for all of its member (including its chair). The Compensation Committee has the authority to determine the policy on decisions on the content of the compensation for individual Directors and Executive Officers and the contents of the compensation for individual Directors and Executive Officers. In addition, the Compensation Committee has the authority to determine the specific amount, or, in the case of non-cash compensation, the specific content of compensation, for each

individual Director and Representative Executive Officer.

The Compensation Committee consists of four (4) Directors: Keiko Ihara (the chair), Bernard Delmas, Motoo Nagai, Jenifer Rogers.

iii) Audit Committee

The Board of Directors appoints at least a majority of the members of Audit Committee from among the Independent Outside Directors. Its chair is also an Independent Outside Director.

The Audit Committee has adequately qualified and able Director (including the ability to collect information within Nissan and experience and/or expertise in international audit as. In addition, it is desirable that such Director should have worked as an auditor, accountant or other professional in the field of finance.) and shall perform audit of Executive Officers' business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis.

The Audit Committee takes charge of the department for internal audit and instruct the department for internal audit with regard to auditing, and the department for internal audit shall report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis.

In addition, the Audit Committee shall be the final entity to receive any whistleblower's report regarding any allegation that involves any management member such as any Executive Officer. The Audit Committee shall respond to such report under a system preventing such Executive Officer and other management members from identifying the whistleblower or knowing the contents of such report.

The Audit Committee is consisting of five (5) Directors, Motoo Nagai (the chair): Masakazu Toyoda, Yasushi Kimura, Jenifer Rogers, Thierry Bolloré.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions, for the purpose of improving the transparency of the decision-making process and of conducting speedy and agile business execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company distributed the notice of convocation of AGM 3 weeks prior to the date of the meeting and posted the notice of convocation on its website prior to distribution.
Scheduling AGMs Avoiding the Peak Day	The Company held the 120 th AGSM on June 25, 2019.
Allowing Electronic Exercise of Voting Rights	The Company enables shareholders to exercise voting rights through the Internet website.
Participation in Electronic Voting Platform	The Company participates in an electronic voting platform operated by ICJ Corporation.
Providing Convocation Notice in English	Disclosed in the Company's website, etc..
Other	—

2. IR Activities

	Supplementary Explanations	Presentation / Explanation by representative officers
Preparation and	—	

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Publication of Disclosure Policy		
Regular Investor Briefings for Individual Investors	The Company has held joint briefing sessions with securities companies about the company for individual investors.	×
Regular Investor Briefings for Analysts and Institutional Investors	The Company has held timely financial results briefing sessions.	○
Regular Investor Briefings for Overseas Investors	The Company has conducted road shows abroad to facilitate dialogue with foreign investors.	○
Posting of IR Materials on Website	The Company has published IR materials including English materials on its website.	
Establishment of Department and/or Manager in Charge of IR	Department : IR Department Management : Hiroshi Karube (Executive Officer, Chief Financial Officer), Joji Tagawa (CVP) Person Responsible for Handling of Information : Joji Shirai (Senior Manager)	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has the related stipulation in its “Global Code of Conduct for NISSAN Group”
Implementation of Environmental Activities, CSR Activities etc.	The Company has pursued CSR and environmental activities and disclosed the outline in “Sustainability Report” published in its website.
Development of Policies on Information Provision to Stakeholders	The Company has regarded the management transparency as important and pursued fair disclosure to stakeholders.
Other	The number of Directors and Executive Officers is 18, consisting of 11 Japanese and 7 foreigners, of which three are women. The number of Corporate Officers is 47, consisting of 27 Japanese and 20 foreigners, of which two are women.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

<p>The Company’s Board of Directors has resolved “systems to ensure proper and appropriate corporate operations of the Company and its group companies” in accordance with the Corporate Law and the Corporate Law Enforcement Regulations, and appointed an Executive Officer or Executive Officers to be in charge of the internal control system. A summary and the status of such systems are as follows.</p> <p>i) Systems to ensure efficient and management of business activities by the Executive Officers</p> <p>a. The Company chooses to be a company with three statutory committees as its legal organizational structure and its Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors.</p> <p>b. The Company’s Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to its Executive Officers, in order to carry out effective and flexible management.</p>

- c. The Company uses a proven system of an Executive Committee, in which Executive Officer President and Chief Executive Officer is a chair, where key issues such as business strategies, important transactions and investments are reviewed and discussed, as well as other committee meetings where operational business issues are reviewed and discussed.
 - d. For review and discussion of the regional and specific business area operations, the Company utilizes Management Committees.
 - e. In order to promote cross functional activities, cross functional teams - CFTs - are organized. CFTs detect problems and challenge and propose solutions to line organizations.
 - f. The Company implements an objective and transparent Delegation of Authority procedure which establishes the authority and responsibility of each Executive Officer and employee, for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.
 - g. The Company ensures the efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.
- ii) Systems to ensure compliance of Executive Officers' and employees' activities with Laws and articles of association
- a. The Company implements the "Global Code of Conduct", which explains acceptable behaviors of all employees working at the group companies of the Company worldwide and promotes understanding of our rules of conduct.
 - b. In order to ensure rigorous and strict compliance with the code of conduct, the Company and its group companies offer educational programs such as an e-learning system.
 - c. With regard to members of the Board of Directors as well as Executive Officers, etc. of the Company, the Company shall establish "Guidance for Directors, Executive Officers, etc.", which explains the acceptable behaviors of the members of the Board of Directors and Executive Officers.
 - d. The Company stands firm and take appropriate actions against anti-social forces or groups. If any Director, corporate officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
 - e. All Directors, corporate officers and employees are encouraged to use good conduct, and to neither directly nor indirectly, be involved in any fraud blackmail or other improper or criminal conduct. In cases of becoming aware of any such impropriety or illegal activity, or the risk thereof, in addition to acting resolutely against it, he/she shall promptly report such matter to his/her respective superiors and specific committee, and shall follow their instructions.
 - f. For the purpose of monitoring and ensuring compliance with the code of conduct, the Company establishes the Global Compliance Committee. The compliance topics detected by the Global Compliance Committee, which are related to Executive Officers of the Global Head Quarters and the chair of the Management Committee are directly reported to the Audit Committee.
 - g. The Company implements a hotline system with internal and external points of contact, by which the employees are able to submit their opinions, questions and requests, as well as report an act that may be suspected as a violation of compliance, freely and directly to the Company's management. The Company has established the system where, as for the matters with doubt of involvement of the management such as Executive Officers, etc., related Executive Officers, etc. do not be able to gain knowledge of the whistleblower or the detail of the report by making the Audit Committee the body to report to.
 - h. The Company is committed to continually implementing relevant company rules. The Company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.
 - i. The Company is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Law together with its related rules and standards. This is accomplished through adherence to J-SOX testing, review, and reporting protocols (required under the Financial Instruments and Exchange Law). The Company designs and effectively operates processes. Further the Company addresses identified accounting and internal control

findings.

- j. The Board of Directors appoints Outside Directors that has independency (Independent Outside Director) for the majority of its members and for its chair and shall focus on supervising the status of execution of duties by Executive Officers by taking a number of measures such as periodically receive reports from Executive Officers, periodically hold meetings only with the Independent Outside Directors, establish a lead Independent Outside Director, enhance the secretariat's personnel and function, and secure independency and further, shall receive assessment from a third party evaluation organization in respect to its functionality once every three years.
 - k. The Audit Committee appoints Independent Outside Director for a majority of its member and as its chair and also appoint adequately qualified and able Director and shall perform audit of Executive Officers' status of business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis.
 - l. The Company shall establish a department under the Audit Committee specialized in internal audit for the purpose of regularly auditing group companies' business and their observance of processes, policies, laws, and other matters as appropriate. Regional internal audit departments have been established to perform internal audits under the supervision of Nissan's global internal audit department.
 - m. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee.
 - n. Considering the possibilities of conflict of interest between Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION, which is one of the other parties of the Alliance, and the Company, Representative Executive Officer must not concurrently serve as a Director, Executive Officer, or any other officer or other positions of Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION and the subsidiaries and affiliates thereof. If an Executive Officer concurrently serves in such position upon assuming the office of Representative Executive Officer of the Company, he/she and the Company shall promptly take necessary measures to leave such position at the other company.
 - o. If a Director has held the position of Director, Executive Officer or other positions with a title at Renault, other shareholders or MITSUBISHI MOTORS CORPORATION or its subsidiaries and affiliates thereof, such Director shall not participate in the deliberation and resolution of an agenda raised at the Company's meeting of Board of Directors that may cause a conflict of interest between the company in which the Director has held a position and the Company.
 - p. The Company's activities relating to the Nissan-Renault- Mitsubishi Motors Alliance, including operational functions under common management, are subject to direction, supervision and oversight by the company's Board of Directors, Executive Committee and relevant Executive Officers, etc. Decision-making occurs by the Company's Board of Directors, Executive Officers or employees in accordance with the Company's Delegation of Authority, and as otherwise necessary to comply with legal and regulatory requirements and also in consideration of the possibility of conflict of interest between the Company and Renault or the Company and Mitsubishi Motors.
 - q. Upon newly establishing or changing the organization internally, the Company shall not adopt a structure where the authority is divided in a way which may possibly inhibit the check function of the legal, accounting, financial and other managerial departments.
- iii) Rules and systems for proper management of risk and loss
- a. The Company minimizes the possibility of occurrences of risk and, if they occur, mitigates the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objectives, the Company and its Group companies implement the "Global Risk Management Policy."
 - b. Management of material company-wide risks is assigned primarily to the members of the Risk Management Committee, who are responsible to implement necessary measures such as preparing relevant risk management manual.
 - c. Concerning the management of other specific business risks beyond those supervised directly by the Risk Management Committee, they are handled by each manager in the business function who will evaluate,

prepare and implement the necessary measures to minimize such risks.

- d. The internal audit department of the Company on behalf of the Audit Committee shall conduct auditing activities pursuant to the relevant audit standards in order to provide assurance on the state of internal controls pursuant to a risk based methodology and consulting when appropriate.
- iv) Systems to ensure accurate records and the retention of information of Executive Officers' execution of business
 - a. The Company preserves and appropriately manages the documents and other information relating to Executive Officers' execution of business.
 - b. Results of all corporate decisions made by various divisions and department pursuant to Delegation of Authority are preserved and retained either electronically or in writing.
 - c. While the departments in charge are responsible for proper and strict retention and management of such information, , in particular, for materials related to important management councils, Directors and Executive Officers and other employees of the Company have access to any records within a reasonable range as required for the purpose of performing their business activities.
 - d. The Company has enacted a policy about the creation, use, management of information to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information. Furthermore, the Company has established an Information Security Committee, which is engaged in overall management of information security in the Company and makes decisions on information security matters.
- v) Systems to ensure proper and legitimate business activities of the group companies
 - (A) Systems to ensure the efficient execution and management of business activities by Directors of the group companies
 - a. The Company establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent Group management.
 - b. In management committee meetings, the Company provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.
 - c. The group companies implement an objective and transparent Delegation of Authority procedures in cooperation with the Company.
 - (B) Systems to ensure compliance of activities of Directors and employees of the group companies to laws and regulations and articles of association
 - a. Group companies implement each company's code of conduct in line with the Global Code of Conduct, establish a compliance committee and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, the articles of association and the corporate behavior. In addition, group companies implement a hotline system which ensures that employees are able to directly communicate to the group company or to the Company directly their opinions, questions and requests.
 - b. The internal audit department of the Company carries out audits on the business of group companies for the purpose of evaluating and improving the effectiveness of risk management control and governance processes.
 - c. The Company's Audit Committee and group companies' Statutory Auditors shall have periodic meetings to share information and exchange opinion for the purpose of ensuring effective auditing of the group companies.
 - d. In particular, the scope and frequency of internal audits and other monitoring activities on the business of the group companies may vary reasonably because of, for example, risk identified as well as the size, nature of the business, and materiality of such group companies.
 - (C) Rules and systems for proper management of risk and loss of the group companies
 - a. The group companies implement the Global Risk Management Policy.
 - b. Management of risks related to the group companies that might have an impact on the entire Group is assigned mainly to the members of the Risk Management Committee, who are responsible to implement specific measures.

- c. Concerning the management of other risks related to the group companies, each group company is responsible to monitor, manage and implement the necessary measures to minimize such risks.
- (D) Systems for Directors of the group companies to report business activities to the Company
- The Company requests the group companies to report and endeavors to maintain certain important business matters of the group companies, through multiple routes, including, (i) the systems stated in (A) through (C) above and (ii) relations and cooperation between each function of the Company and the corresponding function of the other group companies.
- vi) Directors and employees supporting the Company's Audit Committee, systems showing the Directors and employees' independence from the Company's Executive Officers, and systems to ensure effectiveness of the Company's Audit Committee's instruction to Directors and employees
- a. The Company has Audit Committee secretariat as an organization to support the activities of the Company's Audit Committee. The required number of staff members shall be assigned to the Audit Committee secretariat and they carry out their duties under the direction of the Audit Committee member.
- b. The evaluation of staff members in the Audit Committee secretariat shall be discussed among the Audit Committee members, and consent of the Audit Committee is necessary for personnel changes and disciplinary actions.
- vii) Systems to report business issues to the Company's Audit Committee and systems to ensure to prevent disadvantageous treatment of those who made such report
- (A) Systems for the Company's board members (excluding Audit Committee members), Executive Officers and employees to report business issues to the Company's Audit Committee
- a. The Company's Audit Committee determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors (excluding Audit Committee members), Executive Officers and employees make reports in accordance with the annual audit plan.
- b. When the Company's Directors (excluding Audit Committee members), Executive Officers and employees detect any incident which could have a materially negative impact on Nissan's business performance or reputation, or are believed to be non-compliant with the global code of conduct or other standard for conduct, they are required to report such incidents to Nissan's Audit Committee.
- c. In addition, the Company's Directors (excluding Audit Committee members), Executive Officers and employees are required to make an ad-hoc report to the Company's Audit Committee regarding the situation of business activities when so requested.
- d. The internal audit department reports on an on-going basis to the Company's Audit Committee matters such as its risk based internal audit plan and audit findings identified through the internal audits performed.
- (B) Systems for Directors, Statutory Auditors, other officers and employees of the group companies and those who received a report from the group companies to report business issues to the Company's Audit Committee
- a. The Company's Audit Committee shall have periodic meetings of group companies' statutory auditors to share information and exchange opinions for the purpose of ensuring effective auditing of group companies and group companies' Statutory Auditors report the matters which could affect the entire group and other matters to the Company's Audit Committee.
- b. Directors and employees of the group companies shall promptly make a report to the Company's Audit Committee regarding the situation of business activities when so requested by the Company's Audit Committee.
- c. The Company's Directors (excluding Audit Committee members), Executive Officers and employees (including, those in the internal audit department), as stated in (A) of this Section, shall report to the Company's Audit Committee the business activities of each group company reported through the systems mentioned in Section v) above.
- (C) Systems to ensure to prevent disadvantageous treatment of those who made a report as stated in (A) and (B) above on the basis of making such report
- The Company prohibits disadvantageous treatment of those who made a report as stated in i) and ii)

above on the basis of making such report. The Company takes the necessary measures to protect those who made such report and takes strict actions, including, disciplinary actions, against Directors and employees of the Company and its group companies who gave disadvantageous treatment to those who made such report.

viii) Policy for payment of expenses or debt with respect to the Company's Audit Committee members' execution of their duties, including the procedures of advancement or reimbursement of expenses

In accordance with Corporate Law, the Company promptly makes advance payment of expenses or makes payment of debt with regard to the Company's Audit Committee members' execution of their duties if so requested by the Audit Committee except where it proves that the expense or debt relating to such request is not necessary for the execution of the duties of the Audit Committee member. Every year the Company establishes a budget with regard to the Company's Audit Committee members' execution of their duties for the amounts deemed necessary.

ix) Systems to ensure effective and valid auditing by the Company's Audit Committee

- a. The Company's Audit Committee enhances its independence by appointing Independent Outside Directors for the majority of its members and for its chair. Further, in order to ensure that the audit by the Audit Committee is being carried out effectively, the Audit Committee appoints one or more full-time member of the Audit Committee.
- b. The Audit Committee shall, as necessary, cooperate with the internal audit department and accounting auditor upon conducting the Audit Committee's audits. The Audit Committee shall take charge of the department for internal audit and instruct the internal audit department with regard to auditing. The internal audit department obtains approval from the Audit Committee regarding basic policy of the internal audit and, annual plans, budgets and personnel plans for internal audits, and will report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. Approval of the Audit Committee shall be obtained for appointment/removal and performance assessment (incl. discipline) of persons responsible for the internal audit department.
- c. The Audit Committee shall have meetings periodically or upon request from the Audit Committee with Executive Officers (including the President and Chief Executive Officer) and exchange views and opinions.
- d. Audit Committee members may attend important meetings, etc. and state his/her opinions and further, may view documents giving approval and other important documents and may request, as necessary, explanations and reports from Executive Officers and employees.
- e. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee if necessary, such as by exchanging information and opinions mutually.

2. Basic Views on Eliminating Anti-Social Forces

The Company stands firm and take appropriate actions against anti-social forces or groups. If any Director, corporate officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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2. Other Matters Concerning Corporate Governance System

The Company's information is finally communicated to IR Department which takes charge of timely disclosure, and if needed, disclosed to Tokyo Stock Exchange through TDnet.

The routes whereby corporate information which might require timely disclosure is communicated to IR Department are as follows:

- (1) The information (including the information related to the subsidiaries) concerning the management decision is

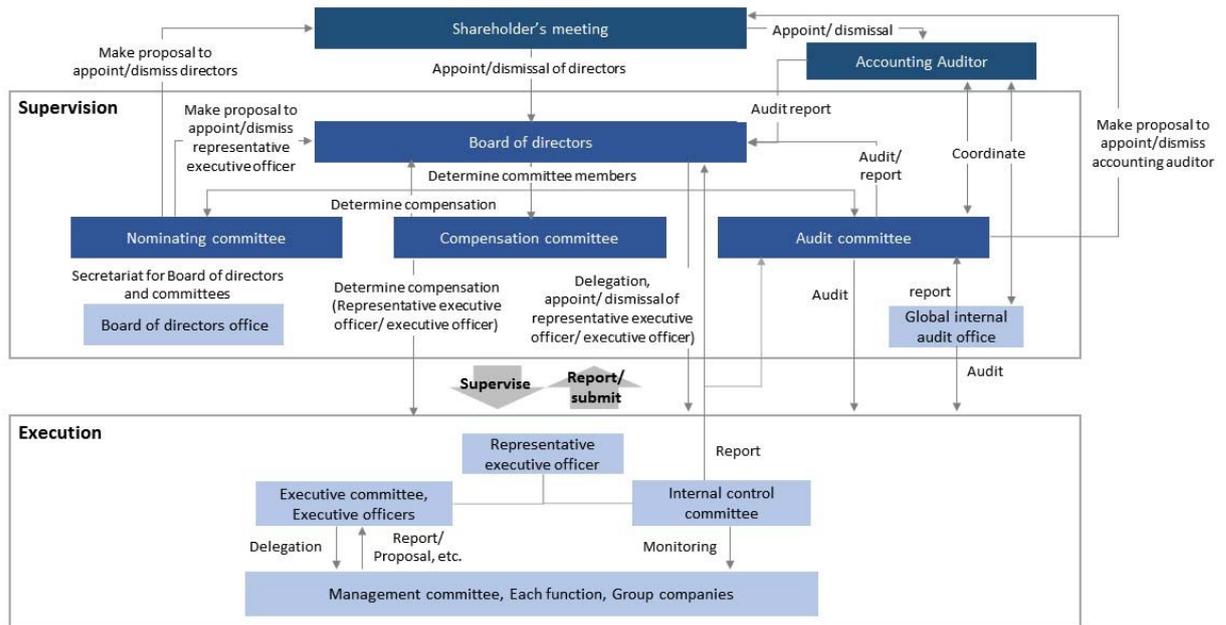
communicated to Corporate Management Office that is the secretariat of the Board of Directors Meeting. Then the information is transferred to IR Department by distribution of the agenda and the materials of the meeting.

- (2) The information (including the information related to the subsidiaries) concerning the occurrence of events is communicated to the Global Communications Division promptly from each section in the Company, and transferred to IR Department.
- (3) The information concerning the financial results is transferred to IR Department from Budget and Accounting Department.

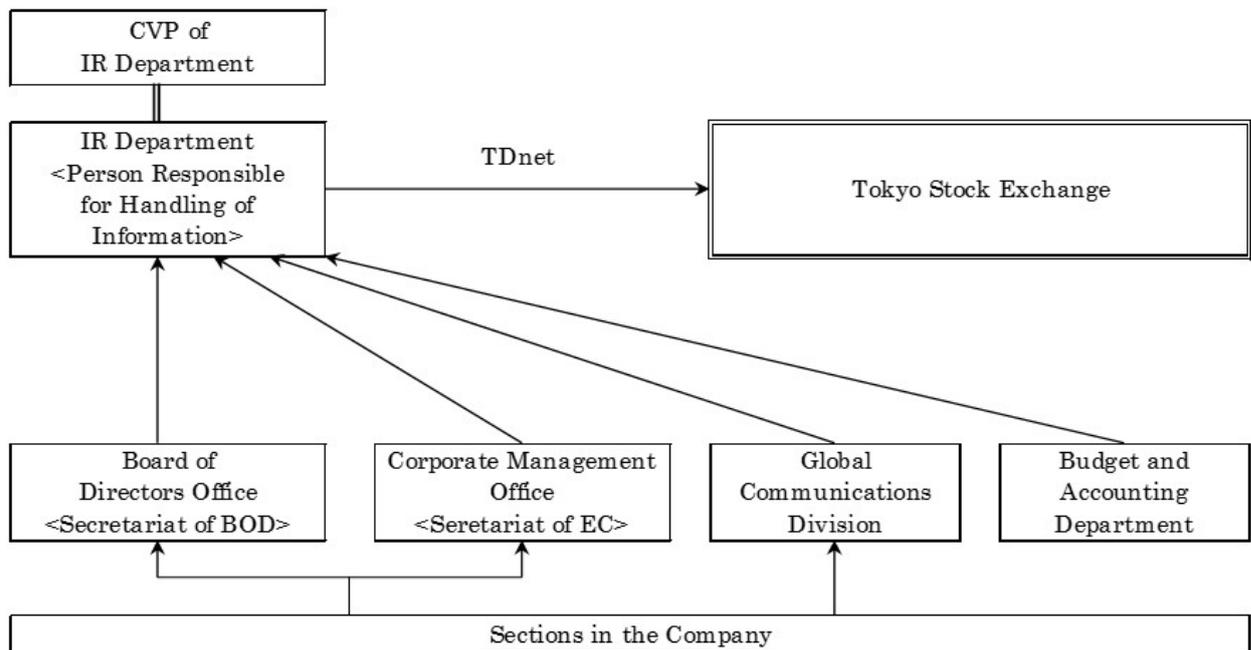
In addition, with regard to “1. Organizational Composition and Operation” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management”, the Company’s Articles of Incorporation stipulates the following:

- Number of Directors: six (6) or more

Corporate governance structure



Organization for Timely Disclose



-END-