

# Governance

Basic Policy and Framework for Corporate Governance	101
Internal Control	104
Risk Management	105
Compliance	106
List of Executives (as of June 21, 2019)	110
Executive Remuneration	111

# Basic Policy and Framework for Corporate Governance



## Basic Approach and Policies

Mitsubishi Motors considers compliance to be its highest priority, and works for the ongoing strengthening and improvement of corporate governance as a priority issue for management with the aim of sustainable growth and improvement of its corporate value to meet the expectations of all of its stakeholders, including its shareholders and customers.

## System of Corporate Governance

As part of the further strengthening of corporate governance, as of June 21, 2019, we made explicit the separation of supervisory and executive functions, and while working to further enhance supervisory functions and ensure thorough risk management in order to ensure the soundness and transparency of management, changed to a company with three committees in order to realize agile execution of business that can rapidly respond to changes in the business environment.

### (1) Board of Directors and Members of the Board

#### (i) Composition of Members of the Board

The Board makes decisions on important management issues and oversees the execution of business by Executive Officers. As of June 30, 2019 the Board consists of 15 Directors (including 4 female members), 12 of whom oversee the Company as Outside Directors each with considerable experience and a high level of insight. Furthermore, the Tokyo Stock Exchange has been provided notice that six of the Outside Directors are

Independent Officers.

We believe that these Outside Officers make insightful comments at Board meetings and on other occasions based on their considerable experience and knowledge as professors, novelists, attorneys-at-law, accountants, and diplomats, and sufficiently fulfill their duties as Directors. The Company will continue to build a structure with awareness of the balance and diversity of knowledge, experience and capabilities, as well as the scale, of the Board as a whole.

#### (ii) Independence standards for outside directors

We have established independence standards for outside directors as follows, and we appoint as independent directors those persons who are not at risk of having a conflict of interest with general shareholders.

#### <Independence standards for outside directors>

The Company's Outside Directors must occupy a neutral position, independent from the Company's operational management and must not be:

1. An executive of a major shareholder\*<sup>1</sup> of the Company
2. An executive of a major business partner\*<sup>2</sup> of the Company, or of a company for which the Company is a major business partner, or the parent company or subsidiary of such a company
3. An executive of a major lender\*<sup>3</sup> to the Company or the parent company or subsidiary of such a company
4. A person affiliated with an auditing firm that conducts statutory audits of the Company
5. A consultant, an accounting professional such as a certified public accountant, or a legal professional such as an attorney-at-law who receives a large amount\*<sup>4</sup> of monetary consideration or other property other than compensation of Members of the

Board from the Company (in the event such property is received by a corporation, association or other group, then any person belonging to such group)

6. An executive of a company with which the Company shares a Director
7. An executive of an organization that is receiving a large\*<sup>4</sup> donation or grant from the Company
8. A person to whom any of 1 through 7 has applied during the past 3 years
9. A person with a close relative (second degree of kinship) to whom any of 1 through 7 applies
10. A person whose total period in office as an Outside Director exceeds 8 years
11. Other persons for whom the possibility of a relationship with the Company appears strong under substantive and comprehensive consideration of the situation

\*1. A shareholder who owns a 10% or greater share of voting rights  
 \*2. A business partner of the Company with annual transactions valued at 2% or more of either the Company's consolidated net sales in the most recent fiscal year or the business partner's consolidated net sales in the most recent fiscal year  
 \*3. A financial institution that provides the Company with loans amounting to 2% or more of the Company's consolidated total assets at the end of the most recent fiscal year  
 \*4. An amount of consideration received from the Company that is 10 million yen or more

#### (iii) Analysis and evaluation of the effectiveness of the Board of Directors

We evaluate the effectiveness of the Board of Directors in order to continuously improve the effectiveness of corporate governance.

In fiscal 2018, we analyzed and evaluated the composition of the Board, the Board's operating environment and other matters through a

# Basic Policy and Framework for Corporate Governance



questionnaire survey of all Directors and Audit & Supervisory Board Members.

As a result of the evaluation, we have judged that there are no serious concerns or other issues regarding the effectiveness of the Board of Directors. The main issues recognized in the evaluation are as follows:

- Enhancing understanding and discussion of management and business strategies
- Providing opportunities to further deepen the understanding of outside directors about the Company's business
- Coordination of Board resolution items and report items in connection with the change to being a company with three committees

The Company will work to continue to strengthen corporate governance by further improving the effectiveness of the Board, including initiatives for major issues recognized through analysis and evaluation of the Board.

## (2) Committees

The Board has the following three statutory committees of which Outside Directors comprise the majority of the Members and the Company has established a system that monitors Directors and Executive Officers as well as facilitates corporate governance.

### (i) Nomination Committee

The Nomination Committee makes decisions on resolution proposals for the appointment of Directors. The Nomination Committee also deliberates matters such as appointment and dismissal standards for Directors, Executive Officers, and Executive Managing Officers and appointment and dismissal proposals and succession plans for the Company's CEO. An Independent Outside Director (Main Kohda) serves as the chairperson.

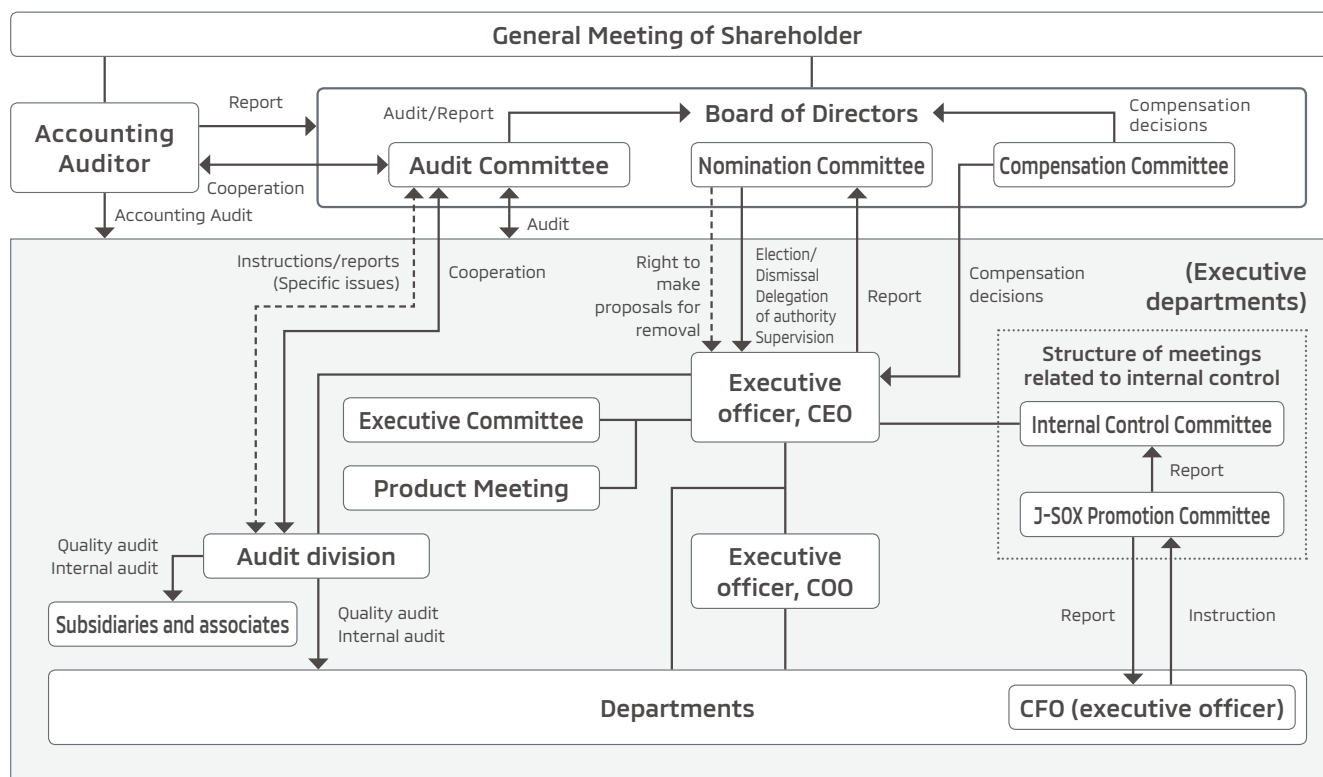
### (ii) Compensation Committee

The Compensation Committee deliberates and determines the policy regarding determination of remuneration of Directors and Executive Officers, as well as the details of individual remuneration. An Outside Director (Shunichi Miyanaga) serves as the chairperson.

### (iii) Audit Committee

The Audit Committee supervises the execution of the duties of Directors and Executive Officers and prepares audit reports, and also implements internal investigations based on the judgment of the Board. An Independent Outside Director (Yaeko Takeoka) serves as the chairperson.

## ◆ Corporate Governance Framework (As of June 30, 2019)





# Basic Policy and Framework for Corporate Governance

## (3) Executive Officers

Executive Officers decide business-related matters and carry out the business of the Company, with the CEO as the division head with decision-making authority related to the execution of business as granted by the Board. As of June 30, 2019, there were 12 Executive Officers (including the CEO).

## (4) Executive Managing Officers

Executive Managing Officers manage the functions or business of the Company, pursuant to delegation by the Board or CEO, and carry out the Company's business within such scope. As of June 30, 2019 there were 15 Executive Managing Officers.

## Status of Audit Committee Audits and Internal Audits

### (1) Status of Audit Committee audits

With respect to audits by the Audit Committee, the Audit Committee receives reports on the performance of duties from other Directors and Executive Officers, and conducts audits of the implementation and operation of the internal control systems at the Group through cooperation with internal audit departments and the Accounting Auditor, or directly conducts audits itself. Based on the results of the foregoing, the Audit Committee audits legal compliance and appropriateness in the performance of their duties by Directors and Executive Officers.

### (2) Status of internal audits

The Company has established internal audit departments (the Internal Audit Department and the Quality Audit Department) in the Audit Division (an independent organization reporting directly to the CEO) and these departments systematically

conduct internal audits based on the annual audit plan.

The Internal Audit Department conducts audits to determine whether operational management of the Group is being conducted with transparency using appropriate processes.

The Quality Audit Department conducts audits regarding the proper execution of the quality-related work of the Group.

Audit results from internal audits conducted by the Internal Audit Department and the Quality Audit Department are reported directly to the CEO.

### (3) Cooperation between the Audit Committee and internal audit departments

The Audit Committee Members regularly hold meetings with the Internal Audit Department to receive information regarding internal audit results within the Company and at its affiliated domestic and overseas companies, and to provide feedback to the Internal Audit Department on the status of the Audit Committee Members' audits.

## Items Relating to Takeover Defense

Not applicable.

# Internal Control

## Policies and Organization

Based on the “Basic Policy on the Establishment of Internal Control Systems”<sup>\*</sup> established by resolution of the Board of Directors, Mitsubishi Motors monitors the status of operations and strives to improve and reinforce internal control systems.

Mitsubishi Motors recognizes the gravity of its improper conduct in fuel consumption testing, on top of past quality problems, and in fiscal 2017 made profound reforms to its internal control system as one of its priority measures aimed at regaining trust.

First, it appointed a Vice President in charge of Global Risk Control to manage compliance and operation risk and regularly report on governance improvement measures to the Board of Directors. Furthermore, in order to reinforce, and improve the efficiency of, its handling of internal controls based on laws and regulations, it revised its internal control system. In the revised system, the J-SOX Promotion Committee, under the direct control of the CFO, handles internal control related to financial reporting in accordance with the Financial Instruments and Exchange Act. The Internal Control Committee, chaired by the CEO and vice-chaired by the Vice President in charge of Global Risk Control, promotes internal control related to the Companies Act. This Internal Control Committee confirms and evaluates the reports and resolution contents decided on by subcommittees in each internal control field, such as compliance, information security, risk management, and J-SOX, in accordance with the “Basic Policy on the Establishment of Internal Control Systems.” From fiscal

2018 and onwards, the company will proceed to create a global internal control system through establishing and operating internal control committees at its major affiliates in Japan and overseas.

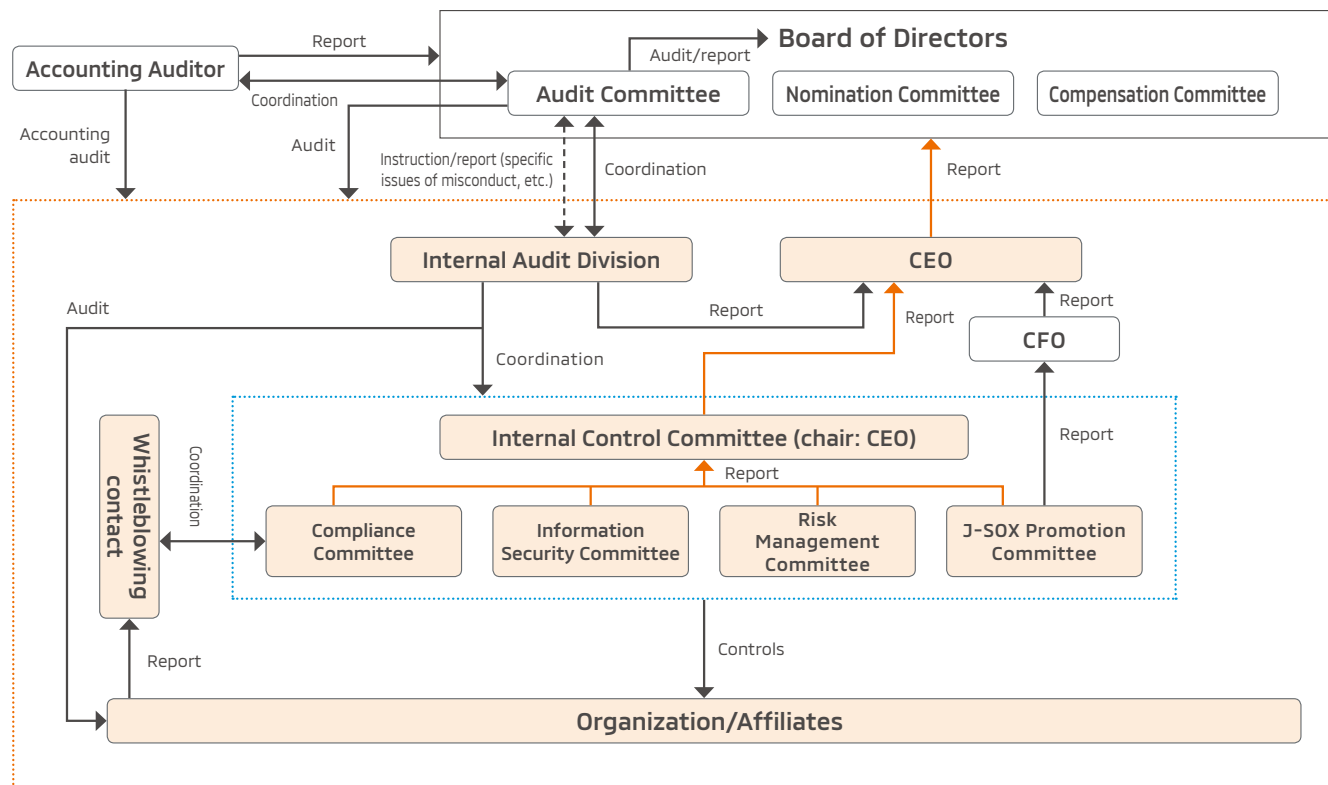
Mitsubishi Motors has also positioned the Internal Audit Division as independent of business execution. The Internal Audit Division coordinates with other committees, including the Internal Control Committee,

with the aim of achieving effective and efficient internal control system operation.

Going forward, we will continue with initiatives to further reinforce governance by working to ensure compliance with laws and regulations and to promote proper, effective business execution in line with changes in the domestic and overseas environments.

<sup>\*</sup> See here for “Basic Policy on the Establishment of Internal Control systems” [PDF](#)

### ◆ Internal Control Structure



# Risk Management

## Basic Approach and Policies

Mitsubishi Motors has defined a policy for the management of business risks in the form of the Basic Policy on the Establishment of Internal Control Systems, and promotes risk management activities throughout the entire Mitsubishi Motors Group. We consider it one of our most critical management issues to appropriately assess risks to the Mitsubishi Motors Group’s business, prevent risks from occurring, and engage in appropriate management to minimize the impact of risks that do occur.

## Development of Risk Management Framework

Mitsubishi Motors has put in place and works to improve its risk management system for the entire Group through three types of risk management activities: priority risk management, departmental risk management and affiliated company risk management.

For priority risk management, we select risks that the entire Mitsubishi Motors Group faces directly, that have a high potential impact and a high degree of urgency. For each risk, we assign “risk owners,” who are of vice president or corporate vice president level, and work as quickly as possible to reduce these risks.

In departmental risk management, we have appointed risk management officers to each division or plant. These officers work to reduce risks through repeated application of the PDCA cycle involving identifying and evaluating each risk, devising and implementing countermeasures,

and monitoring.

Affiliated company risk management involves regular confirmation by Mitsubishi Motors of the status of initiatives addressing various risks faced by subsidiaries and associates and activities such as business continuity planning improvements. Improvement suggestions and guidance are provided as required.

These risk management activities are regularly reported to the Board of Directors as key internal control measures.

In addition, to prepare for unforeseen contingencies Mitsubishi Motors has developed emergency contact systems that enable the rapid communication of information to directors and other key personnel, as well as a swift and accurate response. In particular, to create a crisis management system to respond when serious incidents occur, we have formulated an emergency response manual. This manual outlines the establishment of an emergency response organization and clarifies the chain of command, enabling us to put appropriate response systems into place.

The Mitsubishi Motors basic policy in times of disaster—such as earthquake or other natural disaster or an outbreak of infectious disease—to ensure the safety of customers, as well as employees and their families, and assist local communities. We are preparing disaster countermeasures and business continuity plans (BCPs) to this end.

We conduct drills in communicating among various manufacturing facilities and Group companies on the basis of a presumed emergency.

As preparations against the possibility that employees will be unable to return to their homes for a three-day period, we have ensured means through which they can

communicate with their families, cached emergency supplies and are conducting initiatives for communicating with local municipal authorities.

We have formulated plans of operation that assume a large-scale earthquake or major outbreak of infectious disease. We work to improve these BCPs through regular drills and communication among individual regions.

# Compliance



## Basic Approach and Policies

Corporate activities are closely interlinked with various laws and public systems such as those related to the environment, labor, and consumer protection. Corporate activities must be carried out in compliance with these laws and systems. Mitsubishi Motors recognizes that the failure to appropriately comply with these laws, regulations, and systems would not only impede its business continuity, but would also place significant burdens on society and the environment. In order to fulfill its social responsibilities as a company by not only complying with laws, international rules, and internal regulations but also by respecting changing social norms to the greatest degree possible, Mitsubishi Motors has issued a "Global Code of Conduct" to serve as a standard of conduct for all executives and employees. We are also redoubling our efforts to enhance our compliance framework and employee training, including those at our major affiliates in Japan and overseas.

## Mitsubishi Motors Global Code of Conduct

### 【Principle】

Mitsubishi Motors Group Companies (collectively herein referred to as "Mitsubishi Motors Group" or "Company") have set this Global Code of Conduct that all Mitsubishi Motors Group executives and employees must follow in order to fulfill our social responsibilities as a company.

This Global Code of Conduct applies to all Mitsubishi Motors Group executives and employees. Each member of the Company is charged with responsibility to comply this Global Code of Conduct.

#### 1. Comply with all Laws and Rules

We shall comply with all applicable laws and regulations of the country where the Company conducts business as well as all Company policies and rules.

#### 2. Promote Safety

We shall maintain and promote a healthy work environment, and engage in safe work practices. We are also committed to ensuring the safety of our customers and passengers, and continually promoting the safety of products.

#### 3. Avoid Conflict of Interest

We shall act in the best interests of the Company, and shall not behave, act, or use any information contrary to the Company's interests. Furthermore, we shall strive to avoid any conduct that may be considered a conflict of interest.

#### 4. Prohibit association with anti social forces

We shall never have any association with anti-social forces whatsoever. We shall not participate in acts of terrorism, drug dealings, money laundering, and other individual or organized criminal activities.

#### 5. Preserve Company Assets

We shall safeguard the Company's assets, and shall never use the said assets, including funds, confidential business information, physical properties and intellectual properties without permission.

#### 6. Be Impartial and Fair

We shall maintain impartial and fair relationship with public servants as well as business partners, including dealers, suppliers, and other third parties. We shall not participate in or endorse any corrupt practices including bribery, directly or indirectly such as through a third party.

#### 7. Be Transparent and Accountable

We shall maintain accounts and records relating to corporate management with integrity, and disclose Company's business activities fairly and transparently to our stakeholders, including shareholders, customers, employees, and local communities with timely and properly manner.

#### 8. Respect Human Rights and Diversity, Provide Equal Opportunity

We shall respect the human rights and diversity of suppliers, customers, other executives, colleagues, and local communities. We shall never tolerate discrimination, retaliation or harassment in any form or degree.

#### 9. Be Environmentally Responsible

We shall strive to take into consideration environmental conservation when developing products and providing services, and promote recycling, as well as resource and energy savings.

#### 10. Be Active and Report Violations

We shall carry out our work in accordance with this Global Code of Conduct. When we have come to know any violation of this Global Code of Conduct, we shall immediately report it to the Company, and the executives and employees who have come forward with such information based on their own beliefs shall be infallibly protected from any form of retaliation.

# Compliance



## Management Structure

In order to prevent compliance infractions, including information security infractions, from a global internal control perspective, each division or function appoints a compliance officer and department heads serve as code leaders, with the Vice President in charge of Global Risk Control providing overall leadership. Major subsidiaries and associates in Japan and overseas also appoint compliance

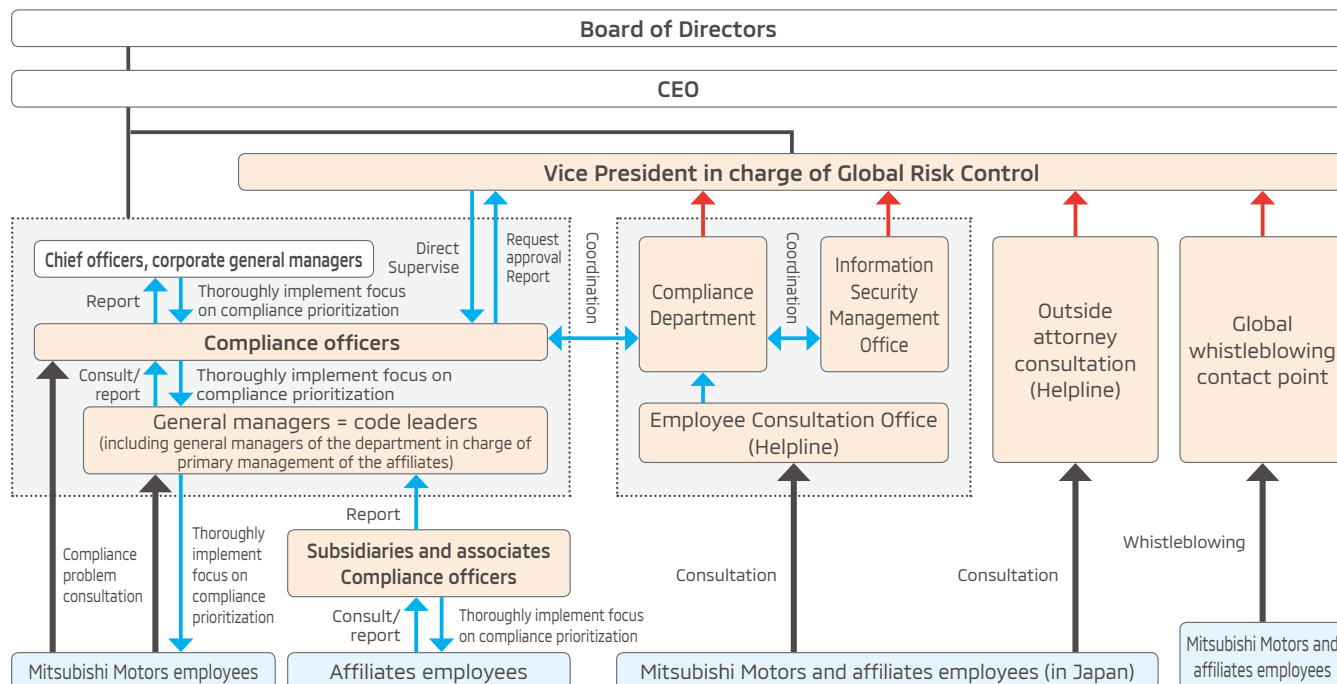
officers. To help prevent compliance infractions, in fiscal 2018 we established and started operating global whistleblowing contacts. Procedures are in place for reporting of serious compliance concerns ultimately to the Board of Directors via code leaders and compliance officers. As required, compliance officers give their departments appropriate instructions for dealing with problems, taking corrective action and preventing a recurrence. As for internal controls related to financial reporting,

we verify compliance structures and procedures for financial summaries. If inadequate controls are found at a company being evaluated, we request reporting on the nature of the problem and improvements being made. In fiscal 2018, we checked the status of 23 Group companies (Mitsubishi Motors, 10 domestic affiliates, and 12 overseas affiliates).

## Establishment of Internal and External Consultation Offices

To prevent and promptly detect improper conduct, Mitsubishi Motors has established an internal consultation office (Employee Consultation Office) allowing employees of the Company or its subsidiaries and associates in Japan to report or consult about such conduct. Outside the Company, we have set up a consultation office staffed by outside attorneys, as well as the Mitsubishi Motors Global Hotline, accessible to employees both in Japan and overseas. In fiscal 2018, these offices fielded 221 reports or consultations. Offices endeavor to swiftly resolve issues raised in reports and consultations after first seeking to confirm the facts through an investigation by the Employee Consultation Office or by enlisting the assistance of relevant compliance officers. Information received about compliance issues or issues with potential business risks is immediately reported to the Vice President in charge of Global Risk Control. After receiving instructions on how to respond, offices endeavor to resolve the issues. In handling such information and in investigating the relevant facts, we established our “Compliance- Oriented

### ◆ Organizational Framework for Promoting Compliance





# Compliance

Whistleblowing Operation Procedure” and made company personnel aware of the provision in order to ensure that persons who seek consultation are not treated unfairly. We have also established a Business Partner Helpline designated to be used by our business partners. The Mitsubishi Motors Global Hotline established in fiscal 2018 was set up within an outside firm providing such services. This makes it possible to file anonymous reports. Systems for identifying and managing risks of the entire group have been put in place, too, with Mitsubishi Motors headquarters even able to check details of reports from subsidiaries and associates.

◆ **Number of Reports/Consultations Fielded by Consultation Offices by Category (FY2018)**

Item	Number
Corporate/business proposals	12
Workplace environment	32
Labor relations	20
Human relations/harassment	46
Compliance, violations of operational rules, fraud	41
Others	70

## Education and Training

Every fiscal year we formulate compliance-related education and training programs, and offer them to employees stratified by each job rank. Each division also draws up and conducts its own measures under the direction of the compliance officer. Specifically, in order to improve the compliance awareness of all employees, when new graduates or mid-career recruits join the company, they receive training regarding Mitsubishi Motor’s compliance history and the lessons to be learned from it. This training is repeated when employees are given promotions, helping reinforce employees’ sense of compliance. Furthermore, similar training is also offered in some Japanese affiliates, fostering such sense for the group as a whole. We also use e-learning and lectures by outside instructors in legal compliance training relating, for example, to environmental laws, the Labor Standards Act, and security trade control laws, to provide employees with the most current information related to their own work. In particular, we have put effort into harassment prevention training since fiscal 2018, starting with group workshops, mainly for managers, involving opinion exchange. In fiscal 2019, the training will be extended to regular employees. On and around Safety Pledge Days,\* each individual division voluntarily holds events to reaffirm the day’s significance. Workplace discussions are also held at the same time (two times a year) to talk about business ethics issues faced in the workplace and workplace culture. In addition, we provide easy-to-understand compliance-

related information by posting a Compliance Newsletter on our intranet every month.

\* To prevent past incidents, such as the regrettable recall cover-up, from being forgotten over time, in October 2004 we designated January 10 and October 19 as “Safety Pledge Days.” These days were chosen because two fatal accidents involving large trucks manufactured by Mitsubishi Fuso, a former Mitsubishi Motors division, occurred on these days.

## Anti-Corruption

### Policies and Approach

The “Global Code of Conduct” clearly stipulates that Mitsubishi Motors executives and employees shall comply with laws and regulations and shall maintain fair and equitable relationships with public servants and business partners. Moreover, we have built and operate a system that is designed to prevent corruption.

### Management Structure

Mitsubishi Motors implements e-learning programs for all employees to familiarize them with the Global Code of Conduct and allows them to review the code at any time by distributing pamphlets and posting it to a smartphone app (for managers and above). We also plan to communicate the code across the group, distributing the pamphlets to subsidiaries and associates in Japan, and in electronic form to subsidiaries and associates overseas. Mitsubishi Motors has management and operational standards for providing and receiving gifts or business entertainment. It expressly prohibits (1) providing gifts or business entertainment that is illegal or goes beyond generally accepted bounds, and (2) receiving illicit payoffs. In addition to this, we provide guidelines for the scope of



# Compliance



exceptions to the above and make filing of an application compulsory to ensure transparency. If these standards are violated, the compliance officer of the relevant division formulates internal reports and implements preventative measures for the future.

Since many employees in sales sites directly handle money with customers, there is a heightened risk of improper conduct such as embezzlement. We work to prevent improper conduct at our affiliate domestic sales companies by defining regulations for handling cash, regularly making the compliance policies known, and providing tuition and training for thorough implementation of the policies. Each company implements site audits regularly, while our Internal Audit Division also conducts operational audits which results are reported to the Head Officer of our Domestic Sales Division and being followed up until the improvement measures of the pointed out issues are completed. We work to thoroughly prevent corruption when employees from the company are appointed as executives at overseas affiliates. Prior to their appointment, we provide training on compliance and internal controls, including the prohibition and prevention of corruption. In fiscal 2018, no fine or any other punishment was imposed on Mitsubishi Motors by regulatory authorities for corrupt practices. No employees have been disciplined for corrupt practices.

## Information Security

Mitsubishi Motors recognizes its social responsibility to adequately protect its important information assets (information and the IT systems, equipment, media, facilities, and products that handle this information) in the course of its business activities in order to gain the trust of all its stakeholders. We seek to deliver the level of information security that society demands. This includes putting in place and reviewing internal regulations, managing information assets, strengthening measures to combat computer viruses and cyberattacks, and monitoring information security activities by the Information Security Committee.

## Personal Information Protection


Based on our Privacy Policy, we have built a management framework by establishing internal rules and taking other measures. We also conduct ongoing education, such as through the use of e-learning for employees. These e-learning instructional materials are also distributed to major affiliates inside and outside Japan, to reinforce our information security system, including the protection of personal information. We endeavor to protect personal information, and have established task teams to implement measures to comply with personal information protection laws in countries around the world, such as the General Data Protection Regulation, the regulation concerning the protection of personal data in the EU.

## Security Export Control

Mitsubishi Motors sincerely believes in the importance of strict security trade controls to prevent the proliferation of weapons of mass destruction and the excessive accumulation of conventional weapons in order to maintain international peace and security. To conduct strict export controls, we have established Security Export Control Regulations. We ensure the legality of our export transactions through our management system, with its The Security Export Control Committee, led by the CEO, who serves as chief security trade control officer.

# List of Executives (as of June 21, 2019)

Outside Outside director  
 Indep. Independent director  
  Male  
  Female

Name	Position	Attributes	Committees	Reasons for Appointment
Osamu Masuko	Chairman of the Board		<span>Nomination Committee</span>	Having been in charge of the Management of the Company for many years, Mr. Masuko has considerable insight and business experience concerning corporate management.
Takao Kato	Member of the Board		<span>Compensation Committee</span>	Having served as president of the Mitsubishi Motors subsidiary in Indonesia, one of its largest overseas manufacturing bases, and engaging in other operations of the Company for many years, Mr. Kato has considerable insight and business experience concerning global management and manufacturing.
Kozo Shiraji	Member of the Board		<span>Audit Committee</span>	In addition to his experience at the Company, Mr. Shiraji has considerable experience, achievements and insight through his long involvement with automotive business at a general trading company that operates worldwide.
Shunichi Miyanaga	Member of the Board	<span>Outside</span> 	<span>Compensation Committee (Chairman)</span>	Mr. Miyanaga has considerable experience, achievements and insight nurtured through his long-standing involvement in corporate management at a manufacturing company that operates worldwide.
Ken Kobayashi	Member of the Board	<span>Outside</span> 	<span>Nomination Committee</span>	Mr. Kobayashi has considerable experience and achievements as a corporate manager and extensive insight on global business management nurtured through his career at a general trading company that operates worldwide.
Hitoshi Kawaguchi	Member of the Board	<span>Outside</span> 	<span>Nomination Committee</span>	Mr. Kawaguchi has considerable insight and experience concerning the automotive business.
Hiroshi Karube	Member of the Board	<span>Outside</span> 	<span>Compensation Committee</span>	Mr. Karube has considerable insight and experience concerning the automotive business.
Setsuko Egami	Member of the Board	<span>Outside</span> <span>Indep.</span> 	<span>Compensation Committee</span>	Ms. Egami has considerable insight concerning corporate strategies, marketing strategies, human resources development and others.
Main Kohda	Member of the Board	<span>Outside</span> <span>Indep.</span> 	<span>Nomination Committee (Chairman)</span> <span>Compensation Committee</span>	In addition to extensive knowledge about international finance, Ms. Kohda has keen acumen and an objective perspective as a writer. She also has considerable insight and experience gained as a member of the Council of the Ministry of Finance and the Ministry of Land, Infrastructure, Transport and Tourism.
Yaeko Takeoka	Member of the Board	<span>Outside</span> <span>Indep.</span> 	<span>Audit Committee (Chairman)</span>	In addition to her experience as an Audit & Supervisory Board member of the Company, Ms. Takeoka has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years.
Yoshitsugu Oba	Member of the Board	<span>Outside</span> <span>Indep.</span> 	<span>Audit Committee</span>	In addition to his experience as an Audit & Supervisory Board member of the Company, Mr. Oba has considerable knowledge and extensive insight as a specialist in accounting and auditing, having been active as an accountant for many years.
Kenichiro Sasae	Member of the Board	<span>Outside</span> <span>Indep.</span> 	<span>Nomination Committee</span>	Having held a series of important posts at the Ministry of Foreign Affairs, Mr. Sasae has a broad international understanding as a diplomat and considerable insight and experience.
Kiyoshi Sono	Member of the Board	<span>Outside</span> 	<span>Audit Committee</span>	Mr. Sono has considerable experience and extensive insight from serving as a corporate manager at international financial institutions.
Hideyuki Sakamoto	Member of the Board	<span>Outside</span> 		Mr. Sakamoto has considerable insight and experience concerning the automotive business.
Mitsuko Miyagawa	Member of the Board	<span>Outside</span> <span>Indep.</span> 	<span>Audit Committee</span>	Ms. Miyagawa has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years.

For directors' career summaries, visit: [\(WEB\) https://www.mitsubishi-motors.com/en/company/director/](https://www.mitsubishi-motors.com/en/company/director/)

## Executive Remuneration

### Contents of Remuneration

Individual remuneration of Directors is not disclosed except in the case where disclosure is required, based on the Cabinet Office Ordinance.

Remuneration, etc., paid to Directors and Audit & Supervisory Board Members during the one-year period from April 1, 2018 to March 31, 2019 was as follows.

- A total of ¥217 million was paid as fixed compensation to 5 Directors (excluding outside Directors)
- A total of ¥52 million was paid as fixed compensation to 2 Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)
- A total of ¥138 million was paid as fixed compensation to 12 outside directors and Audit & Supervisory Board members.

### Incentives

Performance-linked compensation and stock options are introduced to provide incentives for directors.

### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

#### Directors

Maximum remuneration of Directors of the Company (Resolution at an extraordinary shareholders meeting held on December 14, 2016)

- Monthly remuneration and performance-linked remuneration: ¥2 billion
  - Stock-related remuneration: ¥1 billion
- Specific timing and allocation of payment to each applicable director is decided at the Board of Directors. Total annual remuneration for fiscal 2018 is as shown above.

#### Audit & Supervisory Board Members

Individual remuneration of Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members.

Monthly remuneration of Audit & Supervisory Board Members of Mitsubishi Motors was set at an upper limit of ¥10 million per month (Resolution at the 45th Ordinary General Meeting of Shareholders held on June 25, 2014). Total annual payment made in fiscal 2018 is as shown above.

### TOPICS

#### Director and Officer Compensation After Transition to a Company with Three Committees

Following the transition to a company with three committees, compensation paid to directors and executive officers of the Company in fiscal 2019 is to be determined by the Compensation Committee with reference to the executive compensation survey conducted by third party experts.

Remuneration paid to directors who concurrently serve as executive officers and other executive officers will comprise basic compensation, performance-linked compensation and stock-related compensation as in fiscal 2018.

Objectives are to pursue sustainable enhancement of corporate value sharing such values with shareholders and to secure talented human resources, outside the Company and from overseas.

Remuneration paid to directors who do not concurrently serve as executive officers consist only of basic compensation (fixed amount). Remuneration is not linked to performance nor does it reflect individual achievements; the role of overall supervisor is considered as independent from business execution.