

Governance

Corporate Governance

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Corporate Governance



Basic Approach and Policies

Based on its corporate philosophy (vision and mission), 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.

In addition, MITSUBISHI MOTORS has put together its basic framework for and views on corporate governance in the form of "Corporate Governance Guidelines" and publishes these guidelines on the Company's website.

PDF Corporate Governance Guidelines

System of Corporate Governance

As of June 21, 2019, MITSUBISHI MOTORS has transitioned to a company with three committees, as part of its efforts to enhance its corporate governance in order to achieve swift execution of business in quick response to environmental changes by clearly separating supervisory and execution function and ensuring the soundness and transparency of management through further strengthening of supervision and implementation of more thorough risk management.

(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, 2020 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 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*¹ of the Company
2. An executive of a major business partner*² 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*³ to the Company or

4. 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*⁴ 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*⁴ 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

To improve the effectiveness of corporate governance, the Company annually evaluates the effectiveness of its Board through a questionnaire survey of all Directors.

In FY2019, the Company evaluated the effectiveness of the Board based mainly on the four elements "composition of the Board and each committee," "matters for deliberation by the Board and each committee," "oversight functions of the Board and each committee," and "status of deliberations by the Board and each committee" from the perspective of enhancing the Board's oversight function in light of the change to a company with three committees in June 2019.

As a result of the evaluation, the Company has judged that there are no serious concerns or other issues regarding the effectiveness of the Board. The main issues revealed in the evaluation were as follows.

- Enforcement of policies to enable further enhancement of deliberations related to important matters pertaining to the Board's oversight function, including the mid-term business plan and governance frameworks
- Enhanced prior analysis of, and provision of a broad variety of information pertaining to, matters for deliberation
- Mid-to-long term consideration of the Board's composition

We 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

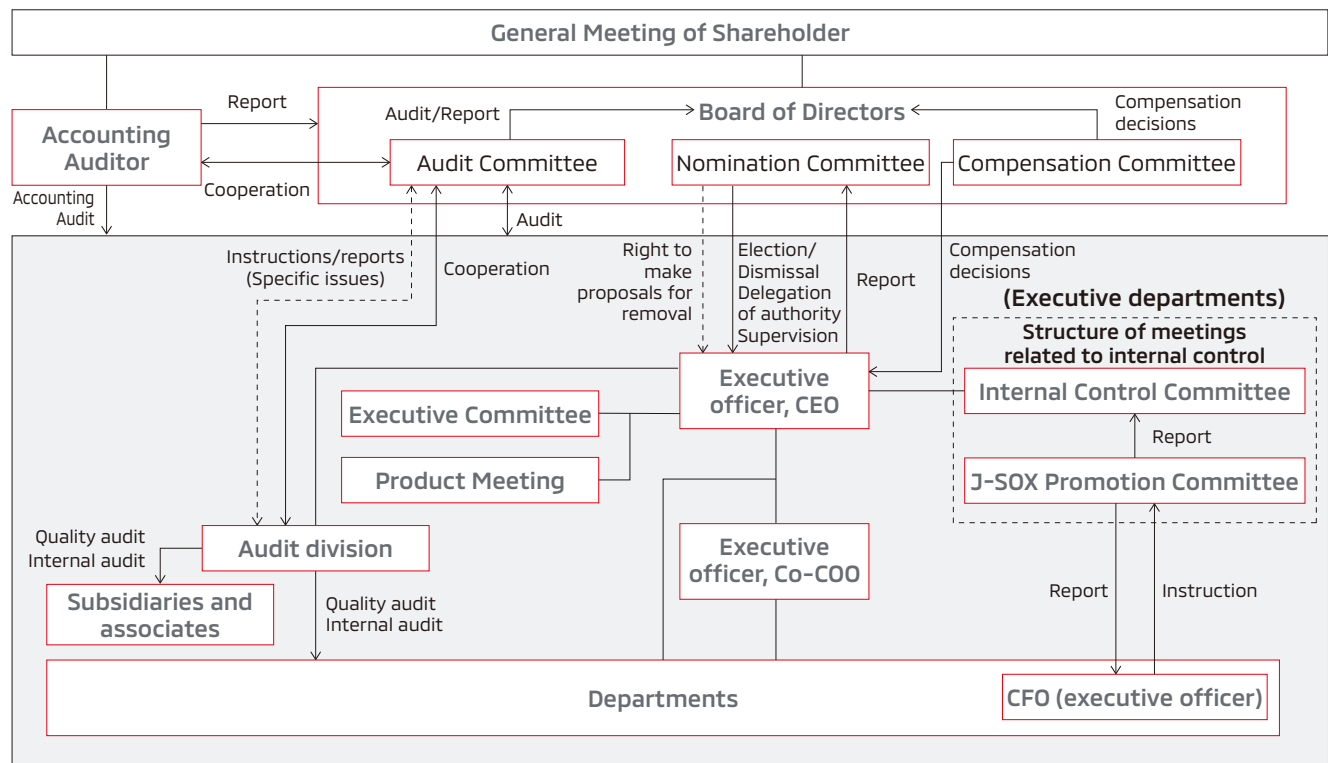
The Nomination Committee makes decisions on resolution proposals for the appointment of Directors. The

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 deter-

Corporate Governance Framework (As of June 30, 2020)





mines 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.

(3) Executive Officers

Executive Officers decide matters related to execution of business and execute the business of the Company, with the CEO as the division head entrusted with execution of business in general by resolution of the Board. The CEO grants his or her authority to the Co-COOs, the CFO, and other chief officers and executive officers in charge of departments with important functions and holds control over the shared business execution framework. As of June 18, 2020, there were 13 Executive Officers (including the Representative Executive Officer and CEO).

(4) Executive Managing Officers

Executive Managing Officers manage the functions or business of the Company within a certain scope, pursuant to delegation by the Board or CEO, and carry out business. As of June 18, 2020, there were 11 Executive Managing Officers.

(5) Conflicts of Interest

To avoid harming the common interests of the Com-

pany and its shareholders, the Company conducts transactions with interested parties such as executives and major shareholders in the same manner as other transactions: we engage in such transactions after giving due consideration to their economic rationale, checking with multiple related departments and upon the approval of the responsible person to whom authority has been delegated. Particularly with regard to transactions that are in competition with or that represent conflicts of interest between the Company and its directors or executive officers, the rules of the Board of Directors stipulate prior approval from the Board of Directors and reporting both before and after any such transaction.

In addition, the rules of the Board of Directors stipulate that directors with special conflicts of interest may not participate in voting on such Board of Directors resolutions.

Status of Audit Committee Audits and Internal Audits

(1) Status of Audit Committee audits

The Company's Audit Committee gathers information and conducts organizational audits in relation to the implementation and operation status for internal control systems (including internal controls pertaining to financial reporting), such as those for main affiliates in Japan and overseas, status of progress with and operation of compliance activities, verification of the appropriateness of risk evaluations, and risk management frameworks and the like, through Audit Committee meetings that are held monthly in princi-

ple and other meetings with Internal Audit Divisions, interviews with Executive Officers, and the like, based on audit policy and audit plans.

(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 the auditing system, auditing plans, and 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

Basic Approach, Policies and Organization

Based on the "Basic Policy on the Establishment of Internal Control Systems"*1 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, business continuity management, and J-SOX, in accordance with the "Basic Policy on the Establish-

ment 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.

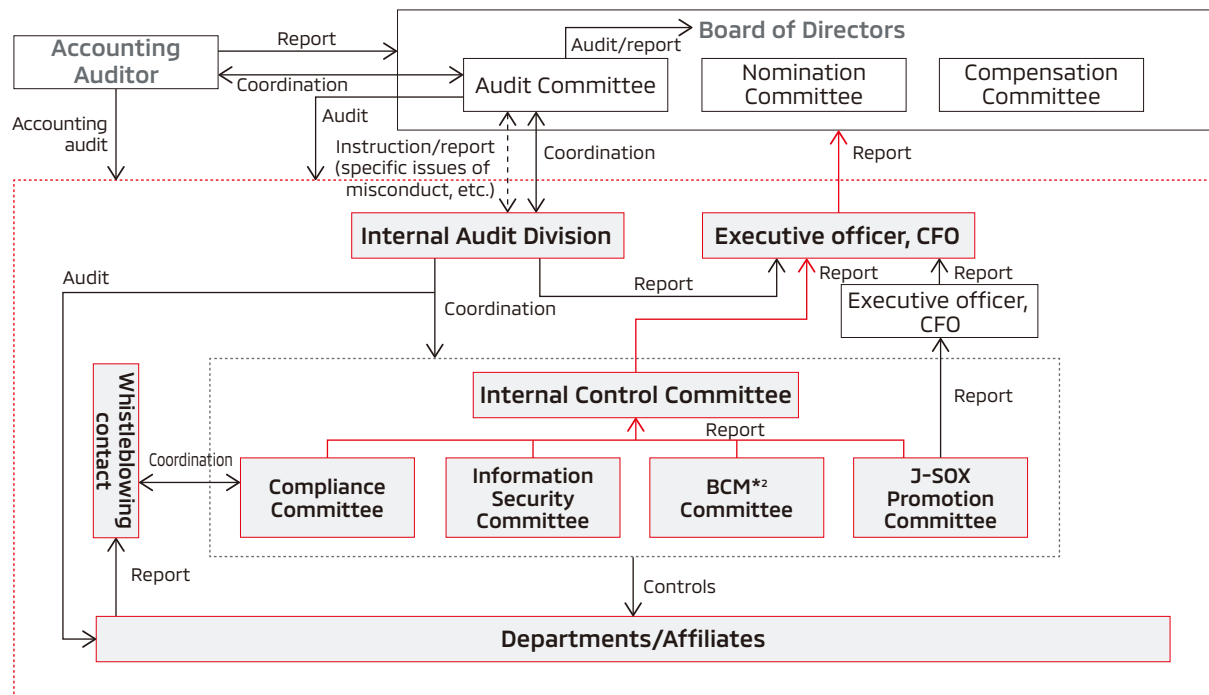
MITSUBISHI MOTORS has also positioned the Internal Audit Division as independent of business execution. The Internal Audit Division coordinates with other committees, including the Internal Control

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.

*1 See here for "Basic Policy on the Establishment of Internal Control systems" [PDF](#)

Internal Control Structure



*2 BCM refers to business continuity management (The BCM Committee is scheduled for launch in fiscal 2020.)

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, divisional 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 divisional 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 initiatives are regularly reported to the Board as major internal control activities, and their efficacy is verified.

In addition, to prepare for unforeseen contingencies MITSUBISHI MOTORS has developed urgent information communication system 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 prepar-

ing 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 by 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.

Further, in light of the recent spread of COVID-19, the Company newly established a "BCM (Business Continuity Management) Committee" from FY2020 and will endeavor to promote BCM activities on a regular basis.

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 Conflicts 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.



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 Mitsubishi Motors Global Hotline.

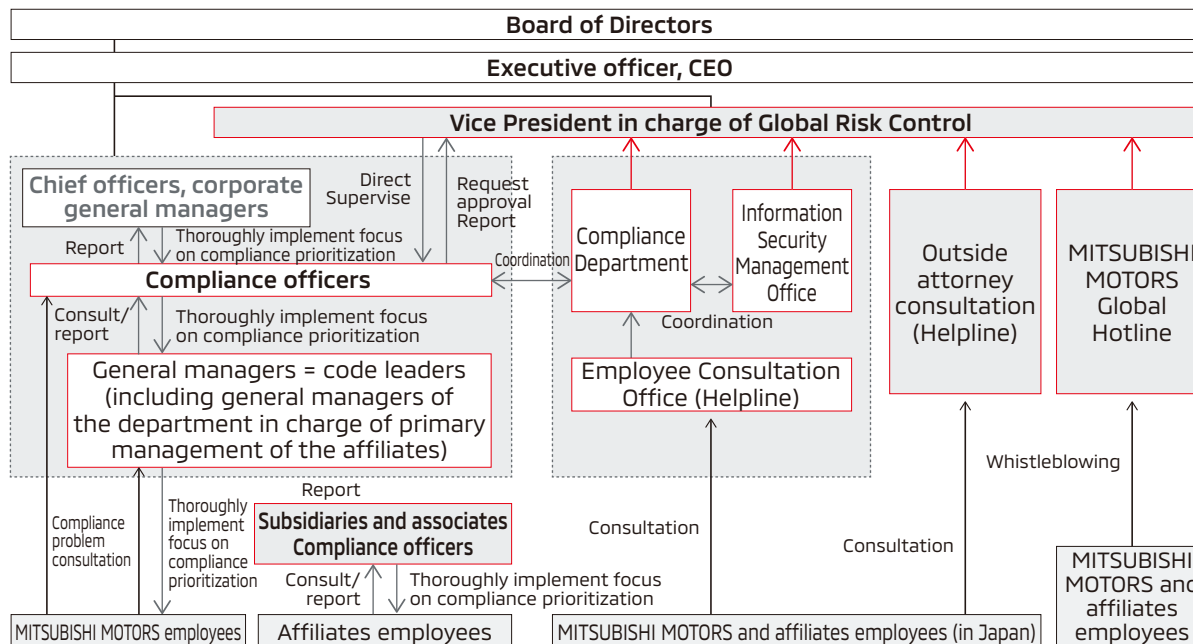
Procedures are in place for reporting of serious compliance concerns ultimately to the Board of Directors via code leaders and compliance officers. As required, compliance officers give their departments appropriate instructions for dealing with problems, taking corrective action and preventing a recurrence.

The Board of Directors is provided with regular reports on these compliance structures, efforts related to education and the formulation or revision of the Global Code of Conduct, as well as the status of any

compliance infractions and their countermeasures. Members of the Board of Directors, including outside directors, deliberate on and supervise these matters.

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 2019, we checked the status of 22 Group companies (MITSUBISHI MOTORS, 9 domestic affiliates, and 12 overseas affiliates).

Organizational Framework for Promoting Compliance





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 2019, these offices fielded 198 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 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 Help-line 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 (FY2019)

Item	Number
Corporate/business proposals	23
Workplace environment	23
Labor relations	19
Human relations/harassment	43
Compliance, violations of operational rules, fraud	34
Others	56

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 are currently putting effort into harassment prevention training. In fiscal 2019, we provided e-learning to all employees and special education for each division, as well as conducting awareness activities over the internet.

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 communicate the code across the group, distributing the pamphlets to subsidiaries and associates in Japan, and in electronic form to subsidiaries and associates overseas.

We have formulated the “Mitsubishi Motors Global Anti-Bribery Policy” as a global guideline for the prevention of bribery and corrupt practices. This policy states clearly that we tolerate absolutely no bribery or corrupt practices. In our efforts to reinforce measures for preventing bribery and corrupt practices throughout the Group, we require affiliated companies in Japan and overseas to comply with the same policies. We also ask our suppliers, contractors, procurement partners, dealers and outside agents to comply with

applicable laws and regulations related to bribery and with individual companies' anti-bribery policies.

In particular, the Company has formulated control regulations and operational standards on the provision and receipt of gifts or business entertainment for public servants, prohibiting the improper provision of such gifts or business entertainment to public servants or their receipt from public servants. When providing gifts or business entertainment to public servants, a preemptive application must be made to the general manager of the Legal Department, and must be provided only if approval is received.

MITSUBISHI MOTORS has management and operational standards for providing and receiving gifts or business entertainment, in addition to those to public servants. 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 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. At our domestic sales subsidiaries we conduct regular education and training to instill thorough awareness of our compliance policies and prevent improper activity. Each company implements site audits regularly, while

our Internal Audit Division also conducts operational audits, the results of which are reported to the head officer of our Domestic Sales Division and followed up on until the improvement measures of the identified 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 legal risks, including the prohibition and prevention of corruption.

In fiscal 2019, 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. Our measures to ensure information security include putting in place and reviewing internal regulations, managing information assets, strengthening measures against computer viruses and cyberattacks, providing education to employees via e-learning and other measures, 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. In addition, in response to global strengthening trend of privacy regulations, we endeavor to protect personal information, by collaborating with our affiliates and ensuring compliance 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.

Approach to Taxation

MITSUBISHI MOTORS recognizes that proper tax payment in all operating countries is one of key elements of corporate social responsibility for multinational companies. MITSUBISHI MOTORS Group has established the following Global Tax Policy to promote tax compliance in business activities.

In line with this policy, we have created a governance system and strive to maintain proper tax payments in compliance with international rules and national regulations.

Global Tax Policy for MITSUBISHI MOTORS Group

1. Tax compliance

The MITSUBISHI MOTORS Group (hereinafter simply referred to as "MITSUBISHI MOTORS") pledges to pursue proper tax payments all over the world based on the "MITSUBISHI MOTORS Global Code of Conduct." This means MITSUBISHI MOTORS maintains appropriate and timely tax payments by understanding the intent and purpose of the BEPS* Action Plan, which was developed and publicized by the OECD and G20 countries, as well as by complying with tax regulations in all countries and regions in which it conducts businesses, tax treaties, and other international tax regulations related to its business. In addition, MITSUBISHI MOTORS pledges not to use any tax havens or loopholes that are against the intentions and purposes of laws.

*Base Erosion and Profit Shifting Action Plan















2. Corporate governance on tax matters

(1) MITSUBISHI MOTORS recognizes corporate governance on tax matters as an infrastructure to promote tax compliance and tax planning and, under the initiative of top management, pursues the optimization of governance systems to secure the accuracy and transparency of accounting and tax-related information.

(2) MITSUBISHI MOTORS makes disclosures to all relevant taxation authorities and stakeholders in a proper and timely manner, ensuring the submission of the country-by-country report (CBCR) required by the taxation authority under the transfer pricing regulation for multinational enterprises after receiving verification from external experts.

List of Executives (as of August 7, 2020)

Outside Outside director **Indep.** Independent director  Male  Female

Name	Position	Attributes	Committees	Attendance at Board of Directors and Committee Meetings (April 2019 to March 2020)	Tenure as Director (As of June 18, 2020)	Reasons for Appointment
Takao Kato	Member of the Board		Compensation Committee	Board of Directors 13 of 13 times Compensation Committee 12 of 12 times	1 year	Mr. Kato has accumulated many years of global management experience, knowledge and operational experience with the Company, including serving as president of the Company's subsidiary in Indonesia, which is one of its largest overseas manufacturing bases. In addition, since last year he has served as representative executive officer and CEO of the Company.
Kozo Shiraji	Member of the Board		Audit Committee (Full time Member)	Board of Directors 15 of 15 times Audit Committee 9 of 9 times	1 year (Reference: Previously served for one year as an Audit & Supervisory Board member of the Company)	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	Outside 	Compensation Committee (Chairman)	Board of Directors 15 of 15 times Compensation Committee 12 of 12 times	6 years	Mr. Miyanaga has considerable experience, achievements and insight nurtured through his longstanding involvement in corporate management at a manufacturing company that operates worldwide.
Ken Kobayashi	Member of the Board	Outside 	Nomination Committee	Board of Directors 14 of 15 times Nomination Committee 6 of 7 times	4 years	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.
Setsuko Egami	Member of the Board	Outside Indep. 	Compensation Committee	Board of Directors 14 of 15 times Compensation Committee 12 of 12 times	2 years	Ms. Egami has considerable insight concerning corporate strategies, marketing strategies, human resources development and others.
Main Kohda	Member of the Board	Outside Indep. 	Nomination Committee (Chairman) Compensation Committee	Board of Directors 15 of 15 times Nomination Committee 7 of 7 times Compensation Committee 12 of 12 times	2 years	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	Outside Indep. 	Audit Committee (Chairman)	Board of Directors 15 of 15 times Audit Committee 9 of 9 times	1 year (Reference: Previously served for four years as an Audit & Supervisory Board member of the Company)	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.
Kenichiro Sasae	Member of the Board	Outside Indep. 	Nomination Committee	Board of Directors 11 of 13 times Nomination Committee 5 of 7 times	1 year	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	Outside 	Audit Committee	Board of Directors 12 of 13 times Audit Committee 9 of 9 times	1 year	Mr. Sono has considerable experience and extensive insight from serving as a corporate manager at international financial institutions.
Hideyuki Sakamoto	Member of the Board	Outside 	Nomination Committee	Board of Directors 12 of 13 times	1 year	Mr. Sakamoto has considerable insight and experience concerning the automotive business.
Mitsuko Miyagawa	Member of the Board	Outside Indep. 	Audit Committee	Board of Directors 11 of 13 times Audit Committee 8 of 9 times	1 year	Ms. Miyagawa has considerable expert knowledge and extensive insight as a legal specialist, having been active as an attorney at law for many years.
Yoshihiko Nakamura	Member of the Board	Outside Indep. 	Audit Committee	–	–	Mr. Nakamura has worked for many years as a certified public accountant and possesses extensive knowledge as a specialist in accounting audits.
Joji Tagawa	Member of the Board	Outside 	Compensation Committee	–	–	Mr. Tagawa has considerable insight and experience concerning the automotive business.
Takahiko Ikushima	Member of the Board	Outside 	–	–	–	Mr. Ikushima has considerable insight and experience concerning the automotive business.

For directors' career summaries, visit:

[WEB](https://www.mitsubishi-motors.com/en/company/director/) <https://www.mitsubishi-motors.com/en/company/director/>

Executive Remuneration

Information on the remuneration of directors and executive officers, as well as policies for determining how this remuneration is calculated, is contained in the annual securities report.

[WEB](https://www.mitsubishi-motors.com/en/investors/library/yuka.html) <https://www.mitsubishi-motors.com/en/investors/library/yuka.html>