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Corporate Governance

Corporate Governance System in Detail

Nissan has caused inconvenience and concern to its stakeholders due to the misconduct by the former management that occurred in 2018. We recognize that this was caused by an excessive concentration of authority and a lack of transparency in governance, and we are working to prevent a recurrence by raising awareness within the Company and improving governance to ensure that this will not recur.

In December 2018, we established the “Special Committee for Improving Governance”, which consists of three independent outside directors and four independent third-party committee members. In June 2019, in line with the recommendations of the committee, we transitioned from a “company with auditors” to a “company with three statutory committees”. This clearly separates execution, supervision, and auditing. It ensures transparency in decision-making, prompt and flexible business execution, and the effectiveness of internal control, compliance, and risk management systems. The Board of Directors has a majority of outside directors to reflect diverse viewpoints in management and to further strengthen the supervisory function. The Board of Directors has established three committees: the Nominating Committee, which decides on candidates for director positions; the Compensation Committee, which sets compensation for directors and executive officers; and the Audit Committee, which audits the business execution of directors, executive officers, and those with similar responsibilities. Outside directors make up the majority of each committee, with the Compensation Committee in particular comprised only of outside directors. Officers and employees, including executive officers, will sincerely respond to this supervision, oversight and auditing by the Board of Directors

and other corporate bodies. Furthermore, we announce clear management targets and policies to all stakeholders and disclose our performance promptly with a high degree of transparency. We have established a corporate governance system that maintains management transparency. The system allows us to implement various monitoring systems, as well as to assess and manage risks that could prevent us from achieving our business goals.

Corporate governance is an important fundamental for Nissan, and we will continuously strengthen our global management system together with our overseas bases. More importantly, in order to make it effective, we also work on awareness-raising for employees and business partners to ensure that it permeates throughout the organization. Under our long-term vision Nissan Ambition 2030, we aim to transform Nissan into a sustainable company that is truly needed by its customers and society, by expanding the opportunities of mobility and society while delivering exciting electrified vehicles and technological innovations. We are committed to regaining the trust of our stakeholders by changing our corporate culture, acting with transparency and an attitude of respect and deference, from executives to employees.

* Click here for more information on the Nissan Corporate Governance Overview.

https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/Overview_EN.pdf

* Click here for more information on the Corporate Governance Guidelines.

https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/Guidelines_EN.pdf

* Click here for more information on governance data.

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Strengthening Corporate Governance System

Nissan transitioned to a three statutory-committee format, establishing nomination, compensation, and audit committees, and is working to strengthen governance under the following points.

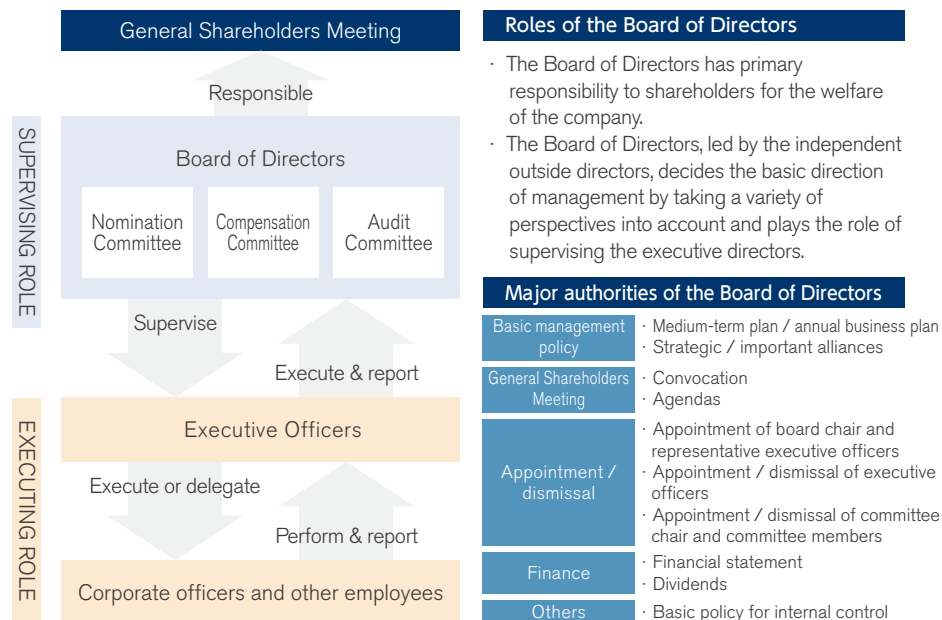
New System Key Points

- (1) Separation of management and supervisory functions
- (2) Independence of Board of Directors
- (3) Transparency of decision-making process
- (4) Speedy and flexible business execution

Board of Directors' System

The Board of Directors, led by independent outside directors, decides basic management policies by taking a variety of perspectives into account and plays the role of supervising the execution of duties by executive directors and other officers. A majority (seven) of the 12 members are independent outside directors, including the Chairman of the Board, creating an environment driven by independent outside directors. Each director has diversity in terms of nationality, gender, specialization or other traits, and Nissan aims to realize lively discussions and swift decision-making through their inclusion.

Role of The Board of Directors



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Board of Director Skills Matrix

The Board of Director Skills Matrix was updated in April 2022 as follows.

“Governance” “CSR” : Integrated as “ESG” (aiming sustainable business operations by associating E / S / G)

Digital Transformation “DX” : newly added (aiming business operations including CASE*)

*CASE: C = Connected, A = Autonomous, S = Sharing services, E = Electrification

		Global Management	Automobile Industry	Government	Legal / Risk Management	Finance / Accounting	ESG	Products / Technology	Sales / Marketing	Digital Transformations
1	Yasushi Kimura	○				○	○	○	○	
2	Jean-Dominique Senard	○	○	○		○	○			
3	Masakazu Toyoda	○	○	○	○		○			
4	Keiko Ihara	○	○				○	○	○	○
5	Motoo Nagai	○	○		○	○	○			
6	Bernard Delmas	○	○				○	○	○	
7	Andrew House	○				○	○	○	○	○
8	Jenifer Rogers	○			○	○	○			○
9	Pierre Fleuriot	○		○	○	○	○			
10	Makoto Uchida	○	○		○	○	○	○		○
11	Ashwani Gupta	○	○			○	○	○	○	○
12	Hideyuki Sakamoto	○	○		○		○	○		○

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Status of Board of Directors' Activities

The Board of Directors resolves important matters related to Group management based on laws and regulations of the Board of Directors itself, including drafting proposals for the General Meeting of Shareholders, selecting members for each committee, preparing quarterly and full-year financial statements and formulating business plans and product strategies. In the fiscal year under review, agenda item submitted to the Board of Directors included the following.

- Business execution status update and progress report on the Nissan NEXT transformation plan
- Formulation of long-term vision Nissan Ambition 2030
- Activity report on internal control and risk management
- Revisions to the Corporate Governance Code
- Proposals for transitioning to a new market segment on the TSE, etc.

Additionally, to enhance Board of Director discussions, regular meetings with outside directors that are chaired by the lead independent outside director are held to discuss a wide range of matters related to Nissan corporate governance and business. Examples include executive business briefings, site inspections, sustainability and D&I initiatives and governance lectures. In the fiscal year under review, two meetings were held between independent outside directors and accounting auditors on economic security, market perspectives on ESG and electrification, and new data security legislation.

* Click here for more information on each member of the Board of Directors.

<https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/>

* Click here for more information on the Board of Directors' activities in fiscal 2021.

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Board of Director Member Responsibilities and Duties

Independent outside director Director

Yasushi Kimura

Independent outside director
Chair of the Board of Directors

Nomination
Audit

Director since June 2019

Jean-Dominique Senard

Director
Vice-Chair of the Board of Directors

Nomination

Director since Apr 2019

Masakazu Toyoda

Independent outside director
Lead independent outside director
Chair of Nomination Committee

Nomination
Audit

Director since Jun 2018

Keiko Ihara

Independent outside director
Chair of Compensation Committee

Nomination
Compensation

Director since Jun 2018

Motoo Nagai

Independent outside director
Chair of Audit Committee

Nomination
Compensation
Audit

Director since Jun 2019

Bernard Delmas

Independent outside director

Compensation

Director since Jun 2019

Andrew House

Independent outside director

Nomination

Director since Jun 2019

Jenifer Rogers

Independent outside director

Compensation
Audit

Director since Jun 2019

Pierre Fleuriot

Director

Audit

Director since Feb 2020

Makoto Uchida

Director
Representative Executive Officer, President and Chief Executive Officer

Director since Feb 2020

Ashwani Gupta

Director
Representative Executive Officer, Chief Operating Officer

Director since Feb 2020

Hideyuki Sakamoto

Director
Executive Officer, Executive Vice President

Director since Feb 2020

*For Board of Director member personal histories, please refer to pages 19–25 of the Corporate Governance Overview (Version 3: Updated in December 2021)
https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/Overview_EN.pdf

* For reasons behind the selection of Board of Director members, please refer to pages 12-15 of the Corporate Governance Report.
https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/g_report.pdf

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Board Features

Highly independent representation in Board and committee composition

- All chairs of the Board of Directors and three committees are independent outside directors.

Board of Directors

- Majority of Board of Directors (7 out of 12) are independent outside directors

Committee

- Nomination Committee : Majority (5 out of 6) are independent outside directors
- Compensation Committee : All (4 out of 4) are independent outside directors
- Audit Committee : Majority (4 out of 5) are independent outside directors

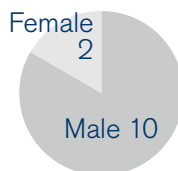
Diversity of nationality and gender

Nationality

5 Nationalities

Gender

17%
Female



Director Independence Standards

To ensure highly independent representation on the Board of Directors, Nissan strictly defines the qualification of independent directors. They must not fall into any of the following categories:

Prohibited categories	
1	Executive or employee of Nissan (within last 10 years)
2	Major shareholder of Nissan (within last 5 years)
3	Director, corporate auditor, statutory accounting advisor or executive of a company of which Nissan is a major shareholder
4	Major business partner of Nissan
5	Executive of an organization that received a significant amount of donations and contributions from Nissan
6	Director, corporate auditor, statutory accounting advisor or executive of a company that has a director who was seconded from Nissan
7	Major creditor of Nissan
8	Certified public accountant or tax attorney appointed as statutory accounting auditor / advisor of Nissan
9	Attorney, certified public accountant, tax attorney or any other type of consultant who has received significant business from Nissan
10	Member, partner or any other executive of an accounting firm, tax firm, or consulting firm that has received significant business from Nissan
11	Family member of any of the above categories
12	Person who has served as director of Nissan (for more than 8 years)
13	Person who may otherwise consistently have substantial conflicts of interest with the shareholders of Nissan

Important: All items stated above are summaries of the full qualifications as defined in Nissan Director Independent Standards. For more details for each category, please visit the Nissan website for Nissan Motor Company Director Independence Standards.

https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/Standards_EN.pdf

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Nomination Committee System and Authority

AUTHORITY / ROLE	RESOLUTION ITEMS
<ul style="list-style-type: none"> · To determine the content of the General Shareholders Meeting agenda concerning the appointment and dismissal of directors as provided for in the Corporate Law · To determine the content of the Board of Directors' meeting agenda concerning the appointment and dismissal of the representative executive officer · To formulate an appropriate succession plan regarding the president and CEO and review it at least once a year 	<ul style="list-style-type: none"> · Proposal of election / dismissal of director candidates · Proposal of election / dismissal of representative executive officer · Succession plan for CEO · Proposal of appointment / dismissal of Board of Directors' chair and vice chair · Proposal of appointment / dismissal of committee chair and members

As of March 31, 2021, the Nomination Committee chaired by independent outside directors consists of six directors, five of whom are independent outside directors (of whom one is a woman). The committee has the authority to determine the content of the General Meeting of Shareholders' agenda concerning the appointment and dismissal of directors. In addition, the committee has 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 the authority to formulate an appropriate succession plan regarding the president and chief executive officer.

Nomination Committee: Number of meetings and participation rate in Fiscal 2021

- The Nomination Committee met 7 times in fiscal 2021.*
- Average participation per meeting was 97.6%.

* From April 1, 2021 to March 31, 2022

Main Activities in Fiscal 2021

- Deliberated proposals for representative executive officer appointments
- Deliberated proposals for director appointments / dismissals at the 123rd Ordinary General Meeting of Shareholders
- Deliberated president and chief executive officer succession plan

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Compensation Committee System and Authority

Authority / Role	Resolution Items
<ul style="list-style-type: none"> · To determine the policy of individual compensation of the company's directors and executive officers and the contents of individual compensation for directors and executive officers · To determine the aggregate and individual amounts of director and representative executive officer compensation 	<ul style="list-style-type: none"> · Policies and systems regarding compensation for directors and executive officers · Specific amount or (in the case of non-cash compensation) specific content of compensation for each individual director and representative executive officer · Specific amount or content of compensation for each individual executive officer

As of March 31, 2021, all four members of the Compensation Committee are independent outside directors (of whom two are women), including the chair. The Compensation Committee has the statutory authority to determine the policy of individual compensation of the company's directors and executive officers and the contents of individual compensation for directors and executive officers.

Compensation Committee: Number of meetings and participation rate in Fiscal 2021

- The Compensation Committee met 12 times in fiscal 2021.*
- Average participation per meeting was 100%.

* From April 1, 2021 to March 31, 2022

Main Activities in Fiscal 2021

- Confirm a policy for compensating directors and executive officers
- Select benchmark companies and discuss the level of compensation based on the benchmark results of these companies and the results of surveys conducted by external compensation consultants
- Determine the aggregate and individual amounts of director and executive officer compensation for fiscal year
- Add new performance indicators for sustainability in the performance-based cash incentives that form a part of the long-term incentive program

* Please refer to the 2021 Securities Report (P59-67) for details on the performance indicators of the compensation program.

<https://www.nissan-global.com/EN/IR/LIBRARY/FR/2021/ASSETS/PDF/fr2021.pdf>

* Click here for more information on the executives' role and performance assessment >>> [P019](#)

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Audit Committee System and Authority

Authority / Role	Resolution Items
<ul style="list-style-type: none"> · To audit (monitor and supervise) executive officers' business execution and directors' performance of their duties · To make executive officers and employees / subsidiaries report on business execution and investigate the status of operation and financial conditions · To seek injunctions against illegal acts of directors, executive officers, and employees · To produce annual audit reports · To select / dismiss external auditors (Appointed Audit Committee member) to represent the company in any litigation brought against directors / executive officers 	<ul style="list-style-type: none"> · Annual audit reports to be submitted to shareholders meeting · Audit policy / rules and annual audit plan / budget of the Audit Committee · Proposal for shareholders meeting concerning the appointment / dismissal of external auditors · Assignment of staff employees of Audit Committee secretariat · Annual audit plan, budget and HC of Global Internal Audit Office, assignment and evaluation to the head of Global Internal Audit Office · Filing of litigation against directors / executive officers

As of March 31, 2022, the Audit Committee chaired by independent outside directors consists of five directors, four of whom are independent outside directors (of whom one is a woman). As part of audits on business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers, and employees on their business execution for Nissan and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. In addition, the Chair has meetings with executive officers including the president and chief executive officer periodically and exchanges opinions in various areas.

Furthermore, the Chair attends important meetings, etc., to state his opinions, reviews internal approval documents and other important documents, and, when necessary, requests explanations or reports from executive officers, corporate officers, and employees. The Chair shares his collected information with other members of the Audit Committee in a timely manner.

The Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditors in an appropriate manner, making efforts to enhance the effectiveness of "tri-parties" audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out by their respective audits and the status of their remediation in a timely manner. Furthermore, the Audit Committee supervises the internal audit department, periodically receives reports from them on the progress and results of their internal audit activities conducted in accordance with their internal audit plan and, as necessary, gives them instructions regarding internal audit.

The Audit Committee is the contact point for whistleblowing with doubts regarding the involvement of management such as executive officers, and deals with whistleblowing by establishing a system where relevant executive officers cannot know the whistleblower and the content of whistleblowing.

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Audit Committee: Number of meetings and participation rate in Fiscal 2021

- The Audit Committee met 15 times in fiscal 2021
- Average participation per meeting was 100%

* From April 1, 2021 to March 31, 2022

Main Activities in Fiscal 2021

- Responded to a lawsuit for damages filed by the former chairman and former representative director respectively as the defendants, sought liability for other serious misconduct by the former chairman and implemented appropriate measures to recover from the damage
- Created an internal control system for risk management, cybersecurity, and other areas, held hearing for individual reports on management conditions
- Held hearing on quarterly review results for the current fiscal year reported by the accounting auditor
- Exchanged opinions with the independent auditor on key audit considerations (KAM) and digital auditing initiatives
- Audited by the Board of Directors to confirm auditing function effectiveness
- Visited Nissan facilities as well as major domestic and overseas subsidiaries (2 bases and 21 companies: including virtual visits online)
- Held liaison meetings with corporate auditors of group companies for the purpose of improving the audit quality at each group company (including virtual visits online)

Executive Officer System

Executive officers decide on business activities which are delegated in accordance with the resolutions of the Board of Directors and execute the business of the Nissan Group.

Several conference bodies have been established to deliberate on and discuss important corporate matters and the execution of daily business affairs. Furthermore, in the pursuit of more efficient and flexible management, the authority for business execution is clearly delegated as much as possible to corporate officers and employees. As of March 31, 2022, six executive officers (including two representative executive officers) have been appointed.

* Click here for more information on each executive officer.

<https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/>

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Basic Principles of the Internal Control System

We aim to provide superior value to all stakeholders, consider healthy governance the foundation for this, and are engaged in a range of activities to achieve it. In line with this principle, and in accordance with Japan's Companies Act and its related regulations, the Board of Directors has decided on internal control systems to pursue these goals and its own basic policy. The Board continually monitors the status of implementation regarding these systems and the policy, making adjustments and improvements if necessary. The internal control system that was established in 2007 is chaired by the CEO under the monitoring and supervision of the Board of Directors. All executive officers, corporate officers, and departments, as well as group companies, cooperate closely under the CEO to improve the internal control system.

* Please refer to the Nissan Corporate Governance Overview for details on the internal control system (P53).

https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/Overview_EN.pdf

Audit System

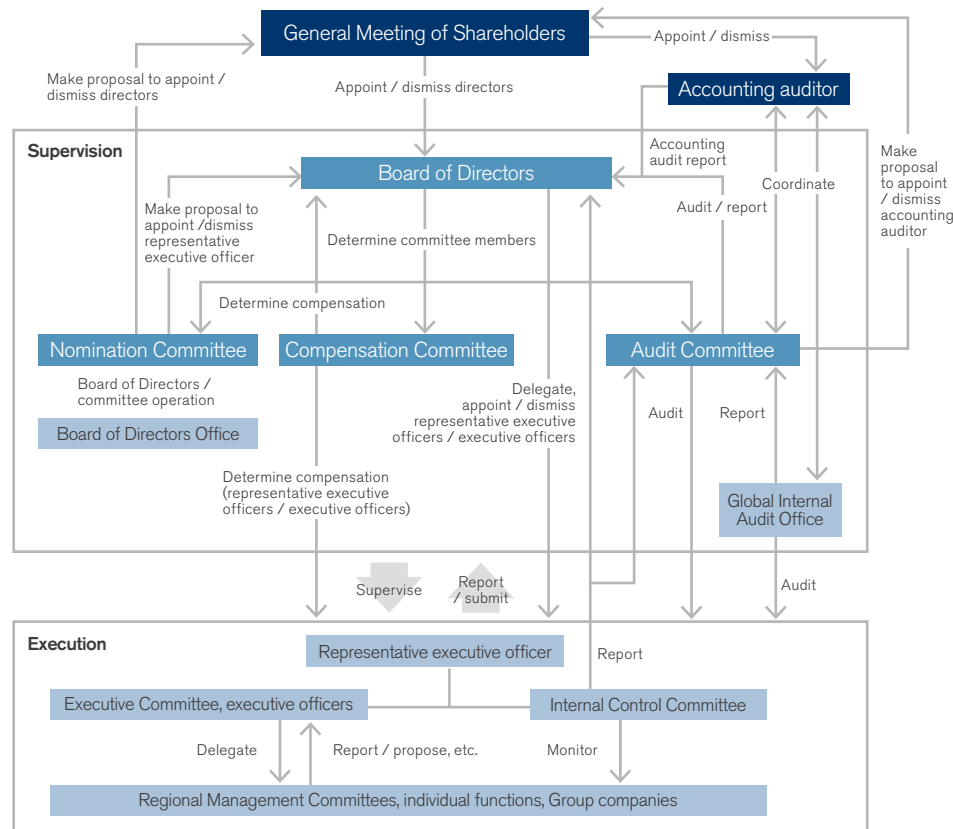
We have adopted a system under which the outside directors, Auditing Committee, department for internal audit, and outside accounting auditors coordinate to improve the effectiveness of our internal control systems. Independent outside directors lead our Board of Directors, deciding the basic direction of management and supervising the execution of duties by directors, executive directors, and others with similar responsibilities. The Audit Committee takes charge of the department for internal audit and instructs it 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 Audit Committee also receives similar reports from the accounting auditors, 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 Internal Audits

The Company has the global internal audit function, as an independent group to conduct internal auditing tasks under the Audit Committee. Regional audit teams are in each regional headquarters, and for sales finance, and IT and *monozukuri* auditing which requires a higher level of expertise, global specialty audit leadership was set up to conduct related audits across the regions. Under the control of the Chief Internal Audit Officer, all audits are carried out efficiently and consistently on a global basis.

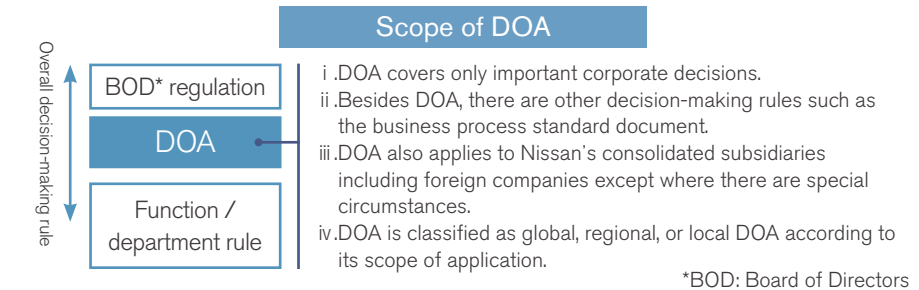
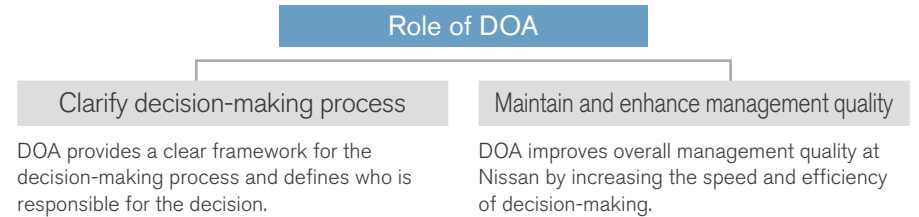
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Nissan's Corporate Governance System



Delegation of Authority Outline

Delegation of authority (DOA) is a part of Nissan's decision-making rules that defines who must be involved in important corporate decisions



Delegation of Authority Governance

For the purpose of enhancing management quality as well as clarifying the process of decision-making, fair and transparent delegation of authority (DOA) is appropriately implemented and strictly controlled.

- 01 Robustness**
Any revisions, creation and deletion are strictly controlled by the DOA Committee, which is chaired by corporate officers
- 02 Transparency**
DOA defines the appropriate individuals who must propose, validate and decide, are disclosed in the Nissan group employee's intranet
- 03 Fairness**
Aside from Proposer and Decider, the Validator, who provides expertise to a Decider in the Validator's relevant area, is set in the DOA items
- 04 Effectiveness**
DOA representatives and coordinators are assigned in each function and region for efficient operation and for enhancing global management

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Avoidance of Conflict of Interest




In case of any transaction that involves any conflict of interest between the company and a director or executive officer, the Board Regulations provide that Board approval, as well as a post-facto report to the Board of important facts associated with the transaction, are required. Given the possibility of conflict of interest, the representative executive officer of the company must not concurrently serve as a director, executive officer, or any other officer or employee of a major shareholder; Mitsubishi Motors Corporation, which is one of the other parties of the Alliance; or any subsidiaries or affiliates of the above. If an executive officer serves in such position at the time of assuming the office of representative executive officer of Nissan, that officer and Nissan shall promptly take the necessary measures for the officer to leave the other company.

Regarding the designation of Audit Committee members, the company's Corporate Governance Guidelines provide that, given the potential conflict of interest with minority shareholders, it is not desirable that the Audit Committee should include any person who has experience serving as a director, executive officer, or other officer or employee at a major Nissan shareholder or a subsidiary or affiliate of same (except for a person seconded from Nissan).

In addition, in 2019 the company established a Director Conflict of Interest Resolution Policy which defines conflict of interest between a director and the company, conducts annual conflict of interest questionnaires, requires directors to report any actual, potential or perceived conflicts, and also establishes procedures to resolve such conflicts. Further, the Global Conflict of Interest Code came into force in March 2022 and applies to all officers and employees.

Three Key Pillars of Director Conflict of Interest Resolution Policy

Three key pillars of Director Conflict of Interest Resolution Policy

Duty to report 	Resolution group 	Resolution procedure 
Mandates two affirmative duties for directors: <ul style="list-style-type: none"> i. Timely reporting of actual and potential conflicts; ii. Advance disclosure of interested transactions 	Establishes the Director Conflict Resolution Group, comprising (of at least) three independent directors, led by the chair of the Audit Committee. The chair can prevent a director from: <ul style="list-style-type: none"> i. Receiving materials, ii. Presenting at any discussion, and, iii. Participating in any vote, related to any specific conflict of interest reported. 	Establishes procedures to resolve director conflicts before and during Board / committee meetings including: <ul style="list-style-type: none"> i. Maintaining a database of all specific conflicts of interest identified, ii. Suspending or postponing the matter in question, and, iii. Excluding the conflicted member from the meeting

* Click here for more information on the Corporate Governance Report.
https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/g_report.pdf