

Corporate governance

Approach to corporate governance

In light of the misconduct committed by a few former management members in 2018, we have been working to avoid excessive concentration of authority and increase the transparency of its corporate governance by raising awareness within company and improving governance to ensure that this will not occur.

Nissan has selected a “company with three statutory committees” as its governance system, which 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. Outside directors make up the majority of each committee, and the Compensation Committee is comprised only of outside directors. Similarly, the Chair of the Board of Directors and each committee chair are independent outside directors.

Corporate governance system

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 governance system that maintains sound management. The system allows us to implement various monitoring systems, as well as to assess and manage internal and external risks that could impact the achievement of our business goals.

Corporate governance is an important fundamental for Nissan. 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. In response to the challenging business environment, Nissan has formulated the recovery plan “Re:Nissan”, which focuses on reducing cost structure, strategy redefinition, and partnership reinforcement.

Towards the steady implementation of the Plan and the swift recovery of business performance, all officers and employees are committed to work together to achieve sustainable growth and the long term vision “Nissan Ambition 2030” through continuing transparent governance and providing value to all stakeholders.

Roles of the Board of Directors



Roles of the Board of Directors

- The Board of Directors has primary responsibility to shareholders for the welfare of the company and shareholders' interest.
- The Board of Directors, led by the independent outside directors, decides the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the executive directors.

Major authorities of the Board of Directors

Basic management policy	· Mid-to long-term plan / annual business plan
General Shareholders Meeting	· Convocation · Agendas
Appointment / dismissal	· Appointment of board chair · Appointment / dismissal of representative executive officers · Appointment / dismissal of executive officers · Appointment / dismissal of committee chair and committee members
Finance	· Quarterly financial statements and financial documents · Interim dividends
Others	· Basic policy for internal control, etc.

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 of the board members (8 of 12) are independent outside directors, including the Chairman of the Board, creating an environment driven by outside perspectives. Each director has diversity*¹ in terms of nationality, gender, specialization or other traits, and Nissan aims to realize lively discussions and swift decision-making through their inclusion.

Significant items

Nissan positions Sustainability, Risk management, and Internal control/Compliance as important matters that affect the management of Nissan, and has established and operates processes for communicating these initiatives to the Board of Directors in accordance with the policies and structure stated as below.

In addition, the following items were reported to the Board of Directors during fiscal year 2024, among which were reports regarding the response to requests from relevant authorities based on the Subcontract Act and the Antimonopoly Act as matter of critical concern.

Sustainability

Policies and structure

- Corporate Governance Guidelines*²
Chapter III Appropriate Cooperation with Stakeholders

Items reported to the Board of Directors

- Sustainability related report: 1 time

Risk management

Policies and structure

- Corporate risk management*³
- Annual process of corporate risk management*³

Items reported to the Board of Directors

- Corporate Risk Management Report: 1 time

Internal control/Compliance

Policies and structure

- Corporate Governance Guidelines*²
Chapter 1 General Provisions Article 2. 4
- Corporate Governance Report*⁴
IV-1. Internal Control System
- Internal control system*⁵
- Compliance system*⁶

Items reported to the Board of Directors

- Internal Control Report: 2 times
- Audit Committee Report: 2 times
- Corporate Governance Report approval: 1 time
- Reports related to the Subcontract Act, Antitrust laws and other matters based on the recommendations from relevant ministries and authorities: 6 times
- Operation of the Board of Directors in response to the legal compliance: 1 time

*1 Click here for more information on diversity. >>> [P097](#)

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

*3 Click here for more information on the Corporate risk management, Annual process of corporate risk management. >>> [P131](#)

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

*5 Click here for more information on the internal control system. >>> [P120](#)

*6 Click here for more information on the compliance system >>> [P134](#)













Board of Director Skills Matrix

The Board of Directors skills matrix is as follows.

Board of Directors skills matrix (As of July 1st, 2025)

		Global Management	Corporate Strategy	Automobile Industry	Legal / Risk Management	Finance / Accounting	ESG	Products / Technology	Sales / Marketing	Digital Transformations
1	Yasushi Kimura	✓	✓			✓	✓	✓	✓	
2	Bernard Delmas	✓	✓	✓			✓	✓	✓	
3	Keiko Ihara	✓	✓	✓			✓	✓	✓	✓
4	Motoo Nagai	✓	✓	✓	✓	✓	✓			
5	Andrew House	✓	✓			✓	✓	✓	✓	✓
6	Brenda Harvey	✓	✓				✓	✓	✓	✓
7	Teruo Asada	✓	✓		✓	✓	✓			
8	Mariko Tokuno	✓	✓		✓	✓	✓		✓	
9	Valerie Landon	✓	✓		✓	✓	✓			
10	Timothy Ryan	✓	✓		✓	✓	✓			
11	Ivan Espinosa	✓	✓	✓			✓	✓	✓	✓
12	Eiichi Akashi	✓	✓	✓			✓	✓		✓

Board members' responsibilities and duties as of July 1st, 2024

<p>Yasushi Kimura</p>  <p>Independent outside director, chair of the board of directors</p> <p>Nomination</p> <p>Director since June 2019</p>	<p>Bernard Delmas</p>  <p>Independent outside director, lead independent outside director</p> <p>Compensation</p> <p>Audit</p> <p>Director since Jun 2019</p>	<p>Keiko Ihara</p>  <p>Independent outside director, chair of Compensation Committee</p> <p>Nomination</p> <p>Compensation</p> <p>Director since Jun 2018</p>	<p>Motoo Nagai</p>  <p>Independent outside director, chair of Audit Committee</p> <p>Nomination</p> <p>Compensation</p> <p>Audit</p> <p>Director since Jun 2019</p>
<p>Andrew House</p>  <p>Independent outside director, chair of Nomination Committee</p> <p>Nomination</p> <p>Compensation</p> <p>Director since Jun 2019</p>	<p>Brenda Harvey</p>  <p>Independent outside director</p> <p>Audit</p> <p>Director since Jul 2023</p>	<p>Teruo Asada</p>  <p>Independent outside director</p> <p>Audit</p> <p>Director since June 2024</p>	<p>Mariko Tokuno</p>  <p>Independent outside director</p> <p>Compensation</p> <p>Director since June 2024</p>
<p>Valerie Landon</p>  <p>Director</p> <p>Audit</p> <p>Director since June 2025</p>	<p>Timothy Ryan</p>  <p>Director</p> <p>Nomination</p> <p>Director since June 2025</p>	<p>Ivan Espinosa</p>  <p>Director, representative executive officer, president and CEO</p> <p>Director since June 2025</p>	<p>Eiichi Akashi</p>  <p>Director, executive officer, Chief Technology Officer</p> <p>Director since June 2025</p>

Board features as of July 1st, 2025

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 the Board of Directors (8 out of 12) are independent outside directors*¹ *²

Committee

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

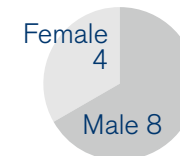
Diversity of nationality and gender

Nationality

5 Nationalities

Gender

33% Female



*1 Click here for more information on each member of the Board of Directors. <https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/>

*2 Click here for reasons of appointment of Board members, on the Corporate Governance Report, Outside directors' relationship with the Company (2). https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/g_report.pdf

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:*1

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

Status of the board of directors activities in fiscal year 2024

The Board of Directors makes decisions on important matters related to the management of the Group in accordance with laws, regulations, and the Regulation of the Board of Directors.

Agenda items submitted to the Board of Directors meeting during this fiscal year are as follows.

1) Regular agenda :

- Annual Business Plan, Business report, Quarterly Financial results, AGSM convocation notice
- Internal control and Risk management report, Corporate Governance report approval
- Sustainability related report (Issuance of Integrated report, Sustainability data book)
- IR activity report, etc.

2) Key Agenda Items in FY24 :

- Implementation of the Turnaround plan and report on progress
 - ▶ Conducted discussions on fundamental business restructuring to recover and stabilize our business. Discussions focused on the rapid implementation of "lean and strong business structure".
- Sign (and cancellation) of MOU with Honda regarding consideration of business integration
 - ▶ To build the strategic partnership for the era of automotive intelligence and electrification, continued discussions were held regarding the business integration with Honda. Although we finally decided to discontinue discussions and considerations of business integration after various discussions on the increasingly changing market outlook, our management measures, and other issues, confirmed that we will continue to consider collaboration in areas where the mutual strengths can complement each other.

- Replacement of Representative Executive Officer and Change in Executive Officer line-up
 - ▶ For the replacement of the Representative Executive Officer, based on the request for management reform in light of the rapid changes in the business environment, a candidate was selected in accordance with the previous succession process of the Nomination Committee, and the Board of Directors confirmed that the candidate is a suitable leader for the next generation, and approved the appointment.

In addition, regular meetings with outside directors chaired by the lead independent director are held to discuss a wide range of issues related to Nissan's corporate governance and business matters. As cooperation between outside directors and external parties, meetings are held to exchange opinions with institutional investors and external auditors. Also, the Company conducted training sessions for newly appointed outside directors and visits to the Company's business sites during the fiscal year. *2

*1 All items stated above are summaries of the full qualifications as defined in Nissan director independent standards. Click here for more details of each categories https://www.nissan-global.com/EN/SUSTAINABILITY/GOVERNANCE/ASSETS/PDF/Standards_EN.pdf

*2 Click here for more information on the Board of Directors activities in fiscal year 2024. [>>> P161](#)

Nomination Committee system and authority

Authority / Role

- 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 removal of the representative executive officer
- To formulate an appropriate succession plan regarding the president and CEO and review it at least once a year

Resolution items

- Proposal of appointment / dismissal of director candidates
- Proposal of appointment / removal of representative executive officer
- Succession plan for CEO
- Proposal of appointment / removal of Board of Directors chair
- Proposal of appointment / removal of committee chair and members

As of March 31, 2025, the Nomination Committee chaired by independent outside directors consists of five directors, four 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 removal 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 year 2024

- The Nomination Committee met 11 times in fiscal year 2024*1
- Average participation per meeting was 98%.

Main activities in fiscal year 2024

- Deliberated proposals for representative executive officer appointment and removal
- Deliberated proposals for director appointments / dismissals at the 126th Ordinary General Meeting of Shareholders
- Deliberated president and chief executive officer succession plan

Compensation Committee system and authority

Authority / Role

- 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

Resolution Items

- Policies and systems regarding compensation for directors and executive officers
- Specific amount or (in the case of noncash 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, 2025, all five 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.*2 *3

Compensation Committee: Number of meetings and participation rate in fiscal year 2024

- The Compensation Committee met 13 times in fiscal year 2024*4
- Average participation per meeting was 98%.

Main activities in fiscal year 2024

- 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.

*1 From April 1, 2024 to March 31, 2025

*2 Please refer to the 2024 Securities Report (P81-88) for details of the performance indicators of the compensation program. https://www.nissan-global.com/EN/IR/FINANCIAL_RESULTS/ASSETS/FR/2024/PDF/fr2024.pdf#page=83

*3 Click here for more information on the executives' roles on sustainability and its performance assessment. [>>> P010](#)

*4 From April 1, 2024 to March 31, 2025

Audit Committee system and authority

Authority / Role

- 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

Resolution Items

- 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, 2025, 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, having secured the internal audit department's very high independence of the execution side, and 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.*1 *2

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.

In addition, the Audit Committee audits the validity of the evaluation process and of the identified issues to be addressed based on the evaluation results of the annual

evaluation of the effectiveness of the Board of Directors, reports its audit results to the Board of Directors, and appropriately conducts monitoring so that such evaluation can be made appropriately and be meaningful to improve the effectiveness of the Board of Directors.

Audit Committee: Number of meetings and participation rate in fiscal year 2024

- The Audit Committee met 12 times in fiscal year 2024*3
- Average participation per meeting was 100%

Main activities in fiscal year 2024

The Audit Committee set the following as key audit items for this fiscal year. The Audit Committee considered and deliberated each item at the meeting repeatedly, and made recommendations to the execution side as needed.*4 Furthermore, the Audit Committee has the head of the internal audit department as well as the independent auditors attend the meetings as observer and share with them timely the Company's business situation and challenges recognized through the discussion of each meeting agenda so that each can utilize them in its respective audits. And, to enhance the discussion of each agenda further, the Audit Committee requests its opinions from its respective viewpoint as necessary.

*1 Please refer to the 2024 Securities Report (P74) for details of the independence of Internal Audit. https://www.nissan-global.com/EN/IR/FINANCIAL_RESULTS/ASSETS/FR/2024/PDF/fr2024.pdf#page=76

*2 Please refer to the 2024 Securities Report (P74) for details of the relationship among Audit Committee, Internal Audit, and Execution side. https://www.nissan-global.com/EN/IR/FINANCIAL_RESULTS/ASSETS/FR/2024/PDF/fr2024.pdf#page=76

*3 From April 1, 2024 to March 31, 2025

*4 Please refer to the 2024 Securities Report (P76) for details of the status of the Audit Committee major activities in every month of this fiscal year. <https://www.nissan-global.com/EN/IR/LIBRARY/FR/2024/ASSETS/PDF/fr2024.pdf#page=78>

Item	Study & Discussion
Monitoring of the business execution status of the executive officers, etc.	<ul style="list-style-type: none"> The progress of the mid-term business plan "The Arc" (The Audit Committee confirmed the status of sales and the cash flow in each region as well as the status of the initiatives to address major business challenges such as the improvement of the sales quality aiming at the optimization of the inventories and the incentives, etc., and provided advices to the execution side as necessary to encourage further consideration.) The contents of the Turnaround plan and the progress of the measures partially implemented based on the plan (Considering the expected reaction of stakeholders, the Audit Committee advised and encouraged the execution side for further consideration, from the perspectives of the appropriateness of the risk scenarios, the feasibility of the future cost reductions and financing, and the importance of partner strategy, etc.)
Monitoring of the operational status of the internal control system and the risk management system	<ul style="list-style-type: none"> The handling of the integrated risk management system and of newly recognized high risk items considering the environment surrounding the Company Thorough compliance with the Subcontract Act, and efforts to ensure proper transactions and strengthen relationship with suppliers The structural enhancement of the compliance division and the status of the activities to enhance internal awareness regarding compliance The activities concerning cybersecurity (the contents of the maturity self-assessment and the progress of the mid-term plan based on the 3rd party assessment) Recommendations on improvements to speed-up and increase the efficiency of decision-making of the execution side (the reduction and the strict management of the number of meetings involving the management, and the expansion of the delegation of authorities, etc.) and the execution side's responses to the Audit Committee's recommendations
Confirmation of the status of the internal audit department	<ul style="list-style-type: none"> Significant audit findings and the execution of recommended improvements based thereon (The internal audit department's following-up to encourage the steady execution thereof by the execution side.) The internal audit department's initiatives to further enhance the operation aiming at an "insight generator" and to integrate cooperation and close communication as a "global one team" Support for the 2nd line (Support for compliance with the revised J-SOX standards, etc.) Initiatives to promote Digital Transformation (the efficient operation of the audit management system, the utilization of big data in audits)
Measures to enhance the internal control as the Company's group	<ul style="list-style-type: none"> The integrated management of all group companies in Japan and overseas for further group governance enhancement. The collaboration between Nissan's internal audit department and major domestic and overseas group companies' internal audit section including the unification of the audits standards within the group companies, etc.

In addition to those mentioned above for the key audit items, the Audit Committee also engaged in the following activities in this fiscal year:

Handling of misconduct matters

- The Audit Committee continuously implemented appropriate measures to seek responsibility for serious misconduct by the former chairman and a former representative director respectively and to recover damages, including the handling of the lawsuits filed against them to claim damages.

Deepening of collaboration with the Independent Auditors

- The Audit Committee received reports on the quarterly review for this fiscal year from the independent auditors, exchanged opinions with the independent auditors on the activities for the next generation digital audit, other than the Key Audit Matters (KAM), and evaluated the appropriateness of the independent auditors' audit quality from multiple aspects.

On-site audits and collaboration with the company group's statutory auditors

- Audit Committee members conducted on-site audits on the Company's sites/plants and major domestic and overseas subsidiaries (2 sites and 21 subsidiaries), and Audit Committee received reports on the results of major on-site audits.
- The Audit Committee held semi-annual conferences with major domestic statutory auditors of group companies to improve their audit quality.

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, 2025, five executive officers (including one representative executive officers) have been appointed. *1

Audit system

We have adopted a system under which the outside directors, Auditing Committee, internal audit department, and outside accounting auditors coordinate to improve the effectiveness of our internal control systems.

Independent outside directors lead the Board of Directors, deciding the basic direction of management and supervising the execution of duties by directors, executive directors. The Audit Committee takes charge of internal audit department and instructs it with regard to auditing, and internal audit department 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 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.

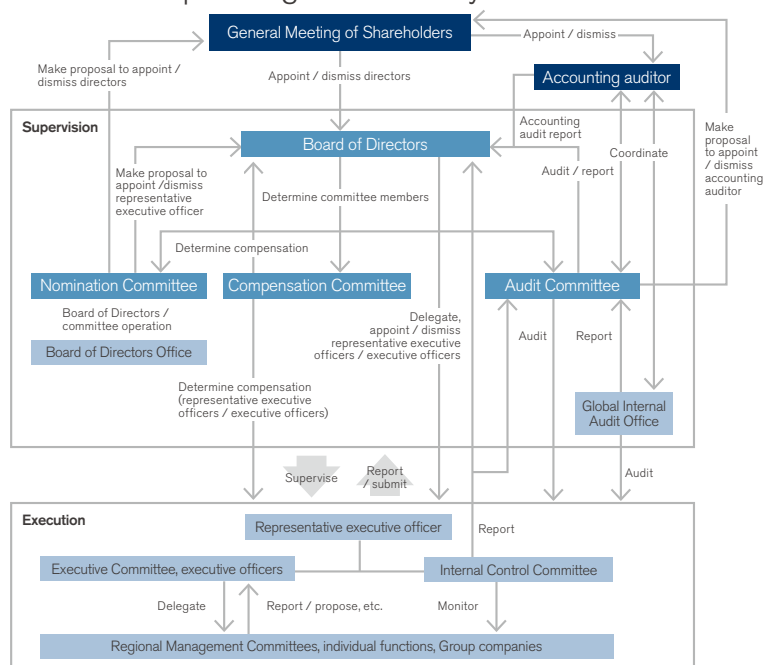
*1 Click here for more information on each executive officer. <https://www.nissan-global.com/EN/COMPANY/PROFILE/EXECUTIVE/EO/>

Independent internal audits

Nissan has the global Internal Audit department, 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, IT, and Monozukuri areas which require a higher level of expertise, global specialty audit leadership is set up to conduct related audits across the regions. Under the control of the Chief Internal Audit Officer (CIAO), all audits are carried out efficiently and consistently on a global basis.

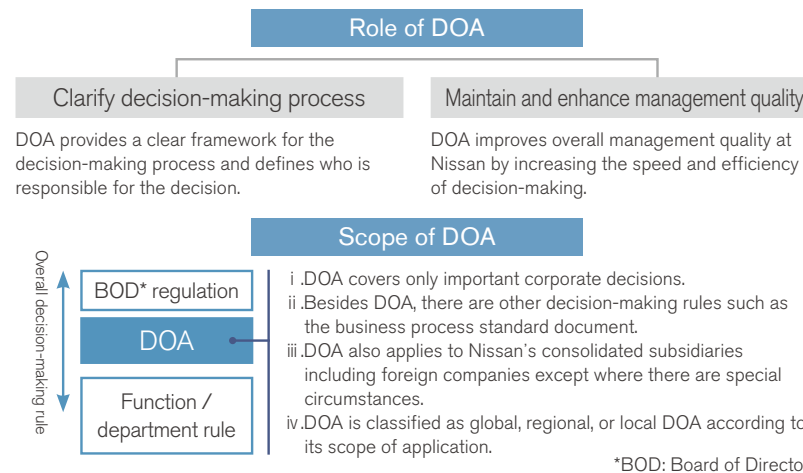
Internal audits are conducted based on the audit plans which were approved by the Audit Committee. Audit results are regularly reported to the Audit Committee, the relevant departments, and corporate officers in a timely manner.

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.

<p>01 Robustness Any revisions, creation and deletion are strictly controlled by the DOA Committee, which is chaired by corporate officers</p>	<p>02 Transparency DOA defines the appropriate individuals who must propose, validate and decide, are disclosed in the Nissan Group employee's intranet</p>
<p>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</p>	<p>04 Effectiveness DOA representatives and coordinators are assigned in each function and region for efficient operation and for enhancing global management</p>

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.

In addition, in 2019 the company established a Director Conflict of Interest Resolution Policy (updated in 2023) 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

Mandates two affirmative duties for directors:

- i . Timely reporting of actual and potential conflicts;
- ii . Advance disclosure of interested transactions

Confirmation of specific conflicts of interest

In the event that a potential conflict of interest is detected in a Board of Director or committee proposals, the Board of Director or committee secretariats shall review whether the proposal has a specific conflict of interest and confirm with the chairperson of each meeting body on actions necessary to resolve said conflict. In confirming potential conflicts of interest, when necessary, the company will seek the opinion of a neutral and impartial outside law firm.

Specific conflict of interest resolution procedures and management

Procedures for resolving specific conflicts of interest shall include the following.

- i . In the event that a specific conflict of interest is identified by a director, the chairperson of each meeting body shall report the results of said confirmation to the director in question prior to the meeting.
- ii . The director who receives the report shall not receive any materials related to proposals, nor participate in meeting deliberations or resolutions.
- iii . Conflicts of interest shall be managed in a database.