

# Corporate Governance Guidelines

Mitsubishi Motors Corporation

## Preamble

The purpose of these Guidelines is to establish the Company's basic framework for and views on corporate governance, and to contribute to sustainable growth and improvement of the medium and long-term corporate value of the Company.

## Chapter 1 General Provisions

### Article 1 Basic Views on Corporate Governance

1. The Company considers compliance to be its highest priority, and makes the continual strengthening and improvement of corporate governance a management priority in order to achieve sustainable growth and improvement of the Company's medium and long-term corporate value so as to meet the expectations of all of its stakeholders, including its shareholders and customers, based on the following corporate philosophy (Vision & Mission).

Vision:

Create vibrant society by realizing the potential of mobility

Mission:

1. Provide new experiences for our customers with creative products and service excellence.
2. Make positive contributions to the sustainable development of our society.
3. Act sincerely as a trusted company.
4. Enhance stakeholder value by leveraging the Alliance.

2. In order to strengthen and improve corporate governance, the Company will work to make explicit the separation of the roles of and to enhance the functioning of supervisory and executive functions as a company with three committees, and it will also further enhance the soundness, transparency, and objectivity of management.

## Chapter 2 Ensuring the Rights and Equality of Shareholders

### Article 2 General Meeting of Shareholders

The Company will strive to quickly provide information on the General Meeting of Shareholders and develop the appropriate environment for the exercise of rights so it is possible to ensure a sufficient period of time for shareholders to consider the proposals for the General Meeting of Shareholders and appropriately exercise voting rights.

### Article 3 Ensuring the Equality of Shareholders

The Company will treat all shareholders equally in proportion to their equity interest and will appropriately disclose information in a timely fashion so that information gaps between shareholders do not occur.

### Article 4 Basic Policy on Cross-Shareholdings

1. The Company conducts cross-shareholdings only in cases where, in the course of the Company's business operations, it has judged the holding of such shares to be necessary for maintaining and strengthening medium and long-term business partnerships and indispensable for sustainable growth and improvement of the medium and long-term corporate value of the Company.
2. The Board regularly examines the appropriateness and rationality of the purpose of holding the cross-shareholdings.
3. When exercising voting rights related to cross-shareholdings, the Company appropriately exercises those rights with the object of contributing to increasing the Company's corporate value in the medium and long-term, while respecting the management policies and strategies of the investee company.

## Chapter 3 Relationship with Stakeholders

### Article 5 Code of Conduct

The Company will establish the "Mitsubishi Motors Global Code of Conduct" as the code to be complied with by all officers and employees of the Mitsubishi Motors Group in order to respect the position of stakeholders and fulfill its social responsibility as a company.

### Article 6 Sustainability Initiatives

1. Through its business operations, the Company will strive to improve its corporate value and contribute to the realization of a sustainable society by addressing materiality issues

identified in consideration of the level of interest of stakeholders and their impact on the Company.

2. The Company positions the Sustainability Committee, chaired by the President and CEO, as a forum for reporting and discussing major issues, with the aim of promoting company-wide sustainability initiatives. The Sustainability Committee will discuss medium and long-term action policies, action plans, and targets related to materiality, and confirm progress and performance. Important matters, including the review of materiality, will be discussed in the Sustainability Committee and finally decided by the Board of Directors.
3. The Company will disclose sustainability-related information and seek the understanding of stakeholders.

#### Article 7 Appropriate Collaboration with Stakeholders

1. In order to improve long-term corporate value, the Company will strive to build appropriate cooperative relationships not only with the Company's shareholders, but also with the Company's employees, customers, suppliers, creditors, local communities, and various other stakeholders.
2. The Company will establish whistleblowing contact points and consultation offices that can be used by employees and suppliers of the Company and its major affiliates in Japan and overseas, and develop an appropriate system to prevent any disadvantage due to whistleblowing. It will also supervise their operation, and thoroughly prevent and promptly detect fraud or other improper conduct and demonstrate self-correction.

#### Article 8 Transactions with Related Parties

1. The Company conducts transactions with related parties such as its officers or major shareholders based on consideration by multiple related departments and approval of the appropriate person in charge, who is stipulated in the provisions on delegation of authority, after the Company has sufficiently considered the economic rationality to confirm there is no harm to the common interests of the Company and its shareholders.
2. The Company will provide prior approval and subsequent reporting at the Board of Directors for any conflict-of-interest transactions.

### Chapter 4 Securing Appropriate Information Disclosure and Transparency

#### Article 9 Disclosure of Risk Management, etc.

1. The Board of Directors will appropriately disclose in a timely fashion its basic policies on the establishment of the internal control system, risk management of the Company and the

Company's affiliates, and legal compliance based on the Companies Act and other applicable laws and regulations.

2. The Company will disclose financial and operational matters by making transparency, timeliness, fairness, and continuity fundamental principles in accordance with the Companies Act, the Financial Instruments and Exchange Act and other applicable laws and regulations and in accordance with applicable rules of financial instruments exchanges.

## Chapter 5 Responsibilities of the Board of Directors

### Section 1 Responsibilities of the Board of Directors as a Supervisory Body

#### Article 10 Role of the Board of Directors

1. The Board of Directors is responsible for realizing efficient and effective corporate governance, and for the continuing sustainable growth and improvement of the medium and long-term corporate value of the Company on behalf of all of its stakeholders, including its shareholders and customers.
2. The Board of Directors will secure the fairness and transparency of management by exerting a supervisory function over management as a whole.
3. The Board of Directors decides the items that require a resolution of the Board pursuant to laws, regulations or provisions of the Articles of Incorporation, the items delegated to the Board of Directors by a resolution at a General Meeting of Shareholders, and certain material items related to business management, and it will delegate decision-making authority for the execution of other business to Executive Officers. The details of items that require a resolution of the Board of Directors and items that require a report to the Board of Directors will be established in the Rules of the Board of Directors.

#### Article 11 Responsibilities of Directors

1. Directors will collect sufficient information to execute their duties, and they must actively express their opinions in deliberations.
2. Directors will display the capacities anticipated from them, expend sufficient time on behalf of the Company, and execute their duties as Directors.
3. Upon assuming their offices, Directors must understand relevant laws and regulations, the Articles of Incorporation of the Company and the Rules of the Board of Directors, and they must sufficiently understand their duties.

#### Article 12 Roles and Responsibilities of Independent Directors

Independent Directors will endeavor to fulfill the following roles.

- (i) Provision of advice on business policies and business improvement based on their knowledge and experience with the aim to promote sustainable corporate growth and increase corporate value over the mid-to long-term;
- (ii) Supervision of management through important decision-making at the Board of Directors including the appointment and dismissal of the senior management;
- (iii) Supervision of conflicts of interest between the company and the management or controlling shareholders; and
- (iv) Appropriately representing the views of minority shareholders and other stakeholders at the Board of Directors from a standpoint independent of the management and controlling shareholders.

#### Article 13 Chair of the Board of Directors

1. A Director who is appropriate for the Board of Directors to effectively perform the function of supervising management will serve as the chair of the Board of Directors.
2. The chair of the Board of Directors will endeavor to secure sufficient provision of timely and appropriate information to Directors and time for deliberations so that the Board of Directors is able to increase the quality of its debate and operate effectively and efficiently.

#### Article 14 Internal Control

The Board of Directors will, in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other applicable laws and regulations, adopt a resolution on the basic policy for establishment of the internal control system in order to establish a system to ensure proper business operations, and will supervise the operation of the internal control system through the Audit Committee and other relevant committees.

### Section 2 Effectiveness of the Board of Directors

#### Article 15 Composition of the Board of Directors

1. In order for the Board to objectively and multi-dimensionally deliberate on management policies and the execution of specific matters, and to appropriately supervise the execution status of operation by Executive Officers, it will be important that the appropriate number of Directors, internal or outside, with diversity in terms of knowledge, experience, expertise and background, engage in vigorous discussions from a variety of perspectives. To this end, candidates for Directors will be nominated.

2. In order to strengthen the supervisory function of the Board of Directors, the majority of directors will be Outside Directors. Furthermore, in order to fulfill their responsibilities from an independent and objective standpoint, at least one-third of the Directors will be Independent Outside Directors, and consideration will be given to their total term of office.
3. Outside Directors will be nominated based on their diverse knowledge, experience, and expertise, which cannot be obtained from Internal Directors alone, for example, specialists in law, accounting, finance, etc., persons with management experience at global companies above a certain size, and persons with a wealth of knowledge of world affairs or social and economic trends, etc. Importance will be placed on their eagerness to devote the necessary time and efforts to understand the business of the Company as a group, discuss the direction the Company as a group should take, and to express their opinions to the management without hesitation. In addition, diversity of backgrounds such as gender, age, and internationality will be taken into account, as it is recognized that multiple perspectives contribute to business promotion and appropriate supervision and auditing.
4. As for Internal Directors, the Executive Officers, President & CEO, and a person who can appropriately serve as a member of the Audit Committee based on his or her execution experience of operation at the Company will be nominated.
5. The Board of Directors will be ensured that the Board is composed of t number of people who can openly and constructively discuss and exchange opinions.
6. The Company has established, as attached, and will appropriately disclose in a timely fashion, criteria for the independence of Outside Directors (“Independence Criteria”).

#### Article 16 Director Nomination Procedures

Director candidates will be decided after deliberation by the Nomination Committee based on Nomination Policy established by the Nomination Committee and the Independence Criteria stipulated in Article 15.6.

#### Article 17 Composition, Duties, etc. of each Committee

1. The Nomination Committee, Compensation Committee, and Audit Committee will be composed of at least three members of Directors appointed by the Board of Directors, and the majority of committee members will in principle be Outside Directors.
2. The Nomination Committee makes decisions for agenda proposals for the appointment or dismissal of Directors. It also deliberates Executive Officer and Corporate Officer appointment and dismissal criteria, proposals for the appointment and dismissal of the Executive Officer, president, Executive Officer, president succession plans, and other related issues.

3. The Compensation Committee deliberates and determines the policy regarding determination of remuneration of Directors and Executive Officers, as well as the details of individual remuneration.
4. By establishing the following systems to ensure the effectiveness of audits, the Audit Committee supervise the execution of the duties of Directors and Executive Officers and prepare audit reports, and will also implement internal investigations based on the judgment of the Board of Directors.
  - (i) The Audit Committee Office will be established as an organization directly under the control of the Audit Committee, and assign the full-time personnel necessary to assist the Audit Committee.
  - (ii) Mutually exchange information with the accounting auditor and the internal audit division, and promote collaboration among the three parties. In addition, the Audit Committee will regularly report to the Board of Directors the results of audit activities, including those from the internal audit division.

#### Article 18 Succession Plans

The Nomination Committee will sufficiently deliberate on Executive Officer, president succession plans so that the Company's management philosophy and specific management strategies are realized.

#### Article 19 Compensation, etc. for Directors, etc.

1. The Compensation Committee deliberates and determines the policy regarding determination of Director and Executive Officer compensation, etc., as well as the details of individual compensation, etc.
2. The basic policy regarding remuneration, etc. will be established as follows and disclosed in a timely and appropriate manner.

<Basic Policy>

  - ① The compensation system will contribute to MMC group's sustainable growth and the medium to long-term improvement of corporate value.
  - ② The compensation system will be linked with corporate results in order to motivate Executive Officers to accomplish management strategies and management plans as well as to achieve targeted corporate results in an appropriate manner.
  - ③ The compensation levels will contribute to securing professionals who measure up to ideal standards for management personnel that MMC expects for those responsible for corporate operation to have.
  - ④ The compensation system will increase a shared awareness of profits with shareholders and awareness of shareholder-focused management.
  - ⑤ The decision-making process relating to compensation will be highly transparent and objective.

Article 20 Director and Top Management Training

1. The Company carries out training for Internal Directors, Executive Officers and Corporate Officers, such as utilizing outside experts and external seminars and providing opportunities to explain topics such as financial matters and corporate governance, to ensure that they appropriately perform their roles and duties as Directors and top management.
2. The Company will develop the environment for Outside Directors to acquire the knowledge required to execute their duties as Directors of the Company, such as periodically providing them with the opportunity to inspect business locations in Japan and overseas and opportunities for dialogue to deepen their understanding of the Company's business.

Article 21 Creation of the Agenda of the Board of Directors

The chair of the Board of Directors will appropriately set the agenda of the meeting of the Board of Directors and send Directors the notice convening the meeting of the Board of Directors no later than three days before the meeting date as a general rule so that the Board of Directors is able to hold thorough deliberations. In addition, when holding a meeting of the Board of Directors, materials will be sent in advance and explanations and the like will be given in advance as necessary.

Article 22 Access to Internal Information by Outside Directors

1. When Outside Directors consider it to be necessary or appropriate, they may request explanations or reports from Internal Directors, Executive Officers, or employees, or request the submission of internal materials.
2. The Company will establish a secretariat for each committee so that the Nomination Committee, the Compensation Committee and the Audit Committee, and the members of each committee are able to appropriately perform their duties.

Article 23 Information Sharing by Independent Directors

In order to actively contribute to discussions at the Board of Directors, Independent Directors should endeavor to gather information and share information, for example by creating a meeting for discussions among Independent Directors as necessary.

Article 24 Self-Evaluation

In order to continuously work to improve the effectiveness of corporate governance, the Board of Directors will analyze and evaluate the effectiveness of the Directors and the



Board of Directors by means of a questionnaire survey or the like, and disclose a summary of the results.

## Chapter 6 Dialogue with Shareholders

### Article 25 Dialogue with Shareholders

1. The Company will designate an officer in charge of dialogue with shareholders, and while coordinating as necessary with other departments such as the public relations, finance, accounting and legal departments, it will develop a system to conduct constructive dialogue with shareholders and investors from the perspective of sustainable growth and medium to long-term improvement of corporate value.
2. The Company actively carries out initiatives to promote dialogue with shareholders and investors, such as individual dialogues by each responsible department of the Company, top management periodically visiting domestic and international investors, and conducting timely and appropriate disclosure of company information through its website for investors.
3. The Company will regularly report to top management the views and concerns expressed by shareholders and investors.

## Chapter 7 Miscellaneous Provisions

### Article 26 Revision or Abolition

These Guidelines will be revised or abolished by a resolution of the Board of Directors; provided, however, that in cases that do not involve substantial changes to the content of provisions, revisions may be made at the determination of the Chairman of the Board or, if the position of the Chairman of the Board is vacant or the Chairman of the Board is prevented from so acting, the chair of the Board of Directors. At those times, the Chairman of the Board or the chair of the Board of Directors will report the details of that revision to the Board of Directors without delay.

END

### Supplementary Provisions

1. This Guidelines will take effect from May 23, 2022.

(Record of establishment and amendments)

Established on October 1, 2019

Amended on November 15, 2019

Amended on May 23, 2022

(Attachment)

## Independence Standards and Qualification for Outside Directors

The Outside Directors of MMC shall not be any of the following and shall be in a neutral position independent from MMC's management.

1. An executive of a major shareholder\*1 of MMC
2. An executive of a major business partner\*2 of MMC, or of a company for which MMC is a major business partner, or the parent company or subsidiary of such a company
3. An executive of a major lender\*3 to MMC or the parent company or subsidiary of such a company
4. A person affiliated with an auditing firm that conducts statutory audits of MMC
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 MMC (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 MMC shares a Director
7. An executive of an organization that is receiving a large\*4 donation or grant from MMC
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 MMC appears strong under substantive and comprehensive consideration of the situation

\*1 a major shareholder: a shareholder who owns a 10% or greater share of voting rights

\*2 a major business partner: a major client of MMC with annual transactions valued at 2% or more of MMC's consolidated net sales in the most recent fiscal year, or a major supplier to MMC with annual transactions valued at 2% or more of the supplier's consolidated net sales in the most recent fiscal year

\*3 a major lender: a financial institution that provides MMC with loans amounting to 2 % or more of MMC's consolidated total assets at the end of the most recent fiscal year

\*4 large (amount): an amount of consideration received from MMC that is 10 million yen or more