

CORPORATE GOVERNANCE

Basic concept of Nissan's corporate governance

1. In order to create unique and innovative automotive products and services, and deliver superior measurable value to all stakeholders, Nissan will pursue the vision of "Enriching people's lives" as a company that is trusted by society; and we will address improvement of corporate governance as one of our most prioritized managerial tasks.
2. We will conduct our business while considering society's expectations and our social responsibilities and devote ourselves to the development of a sustainable society by aiming for sustainable growth of our business.
3. We will select, as our corporation form, a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions. As such, we will improve the transparency of the decision-making process and also conduct speedy and flexible business execution.
4. Through the supervision, oversight, and auditing by the Board of Directors and other corporate bodies, we will ensure the effectiveness of our structure related to internal controls, compliance, and risk management. Officers and employees, including executive officers, will sincerely respond to the supervision, oversight, and auditing contemplated hereby.

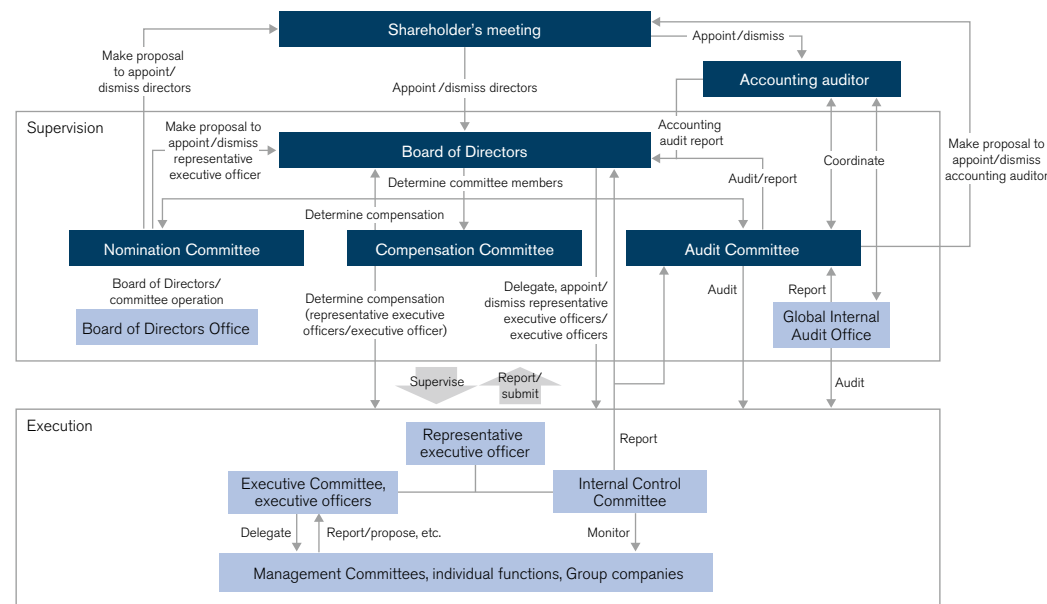
Corporate Governance System

Nissan is developing new structures to strengthen our corporate governance system. On June 25, 2019, a new corporate structure was selected for Nissan, consisting of a company with three statutory committees, clearly separating management functions and supervisory, oversight and auditing functions. In the past, directors supervised the execution of important business operations as well as the duties of individual directors, but the change in structure to a company with three statutory committees has separated execution from supervision. Those with the newly established executive officer role are responsible for the execution of business operations, while members of the Board of Directors focus on supervision of their assigned duties. This has improved the transparency of the decision-making process and also made business execution speedier and more flexible.

Furthermore, by increasing the number of outside directors to a majority of the board, we are working to reflect a diversity of viewpoints into our management and strengthen our supervision function still further. The Board of Directors has established three committees: the Nomination 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 more than half of each committee, and play a leading role in each committee. This ensures healthy governance, with supervision, oversight and auditing by the Board of Directors and other corporate bodies heightening the effectiveness of our structures in terms of internal controls, compliance and risk management. Officers and employees of Nissan, including executive officers, will sincerely respond to this supervision, oversight and auditing.

Nissan's Corporate Governance System

As of June 25 2019



Board of Directors System

Our Board of Directors, led by 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. The number of directors on the board is sufficient to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in board meetings are led by independent outside directors, these directors constitute a majority of the board, with one of them serving as board chair.

The Board of Directors decides on basic management policies and important matters set forth under the law, articles of incorporation and regulations of the Board of Directors itself. In order to carry out effective and flexible management, as a general rule, the Board of Directors delegates much of its power to decide on business activities to executive officers. As of June 25, 2019, the Board of Directors consists of eleven directors, seven of whom are outside directors.

Nomination Committee

The Nomination Committee has the authority to determine the content of the general shareholder's meeting agenda concerning the appointment and dismissal of directors. It also has the authority to decide on the content of the Board of Directors meeting agenda concerning the appointment and dismissal of representative executive officers and to formulate an appropriate succession plan regarding the President and Chief Executive Officer and review it at least once a year.

The Board of Directors appoints a majority of the members of the Nomination Committee from among the independent outside directors. The committee chair is also an independent outside director. As of June 25, 2019, the Nomination Committee consists of six directors, five of whom are independent outside directors.

Compensation Committee

The Compensation Committee has the authority to set policy regarding decisions on the content of the compensation received by individual directors and executive officers as well as the actual content of the compensation received by individual directors and executive officers. In addition, the Compensation Committee has the authority to determine the specific amount, or, in the case of noncash compensation, the specific content, of the compensation received by each individual director and Representative Executive Officer.

The Board of Directors appoints exclusively independent outside directors to the Compensation Committee, including its chair. As of June 25, 2019, the Compensation Committee consists of four directors, all of whom are independent outside directors.

Audit Committee

The Audit Committee consists of directors who are sufficiently qualified and capable to audit the business execution of executive officers. In addition, the Audit Committee appropriately audits effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis. The Audit Committee is also the final entity to receive any whistleblower's report regarding any allegation that involves any member of management, including any executive officer.

The Board of Directors appoints at least a majority of the members of the Audit Committee from among the independent outside directors. The committee chair is also an independent outside director. As of June 25, 2019, the Audit Committee consists of five directors, four of whom are independent outside directors.

In order to allow the Audit Committee to perform its audits effectively and efficiently, the necessary staff are provided to the Audit Committee secretariat, and those staff members carry out their duties under the direction of Audit Committee members. Furthermore, evaluation of the Audit Committee secretariat's staff is carried out in conference between committee members, and transfers and reprimands require approval from the Audit Committee.

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 June 25, 2019, nine executive officers, two of whom are representative executive officers, are appointed.

Basic Principles of the Internal Control System

We aim to provide superior value to all stakeholders as a world-leading, trusted company well into the future. We 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. One executive officer is assigned to oversee the internal control systems as a whole.

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

We have established a global internal audit unit, an independent department to handle internal auditing tasks. Under the control of the head of internal audit, audit teams set up in each region carry out efficient, effective auditing of our activities on a group-wide and global basis.

In order to facilitate the new system, detailed rules and policies were agreed on for the new system of governance, including corporate governance guidelines, standards of director independence, board and committee regulations, and general internal control policies.

Corporate Governance Guidelines

https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Guidelines_EN.pdf

Directors Independence Standards

https://www.nissan-global.com/EN/COMPANY/PROFILE/CORPORATEGOVERNANCE/pdf/Standards_EN.pdf

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 subsidiaries or affiliate of same (except for a person seconded from Nissan).

In addition, the company has established a Director Conflict of Interest Resolution Policy which defines conflicts of interest between a director and the company, requires directors to report any actual, potential or perceived conflicts and also establishes procedures to resolve such conflicts.

Please refer to Corporate Governance Report for the latest information on our corporate governance system:

<https://www.nissan-global.com/EN/IR/LIBRARY/GOVERNANCE/>

Outside Directors

Seven outside directors, as well as committee chairs, and committee members were approved at the Annual General Shareholders Meeting and the board of directors meeting held in June of 2019. Outside directors meet the requirements of Independent Director of the Tokyo Stock Exchange, as well as "Director Independence Standards" of the Company.

Name	Reasons of Appointment
Keiko Ihara	She has participated in various international races as a driver, and contributed to the development of the auto industry by supporting various global automakers with efforts including technology development and branding, infrastructure development for electric vehicles in Japan and MaaS (mobility as a service) research at Keio University's graduate school. She also advises international organizations and publicly-listed Japanese companies in the areas of governance, safety, environment and education. She has played a key role in addressing improvements in the Company's governance and led the Provisional Nomination and Compensation Committee during her previous term.
Masakazu Toyoda	He has held prominent positions, including Vice-Minister for International Affairs of METI, and Special Advisor to the Cabinet Secretariat. He has extensive experience in economics, international trade and energy. He has been instrumental in leading governance improvements within the Company during his previous term and led the Independent Director Committee. The Company appointed him as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above, although he has not been involved in corporate management, other than as an Outside Director or Outside Statutory Auditor.
Bernard Delmas	He has extensive international experience in the automotive industry with a focus on Asian markets and Japan. He is skilled in R&D, business planning, and cross-functional team leadership. His experience in European-owned companies will bring a diverse perspective to the Company.
Andrew House	He has international business management experience, as well as understanding of customer needs in consumer products and emerging technologies through key roles in global companies. Having worked both inside and outside of Japan, he has an excellent cross-cultural perspective. He will bring a diverse perspective that he has gained from his industry background.
Yasushi Kimura	He has experience serving in top management roles in a key industry in Japan. He also has deep insight and a wealth of experience in corporate management, as well as leadership experience from his tenure at the Japan Business Federation (Keidanren) and in the capacity as Chairman of the Petroleum Association of Japan (PAJ).
Motoo Nagai	He has strong experience and insight on risk management gained through executive leadership positions that he held at institutions including Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) and Mizuho Trust & Banking Co., Ltd. Considering his service as full-time Statutory Auditor since 2014 and his wealth of management experience in the Company, the Company believes that his experience and expert knowledge will enhance its compliance and governance.
Jenifer Rogers	She has ample legal, compliance and risk management expertise. She comes with solid board experience at globally-operating Japanese corporations, and experience as an in-house lawyer and head of a range of legal functions at international financial institutions. Her board presence brings important diversity to the Company's Board of Directors in terms of gender, business experience and nationality.

Click here for more details on outside directors:
<https://global.nissannews.com/en/corporate-officers>

Composition of each committee (As of June 25 2019)

	Nomination Committee	Compensation Committee	Audit Committee
Keiko Ihara	○	○ (Chair)	
Masakazu Toyoda	○ (Chair)		○
Bernard Delmas		○	
Andrew House	○		
Yasushi Kimura	○		○
Motoo Nagai	○	○	○ (Chair)
Jenifer Rogers		○	○
Jean-Dominique Senard	○		
Thierry Bollore			○