

Roles and Responsibilities of Directors
Appointment Policy / Appointment Process of Directors

Reference 2

【Board of Directors and Audit & Supervisory Committee】

	Board of Directors	Audit & Supervisory Committee
Roles and Responsibilities	<p>Based on its fiduciary responsibility and accountability to shareholders, the Board of Directors shall fulfill the roles and responsibilities listed below to promote Mitsubishi Corporation (MC)'s sound and sustainable growth and continuous increase of corporate value, and to help enrich society, both materially and spiritually while also realizing transparent, fair, timely and decisive decision-making and highly efficient oversight of the management.</p> <ol style="list-style-type: none"> 1. To provide a broad management direction in line with MC's business reality, taking into consideration the external environment surrounding MC's businesses, trends, and global perspectives, etc. 2. To oversee the development and operation of the business management and risk management systems the executives have established to support appropriate risk-taking. 3. To provide highly effective oversight of the executives by evaluating them from an independent and objective standpoint in light of the basic management policies formulated by the executives and approved by the Board of Directors, and by encouraging them to take necessary corrective actions. 	<p>The Audit & Supervisory Committee, as a statutory independent body tasked with auditing the directors' performance of their duties with a mandate from shareholders, is responsible for establishing a high-quality corporate governance system through the appropriate performance of its duties and for playing a role in the monitoring function of MC in cooperation with the Board of Directors. Through these roles and responsibilities, the committee shall support the maintenance and development of MC's corporate governance, consider the interests of its various stakeholders, and strive to work with them to achieve MC's sound and sustainable growth and continuous enhancement of corporate value and social credibility.</p>
Size and Composition	<p>In order to fulfill the roles and responsibilities of the Board of Directors as set forth above, MC's Board of Directors shall be of an appropriate size and composition to ensure diversity, and at least one-third of its members shall be Independent Directors who meet MC's Standards for Independent Directors*.</p>	<p>In order to fulfill the roles and responsibilities of the Audit & Supervisory Committee as set forth above, MC's Audit & Supervisory Committee shall be of an appropriate size and composition to ensure diversity, and a majority of the members shall be Independent Audit & Supervisory Committee members who meet MC's Standards for Independent Directors*.</p>

【Directors】

Roles and Responsibilities	Directors (excluding Directors who are Audit & Supervisory Committee members)	Directors who are Audit & Supervisory Committee Members
	In-house Directors	
	Chairman of the Board	Full-time Audit & Supervisory Committee Members
	Aim to ensure MC's sound and sustainable growth and continuous increase of corporate value by enhancing deliberations and ensuring that the Board of Directors fulfills its roles and responsibilities. To this end, strive to maintain and develop corporate governance, and as Chairman of the Board of Directors, lead discussions at Board of Directors meetings in a neutral manner by appropriately eliciting the opinions of Outside Directors, while taking into account the actual situation the executives are confronting.	Based on their companywide management experience within MC and their knowledge and experience in finance, accounting, legal affairs, risk management, etc., Full-time Audit & Supervisory Committee Members will (1) together with the Chairman of the Board, fulfill the roles and functions of the Board of Directors as non-executive In-house Directors. They are also (2) responsible for the timely and accurate assessment of the status of management execution, as well as for creating an environment for effective auditing and oversight by the Audit & Supervisory Committee, and cooperating with other Audit & Supervisory Committee members to conduct audits and provide oversight from an objective and broad perspective. They will also directly deliver unfettered opinions to the executives with conviction when necessary, with the aim of ensuring MC's sound and sustainable growth and enhancement of corporate value and social credibility.
	Executive Directors	
	Carry out business operations in accordance with the basic management policies approved by the Board of Directors, report on the status of business execution to the Board of Directors, and aim to ensure MC's sound and sustainable growth and continuous increase of corporate value by executing day-to-day business operations based on the deliberations of the Board of Directors.	
	Outside Directors	Outside Audit & Supervisory Committee Members
With a practical, objective and professional perspective on corporate management, Outside Directors will monitor the execution of management strategies proposed by the executives. Based on their own experience and insight gleaned from their networks, Outside Directors will provide advice on broad direction in a medium- and long-term perspective as they participate in appropriate decision-making within the Board of Directors, with the aim of ensuring MC's sound and sustainable growth and continuous increase of corporate value.	In addition to the roles and responsibilities of Outside Directors described on the left, Outside Audit & Supervisory Committee Members will audit and monitor MC from a neutral and objective standpoint based on their diverse and abundant knowledge and experience in corporate management as well as their own expertise, aiming for MC's sound and sustainable growth and continuous enhancement of corporate value and social credibility.	

Appointment Policy	Directors (excluding Directors who are Audit & Supervisory Committee members)	Directors who are Audit & Supervisory Committee Members
	Based on the roles and responsibilities set forth above, and in accordance with the following policy, overall character will be considered during the appointment process.	
	In-house Directors	Full-time Audit & Supervisory Committee Members
	In addition to the Chairman of the Board of Directors and the President, who serves as the Chief Executive Officer in charge of business execution, In-house Directors are appointed from among the Executive Officers (Senior Executive Vice Presidents and Executive Vice Presidents) in charge of companywide management.	Appointed from among persons with knowledge and experience in companywide management, finance, accounting, legal affairs, risk management, and other areas.
	Outside Directors	Outside Audit & Supervisory Committee Members
	1. Outside Directors are appointed from those who possess a practical perspective based on experience as a corporate executive and those who possess an objective and professional perspective with a deep insight on global dynamics and socio-economic trends.	1. Appointed from among persons with diverse and abundant knowledge and experience in corporate management and expertise that contribute to auditing and oversight.
	2. To enable Outside Directors to fulfill their appointed task, attention is given to maintain their independency*; individuals not ensuring this independency will not be appointed as Outside Directors.	
3. MC's operations span a broad range of business domains; hence there may be cases of conflict of interest stemming from business relationships with firms home to a corporate executive appointed as an Outside Director. MC appropriately copes with this potential issue by preserving a variety of viewpoints through the appointment of numerous Outside Directors.		
Appointment Process	Directors (excluding Directors who are Audit & Supervisory Committee members)	Directors who are Audit & Supervisory Committee Members
	Based on the above appointment policy, the President & CEO shall prepare a proposal for the election of candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members), which shall be deliberated by the Corporate Governance and Nomination Committee, and shall be submitted to the General Meeting of Shareholders after being resolved by the Board of Directors as a proposal for the election of Directors (excluding Directors who are Audit & Supervisory Committee Members).	The President & CEO, in consultation with Full-time Audit & Supervisory Committee Members, based on the above appointment policy, prepares a proposal for the appointment of candidates for Directors who are Audit & Supervisory Committee Members. After deliberation by the Corporate Governance and Nomination Committee, and with the consent of the Audit & Supervisory Committee, a proposal for the election of candidates for Directors who are Audit & Supervisory Committee Members shall be resolved by the Board of Directors and submitted to the General Meeting of Shareholders.

(Note) MC's Standards for Independent Directors

To make a judgment of independence, Mitsubishi Corporation (MC) checks if the person concerned meets the conditions for Independence Criteria prescribed by the Tokyo Stock Exchange, Inc., and whether the person concerned is currently any of the following items (1) to (7) and whether they have been at any time in the past 3 fiscal years.

If a person is still judged by MC to be effectively independent despite one or more of the below items (1) to (7) applying, MC will explain and disclose the reason for their appointment as an Independent Director.

- (1) A major shareholder of MC (a person or entity directly or indirectly holding 10% or more of the voting rights), or a Member of Business Personnel [*1] of such shareholder.
- (2) A Member of Business Personnel of a creditor of MC exceeding the threshold set by Mitsubishi Corporation [*2].
- (3) A Member of Business Personnel of a supplier or a customer of MC exceeding the threshold set by MC [*3].
- (4) A provider of professional services, such as a consultant, lawyer, or certified public accountant, receiving cash or other financial benefits from MC, other than Directors' remuneration, where the amount exceeds ¥10 million per fiscal year.
- (5) A representative or partner of MC's Independent auditor.
- (6) A person belonging to an organization that has received donations exceeding a certain amount [*4] from MC.
- (7) A person who has been served as an Outside Director and/or an Outside Audit & Supervisory Board Member of MC for more than 8 years.

*1 A "Member of Business Personnel" in this MC's Standards for Independent Directors refers to a managing director, corporate officer, Executive Officer, or other employee of a company.

*2 "Creditors exceeding the threshold set by MC" refer to creditors to whom MC owes an amount exceeding 2% of MC's consolidated total assets.

*3 "Suppliers or customers exceeding the threshold" set by MC refer to suppliers or customers whose transaction amount with MC exceed 2% of MC's consolidated revenues.

*4 "Donations exceeding a certain amount" refer to donations of more than ¥20 million per fiscal year.