

## 6 Governance

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## Governance Data

Overview of corporate governance (as of June 19, 2019)

Form of organization Company with Audit and Supervisory Committee

- Number of Directors (excluding Audit and Supervisory Committee Members) ..... 8
  - Number of Outside Directors ..... 2
  - Number of Specified Independent Directors ..... 2
  - Number of Female Directors ..... 1
- Term of Directors (excluding Audit and Supervisory Committee Members) ..... 1
- Number of Directors serving as Audit and Supervisory Committee Members ..... 5
  - Number of Outside Directors ..... 3
  - Number of Specified Independent Auditors ..... 3
  - Number of Female Outside Directors ..... 1
- Terms of Directors Serving as Audit and Supervisory Committee Members ..... 2

Status of the meetings of the Board of Directors (FY2019)

- Number of meetings held (no. of times) ..... 10
- Attendance rate of Directors (excluding Directors who are Audit and Supervisory Committee Members) (%) ..... 100
  - Attendance rate of Outside Directors (%) ..... 100
- Attendance rate of Directors who are Audit and Supervisory Committee Members (%) ... 100
  - Attendance rate of Outside Directors (%) ..... 100

Status of meetings of the Audit and Supervisory Committee (FY2019)

- Number of meetings held (no. of times) ..... 9
- Attendance rate of Directors who are Audit and Supervisory Committee Members (%) ... 100
  - Attendance rate of Outside Directors (%) ..... 100

Total amount of remuneration for Directors and Corporate Auditors

Category of directors	Total amount of remuneration and bonuses (millions of yen)	Total amount by type of remunerations (millions of yen)			Number of eligible directors (Number of persons)
		Fixed remuneration	Performance-linked remuneration		
			Bonus	Stock compensation	
Directors (excluding Directors who are Audit and Supervisory Committee Members) (excluding Outside Directors)	687	390	172	125	7
Outside Directors (excluding Directors who are Audit and Supervisory Committee Members)	33	33	-	-	2
Directors (Directors who are Audit and Supervisory Committee Members) (excluding Outside Directors)	141	141	-	-	2
Outside Directors (Directors who are Audit and Supervisory Committee Members)	50	50	-	-	3
Total	912	614	172	125	14

- Remuneration is limited to JPY 1,160 million per year for Directors (excluding Audit and Supervisory Committee Members) and JPY 270 million per year for Directors (Audit and Supervisory Committee Members).
- These amounts indicate remuneration paid to Directors for the fiscal year ended March 31, 2019 and include remuneration paid to three Directors who ended their tenure as of the closing of the Ordinary General Meeting of Shareholders held on June 19, 2019, comprising one Director who is neither Audit and Supervisory Committee Member nor Outside Director, one Outside Director who is not Audit and Supervisory Committee Member, and one Outside Director (Audit and Supervisory Committee Member).
- Bonuses to Directors (excluding Audit and Supervisory Committee Members) are included in the previously mentioned maximum amount for remuneration to Directors (excluding Audit and Supervisory Committee Members), and the amount shown was decided by the meeting of the Board of Directors held on May 8, 2019.
- The total amount of stock-based remuneration is the amount recorded as expenses related to the share delivery points granted during the fiscal year ended March 31, 2019 in connection with the directors' remuneration BIP (Board Incentive Plan) trust.

Annual total remuneration and bonuses of highest - paid individual (President and Representative Director, Chief Executive Officer) (Japan)

Annual total remuneration and bonuses of highest-paid individual (President and Representative Director, Chief Executive Officer) (millions of yen)	174
Ratio to median annual total remuneration for all associates (%)	1,854

Rate of increase in annual total remuneration and bonuses of highest-paid individual (President and Representative Director, Chief Executive Officer) (Japan)

Rate of increase in annual total remuneration and bonuses of highest-paid individual (President and Representative Director, Chief Executive Officer) (%)	113
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### Governance Data

#### Honda Tax Policy

##### 1. Purpose of Policy

The Honda Tax Policy prescribes the basic stance and thinking regarding taxes for Honda Motor Co., Ltd. (hereafter HM) and its consolidated subsidiaries (HM and its consolidated subsidiaries collectively referred to as Honda). The Policy aims to contribute to society as well as maintain and increase corporate value by complying with the tax laws and regulations of each country and region where Honda undertakes business activities and by making proper tax payments.

Tax systems of each country and region and international taxation rules are frequently changed. In this environment, to ensure proper the undertaking of its business in a stable manner Honda carries out accurate and high-quality tax affairs and responds to tax risks associated with its businesses in accordance with the Tax Policy described below.

##### 2. Tax Policy

###### (1) Compliance

Honda complies with laws, regulations and rules in countries and regions where it undertakes business, tax convention, international standards such as OECD guidelines, internal regulations that include tax-related regulations encompassing this Tax Policy adopted by Honda as well as Honda Corporate Governance (HCG), and makes proper tax payments in line with the actual state of business.

###### (2) Prohibition of tax avoidance

Honda shall not engage in any transactions such as the use of tax havens aimed at tax avoidance but make proper tax payments in line with the actual state of business in keeping with the concept of “returning profits to the communities where profits are earned,” which has been Honda’s basic stance.

###### (3) Transfer pricing

Honda shall establish proper pricing (Arm’s Length Price (ALP)) by giving sufficient consideration to transfer pricing taxation systems for transactions carried out within Honda to ensure the proper payment of taxes corresponding to the value created by business activities.

###### (4) Ensuring transparency

Honda recognizes the importance of fulfilling accountability to tax authorities and other tax-related stakeholders through the timely and proper disclosure of tax-related information and properly responds by disclosing tax-related information based on laws and regulations.

###### (5) Relationships with governments and tax authorities

Honda shall make efforts to ensure transparency and continuously build relationships of trust through sincere responses to governments and tax authorities in the countries and regions where it does business by ensuring timely and proper provision of tax-related information based on laws and regulations and requests from governments and tax authorities.

###### (6) Corporate governance

Honda strives to enhance corporate governance as one of the most important tasks for its management, based on the Company’s basic principle, in order to strengthen the trust of our shareholders/investors, customers and society; encourage timely, decisive and risk-considered decision-making; seek sustainable growth and the enhancement of corporate value over the mid- to long-term; and become “a company that society wants to exist.” In the same manner, Honda shall establish governance on taxation based on this concept, framework and management policy.