

6 Governance

Corporate Governance 31

Compliance 44

Risk Management 47

— Governance Data 52

Governance Data

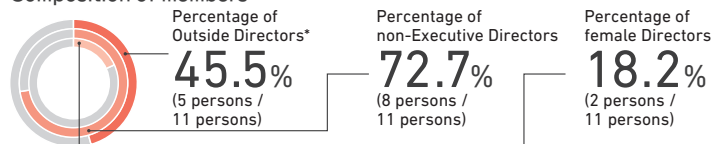
Overview of corporate governance (as of June 22, 2022)

Form of organization

Company with Three Committees

Board of Directors

Composition of members



* All five Outside Directors currently in office are Independent Directors who satisfy the Company's Criteria for Independence of Outside Directors.

Term of office



Attendance rate (FY2022)

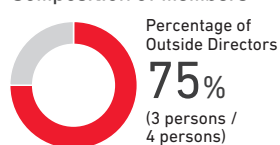


Nominating Committee

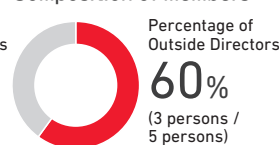
Audit Committee

Compensation Committee

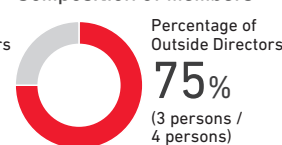
Composition of members



Composition of members



Composition of members



Attendance rate (FY2022)



Attendance rate (FY2022)



Attendance rate (FY2022)



(Audit and Supervisory Committee held for a total of 4 times from April to June 2021 with an attendance of 100%)

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— **Governance Data** 52**Governance Data****Total amount of remuneration by category****Before transition to a company with three committees (from April 2021 to June 2021)**

Category of Directors	Total amount by type of remunerations (millions of yen)			Number of eligible Directors (Number of persons)
	Total amount of remuneration (millions of yen)	Fixed remuneration	Performance-linked remuneration STI (short-term incentive) LTI (long-term incentive)	
Directors (excluding Directors who are Audit and Supervisory Committee Members) (excluding Outside Directors)	139	113	- 26	6
Outside Directors (excluding Directors who are Audit and Supervisory Committee Members)	8	8	- -	2
Directors (Directors who are Audit and Supervisory Committee Members) (excluding Outside Directors)	36	36	- -	2
Outside Directors (Directors who are Audit and Supervisory Committee Members)	12	12	- -	3
Total	195	169	- 26	13

• At the approval of the 97th Ordinary General Meeting of Shareholders held on June 23, 2021, the Company transitioned from a company with an Audit and Supervisory Committee to a company with a Nominating Committee, etc. The above table shows the compensation and total number of executives before Honda transitioned to a company with a Nominating Committee, etc.

• Remuneration is limited to 1,160 JPY million per year for Directors (excluding Audit and Supervisory Committee Members) and 270 JPY million per year for Directors (Audit and Supervisory Committee Members).

• These amounts indicate remuneration paid to Directors for the fiscal year ended March 31, 2022 and include remuneration paid to two Directors who ended their tenure as of the closing of the 97th Ordinary General Meeting of Shareholders held on June 23, 2021, comprising two Directors who are not Audit and Supervisory Committee Members, one Outside Director who is not an Audit and Supervisory Committee Member and two Outside Directors who are Audit and Supervisory Committee Members.

• Short-term incentives (STI) 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 17, 2022.

• The total amount of long-term incentives (LTI) is the amount recorded as expenses related to the share delivery points granted during the fiscal year ended March 31, 2020 in connection with the Directors' remuneration BIP (Board Incentive Plan) trust and falls under non-monetary remuneration.

After transition to a company with three committees (from July 2021 to March 2022)

Category of Directors	Total amount of remuneration (millions of yen)	Fixed remuneration	Total amount by type of remunerations (millions of yen)		Number of eligible Directors (Number of persons)
			Performance-linked remuneration STI (short-term incentive) LTI (long-term incentive)		
Directors (excluding Outside Directors)	181	181	-	-	3
Outside Directors	66	66	-	-	5
Executive Officers	586	265	188	133	6
Total	833	512	188	133	16

• "Directors" in the table above does not include the three Directors who concurrently serve as Executive Officers.

• The amount of STI for Executive Officers was determined by the Compensation Committee held on May 17, 2022.

• The total amount of LTI is the amount recorded as expenses related to the share delivery points granted during the fiscal year ended March 31, 2022 in connection with the Directors' remuneration BIP (Board Incentive Plan) trust and falls under non-monetary remuneration.

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

Annual total remuneration and bonuses of highest-paid individual President and Representative Executive Officer, Chief Executive Officer (millions of yen)	195
Ratio to median annual total remuneration for all associates (%)	2,460

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

Rate of increase in annual total remuneration and bonuses of highest-paid individual President and Representative Executive Officer, Chief Executive Officer (%)	0
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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, and their intent, for each country and region where Honda conducts 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 conducting 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 letter and intent of laws, regulations and rules of countries and regions in which it conducts business, as well as tax conventions and international standards such as OECD guidelines. Honda also adopts and complies with internal rules, including tax-related policies and guidelines such as this policy and Honda Corporate Governance (HCG). Based on the foregoing, Honda makes proper tax payments consistent 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 consistent 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 conducts 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 society wants to exist. In the same manner, Honda shall establish governance on taxation based on this concept, framework and management policy.