NISSAN
MOTOR CORPORATION

Tax Governance Policy

Purpose of the policy

The Nissan Group has established this policy on tax to which each group company shall adhere in its domestic and international business activities.

Compliance with Tax Laws

Nissan Motor Co., Ltd. and its consolidated subsidiaries are committed to complying with the spirit as well as the letter of the laws and regulations of all countries in which Nissan group operates, as well as with international tax treaties and tax-related financial reporting rules. Nissan is consistently fulfilling all tax disclosure requirements under domestic and international rules and other country-specific transparency requirements such as those in Australia or the U.K.
For example, Nissan U.K. tax strategy:
https://www.nissan.co.uk/legal/nissan-uk-tax-strategy.html

Governance for Managing Tax Risks

Nissan effectively manages its tax risks by involving its Tax Department into key business decisions. Nissan's Tax Department collaborates with and supports other functions to ensure tax implications are properly evaluated and addressed in operational and strategic decision-making on a timely basis. Input from the Tax Department is particularly critical in relation to transactions, restructurings, legal entity modifications, legislative changes and other business changes, as necessary to support Nissan's business strategy. External advisors provide technical support to the Tax Department when appropriate, for example when complex or new tax issues need to be addressed.

The CFO reviews and approves the tax strategy. The Global Head of Tax and the CFO update annually the Board of Directors on Nissan's tax risks, its risk management tools and overall adherence to the group's tax strategy.
Through a formal delegation of authority process, at local, regional, and global levels, the Tax Department validates key business decisions from a tax perspective, thereby ensuring the tax strategy is aligned with the wider business objectives, in a consistent and timely manner.

Nissan has several methods for identifying and managing tax risks.
For example, the Tax Department maintains a global database containing a list of the group's

ongoing audits, uncertain tax positions and topics that may represent a tax risk in the future (such as new tax rules and inconsistent application of existing rules by tax authorities). It includes all potential tax risk: both direct and indirect taxes. All such risk items are extensively documented and quantified. Reports can be produced as needed and key findings are discussed quarterly with global senior management.

Relationships with tax authorities and other stakeholders

Nissan seeks to build and maintain long-term, open, and constructive relationships with national tax authorities by proactively engaging with them, as well as other governmental and industry bodies, directly and indirectly.

Nissan strives to develop cooperative relationships with tax authorities through regular meetings and partnership programs. Nissan has ongoing communication with tax authorities including, where applicable, use of advance rulings and Advanced Pricing Agreements (APAs).
Nissan regularly engages with policy makers to support the development of tax rules and regulations based on sound tax policy principles that reflect the business reality of its operations. Nissan also provides technical input to industry groups and international economic organizations.

Nissan seeks to close tax audits by reaching an agreement with the tax authorities on the appropriate tax treatment of items under review. In case Nissan is unable to reach an agreement with the tax authorities, Nissan will take necessary actions to defend its tax positions, including seeking recourse to litigation.

Transfer Pricing

Nissan applies established international standards (such as those developed by the Organization for Economic Co-operation and Development (OECD)) for the pricing of transactions between the companies within the group. Intercompany transactions are priced on an arm's-length basis, which means that Nissan entities transact with each other as if they were independent entities.

Transparency

Nissan is transparent about its approach to tax. Nissan aims to pay the appropriate amount of taxes in the jurisdictions in which it operates, and to avoid tax-related interest payments and penalties.

Nissan's business is structured according to the commercial substance of its operation. No artificial or unusual business structures are used to evade taxes. Nissan does not engage in any transaction aimed at tax avoidance or not aligned with its normal course of business.

Corporate Governance

Compliance with the tax governance and control framework is evaluated regularly by the following departments, at local, regional, and global level: Tax, Compliance, and Internal Audit. Global policies on tax governance and control are published on Nissan's internal website and available to all employees globally.

Nissan has a hotline where employees can anonymously report unethical or illegal activities they have witnessed or that they suspect may exist. It is a means to bring potential tax-related violations to the attention of management.