

Note: This is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.

## Corporate Governance Guidelines

### Chapter 1 General Rules (Preface)

#### Article 1 – Purpose

The purpose of this Corporate Governance Guidelines (the “Guidelines”) is to define the basic guidelines for the corporate governance of Renesas Electronics Corporation (the “Company”).

#### Article 2 – Revisions

Revisions to the Guidelines are made subject to a resolution of the Board of Directors.

#### Article 3 – Basic Concepts of Corporate Governance

According to the Corporate Vision and Corporate Mission set forth below, the Company will aim to realize its sustainable growth and the enhancement of corporate values on a mid- to long-term basis while working to ensure coexistence and co-prosperity with all stakeholders. In order to survive in the global semiconductor market, with its rapid and extreme changes and competition, the Company will aim to further solidify its position as a global semiconductor company by supplying superior semiconductor products and optimum solutions through strategic marketing and sales activities, as well as improving its cutting-edge technologies. To achieve these objectives, the Company, recognizing the importance of establishing corporate governance systems that ensure transparent, fair, prompt, and clear-cut decisions, will continue to enhance those systems through various efforts, including communication and collaboration with stakeholders including shareholders, proper disclosure of information, appropriate delegation of authority, and implementation of highly workable supervisory functions.

#### «Corporate Vision»

Renesas creates leading semiconductor solutions that spark innovation for a connected world, building a trusted brand we can be proud of.

#### «Corporate Mission»

1. Drive progress toward a safer, healthier, greener, and smarter world.
2. Deliver creative semiconductor solutions and support that meet and exceed customer expectations.
3. Strengthen our offering to customers in focus segments through strategic partnerships, alliances and acquisitions.
4. Develop a global culture that encourages open communication, collaboration, and respect for diversity.
5. Seek continuous improvement in everything we do.

【2-1、 3-1(i)(ii)】

## **Chapter 2 Relationships with Stakeholders**

### **Article 4 – Securing the Rights of Shareholders**

The Company will take appropriate measures to ensure that shareholders' rights are secured to a substantial degree. In particular, the Company will work to ensure that the special rights that are recognized for minority shareholders with respect to companies or any officer are treated equally in terms of such rights in compliance with applicable laws and regulations.

【1、 1-1、 1-1③】

### **Article 5 – General Meetings of Shareholders**

The Company, recognizing that general meetings of shareholders are opportunities to have constructive dialogs with shareholders, will, from the shareholder's perspective, make appropriate improvements to the meeting environment for the exercise of shareholder rights, including those set forth below.

- (1) The Company will provide information that is expected to help shareholders make appropriate decisions, such as press releases and data on business performance (including materials for financial results briefings), in addition to information that it is legally obligated to share.
- (2) The Company will strive to send out convocation notices at least three weeks before each meeting is held.
- (3) The Company will announce the information to be included in the convocation notices electronically via its websites before sending out such convocation notices.
- (4) The Company will set appropriate schedules for the general meetings of shareholders, taking into consideration factors such as the realization of constructive dialogs with shareholders as well as the provision of the correct information for this objective.
- (5) The Company will participate in the Electronic Voting Platform, the platform

for the electronic exercise of voting rights, and produce English versions of convocation notices to improve the environments where institutional and non-Japanese shareholders can exercise their voting rights without difficulty.

- (6) If a reasonable number of “against” votes are raised regarding the Company’s proposed agenda at a general meeting of shareholders, the Company will take appropriate measures to analyze the reasons for those votes and/or the factors for the increase in the “against” votes.
- (7) In consideration of a situation where institutional investors, etc. that hold shares in street name express their desire, beforehand, to exercise their voting rights at a general meeting of shareholders, the Company will work on measures to address the situation through discussions with trust banks, etc.

【1-1①、 1-2、 1-2①、 1-2②、 1-2③、 1-2④、 1-2⑤】

#### Article 6 – Dialogs with Shareholders

As a basic stance, the Company will engage in constructive dialogs with shareholders to help realize its sustainable growth and the enhancement of corporate value on a mid- to long-term basis. To promote such objectives, the Company will formulate policies for organizational improvements and initiatives as set forth in the Attachment.

【5、 5-1、 5-1①、 5-1②、 5-2】

#### Article 7 – Capital Strategies

1. The Company will explain its basic policy for capital strategies in light of the material impacts that capital strategy trends have on shareholders’ interests.
2. In conjunction with capital strategies that result in the change of control or large-scale dilutions, the Company will consider the need for and rationale of such strategies and ensure that appropriate steps are taken to keep existing shareholders from any unreasonable damage while providing them with information regarding the details of such actions in an appropriate manner.

【1-3、 1-6】

#### Article 8 – Transactions between Related Parties

1. The Board of Directors will monitor any transactions between the Company and other company in which Company’s Directors, Corporate Auditors, Corporate Officers (collectively “Officers”) have concurrent positions or major shareholders subject any applicable laws, regulations, and the “Basic Rules of Ringi Approval” established by the Board of Directors (the mandatory approval rules and related

procedures of the Company in order to make decisions for the business operation of the Company in an appropriate and efficient manner).

2. The Company will, once a year, evaluate whether the Officers assume concurrent positions outside of the Company that include rights to execute business in those other companies. The Board of Directors will monitor any transactions between the Company and those companies subject any applicable laws, regulations, and the “Basic Rules of Ringi Approval”.

3. The Company will establish a profitability appraisal and approval system that evaluates profitability as well as terms and conditions for all businesses deals, including transactions set forth in Articles 8.1 and 8.2, and any changes approval authority will be made in accordance with the materiality and existence of problems identified on a case-by-case basis. The conclusion of particularly important business deals will be subject to deliberations by the Board of Directors.

【1-7、 4-3】

#### Article 9 – Sustainability

The Company will, as an enterprise creating the dream-inspiring future all over the world, address issues associated with sustainability, including social and environmental issues, and contribute to sustainable societal developments by supplying superior semiconductor products powered with advanced technologies and by providing customer service that is honest and sincere.

【2-3、 2-3①】

#### Article 10 – Code of Conduct

The Company will have the Board of Directors institute the “Renesas Electronics Group CSR Charter” pertaining to policies for corporate social responsibilities and the “Renesas Electronics Group Code of Conduct” (the “Code of Conduct”), which describe the specific matters that should be adhered to by all Directors, Corporate Auditors, Corporate Officers, and employees of the Company and its subsidiaries in their ordinary operations to make good on such responsibilities. Furthermore, the Internal Control Promotion Committee, chaired by the CEO, will monitor how the Code of Conduct is observed, the result of which will be reported to the Board of Directors periodically for administrative and supervisory purposes. The Company will strive to create a corporate culture and climate that respects stakeholders’ rights and positions, as well as ethics for sound business activities.

【2、 2-2、 2-2①、 3-1(i)】

## Article 11 – Diversity

1. The Company will constantly be aware of diversity and allow everyone to demonstrate his/her respective capabilities, irrespective of nationality, gender or physical handicaps, and actively move forward with efforts such as the global employment of human resources and the assignment of female managers, thereby strengthening and facilitating systems to utilize diverse human resources.

2. In conjunction with the use of human resources as set forth in the preceding paragraph, the Company will consider and implement systematic human resource development and placement programs for each individual, embrace flexible and diverse ways of working to take full advantage of his/her capabilities, and facilitate the improvement of such environments.

【2-4】

## Article 12 – Whistleblowing

The Company will take the following measures to ensure that employees can communicate information regarding illegal or improper acts, information disclosure, or any other well-intentioned suspicions, without concern regarding the risk of incurring disadvantages, and that such information and suspicions are objectively verified and used in an appropriate manner.

- (1) The Company will establish the Renesas Electronics Group Hotline (the “Hotline”), a contact point that a whistleblower may consult with or report to.
- (2) (2) The Company will establish a contact point for the Hotline at third-party organizations as well.
- (3) The Company will guarantee the anonymity of a consulter or whistleblower, if so desired, and set forth regulations to prohibit any disadvantageous treatment.
- (4) The Board of Directors will supervise the operating status of the Hotline based on reports that will be received from a department responsible for compliance matters.

【2-5、2-5①】

## Chapter 3 Information Disclosure

### Article 13 – Information Disclosure

The Company will disclose information in a timely and appropriate manner in compliance with relevant laws and regulations such as the Companies Act, the Financial Instruments and Exchange Act, and the Timely Disclosure Rules of the Tokyo Stock Exchange. The Company will also disclose important information

that is expected to affect shareholders or investors' investment decisions proactively, promptly and fairly. In addition, the Company will strive to disclose and provide information in English to the extent necessary to prevent inequality in terms of information attributable to language issues.

【3、 3-1②】

## **Chapter 4 Corporate Governance System**

### **Article 14 – Roles, Responsibilities and Management of the Board of Directors**

1. The Board of Directors, given its fiduciary responsibility and accountability to shareholders, will undertake roles and responsibilities for the purpose of facilitating the Company's sustainable growth and enhancement of its corporate value on a mid- to long-term basis, as well as improving its profitability and capital efficiency, including those set forth below.

- (1) Flexible and prompt decision-making on important management issues, including decisions on the fundamental direction of the Company and corporate strategies.
- (2) Improvement of the environment to support appropriate risk-taking by management.
- (3) Highly effective supervision of Directors and management from an independent and objective standpoint.

2. In order to clarify business execution responsibilities and speed-up decision-making on the execution of operations, the Board of Directors will appoint Corporate Officers, clearly define an area of responsibility for them, and provide them with appropriate authority in accordance with the "Basic Rules of Ringi Approval".

3. The Board of Directors will set forth a Basic Policy for the Improvement of the Internal Control System pursuant to the Companies Act, implement the policy, and monitor the effectiveness thereof.

4. Meetings of the Board of Directors will be conducted in the following manner to allow for active deliberations.

- (1) The documents for a meeting of the Board of Directors and the related information necessary for the Directors to make decisions will be distributed ahead of the meeting date.
- (2) An annual schedule of Board of Directors' meetings and the anticipated agenda will be determined and shared with the Directors and Corporate Auditors.
- (3) The number of items for deliberations will be properly set by periodically

reviewing the “Basic Rules of Ringi Approval.”

- (4) Regular meetings of the Board of Directors will be held once a month, and, if necessary, resolutions can be made at extraordinary meetings of the Board of Directors or through approval in writing.
- (5) Sufficient time for deliberations will be provided to ensure that exhaustive discussions are held.

【4、4-1、4-1①、4-2、4-3、4-3②、4-12、4-12①】

#### Article 15 – Members of the Board of Directors

1. The Board of Directors will be comprised of a small number of members with diverse personal histories in terms of experience and knowledge. According to the policy of “designating Directors and Corporate Auditors who have global and diverse management insights, as well as experience and expert knowledge, for the sustainable development of businesses,” the Board of Directors will designate a person who meets such requirements as a candidate for a Director or Corporate Auditor. The Company will disclose the reason for the designation of each Director candidate and Corporate Auditor candidate.

2. A Director or Corporate Auditor may concurrently serve as director, corporate auditor, and/or manager at other listed companies to the extent that he/she can still fulfill the roles and responsibilities effectively as a Director or Corporate Auditor of the Company. The Company will disclose the status of his/her concurrent positions every year.

【3-1(iv)(v)、4-11、4-11①、4-11②】

#### Article 16 – Directors

1. The Directors, recognizing the duty of care of a prudent manager and the fiduciary duty of loyalty, will engage diligently in occupational duties to enhance the Company’s corporate value.

2. The Directors will strive to gather information proactively, receive reports from the internal audit department accordingly, and seek advice from outside experts as necessary so that they can fulfill their roles and responsibilities effectively.

3. Outside Directors will undertake monitoring as to whether other Directors fulfill their responsibilities properly, and participate in management decision-making from an external point of view by leveraging knowledge, experience, and insights developed through their respective careers.

【4-5、4-6、4-13、4-13①、4-13②、4-13③】

## Article 17 – Corporate Officers

1. The Board of Directors, according to the policy of “selecting Corporate Officers who have global leadership, as well as experience and expert knowledge, for the sustainable development of businesses,” will appoint a person who meets such requirements as a Corporate Officer. The Company will disclose the reason for the appointment of each Corporate Officer who serves as the Director concurrently.

2. The Corporate Officers, according to an area of responsibility to be undertaken by such officers defined by the Board of Directors, the “Rules for Corporate Officers,” and the “Basic Rules of Ringi Approval,” will, flexibly and effectively, fulfill their responsibilities, periodically review the management plans set forth by the Board of Directors, and provide an update regarding the progress made toward meeting budget targets.

3. Board of Directors may dismiss Corporate Officer by its resolution, in case such Corporate Officer is determined;

- (1) not to fulfill its duties appropriately;
- (2) to be lack of aptitudes required for Corporate Officer (e.g. such Corporate Officer violates laws and regulations of Japan or other jurisdictions which is applied to our businesses, or harms the Company’s honor or interest); or
- (3) such Corporate Officer should not remain as Corporate Officer for any reason determined by the Company.

【3-1(iv)(v)、4-1①】

## Article 18 – Executive Committee

The Company will organize the Executive Committee, as an advisory body to the Representative Director(s), to discuss important matters commissioned according to the “Basic Rules of Ringi Approval” and determine policies thereon, and conduct deliberations about important management issues from the agenda items proposed to the Board of Directors’ meeting.

【4-1①】

## Article 19 – Corporate Auditors/Board of Corporate Auditors

1. The Corporate Auditors and the Board of Corporate Auditors, as an independent body entrusted by the shareholders, will perform monitoring and verification in conjunction with (i) the appropriateness and properness of decision-making processes in management decisions made by the Directors, (ii) improperness in the execution of occupational duties and the possibility thereof,



and (iii) violations of applicable laws, regulations, and the Articles of Incorporation of the Company. Through such efforts, they will implement their standard supervisory activities while requesting that the Company enhance its social credibility as a listed company and achieve sound, sustainable development.

2. The Corporate Auditors will undertake their authority aggressively and actively at important internal meetings, including those of the Board of Directors, and express their views appropriately to the Directors or management.

3. The Corporate Auditors, to fulfill their roles and responsibilities effectively, will strive to gather information proactively by conducting hearings on business reports, the status of the execution of duties from the Company's Directors, internal control department and/or other internal sources, as well as by collaborating with the internal audit department and the Accounting Auditors. If necessary, the Corporate Auditors will seek advice from outside experts. The Board of Corporate Auditors will ensure that the provisioning of information is secure as requested by the respective Corporate Auditors.

4. The Corporate Auditors or the Board of Corporate Auditors will secure a collaboration with Outside Directors to ensure that Outside Directors can improve their ability to gather information with their independent position unaffected.

【4-4、4-4①、4-5、4-13、4-13①、4-13②、4-13③】

#### Article 20 – Accounting Auditors

1. The Company, recognizing that the external Accounting Auditors bear responsibilities for shareholders and investors, will take proper measures to secure appropriate audits.

2. The Board of Corporate Auditors will establish standards for appropriately selecting candidates for the Accounting Auditors, properly evaluating the Accounting Auditors, and confirming whether or not the Accounting Auditors will be able to remain independent and demonstrate their expertise as required of an accounting auditor.

3. The Board of Directors and the Board of Corporate Auditors will take the following measures to ensure that the Accounting Auditors can implement proper audits.

- (1) Secure sufficient auditing time to ensure that high-quality audits can be performed.
- (2) Secure access to the executive management team, including the CEO and CFO (face-to-face meetings, etc.) for the Accounting Auditors.
- (3) Secure sufficient collaboration, including attendance at meetings of the Board

of Corporate Auditors, amongst the Accounting Auditors, the Corporate Auditors, the internal audit department, and outside Directors.

- (4) Establish a system within the Company to address situations in which the Accounting Auditors request the appropriate corrective actions for any unfair practices, flaws, or problems they identify.

【3-2、 3-2①、 3-2②】

#### Article 21 – Support System for Directors and Corporate Auditors

1. The Company will place staff members appropriately to support the Directors and/or Corporate Auditors, who shall provide any necessary information accurately.

2. The Company will, at its expense, provide appropriate opportunities for training, including workshops on subjects such as management, accounting, laws, compliance, and industry trends, so that the Directors and Corporate Auditors will fulfill their roles and responsibilities as expected.

【4-13、 4-13③、 4-14、 4-14①、 4-14②】

#### Article 22 – Evaluation of the Board of Directors

The Company will analyze, evaluate, and disclose a summary of the results regarding the effectiveness of the Board of Directors as a whole, including whether sufficient information was provided to the Board of Directors on a timely basis, based on self-evaluations by the Directors and opinions by the Corporate Auditors.

【4-11、 4-11③、 4-13】

End

**Attachment: Policies for the Improvement of Systems and Initiatives to Facilitate Constructive Dialogs with Shareholders**

\* The numbers written at the end of the respective Articles of the Guidelines denote the corresponding Principles of the Corporate Governance Code set forth by the Tokyo Stock Exchange.

[Revision History]

Version No.	Date	Details
1	November 27, 2015	Establishment
2	March 30, 2017	Partial Revision
3	March 29, 2018	Partial Revision
4	March 28, 2019	Partial Revision

## Attachment: Policies for the Improvement of Systems and Initiatives to Facilitate Constructive Dialogs with Shareholders

### (Internal Organization)

- ✓ The Company will establish a dedicated Investors Relationship (“IR”) department to promote reasonable dialogs with shareholders and implement flexible IR activities, which will be administered by a Corporate Officer in charge of the department.
- ✓ The dedicated IR department will strive to maintain close collaboration with related departments (including accounting, finance, and management planning) through such efforts as quarterly meetings, and provide accurate and useful information to shareholders, investors, and securities analysts.

### (Method of Dialogs)

- ✓ The Company enhances two-way communications for shareholders, investors, and securities analysts by providing, in an easy-to-understand manner, business details, financial conditions, management strategies, and other important management information, including the following:
  - The Company will inform shareholders and investors of its most recent business results, business details, and management policies through the issuance of summaries for shareholders in an easy-to-understand manner. The Company will also provide a communication environment in which dialogs can be held and collect information from shareholders and investors by posting a contact point on the IR page on the website and installing dedicated telephone lines.
  - The Company will conduct presentations of financial results on a quarterly basis as well as individual meetings for institutional investors and securities analysts. If necessary, the Company will simultaneously explain the management strategies and business policies in financial results briefings.
  - Dialogs with institutional investors and/or securities analysts will be held by staff members of the dedicated IR department, as well as members of the executive management team (CEO, CFO, etc.) if necessary.

### (Internal Feedback on Dialogs)

- ✓ Feedback on the details of dialogs with shareholders, investors, and/or securities analysts will be provided to the executive management team and related internal departments in a timely and appropriate manner through reports at meetings.

(Insider Information and Quiet Period)

- ✓ In conjunction with the management and treatment of insider information, the Company will control and properly handle the important facts that have not been announced according to the “Basic Rules for Preventing Insider Transactions.” In addition, the Company will restrict dialogs related to the financial results during the quiet period, which starts from the fifth business day after the end of the accounting period as set forth in the “Disclosure Policy” of the Company.