

# Nissan shareholders to vote on governance overhaul

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Nissan shareholders are holding an annual meeting to vote on governance reforms after the Carlos Ghosn scandal

Nissan shareholders began a fractious annual meeting Tuesday to discuss revamping operations at the crisis-hit Japanese automaker after the Carlos Ghosn scandal, amid lingering tension with French partner Renault.

The meeting will see votes on a series of reforms to the Japanese car giant, designed to put Nissan on a more stable footing after the shock caused by former boss Ghosn's arrest on multiple financial misconduct charges.

Adding to the company's operational woes, net profits fell to a near-decade low in the last business year. The company has already warned of "a difficult business environment" for the next 12 months.

Nissan aims to set up three new oversight committees on the appointment of senior officials, pay and audit—a reaction to allegations that Ghosn was able to concentrate too much power in his hands.

But the plan hit the skids with Renault, which owns 43 percent of Nissan and complained it did not have enough of a say in the new structure.

Crisis was averted when Nissan suggested Renault chairman Jean-Dominique Senard sit on the appointments committee, and CEO Thierry Bollore on the [audit committee](#).

However, Renault will not be represented on the new committee on pay—possibly reflecting longstanding rancour in Japan over Ghosn's high rewards compared to most Japanese CEOs.

## **Under pressure**

Nissan is also seeking shareholder approval to elect 11 directors as it restructures itself, including the two Renault executives as well as current Nissan CEO Hiroto Saikawa.

Saikawa himself has come under pressure both for the disastrous financial performance of Nissan and because the Ghosn protege is seen as a legacy of that era.



Nissan has been rocked by the arrest of its former chief Carlos Ghosn, who faces charges of financial misconduct

He opened the meeting Tuesday at Nissan's headquarters in Yokohama outside Tokyo by offering his "sincere regrets" over the tumult that has engulfed the firm in recent months.

Along with Japanese partner Mitsubishi Motors, the Renault-Nissan alliance forms the world's biggest-selling auto group.

The partnership was sorely strained after November's shock arrest of

Ghosn, long considered one of the most astute and powerful executives in the industry.

Since then, Nissan has accused Renault of having too much weight in the alliance, and of keeping it in the dark over its tie-up plans with Fiat Chrysler (FCA), which collapsed over reservations expressed by the French government.

"Rebuilding a bond of trust is not very easy," noted Tatsuo Yoshida, an analyst at Sawakami Asset Management.

Ghosn, who was sacked from all his roles, is awaiting trial in Japan on charges of under-reporting millions of dollars in salary and of using company funds for personal expenses—accusations he denies.

Ahead of the meeting, 67-year-old Hideo Yamada said he was attending for the first time since becoming a shareholder three years ago.

"I'm interested in the issue of integrating operations with Renault and wanted to hear what the management thinks about it," he told AFP.

"I think there will be another round of tensions ahead," he added.

Kiyoshi Shimizu, 70, said he was "70 percent in favour" of the proposed governance reforms, but "30 percent worried that it may slow the (management) speed".

"It will be impossible to make quick top-down decisions," he said.

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