

Adopted on July 1, 2015

Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members

(Purpose)

Article 1

The purpose of these standards is to set out the criteria for appointment and independence of outside directors and outside audit & supervisory board members at Sumitomo Corporation (hereinafter referred to as the Company).

(Outside Directors)

Article 2

Outside directors shall be appointed from among those fulfilling all the conditions set out below. Gender and nationality etc. shall be of no consequence.

1. Candidates shall be honest in character, highly insightful and capable and with a view to bringing diverse perspectives to the Company's board of directors, shall have knowledge of their particular area of business as well as extensive knowledge and experience.
2. Candidates shall be subject to none of the grounds for disqualification as a director set out in the items of Article 331, Paragraph (1) of the Companies Act.
3. Candidates shall fulfill the requirements for an outside director set out in Article 2, Item (xv) of the Companies Act.

(Outside Audit & Supervisory Board Members)

Article 3

Outside audit & supervisory board members shall be appointed from among those fulfilling all the conditions set out below. Gender and nationality etc. shall be of no consequence.

1. Candidates shall be honest in character, highly insightful and capable, and shall hold a high degree of specialized knowledge and a wealth of experience in specific fields such as law, accounting, business management, and the like.
2. Candidates shall be subject to none of the grounds for disqualification as an audit & supervisory board member set out in the items of Article 331, Paragraph (1) of

the Companies Act as applied mutatis mutandis in Article 335 of the Companies Act.

3. Candidates shall fulfill the requirements for an outside audit & supervisory board member set out in Article 2, Item (xvi) of the Companies Act.

(Independence of Outside Directors and Outside Audit & Supervisory Board Members)

Article 4

- (1) Outside directors or outside audit & supervisory board members of the Company shall be judged to be independent provided none of the following descriptions apply.

1. A major shareholder of the Company (holding 10% or more of the total voting rights in the Company at the end of the most recent fiscal year) or an individual who serves as an executive in an entity that is a major shareholder of the Company
2. An individual for whom the Company is a major business partner or who serves as an executive in an entity for which the Company is a major business partner
3. An individual who is a major business partner of the Company or who serves as an executive in an entity that is a major business partner of the Company
4. An accounting auditor of the Company or its consolidated subsidiary, or an individual who is responsible for auditing the Company or its consolidated subsidiary as an employee at an auditing firm
5. An attorney, judicial scrivener, patent agent, certified public accountant, certified tax accountant, consultant, or other professional who receives more than JPY 10 million in cash or other assets annually from the Company in addition to director's or audit & supervisory board member's remuneration (or if the entity receiving such assets is an organization such as a corporation or association, an individual belonging to an entity receiving assets from the Company exceeding 2% of annual income)
6. A major lender for the Company (a lender whose personal or corporate name is stated as a major lender in the Company's business report for the most recent fiscal year) or who serves as an executive in an entity that is a major lender for the Company
7. An individual who receives more than JPY 10 million in donations annually from the Company (or if the entity receiving such donations is an organization

such as a corporation or association, an individual who serves as an executive in an entity receiving assets from the Company exceeding 2% of annual income)

8. An individual to whom any of the items numbered 1 to 7 above applied within the last three years
 9. A relative within the second degree of kinship or closer of an individual described in any of the items numbered 1 to 8 above (applies only to key individuals)
 10. A relative within the second degree of kinship or closer of a director, executive officer, corporate officer, manager, employee, or accounting advisor (in the case of a corporation, this includes corporate employees required to perform work for the corporation) of the Company or its consolidated subsidiary
 11. A relative within the second degree of kinship or closer of an individual who was a director, executive officer, corporate officer, manager, employee, or accounting advisor (in the case of a corporation, this includes corporate employees required to perform work for the corporation) of the Company or its consolidated subsidiary within the last three years
 12. An individual subject to any exceptional circumstances other than those described in the items above that might potentially cause a conflict of interest with the Company or otherwise make it impossible to fulfill duties as an independent outside director or outside audit & supervisory board member
- (2) Outside director or outside audit & supervisory board member judged to be independent pursuant to this Article shall notify the Company immediately once they no longer qualify as independent.
- (3) Within this Article “major business partner” denotes a business partner accounting for more than 2% of annual consolidated net sales (or in the case that a business partner adopts the International Financial Reporting Standards, annual consolidated revenues) of that business partner for the most recent fiscal year.

Supplementary Provision

Revision or abolition of these standards shall be by resolution of the board of directors.