

Corporate Governance

Sony is committed to strong corporate governance. As a part of this effort, Sony adopted a “Company with Committees” corporate governance system under the Japanese Companies Act. In addition to complying with the requirements of laws and regulations, Sony has introduced its own system to help improve the soundness and transparency of its governance by strengthening the separation of the Directors’ function from that of management and advancing the proper functioning of the statutory committees. Under Sony’s system, the Board of Directors defines the respective areas for which each of the Corporate Executive Officers is responsible and delegates to them decision-making authority to manage the business, thereby promoting the prompt and efficient management of the Sony Group.

Governance Structure

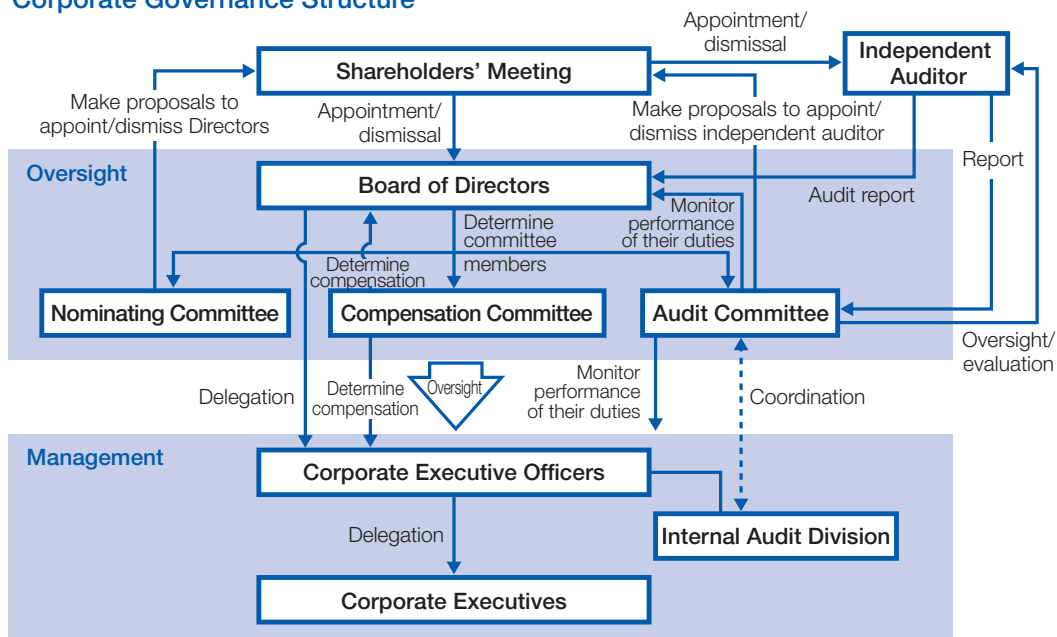
Sony Corporation is governed by its Board of Directors, which is appointed by resolution at the shareholders’ meeting. The Board has three committees (the Nominating Committee, Audit Committee and Compensation Committee), consisting of Directors named by the Board of Directors. Corporate Executive Officers are appointed by resolution of the Board of Directors. In addition to these statutory bodies and positions, Sony has Corporate Executives who carry out business operations within designated areas.

Sony Initiatives

To strengthen its governance structure beyond legal requirements, Sony Corporation includes several provisions in its Charter of the Board of Directors to ensure the separation of the Board of Directors from the execution of business, and to advance the proper functioning of the statutory committees. The main provisions are as follows:

- separating the roles of the Board chairperson/vice chairperson and Representative Corporate Executive Officers;
- limiting the number of terms of outside Directors and rotating committee memberships;
- appointing chairs of statutory committees from the ranks of outside Directors;
- setting forth qualifications for Directors for the purpose of eliminating conflicts of interest and ensuring independence;
- raising the minimum number of Nominating Committee members (five or more) and requiring that at least two Directors of the Committee be Corporate Executive Officers;
- suggesting that, as a general rule, at least one Director of the Compensation Committee be a Corporate Executive Officer, while prohibiting the appointment of the CEO or COO of the Sony Group (or persons in any equivalent position) to serve on the Committee; and
- discouraging the concurrent appointment of Audit Committee members to other committees.

Corporate Governance Structure



Compliance

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Sony's corporate culture. To this end, Sony has established a Global Compliance Network, adopted and implemented the Sony Group Code of Conduct, and set up global Compliance Hotline systems.

Strengthening the Compliance System

In July 2001, Sony Corporation established the Compliance Office, charged with exercising overall control over compliance activities across the Sony Group, to emphasize the importance of business ethics and compliance with applicable laws, regulations and internal policies. The Compliance Office establishes compliance policies and structures for the Sony Group and performs crisis management functions.

In July 2003, Sony established a regional compliance network comprised of offices in the Americas, Europe, Japan, East Asia and Pan-Asia (coverage area: Southeast Asia, Middle East, Africa and Oceania), which are charged with assisting the Compliance Office at Sony Corporation and exercising regional control over compliance activities to strengthen the compliance system throughout the Sony Group.

Sony Group Code of Conduct

In May 2003, Sony adopted the Sony Group Code of Conduct, which sets the basic internal standards to be observed by all directors, officers and employees of the Sony Group in order to emphasize and further strengthen corporate governance, business ethics and compliance systems throughout the entire Sony Group. This Code of Conduct sets out, in addition to legal and compliance standards, the Sony Group's basic policies concerning ethical business practices and activities on such topics as respect for human rights, safety of products and services, environmental conservation and information disclosure. It has been adopted and implemented by each Sony Group company globally as its own internal code of conduct.

For more information >> Sony Group Code of Conduct:
<http://www.sony.net/code/>

Internal Hotline System

With the adoption of the Sony Group Code of Conduct, Sony also established the Sony Group Compliance Hotline system as a resource for employees to report concerns or seek guidance about possible violations of laws or internal policies, and to allow the Sony Group to respond swiftly to potential risks of such possible violations. The Sony Group Compliance Hotline system is available worldwide. Callers who report issues in good faith will be protected from any possibility of retaliation.

The Sony Group Compliance Hotline system is directly linked to the Corporate Executive Officer in Charge of Compliance and is operated independently from the ordinary line of command. Summaries of hotline calls and of investigation results are reported to senior management and the Audit Committee. The framework for monitoring the compliance program consists of reports received through the internal hotline system, as well as those received from Regional Compliance Officers. Internal Audit and Compliance Audit programs supplement as warranted.

Risk Management System

Each Sony Group business unit, subsidiary or affiliated company, and corporate division is expected to review and assess business risks on a regular basis, and to detect, communicate, evaluate and respond to risk in their particular business areas.

In addition, Sony Corporation's Corporate Executive Officers have the authority and responsibility to establish and maintain systems for identifying and controlling risks with the potential to cause losses or reputational damage to the Sony Group in the areas for which they are responsible.

The Corporate Executive Officer in Charge of Compliance is tasked to promote and manage the establishment and maintenance of such risk management systems through the coordinated activities of the Compliance, Internal Audit, Group Risk, and other relevant groups.



Board of Directors, Sony Corporation (as of June 19, 2009)