

# **REGULATIONS OF THE NOMINATION AND COMPENSATION COMMITTEE**

**April 1, 2021**



## **Article 1 (Purpose)**

- ① The purpose of these regulations is to set forth the matters necessary for efficient composition and operation of the Nomination and Compensation Committee (the "Committee") as prescribed under the relevant laws and regulations, the Articles of Incorporation, and the Regulations of the Board of Directors.
- ② These regulations shall apply with respect to any matters not prescribed in the relevant laws and regulations, the Articles of Incorporation, or the Regulations of the Board of Directors.

## **Article 2 (Function)**

The Committee shall recommend candidates for outside directors to be appointed at the general shareholders' meeting and review matters including evaluations and continuance in office of representative directors (hereinafter, excluding those who are members of the Nomination and Compensation Committee) and adequacy of remuneration of internal directors.

## **Article 3 (Composition)**

- ① The Committee shall be comprised of three (3) directors, two (2) of whom shall be outside directors.
- ② The term of office of the members of the Committee (the "member(s)") shall be the same as that of the directors.

## **Article 4 (Chairperson)**

- ① The chairperson shall be appointed by the Committee, and the chairperson shall represent the Committee and preside at all of its meetings.
- ② In case the Committee reviews any agenda to be submitted to the Board of Directors, the chairperson shall report the result thereof to the Board of Directors.
- ③ In case the chairperson is unable to serve, a member designated by the

Committee shall perform the duties in place of the chairperson and a meeting for appointment of such member shall be presided by the eldest of the present members.

#### **Article 5 (Convening of Meeting)**

- ① The meetings of the Committee shall be convened by the chairperson.
- ② Any member may request the chairperson to convene the Committee meeting by submitting the agenda and grounds therefor.
- ③ In convening the Committee meeting, the chairperson shall give notice to each member of the date, time, place and agenda of the meeting, at least two (2) days prior to the date set for such meeting; provided, however, that in case of emergency, such notice may be given by the date immediately preceding the date of such meeting.
- ④ The Committee meeting may be held without following the procedure prescribed in paragraph 3 upon unanimous consent of all members.

#### **Article 6 (Method of Adopting Resolutions)**

- ① Any resolution of the Committee shall be adopted by the presence of a majority of the members in office and a majority of the votes of the members present.
- ② The Committee may permit all or some of the members to participate in the meeting by means of communication that allow simultaneous audio transmission, in lieu of attending such meeting in person and such members shall be deemed to have attended the meeting in person.

#### **Article 7 (Matters to be Presented and Reviewed)**

- ① The Committee shall review and resolve the following matters:
  1. Recommend candidates for outside directors.
- ② The Committee shall review any of the following matters:
  1. Evaluate the activities of representative directors and their continuance in office;

2. Propose discharge and/or appointment of representative directors;
3. Recommend the candidates for representative directors; and
4. Adequacy of each internal director's remuneration.

#### **Article 8 (Management of Outside Director Candidate Pool, etc.)**

- ① The Company shall manage the outside director candidate pool on a regular basis and keep the list thereof up-to-date.
- ② Upon request of the Committee, the Company shall select appropriate candidates for outside directors among the outside director candidate pool that the Company manages and maintains on a regular basis and provide the Committee with the list (the "List of Outside Director Candidates").

#### **Article 9 (Recommendation of Outside Director Candidates)**

- ① When the Committee needs to recommend candidates for outside directors, the Committee shall require the Company to provide the List of Outside Director Candidates. In this case, the Committee may add to the said list the candidates for outside directors that the Committee selected following a resolution at the Committee meeting.
- ② The Committee shall select initial candidates among the outside director candidates in the list prescribed in paragraph 1 through review of documents and reputation screening, etc.
- ③ The Committee shall select the final candidates through necessary procedures including interview with the initial candidates selected under paragraph 2.
- ④ The Committee shall request the Company to submit information and provide opinion in the process of recommendation of outside director candidates under paragraphs 1 through 3, and the Company shall comply with such request.

#### **Article 10 (Evaluation of Representative Director, etc.)**

- ① The Committee shall evaluate the activities of representative director(s)

in office at least thirty (30) days before the end of each fiscal year.

- ② The Committee shall review whether to have the representative director(s) remain in office based on the results of assessment prescribed in paragraph 1.
- ③ The Committee shall report to the Board of Directors on the evaluation results prescribed in paragraph 1 and the results of the review on whether to have the representative director(s) remain in office pursuant to paragraph 2 and give such notice to the Company.
- ④ The Committee shall request the Company to submit information and provide opinion in the process of evaluation pursuant to paragraph 1 and review pursuant to paragraph 2, and the Company shall comply with such request.

**Article 11 (Proposal to Discharge or Appoint Representative Director, etc.)**

- ① If the Committee deems any representative director to be unqualified to remain in office based on the evaluation results pursuant to paragraphs 1 and 2 of Article 10, the Committee shall follow the procedure set forth in paragraphs 3 and 4 of Article 12 until the end of that fiscal year and propose discharge of the representative director and/or appointment of a new representative director to the Board of Directors.
- ② The chairperson shall request the chairperson of the Board of Directors or representative directors to convene a meeting of the Board of Directors to discharge the representative director and/or appoint a new representative director. If the chairperson of the Board of Directors or representative directors refuse the chairperson's request to convene such meeting without any justifiable reason, the chairperson may convene the Board of Directors.

**Article 12 (Management of Representative Director Candidate Pool and Recommendation of Candidates, etc.)**

- ① The Company shall manage the representative director candidate pool

on a regular basis and keep the list thereof up-to-date.

- ② Upon request of the Committee, the Company shall select appropriate candidates for representative directors among the representative director candidate pool that the Company manages and maintains on a regular basis and provide the Committee with the list (the "List of Representative Director Candidates").
- ③ When the Committee needs to recommend representative director candidates, the Committee shall request the Company to provide the List of Representative Director Candidates.
- ④ The Committee shall review and assess the candidates in the List of Representative Director Candidates provided under paragraph 3 and provide the Board of Directors with the final candidates for representative directors.
- ⑤ The Committee shall request the Company to submit information and provide opinion in the process of recommendation of representative director candidates under paragraphs 3 and 4, and the Company shall comply with such request.

### **Article 13 (Review of Internal Director's Remuneration)**

- ① The Committee shall review each internal director's remuneration for each year through assessment of its adequacy and report the results thereof to the Board of Directors.
- ② The Committee shall request the Company to submit information and provide opinion in the process of reviewing remuneration prescribed in paragraph 1, and the Company shall comply with such request.

### **Article 14 (Right to Request Submission of Documents, etc.)**

- ① If necessary for performance of duties, the Committee may request the relevant officers, employees and outside personnel to attend the meeting and submit relevant information and/or state their opinion.
- ② The Committee may seek expert advice, etc. at the expense of the Company by the resolution of the Committee, if necessary.

### **Article 15 (Secretariat Organization)**

- ① The secretariat organization of the Committee shall refer to the [HR Department].
- ② The secretariat organization shall assist the chairperson and handle the affairs of the Committee.

### **Article 16 (Meeting Minutes)**

- ① The secretariat organization shall execute minutes regarding the proceedings of the Committee.
- ② The agenda, summary of proceedings, resolutions adopted at the meeting, names of the directors who have voted against such resolutions, and the reason for objections thereto shall be recorded in the minutes, on which all members present at the meeting shall sign their names or affix their seal impressions.

### **Article 17 (Amendment)**

Any amendment to these regulations shall be made by the resolution of the Board of Directors.

### **Addendum (March 30, 2021)**

These regulations shall enter into force on April 1, 2021.