

## **O-Bank Co., Ltd. Corporate Governance and Nomination Committee Organizational Rules**

Approved by the 8<sup>th</sup> Board of Directors in its 4<sup>th</sup> meeting on November 4, 2020

- Article 1: To enhance sound governance and strengthen board functions, the Bank has established the Bank's Corporate Governance & Nomination Committee (hereinafter referred to as the Committee) Organizational Rules to ensure compliance in accordance with the Corporate Governance Best Practice Principles for Banks.
- Article 2: Unless otherwise specified by law or the Bank's Articles of Incorporation, the roles and responsibilities of the Committee shall be based on the rules set forth in these Organizational Rules.
- Article 3: The Bank shall disclose the Committee's member composition, duties and operations in its annual report, or on its website, and shall disclose the Committee's member composition, the number of meetings held, the attendance of committee members, and the Organizational Rules on the Market Observation Post System.
- Article 4: The Committee shall comprise at least 3 directors with over half independent directors by a resolution of the Board of Directors.  
A director's term on the Committee, unless otherwise specified by the law or the Bank's Articles of Incorporation, starts on the date of the respective board resolution and ends on the date when the director's term on the board ends, when the director resigns from the Committee or the board, or when the Board of Directors passes another resolution to replace the director.
- Article 5: The Committee, with authorization by the Board of Directors, shall exercise the due care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:
1. Establish the standards of independence and a diversified background covering the expertise, experience, gender, etc. of members of the board, and find, review, and nominate candidates for directors based on such standards.
  2. Set up and review programs for the director continuing education initiative and succession planning.
  3. Establish the Bank's Corporate Governance Principles
  4. Establish the Bank's Regulations Governing the Performance Evaluation of the Board of Directors
  5. Oversee and supervise the Bank's participating in corporate governance evaluations and performance evaluations of the Board, and then report to the Board for review and further improvement.
  6. Board of Directors pointed out the other matters that need to be handled by the Committee.

If a Committee member, when performing the duties mentioned above, is considered an interested party with respect to any agenda item under discussion, the member must disclose the principal interests involved. When the relationship is likely to prejudice the interests of the Bank, the member in question shall not participate in the discussion or voting on that agenda item and shall furthermore recuse himself or herself from discussing and voting therefrom and shall not act as another Committee member's proxy to exercise voting rights on that matter. Where the spouse, a blood relative within the second degree of kinship of a Committee member or any company which has a controlling or subordinate relation with a Committee member has interests in the matters under discussion in the meeting of the preceding paragraph, such member shall be deemed to have a personal interest in the matter.

If a resolution cannot be reached by the Committee as a result of the preceding paragraph, the matter shall be reported to the Board of Directors for resolution. To decline to adopt a recommendation of the Committee, the Board of Directors shall require the agreement of a majority of the directors in attendance at a meeting attended by two-thirds or more of all of the directors. In such event, the Bank shall specify the details and cause of the discrepancy in the board meeting minutes, and within two days counting inclusively from the date of the board meeting resolution, shall furthermore carry out public announcement and reporting on the Market Observation Post System.

Article 6: The Committee shall convene at least once a year, and shall hold meetings whenever deemed necessary.

When convening the Committee, the convener shall clearly explain in the meeting notice the purpose of the meeting. The notice shall be distributed to all committee members at least seven days before the meeting. In emergency circumstances, however, meetings may be convened at any time.

The preparation and distribution of meeting notice as prescribed in the preceding paragraph may be made in electronic form.

It shall be the independent directors of the Committee to serve as the convener and chairperson. In the event that the convener is on leave, unable to arrange the meeting, or required to recuse himself or herself pursuant to Article 5, Paragraph 2, the convener may appoint another independent director of the Committee to act on his or her behalf, or, when necessary, appoint another member of the Committee to act on his or her behalf. Where the convener has not appointed any such person, the rest of the Committee members shall select an independent director from among themselves to act on the convener's behalf.

The Committee may request the managers of relevant departments, internal audit personnel, CPAs, legal counsels, or other personnel of the Bank to participate in the meeting as non-voting participants and provide pertinent and necessary information. However, these professionals need to be dismissed during the discussion and voting stage.

When a Committee meeting is convened, relevant information shall be provided and issued to the Committee members for reference as needed.

Article 7: The convener shall determine the proceedings of the Committee's meeting agenda; other Committee members may also propose agenda items for discussion by the Committee. The meeting agenda shall be provided to members of the Committee in advance.

When a Committee meeting is convened, the Bank shall provide an attendance book for attendees to sign-in, as the committee members attend the meeting, and the attendance record shall be retained for examination.

Members of the Committee shall attend the Committee meeting in person. If a member is unable to attend in person, the member may designate another member as his or her proxy. Committee members who participate in meetings via video conferencing shall be deemed to have personally attended the meeting.

When a member of this Committee commissions another member to attend a Committee meeting as a proxy, the Committee member shall issue a power of attorney that lists the scope of the authority with respect to the items on the meeting agenda. The proxy may accept a proxy from one person only.

Article 8: Unless otherwise regulated by laws and regulations, the Bank's Articles of Incorporation or other rules, a resolution of the Committee requires a consent by more than half of the attending committee members, who must account for two thirds or more of the members of the Committee. An agenda item is considered passed if the chairperson does not receive any objections from members in attendance. This voting method has the same effect as the conventional ballot method.

The resolutions reached by the Committee meeting shall be entered into the meeting minutes, including the following items:

1. The session, time, and place of the meeting.
2. The name of the chairperson.
3. Attendance by the members, including the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. Matters for reporting.
7. Matters for discussion: The resolution methods and results of each proposal; objection or reserved opinions expressed by committee members.
8. Extempore motions: The name of the proposer; content of the proposal; the method of resolution, and the result for each motion; a summary of the comments made by committee members, experts, or other persons; objection or reserved opinions
9. Other matters that shall be recorded.

The attendance book constitutes an integral part of the Committee's meeting minutes. Where Committee meetings are held by way of video conferencing, the recorded video shall be treated as part of the meeting minutes.

The meeting minutes shall be signed or sealed by the chairperson of the meeting and the minute taker, issued to each member within 20 days after the meeting, classified as critical documents of the Bank, and properly retained during the Bank's existence. The preparation and distribution of the meeting minutes may be made in electronic form.

Article 9: The Committee may resolve to appoint an attorney, professional human resources agency, investment bank, CPA, or other professionals to provide audit or consulting services with respect to matters in connection with Article 5. All costs thus incurred shall be borne by the Bank.

Article 10: Matters that have passed resolution by this Committee and other related implementation operations shall subsequently be handled by the authorized convener or other members of the Committee. Written or verbal report shall be issued to this Committee during the implementation period, and the matter shall be submitted in the next Committee meeting for approval or report if necessary.

Article 11: The designated unit responsible for handling Committee meeting affairs shall be the Corporate Secretariat to assist in the convocation of the Committee meetings.

Article 12: The Organizational Rules, and any amendments hereto, shall become effective upon approval by the Board of Directors.