

# **Nomination Committee Charter**

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Takeda Pharmaceutical Company Limited

## Nomination Committee Charter

### Article 1 (Objectives)

- 1 To establish the Nomination Committee (hereinafter referred to as the Committee) as a voluntarily established body with the aim of further strengthening the Company's corporate governance.
- 2 To consider, formulate and revise standards and rules for the election of director candidates, so that directors are elected via transparent process based on more objective and reasonable standards. The Board of Directors shall respect the resolutions of the Committee.

### Article 2 (Position of the Committee)

It shall be an advisory body for the Board of Directors.

### Article 3 (Terms of Reference)

- 1 The Board of Directors shall, as a general rule, request the Committee to provide advices on the following matters every financial year. These advisory matters do not require an individual Board of Directors resolution every time.
  - 1) Policy on Board of Directors' diversity and skills of Directors (including appropriateness of the skills matrix)
  - 2) Matters concerning the appointment and reappointment of Directors
    - a. Appropriateness of criteria of appointment and reappointment
    - b. Appropriateness of criteria of independence of external directors
    - c. Appropriateness of the draft of candidates and the process of appointment and reappointment based on criteria of appointment and reappointment and criteria of independence mentioned above
  - 3) Succession plan and its implementation status regarding President & Chief Executive Officer and directors (not including external directors)
- 2 Where deemed necessary, the Board of Directors may request the Committee to provide advices on matters other than those listed in the previous clause.

### Article 4 (Composition)

- 1 The Committee shall be composed of three or more directors designated by a resolution of the Board of Directors.
- 2 The Committee must meet following criteria:
  - a. All of the Committee members must be external directors;
  - b. At least one of the Committee members must be an Audit & Supervisory Committee member.
- 3 The term of office for Committee members shall be from the appointment to the end of Ordinary General Shareholders Meeting to be held immediately after the appointment. Reappointment is allowed.
- 4 An internal director, etc. may be appointed as an observer by the Committee Chairperson.

### Article 5 (Meetings)

Committee meetings shall be held at least twice every financial year.

### Article 6 (Convocation of Meetings)

- 1 The Committee Chairperson shall convene Committee meetings
- 2 Committee members other than the Committee Chairperson may make a request to the Committee Chairperson for the convocation of a Committee meeting.

### Article 7 (Convocation Notices)

The Committee Chairperson must give notice of Committee convocation to each Committee member prior to the date of the Committee meeting.

### Article 8 (Chair)

The Chair of the Committee shall be the Committee Chairperson. In the event that the Committee Chairperson is unable to perform the Chair, another Committee member shall take

his/her place, in accordance with the order of priority pre-determined by the Committee.

#### Article 9 (Deliberations)

- 1 In order for the Committee meeting to be held, majority of Committee members shall be present.
- 2 Where necessary, the Committee may have non-Committee member advisors attend the Committee meeting, to consult their advice and opinions and have an opportunity to acquire knowledge from them.
- 3 When the Committee requests a director or an employee to attend a Committee meeting, such director or employee cannot decline the request without an appropriate reason.
- 4 The individual attending the Committee meeting as set out in the previous two clauses must provide explanations to the Committee as requested.
- 5 Any Committee member with a conflict of interest on a specific deliberation shall not participate in that deliberation.
- 6 Committee members must treat the information gained in the Committee meetings as confidential, and they must not divulge or disclose this information to any third party.

#### Article 10 (Resolutions)

Decision-making by the Committee, in principle, shall be made by the Chair with comprehensive and thorough deliberations on the advisory matters.

#### Article 11 (Minutes)

Details of Committee decisions shall be recorded in minutes, and they shall be archived in the Global Headquarters for 10 years.

#### Article 12 (Secretariat of the Committee)

The following matters relating to the Committee shall be dealt with by the Secretariat of the Committee.

- (1) Development of a draft of resolution proposals and other matters relating to Committee affairs
- (2) Compilation and archiving of Committee meeting minutes.
- (3) Matters relating to operating assistance for the Committee, other than those in the clauses above.

#### Article 13 (Reporting)

- 1 The Committee Chairperson shall immediately report the resolutions relating to the advisory matters in Article 3 to the Board of Directors.
- 2 The Committee Chairperson shall summarize the progress of Committee proceedings on the advisory matters in Article 3 to the Board of Directors as necessary.

#### Article 14 (Information exchange with other organizations, etc.)

- 1 The Committee shall exchange information with the Compensation Committee as necessary to properly judge the appropriateness of the performance evaluation of directors.
- 2 The Committee shall evaluate the Committee's effectiveness by itself every year and the Committee shall receive an evaluation by a third party on the Committee's effectiveness at least once every three years and report each result to the Board of Directors.

#### Article 15 (Revisions or Abolishment of Charter)

Revisions to or abolishment of this Charter shall be examined by the Committee and made via a Board of Directors resolution.

### Policy on Board of Directors' diversity and skills of Directors

A size of Board of Directors shall be according to business and its composition shall be considered in terms of balance of expected expertise and diversity including internationality.

#### 1. Diversity of Board of Directors

The Board of Directors shall consider diversity, including gender, age, work history, race, ethnicity, and cultural background, etc. Independent external directors shall include those who have management experience in other companies and shall be majority of the Board of Directors.

#### 2. Skills of Directors

The areas of expertise to be provided by Directors shall be specified separately.

### Appointment Criteria for Directors

Candidates for Directors shall be nominated in consideration of following points.

- Presence of appropriate experience and expertise to either complement or further enhance the current capabilities of the Board of Directors
- Presence of the gravitas and reputation required for directorship of a global pharmaceutical company
- Presence of competency and high-level performance required for business managers
- Presence of deep understanding of the Company's corporate philosophy and value

### Internal criteria for the independence of External Directors of the Company

The Company will judge whether an External Director has sufficient independence against the Company with the emphasis on his/her meeting the following quality requirements, on the premise that he/she meets the criteria for independence established by the financial instruments exchanges.

The Company believes that such persons will truly meet the shareholders' expectations as the External Directors of the Company, i.e., the persons who can exert a strong presence in a diverse group of people that comprise the Directors of the Company by proactively continuing to inquire the nature of, encourage improvement in, and make suggestions regarding the important matters of the Company doing a pharmaceutical business globally, for the purpose of facilitating an impartial and fair judgment on the Company's business and securing the sound management of the Company.

The Company requires that persons who will be external directors to meet two (2) or more items out of the following four (4) items of quality requirements:

- (1) He/She has advanced insight derived from experience in corporate management;
- (2) He/She has a high level of knowledge in areas requiring high expertise such as accounting and law;
- (3) He/She is well versed in the pharmaceutical and/or global business; and
- (4) He/She has advanced linguistic skill and/or broad experience which enables him/her to understand diverse values and to actively participate in discussions with others.