

March 22, 2024

Company Name: The Chiba Bank, Ltd.  
Representative: Tsutomu Yonemoto, President  
Stock Exchange Listing: Tokyo (code: 8331)

## **Chiba Bank Announces Introduction of Performance-Linked Restricted Stock Remuneration Plan**

The Chiba Bank, Ltd. (President and CEO: Tsutomu Yonemoto) (“Chiba Bank” or “the Bank”) has reviewed the remuneration system for its directors and its Board of Directors has resolved at the meeting held on March 22, 2024 to propose the introduction of the performance-linked restricted stock remuneration plan (the “Plan”) to its 118th General Meeting of Shareholders (the "General Meeting of Shareholders") scheduled for June 26, 2024. Therefore, we hereby announce as follows:

### **I. Purpose to introduce the Plan**

Currently, the compensation system for the Bank's directors excluding outside directors (the "Eligible Directors") consists of basic compensation as fixed compensation, performance-linked compensation, and stock-based compensation.

The Bank has recently revised the remuneration system for its directors and decided to introduce the new Plan in order to clarify the linkage between the remuneration of the Eligible Directors and the Bank's performance and share value, to provide incentives to achieve the performance targets set in the Bank's mid-term plan and to continuously increase corporate value by improving the Bank's performance over the medium to long term, and to further promote the sharing of value with shareholders.

In the Plan, monetary claims will be paid as remuneration for allotment of the Bank's common stock to the Eligible Directors. Accordingly, the introduction of the Plan is subject to approval of shareholders at the General Meeting of Shareholders for the such provision.

The maximum amount of base remuneration and performance-linked remuneration, which are monetary remuneration for the Bank's directors, is approved to be not more than ¥560 million per annum (but does not include employee salaries for directors who concurrently serve as employees), at the 104th Ordinary General Meeting of Shareholders held on June 29, 2010. In addition, separate from such monetary compensation, the total amount of monetary claims is approved to be paid to Eligible Directors shall not exceed ¥140 million per annum (but does not include employee salaries for directors who concurrently serve as employees), and the total number of shares of common stock newly issued or disposed of by the Bank shall not exceed 500,000 shares per annum, at the 115th Ordinary General Meeting of Shareholders held on June 25, 2021. At the General Meeting of Shareholders, we plan to ask for the shareholders' approval for the introduction of the new Plan and for the establishment of a remuneration limit for the Eligible Directors for related to the Plan within the above stock remuneration limit.

### **II. Outline of the Plan**

The newly introduced compensation plan is the performance-linked restricted stock remuneration plan under which shares of the Bank's common stock will be delivered in accordance with the achievement level of performance targets predetermined by the Bank's Board of Directors.

The Eligible Directors will pay all of the monetary claims paid by the Bank under the Plan as contribution-in-kind assets and receive issuance or disposal of the Bank's common stock.

Under the plan, in principle, the Board of Directors determines in advance the performance targets for a certain performance evaluation period, and the Bank's common stock shall be delivered after the end of the performance evaluation period in accordance with the achievement level of the performance targets.

Regarding the Plan, the specific timing and allocation to each Eligible Director will be decided by

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the Board of Directors. In addition the amount to be paid per share based on the Plan will be determined by the Board of Directors based on the closing price of the Bank's common stock on the Tokyo Stock Exchange on the business day prior to the resolution of each Board of Directors meeting (if a transaction has not been completed on that day, the closing price on the most recent trading day prior to that date) to the extent that the amount is not particularly favorable for the Eligible Directors underwriting the common stock.

Furthermore, the issuance or disposal of the Bank's common stocks under the Plan (the "Stocks") is subject to the conclusion of a Transfer Restricted Stock Allotment Agreement between the Bank and the Eligible Directors, which includes 1) a certain period ("Transfer Restricted Period"), prohibition of transfer to a third party, setting collateral, or any other disposition of the Stocks, and 2) acquisition of the Stocks by the Bank without consideration in the event of certain circumstances.

To prevent transfers, setting collateral and other dispositions during the Transfer Restricted Period, the Stocks will be managed in a dedicated account opened by the Eligible Directors in Nomura Securities Co., Ltd. during the Transfer Restricted Period.

Under the Plan, the Bank plans to introduce the same plan for executive officers who do not concurrently serve as directors of the Bank, in addition to the Eligible Directors, by a resolution of the Board of Directors of the Bank.

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