



December 18, 2020

Company name: **Makita Corporation**  
Representative: Munetoshi Goto, President, Representative Director  
Stock ticker code: 6586

## **Notice on Establishment of Nomination and Compensation Committee and Transition to a Company with an Audit and Supervisory Committee**

Makita Corporation (hereinafter referred to as “Makita”) hereby announces that, at a meeting of the Board of Directors held today, Makita has resolved to establish a Nomination and Compensation Committee and, subject to approval at the 109th Ordinary General Meeting of Shareholders to be held in June 2021, has resolved a policy of transitioning from our current system of a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee.

### **I. Establishment of Nomination and Compensation Committee**

#### **(1) Purpose of establishing Nomination and Compensation Committee**

Makita has decided to establish a Nomination and Compensation Committee for the purpose of ensuring objectivity, transparency, and fairness in procedures relating to nomination, etc. and compensation, etc. of Directors, etc., and further enhancing its corporate governance system by obtaining the appropriate involvement and advice of Independent Outside Directors.

#### **(2) Role of Nomination and Compensation Committee**

The Nomination and Compensation Committee, upon consultation or delegation by the Board of Directors, deliberates on the following matters, mainly concerning the nomination, etc. and compensation, etc. of Directors, etc., and reports to the Board of Directors or makes decisions.

##### **(i) Matters to be consulted**

- 1) Matters concerning the appointment and dismissal of Directors and Corporate Officers, etc.
- 2) Matters concerning the appointment and removal of Representative Directors
- 3) Policy on nomination of Representative Directors, Directors, Corporate Officers, etc.
- 4) Matters concerning the succession plan for the President
- 5) Policies concerning decisions on the content of compensation, etc. for individual Directors and Corporate Officers, etc.
- 6) Other matters for which the Board of Directors has consulted as deemed necessary

##### **(ii) Matters to be delegated**

- 1) Determination of content of compensation, etc. for individual Directors and Corporate Officers, etc.
- 2) Determination of other matters for which the Board of Directors has delegated as deemed necessary

#### **(3) Composition of the Nomination and Compensation Committee**

The Nomination and Compensation Committee shall be composed of three or more Directors selected by a resolution of the Board of Directors, and at least half of them shall be Independent Outside Directors. The Chairman shall be selected from among Independent Outside Directors by a resolution of the Nomination and Compensation Committee.

#### **(4) Date of establishment**

December 18, 2020



## II. Transition to a Company with Audit & Supervisory Committee

### (1) Purpose of the transition to a Company with Audit & Supervisory Committee

Makita has strengthened the supervisory function of the Board of Directors by appointing multiple Independent Outside Directors. With the aim of further strengthening the supervisory function of the Board of Directors and further enhancing the corporate governance system by having Audit & Supervisory Committee Members in charge of auditing, etc. the execution of duties by Directors as members of the Board of Directors with voting rights, Makita has decided on transition to a Company with an Audit & Supervisory Committee.

### (2) Timing of transition to a Company with an Audit & Supervisory Committee

At the 109th Ordinary General Meeting of Shareholders to be held in June 2021, Makita plans to make the transition to a Company with an Audit & Supervisory Committee after obtaining approval for amendments to the Articles of Incorporation necessary for the transition.

### (3) Others

Details of the amendment to the Articles of Incorporation and the personnel affairs, etc. of the officers associated with the transition will be announced as soon as they are determined.