Bowen Fintech Plc

(*to be renamed MOH Nippon Plc*)

TERMS OF REFERENCE FOR THE RELATED PARTIES COMMITTEE

1 DEFINITIONS

1.1 In this document, unless the context otherwise requires:

(a) the "**Board**" shall mean the board of directors of the Company;

(b) the "**Committee**" shall mean the related party committee of the Company;

(c) the "**Committee Chairman**" shall mean the chairman of the Committee;

(d) the "**Company**" means Bowen Fintech Plc (to be renamed MOH Nippon Plc);

(e) “connected” has, in relation to a person, the meaning given in section 1122 of the CTA 2010;

(f) "Controlled" or "Control" has the meaning given in section 1124 of the CTA 2010, and the expression change of Control shall be construed accordingly;

(g) “CTA 2010” the Corporation Tax Act 2010;

(h) “**DTRs**” means Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority;

(i) the "**Group**" shall mean the Company, MOH and any subsidiaries;

(j) “**Independent Director**” shall mean a non-executive director who is not connected to any company in the KBC Group and whom the Company has determined to be independent for the purposes of a Related Party Transaction following the rules of independence established in the UK Corporate Governance Code.

(k) the "**Joint Business Agreement**" shall mean the joint business agreement dated 1 January 2024 entered into between MOH, TSIB, and TSIF, as amended by the Supplemental Agreement dated 11 June 2024;

(l) "**KBC**" shall mean Kyosei Bank Co., Ltd, a private company incorporated in Japan with company registration number 0100-01-125402, having its registered office address located at 2F Grace Kojimachi, 12-3, Nibancho, Chiyoda-ku, Tokyo. Tokyo;

(m) the "**KBC Group**" shall mean KBC and its subsidiary undertakings from time to time, which shall include TSIB and TSIF who are parties to the Joint Business Agreement and/or the Shared Services Agreements;

(n) the "**Listing Rules**" shall mean the UK Financial Conduct Authority's Listing Rules and as amended from time to time;

(o) "**MOH**" shall mean Minnadeooyasan-Hanbai Co. Ltd., a private company incorporated in Japan with company registration number 0100-01-124280, having its registered

office address located at 3F Grace Kojimachi, 12-3, Nibancho, Chiyoda-ku, Tokyo. Tokyo;

(p) "**Related Party**" has the meaning set out in Listing Rule 11.1.4.R (as set out in Appendix 3 of this document);

(q) a "**Related Party Transaction**" shall mean any transaction, arrangement or agreement (or amendment thereto) between any member of the Group and any member of the KBC Group or any other entity Controlled by Mr Yanase or any Related Party of Mr Yanase which has a value exceeding JPY 500 million or a cost exceeding JPY500 million (when aggregated with other related transactions);

(r) the "**Shared Services Agreements**" shall mean the shared services agreements dated 29 May 2024 entered into between TSIF and MOH and TSIB and MOH in relation to the provision of certain administrative services, such as the provision of insurance cover to MOH, as amended from time to time;

(s) "**TSIB**" shall mean Toshi-Souken Invest Bank Inc, a subsidiary undertaking of KBC; and

(t) "**TSIF**" shall mean Toshi-Souken Invest Fund Inc., a subsidiary undertaking of TSIB.

2 CONSTITUTION

2.1 The Committee was constituted by a resolution of the Board at a meeting of the Board held on 30 July 2024 in accordance with the articles of association of the Company.

3 PURPOSE OF COMMITTEE

3.1 The purpose of the Committee is:

(a) to review and, if thought fit, approve Related Party Transactions;

(b) to ensure that any Related Party Transaction is entered into on an arms' length basis and in the best interests of the Group and all of its shareholders; and

(c) to approve any changes to the Joint Business Agreement and/or the Shared Services Agreement.

4 MEMBERSHIP

4.1 The Committee shall comprise at least two members, the majority of which shall be Independent Directors. The Committee as a whole shall have competence relevant to the sector(s) in which the Company operates.

4.2 Appointments to the Committee shall be made by the Board, in consultation with the Committee Chairman, and shall be for a period of three years (subject to the relevant director remaining a member of the Board), which may be extended for up to two additional three-year periods, provided that the relevant director continues to meet the criteria for membership of the Committee.

4.3 The Board shall appoint the Committee Chairman, who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy at a Committee

meeting, the remaining members present shall elect one of themselves who shall be an Independent Director to chair the meeting.

5 SECRETARY

5.1 The company secretary, or his or her nominee, shall act as the secretary of the Committee and will ensure that the Committee (and any other attendee as appropriate) receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

6 ATTENDANCE AT MEETINGS

6.1 The quorum necessary for the transaction of business by the Committee shall be two members, both of whom must be Independent Directors. No meeting may be convened unless all members of the Committee have received reasonable notice of the meeting. Whenever it is practicable, meetings should be arranged so that all Committee members can be present.

6.2 Only members of the Committee have the right to attend Committee meetings. However, other non-members such as external advisers or other directors may be invited to attend all or part of any meeting, as and when appropriate.

7 MEETINGS BY TELEPHONE AND OTHER ELECTRONIC MEANS

7.1 A meeting of the members of the Committee may consist of a conference call between Committee members some or all of whom could be in different places provided that each Committee member may participate in the business of the meeting whether directly or indirectly by telephone or any other electronic means which enables him or her:

(a) to hear each of the other participating Committee members addressing the meeting; and

(b) if he or she so wishes, to address all other participating Committee members simultaneously.

7.2 A quorum is deemed to be present if Committee members meeting the minimum number required to form a quorum participate in the manner specified in paragraph 7.1 above in the business of the meeting.

7.3 A Committee meeting held in the manner specified in paragraph 7.1 above is deemed to take place at the place where the largest group of participating Committee members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

8 FREQUENCY AND NOTICE OF MEETINGS

8.1 The Committee shall meet at such times as the Committee Chairman shall require.

8.2 Meetings of the Committee shall be convened by the secretary of the Committee at the request of the Committee Chairman or by any members of the Committee.

8.3 Unless otherwise agreed by all members of the Committee, notice of each meeting confirming the venue, time, and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting (or such

shorter period of time as the members of the Committee may otherwise agree). Supporting papers shall be sent to Committee members and to other attendees, as appropriate at the same time.

8.4 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

9 DECISIONS OF MEETINGS

9.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

9.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.

9.3 Decisions of the Committee will be made by majority vote. In the event of an equality of votes, save where he/she has a personal interest, the Committee Chairman will have a second or casting vote.

10 MINUTES OF MEETINGS

10.1 The secretary of the Committee shall:

(a) minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance; and

(b) ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

10.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved by the Committee Chairman, minutes shall be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chairman.

10.3 Final signed copies of the minutes of the meeting of the Committee should be maintained for the Company's records, in hard and soft copy where possible.

11 ANNUAL GENERAL MEETING

11.1 The Committee Chairman shall attend the annual general meeting to answer shareholder questions on the Committee's activities.

12 DUTIES

12.1 The Committee shall:

(a) oversee and approve on behalf of the Board the terms of any Related Party Transaction, having regard to whether any such Related Party Transaction is fair and reasonable and (from the perspective of the Company and of the shareholders who are not a related party (as defined in the DTRs) including minority shareholders) in the best interests of the Group upon becoming aware of or being referred to such Related Party

Transaction. For purposes of evaluating whether a Related Party Transaction is a fair and reasonable, regard shall be given to, among other things:

(i) whether, in view of financial benefits of the respective parties to that Related Party Transaction, it should be concluded;

(ii) the overall commercial benefits of that Related Party Transaction for the respective parties;

(iii) the consideration for that Related Party Transaction, including any interests or other benefit received;

(iv) the advice obtained from Cairn Financial Advisers LLP (or any other financial adviser appointed by the Company at the relevant time) on the application of DTR 7.3 to the Related Party Transaction (as set out in Appendix 1 of this document), conducting class tests (as set out in Appendix 2 of this document) and any announcements to be made in compliance with the DTRs and the Listing Rules; and

(v) in the case of a loan transaction, the term, manner of repayment, whether security has been or should in the circumstances have been provided and whether such security is adequate; and

(b) ensure that any Related Party Transaction is conducted at arm's length and on normal commercial terms.

12.2 If a Related Party Transaction is (a) in the ordinary course of business of the Group and either the value or the cost exceeds JPY 500 million or (b) not in the ordinary course of business of the Group and either the value or the cost exceeds JPY 500 million, it may not be authorised or implemented by the Board unless it has been positively recommended and approved by the Committee.

12.3 The Board may from time to time and if deemed in the best interests of the Company resolve that in respect of certain categories of Related Party Transactions which do not fall within the terms and scope of paragraph 12.2 above, the Committee's views are not binding and are of a recommendary nature. Such resolution shall be communicated to the Committee immediately and shall supplement these terms of reference.

12.4 In considering any matters that are brought before the Related Parties Committee, the Committee must take into account Listing Rule 10 (Annex 1) and DTR 7.3 and Listing Rule 11, should it deem appropriate.

13 REPORTING RESPONSIBILITIES

13.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and also formally report to the Board on how it has discharged its responsibilities.

13.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

14 OTHER MATTERS

14.1 The Committee shall:

(a) have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;

(b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;

(c) in performing the above duties, to have regard to the provisions of the QCA Code and associated guidance, the requirements of the Listing Rules, the DTRs and any other applicable rules, regulations or recommendations regarding related party transactions of companies whose shares are admitted to trading on the main market for listed securities of London Stock Exchange Group plc which the Committee considers relevant or appropriate;

(d) oversee any investigation of activities which are within its terms of reference;

(e) arrange for periodic reviews of its own performance as part of the performance review process; and

(f) at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

14.2 The Board shall also review the Committee's effectiveness on a two-year cycle.

15 AUTHORITY

15.1 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

15.2 The Committee is authorised by the Board to carry out the duties within its terms of reference and is authorised to:

(a) seek any information it requires from any employee or director, and all such employees or directors will be directed to cooperate with any request made by the Committee;

(b) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and

(c) secure the attendance of other persons at its meeting if it considers necessary.

Appendix 1

DTR 7.3 Related party transactions

Transaction

DTR 7.3.1 R 10/06/2019

A reference in this section:

1. (1)

   to a transaction or arrangement by an *issuer* includes a transaction or arrangement by its *subsidiary undertaking*; and
2. (2)

   to a transaction is, unless the contrary intention appears, a reference to the entering into of the agreement for the transaction.

Definition of related party

DTR 7.3.2 R 01/01/2021

In *DTR*, a "*related party*" has the meaning in *UK-adopted IFRS*.

Definition of related party transaction

DTR 7.3.3 R 10/06/2019

In *DTR*, a "*related party transaction*" means:

1. (1)

   a transaction (other than a transaction in the ordinary course of business and concluded on normal market terms) between an *issuer* and a *related party*; or
2. (2)

   an arrangement (other than an arrangement in the ordinary course of business and concluded on normal market terms) pursuant to which an *issuer* and a *related party* each invests in, or provides finance to, another undertaking or asset; or
3. (3)

   any other similar transaction or arrangement (other than a transaction or arrangement in the ordinary course of business and concluded on normal market terms) between an *issuer* and any other *person* the purpose and effect of which is to benefit a *related party*.

DTR 7.3.4 R 10/06/2019

An *issuer* must establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a *related party* is in the ordinary course of business and has been concluded on normal market terms. An *issuer* must ensure that the *related party* and any person who is an *associate*, *director* or *employee* of the *related party* does not take part in any such assessment.

Transactions to which this section does not apply

DTR 7.3.5 R 10/06/2019

DTR 7.3.8R does not apply to any *related party transaction* which is:

(1)

a transaction or arrangement between the *issuer* and its *subsidiary undertaking* provided that:

(a)

the *subsidiary undertaking* is wholly owned; or

(b)

no other *related party* of the *issuer* has an interest in the *subsidiary undertaking*; or

(2)

a transaction or arrangement regarding remuneration, or certain elements of remuneration, of a *director* of the *issuer*, where the remuneration to be awarded or due to the *director* is in accordance with the *issuer's* directors' remuneration policy as approved by the shareholders of the *issuer* in accordance with *section 439A* of the Companies Act 2006 and paid in accordance with *section 226B* of the Companies Act 2006; or

(3)

a transaction offered to all shareholders of the *issuer* on the same terms where equal treatment of all shareholders and protection of the interests of the *issuer* is ensured.

Material related party transactions

DTR 7.3.6 G 10/06/2019

Whether a *related party transaction* is a *material related party transaction* is determined by assessing its size relative to that of the *issuer* proposing to make it. The comparison of size is made by using the *percentage ratios* resulting from applying the *related party test* calculations to a transaction or arrangement. The *related party tests* are set out in *DTR 7 Annex 1*.

DTR 7.3.7 R 10/06/2019

In *DTR*:

(1)

"*percentage ratio*" means (in relation to a transaction or arrangement) the figure, expressed as a percentage, that results from applying a calculation under a *related party test* to the transaction or arrangement;

(2)

"*related party tests*" means the tests set out in *DTR 7 Annex 1*, which are used to determine whether a transaction or arrangement is a *material related party transaction*; and

(3)

"*material related party transaction*" means a *related party transaction* where any *percentage ratio* is 5% or more.

Requirements for material related party transactions

DTR 7.3.8 R 10/06/2019

If an *issuer* enters into a *material related party transaction*, the *issuer* must:

(1)

no later than the time when the terms of the transaction or arrangement are agreed, publish an announcement on a *RIS* which sets out:

(a)

the nature of the *related party* relationship;

(b)

the name of the *related party*;

(c)

the date and the value of the transaction or arrangement; and

(d)

any other information necessary to assess whether the transaction or arrangement is fair and reasonable from the perspective of the *issuer* and of the shareholders who are not a *related party*, including minority shareholders;

(2)

obtain the approval of its board for the transaction or arrangement before it is entered into; and

(3)

ensure that any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party*, does not take part in the board's consideration of the transaction or arrangement and does not vote on the relevant board resolution.

DTR 7.3.9 R 10/06/2019

If, after obtaining board approval but before the completion of a *material related party transaction*, there is a material change to the terms of the transaction or arrangement, the *issuer* must comply again separately with *DTR 7.3.8R* in relation to the transaction or arrangement.

DTR 7.3.10 G 10/06/2019

The *FCA* would (amongst other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

DTR 7.3.11 G 10/06/2019

(1)

An *issuer* which complies with *LR 11.1.7R* (Requirements for related party transactions) in relation to a *material related party transaction* will satisfy the requirements of *DTR 7.3.8R* in respect of that transaction or arrangement.

(2)

An *issuer* which complies with *LR 11.1.10R* (Modified requirements for smaller related party transactions) in relation to a *material related party transaction* will satisfy the requirements of *DTR 7.3.8R(1)* in respect of that transaction or arrangement.

(3)

An *issuer* which complies with *LR 11.1.7R* as modified by *LR 21.5.2R* (Transactions with related parties: Equity shares) or *LR 21.10.4R* (Transactions with related parties: certificates representing shares) in relation to a *material related party transaction* will satisfy the requirements of *DTR 7.3.8R(1)* in respect of that transaction or arrangement.

(4)

An *issuer* which complies with *LR 11.1.10R* as modified by *LR 21.5.2R* or *LR 21.10.4R* in relation to a *material related party transaction* will satisfy the requirements of *DTR 7.3.8R(1)* in respect of that transaction or arrangement.

DTR 7.3.12 G 10/06/2019

DTR 7.3.8R applies to the variation or novation of an existing agreement between the *issuer* and a *related party* whether or not, at the time the original agreement was entered into, that party was a *related party*.

Aggregation of transactions in any 12-month period

DTR 7.3.13 R 10/06/2019

(1)

If an *issuer* enters into transactions or arrangements with the same *related party* (and any of its *associates*) in any 12-month period, and the *issuer* has not been required to comply with *DTR 7.3.8R* in respect of the transactions or arrangements, the transactions or arrangements must be aggregated.

(2)

If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *issuer* must comply with *DTR 7.3.8R* in respect of each of the aggregated transactions or arrangements.

Compliance with the disclosure requirements

DTR 7.3.14 G 10/06/2019

An *issuer* should consider its obligations under the *disclosure requirements* in relation to a *related party transaction*.

Appendix 2

Listing Rule 10 Annex 1- Class Tests

Please follow the link below to see class test.

https://www.handbook.fca.org.uk/handbook/LR/10/Annex1.html

Appendix 3

Definition of "related party"

LR 11.1.4 R 06/08/2007*RP*

In *LR*, a "*related party*" means:

(1) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder*; or

(2) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* of the *listed company* or of any other *company* which is (and, if he has ceased to be such, was while he was a *director* or *shadow director* of such other *company*) its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking* of its *parent undertaking*; or

(4) a *person exercising significant influence*; or

(5) an *associate* of a *related party* referred to in paragraph (1), (2) or (4).