

# Regulations of the Board of Directors

Hyundai Engineering & Construction Co., Ltd.

## Chapter 1 General Provisions

### Article 1 (Purpose)

The purpose of the 'Regulations of the Board of Directors' is to provide necessary provisions for efficient management of Hyundai Engineering & Construction Co., Ltd.(hereinafter called 'Company') Board of Directors as provided in the provisions of Paragraph 2 of Article 35 of the Articles of Incorporation of the Company

### Article 2 (Range of Application)

Unless the Laws or Articles of Incorporation of the Company provides differently, all matters regarding the Board of Directors shall comply with the provisions of the 'Regulations of the Board of Directors'.

### Article 3 (Authority)

- ① The Board of Directors shall decide matters provided in the Laws or Articles of Incorporation of the Company, matters delegated by a general meeting of shareholders, and significant matters about company management basic policies and execution.
- ② The Board of Directors shall supervise the validity and legality of the board and employee's job performance.
- ③ The Board of Directors shall appoint a representative director and chairman of the board.
- ④ The Board of Directors shall establish a Non-Executive Director Nominating Committee and an Audit Committee within the board in accordance with the provisions of Article 41 of the Articles of Incorporation of the Company. The board may establish a committee to review and decide matters assigned by the Board of Directors or when necessary for Company management strategy.
- ⑤ The Board of Directors can decide resolutions of the committee again in the board.
- ⑥ The Board of Directors may select an individual who has contributed to the foundation and development of the company and served the chairman of the board before as an honorary director providing advice for the company's external activities and management.

### Article 3.2 (Representative Director's Term of Office)

Unless the Board of Directors separately provides the representative director's term of office upon appointment of the representative director, the representative director's term of office shall continue until the term of office of the board expires.

## Chapter 2 Organization

### Article 4 (Organization)

The Board of Directors shall be organized by all directors appointed at the general meeting of shareholders conforming to the provisions of Article 25 and 26 of the Articles of Incorporation of the Company. In addition, the Board of Directors may appoint an outside director for efficient progress of the board.

### Chapter 5 (Chairman)

- ① The chairman of the board shall be appointed at a board meeting.
- ② When the chairman is absent or incapacitated, the director designated by the chairman shall act as the chairman pursuant to the provisions of Paragraph ② of Article 38 of the Articles of Incorporation of the Company.

## Chapter 3 Board Meetings

### Article 6 (Types of Board Meetings)

- ① The Board of Directors shall be divided into regular board meetings and extraordinary board meetings.
- ② Regular board meetings shall be held once per quarter. However, in case of need, the times for holding board meetings may be changed.
- ③ Extraordinary board meetings shall be irregularly scheduled as required.

### Article 7 (Person with Convocation Rights)

- ① The board meeting shall be convened by the chairman of the board. However, if a person with convocation rights is otherwise designated by the board's resolution, the board meeting shall be convened by such a designated person.
- ② Each director may ask the chairman of the board or the person mentioned above, who has the right to convene the board meeting for convocation of board meetings, by stating the bill and the reason. At that time, the chairman of the board must convene a board meeting, unless there is a justifiable reason to reject the director's request.

### Article 8 (Procedure of Convocation)

- ① To convene a board meeting, each director must be given advance notice regarding the date, venue and agenda of the board meeting at least seven (7) days before the board meeting will be held. However, for urgent or emergency situations, the notice must be given by one day prior to the board meeting.
- ② When all the directors agree, the Board of Directors may hold board meetings at anytime without the aforementioned procedures.

#### Article 9 (Resolution Method)

- ① The resolution of the board meeting shall be taken by attendance of a majority of all directors and consent of a majority of attended members. However, a resolution of the board on any of the issues listed in Section 397.2 (Usurpation of Corporate Opportunity) and Section 398 (Prohibition of Self-dealing) of Commercial Law shall be made by approval of 2/3 or more of attending directors at the board meeting.
- ② With respect to board member resolutions, the director who has a stake in the company shall not be entitled to exercise a voting right.
- ③ The number of voting rights, which cannot be exercised pursuant to the aforementioned paragraph ② shall not be included in the number of voting rights of attending directors.
- ④ The Board of Directors may allow a director to take part in a resolution through a communication method, which sends and receives voices simultaneously, without directly attending the board meeting. In this case, a director shall be deemed to have attended the board meeting directly.

#### Article 10 (Hearing from Affiliated Person)

- ① The Board of Directors may allow an affiliated officer, employee, or outside individual to attend board meetings and to listen to explanations or opinions about agendas in order to deliberate an agenda.
- ② If needed, by the resolution of the board, the Board of Directors may allow consulting from outside experts on company's expense.

#### Article 11 (Submission for Resolution)

The following matters shall be presented to the Board of Directors.

- ① Matters for resolution on Commercial Law
  1. Convocation of a general meeting of shareholders
  2. Approval of operational report
  3. Approval of financial statements (balance sheet, statement of profit and loss or Statement of Disposition of Deficit, its supplementary schedules, etc.)
  4. Change in the Articles of Incorporation of the Company
  5. Decrease in capital stock (cancellation, retirement of stock)
  6. Dissolution, merger, spin-off, partial merger, continuation of the Company
  7. Transfer of whole or an important part of the company's business, and acquisition of another company's whole business
  8. Conclusion, amendment or cancellation of the contract which contains a lease of the whole business, or delegation of the management, and the whole profit and loss from business with a third party, and its equivalent contract
  9. Designation and dismissal of the representative director
  10. Issuance of stock at below par value
  11. Director's exemption from responsibility for the company

12. Decision on the stock dividend
13. Granting of stock options
14. Director's remuneration
15. Decision on co-representative
16. Installation, transfer or discontinuance of a branch office
17. Issuance of new stock and increase in capital
18. Arrangement for subscription of debentures
19. Capital incorporation of reserves, surplus, and provisions
20. Issuance of Convertible Bond (CB), Exchangeable Bond (EB), Bond with Warrants (BW)
21. Approval of director's side-work and transactions between the director and company
22. Installation and abolition of a committee in the board; designation and dismissal of the committee and committee members
23. Cancellation of stock options
24. Interim dividends
25. Cancellation, retirement of stock
26. Appointment of a compliance officer
27. Other bills to be presented to a general meeting of shareholders

② Significant matters about company management

1. Determination and change of basic policies for company management
2. Matters on business planning and operation
3. Other major management-relevant matters, which are expected to be presented at the board meeting

③ Matters on finance

1. Borrowing beyond the scope of general commercial transactions, guarantee of debts, and acquisition, disposition and management of main assets
  2. Plans for major new domestic and foreign investments
  3. Issuance of oversea securities
  4. Acquisition and disposition of treasury stock
  5. Acquisition and disposition of important property
  6. Disposition of deficits
  7. Mortgage, pledge and collateral for significant property of the company
  8. Regulations for the Board of Directors
  9. Regulations for the committee under the board
  10. Board operation policy
  11. Internal control policy and procedures
  12. Compliance control standards
  13. Large scale internal trading under the Fair Trade Act
- Large scale internal trading with KRW 5 billion or more per case

④ The following matters shall be reported at the board meeting:

1. Matters for which the board requests reporting
2. Other matters about important management tasks

#### Article 12 (Delegation)

① The Board of Directors may delegate decisions on matters, which must be resolved by the board, to the representative director by specifying a certain range through resolution of the Board of Directors, except as provided in the Laws or Articles of Incorporation of the Company.

② The delegation of decision-making and execution pursuant to paragraph ① above is mentioned in Appendix 1.

#### Article 12.2 (Formation and Management of Committee)

① The Board of Directors may establish a committee to review and decide the company's management strategy and other matters, which are delegated to the Board of Directors, within the board in accordance with the provisions of Article 41 of the Articles of Incorporation of the Company.

② The Board of Directors may make a resolution again for resolutions made by the committee.

③ The Audit Committee member's term of office shall continue at termination of the director's term of office.

④ The Audit Committee, the Corporate Governance & Communication Committee and the Compensation Committee shall be organized by three or more directors respectively. However, other committees shall be organized by two or more directors as follows:

1. Non-Executive Director Nominating Committee

In this committee, outside directors must number a majority of total committee members.

2. Audit Committee

In this committee, outside directors must number greater than 2/3 total committee members.

3. Corporate Governance & Communication Committee

In this committee, outside directors must number greater than 2/3 total committee members.

4. Compensation Committee

In this committee, outside directors must number a majority of total committee members.

⑤ Authority for any of the following matters should not be delegated to the committee:

1. Proposal of matters requiring approval of the general meeting of shareholders
2. Designation and dismissal of the representative director
3. Establishment of the committee and designation and dismissal of committee members
4. Matters provided in the Articles of Incorporation of the Company

⑥ The details about organization and management for each committee shall be determined through a resolution of the Board of Directors, and the committee may have

a separate committee management policy.

⑦ Pursuant to paragraph ⑥ thereof, the Audit Committee management policy shall be stated in Appendix 2.

⑧ Pursuant to the paragraph ⑥ thereof, the Corporate Governance & Communication Committee management policy shall be stated in Appendix 3.

⑨ Pursuant to the paragraph ⑥ thereof, the Compensation Committee management policy shall be stated in Appendix 4.

#### Article 12.3 (Urgent Execution)

① When an urgent matter arises but a board meeting cannot be held; the representative director must execute in advance and must receive approval by presenting the matter at the next board meeting.

② In the event the Board of Directors does not approve the urgent execution in relation to the provisions of paragraph ① above, the action taken shall lose effect in the future.

#### Article 13 (Advisory Committee)

The Board of Directors may operate an Advisory Committee organized by experts from appropriate sectors in order to ask for advice for specific matters through a resolution of the Board of Directors in accordance with the provisions of Article 35 of the Articles of Incorporation of the Company.

#### Article 14 (Supervisory Authority for Director's Job Performance)

① When it is deemed that job performance by a director or executives is contrary to the Laws or the Articles of Incorporation of the Company, or the director and executives are likely to deal with unlawful methods, the Board of Directors can ask the director and executives for submission of relevant documents, investigation, and explanations.

② Paragraph ① above applies to executive officers including the senior managing director, vice-president, president and chairman; the Board of Directors can demand the suspension or change in performance of the appropriate task.

#### Article 15 (Director's Obligations)

① The director shall take part in decision-making for company management through the Board of Directors.

② The director must maintain management information gained in relation to the performance of the job, secret and confidential, and must not receive benefits for personal gain or for a third party using the Company's secrets. In addition, when a director determines facts, which are likely to cause significant damage to the Company, the director must immediately report such facts to the Audit Committee.

③ Without prior approval of the Board of Directors, the director shall not serve as a General Partner (GP) or director for another company, which engages in the business

included in the company's business category or intends to perform the same business, for the own hand or the third party benefits.

④ The director cannot trade with the company for the own hand or for third party benefits without prior approval of the Board of Directors.

⑤ The board must sincerely perform his/her duties for the Company in accordance with the Laws and provisions of the Articles of Incorporation of the Company.

#### Article 16 (Meeting Minutes)

① The chairman of the board shall write, place and retain minutes including decisions of the board. The chairman of the board may allow the manager of the board of a supporting organization, described in Article 17 hereof, help the chairman write the minutes.

② The minutes shall contain the agenda, process, results of proceedings, opponents of the resolution and reasons for objection, and must be sealed or signed by the attending directors at the meeting.

③ The minutes shall be retained at Company headquarters.

#### Article 17 (Support for Board)

The Company may operate supporting organizations or assign exclusive employees for the Board of Directors in order to operate the Board of Directors efficiently and to deal with board requirements such as data gathering by member's.

#### Article 18 (Board Evaluation System)

The Company may introduce a system to evaluate the board's operation and performance for long-term growth and governance structure enhancement.

#### Addendum (April 27, 1998)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of April 27, 1998.

#### Addendum (March 25, 1999)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of March 27, 1999.

#### Addendum (May 4, 2000)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of May 5, 2000.

#### Addendum (August 20, 2001)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid



and effective as of August 20, 2001.

Addendum (February 26, 2007)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of February 26, 2007.

Addendum (December 17, 2009)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of December 17, 2009.

Addendum (June 8, 2010)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of June 8, 2010.

Addendum (April 29, 2011)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of April 29, 2011.

Addendum (April 27, 2012)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of April 27, 2012.

Addendum (October 26, 2012)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of October 26, 2012.

Addendum (October 27, 2016)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of October 27, 2016.

Addendum (March 29, 2018)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of March 29, 2018.

Addendum (October 23, 2020)

Article 1 (Effective Date) The 'Regulations of the Board of Directors' shall become valid and effective as of October 23, 2020.

## <Appendix 1>

### Duties delegated to the representative director

— In accordance with the provision of Article 12 of the Regulations of the Board of Directors (Delegation), the representative director is commissioned to decide and execute the following matters.

1. Domestic and foreign long term & short term borrowings and extension of borrowing with below 20% of equity capital per case from the financial institution
2. Setting of Max. limits for the construction performance-relevant foreign trade finance and payment bond  
Bid-Bond (B-Bond), Performance-Bond (P-Bond), Advance Payment-Bond (AP-Bond), Letter of Credit (L/C), Trust Receipts (T/R), Documents against Acceptance (D/A), Documents against Payment (D/P), Account Receivable Collateral Loan (ARC Loan)
3. Discount or sale of note receivable
4. Credit offering for the following matters
  - A. Credit offering with less 2.5% of equity capital. But, the additional payment bond does not exceed 30% of approved amount and is lower than 2.5% of equity capital.
  - B. Loan Warranty for interim deposit of Pre-sale Householder of Company's development business or contracted business.
5. Mortgage, pledge and security with the property which is lower than 2.5% of equity capital
6. Extension of borrowing period and guarantee period
7. New investment with below 5% of equity capital and investment with below 2.5% of equity capital. But, the internal trading with below 5 billion Won not included in Section 397.2 (Doctrine of Corporate Opportunities) and Section 398 (No Self-dealing) of the Korean Commercial Code, upon the internal trading
8. Payment guarantee of required funds related to the already-approved domestic and foreign investment businesses
9. Acquisition and disposition of assets whose amount is smaller than 5% of total assets
10. Lease contract for the below 10 billion asset. But, the internal trading with below 5 billion Won not included in Section 397.2 (Doctrine of Corporate Opportunities) and

Section 398 (No Self-dealing) of the Korean Commercial Code, upon the internal trading

11. Asset management and the Company's daily tasks-relevant matters to the extent not against the Commercial Law, Articles of Incorporation, and the Regulation of the Board of Directors

12. Recruiting and appointment of adviser, counselor, and assistant

13. Modification of annual business plan and budgets

14. Issuance of bonds the fixed amount and type delegated by the Board of Directors

## <Appendix 2>

### Regulations of Audit Committee

#### Chapter 1 General Provisions

##### Article 1 (Purposes)

The purpose of the Regulations of Audit Committee is to provide necessary provisions for efficient management of the Audit Committee

##### Article 2 (Range of Application)

Unless the Laws, Articles of Incorporation of the Company or the Regulations of Board of Directors provides, all matters regarding the Audit Committee shall comply with the provisions of the Regulations of Audit Committee.

##### Article 3 (Duties and Authorities)

- ① The Audit Committee shall audit the accounting and business of the Company, and can request the director to report the information about the business anytime for auditing or can investigate the Company's business and financial conditions.
- ② The Audit Committee shall approve enactment of and amendment to the internal accounting control regulations, and assess appropriateness of operating condition thereon.
- ③ The Audit Committee can ask for a convocation of extraordinary general meeting of shareholders by providing the Board of Directors with the written document stating the purposes and the reason for the convocation of extraordinary general meeting of shareholders.
- ④ The Audit Committee, when necessary for performing its duties, can request the Company's subsidiary to provide the business reporting. In this case, when the Company's subsidiary does not provide the business reporting directly or when the information of the business reporting needs to be confirmed, the Audit Committee can investigate the business and financial conditions of the Company's subsidiary.
- ⑤ The Audit Committee shall appoint the independent external auditor, and then can report the appointment of independent external auditor at the regular general meeting of shareholders to be first convened after the appointment or can notify shareholders of such fact, as provided in the relevant Laws and regulations.
- ⑥ If an internal report on accounting scandal is notified, the Audit Committee shall check the relevant fact, take appropriate actions, keep the identity of the reporter or whistle-blower in confidential, and check whether the reporter or whistle-blower is treated unfairly.

##### Article 4 (Obligations)

- ① The Audit Committee Members shall perform their duties for the Company with a

good manager's care.

② The Audit Committee Members shall not divulge the Company's business secrets learned in the course of performing their duty, not only while in office but also after retirement.

③ If it is deemed that a director breaches or is likely to breach law or Articles of Incorporation, the Audit Committee shall report it to the board of directors.

#### Article 5 (Responsibilities)

① In the event that an Audit Committee member breaches laws or the Articles of Incorporation on purpose or by negligence, or otherwise neglects his/her duties, the member shall be jointly and severally liable to the Company for damages. The provision of mitigation of director's liability, mutatis mutandis, shall apply to the mitigation of audit committee member's liability.

② In the event that an audit committee member neglects his/her duties with malice or by gross negligence, the member shall jointly and severally compensate to third party for damages.

### Chapter 2 Organization

#### Article 6 (Organization)

① The members of the Audit Committee (hereinafter called "Audit Committee Member") shall be appointed by resolutions at the general meeting of shareholders.

② Audit Committee shall be organized by three or more directors, and two-thirds of audit committee members shall be outside directors.

③ One or more audit committee member(s) shall be expert(s) in accounting or finance as specified in Article 542-11(2) of the Commercial Act, and audit committee member who is not an outside director shall meet requirements specified in Article 542-11(3) of the Commercial Act.

④ If the composition ratio of the outside directors under paragraph 2 above or the composition requirement under paragraph 3 above will not be satisfied for reasons of the member's resignation or death, the composition requirement of audit committee shall be satisfied by the general meeting of stockholders convened first after such reason arose.

#### Article 7 (Term of Office)

① The Audit Committee Member's term of office shall continue to the expiration of the director's term of office. But, in the event the Audit Committee Member's term of office expires before the regular general meeting of shareholders for the fiscal year after the end of the final fiscal year, this term of office shall be extended to the end of the regular general meeting of shareholders.

② The Audit Committee Member can serve consecutive terms.

#### Article 8 (Chairman of Audit Committee)

- ① The Audit Committee shall appoint the chairman who represents the Audit Committee by resolution.
- ② When the Chairman of the Audit Committee is unable to perform his/her duties on account of the accident, the Audit Committee Member can act on behalf of the Chairman in order of age or the order may be changed by resolution of the Audit Committee.
- ③ The Chairman of the Audit Committee shall manage the operations of the Audit Committee, and can allot the tasks by member for the efficient management of the Audit Committee.

### Chapter 3 Meeting of Audit Committee

#### Article 9 (Meeting Type)

- ① The Audit Committee shall be divided into the regular meeting of Audit Committee and the extraordinary meeting of Audit Committee.
- ② The regular meeting of Audit Committee shall be held once a quarter.
- ③ The extraordinary meeting of Audit Committee may be irregularly held as necessary.

#### Article 10 (Person with Convocation Rights)

- ① The meeting of Audit Committee shall be convened by the chairman of the Audit Committee. But, when the Chairman of the Audit Committee is unable to perform his/her duties on account of the accident, the Audit Committee Member can act on behalf of the Chairman in order provided in the provision of Paragraph ② of Article 6 hereof.
- ② Each Audit Committee Member can ask the chairman of the Audit Committee for convocation of the meeting of Audit Committee, stating the agendas and the reason for convocation. At this time, the Chairman of the Audit Committee must convene the meeting of Audit Committee, unless there is a justifiable reason to reject the Audit Committee Member's request)

#### Article 11 (Procedures for Convocation)

- ① To convene the meeting of Audit Committee, each Audit Committee Member must be given advance notice regarding the date, venue and agenda of the regular meeting of Audit Committee and the extraordinary meeting of Audit Committee at least one week before the board of Audit Committee will be held and by the day prior to the extraordinary meeting of Audit Committee respectively.
- ② When all the meeting of Audit Committee Members agree, the meeting of meeting of Audit Committee may be held at anytime without the aforementioned procedures.

#### Article 12 (Method of Resolution)

- ① The resolution of the Audit Committee shall be taken by attendance of a majority of the members and consent of a majority of attending members.  
In this case, the Audit Committee may allow all or the part of Audit Committee Members

to take part in the resolution through a communication method, which sends and receives voices simultaneously, without directly attending the meeting of Audit Committee. In this case, the Audit Committee Member shall be deemed to have attended the meeting of Audit Committee directly.

② With respect to the resolution of the Audit Committee, the Audit Committee Member who has a stake in the company shall not be entitled to exercise a voting right.

③ The number of voting rights, which cannot be exercised pursuant to the aforementioned paragraph ② shall not be included in the number of voting rights of attending Audit Committee Members.

### Article 13 (Submission for Resolution)

The following matters shall be presented to the Audit Committee.

#### 1. Matters about the general meeting of shareholders

- (1) Demand for the convocation of extraordinary meeting of shareholders
- (2) Agendas of general meeting of shareholders and statement in the document

#### 2. Matters about the director and the board of directors

- (1) Obligation to report to the Board of Directors
- (2) Preparation and submission of audit report
- (3) Claim for the director's illegal act
- (4) Claim for the business reporting by director
- (5) Matters delegated at the board meeting

#### 3. Matters about auditing

- (1) Investigation of the Company's business and financial conditions
- (2) Subsidiary investigation
- (3) Reporting by director
- (4) Representative between the director and the Company
- (5) Decision on the Lawsuit, upon the request for the Lawsuit against the director raised by minor shareholders
- (6) Appointment of independent external auditor
- (7) Recipient of independent external auditor's reporting of the director's illegal act for the job performance, or the significant fact against the regulations or the Articles of Incorporation of the Company
- (8) Recipient of independent external auditor's reporting of the fact that the Company violates the accounting standards
- (9) External auditing plan and result
- (10) Review of significant accounting standards or the accounting estimation change's appropriateness
- (11) Assessment of the Internal Control System for Financial Reporting
- (12) Assessment of independent external auditor's auditing activity
- (13) Internal auditing plan and results
- (14) Assessment of internal accounting control system's operation

(15) Confirmation of measures to the corrections as the result of external auditing

4. Matters provided in other regulations or Articles of Incorporation of the Company, matters delegated at the board meeting, and matters required for handling the objections

② The following matters must be reported to the Board of Directors.

1. Results of handling the matters that the Board of Directors delegate to the Audit Committee

2. Relevant matters, in case the board violates the regulation or the Articles of Incorporation, or is in danger of violating the regulation or the Articles of Incorporation

Article 14 (Hearing from Affiliated Person)

① The chairman of Audit Committee can let the affiliated director or employee or the outside expert attend in the meeting of Audit Committee, when deemed necessary, in order to listen to the opinion.

② The Audit Committee can ask the expert for advices at the Company's costs, when deemed necessary.

Article 15 (Minutes)

① The proceedings of the meeting of Audit Committee shall be written in the minutes.

② The minutes shall contain the agenda, process, results of proceedings, opponents of the resolution and reasons for objection, and must be sealed or signed by the attending members at the meeting.

③ The copy of the minutes must be sent to each director not later than seven (7) days from the meeting of Audit Committee.

Article 16 (Countermeasure for Misconduct)

① In the event of the Company's misconduct (an act in violation of laws and the Articles of Incorporation, or any other inappropriate act resulting in social condemnation), the Committee may request directors and executive officers to report it immediately, or investigate it directly.

② The Committee shall monitor and verify countermeasure taken by directors and executive officers in relation to investigation into fact relevance of misconduct, understanding the cause, prevention of further damage, early settlement, prevention of reoccurrence and public disclosure according to the result of investigation under paragraph 1 above.

③ If the countermeasure taken by directors and executive officers as specified in the preceding paragraph are inappropriate in terms of independence, objectivity and transparency, the Audit Committee shall take appropriate measures such as seeking assistance of external experts at the Company's expenses.

④ If the Committee is informed by an external auditor of the violation of the Company's



accounting standards, the Committee may appoint an external expert to investigate it at the Company's expenses, request the Company's CEO to correct it, and submit the results of investigation and corrective actions to the Securities and Futures Commission and the external auditors.

⑤ The Committee shall notify the external auditor of any serious misconduct or material fact in violation of laws or the Articles of Incorporation concerning the performance of directors' duties.

#### Article 17 (Internal Accounting Control System)

① The Committee shall hold face-to-face meetings to assess the operation of the internal accounting control system, and submit a face-to-face assessment report on the internal accounting control system to the board of directors one week prior to the Annual General Meeting of Shareholders, and keep the assessment report at the head office for 5 years. Any rectification opinions about the operation of the internal accounting control system shall be included in the report and be submitted.

② The assessment report on the internal accounting control system shall include the following:

1. The assessment results and the rectification opinions on whether the Company's internal accounting control system contributes substantially to the preparation and disclosure of the reliable accounting information.

2. The results of reviewing whether a report on the operation of the internal accounting control system has any false or fraud statement, or any omissions, and consequent actions taken.

3. The results of reviewing whether the rectification plan on the operation of the internal accounting control system actually contributes to the improvement of the internal accounting control system, and the countermeasures.

### Chapter 4 Supplementary Provisions

#### Article 18 (Connection with Independent External Auditor and Experts' Assistance)

① The Audit Committee should strive to achieve the purpose of auditing by maintaining the close relationship with the independent external auditor and by utilizing the independent external auditor's auditing plan, procedures and results.

② The Audit Committee can ask for the expert's assistance at the Company's costs.

#### Article 19 (Approval of Appointment of External Auditor, etc.)

① The Committee shall select an external auditor. When the Company changes or dismisses an external auditor, the Committee shall confirm whether the former or dismissed external auditor states any opinion, and give him/her an opportunity to comment an oral or written opinion.

② The Committee shall set the external auditor's audit fees, audit time and personnel

required for audit in writing.

③ The Committee shall set standards and procedures required for the selection of external auditor in advance, including the followings:

1. Appropriateness of audit time, audit personnel, audit fee and audit plan.
2. Independence and expertise of external auditor.
3. The statement of the former external auditor's opinion, including
  - (1) The results of evaluation on whether the former external auditor has assiduously implemented audit time, audit personnel, audit fee and audit plan agreed upon when appointing the external auditor.
  - (2) When the former external auditor requests the Company to seek the external agency's advice on the interpretation of accounting standards and assessment of asset value in relation to audit work, the consultation details on such request between the Committee and the former external auditor, the advisory result and their use.
  - (3) The number of face-to-face meetings between the Committee and the former external auditor for the relevant business year, the personal information of the participants and the main remarks of participants.
  - (4) Other necessary standards for ensuring objectivity and reliability of the selection of auditor, as specified by the Financial Services Commission.

④ The Committee shall hold face-to-face meetings for the selection of the external auditor, and prepare and keep the followings in writing:

1. Review result on each items specified in paragraph 3 above.
2. The number of face-to-face meetings, personal information of participants and the main remarks of participants.

⑤ The Committee shall assess audit report submitted by the external auditor every business year, and prepare and keep assessment details in writing.

#### Article 20 (Utilization of Auditing Office)

In order to assist the Audit Committee's performance, the Audit Committee can take advantage of the auditing office's organization and human resources.

#### Article 21 (Preparation of Audit and Inspection Record)

- ① The Audit Committee should prepare the audit and inspection records about the auditing.
- ② The audit and inspection records should contain the process and results of auditing, and must be sealed or signed by the Audit Committee Members who take part in the auditing.

#### Article 22 (Establishment and Abolition of Regulations)

The Regulations shall be established or abolished by resolution of the Board of Directors.

Addendum (May 4, 2000)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on May 4, 2000.

Addendum (August 20, 2001)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on August 20, 2001.

Addendum (October 19, 2010)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on October 19, 2010.

Addendum (May 4, 2000)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on May 4, 2000.

Addendum (August 20, 2001)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on August 20, 2001.

Addendum (October 19, 2010)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on October 19, 2010.

Addendum (April 29, 2011)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on April 29, 2011.

Addendum (March 15, 2019)

Article 1 (Effective Date) The Regulations of Audit Committee shall become valid and effective on March 15, 2019.

## <Appendix 3>

### Regulations of Corporate Governance & Communication Committee

#### Chapter 1 General Provisions

##### Article 1 (Purposes)

The purpose of the Regulations of Corporate Governance & Communication Committee is to prescribe the necessary terms and conditions for the efficient management of the Corporate Governance & Communication Committee (hereinafter “Committee”).

##### Article 2 (Range of Application)

Unless the Laws, Articles of Incorporation of the Company or the Regulations of Board of Directors provides, all matters regarding the Committee shall comply with the provisions of the Regulations of Corporate Governance & Communication Committee.

##### Article 3 (Functions and Authorities)

The Committee intends to review the internal trading transparency, the ethical management of the Company, the protection of shareholders’ rights, Sustainability, and shall review and decide the following matters.

- ① The related party transaction provided in 「The Monopoly Regulation and Fair Trade Act」 and 「Commercial Law」 .
- ② Checkup on Compliance Program (CP) operation.
- ③ Major policies related to the ethical management and social contribution.
  1. Contributions of 0.1% or more of operating profit in the previous business year per case, on the annual cumulative basis for the same organization to be contributed.
  2. When the accumulated contribution for the year exceeds 0.5% of operating profit in the previous business year.
  3. Any matters that the Committee considers important such as repeated contributions to the same organization.
- ④ Establishment & revision of ethical principles such as the Code of Ethics, and assessment of implementation.
- ⑤ Choice of sustainable vision and strategic tasks.
- ⑥ Protection of shareholders’ rights.
  1. Major management decision such as M&A, etc.
  2. Acquisition or disposal of major assets (stocks)
  3. Execution details of self-dealing by directors.
  4. Other matters that the committee regards as important.
- ⑦ Environmental, Social, Governance (ESG), etc. non-financial elements.

## Chapter 2 Organization

### Article 4 (Organization)

- ① The Committee Member (hereinafter called "Member") shall be appointed by the Board of Directors.
- ② The Committee shall be organized by three or more directors, and the outside directors must be greater than 2/3 of total Members.
- ③ The Committee can appoint one(1) member as a representative in charge of the protection of shareholders' rights.

### Article 5 (Term of Office)

- ① The Member's term of office shall be the director's term of office, and the Member can serve consecutive terms.

### Article 6 (Chairman)

- ① The Chairman of the Committee (hereinafter called "Chairman") shall be appointed by resolution of the Committee out of Members. The Chairman shall manage the operations of the Committee and shall become the chairman at the meeting of the Committee.
- ② When the Chairman is absent or has the accident, the oldest Member shall act on behalf of the Chairman among members of the Committee.

### Article 7 (Adviser)

- ① The Committee can have the advisers who have the expertise for the efficient performance of duties.
- ② The advisers shall be appointed at the board meeting, and two or less advisers shall be appointed.
- ③ The adviser must keep the Company's business information gained during the performance of the duty as the adviser confidential and secret even after the resignation, as well as during the term of office.
- ④ The adviser's term of office shall be two (2) years and the adviser can serve consecutive terms.

## Chapter 3 Meeting of Ethics Committee

### Article 8 (Meeting Type)

- ① The Committee has the regular meeting of the Committee and the extraordinary meeting of the Committee.
- ② The regular meeting of the Committee shall be held once a quarter in principle. But, when necessary, the day of the meeting may be changed.
- ③ The extraordinary meeting of the Committee shall be irregularly held as necessary.

#### Article 9 (Person with Convocation Rights)

- ① The meeting of the Committee shall be convened by the Chairman.
- ② The Member can demand the convocation of the meeting of the Committee to the Chairman, stating the reason for convocation of the meeting.

#### Article 10 (Procedures for Convocation)

- ① To convene the meeting of the Committee, the Chairman must give advance notice to each Member at least seven (7) days before the day of the meeting, after deciding the date of the meeting. However, for the emergency, the Chairman can convene the meeting of the Committee by giving notice by the day prior to the date of the meeting.
- ② When all the Members agree, the meeting of the Committee may be held at anytime without the aforementioned procedures.

#### Article 11 (Method of Resolution)

- ① The resolution of the Committee shall be taken by attendance of a majority of the Members and consent of a majority of attending members.
- ② The Committee may allow all or the part of Members to take part in the resolution through a communication method, which sends and receives voices simultaneously, without directly attending the meeting of the Committee. In this case, the Member shall be deemed to have attended the meeting of the Committee directly.
- ③ The adviser shall have no right to vote, and shall present the opinion and support the Committee's activity through attending the meeting of the Committee.

#### Article 12 (Affiliated Person's Attendance)

- ① The Committee, when necessary for the performance of the duty, can let the relevant officer or employee and outside expert attend the meeting of the Committee and can demand the submission of relevant documents or the statement of opinions.
- ② If needed, by the resolution of the Committee, the Committee may allow consulting from outside experts on company's expense.

#### Article 13 (Minutes)

- ① The proceedings of the meeting of Audit Committee shall be written in the minutes.
- ② The minutes shall contain the agenda, process, results of proceedings, opponents of the resolution and reasons for objection, and must be sealed or signed by the attending members at the meeting.

### Chapter 4 Supplementary Provisions

#### Article 14 (Revision)

- ① The Regulations of Corporate Governance & Communication Committee shall be revised by the Board of Directors.

② In addition to provisions provided in the Regulations of Corporate Governance & Communication Committee, the separate detailed provisions for the operation of the Committee may be established by resolution of the Board of Directors, when necessary.

Addendum (October 26, 2012)

Article 1 (Effective Date) The Regulations of Ethics Committee shall become valid and effective on October 26, 2012.

Addendum (March 29, 2018)

Article 1 (Effective Date) The Regulations of Corporate Governance & Communication Committee shall become valid and effective on March 29, 2018.

Addendum (October 23, 2020)

Article 1 (Effective Date) The Regulations of Corporate Governance & Communication Committee shall become valid and effective on October 23, 2020.

<Appendix 4>

Regulations of Compensation Committee

Chapter 1 General Provisions

Article 1 (Purposes)

The purpose of the Regulations of Compensation Committee is to prescribe the necessary terms and conditions for the efficient management of the Compensation Committee (hereinafter "Committee").

Article 2 (Range of Application)

Unless the Laws, Articles of Incorporation of the Company or the Regulations of Board of Directors provides, all matters regarding the Committee shall comply with the provisions of the Regulations of Compensation Committee.

Article 3 (Functions and Authorities)

As delegation by the Board of Directors, the Committee shall review and decide the following matters.

- ① Limitation of Director's payment to be presented to a general meeting of shareholders.
- ② Other matters that the Board of Directors delegate.

Chapter 2 Organization

Article 4 (Organization)

- ① The Committee Member (hereinafter called "Member") shall be appointed by the Board of Directors.
- ② The Committee shall be organized by three or more directors, and the outside directors must number a majority of total committee members.

Article 5 (Term of Office)

The Member's term of office shall be the director's term of office, and the Member can serve consecutive terms.

Article 6 (Chairman)

- ① The Chairman of the Committee (hereinafter called "Chairman") shall be appointed by resolution of the Committee out of Members. The Chairman shall manage the operations of the Committee and shall become the chairman at the meeting of the Committee.
- ② When the Chairman is absent or has the accident, the oldest Member shall act on behalf of the Chairman among members of the Committee.



## Chapter 3 Meeting of Ethics Committee

### Article 7 (Meeting Type)

The Committee shall be held more than once a year in principle.

### Article 8 (Person with Convocation Rights)

- ① The meeting of the Committee shall be convened by the Chairman.
- ② The Member can demand the convocation of the meeting of the Committee to the Chairman, stating the reason for convocation of the meeting.

### Article 9 (Procedures for Convocation)

- ① To convene the meeting of the Committee, the Chairman must give advance notice to each Member at least seven (7) days before the day of the meeting, after deciding the date of the meeting. However, for the emergency, the Chairman can convene the meeting of the Committee by giving notice by the day prior to the date of the meeting.
- ② When all the Members agree, the meeting of the Committee may be held at anytime without the aforementioned procedures.
- ③ The Committee, when let the relevant officer or employee and outside expert attend the meeting of the Committee and demand the submission of relevant documents or the statement of opinions as Article 11. ①, must give advance notice to them in according to above ①.

### Article 10 (Method of Resolution)

- ① The resolution of the Committee shall be taken by attendance of a majority of the Members and consent of a majority of attending members.
- ② The Committee may allow all or the part of Members to take part in the resolution through a communication method, which sends and receives voices simultaneously, without directly attending the meeting of the Committee. In this case, the Member shall be deemed to have attended the meeting of the Committee directly.

### Article 11 (Affiliated Person's Attendance)

- ① The Committee, when necessary for the performance of the duty, can let the relevant officer or employee and outside expert attend the meeting of the Committee and can demand the submission of relevant documents or the statement of opinions.
- ② If needed, by the resolution of the Committee, the Committee may allow consulting from outside experts on company's expense.

### Article 12 (Minutes)

- ① The proceedings of the meeting of Audit Committee shall be written in the minutes.
- ② The minutes shall contain the agenda, process, results of proceedings, opponents of the resolution and reasons for objection, and must be sealed or signed by the attending

members at the meeting.

#### Chapter 4 Supplementary Provisions

##### Article 13 (Revision)

- ① The Regulations of Compensation Committee shall be revised by the Board of Directors.
- ② In addition to provisions provided in the Regulations of Compensation Committee, the separate detailed provisions for the operation of the Committee may be established by resolution of the Board of Directors, when necessary.

#### Addendum (October 23, 2020)

Article 1 (Effective Date) The Regulations of Ethics Committee shall become valid and effective on October 23, 2020.