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Amended on November 30, 2023

# Rules for the Board of Directors

## **Chapter 1 General**

### **Article 1 (Purpose)**

The purpose of these Rules for the Board of Directors (the “Rules”) is to set for matters to ensure an efficient operation of the Board of Directors (the “Board”).

### **Article 2 (Scope of Application)**

Unless stipulated otherwise by relevant laws or the Articles of Incorporation, the Rules shall govern the matters related to the Board.

### **Article 3 (Duty)**

- ① The Board shall adopt resolution on the matters set forth in relevant laws or the Articles of Incorporation, matters delegated from shareholders’ meetings, the Corporation’s basic management policy, and/or matters material to its business.
- ② The Board shall oversee directors’ performance of their duties.

## **Article 2 Composition**

### **Article 4 (Composition)**

The Board consists of all directors elected, including independent directors in accordance with relevant laws or the Articles of Incorporation.

### **Article 5 (Chairperson)**

- ① The chairperson of the Board shall be selected among the directors of the Board by the Board.
- ② The term of office for the chairperson shall be until the expiry of his/her term of office as a director.
- ③ If the chairperson is unable to perform his/her duties, the director who has the earliest initial appointment date among the remaining directors shall act on behalf of the chairperson. If two or more of directors have the same earliest initial appointment date, the eldest director shall take the position.

### **Article 6 Deleted**

## **Chapter 3 Meetings**

### **Article 7 (Types)**

- ① There are two types of Board meetings: a regular Board meeting and a special Board meeting.
- ② Regular Board meetings, in principle, shall be held once per quarter.
- ③ Special board meetings may be held on a need basis.

## **Article 8 (Convening of Board Meetings)**

- ① The chairperson shall call Board meeting. The chairperson shall determine the date of the Board meeting and notify each director in writing, via electronic document, or verbally with no less than twenty four (24) hours prior notice; provided, however, that this convening procedure may be waived if all directors agree.
- ② If deemed necessary for the performance of duties, each director may request the chairperson to call a Board meeting by specifying the agenda and relevant reasons. If the chairperson refuses to convene a Board meeting without justifiable reasons, the requesting director may convene one. Paragraph 1 shall apply mutatis mutandis to this case as well.

## **Article 9 (Resolution)**

- ① Unless otherwise stipulated in relevant laws, a majority of the directors shall constitute a quorum for the transaction of business of a Board meeting. The vote of a majority of the directors present at a Board meeting at which a quorum is present shall be the act of the Board. A Board meeting may convene by using a telecommunications equipment by means of which all person participating in the Board meeting can hear each other (e.g., transmits and receives voice at the same time) to the extent permissible under relevant laws.
- ② Directors with a conflicting interests in the transaction of business of a Board meeting shall not exercise their voting rights.
- ③ For the purpose of avoiding potential conflict of interests, a director shall not exercise their voting rights if such director is involved with any of the cases described in the following subparagraphs:
  - a. A transaction of business between the Corporation and another company where such director also serves as a registered director (for the purpose of this sentence, a registered director does not include independent director);
  - b. A transaction of business between the Corporation and another company in which the director holds a ten (10)-percent stake or more on their own or jointly with his/her spouse or immediate family of blood relatives within the second degree (for the purpose of this sentence, shares held by the immediate family of blood relatives within the second degree of the spouse shall be included to count the stake)
  - c. A transaction of business between the Corporation and another organization or corporation where the director, his/her spouse, or a lineal ascendant or descendant of either the director or his/her spouse holds the highest decision-making position.
- ④ The number of votes that are not exercisable under Paragraph 2 shall not be counted as the votes of directors present.

## **Article 10 (Items To Be Tabled)**

- ① Items to be tabled at Board meetings shall be matters stipulated in relevant laws or the Articles of Incorporation, matters delegated from shareholders' meetings, or other matters material to the Corporation's business.
- ② Deleted
- ③ Items to be tabled at Board meetings pursuant to Paragraph 1 shall be as follows:

## **1. Convening of a shareholders' meeting and its agenda to be submitted**

**【Mandatory items under relevant laws and the Articles of Incorporation】**

- 1) Convening of a shareholders' meeting,
- 2) Approval of business annual reports and financial statements
- 3) Amendment to the Articles of Incorporation
- 4) Reduction in capital
- 5) Liquidation and merger of the Corporation, and continuation of the Corporation,
- 6) Transfer of the entirety or a material part of the Corporation's business and acquisition of the entirety or part of another company that has a material impact on the Corporation's business
- 7) Signing, modification, or cancellation of a contract (or equivalent thereto) under which the entirety of the Corporation's business is leased or entrusted to the counterparty, or the entirety of business profits and losses are shared with the counterparty
- 8) Post-Formation Acquisition,
- 9) Appointment and removal of directors,
- 10) Issuance of shares below par value
- 11) Release of a director's liability to the Corporation
- 12) Decision on stock dividends
- 13) Grant of stock options
- 14) Compensation for directors
- 15) Appointment of the chairperson of a shareholders' meeting in case the Board has to appoint the chairperson
- 16) Appointment of a convening director for a shareholders' meeting in case the Board has to appoint the chairperson)
- 17) Other items to be tabled at a shareholders' meeting

## **2. Items concerning Management, Etc.**

**【Mandatory items under relevant laws and the Articles of Incorporation】**

- 1) Deleted
- 2) Deleted

**【Items added under disclosure rules】**

- 1) Deleted
- 2) Deleted
- 3) Deleted
- 4) Deleted
- 5) Deleted
- 6) Deleted

**【Items added under standard Board rules】**

- 1) Decision on and changes in the Corporation's fundamental business policy,
- 2) Deleted
- 3) Deleted
- 4) Approval of business plans and quarterly and half-yearly reports
- 5) Appointment and removal of a compliance officer and the creation, modification, and

cancellation of compliance control rules

### **3. Financial Items**

#### **【Mandatory items under relevant laws and the Articles of Incorporation】**

- 1) Deleted
- 2) Transfer of reserves to capital,
- 3) Items concerning share issuance,
  - Decision on new share issuance
  - Issuance of CBs and BWs
- 4) Acquisition, disposal, and retirement of treasury shares
- 5) Approval of related-party transaction, etc.. Board approval shall be required in any of the cases described in the following subparagraphs:
  - a. If the Corporation intends to engage in large-scale related-party transaction as outlined in the Monopoly Regulation and Fair Trade Act,
  - b. If the Corporation intends to engage in a transaction as defined in each subparagraph of Article 542-9, Paragraph 3 of the Commercial Act with the Corporation's largest shareholder (including their related parties) and related parties; provided, however, that this shall not apply if the Board approves the total amount of such transaction in accordance with Paragraph 5, Subparagraph 2 of the same Article.
- 6) Grant of stock options (this sentence does not apply to grant of stock options to directors)

#### **【Other key financial matters】**

- 1) Deleted
- 2) Investment in another corporation or disposal of assets that is equivalent to 2.5% or more of equity capital
- 3) Direct overseas investment equivalent to 2.5% or more of equity capital
- 4) Deleted
- 5) Implementation of asset revaluation,
- 6) Split or reverse split of stocks, etc.,
- 7) Material changes in accounting standards,
- 8) Offer of collateral or guarantee of an obligation that is equivalent to 2.5% or more of equity capital per transaction,
  - Collateral: applicable only when collateral is offered for a third party,
  - Guarantee of an obligation: excluding the case when tax payment guarantee and performance guarantees (for examples, tender, contract, maintenance, and difference guarantee)
- 9) Signing- of a contract to borrow funds equivalent to 5% or more of equity capital,
- 10) Listing of stocks on overseas exchanges,
- 11) Material matters with respect to the purchase or early redemption of a treasury share fund sold by an investment trust company,
- 12) Treatment of forfeited shares on a paid-in capital increase,
- 13) Provisional payment or loan that is equivalent to 0.5% or more of equity capital,
- 14) Donation, monetary sponsorship, or in-kind sponsorship that is equivalent to one (1) billion won per year

[English Translation]: In the event of discrepancy, the Korean version shall govern and prevail.

#### **4. Items concerning directors, the Board, committees, etc.**

##### **【Mandatory items under relevant laws and the Articles of Incorporation】**

- 1) Approval of a director's competition or service as an executive of another company and a transaction between the Corporation and a director
- 2) Appointment of the chairperson of the Board;
- 3) Appointment of the CEO and determination of whether to adopt co-CEO system;
- 4) Commission and removal of a director with respect to their position and duties,
- 5) Establishment of a committee and the appointment and removal of a committee member

#### **5. Other items**

- 1) Creation or repeal of the operational rules of the Board or a committee,
- 2) Matters stipulated in relevant laws or the Articles of Incorporation, matters delegated from shareholders' meetings, and matters deemed necessary by the CEO

#### **Article 11 (Delegation)**

The Board may delegate, by its own resolution, the matters requiring its resolution to a committee, unless otherwise stipulated in relevant laws or the Articles of Incorporation.

#### **Article 11-2 (Committees)**

- ① The Board may, by its resolution, establish committees listed in the following subparagraphs:
  - a. Management Committee,
  - b. Audit Committee,
  - c. Independent Director Recommendation Committee,
  - d. Other committees deemed necessary by the Board
- ② The Board shall determine the authority, operation, and other matters of each committee unless otherwise stipulated by relevant laws.
- ③ A committee shall notify each director of its resolutions. In such cases, any notified director may, within two (2) days of receiving notification from the committee, request that the Board's chairperson convene a Board meeting, and the Board may make its own resolutions regarding the committee's resolutions (excluding those of the Audit Committee).
- ④ If no director, after being notified of the committee's resolutions, requests the convening of a Board meeting within the period specified in Paragraph 3, the Board may not make resolutions regarding the committee's resolutions.
- ⑤ For committees, Article 8 (Convening of Board Meetings), Article 9 (Resolution), and Article 15 (Minutes) shall apply mutatis mutandis.

#### **Article 12 (Management Committee)**

- ① The Board may, by its own resolution, establish the Management Committee.
- ② Deleted
- ③ The Management Committee shall perform its duties in accordance with the Rules and its resolutions, and shall, on a need basis, deliberate and make resolutions on matters delegated from the Board. The Board shall determine details with respect to the composition, operation,

etc., of the Management Committee.

- ④ Matters delegated to the Management Committee in accordance with Paragraph 3 shall be as follows:

### **1. Managerial Matters in general**

- 1) The Corporation's annual or medium- to long-term management policies and strategies,
- 2) Key management policies,
- 3) Business plans and restructuring,
- 4) Establishment, relocation, and closure of overseas branches and subsidiaries,
- 5) Cooperation with overseas companies, including strategic alliance,
- 6) Purchase or sale of key subsidiaries in Korea and overseas (limited to cases that involve 0.1% or more of equity capital),
- 7) Other key matters regarding business management,
- 8) Establishment, relocation, and closure of branches and business establishments,
- 9) Appointment or removal of managers,
- 10) Suspension of production totaling 5% or more of the production from the previous business year, and cessation of business,
- 11) Signing of a technology introduction agreement, technology transfer, or alliance that is equivalent to 0.5% or more of equity capital,
- 12) Agreement on the acquisition or transfer of patents on new materials or technologies that is equivalent to 0.5% or more of equity capital,
- 13) Recall and disposal of products equivalent to 5% or more of revenue in the previous business year,
- 14) Signing of a single agreement equivalent to 5% or more of revenue in the previous business year,
- 15) Signing or cancellation of a single sales agency or supply agreement that is equivalent to 5% or more of revenue in the previous business year,
- 16) Basic principles on the operation of organization,
- 17) Establishment and modification of basic principles on pay structure, bonus, and employee benefits,
- 18) Appointment, removal, and change of transfer agents,
- 19) Matters concerning the closure of the shareholders list and the selection of the record date,
- 20) Establishment of detailed rules needed for business and management,
- 21) Deleted

### **2. Financial related matters**

- 1) Investment or divestment in another corporation that is equivalent to 0.1% to less than 2.5% of equity capital,
- 2) Direct overseas investment equivalent to 0.1% to less than 2.5% of equity capital,
- 3) New offer of collateral or new guarantee of an obligation that is equivalent to 0.1% to less than 2.5% of equity capital (excluding extension of existing collateral or guarantee),
  - Collateral: limited to cases where collateral is offered for other entities,
  - Guarantee of an obligation: excluding tax payment guarantee and performance guarantees such as tender, contract, maintenance, and difference guarantee

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- 4) Signing of a new contract to borrow funds equivalent to 0.1% to less than 5% of equity capital (excluding extension of an existing contract),
- 5) Approval of related-party transaction. Related-party transaction refers to the act of offering or trading funds (provisional payment, loan, etc.), marketable securities (stocks, corporate bonds, etc.) or assets (real estate, intangible property rights, etc.) that are equivalent to three billion won (KRW 3,000,000,000) or more and less than the amount that constitutes large-scale related-party transaction under the Monopoly Regulation and Fair Trade Act with or for a related party as defined in the same Act (excluding cases where the existing contract is renewed without significant changes).
- 6) Issuance of bonds,
- 7) Acquisition or disposal of real estate equivalent to 0.1% or more of equity capital; provided that such acquisition or disposal is a transaction with a third party
- 8) Matters deemed necessary by the CEO such as key capital expenditure

**3. Out of other matters delegated from the Board or matters falling into the authority of the Board, all matters excluding those specified as items to be tabled to the Board under the Rules for the Board of Directors and matters delegated to other committees <Amended on March 31, 2000>****Article 12-2 (Audit Committee)**

- ① The Board may, by its own resolution, establish the Audit Committee.
- ② The Board shall determine details with respect to matters including but not limited to the composition and operation of the Audit Committee. [Added on March 31, 2000]

**Article 12-3 (Independent Director Recommendation Committee)**

- ① The Board may, by its own resolution, establish the Independent Director Recommendation Committee.
- ② The Board shall determine details with respect to the matters including but not limited to composition and operation of the Independent Director Recommendation Committee.

**Article 13 (Board's Power to Supervise Directors on their Performance of Duties)**

- ① The Board may request a director to submit relevant materials, to be subject to an investigation, or provide explanations if it determines that the director may have violated laws or the Articles of Incorporation or resorted to highly inappropriate means or that they have the potential to do so, during the course of performing their business.
- ② In case of Paragraph 1, the Board can request that the implementation of the business in question be suspended or changed.

**Article 14 (Ex Post Approval)**

If a matter is so urgent that there is no time to hold a Board meeting, the CEO shall address it immediately and then convene a Board meeting to report the details and obtain ex post approval.

**Article 15 (Minutes)**

- ① The Board shall keep or cause to be kept a book of minutes of a meeting.
- ② The minutes shall show agenda, the substance of the course, results, and objectors and their



reasons for objection. The chairperson and all directors present shall sign the minutes or affix their names and seals to them.

③ Deleted

**Article 16 (Administrative Secretary)**

- ① The Board shall have an administrative secretary, who shall be appointed by the chairperson.
- ② Under the supervision of the chairperson, the administrative secretary shall assist each director and handle the Board's business in general.

**Article 17 (Directors and Officers Liability Insurance)**

Members of the Board as defined in Article 4 of these Rules and the Corporation's executive officers shall be covered by directors and officers (D&O) liability insurance.

**Article 18 (Modification and Repeal of the Rules)**

The modification and repeal of these Rules shall require a resolution by the Board.