

Regulations on the Board of Directors

Newly Enacted on July 10, 1999

Amended on March 17, 2000

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Amended on March 16, 2012

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Amended on March 22, 2018

Amended on November 1, 2018

Amended on March 12, 2020

Amended on January 4, 2021

January 4, 2021



Regulations on the Board of Directors

CHAPTER I GENERAL PROVISIONS

Article 1. Purpose

The purpose of these Regulations (the "Regulations") on the Board of Directors is to prescribe matters necessary to operate the Board of Directors efficiently.

Article 2. Scope of Application

All the matters related to the Board of Directors shall be subject to these Regulations, unless otherwise provided in relevant laws and regulations or the Articles of Incorporation.

Article 3. Authority

- (1) The Board of Directors shall make decisions on the matters designated as the ones to be determined by it in relevant laws and regulations or the Articles of Incorporation, the matters delegated to it by the general meeting of shareholders, and basic policies on management of the Company and important matters related to execution of the Company's business.
- (2) The Board of Directors shall supervise the legitimacy of performance of duties by directors.
- (3) If the Board of Directors is aware that a director has violated or is likely to violate any of relevant laws and regulations or the Articles of Incorporation, in performing his/her duties, or has performed or is likely to perform any of his/her duties in a materially unfair manner, it may request the said director to submit and explain about relevant data and materials, or it may investigate.
- (4) In case of sub-article (3) above, the Board of Directors may request the said director to suspend performance or change how to perform his/her duties.
- (5) Resolutions of specific matters for the execution of those matters determined at the Board of Directors may be delegated to the representative director by its resolution.

Article 4. Provision of Information for the outside directors

- (1) The outside directors may request the representative director to promptly provide the necessary information in performing his/her duties, the representative director shall comply with this request unless there is a justifiable reason. However, requests for material confidential matters of the Company shall be made by the majority of outside directors.
- (2) The outside directors, if necessary, may request the representative director assistance from executives and employees or professionals such as external auditors, legal counsel, and the like, and the expenses hereof shall be borne by the Company within reasonable range.

Article 5. Fiduciary Duty and Duty of Loyalty

- (1) Directors shall perform their duties in good faith for the interest of the Company and entire shareholders, and shall not do anything that damages the Company or the entire shareholder for the benefit of large business groups under the Monopoly Regulation and Fair Trade Act or specific controlling shareholder.
- (2) No director shall, without the approval of the Board of Directors, engage in, on his/her own account or on the account of a third party, any transaction in the same type of business of the Company.

- (3) No director shall divulge any business secret of the Company, which has come to his/her knowledge in the course of performing his/her duty.

CHAPTER II COMPOSITION

Article 6. Composition

The Board of Directors shall be composed of all of the directors in office (including outside directors).

Article 7. Appointment of Representative Director and Chairman

- (1) The Board of Directors shall appoint the representative director by its resolution pursuant to Article 34 of the Articles of Incorporation. (Amended on March 20, 2009)
- (2) The Board of Directors shall appoint the chairman among the directors by its resolution.
- (3) If the chairman is absent or unable to execute his/her duties, other directors shall act as an acting chairman in accordance with the order stipulated in Article 35 (2) of the Articles of Incorporation.

Article 8. Committees within Board of Directors

- (1) The Board of Directors may establish committees within the board for efficient decision making as prescribed by the Articles of Incorporation.
- (2) The Board of Directors may delegate its authority to the committee except for the following:
 1. Proposals concerning any of the matters that require approval of a general meeting of shareholders;
 2. Election and dismissal of a representative director;
 3. Establishment or abolition of committees in the Board of Directors, and appointment and dismissal of their Members; and
 4. Other matters prescribed in the Articles of Incorporation.
- (3) The Board of Directors shall establish the following committees.
 1. The Outside Director Candidate Recommendation Committee: it shall consist of three or more directors, and outside directors hold the majority of the members. (Amended on March 15, 2013)
 2. The Audit Committee: it shall consist of three directors, and two-thirds or more of the total number of members shall be outside directors.
 3. The Finance Committee: it shall consist of three or more directors, and one or more of outside directors shall be included.
 4. The Remuneration Committee: it shall consist of three or more directors, and outside directors hold the majority of the members. (Newly enacted on March 15, 2013)
 5. The Governance Committee: it shall consist of three or more directors, and all members shall be outside directors. (amended on January 4, 2021)
- (4) The committee shall notify each director of its resolutions. In such case, each director who is informed of it may request for a meeting of the Board of Directors.
- (5) The Board of Directors may resolve again on matters revolved by the committee. However, this does not apply to resolutions of the Audit Committee. (Amended on March 20, 2009)

CHAPTER III

MEETING

Article 9. Type

- (1) The meetings of the Board of Directors shall consist of ordinary meetings and extraordinary ones.
- (2) The ordinary meeting shall be held once every quarter.
- (3) The extraordinary meeting may be convened from time to time, if and whenever deemed necessary.

Article 10. Person Authorized to convene Meeting

- (1) The chairman shall convene the meetings.
- (2) Each director is entitled to request chairman to convene a meeting, specifying the proposed agenda for such a meeting and the reason for requesting the same. In the event that chairman fails to convene a meeting without justification, a meeting may be convened by the director who has requested the chairman to do so.
- (3) The member of Audit Committee, if necessary, may request directors (If there is person who is authorized to convene a meeting, the said directors refer to the person) to convene the meeting, by submitting the subject matter of and the reasons to convene the meeting in writing. (Newly enacted on March 16, 2012)
- (4) After making a request under sub-article (3), if the directors fail to convene a meeting of the Board of Directors without delay, the member of Audit Committee who has requested may convene such meeting. (Newly enacted on March 16, 2012)

Article 11. Convening Procedure

- (1) In convening a meeting of the Board of Director, notice shall be given to each director one week prior to the meeting.
- (2) Directors who convened the Board of Directors under the authority to convene a meeting of Article 10 shall provide information in advance so that the agenda submitted to the Board of directors can be fully reviewed with the help of an administrative secretary under Article 19.
- (3) If all directors unanimously consent, a meeting may be held at any time without taking such steps as set forth in sub-article (1).

Article 12. Method of Adopting Resolutions

- (1) All resolutions of the Board of Directors shall be adopted by the attendance of the majority of directors and the affirmative votes of a majority of directors present at the meeting. However, a resolution on dismissal of the Audit Committee member, who is an outside directors, the resolution of e Board of Directors on matters falling under Article 397-2 (Prohibition of Appropriation of Company's Opportunities and Assets) and Article 398 (Transactions between Directors, etc. and Company) of the Commercial Act shall be passed by the affirmative votes of not less than two-thirds of all directors in office. (Amended on March 16, 2012)
- (2) A director, who is a stakeholder with regard to a resolution of the Board of Directors, shall not exercise his/her voting right.
- (3) Those directors who are prohibited from exercising their voting rights, pursuant to sub-article (2) above, shall not be counted in the number of directors present.
- (4) The Board of Directors may allow all or some of directors to participate in resolutions of the Board of Directors through the means of communication that send and receive voices simultaneously, in lieu of attending such a meeting in person. In such a case, the director shall

be deemed to have physically attended such a meeting. (Amended on March 16, 2012)

Article 13. Chairman's Authority to Maintain Order

- (1) The chairman of Board of Directors may stop a person who significantly disturbs order in such a meeting (including with speech or behavior to interfere with the proceedings of the meeting intentionally) from speaking, revoke it, or may order such a person out of the meeting. The person who receives the order shall obey it.
- (2) The chairman of a meeting of Board of Directors may limit the duration and the number of speeches by each director, whenever the chairman deems it necessary for smooth proceedings of the meeting.

Article 14. Matters Requiring Resolution

(1) The matters that shall be presented to the Board of Directors are as follows:

1. Matters concerning the general meeting of shareholders:

- A. Convocation of the general meeting of shareholders;
- B. Approvals of business report and financial statements;
- C. Amendment to the Articles of Incorporation;
- D. Reduction of capital and retirement of shares;
- E. Dissolution, merger, division, merger through division, and continuance of the Company;
- F. Assignment of all or any substantial part of the Company's business, or take over all of the business of other company;
- G. Entering into, modification or termination of any contract for leasing all of the Company's business or delegation of management, sharing with a third party all of the profit or loss of business or any similar contract;
- H. Appointment and dismissal of directors and members of the Audit Committee; (Amended on March 20, 2009)
- I. Issuance of shares at the price less than par value;
- J. Release of directors from their liability to the Company;
- K. Decisions on dividends and share dividends; (Amended on March 16, 2012)
- L. Grant and cancellation of stock option;
- M. Remuneration of directors;
- N. Approval of transactions between the Company and its largest shareholder (including his/her related persons) and its related persons, and reporting at the general meeting of shareholders; and
- O. Other matters required to be presented to the general meeting of shareholders.

2. Matters concerning management of the Company:

- A. Approval of annual management plan;
- B. Election and dismissal of a representative director;
- C. Establishment, operation and abolishment of committees within the Board of Directors;
- D. Appointment and dismissal of members of the committees within the Board of Directors;
- E. Adoption of resolutions on the resolutions passed by the committees within the Board of Directors (but this does not apply to the resolution of the Audit Committee); (Amended on March 20, 2009)
- F. Enactment, revision, and abolishment of the Regulations on the Board of Directors and on the committees within the Board of directors; and
- G. Other matters required to be presented to the general meeting of Board of Directors

3. Matters concerning the finance:

- A. Acquisition and disposal of treasury stock;
 - B. Issuance of new shares;
 - C. Capitalization of reserves;
 - D. Stock split and combination;
 - E. Allotment to the third party of new shares, convertible bonds, and bonds with warrant; (Newly Enacted on March 16, 2012)
 - F. Issuance of convertible bonds, bonds with warrant, exchange bonds; (Amended on March 16, 2012)
 - G. Issuance of bonds not less than 5% of total capital per case; (Amended on March 16, 2012)
 - H. Issuance of bonds or rollover thereof through domestic or overseas financial institutions not less than 5% of total capital per case; (Amended on March 16, 2012)
 - I. Domestic and overseas new investments and acquisition and disposal of stocks related to equity investment not less than 2.5% of total capital per case; (Amended on March 16, 2012)
 - J. Domestic and overseas acquisition and disposal of assets unrelated to equity investment not less than 2.5% of total capital per case; (Amended on January 4, 2021)
 - K. Credit lending to others of not less than 2.5% of total capital per case; (Amended on January 4, 2021)
 - L. Credit lending to domestic affiliates or subsidiaries permitted under Article 542-9 of the Commercial Act; (Amended on March 16, 2012)
 - M. Decision on the donations and contributions not less than KRW one billion per case; (Amended on November 1, 2018)
 - N. Listing of shares in overseas securities market; and
 - O. Other major financial matters required to be presented to the meeting of Board of Directors.
4. Matters concerning directors
- A. Approval of transactions between the Company and any of its directors;
 - B. Approval of holding a post of a director concurrently in other company with the same business purpose; and (Amended on March 16, 2012)
 - C. Use of business opportunities of the company on his/her own account or on the account of a third party (A business opportunity that has become known to the director in the course of performing his/her duty, or closely related to the business that is being currently conducted or is to be conducted by the Company) which is likely to be of present or future benefit to the Company. (Amended on March 16, 2012)
5. Miscellaneous
- A. File or answer to critical lawsuits;
 - B. Appointment and dismissal of a compliance officer and a fair transaction compliance manager; and (Newly Enacted on March 16, 2012)
 - C. Other matters prescribed in relevant laws and regulations or the Articles of Incorporation or delegated by the general meeting of shareholders or that the representative director deems necessary.

(2) The matters that shall be reported to the Board of Directors are as follows:

1. Results of having dealt with the matters delegated to the committee within the Board of Directors;
2. Matters, recognized by the Audit Committee, that a director has committed or is likely to commit a violation of relevant laws and regulations or the Articles of Incorporation;
3. Matters with respect to compliance of compliance guidelines and fair transaction compliance

program (Newly Enacted on March 16, 2012);

4. Other matters related to executing the business critical to management of the Company.

Article 15. Delegation of Authority

(1) The Board of Directors delegates to the Finance Committee the following:

1. Issuance of bonds of less than 5% of total capital per case; (Amended on March 16, 2012)
2. Issuance of bonds or rollover, through domestic or overseas financial institutions, of 2.5% or more but less than 5% of total capital per case; (Amended on March 16, 2012).
3. Domestic and overseas new investments, and acquisition and disposal of stocks, related to equity investment, of KRW five billion or more but less than 2.5% of total capital per case; (Amended on March 16, 2012)
4. Domestic and overseas acquisition and disposal of assets, unrelated to equity investment, of 1% or more but less than 2.5% of total capital per case; (Amended on January 4, 2021)
5. Credit lending to others of KRW five billion or more but less than 2.5% of total capital per case; (Amended on January 4, 2021)
6. Decision on the donations and contributions of KRW five hundred million or more but less than KRW one billion per case; (Amended on November 1, 2018)
7. All financial matters requiring the disclosure at Korea Exchange and submission of the minutes of the Finance Committee to external agencies regardless of threshold; and (Amended on March 20, 2009)
8. Other matters delegated by the Board of Directors.

(2) The Board of Directors delegates to the Governance Committee the following:

1. Large-scale internal transactions under Article 11-2 of the Monopoly Regulations and Fair Trade Act; and
2. Internal transactions that the committee deems important even though the transaction amount is less than the standard for that of large-scale transactions set forth in the preceding item, and thus, referred to the committee (Amended on January 4, 2021)

(3) The Board of Directors delegates to the representative director the following:

1. Issuance of bonds or rollover thereof through domestic or overseas financial institutions, of less than 2.5% of total capital per case; (Amended on March 16, 2012)
2. Domestic or overseas new investments and acquisition and disposal of stocks, related to equity investment, of less than KRW five billion per case; (Amended on March 16, 2012)
3. Domestic or overseas acquisition and disposal of assets, unrelated to equity investment, of less than 1% of total capital per case; (Amended on March 16, 2012)
4. Credit lending to others of less than KRW five billion per case; (Amended on January 4, 2021)
5. Decision on the donations and contributions less than KRW five hundred million per case; (Amended on March 16, 2012)
6. Matters concerning internal transactions of less than KRW 5 billion with specially related persons; and (Amended on March 22, 2018)
7. Matters related to asset management and daily activities of the Company to the extent that it is not contrary to Commercial Act, the Articles of Incorporation, and the Regulations on the Board of Directors. Matters concerning the modified enforcement of agenda, such as interest rates, approved through the resolution of the Board of Directors and the resolution of the Finance Committee, to the extent that it is not damaging the contents of the original resolution. (Amended on March 20, 2009).

Article 16. Urgent Execution

If there is no time to hold the Board of Directors as an urgent matter, the chairman shall execute it first and then immediately convene the Board of Directors or relevant committee for approval.

Article 17. Attendance of related Persons

If the chairman deems it necessary, he/she may have the relevant executives or employees or outside experts attend the meeting to hear their opinion, and express their opinions or explanations on the agenda.

Article 18. Minutes of Meeting

- (1) The chairman of the Board of Directors shall prepare the minutes of the matters discussed by the Board of Directors.
- (2) The agenda, substance of proceedings, the results thereof, dissenting Members and the reasons for such dissent shall be recorded in the minutes, and shall be affixed with the names and seal impressions or signatures of the Members present at the meeting.
- (3) A shareholder is entitled to request for his/her inspection of or duplicates of the minutes during the office hours of the Company.
- (4) The Company may refuse the request of sub-article (3) above with reasons, if it has a justifiable reason. In such case, the said shareholder is entitled to inspect or copy the minutes of meeting with the approval of the court.

Article 19. Administrative Secretary

- (1) The chairman of the Board of Directors, if deemed necessary, may appoint a non-member of the Board of Directors as an administrative secretary.
- (2) The administrative secretary shall be under the direction of the chairman, and assist each director and handle the overall affairs of the committee.

Article 20. Amendment and Abolishment

Amendment or abolishment of these Regulations shall be made by the resolution of the Board of Directors.

ADDENDUM

(Effective date) These Regulations shall come into force on July 10, 1999.

ADDENDUM (dated March 17, 2000)

(Effective date) These Regulations shall be amended and come into force on March 17, 2000.

ADDENDUM (dated June 2, 2000)

(Effective date) These Regulations shall be amended and come into force on June 2, 2000.

ADDENDUM (dated November 10, 2005)

(Effective date) These Regulations shall be amended and come into force on November 10, 2005.

ADDENDUM (dated May 11, 2007)

(Effective date) These Regulations shall be amended and come into force on May 11, 2007.

ADDENDUM (dated March 20, 2009)

(Effective date) These Regulations shall be amended and come into force on March 20, 2009.

ADDENDUM (dated March 16, 2012)

(Effective date) These Regulations shall be amended and come into force on March 16, 2012.

ADDENDUM (dated March 15, 2013)

(Effective date) These Regulations shall be amended and come into force on March 15, 2013.

ADDENDUM (dated March 21, 2014)

(Effective date) These Regulations shall be amended and come into force on March 21, 2014.

ADDENDUM (dated March 22, 2018)

(Effective date) These Regulations shall be amended and come into force on March 22, 2018.

ADDENDUM (dated November 1, 2018)

(Effective date) These Regulations shall be amended and come into force on November 7, 2018.

ADDENDUM (dated March 12, 2020)

(Effective date) These Regulations shall be amended and come into force on March 12, 2020.

ADDENDUM (dated January 4, 2021)

(Effective date) These Regulations shall be amended and come into force on January 4, 2021.