

Audit Committee Regulation

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Enacted on March 11, 2000
Amended on June 13, 2000
Amended on January 16, 2007
Amended on December 20, 2018

Chapter I General Provisions

Article 1 (Purpose)

The purpose of this Regulation is to stipulate the necessary matters for the efficient operation of the Audit Committee (hereinafter referred to as the "Committee").

Article 2 (Scope of Application)

Except as otherwise provided by the Acts, the Articles of Incorporation, or the Regulation of the Board of Directors, matters concerning the Committee shall be governed by the provisions of this Regulation.

Article 3 (Duties and Powers)

1. The Committee shall audit the Company's accounting and operations.
2. The Committee may, at any time, request reports on the Company's operations from directors or investigate the Company's financial status.
3. In addition to Paragraphs 1 and 2, the Committee shall handle matters stipulated in the Acts or the Articles of Incorporation and matters delegated by the Board of Directors.

Chapter II Composition

Article 4 (Composition)

1. Committee members (hereinafter referred to as "Members") shall be appointed by the General Meeting of Shareholders.
2. The Committee shall consist of three or more directors, with at least two-thirds of the Members being independent directors.
3. Among the Members, at least one should be an accounting or financial expert as defined by relevant laws.

Members who are not independent directors must meet the requirements stipulated by relevant laws.

4. If an independent director resigns, passes away, or for any other reason the proportion of independent directors required by the provisions of Paragraph 2 or the composition requirements of the Audit Committee under the provisions of Paragraph 3 falls short, the first General Meeting of Shareholders convened after the occurrence of such a reason must ensure compliance with the Committee's composition requirements.

Article 5 (Dismissal)

The authority to dismiss Members rests with the General Meeting of Shareholders.

Article 6 (Chairperson)

1. The Committee shall appoint a Chairperson from among the independent directors through a resolution stipulated in Article 9. In this case, the Committee may decide that multiple Members jointly represent the Committee.

2. The Chairperson shall oversee the Committee's activities and may allocate roles and responsibilities among the Members to ensure efficient operations.

3. In the event of the Chairperson's absence, a Member designated by the Committee shall perform the duties.

Chapter III Meetings

Article 7 (Holding Meetings)

1. The Committee shall consist of regular meetings and ad hoc meetings.

2. Regular meetings shall be held quarterly as a general rule; however, the Chairperson may change this as necessary.

3. Ad hoc meetings shall be convened as needed.

Article 8 (Convocation)

1. The Committee shall be convened by the Chairperson.

2. Each Member may request the Chairperson to convene a Committee meeting by providing a proposal and the reasons for their request. If the Chairperson fails to convene the Committee without justifiable reasons, a requesting Member can convene the Committee.

3. In convening a Committee meeting, notice must be given to each Member, specifying the meeting date, at least two days before the meeting date.

4. The Committee may convene a meeting at any time without following the procedure of Paragraph 3, provided that there is unanimous consent from all Members.

Article 9 (Method of Resolutions)

1. Resolutions of the Committee require the presence of a majority of the total number of Members and the approval of a majority of the Members in attendance. In this case, the Committee may conduct resolutions through communication methods where all Members participate simultaneously in audio transmission and reception, even if some or all Members are not physically present at the meeting. In such cases, the Members participating through these communication methods are considered present at the Committee meeting.
2. Members with special interests related to a decision under consideration by the Committee shall not exercise their voting rights. Members who cannot exercise their voting rights in this case shall not be counted in the total number of attending Audit Committee members.
3. For resolutions regarding the appointment, replacement, or dismissal of external auditors, a decision shall be made with the attendance of more than two-thirds of the Members and the approval of a majority of the Members in attendance.

Article 10 (Agenda Items)

The agenda items discussed by the Committee shall be as follows:

1. Matters related to the General Meeting of Shareholders:
 - a. Matters related to requesting the convening of an Extraordinary General Meeting of Shareholders by the Board of Directors;
 - b. Matters related to statements of opinion on the investigation regarding proposals and documents to be submitted to the General Meeting of Shareholders by directors.
2. Matters related to directors and the Board of Directors:
 - a. Matters related to reporting to the Board of Directors when a director engages in or is likely to engage in an action that violates the Acts or the Articles of Incorporation;
 - b. Matters related to preparing audit reports and submitting them to the Board of Directors;
 - c. Matters related to preventing a director from taking actions that could cause irreparable damage to the Company as a result of a violation of the Acts or the Articles of Incorporation;
 - d. Matters related to requesting reports on the Company's operations from directors;
 - e. Matters delegated by the Board of Directors.
3. Matters related to auditing:
 - a. Matters related to investigations of the Company's operations and financial status;
 - b. Matters related to requesting operational reports from subsidiary companies or investigating the operations and financial status of subsidiary companies;
 - c. Measures regarding reporting significant damage that a director could cause to the Company;
 - d. Representatives in lawsuits between the Company and directors;
 - e. Decisions on a shareholder's representative suit against a director;
 - f. Matters related to the appointment, replacement, and dismissal of external auditors;
 - g. Measures regarding notification from external auditors of significant misconduct or substantial violations of the Acts or the Articles of Incorporation by directors;
 - h. Measures regarding notifications from external auditors about violations of accounting standards by the Company;

- i. Evaluation of the reasonableness of a change in substantial accounting standards or accounting estimate;
- j. Evaluation of the internal control system;
- k. Evaluation of the activities of external auditors;
- l. Confirmation of actions taken in response to audit findings;
- m. Other matters concerning the power granted to the Committee by the Acts, the Articles of Incorporation, and resolutions of the Board of Directors.

Article 11 (Attendance of Related Persons)

1. The Committee may request the attendance of relevant employees, external individuals, and external auditors at meetings as necessary to perform its duties.
2. The Committee may, if deemed necessary, seek advice from experts or other professionals at the Company's expense.

Article 12 (Minutes)

1. Minutes shall be prepared regarding the deliberations of the Committee.
2. The minutes shall include the agenda, proceedings, results, opponents, and reasons for their opposition, if any, along with the signatures or seals of the attending Members.

Article 13 (Duty to Notify)

1. The Committee shall notify each director of the resolutions made.
2. Directors who have received notifications under Paragraph 1 and directors who have attended the Committee meetings may request the convening of a Board of Directors.
3. Matters among the Committee's agenda items that the Committee deems necessary to present to the Board of Directors as important matters of the Company may be presented to the Board of Directors for discussion.

Chapter IV Supplementary Provisions

Article 14 (Coordination with External Auditors)

The Committee shall maintain close communication with external auditors and make efforts to achieve the objectives of the audit by utilizing the audit plans, procedures, and findings of external auditors.

Article 15 (Establishment of a Dedicated Department, etc.)

1. To ensure efficient performance of its duties, the Committee may establish and operate a dedicated department to support its operation or utilize the Company's internal audit department.
2. The Committee may establish separate criteria for matters such as the establishment and operation of a dedicated department, the appointment of specialized personnel, and operational costs.

3. The Committee may appoint a secretary to assist the Chairperson and manage all affairs of the Committee.

Article 16 (Preparation of Audit Records)

1. Audit records shall be prepared regarding its audit activities by the Committee.
2. The audit records shall include the method of conducting the audit and its results, along with the signatures or seals of the attending Members who conducted the audit.

Article 17 (Expenses)

The Company shall bear the expenses required for meetings and other operations.

Article 18 (Amendment and Abolition of Regulation)

1. Amendments and abolitions to this Regulation shall be made through a resolution of the Board of Directors.
2. Matters not stipulated in this Regulation shall be governed by the Articles of Incorporation, the Board of Directors Regulation, and relevant laws and regulations.

Addendum

This Regulation shall be effective on June 13, 2000.

This Regulation shall be effective on January 16, 2007.

This Regulation shall be effective on December 20, 2018.