

# **REGULATIONS OF THE AUDIT COMMITTEE**

**March 29, 2022**



## **Article 1 (Purpose)**

- ① The purpose of these regulations is to set forth the matters necessary for efficient composition and operation of the Audit Committee (the "Committee") as prescribed under the relevant laws and regulations, the Articles of Incorporation and the Regulations of the Board of Directors.
- ② These regulations shall apply with respect to any matters not prescribed in the relevant laws and regulations, the Articles of Incorporation, or the Regulations of the Board of Directors.

## **Article 2 (Principle of Independence and Objectivity)**

- ① The Committee shall conduct audits independently from the Board of Directors, other executive organizations and other departments.
- ② The Committee shall maintain objectivity in conducting audits.

## **Article 3 (Composition)**

- ① The Committee shall be comprised of at least three (3) outside directors, at least one of whom shall be an accounting or financial expert as prescribed in the Commercial Act.
- ② The appointment and discharge of members of the Committee (the "member(s)") shall be determined at the general shareholders' meeting, and their term of office shall be the same as that of the directors.

## **Article 4 (Chairperson)**

- ① The chairperson shall be appointed by the Committee, and the chairperson shall represent the Committee and preside at all of its meetings.
- ② In case the chairperson is unable to serve, a member designated by the Committee shall perform the duties in place of the chairperson and a meeting for appointment of such member shall be presided by the eldest of the present members.

- ③ The term of the chairperson shall be until the end of the first ordinary general shareholders' meeting following its appointment. <Newly Inserted, March 29, 2022>

#### **Article 5 (Convening of Meeting)**

- ① The meetings of the Committee shall be convened by the chairperson.
- ② Any member may request the chairperson to convene the Committee meeting by submitting the agenda and grounds therefor.
- ③ In convening the Committee meeting, the chairperson shall give notice to each member of the date, time, place and agenda of the meeting, at least two (2) days prior to the date set for such meeting; provided, however, that in case of an emergency, such notice may be given by the date immediately preceding the date of such meeting.
- ④ The Committee meeting may be held without following the procedure prescribed in paragraph 3 upon unanimous consent of all members.

#### **Article 6 (Method of Adopting Resolutions)**

- ① Any resolution of the Committee shall be adopted by the presence of a majority of the members in office and a majority of the votes of the members present.
- ② The Committee may permit all or some of the members to participate in the meeting by means of communication that allow simultaneous audio transmission, in lieu of attending such meeting in person and such members shall be deemed to have attended the meeting in person; provided, however, that notwithstanding this provision, if a face-to-face meeting is required by the Act on External Audit of Stock Companies or other relevant laws and regulations, such members shall be permitted to participate in the resolution process only by video teleconference meeting conducted in different places equipped with any device of remote communication by which such members may transmit and receive video and sound simultaneously during the meeting.

## **Article 7 (Role and Authority)**

- ① The Committee shall audit the accounting and business of the Company, and shall perform the duties delegated by the Board of Directors in accordance with the relevant laws and regulations, the Articles of Incorporation, or the Regulations of the Board of Directors.
- ② The authorities of the Committee are as follows:
  1. Request the director(s), etc. for business report and investigation on the Company's affairs and property;
  2. Request business report and investigation on the affairs and property of the subsidiaries;
  3. Request the Board of Directors to convene extraordinary meeting of shareholders;
  4. Authority to receive expert assistance at the expense of the Company;
  5. Receipt of reports from the directors;
  6. Claim of injunction against any director's illegal act;
  7. Represent the Company in lawsuits between the director(s) (excluding cases where a member is a party to the lawsuit) and the Company;
  8. Request the court to appoint a person who will represent the Company in lawsuits between the members and the Company;
  9. In case an accounting fraud has been reported by an insider, confirm such fact and measures taken following such report, keep the identity of the reporter confidential, and determine whether there has been any unfavorable treatment of the reporter following such report;
  10. Consent to the Board of Director's approval of the financial statements (including the consolidated financial statements);
  11. Approval for establishment or amendment of Internal Accounting Management Regulations and assessment of the operations thereof; and

12. Appointment of external auditor(s).

**Article 8 (Duty)**

- ① The members shall perform their duties with the due care of a good manager.
- ② The members shall not divulge any trade secrets acquired while performing their duties both during their tenure as members and after their resignation.
- ③ In case the Committee acknowledges that a director has been or may be in violation of laws and regulations or the Articles of Incorporation, it shall report such fact to the Board of Directors.

**Article 9 (Matters to be Presented to the Meeting)**

- ① The Committee shall review and resolve any of the following matters related to the general shareholders' meeting:
  1. Request to convene an extraordinary meeting of shareholders; and
  2. Investigation and statement of the agenda and documents for the general shareholders' meeting.
- ② The Committee shall review and resolve any of the following matters related to directors and the Board of Directors:
  1. Duty to report to the Board of Directors;
  2. Preparation and submission of audit report;
  3. Claim of injunction against any director's illegal act;
  4. Request business report from the directors; and
  5. Matters delegated by the Board of Directors.
- ③ The Committee shall review and resolve any of the following matters related to audit:
  1. Investigation of work responsibilities or property;
  2. Receipt of report from the director or a person delegated by the director;
  3. Representation in lawsuits between the directors and the Company;
  4. Review of the annual accounting audit plan and result thereof;
  5. Review of adequacy of changes in accounting principles;

6. Assessment of the internal control system (including internal accounting management system);
  7. Approval for establishment or amendment of Internal Accounting Management Regulations;
  8. Confirmation of measures taken to rectify matters requiring correction after an audit;
  9. Determination related to appointment, replacement, discharge and compensation of outside auditor(s) (hereinafter, "auditor(s)")
  10. Assessment of audit activities of the auditors;
  11. Receipt of reports from the auditors on the Company's violation of the accounting principles and appointment of external experts for the investigation on such violation;
  12. If the Company requests the Securities and Futures Commission (SFC) to appoint auditor(s), approval therefor;
  13. If the Company requests the SFC to reappoint the appointed auditor(s), approval therefor; and
  14. Request the subsidiaries for business report for performance of duties.
- ④ The Committee shall review and resolve the following matter related to internal trading:
1. Matters requiring a resolution by the Board of Directors as prescribed in Article 26 (Resolutions by Board of Directors on Large-Scale Internal Trading and Disclosure) of the Monopoly Regulation and Fair Trade Act. This subparagraph shall not apply in cases where approval of the Board of Directors is required by other laws and regulations other than Article 26 of the Monopoly Regulation and Fair Trade Act.
- ⑤ The Committee shall review and resolve matters prescribed under the relevant laws and regulations, the Articles of Incorporation, or the Regulations of the Board of Directors.

#### **Article 10 (Internal Audit Subcommittee)**

The Company shall form an internal audit subcommittee under the Committee which will assist in the tasks of the Committee as follows:

1. The internal audit subcommittee shall report to the Audit Committee at least once a year regarding matters related to audit; and

2. The Company shall discuss the appointment of the internal audit subcommittee chair in advance with the Committee.

**Article 11 (Right to Request Submission of Documents, etc.)**

- ① If necessary for performance of duties, the Committee may require the relevant officers/employees and auditors to attend the meeting and submit relevant information and/or state their opinion.
- ② The Committee may seek expert advice, etc. at the expense of the Company by the resolution of the Committee, if necessary.

**Article 12 (Secretariat Organization)**

- ① The secretariat organization of the Committee shall refer to the [internal audit subcommittee].
- ② The secretariat organization shall assist the chairperson and administer the affairs of the Committee.

**Article 13 (Meeting Minutes)**

- ① The secretariat organization shall record and keep minutes regarding the proceedings of the Committee.
- ② The agenda, summary of proceedings, resolutions adopted at the meeting, names of the directors who have voted against such resolutions, and the reason for objections thereto shall be recorded in the minutes, on which all members present at the meeting shall sign their names or affix their seal impressions.

**Article 14 (Minutes of the Audit)**

- ① The secretariat organization shall record and keep minutes of the audit regarding the audit by the Committee.
- ② The proceedings and the results of the audit shall be recorded in the minutes of the audit, on which all members shall affix their seal impressions or sign their names.

## **Article 15 (Amendment)**

Any amendment to these regulations shall be made by the resolution of the Board of Directors.

### **Addendum (March 25, 2008)**

These regulations shall enter into force on March 25, 2008.

### **Addendum (August 3, 2015)**

These regulations shall enter into force on August 3, 2015 upon approval at the Board of Directors meeting.

### **Addendum (April 25, 2019)**

These regulations shall enter into force on April 25, 2019 upon approval at the Board of Directors meeting.

### **Addendum (March 25, 2020)**

These regulations shall enter into force on March 25, 2020 upon approval at the Board of Directors meeting.

### **Addendum (March 30, 2021)**

These regulations shall enter into force on April 1, 2021.

### **Addendum (March 29, 2022)**

These regulations shall enter into force on March 29, 2022 upon approval at the Board of Directors meeting.