

# Hanwha Systems

## Regulation on Board of Directors

### Chapter 1 General Provisions

#### Article 1 (Purpose)

The purpose of this regulation is to establish matters required for efficient operation of Hanwha Systems("the Company")'s Board of Directors("BOD") meetings.

#### Article 2 (Scope of Application)

Unless otherwise specified by applicable laws or the Company's Articles of Incorporation, matters concerning the operation of the BOD shall be determined by this Regulation.

#### Article 3 (Authorities)

- ① The Company's BOD holds the authority to make decision on the matters as prescribed by laws or the Company's Articles of Incorporation on BOD, matters delegated by the General Meeting of Shareholders, the Company's management principles and important matters for business operation.
- ② The Board of Directors shall supervise Directors' performance of their jobs.
- ③ Outside directors may seek the assistance of experts at the company's expense, if necessary for the performance of their duties.

### Chapter 2 Composition

#### Article 4 (Composition)

The Board of Directors shall be comprised of all Directors.

#### Article 5 (The Chairperson of Board of Directors)

- ① The chairman of the board of directors is appointed by the board of directors.

- ② When the chairperson is unable to perform his/her duties, an Acting Chairperson shall be selected from Board of Directors in the order of President, Executive Vice President, Senior Vice President, and Vice President (When there are two or more directors with the same rank, the director with a longer employment term at the Company shall serve as Acting Chairperson.)

## **Chapter 3 Board of Directors Meeting**

### **Article 6 (Meeting Types)**

- ① The BOD meetings shall consist of ordinary and extraordinary meetings.
- ② The ordinary BOD meeting shall be held on a quarterly basis at the last month of each quarter(March/June/September/December).
- ③ The extraordinary BOD may be convened whenever deemed necessary.

### **Article 7 (Person with Authority to Convene the Board of Directors Meeting)**

- ① The Chairperson of BOD shall hold the authority to convene BOD meetings. However, when the Chairperson of BOD is incapable of performing one's duty due to certain accident or other reasons, the Acting Chairperson selected per above Article 5.2., may convene BOD meetings.
- ② Each Director may call on the Chairperson of BOD to convene a BOD meeting by presenting meeting agenda and associated reasons. When the Chairperson of BOD fails to convene BOD meeting without any valid reason, the Director who had called for the meeting may convene BOD meeting instead.

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

- ① When a board meeting is convened, the meeting date shall be fixed and a notice shall be given to each Director and each Auditor at least 3 days prior to the date set for the BOD meeting.

- ② When all Directors and Auditors unanimously agree, the BOD meeting may be convened anytime without undergoing the procedure as provided in above paragraph ①.

#### **Article 9 (Resolution)**

- ① The resolution of BOD meetings shall require the presence of a majority of all Directors to constitute the quorum for the meeting as well as the affirmative vote of a majority of all Directors for the agenda subject to resolution. Provided, however, that those agenda subject to Article 397.2 of Commercial Act (Prohibition Clause Against the Corporate Opportunity Usurpation) and Article 398 of Said Act (Prohibition of Director's Self-dealing Transaction) shall require the affirmative vote of two-thirds majority of all Directors.
- ② Meetings of the Board of Directors may be conducted through the use of any means of remote communication by which all or a part of BOD participants may transmit and receive sound simultaneously during the meeting rather than all Directors physically attending the meeting. Participants by these means shall be deemed to be present in person at meeting of the Board of Directors.
- ③ Any Director who has a special interest in a matter subject to resolution shall not exercise his or her vote upon such matter.
- ④ In such case as described in above paragraph ③, the number of directors whose vote cannot be exercised shall not be included in the number of Directors attending the meeting.

#### **Article 10 (Agenda Subject to Board of Directors Meeting)**

- ① Matters subject to the Board of Directors Meeting are as follows:

1. Matters concerning General Meeting of Stockholders

- (1) Convocation of General Meeting of Stockholders
- (1)-2 Endorsement of exercise of voting rights by electronic means
- (2) Approval of financial statements and business report

- (3) Revision to Articles of Incorporation
- (4) Reduction of capital
- (5) Corporate dissolution, merger, spin-off, merger through division and continuation
- (6) When asset, sales or debt amounts of a business unit subject to business transfer or acquisition exceed 10% of consolidated total asset, sales and debt amounts at the end of the latest business year.
- (7) Conclusion of contracts which will bring a significant change to the Company's business, or revision or cancellation thereof
- (8) Dividend decision
- (9) Granting of stock option
- (10) Approval of transactions with the Company's largest shareholder (Including affiliated persons of the largest shareholder) as well as the transactions with affiliated persons and report of said transactions to General Meeting of Stockholders
- (11) Other agenda that will be subject to General Meeting of Stockholders

## 2. Matters concerning business management

- (1) Appointment and dismissal of the representative director
- (2) Opening, relocation or close-out of branch office, factory, or business site
- (3) Resolution of short form merger, short form merger through division, small-scale merger and small scale merger through division
- (4) Report of statutory merger or consolidation
- (5) Subscription of Directors' and Officers' Liability Insurance
- (6) Report of operation status of internal accounting management system and its results
- (7) Appointment and dismissal of the members for Committees Within the Board of Directors
- (8) Endorsement of resolutions made by Committees within the Board of Directors, except for resolutions made by Audit Committee

- (9) Appointment and dismissal of Compliance Officer, establishment, revision or revocation of the Company's compliance regulations, etc.
- (10) Other important matters for the Company's business

### 3. Matters concerning financials

- (1) Issuance of new stocks
- (2) Issuance of bonds or delegation of bond issuance to the representative director
- (3) Capitalization of reserve fund
- (4) Issuance of convertible bond or bond with warrant(BW)
- (5) Investment in the Company's new facilities or expansion of existing facilities or establishment of new production factory, of which the value exceeds 5/100 (five-hundredths) of its equity capital
- (6) Acquisition and disposal of treasury stock and signing or termination of associated trust contracts, etc.
- (7) Investment in or disposal of other corporations' shares, worth more than 25/1000 (twenty five-ten hundredths) of its equity capital
- (8) Provision of new debt guarantee or collateral for other entities, worth more than 25/1000 (twenty five-ten hundredths) of its equity capital
- (9) Debt takeover or debt repayment worth more than 25/1000 (twenty five-ten hundredths) of its equity capital
- (10) Acquisition or disposal of fixed assets worth more than 25/1000 (twenty five-ten hundredths) of the Company's total asset volume as of the end of latest business year.
- (11) Stock split or reverse stock split
- (12) Providing asset as a gift, worth more than 1/100(one-hundredth) of its equity capital
- (13) New borrowing or borrowing contract, worth more than 5/100(five-hundredths) of its equity capital

- (14) Suspense payment of money or lending of money or shares to other entities or other incidents, worth more than 25/1000 (twenty five-ten hundredths) of its equity capital
- (15) Donation worth more than 1 billion Korean won
- (16) Retirement of its treasury stock
- (17) Other important financial matters

4. Matters concerning Directors, etc.

- (1) Approval of transactions between Directors, etc. and the Company
- (1-2) Approval of Directors' Corporate Opportunity Usurpation
- (2) Approval of Directors' taking concurrent positions
- (3) Establishment/revision of provisions for Regulation on Board of Directors, and revision/revocation of the Company's regulations requiring BOD approval in revising said provisions

5. Other matters

- (1) Filing of important lawsuit
- (2) Cancellation of granted stock options
- (3) Designation of Transfer Agent
- (4) Matters regarding closing of Stockholders' List and Record Date
- (5) Other matters defined by laws or the Company's Articles of Incorporation, delegated by General Meeting of Stockholders or raised by the representative director as a matter in need of attention

② The followings shall be reported to Board of Directors' Meeting.

- 1. Follow-up on the matters delegated to Committees Within the Board of Directors
- 2. Operation status of internal accounting management system
- 3. Any violation of relevant laws or the Company's Articles of Incorporation by a Director or any concern for such violation acknowledged by the auditor

4. Other important matters for the Company's business operation

#### **Article 11 (Committees Within Board of Directors)**

- ① The Board of Directors may establish various committees within the Board of Directors to ensure timely and efficient decision making of the Company in accordance with Articles of Incorporation.
- ② The BOD may delegate its authorities to Committees within BOD except for the following matters.
  1. Proposal of agenda requiring the approval of General Meeting of Stockholders
  2. Appointment and dismissal of the representative director
  3. Establishment of committees and appointment and dismissal of committee members
  4. Other matters as provided by Articles of Incorporation
- ③ Committees shall be comprised of more than 2 Directors. Provided, however, that the Audit Committee shall be comprised of more than 3 Directors and more than two-thirds of Outside Directors. And the Internal Transaction Committee shall include more than 3 Outside Directors and more than two-thirds of total members shall be Outside Directors.
- ④ The Chairperson shall be elected by the Committee among its members.
- ⑤ Detailed operations of Committees shall be decided separately by the BOD.

#### **Article 12 (Attendance of Related Person)**

When it deems necessary, the Chairperson may invite related officers or employees or outside personnel to attend the BOD meeting, so as to listen to their opinions.

#### **Article 13 (Authority to Supervise Director's Performance of Duties)**

- ① When any Director performed one's duty in violation of relevant laws or the Company's Articles of Incorporation or in a markedly unreasonable manner, or a concern for such behavior is recognized, the BOD may request for submission of related documents, investigation or explanation regarding the Director in question.

- ② In the case of above paragraph ①, the BOD may suspend the Director' performance of duties or demand changes thereof.

#### **Article 14 (Minute of Meeting)**

- ① The proceedings and discussions of the BOD shall be documented in the minute of meeting.
- ② The minute of meeting shall document meeting agenda, proceeding, discussion results, the members who objected to the resolution and the reasons for the objection, and then be sealed or signed by Directors who attended the BOD meeting.
- ③ Shareholders may request for perusal or copy of BOD meeting minutes during business hours.
- ④ The Company may reject to the request per above paragraph ③ by providing certain reasons. In such case, shareholders may peruse or copy BOD meeting minutes by obtaining the court's permission.

#### **Article 15 (Secretary)**

- ① The BOD shall have a Secretary who is appointed by the Chairperson.
- ② The Secretary shall undertake administrative works for the BOD by the instructions of the Chairperson.

## **Addendum**

This Regulation shall enter into force on 12 June 2019.

Provided, however, Article 10 ①.1, the revision of Article 10, the provision applicable only to listed companies, shall enter into force on the day when the Company's issued shares are listed on the securities market.

Amendment History of the Articles.

1. Enacted on Jun. 12, 2019
2. Amended on Mar. 24, 2022
3. Amended on Mar. 25, 2024