

# Standard Operation Procedure for Internal Transactions Committee

## Chapter 1 General Provisions

### Article 1 (Purpose)

The purpose of this standard operation procedure is to define matters necessary for the efficient operation of the Internal Transactions Committee(hereinafter referred to as “the Committee”).

### Article 2 (Scope of Application)

Unless otherwise stipulated by applicable laws, Articles of Incorporation or the Regulation on the Board of Directors, provisions of this SOP shall apply to the operation of the Internal Transactions Committee.

## Chapter 2 Composition and Authorities

### Article 3 (Authorities)

The Committee shall have the authority to review and approve large scale internal transactions listed in the followings as provided by Article 11.1 of Monopoly Regulation and Fair Trade Act(hereinafter referred to as “Fair Trade Act”) and Article 17.8 of Enforcement Decree of Fair Trade Act, and report to Board of Directors thereof.

1. Provision or transaction of fund as suspense payment or as loan
2. Provision or transaction of securities such as stocks or corporate bonds of the Company
3. Provision or transaction of assets such as real property or intangible property, etc.
4. Provision or transaction of goods or services with a party that is defined as the group’s affiliated company per Article 17.8.3 of Enforcement Decree of Fair Trade Act in terms of stockholders’ composition, or provision or transaction of goods or service for said affiliated company.

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

- ① Appointment or dismissal of the Committee members shall be decided by the resolution of the Board of Directors.
- ② The Committee shall be comprised of 3 Outside Directors in total.
- ③ The term of the Committee member ends when the term of directorship is finished. Provided, however, that Directors are allowed to serve consecutive terms.
- ④ When a vacancy occurs in a Director position who is the member of the Committee (thus failing to constitute the quorum of the Committee as required by above paragraph ②), the BOD shall newly appoint a Director qualified to take part in the Committee, thereby filling the vacancy within 3 months from the vacancy occurrence date. However, when it is necessary to appoint an officer to directorship, the officer shall be appointed as a Director at the first General Meeting of Stockholders Meeting to be held from the vacancy occurrence date, and then be appointed as the new member of Committee by the BOD that is subsequently convened after General Meeting of Stockholders Meeting.
- ⑤ The term of the new Committee member who backfills the vacancy position shall be the remaining term of the previous Committee member.

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

- ① The Chairperson shall be elected by the resolution of the Committee.
- ② In the case of absence or incapacity of the Chairperson of the Committee due to an accidents, illness, or other reasons, the Committee shall name one of the committee member to substitute the Chairperson and perform the Chairperson's duties instead.

#### **Article 6 (Convocation of the Committee)**

- ① The meeting call for the committee shall be made by the Chairperson. Each member of the Committee may request the Chairperson to convene a Committee meeting by providing the reasons for the meeting call.
- ② When convening the Committee, the meeting date shall be determined and notified to each member of the Committee 3 days before the set meeting date.
- ③ The notice for meeting call can be sent by mail, electronic mail or verbal communication, and related details can be determined by the Chairperson.
- ④ When all members of the Committee unanimously agree, the meeting call

procedures as provided by above clause ② can be omitted.

#### **Article 7 (Resolution)**

- ① The resolution of the Committee shall require the presence of a majority of Committee members to constitute the quorum for the meeting as well as the affirmative vote of a majority of all Committee members. The Committee meetings 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. When all or a part of the Committee members participated in the meeting by remote communication means, they shall be considered to have attended the meeting in person.
- ② When any member of the Committee has a special interest in the matter subject to the Committee resolution, the Committee member shall inform it to the Committee prior to the deliberation by the Committee and the Committee member who is confirmed to have the special interest to the subject matter of the Committee shall not exercise his or her vote upon such matter.

#### **Article 8 (Listening to Opinions of Concerned Parties)**

When it is deemed as necessary, the Committee may call on officers, employees or outside personnel involved with the subject matter to attend the Committee meeting, and listen to their opinions.

#### **Article 9 (Obligation for Notice)**

- ① When any resolution is made, the Committee shall inform each and every Director of the Company.
- ② After receiving a notice as provided in above clause ①, or attending the Committee meeting, Directors may convene Board of Directors meeting and make a new resolution concerning the resolution made at the Committee. Provided, however, Directors will be assumed to have agreed on the initial resolution made by the Committee unless any objection is raised by Directors within 2 business days from the date of receiving the resolution notice.
- ③ If any agenda submitted to the Committee discussion contains important matters that needs to be subject to the deliberation of Board of Directors, said agenda can be submitted to Board of Directors' meeting.

#### **Article 10 (Minute of Meeting)**

- ① The proceedings and discussions of the Committee 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 the Committee members who attended the Committee meeting.

#### **Article 11 (Secretary)**

- ① The Committee may appoint a Secretary who should be designated by the Committee Chairperson in order to handle the Committee's administrative affairs.
- ② The Secretary shall be responsible for assisting the Chairperson and managing overall administrative works for the Committee.

#### **Article 12 (Expenses)**

Expenses required for the meetings and other operations shall be borne by the Company.

#### **Article 13 (Revision and Deletion of the SOP)**

- ① Revision and deletion of this SOP shall be made by the resolution of Board of Directors meeting.
- ② For other matters not specifically defined by this SOP, Articles of Incorporation, the BOD Regulation and other applicable Acts shall be observed.

## **Addendum**

This SOP shall enter into force on 26 June 2019.