

# Regulation on Outside Director Candidate Recommendation Committee

## Chapter 1 General Provisions

### Article 1 (Purpose)

The purpose of this Regulation is to establish Outside Director Candidate Recommendation Committee(hereinafter referred to as “the Committee”) for Hanwha Systems Co., Ltd(hereinafter referred to as “the Company”) and define matters required for the composition and operation of the Committee, so as to enable the Committee to make recommendations for the Company’s Outside Director candidates.

### Article 2 (Scope of Application)

For the matters not specifically defined in this Relation, Articles of Incorporation, Regulation on Board of Directors and other applicable laws and regulations shall be followed.

## Chapter 2 Composition and Authorities

### Article 3 (Composition)

- ① Appointment or dismissal of the Committee Member((hereinafter referred to as “the Member”) shall be decided by the resolution of the Board of Directors.
- ② The Committee shall be comprised of more than 3 Directors and the majority of the Members shall be Outside Directors.
- ③ The term of the Committee Member shall be finished when the term of the Member’s directorship expires. Provided, however, the Member may serve consecutive terms and the term of the Member who backfilled a vacant position (in the case of failing to meet the composition requirement of the Committee) shall be the remaining term of one’s predecessor.

### Article 4 (Chairperson)

- ① The Chairperson shall be elected by the resolution of the Committee as provided in Article 8.
- ② The Chairperson shall represent the Committee and serve as the chair during the

Committee meeting.

- ③ In the absence or incapacity of the Chairperson, one Committee Member designated by the Committee shall substitute the Chairperson.

#### **Article 5 (Authority of the Committee)**

- ① The Committee shall make recommendations for Outside Director candidates 6 weeks before scheduled General Meeting of Stockholders in order to appoint Outside Directors.
- ② The Committee shall recommend candidates who accord with the interests of the Company and shareholders to the position of Outside Directors in a fair and transparent manner.
- ③ The Committee shall validate whether Outside Director candidates are qualified for Outside Directorship in terms of applicable laws and the Company's internal regulations in a fair manner before making its recommendations for Outside Director candidates.
- ④ When recommending the current Outside Directors or those who were previously Outside Directors of the Company for the position of Outside Directors, the Committee shall take into consideration their performance evaluations while they served as Outside Directors.
- ⑤ When determining the candidates for Outside Directors, the Committee shall include those candidates recommended by the stockholders who are qualified to exercise their rights as provided in Article 363. 2.1 and Article 542.6,1 and 542.6.2 of Commercial Act, no later than 6 weeks before the General Meeting of Stockholders date.

## **Chapter 3 Meeting**

#### **Article 6 (Authority for Meeting Call)**

- ① The meeting call for the committee shall be made by the Chairperson.
  - ② Each member of the Committee may request the Chairperson to convene a Committee meeting by providing the reasons for the meeting call. When the Chairperson fails to convene the meeting without a valid reason, the Member who requested for convocation of the meeting may call for the Committee meeting instead.
- .

#### **Article 7 (Convocation Procedure)**

- ① When convening the Committee meeting, the meeting date shall be set and notified to each Member of the Committee 3 days before the meeting date.
- ② When all members of the Committee unanimously agree, the meeting call procedures as provided by above clause ① can be omitted.

#### **Article 8 (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 attending the meeting.
- ② 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.
- ③ Any Committee Member shall not exercise his or her voting rights for the Committee's resolution to decide on one's own candidacy.
- ④ The number of votes that cannot be exercised per above provision ③ shall not be included in the number of votes of attending Committee Members.

#### **Article 9 (Matters Subject to the Committee Resolution)**

Matters subject to the Committee resolution shall be as follows:

1. Recommendation of Outside Directors
2. Other matters required for the recommendation of Outside Directors

#### **Article 10 (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 11 (Obligation for Notice)**

The Committee shall inform each Director of the resolution within 2 days from the date when the resolution is made. Upon receiving the notice, each Director may request for convening the BOD meeting and the BOD may make a new resolution concerning the resolution made at the Committee.

### **Article 12 (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 13 (Secretary)**

- ① The Committee shall have one Secretary.
- ② The Secretary shall be appointed by the Chairperson among the Company's officers or employees and shall be responsible for overall administrative affairs of the Committee.

### **Article 14 (Revision and Deletion of this Regulation)**

Revision and deletion of this Regulation shall be made by the resolution of Board of Directors.

## **Addendum**

This Regulation shall enter into force on 26<sup>th</sup> June 2019.