

# Articles of Incorporation

January 4, 2021



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## CHAPTER I GENERAL PROVISIONS

### Article 1. Name

The name of the Company shall be “DL Jushikhwisa” in Korean and “DL Holdings CO., LTD.” in English

### Article 2. Purposes

The purposes of the Company are to engage in the following business activities:

1. Business of the holding company to control business activities of its subsidiaries (including second-tier subsidiaries and other companies controlled by such second-tier subsidiaries) by acquiring and holding shares or ownership interests in its subsidiaries and to guide, organize and improve managerial matters thereof;
2. Internal control and risk management for its subsidiaries, etc.;
3. Business of providing training and education services for its subsidiaries, etc.;
4. Business of real estate development, brokerage & consulting; construction, sales and lease of all buildings;
5. Business of comprehensive management of buildings and markets such as apartment buildings, malls, and buildings;
6. Business of development, sales and lease of equipment for information processing and software; and information processing service;
7. S-I (Integration of Information and Communication System) business;
8. Service business (gallery, sculpture installation);
9. Restaurants business (restaurants and rest);
10. E-commerce and other tele-marketing business;
11. Business of management, license, sales and relevant services of intangible assets and intellectual property rights, including knowledge, information and technology owned by the Company;
12. Investment in new technology, management and operation business, and start-up support business; and

13. Other business incidental to each of the aforementioned business.

**Article 3. Location of Head Office and Establishment of Branches**

- (1) The head office of the Company shall be located in Seoul.
- (2) The Company may establish branches, offices or sales offices within or outside Korea by resolutions of the Board of Directors, whenever deemed necessary.

**Article 4. Method of Public Notice**

Public notice shall be made through the Company's Internet homepage (<http://www.dlholdings.co.kr>). However, if it is not possible to make a notice on the Company's Internet homepage due to computer disorder or other unavoidable reasons, it shall be made to the Korea Economic Daily issued in Seoul

## **CHAPTER II**

### **SHARES**

**Article 5. Total Number of Shares**

The total number of authorized shares shall be 120,000,000 shares.

**Article 6. Par Value**

The par value of each share to be issued by the Company shall be KRW 5,000.

**Article 7. Classes of Shares**

- (1) The shares to be issued by the Company shall be common shares and class shares, both in registered form.
- (2) The class shares to be issued by the Company shall be class shares concerning profit dividends, non-voting or voting-restricted shares, redeemable shares, convertible shares and a combination of all or part of such shares.
- (3) The total number of class shares to be issued by the Company shall not exceed 30,000,000 shares.

**Article 8. Number and Contents of Class Shares (1)**

- (1) The Company may issue non-voting class shares with preferential rights over profit dividends ("Class Shares Entitled to Profit Dividends") and the number of such shares to be issued shall be within 30,000,000 shares.
- (2) For Class Shares Entitled to Profit Dividends, the amount applying the rate of preferential dividends determined by the Board of Directors at the time of issuance within the range of not less than 1% of its par value, but not exceeding 12% thereof, shall be paid as preferred dividends.
- (3) If the dividend rate declared on common shares exceeds the dividend rate declared on Class Shares Entitled to Profit Dividends, shareholders holding such class shares shall be entitled to

the amount of dividends in excess which shall be distributed on a pro rata basis to all common and Class Shares Entitled to Profit Dividends.

- (4) If, for any fiscal year, dividends have not been paid on Class Shares Entitled to Profit Dividends at the dividend rate prescribed herein, such unpaid dividends shall be preferentially paid on a cumulative basis at the time of payment of dividends for the subsequent fiscal years.
- (5) In the event that a resolution of not paying preferred dividends prescribed herein for Class Shares Entitled to Profit Dividends has been passed at a general meeting of shareholders of the Company, shareholders of Class Shares Entitled to Profit Dividends shall be granted voting rights from the opening date of the general meeting of shareholders immediately following such general meeting of shareholders until the closing date of the general meeting of shareholders at which a resolution of payment of the preferred dividends is passed.
- (6) If the Company increases its capital by issuance of shares, the new shares to be assigned to shareholders of Class Shares Entitled to Profit Dividends shall be common shares in the case of capital increase with consideration and shall be the shares of the same class in the case of capital increase without consideration.
- (7) The duration of Class Shares Entitled to Profit Dividends issued by the Company shall be 10 years, starting from the date of issuance thereof, and they shall be converted to common shares contemporaneously with expiration of such duration; provided, however, that, if the preferred dividends have not been paid by the Company as prescribed herein for the said period, the aforementioned duration shall be postponed until such unpaid dividends have been paid in full. In such a case, the provision of Article 10-4 hereof shall apply, mutatis mutandis, with respect to payment of dividends on the shares issued as a result of conversion hereunder.

#### **Article 8-2. Number and Terms of Class Shares (2)**

- (1) The Company may issue class shares that grant the Company or shareholders to have an option of redemption by a resolution of the Board of Directors (“Redeemable Shares”), and the number of such shares shall not exceed 30,000,000 shares.
- (2) Redeemable Shares may be redeemed at the Company’s option, or may be requested by a shareholder to the Company for redemption, or in the form of a combination of the foregoing two redemption methods, which shall be determined by a resolution of the Board of Directors at the time of issuance of Redeemable Shares in accordance with the following items:
  1. The redemption price of Redeemable Shares shall be “the sum of issue price and additional amount”, from which the additional amount shall be determined by a resolution of the Board of Directors at the time of issuance in consideration of dividend rate, market conditions and all other circumstances relating to the issuance of Redeemable Shares, to the extent not exceeding 10% per annum; provided, however, that, in order to make the redemption price adjustable, the Board of Directors should determine the intent to, reason for, record date of, and method for such adjustment.
  2. The redemption period of Redeemable Shares shall be such period as determined by the Board of Directors within the range of the day immediately following the closing of the ordinary general meeting of shareholders for the fiscal year in which the issuance date is included and the day for which one month has lapsed after closing of the ordinary general meeting of shareholders for the fiscal year in which the 15th anniversary from the issuance

is included; provided, however, that, despite the expiry of the redemption period, in the event of the occurrence of the following reasons, the relevant redemption period shall be extended until such reason is resolved:

- A. If the preferred dividends on Redeemable Shares have not been paid in full; or
  - B. If the Company is unable to redeem Redeemable Shares during the redemption period due to the lack of profits of the Company.
3. Upon redemption at the Company's option, the Company may redeem Redeemable Shares in whole at once or in installments; provided, however, that, in the case of redemption in installments, the Company may select the shares to be redeemed by lottery, or proportionally among each holder. Fractional Shares resulting from proportional redemption shall not be redeemed.
  4. Upon redemption at the Company's option, the Company shall give notice or public notice thereof to the relevant shareholders and the right holders of such shares registered in the Register of Shareholders at least two weeks prior to the date of acquisition of such shares.
  5. If a shareholder requests the Company for redemption, such shareholder may request for redemption of all Redeemable Shares in whole at once or in installments; provided, however, that, in the event the Company is in lack of distributable profits at the time of the request for redemption, the Company may redeem the shares in installments, in which case, the Company may select the shares to be redeemed by lottery, or proportionally among each holder. Fractional Shares resulting from proportional redemption shall not be redeemed.
  6. If a shareholder requests the Company for redemption, such shareholder shall notify his/her intention to redeem and the shares to be redeemed at least two weeks prior to the redemption.
- (3) As consideration of the acquisition of Redeemable Shares, the Company may deliver securities (excluding shares of other classes) other than cash, or other assets.
  - (4) If Convertible Shares under the provision of Article 8-3 are issued as Redeemable Shares, which can be redeemed at the Company's option, the Board of Directors may determine the priority between the exercise of conversion rights by shareholders and the exercise of redemption rights at the Company's option.

### **Article 8-3. Number and Terms of Class Shares (3)**

- (1) The Company may issue class shares that grant the Company or shareholders to have conversion rights by a resolution of the Board of Directors ("Convertible Shares"), and the number of such shares to be issued shall be within one-fifth (1/5) of the total number of outstanding and issued voting shares.
- (2) Convertible Shares may be converted at the Company's option, or may be requested by a shareholder to the Company for conversion, or in the form of a combination of the foregoing two conversion methods, which shall be determined by a resolution of the Board of Directors at the time of issuance of Convertible Shares in accordance with the following items:
  1. The shares to be issued as a result of conversion shall be common shares.

2. The conversion ratio, in principle, shall be one common share per convertible share; provided, however, that, if necessary, matters necessary for conversion, such as conversion ratio and adjustment thereof, may be determined otherwise by a resolution of the Board of Directors at the time of issuance in consideration of all circumstances.
3. The reasons for conversion shall be as follows:
  - A. If the Company elects to convert (the reasons for the Company's election to convert shall be determined by the Board of Directors at the time of issuance); and
  - B. If a shareholder requests for conversion.
4. The total issue price of the new shares to be issued by the Company as a result of conversion shall be the total price of the shares before the conversion.
5. The period during which conversion or request for conversion may be made shall be such period as determined by the Board of Directors at the time of issuance within the range of at least one month up to a maximum of thirty years from the issuance date. If the conversion right is not exercised within the above period, it shall be deemed to have been converted on the expiration date of the period.
6. The provision of Article 10-4 hereof shall apply, mutatis mutandis, with respect to payment of dividends on the shares issued as a result of conversion hereunder.
7. Other terms and conditions of Convertible Shares shall be determined by a resolution of the Board of Directors.

**Article 9. Electronic Registration of Rights to be Displayed on Share Certificates and Certificates of preemptive right to new stocks**

Instead of issuing shares certificates and certificates of preemptive right to new stocks, the company electronically registers the rights that should appear on the share certificates and certificates of preemptive right to new stocks in the electronic registration account of the electronic registrar.

**Article 10. Preemptive Rights**

- (1) Shareholders shall have the preemptive rights to subscribe for the new shares that may be issued by the Company, in proportion to their respective shareholdings.
- (2) Notwithstanding sub-article (1) above, the new shares may be issued to any third persons other than the shareholders (including the shareholders of the Company) by a resolution of the Board of Directors, if the Company:
  1. Offers new shares to the public in the manner of priority issue for shareholders;
  2. Offers new shares to the public or has an underwriter subscribing for such public offering, to the extent that the number of such new shares does not exceed 30/100 of the total number of issued shares;
  3. Issues new shares to domestic and overseas financial institutions or institutional investors for the purpose of raising emergency funds to the extent that the number of such new shares does not exceed 20/100 of the total number of issued shares;
  4. Issues new shares to a certain person for the Company's managerial purposes, including

technical introduction, improvement of financial structure, research and development, production, sales, or capital alliance, to the extent that the number of such new shares does not exceed 20/100 of the total number of issued shares; or

5. Issues new shares in accordance with issuance of depositary receipts (DR) to the extent that the number of such new shares does not exceed 20/100 of the total number of issued shares.
- (3) Notwithstanding sub-articles (1) and (2) above, if the Company receives from the shareholders of subsidiaries or other companies issued and outstanding shares in such companies as in-kind contribution in order to (i) comply with the requirements or conditions applicable to a holding company under the Monopoly Regulation and Fair Trade Act (“FTL”), (ii) carry out the business of holding shares or ownership interests or (iii) acquire subsidiaries or shares thereof, the Company may allot new shares to the persons holding the shares of such companies (including the shareholders of the Company) by a resolution of the Board of Directors.
- (4) In the case of issuing new shares to persons other than the shareholders pursuant to sub-articles (2) and (3), the Company shall notify or announce to the shareholders the matters prescribed in Article 416 (1), (2), (2-2), (3), and (4) of the Commercial Act before two weeks from the payment date; provided, however, that report on material facts may be publicly announced to the Financial Service Commission and the Korea Exchange in lieu of such public notice or announcement pursuant to Article 165-9 of the Financial Investment Services and Capital Markets Act.
- (5) In the case of issuing new shares pursuant to sub-article (2), the number, classes and price of shares thereof shall be determined by a resolution of the Board of Directors.
- (6) If a shareholder(s) waives or forfeits his/her preemptive rights to subscribe for new shares or any fractional shares are made in the course of allotting new shares, the method of dealing with such new shares or fractional shares shall be determined by a resolution of the Board of Directors.

#### **Article 10-2 (Deleted)**

#### **Article 10-3. Stock option**

- (1) The Company may grant its executives and employees(including executives and employees of the Company’s affiliated company defined in Article 30 of the Enforcement Decree of the Commercial Act) stock options by a special resolution of a meeting of shareholders, to the extent of not exceeding 15/100 of the total number of issued shares. Notwithstanding the foregoing provision, such stock options may be granted to the person other than the member of the Board of Directors by a resolution of the Board of Directors, to the extent of not exceeding the limit prescribed in the Article 30 of the Enforcement Decree of the Commercial Act. In case of granting stock option by resolution of the Board of Directors, the company shall obtain approval of the general meeting of shareholders convened immediately following the resolution. In such a case, those stock options granted by a special resolution of general meeting of shareholders or a resolution of the Board of Directors may be linked to the performance of the Company measured by targeted managerial results or capital market indices.
- (2) Those who are eligible for a stock option shall be the Company’s executives or employees who contribute or are capable of contributing to the Company’s incorporation, management,

overseas sales or technological innovation, and the like.

- (3) The shares to be delivered as a result of the exercise of stock options hereunder (the standard share in calculating the difference, if the difference between the share price at which such stock options are exercised and the market price of the share is paid in cash or treasury share) shall be determined by a resolution of a general meeting of shareholders or a resolution of the Board of Directors granting stock options.
- (4) The number of executives and employees who are eligible for stock options hereunder shall not exceed 30/100 of the total number of executives and employees then in office in the Company and the stock option that may be granted to one executive or employee of the Company shall not exceed 5/100 of the total number of issued shares.
- (5) The exercise price of stock option shall not be lower than each of the following prices. This provision shall also apply when the relevant exercise price of stock option is adjusted after the grant of stock options:
  1. If new shares are to be issued and delivered, the higher of the following prices:
    - A. The market value of relevant shares on the date on which such stock option is granted
    - B. Par value of relevant shares.
  2. In case of transfer of treasury stock, the market value of relevant shares on the date on which such stock option is granted.
- (6) A stock option may be exercised within seven years from the date on which three years have lapsed from the resolution date mentioned in sub-article (1) above.
- (7) A person who is granted a stock option is entitled to exercise the stock option only if he/she has been in office in the Company or employed by the Company at least for two years from the date of the resolution mentioned in sub-article (1) above. However, if the said grantee dies or resigns from the Company within two years from the date of the resolution mentioned in sub-article (1) above or leaves the Company without his/her fault, such stock option may be exercised within the period in sub-article (6) above.
- (8) The provision of the Article 10-4 hereof shall apply, mutatis mutandis, with respect to payment of dividends on the shares issued as a result of the exercise of stock options hereunder.
- (9) The grant of a stock option may be cancelled by a resolution of the Board of Directors, if:
  1. After the grant of such a stock option, the grantee thereof has resigned voluntarily from the Company;
  2. The grantee has caused material damages to the Company by willful acts or negligence;
  3. The Company is unable to respond to the exercise of stock option, due to the Company's bankruptcy, dissolution or the like; or
  4. The occurrence of any event constituting a cause of cancellation on the relevant stock option agreement.

#### **Article 10-4. Commencement Date for Dividends on New Shares**

With regard to payment of dividends on the new shares issued by the Company as a result of issuance



of new shares by capital increase with or without consideration or stock dividends, such new shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year of such issuance.

#### **Article 11. Transfer Agent**

- (1) The Company shall appoint a transfer agent (hereinafter referred to as "Transfer Agent") in relation to the transfer of its shares.
- (2) The Transfer Agent, its office and the scope of services to be provided by the Transfer Agent on behalf of the Company shall be determined by a resolution of the Board of Directors.
- (3) The Company shall have the list of shareholders or a copy thereof kept and maintained at the office of the Transfer Agent, and shall have the Transfer Agent deal with the electronic registration of shares, management of shareholder list, and other share-related matters.
- (4) The procedure of dealing with such matters as mentioned in sub-article (3) above shall be comply with the regulation concerning the securities transfer agency by Transfer Agent, etc.

#### **Article 12 (Deleted)**

#### **Article 13. Record Date**

- (1) The Company shall cause the shareholders whose names appear in the Register of Shareholders on December 31 of each year to exercise their rights as shareholders at the ordinary general meeting of shareholders.
- (2) If it is necessary to convene an extraordinary general meeting of shareholders or for other purposes, the Company may deem those shareholders whose names appear in the Register of Shareholders on the day specified by a resolution of the Board of Directors to be the shareholders who are entitled to exercise the rights. Such fact shall be publicly announced two weeks in advance.

## **CHAPTER III**

### **BONDS**

#### **Article 14. Issuance of Convertible Bonds**

- (1) The Company may issue convertible bonds to any persons other than the shareholders (including the shareholders of the Company) by a resolution of the Board of Directors, if the Company:
  1. issues convertible bonds through public offering or public offering in the manner of priority issue for shareholders, to the extent that their aggregate par value does not exceed KRW 400,000,000,000;
  2. issues convertible bonds to domestic or overseas financial institutions or institutional investors, for the purpose of raising emergency funds, to the extent that their aggregate par value does not exceed KRW 400,000,000,000;

3. issues convertible bonds for the purpose of the foreign investment made under the Foreign Investment Promotion Act, for the Company's managerial reasons;
  4. issues convertible bonds to a certain person for the Company's managerial purposes, including technical introduction, improvement of financial structure, research and development, production, sales, or capital alliance, to the extent that their aggregate par value does not exceed KRW 400,000,000,000; or
  5. issues convertible bonds in the manner of private placement for the Company's other managerial reasons.
- (2) As for the convertible bonds referred to in sub-article (1) above, the Board of Directors may also issue such bonds on condition that only a part thereof be granted the right to convert to capital shares.
- (3) The shares to be issued as a result of conversion of such bonds shall be common shares or class shares and the applicable conversion price shall be equal to or higher than the par value per share of such new shares, as determined by the Board of Directors at the time of issuance of such bonds.
- (4) The period in which holders of convertible bonds are entitled to make a request for conversion hereunder shall begin on the next date of issuance thereof and end on the day immediately preceding the maturity date thereof. However, the period for requesting conversion may be adjusted by a resolution of the Board of Directors within the aforementioned period.
- (5) The provision of the Article 10-4 hereof shall apply, mutatis mutandis, to the payment of dividends on the new shares to be issued as a result of conversion hereunder and the payment of interest on such convertible bonds.

#### **Article 15. Issuance of Bonds with Warrants**

- (1) The Company may issue bonds with warrants to any persons other than the shareholders (including the shareholders of the Company) by a resolution of the Board of Directors, if the Company:
1. issues bonds with warrants through public offering or public offering in the manner of priority issue for shareholders, to the extent that their aggregate par value does not exceed KRW 400,000,000,000;
  2. issues bonds with warrants to domestic or overseas financial institutions or institutional investors, for the purpose of raising emergency funds, to the extent that their aggregate par value does not exceed KRW 400,000,000,000;
  3. issues bonds with warrants for the purpose of the foreign investment made under the Foreign Investment Promotion Act, for the Company's managerial reasons;
  4. issues bonds with warrants to a certain person for the Company's managerial purposes, including technical introduction, improvement of financial structure, research and development, production, sales, or capital alliance, to the extent that their aggregate par value does not exceed KRW 400,000,000,000; or
  5. issues bonds with warrants in the manner of private placement for the Company's other managerial reasons.

- (2) The amount within which a holder of such bonds with warrants is entitled to request issuance of new shares shall be determined by the Board of Directors, to the extent of not exceeding the aggregate par value of such bonds.
- (3) The shares to be issued upon the exercise of such warrants shall be common shares or class shares and the issuance price thereof shall be equal to or higher than the par value per share of such new shares, as determined by the Board of Directors at the time of issuance thereof.
- (4) The period in which holders of bonds with warrants are entitled to exercise such warrant hereunder shall begin on the next date of issuance thereof and end on the day immediately preceding the maturity date thereof. However, a period for exercising warrants may be adjusted by a resolution of the Board of Directors within the aforementioned period.
- (5) The provision of the Article 10-4 hereof shall apply, mutatis mutandis, to payment of dividends on the new shares to be issued as a result of the exercise of such warrants.

**Article 15-2. Electronic Registration of Rights to be Displayed on Bonds and Certificates with warrants to new stocks**

Instead of issuing bonds and certificates with warrants to new stocks, the Company electronically registers the rights that should appear on the bonds and certificates with warrants to new stocks

**Article 16. Application of Provisions concerning Issuance of Bonds**

The provision of the Article 11 shall apply mutatis mutandis to the issuance of bonds.

## **CHAPTER IV**

### **GENERAL MEETING OF SHAREHOLDERS**

**Article 17. Time to Convene Meeting of Shareholders**

- (1) The general meetings of shareholders of the Company shall be of two types: ordinary and extraordinary.
- (2) The ordinary general meeting shall be held within three months after the end of each fiscal year and extraordinary general meeting may be held at any time whenever necessary.

**Article 18. Person Authorized to Convene a Meeting of Shareholders**

- (1) Unless otherwise provided in relevant laws and regulations, the meeting of shareholders shall be convened by the representative director of the Company in accordance with a resolution of Board of Directors.
- (2) If representative director is absent or unable to execute his/her duties, the provision of Article 35 (2) hereof shall apply mutatis mutandis.

**Article 19. Public Notice of Convening a Meeting of Shareholders**

- (1) In convening a general meeting of shareholders, a written or electronic notice writing setting out the time, date, place and agenda of the meeting shall be sent to each shareholder at least

two weeks prior to the date of the meeting.

- (2) Instead of the notice in Article 19(1), the Company may notify shareholders holding one percent (1%) or less of the total number of issued and outstanding shares with voting rights through at least twice 'Korea Economic Daily' and 'Maeil Business News' issued in Seoul of the meeting and the agenda, or notify through the electronic disclosure system operated by the Financial Supervisory Service or the Korea Exchange.

#### **Article 20. Place for a General Meeting of Shareholders**

The general meeting of shareholders shall be held in the place where the head office of the Company is located but may be held at a near-by place if necessary.

#### **Article 21. Chairman**

- (1) The Company's representative director shall be the chairman of the general meeting of shareholders; provided, however, that, if there are multiple representative directors, the chairman of the general meeting of shareholders shall be determined by the Board of Directors.
- (2) If representative director is absent or unable to serve as a chairman, the provision of the Article 3(2) hereof shall apply mutatis mutandis.

#### **Article 22. Chairman's Authority to Maintain Order**

- (1) The chairman of a general meeting of shareholders may order any person who stop a person who intentionally speaks or acts to disturbs proceedings to stop a speech or to leave a meeting place.
- (2) The chairman of a general meeting of shareholders may limit the duration and the number of speeches by a shareholder, whenever the chairman deems it necessary for smooth proceedings of the meeting.

#### **Article 23. Shareholders' Voting Rights**

Each shareholder shall have one vote per share registered by his/her name.

#### **Article 24. Limitation on the Voting Rights of Cross-held Shares**

If the Company, its parent company and subsidiary, or a subsidiary of the Company owns more than ten percent (10%) shares of a third company, the shares of the Company held by that third company shall have no voting rights.

#### **Article 25. Exercise of Voting Rights in Disunity**

- (1) If a shareholder having more than two votes wishes to exercise them in disunity, the shareholder shall notify the Company in writing of his/her intention and reason at least three days prior to the date of the meeting.
- (2) The Company may reject an exercise of vote in disunity, except in the event that he/she has accepted a trust of shares or holds the shares on behalf of other persons.

#### **Article 26. Exercise of Votes by Proxy**

- (1) Each shareholder may exercise his/her vote by proxy.

- (2) In such a case, the proxy shall present to the Company an appropriate document (a power of attorney) evidencing his/her power of representation prior to opening of that meeting.

**Article 27. Method of Resolutions at General Meeting of Shareholders**

Unless otherwise provided in the relevant laws and regulations, all resolutions of a general meeting of shareholders shall be passed by the affirmative votes of a majority of the shares represented by the shareholders present at the general meeting of shareholders, which shall not be less than a quarter of the total number of issued shares of the Company.

**Article 28. Minutes of General Meeting of Shareholders**

The proceedings and results of a meeting of shareholders shall be recorded in minutes, which shall be kept in the head office and branches of the Company after chairman and all directors present at the meeting have signed and sealed the same or affixed their signatures thereto.

**Article 29. Right of the minority shareholders**

Shareholders have the authority in accordance with the Commercial Act and applicable laws and regulations, and the management of the Company shall respect the right thereof.

## **CHAPTER V**

### **DIRECTORS AND BOARD OF DIRECTORS**

**Article 30. Number of Directors**

- (1) The Company shall have not less than three directors, but not more than 11 directors, and the outside directors shall constitute the majority of the total number of directors.
- (2) In cases where the number of outside directors does not meet the quorum required for the establishment of the Board of Directors under sub-article (1) due to any cause such as resignation or death of any outside director, the Company shall appoint outside directors at the first meeting of shareholders convened after such cause has occurred, to satisfy the requirements prescribed in sub-article (1).

**Article 31. Election of Directors**

- (1) Directors shall be elected by a general meeting of shareholders.
- (2) A resolution for electing directors shall be passed by the affirmative votes of a majority of the shares represented by the shareholders present at the general meeting of shareholders, which shall not be less than a quarter of the total number of issued shares.
- (3) In case two directors or more are elected at a general meeting of shareholders, the cumulative vote stipulated in the Article 382-2 of the Commercial Act shall not apply.

**Article 31-2. Recommendation of Candidates for Outside Directors**

- (1) The Outside Director Candidate Recommendation Committee shall recommend candidates for outside director among those persons having such qualifications as set forth in the Commercial

Act and other relevant laws and regulations.

- (2) The details concerning recommendation of candidates for outside directors and screening of their qualifications shall be determined by the Outside Director Candidate Recommendation Committee.

#### **Article 32. Term of Office of Directors**

The term of office of a director shall be determined by a resolution of a general meeting of shareholders within a period not exceeding three years; provided, however, that, if the term of office expires prior to the ordinary general meeting of shareholders convened in respect of the last period for the settlement of account comprised in their terms of office, the term of office shall be extended until the close of such meeting.

#### **Article 33. Election to fill a Vacancy**

If there is a vacancy in the number of directors, a director shall be elected at a general meeting of shareholders to fill such a vacancy; provided, however, that the foregoing provision shall not apply if the number of the existing directors in office is not less than the number of directors provided in the Article 30 and no hindrance is caused to carry on the Company's business.

#### **Article 34. Appointment of Representative Director, etc.**

The Company may appoint representative director and a chairman, president, vice presidents, senior executive directors and executive directors by resolutions of the Board of Directors.

#### **Article 35. Duties of Directors**

- (1) Representative director shall represent the Company, and manage the Company's overall business.
- (2) Directors shall assist the representative director and carry out their respective responsibilities as determined by the Board of Directors. Directors shall act on behalf of representative director in the order as determined by the Board of Directors, if representative director is absent or unable to execute his/her duties.

#### **Article 36. Directors' Obligations to Report**

If a director finds anything that is likely to cause material damages to the Company, he/she shall immediately report the same to the Audit Committee.

#### **Article 37. Duty of Loyalty by Directors**

Directors shall faithfully perform their duties for the interest of the Company and entire shareholders. Directors shall not do anything that harms the Company or the entire shareholder for the benefit of large business groups under the FTL or specific controlling shareholders.

#### **Article 38. Composition of Board of Directors and Convening a Meetings**

- (1) The Board of Directors shall be composed of directors, and make major decisions on the Company's business.
- (2) Representative director or a director appointed by the Board of Directors for this purpose, if any, shall convene meetings of the Board of Directors by giving a notice to each director one day prior to the meeting date. The procedure of convening a meeting may be omitted with a

unanimous consent of all directors.

- (3) The chairman of the Board of Directors shall have the authority to convene such meetings pursuant to sub-article (2) above.
- (4) The Board of Directors shall consist of regular and interim board meetings. The regular board meeting shall be convened at least once every quarter, and the interim board meeting shall be convened any time necessary.

#### **Article 39. Method of Adopting Resolutions**

- (1) The resolutions of the Board of Directors shall be adopted by the presence of a majority of the directors and the affirmative votes of a majority of directors present at the meeting. However, the resolution of the Board of Directors on matters falling under Article 397-2 (Prohibition of Appropriation of Company's Opportunities and Assets) and Article 398 (Transactions between Directors, etc. and Company) of the Commercial Act shall be not less than two thirds of the directors.
- (2) The Board of Directors may allow all directors or a part thereof to participate in resolutions of the Board of Directors through the means of communication that send and receive voices simultaneously, in lieu of attending the meeting in person. In such a case, the said directors shall be deemed to have attended the meeting in person.
- (3) No directors having a specific interest in any resolution of the Board of Directors shall be allowed to exercise their vote upon such a resolution.

#### **Article 40. Minutes of Meeting of the Board of Directors**

- (1) The Board of Directors shall record the proceedings of every meeting of the Board of Directors.
- (2) The minutes shall include the agenda, procedure and results of the proceedings of the meeting, names of the directors against each resolution and the reason for their objection thereto, and all directors present at the meeting shall sign and seal the same or affix their signatures thereto.

#### **Article 41. Committees**

- (1) The Company shall establish committees in the Board of Directors, as described below:
  1. Outside Director Candidate Recommendation Committee
  2. Audit Committee
  3. Finance Committee
  4. Compensation Committee
  5. Governance Committee
- (2) The details concerning the composition, authority and operation of each committee shall be determined by resolutions of the Board of Directors.
- (3) Provisions of Articles 38, 39 and 40 shall apply mutatis mutandis to such committees.

#### **Article 42. Directors' Remuneration and Severance Payment**

- (1) Directors' remuneration shall be determined by a resolution of a general meeting of shareholders.
- (2) Severance payment for directors shall be paid in accordance with the Regulation on Severance Payment for officers as adopted by a resolution of a general meeting of shareholders.

**Article 43. Consultants and Advisors**

The Company may appoint a few consultants and advisors by a resolution of the Board of Directors.

## **CHAPTER VI**

### **AUDIT COMMITTEE**

**Article 44. Composition of Audit Committee**

- (1) The Company shall establish an audit committee ("Audit Committee") pursuant to Article 41, in lieu of auditors.
- (2) The Audit Committee shall be composed of three or more directors and at least one or more of the Committee members shall be an accounting or financial expert.
- (3) Two-thirds or more of the total number of Audit Committee members shall be outside directors. An Audit Committee member, who is not an outside director, shall meet the qualifications under Article 542-10(2) of the Commercial Act.
- (4) In electing or dismissing the Audit Committee members when none of them is an outside director, if the aggregate total number of shares held by the largest shareholder who will exercise his/her voting rights and his/her related persons, those who possess shares for account of the largest shareholder or his/her related persons and those to whom the largest shareholder or his/her related persons have delegated their votes exceeds 3/100 of the total number of issued shares with voting rights, such shareholders may not exercise their voting rights with respect to the shares in excess of such 3/100.
- (5) If the number of shares held by any shareholder exceeds 3/100 of the total number of issued shares with voting rights, the said shareholder may not exercise his/her voting rights with respect to the shares in excess of such 3/100 in electing any Audit Committee member who is an outside director.
- (6) The Audit Committee shall appoint the person who will represent the Audit Committee by a resolution. The chairman shall be an outside director.
- (7) If the number of outside directors falls short of the foregoing composition requirements due to resignation, death, or the like of outside directors, vacancies shall be filled at the first general meeting of shareholders convened after such vacancy occurred.

**Article 45. Duties of Audit Committee**



- (1) The Audit Committee shall audit the Company's accounting and general operations.
- (2) The Audit Committee may request directors (in cases where there is a person eligible to convene the board, referring to such person; hereafter the same apply in this Article) to convene an extraordinary general meeting of shareholders in writing, stating the agenda to be dealt with at the general meeting of shareholders and the reason for convening such a general meeting of shareholders.
- (3) If the directors fail to convene a meeting of the Board of Directors without delay in the request of sub-article (2) above, the Audit Committee which has requested the convocation may convene such meeting.
- (4) The Audit Committee may request the Board of Directors to convene an extraordinary meeting of shareholders by presenting a written statement specifying the agenda of the meeting and the grounds for the convocation.
- (5) The Audit Committee may request the Company's subsidiaries to make a report on their operations, if the Audit Committee deems it necessary to perform its duties. In such a case, if the subsidiaries fail to immediately make such a report as requested or the Audit Committee deems it necessary to verify the contents of the report made by the subsidiaries, the Audit Committee shall have the right to inspect that subsidiaries' operations and status of assets.
- (6) The Audit Committee shall select an external auditor.
- (7) In addition to the matters in sub-articles (1) through (6) above, the Audit Committee shall deal with the matters delegated to it by the Board of Directors.
- (8) The Board of Directors shall not reconsider the resolution of the Audit Committee.
- (9) The Audit Committee may seek assistance from professionals at the expense of the Company.

#### **Article 46. Minutes of Audit**

The Audit Committee shall prepare minutes of audit with respect to the audit conducted by it. The minutes of audit shall contain the process of the audit and results, and be signed and sealed by or shall bear the signatures of the Audit Committee members who have conducted such an audit.

## **CHAPTER VII ACCOUNTING**

#### **Article 47. Fiscal year**

The fiscal year of the Company shall commence on January 1 and end on December 31 of each year.

#### **Article 48. Preparation and Retaining of Financial Statements and Business Report)**

- (1) The representative director of the Company shall prepare and submit to Audit Committee for audit the following documents and their supplements together with a business report, six weeks prior to the ordinary general meeting of shareholders. The following documents shall be submitted at the ordinary general meeting of shareholders:

1. Balance Sheet
  2. Income Statement
  3. Other documents prescribed by Enforcement Decree of the Commercial Act, indicating the financial status and management performance of the Company.
- (2) If the Company is a company subject to the preparation of consolidated financial statements under the Enforcement Decree of the Commercial Act, the consolidated financial statements shall be included in each document under sub-article (1).
- (3) The Audit Committee shall submit an audit report to representative director one week prior to the ordinary general meeting of shareholders.
- (4) Representative director shall retain the documents referred to in sub-article (1), their supplements, business report, audit report in the head office of the Company for five years and their copies in the branch offices of the Company for three years respectively, starting from one week prior to the ordinary general meeting of shareholders.
- (5) Upon approval from the ordinary general meeting of shareholders with respect to the documents referred to in sub-article (1) above, representative director shall promptly give public notice of the Company's balance sheet and external auditor's audit opinion.

#### **Article 49. Appointment of External Auditor**

The Company shall appoint an external auditor selected by the Audit Committee, and report such appointment at the ordinary general meeting of shareholders to be convened first after such appointment, or notify or make public announcement to shareholders as provided under the Enforcement Decree of the Act on External Audit of Stock Companies.

#### **Article 50. Disposition of Surplus**

The Company shall dispose of the earned surplus which is unappropriated at the end of each fiscal year as follows:

1. Earned surplus reserves;
2. Other statutory reserves;
3. Dividends;
4. Voluntary reserves; and
5. Other appropriated retained earnings.

#### **Article 51. Dividends**

- (1) Dividends may be paid in cash, shares or other assets.
- (2) The dividends referred to in sub-article (1) above shall be paid to the shareholders or pledgees who are registered in the Register of Shareholders as of the end of each fiscal year.

※ If the Company determines that it will pay dividends with assets other than money, a shareholder may request payment in money in lieu of a dividend in kind and the Company may pay money to the shareholders who have less than a certain number of stocks.

## **Article 52. Statute of Limitation to the Claim for Payment of Dividends**

- (1) If a claim for dividends has not been exercised for five years, the statute of limitation shall expire.
- (2) Upon the lapse of the five year provided in sub-article (1), the right to claim the dividends shall be waived and become the earning of the Company.

### **ADDENDUM**

(1) (Effective Date) These amended Articles of Incorporation shall become effective as of the date on which the spin-off becomes effective in accordance with the spin-off plan dated September 10, 2020 as approved by the general meeting of shareholders.

(2) (Interim Measures on Preferred Shares)

1. If the Company pays the dividends on the preferred shares issued prior to the effective date (October 1, 1996) of the revised Commercial Act, such preferred shares should be paid in accordance with the provisions thereof (which pay dividends at the rate equal to the dividend rate on common shares plus a cash dividend of additional one percent).
2. If the Company newly issues preferred shares by capital increase without consideration on the preferred shares (the dividend rate on common shares plus a cash dividend of additional one percent) issued prior to the effective date (October 1, 1996) of the revised Commercial Act, Class Shares Entitled to Profit Dividends to be newly issued should be allotted in accordance with Article 8 hereof.