

Regulation on the operation of the Board of Directors

Enactment: Nov. 8, 2004
Amendment: Jan. 9, 2006
Amendment: Aug. 17, 2007
Amendment: Mar. 28, 2008
Amendment: Mar. 29, 2010
Amendment: Jan. 17, 2011
Amendment: Feb. 17, 2011
Amendment: Mar. 28, 2011
Amendment: Mar. 29, 2012
Amendment: Jan. 8, 2016
Amendment: May. 9, 2022

Chapter1. General Rules

Article 1 Purpose

The purpose of this Regulation is to stipulate required provisions for effective operation of the Board of Directors.

Article 2 Scope of application

This Regulation shall be applicable to matters concerning the Board of Directors unless otherwise stipulated by laws or Articles of Incorporation of the Company.

Article 3 Power

- 1) The Board of Directors shall pass resolution on matters stipulated under the laws and Articles of Incorporation, matters delegated from general meeting of shareholders and on important matters regarding basic policy and execution of affairs of the Company.
- 2) The Board of Directors shall supervise conduction of duties by the directors.(Amendment 2022.05.09)
- 3) If necessary, the Board of Directors may be consulted by external experts, etc. at the company's expense. (Newly Inserted 2022.05.09)

Chapter2. Organization

Article 4 Composition

The Board of Directors shall consist of all directors (including independent directors and other non-executive directors). (Amendment 2022.05.09)

Article 5 Chairman

- 1) The Chairman shall represent the Board of Directors and preside over the meeting.
- 2) The Chairman of the Board of Directors shall be elected by a resolution of the Board of Directors and in the event that the Chairman is unable to serve, then one of the inside directors shall act on behalf of the Chairman by a resolution of the Board of Directors (Amendment 2022.05.09)
- 3) The term of office of the Chairman shall be same as the term of office of a director. (Amendment 2022.05.09)

Chapter3. Meeting

Article 6 Types

- 1) Meetings of the Board of Directors shall be ordinary and extraordinary.
- 2) Ordinary meeting of the Board of Directors shall be held at least once in three (3) months. (Amendment 2022.05.09)
- 3) Extraordinary meeting of the Board of Directors shall be held from time to time when necessary.

Article 7 Convocation

- 1) The Board of Directors shall be convened by the Chairman. In the event that the Chairman is unable to serve, the provision of Article 5, paragraph (2) shall be applied. (Amendment 2016.01.08)
- 2) For convocation of the Board of Directors meeting, date of the meeting shall be fixed and notice shall be given to each director two (2) days prior to the date of such meeting. However, in the event that the consent of all directors is received prior to such meeting, such procedure may not be required. (Amendment 2010.03.29)
- 3) Any director may request the Chairman to convene a Board of Directors meeting. Where the Chairman refuses to convene the meeting without justifiable grounds, other directors may convene the meeting. (Newly Inserted 2016.01.08)

Article 8 Adoption of Resolution

- 1) All resolutions of the Board of Directors meeting shall be adopted by the affirmative vote of the majority of the directors present at the meeting, provided the majority of the directors are present at the meeting. However, resolutions on matters concerning Article 397-2 (Prohibition of Appropriation of Company's Opportunities and Assets) and Article 398 (Transactions between Directors, etc. and Company) of the Korean Commercial Code shall be adopted by the affirmative vote of two-thirds (2/3) of the directors. (Amendment 2022.05.09)
- 2) The Board of Directors may permit all or some of Directors to participate in the resolution by means of remote communication system which transmits and receives simultaneously sounds without personally attending the meetings. In this case, the relevant directors shall be deemed to be present at the meeting personally. (Amendment 2012.03.29)

- 3) A director with a special interest in a resolution of the Board of Directors shall not exercise his voting right.
- 4) Directors who cannot exercise their voting right according to the provisions of Paragraph (3) above shall not be taken into account as directors present at the meeting.

Article 9 Resolution

The Board of Directors shall pass resolutions on the matters set forth as follows:
(Amendment 2010.03.29)

- 1) Matters concerning general meetings of shareholders (Amendment 2012.03.29)
 - a. Convocation of general meeting of shareholders;
 - b. Amendments of the Articles of Incorporation;
 - c. Election and dismissal of directors and members of the Audit Committee;
 - d. Remuneration of the directors;
 - e. Decrease in capital; (Newly Inserted 2022.05.09)
 - f. Comprehensive stock exchange/transfer of the company, dissolution, merger, division/division merger, continuity of the company, etc.; (Newly Inserted 2022.05.09)
 - g. Issue of shares under par; (Newly Inserted 2022.05.09)
 - h. Any other matters which shall be submitted to shareholders for consideration;
- 2) Matters concerning financing and reduction of capital; (Amendment 2010.03.29)
 - a. Issuance of new shares(including Class Share) and reduction of capital; (Amendment 2022.05.09)
 - b. Financing over 5% of equity capital;
 - c. Issuance of bonds(Provided that if the bonds maturity does not exceed one year, the issuance shall be delegated to the representative director); (Amendment 2022.05.09)
- 3) General matters of management (Amendment 2012.03.29)
 - a. Matters concerning business plan of the Company;
 - b. Cash flow and budget management (In case that business plan is approved); (Newly Inserted 2022.05.09)
 - c. Approval of year-end settlements, financial statements and business reports; (Amendment 2022.05.09)
 - d. Distribution of dividends;
 - e. Determination and amendment of basic policy of management;
- 4) Matters concerning assets of the Company: (Amendment 2016.01.08)
 - a. Annual plan of investment;
 - b. Acquisition and disposition of vessels requiring over 3% of equity capital (A portion of which is not reflected in the annual plan of investment)
 - c. Long-term Contract accompanied with the acquisition of vessels described in

- item b; (Amendment 2022.05.09)
- d.Acquisition and disposition of non-current assets except for vessel requiring over ten(10) billion won(or 2.5% of total amount of assets) per case (However, the registration of financial instruments for funds management shall be excluded) (Amendment 2022.05.09)
- 5) Equity investment and disposal (Amendment 2016.01.08)
 - a.Establishment and Liquidation of the investee companies (except for ship-finance-related SPC)
 - b.Equity investment (referring to acquisition of stocks or capital contribution certificates issued by other corporations) or disposition of equity investment requiring over ten(10) billion won(or 2.5% of equity capital)
 - c.Investment contract
 - Joint Venture, Joint Investment Agreement, Shareholders' Agreement, MOU (which incurs investment obligation)
 - d.Corporate governance of subsidiary companies
 - Merger, division, all-inclusive share swap and transfer, transfer of business and others
- 6) Strategic Alliances(Contract) (Amendment 2016.01.08)
 - a.Contracts for license or technical importation, acquisition of intellectual properties
 - b.Any other matters of important contracts necessary for agreement with other parties
- 7) Offer of security(only for the third party) and guaranty(except for performance guaranty and tax guaranty) over 2.5% of equity capital; (Amendment 2011.01.17)
- 8) Acquisition, disposition and retirement of treasury shares; (Amendment 2012.03.29)
- 9) Material matters concerning policies on personnel and reward and punishment;
- 10) Matters concerning remuneration of officers of the Company;
- 11) Matters concerning material law suits and reconciliations;
- 12) Enactment and abrogation of important regulation of the Company;
- 13) Election and dismissal of the Representative Director;
- 14) Matters concerning the Board of Directors meetings; (Amendment 2016.01.08)
 - a.Election and dismissal of the Chairman; (Amendment 2022.05.09)
 - b.Set-up, operation and abolition of committees;
 - c.Election and dismissal of the members of committees;
- 15) Approval of large scale transactions with or for the largest shareholder, his/her specially related persons, and the Company's specially related persons; (Amendment 2016.01.08)
- 16) Approval of transactions between directors, etc. and the Company; (Amendment 2016.01.08)
- 17) Establishment, relocation, or closure of domestic and foreign branches, agencies, and business offices; (Newly Inserted 2022.05.09)
- 18) Appointment and dismissal of compliance officer, and enactment, amendment

- and abolition of compliance guidelines validity evaluation; (Newly Inserted 2022.05.09)
- 19) Appointment and dismissal of compliance manager; (Newly Inserted 2022.05.09)
 - 20) Determination of contribution or donation of 500 million won or more; (Newly Inserted 2022.05.09)
 - 21) Any other matters as prescribed in laws or the Articles of Incorporation, delegated from general meeting of shareholders and of which the Chairman or the Representative Director deem necessary. (Amendment 2010.03.29)

Article 10 Report

The Board of Directors shall report the matters set forth as follows:

- 1) Results of matters delegated to committees;
- 2) Matters concerning resolution of the Audit Committee that a director acts or is likely to act in violation of laws or the Articles of Incorporation of the Company;
- 3) Acquisition and disposition of non-current assets except for vessel between three(3) billion won to ten(10) billion won(or 2.5% of total amount of assets) per case; (However, the registration of financial instruments for funds management shall be excluded) (Amendment 2022.05.09)
- 4) Equity investment or disposition of equity investment between three(3) billion won to ten(10) billion won(or 2.5% of equity capital) per case; (Newly Inserted 2016.01.08)
- 5) Operation of internal control over financial reporting(ICFR); (Newly Inserted 2022.05.09)
- 6) Compliance guidelines validity evaluation; (Newly Inserted 2022.05.09)
- 7) Monitoring and auditing compliance programs; ((Newly Inserted 2022.05.09)
- 8) Any other important matters with regards to the management of business of the Company.

Article 11 Attendance of other persons concerned

When the Chairman deems necessary, he may require relevant officers and/or employees or external personnel to attend the Board of Directors meeting and listen to their opinion.

Article 12 Right to supervise conduction of businesses by directors (Amendment 2022.05.09)

- 1) The Board of Directors may request presentation of relevant data, investigation and explanation when a director acts or is likely to act in violation of laws or the Articles of Incorporation of the Company, handles or is likely to handle business in an excessive unfair manner. (Amendment 2022.05.09)
- 2) In case of Paragraph 1 above, the Board of Directors may request suspension or change of conduction of such business.

Article 13 Minutes of meeting

- 1) All minutes shall be prepared with regard to the Board of Directors meeting.
- 2) The minutes shall record the agenda, summary of proceedings of the meeting, the results thereof, the directors against the resolution and reason for opposition of such directors. All directors present at the meeting shall write their names and sign, or affix their seals on the minutes.

Article 14 Secretary

- 1) The Board of Directors may have a secretary.
- 2) The secretary shall be in charge of the affairs of the Board of Directors according to the instruction of the Chairman.

Supplementary Rules

1. (Effective date) This regulation shall be effective from Nov. 8, 2004.
2. (Abrogation of other regulation) Regulation of the board of directors (Enacted on Oct. 1, 1982) shall be abrogated.

Supplementary Rules

(Effective date) This regulation shall be effective from Jan. 9, 2006.

Supplementary Rules

(Effective date) This regulation shall be effective from Aug. 17, 2007.

Supplementary Rules

(Effective date) This regulation shall be effective from Mar 28, 2008.

Supplementary Rules

(Effective date) This regulation shall be effective from Mar 29, 2010.

Supplementary Rules

(Effective date) This regulation shall be effective from Jan 17, 2011.

Supplementary Rules

(Effective date) This regulation shall be effective from Feb 17, 2011.

Supplementary Rules

(Effective date) This regulation shall be effective from Mar 28, 2011.

Supplementary Rules

(Effective date) This regulation shall be effective from Apr 15, 2012.

Supplementary Rules

(Effective date) This regulation shall be effective from Jan 8, 2016.

Supplementary Rules

(Effective date) This regulation shall be effective from May 9, 2022.