

Enacted on January 4, 2021

# Remuneration Committee Regulations

January 4, 2021



# **Remuneration Committee Regulations**

## **CHAPTER I GENERAL PROVISIONS**

### **Article 1. Purpose**

The purpose of the Remuneration Committee Regulations (the “Regulation”) is to set forth matters necessary for the efficient operation of the Remuneration Committee (the “Committee”) in accordance with the article 48 of the Articles of Incorporation and the article 9 of the Regulations on the Board of Directors.

### **Article 2. Scope of Application**

Matters regarding the Committee shall be processed as prescribed by the Regulation, except as otherwise provided in the relevant laws and regulations, the Articles of Incorporation and the Regulations on the Board of Directors.

### **Article 3. Authority and Function**

The Committee shall perform the following functions on behalf of the Board of Directors:

1. Establishment of remuneration policy and determination of remuneration level; and
2. Other matters delegated by the Board of Directors.

### **Article 4. Composition and Chairperson**

- (1) The members of the Committee (the “Members”) shall be elected or dismissed by the Board of Directors.
- (2) The Committee shall consist of three or more directors, and majority of the Members shall be outside directors.
- (3) The Committee shall appoint the chairperson by its resolution.

## **CHAPTER II MEETINGS OF THE COMMITTEE**

### **Article 5. Convocation**

- (1) The meetings shall be convened by the chairperson.
- (2) A written notice stating the date and time and the place for the meeting shall be provided no later than three days prior to the meeting date to the Members and any related persons prescribed in article 8.

- (3) A meeting of the Committee may, with the unanimous consent of all Members, be held at any time without the procedures provided in sub-article (2) above.

#### **Article 6. Method of Resolution**

- (1) Resolutions of the Committee shall require the presence of majority of the Members and the affirmative vote of a majority of the Members in attendance at such meeting.
- (2) The Committee may permit all or some of the Members to participate in resolutions through the use of communication means that transmits and receives sounds simultaneously without attending in person, and in such cases, such Members shall be deemed to have physically attended such meeting.

#### **Article 7. Matters Requiring Resolution**

- (1) The Committee shall make resolutions as to matters set forth below:
  1. Yearly approval of the remuneration limit for the registered directors; and
  2. Other matters deemed necessary by the Board of Directors or the Committee.
- (2) The Committee shall deliberate matters set forth below:
  1. Review of performance evaluation and remuneration system of the Company;
  2. Review the reasonableness of remuneration for new executives;
  3. Review executive training program and succession programs;
  4. Review of basic annual salary adjustment;
  5. Review of the resources for bonus (incentive) and payment methods;
  6. Review of remuneration plan for retiring executives; and
  7. Other matters deemed necessary by the Board of Directors or the Committee.
- (3) The Committee shall report the followings:
  1. Reporting on payment status of annual remuneration; and
  2. Other matters deemed necessary by the Board of Directors or the Committee.

#### **Article 8. Hearing of Opinions of Related Persons**

If deemed necessary, the chairperson may request executives or employees relevant to the works or external persons to attend a meeting of the Committee and to present their explanation or opinions.

#### **Article 9. Advice**

The Committee may receive advice from remuneration experts and the legal team that meet the requirements for independence and other independent advice regarding remuneration.

**Article 10. Notice Obligation**

The chairperson of the Committee shall give a notice about resolved matters to each director.

**Article 11. Minutes of Meeting**

- (1) The Committee shall prepare the minutes with regard to matters discussed at the meeting.
- (2) The agenda, substance of proceedings, the results thereof, dissenting members and the reasons for such dissent shall be recorded in the minutes, and the directors present at the meeting shall write their names and affix their seals or affix their signatures thereon.

**Article 12. Administrative Secretary**

- (1) If deemed necessary, the chairperson may appoint a non-member as an administrative secretary.
- (2) The administrative secretary shall be under the direction of the chairperson, and responsible for handling the overall affairs of the Committee.

**Article 13. Amendment or Abolition**

Amendment or abolition of the Regulation shall be made pursuant to resolutions of the Board of Directors.

**ADDENDUM**

The Regulation shall come into effect on January 4, 2021.