

## **REGULATION OF THE RELATED PARTY TRANSACTION COMMITTEE**

**A008**



**KUMHO  
PETROCHEMICAL**

## Related Party Transaction Committee Regulation

<b>Organizing Team</b>	Strategy and Planning Team	Registration No.	A008
<b>Team in Charge</b>	IR Team	Enactment Date	June 22, 2021
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Revision No.	Revision Date	Key Revisions	Grounds for Revisions
1 <sup>st</sup>			
2 <sup>nd</sup>			
3 <sup>rd</sup>			
4 <sup>th</sup>			
5 <sup>th</sup>			
6 <sup>th</sup>			
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### **ADDENDA**

## CHAPTER 1      GENERAL PROVISIONS

### Article 1      Purpose

The purpose of this Regulation is to provide for matters necessary to ensure the efficient operation of the Related Party Transaction Committee (hereinafter “**Committee**”).

### Article 2      Applicable Scope

Except as otherwise prescribed under relevant laws, the Articles of Incorporation or the Regulations of the Board of Directors, matters regarding the Committee shall be governed by this Regulation.

### Article 3      Authority

1. The Committee shall deliberate and resolve on the stipulated transactions prescribed under Article 9 to enhance the adequacy and transparency of trading (hereinafter “**Internal Trading**”) with and/or for counterparties, including major shareholders, special related parties, and affiliates, as set forth in the Commercial Act and the Monopoly Regulation and Fair Trade Act, etc.
2. The Committee, if necessary, may request that the Company submit and report on materials related to Internal Trading.

## CHAPTER 2      ORGANIZATION

### Article 4      Organization

1. The Board of Directors shall appoint and dismiss members of the Committee (hereinafter “**Members**”).

2. The Committee shall be comprised of three (3) or more outside directors.
3. The term of a Member shall be until the date when the term as a director of the Committee expires.
4. In the case of a vacancy in the number of Members as set forth in Paragraph 2 due to a Member's resignation, death, etc., a new Member shall be appointed by the Board of Directors where there are one or more remaining outside directors; or alternatively, by the general meeting of shareholders where no outside director remains. The term of such newly appointed Member shall be the outstanding term of his/her predecessor.

#### **Article 5      Chairman**

1. The Chairman shall be elected by a resolution of the Committee as set forth in Article 8.
2. The Chairman shall represent the Committee and serve as the chairman at the meetings convened by the Committee.
3. Upon the Chairman's absence, a Member shall become the acting chairman, based on the order as set by the Committee, and perform the Chairman's duties.

### **CHAPTER 3      MEETINGS**

#### **Article 6      Right to Convene**

1. The Chairman shall convene the Committee; *provided*, in the case of the Chairman's absence, the acting chairman who is appointed in the order as set forth in Article 5(3) shall perform the Chairman's duties.
2. Each Member may request the convocation of the Committee through submission of agenda and its reason to the Chairman. In the event that the Chairman fails to convene

without any justifiable grounds, the Member who requested the convocation may convene the Committee.

#### **Article 7        Procedure for Convening Committee**

1. With respect to convening the Committee, the date of the meeting shall be determined and notified via written or electronic form to each Member two (2) days prior to the date of the meeting.
2. The Committee, upon unanimous consent of all Members, may hold the Committee at any time without following the procedure as set forth in the preceding paragraph.

#### **Article 8        Method of Adopting Resolution**

1. The Committee's resolution shall be passed by the attendance of a majority of the registered Members, followed by affirmative votes of a majority of the Members present. In this case, the Committee may deem that a Member participated in the resolution by means of remote communication through which a Member who is not physically present may simultaneously convey or receive voice communication to and from all the other Members, and such Member may be deemed as having attended the Committee in person.
2. A Member with a special interest regarding the Committee's resolution may not exercise his/her right of resolution. In this case, a Member who is unable to exercise such right shall be precluded from the number of Members present.

#### **Article 9        Agenda**

1. The Committee shall deliberate and resolve on transactions falling under any one of the following subparagraphs that the Company seeks to engage in pursuant to Article 11-2(1) of the Monopoly Regulation and Fair Trade Act (hereinafter "**Fair Trade Act**"). The same shall apply in cases of changing the substantive details of the relevant transaction.
  - (i) Offering or trading capital, such as provisional payments or loans;

- (ii) Offering or trading investment securities, such as stocks or corporate bonds;
  - (iii) Offering or trading assets, such as real estate or intangible property rights;
  - (iv) Offering or trading goods or services with or for an affiliate prescribed by Article 11-2(1)4 of the Fair Trade Act and Article 17-8(3) of the Enforcement Decree thereof.
2. The Committee shall deliberate and resolve on other matters delegated by the Board of Directors.

#### **Article 10 Opinions from Relevant Persons**

If deemed necessary, the Committee may have relevant executives, employees or third parties attend the meetings to hear their opinions and to seek advice from experts, etc. at the Company's expense.

#### **Article 11 Minutes**

1. The minutes of the Committee shall be prepared.
2. The agenda, proceedings and results of the Committee, and the dissenting Members and their reason for dissent shall be recorded in the minutes, which shall bear the names, seals or signatures of the Members present.

#### **Article 12 Secretariat**

1. The Committee shall have a Secretariat.
2. The Secretariat shall be responsible for administering the Committee's affairs as instructed by the Chairman.

#### **Article 13 Amendment and Repeal of Regulation**

The amendment and repeal of this Regulation shall be resolved by the Board of Directors.

## **ADDENDA**

This Regulation shall take effect on June 22, 2021.