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Corporate Governance Charter

March 23, 2021



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CORPORATE GOVERNANCE CHARTER

PREAMBLE

DL E&C Co., Ltd. (the “Company”). aims to heighten life quality by building sustainable future and basics of the world as a global developer creating the affluent future. This corporate governance charter of the Company is enacted with the firm belief that building sound corporate governance is the way to secure trust from all stakeholders of clients, its employees, partners, shareholders, etc. and to improve corporate transparency and efficiency which will maximize the value of the Company.

CHAPTER I. SHAREHOLDERS

Article 1. Rights of Shareholders

- (1) As owners of the Company, shareholders shall have the right to take part in profit sharing, to attend and vote at the general meeting of shareholders, to be informed regularly and in a timely manner, etc. which are guaranteed by Commercial Act and other relevant laws and regulations.
- (2) Any matters bringing significant changes to the existence of the Company and the shareholders’ rights such as merger, amendment to the Articles of Incorporation, reduction of capital, etc. shall be determined at the general meeting of shareholders toward ensuring the shareholder’ rights to the maximum extent possible.
- (3) The Company shall provide its shareholders with sufficient information in advance on the date, time, place and the agenda to be dealt with at the general meeting of shareholders, and the date, time and place for it shall be determined to ensure that as many shareholders as possible attend the meeting.
- (4) The shareholders may propose the Board of Directors the agenda for the general meeting of shareholders, and may question or request explanation on the agenda at the meeting.
- (5) The resolution of the general meeting of shareholders shall be made fairly and transparently, and the shareholders shall be able to exercise their voting rights as easily as possible, either directly or indirectly.

Article 2. Fair Treatment of Shareholders

- (1) The fundamental rights of the shareholders shall not be violated, and restrictions on voting rights for certain shareholders may be imposed in accordance with the relevant laws and regulations.
- (2) The shareholders shall be able to receive any necessary information from the Company timely,

sufficiently, and fairly in accordance with the relevant laws and regulations. The Company shall provide fairly to all shareholders even when it discloses information which does not require public disclosure.

- (3) The Company shall protect its shareholders from unfair insider trading and self-dealing, and have relevant internal control system.

Article 3. Responsibilities of Shareholders

- (1) Shareholders shall be aware that exercising their voting rights may affect the management of the Company, and endeavor to exercise their voting rights proactively.
- (2) The controlling shareholders exerting influence on the management of the Company shall act for the interest of the Company and all shareholders, and shall not incur any damage to the Company and other shareholders with their acts contrary to the interest.

CHAPTER II. BOARD OF DIRECTORS

Article 4. Functions of the Board of Directors

The Board of Directors shall have the comprehensive authority concerning the management of the Company within the relevant laws and regulations, and shall perform the functions of major management decision-making and supervision as prescribed by the applicable laws and regulations, the Articles of Incorporation, and the regulations of Board of Directors.

Article 5. Composition of the Board of Directors and Election of Directors

- (1) The size of the Board of Directors shall be adequate for effective, prudent discussion and decision-making, and it shall be comprised of a sufficient number of directors for the activation of committees established in the Board of Directors.
- (2) The Board of Directors shall maintain independent directors who may function independently from the management and controlling shareholders, and the number of them shall be enable them to maintain practically their independence (not less than three independent directors and majority of all directors).
- (3) The Company shall appoint competent person with expertise, so that the Board of Directors may make a substantial contribution to the management of the Company, and the term of office of the elected directors shall be respected.
- (4) The chairperson representing the Board of Directors may be elected separately from a representative director, otherwise a lead independent director representing independent directors may be elected.
- (5) The Company shall maintain an Independent Director Candidate Recommendation Committee for fair recommendation of candidates for independent directors. It shall be organized to ensure fairness and independence in the selection of candidates for independent directors.
- (6) The Company shall enable its shareholders to exercise their voting rights with sufficient

information and time for their judgment regarding the candidates for directors.

Article 6. Independent Directors

- (1) The independent director shall not have a material relationship with the Company, and be capable of making independent decisions from the management and the controlling shareholders.
- (2) The Company shall verify and make a public disclosure that the candidates for independent directors do not have a material relationship with the Company.
- (3) The independent director shall not excessively hold multiple offices for faithful performance of its duties.
- (4) The Company shall provide sufficient information necessary for the independent directors to carry out their duties, and the independent directors may request the Company to provide promptly the information necessary for them to carry out their duties.
- (5) The independent directors shall devote sufficient time for the performance of their duties.
- (6) The independent directors may receive assistance from executives and employees of the Company or outside experts in accordance with the appropriate procedure if necessary for the performance of their duties, and the Company shall provide the expenses necessary.
- (7) Meetings to be attended by independent directors only may be held in order to enhance the independent directors' functions of management supervision and support.

Article 7. Operation of the Board of Directors

- (1) In principle, meetings of the Board of Directors shall be held regularly, and the regular meeting shall be held at least once per quarter. Special meetings of the Board of Directors shall be held whenever deemed necessary.
- (2) The Regulations on the Board of Directors which specifically stipulates the authorities, responsibilities, operation procedure, etc. shall be established in order for its smooth operation.
- (3) The Board of Directors shall prepare the minutes or record the contents of its every meeting, and they shall be preserved.
- (4) The Company shall disclose the details of each director's activities including the attendance rate at the meetings of the Board of Directors, the votes of each director on each major agenda item subject to public disclosure, etc.
- (5) The directors may participate in the meetings of the Board of Directors by utilizing telecommunication means, if necessary.

Article 8. Committees within the Board of Directors

- (1) The Board of Directors may establish committee comprised of an appropriate number of persons who perform specific functions and roles within the Board as prescribed by the Articles of Incorporation.
- (2) Matters concerning the organization, operation, and authority of the committee shall be

prescribed in writing. The resolution of the committee on matters delegated by the Board of Directors shall have the same force and effect as the resolution of the Board of Directors, and the committee shall report the resolution to the Board of Directors.

- (3) The Board of Directors may make resolution again on the matters which have been resolved by the committee, exclusive of Audit Committee.

Article 9. Duties of Directors

- (1) The directors shall perform their duties with fiduciary duties and duties of loyalty. The directors shall also make rational decisions with the devotion of sufficient time and efforts, based on sufficient information.
- (2) The directors shall not exercise their authorities for their own interests or those of any third parties, and shall always pursue the results leading to the best interests of the Company and its shareholders.
- (3) The directors shall not divulge or use for their own interests or those of any third party any confidential information of the Company acquired in connection with the performance of their duties.

Article 10. Responsibilities of Directors

- (1) The managerial decisions of directors shall be respected, if they have collected a considerable amount of reasonably reliable data and information, carefully and thoroughly reviewed them, and performed their duties in the manner believed to be the best interest of the Company based on prudent and reasonable judgment.
- (2) The Company shall cause the directors to fulfill their legal responsibilities, and purchase liability insurance for the directors at the Company's expense in order to recruit competent persons as its directors.
- (3) The Directors shall regularly attend the internal and external education events for efficient performance of their duties. In particular, newly appointed directors shall attend the education events relevant to their duties and corporate governance.

CHAPTER III. AUDIT INSTITUTIONS

Article 11. Audit Committee

- (1) At least two-thirds of members of the Audit Committee shall be independent directors in order to maintain independence, and one member shall have the professional expertise on audit in order to maintain its specialty.
- (2) The Audit Committee shall faithfully conduct legitimacy audit regarding the performance of directors and management, soundness and adequacy audit regarding the financial activities of the Company, approval of appointment and dismissal of external auditors, reporting at a general meeting of shareholders, etc.

- (3) The Board of Directors shall make a stipulation regarding objectives, organization, authorities, responsibilities, tasks, etc. of the Audit Committee.
- (4) The Audit Committee shall be held at least once every quarter. It shall have the management, financial executive, head of the internal audit department, and external auditor attend, if deemed necessary.
- (5) The Audit Committee shall prepare the minutes of its every meeting. The minutes shall include the main discussions and resolutions as detailed and clearly as possible.
- (6) The Audit Committee may freely access any information necessary for conducting the audit, and the Company shall provide sufficient support, so that it can get advice from outside experts, if deemed necessary
- (7) The members of the Audit Committee shall be independent of the management and the controlling shareholders. Accordingly, the members of the Audit Committee shall not be entitled to receive any reward other than the remuneration as directors.

Article 12. External Auditor

- (1) The external auditor shall maintain legal, practical independence from the Company, its management, the controlling shareholders, etc.
- (2) The external auditor shall attend the general meeting of shareholders, and provide explanation to the questions of shareholders regarding its audit report.
- (3) The external auditor shall be responsible to compensate for the loss and damage incurred by the Company and information users attributable to his/her negligent audit.
- (4) The external auditor shall endeavor to identify, during the audit, any misconduct or unlawful act committed by the Company.
- (5) The external auditor shall review sustainability of the Company as required by the Act on External Audit of Stock Companies and other relevant laws and regulations.
- (6) The external auditor shall report to the Audit Committee any important matters reviewed during the performance of its duties.

CHAPTER IV. STAKEHOLDERS

Article 13. Protection of Stakeholders' Rights

- (1) The Company shall endeavor not to infringe on the rights of various stakeholders.
- (2) The Company shall not neglect social responsibility such as consumer protection, environmental protection, etc.
- (3) The Company shall respect the rights of its personnel and endeavor to enhance their life quality.
- (4) The Company shall promote the establishment of a fair market order and promote balanced development of the national economy through compliance with the laws and regulations relevant to fair trade.

- (5) The Company shall comply with the procedures for creditor protection with respect to matters having significant influence on the status of creditors such as merger, capital reduction, or merger through division or the like.
- (6) In such case the stakeholders concurrently hold the position of shareholders, their respective rights as stakeholders and shareholders shall be protected and exercised.

CHAPTER V. MANAGEMENT MONITORING BY A MARKET

Article 14. Public Disclosure

- (1) The Company shall disclose, in addition to those required to be disclosed under the relevant laws and regulations, any matters that have or may have significant influence on the decision-making of the shareholders and stakeholders.
- (2) The Company shall disclose accurately its important decision in details in a timely manner when it makes such decision in addition to regular disclosure.
- (3) The Company shall appropriately disclose information on future management performance and financial status.
- (4) The Company shall endeavor to make the public disclosure easy to understand, and make it easily available to the stakeholders.
- (5) The Company shall designate an officer in charge of the public disclosure, and shall establish an internal information delivery system for the swift delivery of the Company's important information to the officer in charge of the public disclosure.
- (6) The Company shall disclose in details the ownership status of the controlling shareholders and their specially related persons.
- (7) The representative director and the chief financial officer of the Company shall certify the accuracy and integrity of the financial reports.
- (8) The Company shall enact the code of ethics and post it.

Article 15. Market of Company Management Rights

- (1) Any act resulting in a change of management rights to the Company such as acquisition, merger, partition, business transfer, or the like shall be proceeded in accordance with fair and transparent procedures.
- (2) The protection of management rights of the Company shall not be carried out by sacrificing the interests of the Company and its shareholders in order to maintain the management rights of the management or some of shareholders.
- (3) The Company shall ensure that any shareholder opposing to any material change of its structure such as merger, business transfer or the like shall be entitled to exercise his/her appraisal right at the fair value reflecting the actual value of his/her shares as stipulated in the relevant laws and regulations.

ADDENDUM

This Corporate Governance Charter shall come into effect as of March 23, 2021.