

REGULATION OF THE COMPENSATION COMMITTEE

A009



**KUMHO
PETROCHEMICAL**

Compensation Committee Regulation

Organizing Team	Strategy and Planning Team	Registration No.	A009
Team in Charge	IR Team	Enactment Date	June 22, 2021
Authorized Party	Board of Directors	Enforcement Date	June 22, 2021
Distributed To	All Workplaces		

Revision No.	Revision Date	Key Revisions	Grounds for Revisions
1 st			
2 nd			
3 rd			
4 th			
5 th			
6 th			
7 th			
8 th			
9 th			
10 th			
11 th			
12 th			
13 th			
14 th			

∞ TABLE OF CONTENTS ∞

CHAPTER 1 GENERAL PROVISIONS

- Article 1 Purpose
- Article 2 Applicable Scope
- Article 3 Authority

CHAPTER 2 ORGANIZATION

- Article 4 Organization
- Article 5 Chairman

CHAPTER 3 MEETINGS

- Article 6 Right to Convene
- Article 7 Procedure for Convening Committee
- Article 8 Method of Adopting Resolution
- Article 9 Agenda
- Article 10 Opinions from Relevant Persons
- Article 11 Minutes
- Article 12 Secretariat
- Article 13 Amendment and Repeal of Regulation

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 Compensation 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 matters as set forth in Article 9 to ensure the objectivity, reasonableness, and transparency of the decision on the compensation of senior management, such as directors.
2. The Committee, if necessary, may request that the Company submit and report the related documentation.

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

The Committee shall deliberate and resolve on the following matters:

1. Upper limit of compensation for registered directors to be presented to the Company's general meeting of shareholders;
2. Assessment of adequacy on the payment criteria and the payment method of the compensation (including performance-based incentives) per registered director;
3. Result of the adequacy assessment under the preceding paragraph and other opinions relating to the compensation and remuneration of management such as directors, to be presented at the Board of Directors;

4. Other matters relating to compensation 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.