

Internal Information Control Regulation

Prestige Biopharma

15/03/2021

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Effective date: 15/03/2021

Section 1 General Provisions

Article 1 (Purpose) The purpose of this regulation is to ensure that all disclosures of Prestige Biopharma Limited. (hereinafter referred to as the “the company”) shall be disclosed accurately, completely and fairly pursuant to the relevant acts in the Republic of Korea. The Purpose is to detail the items required for disclosure-related work and procedure, the management of disclosures and to prevent unfair transactions by Directors and employees.

Article 2 (Application range) This regulation shall be applicable for items related to the execution of disclosure works and management of disclosures excluding those set forth in the acts, relevant regulations or the constitution of the company. In the event there is a conflict, the regulations set forth by the relevant authorities shall prevail.

Article 3 (Terminology)

① “Disclosure information”, as items that may influence the investment judgment of investors with regards to the company’s management and asset, refers to the disclosures and its related information stipulated in the relevant acts such as financial investment services and capital markets act (hereinafter referred to as the “Act”) and the enforcement ordinance of the Act (hereinafter referred to as the “Ordinance”), regulations related to the issuance of securities and disclosures (hereinafter referred to as “Regulation on issued disclosure”) of the Financial Services Commission (hereinafter referred to as “FSC”) and regulation on marketable securities market disclosure of Korea Exchange (hereinafter referred to as “Exchange”).

② “Disclosure document” refers to the declarations and report documents (including electronic documents) as well as the attachments that have been submitted for the publication of the disclosure information.

③ “Disclosure control system” refers to the general work activities for managing disclosure information in accordance with a certain control procedure at the relevant organization inside the company.

④ “Disclosure controlling organization” refers to the CEO, the manager that is in charge of disclosures, department in charge of disclosures executing the work related to disclosure such as disclosure information’s production, collection, review, disclosure document’s preparation and approval as well as the business department related to the production of disclosure information.

⑤ “Manager in charge of disclosure”, as a person designated by the CEO to substantially supervise the company’s disclosure works, refers to a person registered at the Exchange as a manager in charge of disclosure pursuant to Disclosure Regulation Article 88 Clause 1.

⑥ “Department in charge of disclosure” refers to a department in charge of the company’s disclosure works in accordance with the company’s work and organization regulation. In such a case, the department in charge of disclosure is to be constituted for more than 2 “person in charge of disclosure” registered at the Exchange pursuant to Disclosure Regulation Article 88 Clause 1.

⑦ “Business department” refers to the department that will be executing the work related to the company’s disclosure information.

⑧ “Periodic disclosure” refers to submitting the business report, half-yearly report and quarterly report to the FSC or Exchange pursuant to Act’s Article 159, Article 160 and Article 165, Ordinance Article 168, Article 170, Issued Disclosure Regulation Article 4-3, Disclosure Regulation Article 21 for the items related to the general corporate details such as the company’s business, financial situation and management performances.

⑨ “Timely disclosure”, as a disclosure of key management items, refers to declaring or disclosing key facts or decision details that influence the investment decision-making to the Exchange pursuant to Disclosure Regulation Article 7 with regards to the company’s management activities.

⑩ “Fair disclosure” refers to simultaneously disclosing the information concerned to general investors (or before screening and providing to a particular person) pursuant to the Disclosure Regulation Article 15 and Article 16 as well as the Exchange’s criterion for fair disclosure operation in case the company screens and provides information that is not subject to disclosure obligation in accordance with the relevant acts or information in which the disclosure deadline has not surpassed.

⑪ “Inquiry disclosure” refers to disclosing after receiving a request from the Exchange in accordance with the Disclosure Regulation Article 12 with regards to important information or confirmation of rumors or facts in reports related to the company.

⑫ “Voluntary disclosure” refers to disclosure at the Exchange in accordance with the Disclosure Regulation Article 28 and the equivalent regulation’s Rules for Operation Article 8 in case it is deemed that disclosure is necessary with regards to information that is judged to have a significant impact on the company’s management, asset and investment decision making of investors or to information that is not subject to disclosure obligation other than the company’s timely disclosure in Clause 9.

⑬ “Issued disclosure and report on important items” refers to submitting the relevant declarations to the FSC pursuant to Act Article 119, Article 121 or Article 123, Article 130, Article 161, Ordinance Article 120 or Article 122, Article 138, Article 171, Issued Declaration Regulation Article 2-4, Article 2-6, Article 2-14, Article 2-17, Article 4-5, Article 5-8 or Article 5-10 and Article 5-15 for items related to the collection and sales of securities, changes in the company’s organization such as M&A, division, business transfer or acquisition and disposition of own stock and others.

⑬-2. “Subsidiary company” refers to a company subordinate to a parent company pursuant to Act on external audit of stock companies Article 7 Clause 1.

⑭ In regards to the terminologies used in this regulation, the example of terminologies used in the relevant acts and regulations excluding special cases set forth by this regulation shall be applicable.

Section 2 Basic authority and responsibility of disclosure controlling organization

Article 4 (CEO)

① The CEO shall supervise the overall duties related to the disclosure control system.

② The CEO shall execute the following responsibilities to ensure effective operation of the disclosure control system;

1. Establish policies related to the planning and operation of disclosure control system;
2. Establish authority, responsibility and reporting system with regards to disclosure control system
3. Final inspection on the operation status and final evaluation of operation performance of disclosure control system
4. To approve all regulations related to disclosure control system
5. Other necessary items

Article 5 (Manager in charge of disclosures)

① The manager in charge of disclosures shall be designated by the CEO’s discretion.

② The manager in charge of disclosures shall supervise, including but not limited to the work related to the planning and operation of the disclosure control system,

1. To review, approve and implement the disclosure information and disclosure documents (including relevant documents. The same applies below)

2. To implement necessary measures for the Directors and/or employee compliance with the disclosure related regulations (including but not limited to conducting relevant training, preparing guideline and others)

3. Identify disclosure risk elements, establish and implement counter measures

4. Permanent monitoring with regards to disclosure control system and regularly inspect operation status and evaluate operation performance

5. Disclosure with regards to items that have not been specified explicitly for disclosure in the relevant act and decide its range

6. Command and supervise the department in charge of disclosure

7. Establish and implement training plan with regards to Directors and employee related to disclosure works

8. Approval detailed guideline and others to implement all regulations related to the planning and operation of disclosure control system

9. Any other duties that is deemed to be necessary by the CEO.

③ The manager in charge of disclosures shall have the following authority.

1. Request for submission of various ledgers and records related to disclosures and right to view from the relevant departments on a timely basis.

2. Right to listen to the opinions of Directors and employees of departments in charge of accounting or audit, departments related to creating disclosure information and preparing disclosure documents

④ The manager in charge of disclosures may discuss with the Directors in case or the audit if necessary when executing the duty and may listen to the opinions of an external specialist.

Article 6 (Department in charge of disclosures)

① The CEO shall constitute a department in charge of disclosure works comprised of a person equipped with professional knowledge on disclosure. Among them, the staff shall be designated as person in charge of disclosure in accordance with Disclosure Regulation Article 88 Clause 2.

② The department in charge of disclosure shall be supervised by the manager in charge of disclosure related to disclosure work and shall execute the following works.

1. Gather and review various disclosure information

2. Prepare disclosure documents and implement disclosure

3. Establish annual disclosure work plan and inspect current implementation status

4. Review measures necessary for compliance of acts such as periodic inspection of enactment and amendment details of the acts related to disclosure and report to the manager in charge of disclosure

5. Identify, inspect, evaluation and manage the disclosure risk from the companywide perspective

6. Other items deemed to be necessary by the CEO or the manager in charge of disclosure

Article 7 (Business department)

① The head of each business department shall deliver the relevant information as and when required to the department in charge of disclosure in case one of the following item is applicable.

1. In case disclosure set forth in the regulation related to disclosure has occurred or is expected to occur

2. In case judgment on the disclosure is unclear as an item that has a significant impact on the company management

3. In case a reason for cancellation or change with regards to the already disclosed item occurs or is expected to occur

4. In case the manager in charge of disclosure or the head of department in charge of disclosure makes a request

② In case of delivering the disclosure information of the previous clause, copies related to the relevant details and necessary proof of documents and references have to be delivered to the department in charge of disclosure and the original copies shall be kept. However, in case of urgency or inevitable reason, appropriate methods other than the document may be used to delivery but in the future, the copies of the relevant details can be delivered in documents.

Section 3 Disclosure control activities and operation

Paragraph 1 Periodic disclosure

Article 8 (Periodic disclosure) The company shall prepare periodic disclosure document and submit it to the FSC and Exchange within the disclosure deadline.

Article 9 (Business department)

① The Head of each business department shall confirm the job assignment and the disclosure schedule of the department concerned then establish and implement detailed implementation plan for the execution of annual periodic disclosure items, inspect the progress every quarter then deliver the inspection details to the department in charge of disclosures.

② The head of each business department shall conduct the assigned job in the concerned business department for the execution of the periodic disclosure items then submit it to the department in charge of disclosures by the submission deadline set forth in the annual disclosure work plan.

③ The head of each business department shall immediately notify the department in charge of disclosure in case it is deemed that the submission deadline of the previous clause would not be met and the necessary measure has to be taken in accordance to the request of the head of the department in charge of disclosures.

Article 10 (Department in charge of disclosures)

① The head of the department in charge of disclosures shall confirm the disclosure items and the disclosure schedule for the execution of periodic disclosure items, establish a disclosure work plan including the job assignment per business department, obtain the approval from the manager in charge of disclosure then deliver it to the respective business department in writing.

② The head of the department in charge of disclosure shall report to the manager in charge of disclosures in case there is a concern that the legal submission deadline may not be complied with in accordance with the inspection details and notification details of the business department, receive the necessary measure for execution and for this, request for the necessary items can be made to the business department.

③ The head of the department in charge shall gather the details delivered by the respective business department, create a periodic disclosure document in accordance to the form and method stipulated in the relevant

④ The head of department in charge of disclosures shall obtain the approval from the manager in charge of disclosures and the CEO then execute the periodic disclosure within the legal submission deadline. In such a case, if verification from the CEO and others is necessary in accordance with the relevant acts, the concerned verification has to be attached.

Article 11 (Manager in charge of disclosures)

① The manager in charge of disclosures shall inspect the current status of work implementation required for executing the periodic disclosure and in case there is a concern that the legal submission deadline may not be complied with, the necessary measure shall be taken.

② The manager in charge of disclosures shall review whether the periodic disclosure document that has been submitted by the head of the department in charge of disclosures has been created appropriately in accordance to the relevant acts as well as the accuracy and completeness of information disclosed through the concerned periodic disclosure document, report to the CEO, obtain the approval from the CEO then ensure that the head of the department in charge of disclosures execute the disclosure.

Article 12 (CEO) The CEO shall personally confirm and review the appropriateness of the periodic disclosure documents reported by the manager in charge of disclosures, approve then make verifications required by the relevant acts.

Article 13 (Post-inspection of disclosure details)

① The head of the business department related to preparing periodic disclosure document and the head of the department in charge of disclosure shall immediately inspect the appropriateness of the concerned disclosure details after disclosure.

② The head of the department in charge of disclosure shall take necessary measures such as rectify disclosure in order to immediately make rectification in case there is an error or omission in the inspection result.

Paragraph 2 Timely disclosure

Article 14 (Timely disclosure) The company shall prepare timely disclosure document and submit it to the FSC and Exchange within the disclosure deadline.

Article 15 (Business department)

① The Head of each business department shall deliver the relevant information to the department in charge of disclosures in case timely disclosure item occurs or is expected to occur and in case a reason for cancellation or change in the timely disclosure information that has already been disclosed occurs or is expected to occur.

② The business department shall immediately respond in case a request for complementation of information or submission of additional information with regards to the information in Clause 1 has been received from the head of the department in charge of disclosure. However, the head of the business department shall report in case the item concerned is deemed to require significant security or confidentiality then follow the instruction.

Article 16 (Department in charge of disclosures)

① The department in charge of disclosures shall immediately review whether the information concerned belongs to the disclosure in case the relevant information such as the timely disclosure has been delivered by the business department and review the accuracy and completeness of the information. The head of the department in charge of disclosure may request for complementation of information or submission of additional material to the business department concerned if necessary.

② The head of the department in charge of disclosures shall prepare the review details and timely disclosure documents with regards to the concerned information in case it belongs to the timely disclosure items as a result of review in the previous clause then report to the manager in charge of disclosures. After obtaining the approval from the manager in charge of disclosures, the disclosure shall be conducted in accordance to the disclosure method stipulated in the relevant acts. However, in case it is difficult to obtain the approval of the manager in charge of disclosure due to absence of manager in charge of disclosure and others, the head of the department in charge of disclosure may execute the disclosure and in such a case, it shall be reported to the manager in charge of disclosure afterwards.

③ The head of the department in charge of disclosures shall prepare a document on the review details with regards to the reason and the concerned information in case it doesn't belong to the disclosure items as a result of review of Clause 1 and shall report to the manager in charge of disclosure.

Article 17 (Manager in charge of disclosures)

① The manager in charge of disclosures shall review whether the review details and disclosure documents of Clause 2 and Clause 3 in the previous article have been adequately written in accordance with the relevant acts then approve the disclosure.

② The manager in charge of disclosure shall report the important items related to timely disclosure to the CEO.

Article 18 (Post-inspection of disclosure details) The regulation of Article 13 shall be applicable with regards to the timely disclosure. In such a case, "Periodic disclosure document" shall be considered as "Timely disclosure document".

Paragraph 3 Fair disclosure

Article 19 (Fair disclosure) The company shall prepare fair disclosure document and submit it to FSC or Exchange within the disclosure deadline.

Article 20 (Prohibition of providing bypass fair disclosure information) The provider of fair disclosure information (refers to those stipulated in Disclosure Regulation Article 15 Clause 2) shall not bypass and provide fair disclosure items through various proportion and increment size and others prior to the disclosure to those subject to fair disclosure information provision (refers to those stipulated in Disclosure Regulation Article 15 Clause 3).

Article 21 (Precautions)

① In case of executing fair disclosure, the manager in charge of disclosures, the person in charge of disclosures, business department related to the concerned information subject to fair disclosure, contact details and others shall be clearly specified to ensure that the inquiries of investors can be executed conveniently for the detailed information related to fair disclosure that the investors wish to know.

② In case there is a request from the Exchange, the summary of fair disclosure and homepage address shall be specified to execute the disclosure in the Exchange and the summary of the details concerned and the original text shall be specified in the company's homepage.

Article 22 (Application) The regulations of Article 13, Article 15 or Article 17 shall be applicable to the fair disclosure. In such a case, "Periodic disclosure document" in Article 13 shall be considered as "Fair disclosure document" and "Timely disclosure" in Article 15 or Article 17 shall be considered as "Fair disclosure".

Paragraph 4 Inquiry disclosure

Article 23 (Inquiry disclosure) The Company shall prepare inquiry disclosure document and submit it to the Exchange within the disclosure deadline.

Article 24 (Department in charge of disclosures)

① The head of the department in charge of disclosures shall immediately verify the fact and confirm important information in case a request for inquiry disclosure has been received from the Exchange, prepare the disclosure documents, obtain the approval from the manager in charge of disclosures then respond to the inquiry disclosure.

② The head of the department in charge of disclosures may request for submission of materials or statements to the respective business department in order to verify the facts or important information

in the previous clause and in such a case, the business department concerned shall respond accordingly. However, in case the item concerned is deemed to require significant security or confidentiality, it shall be reported to the manager in case of disclosure and the necessary instruction shall be followed.

③ The head of the department shall analyze the confirmed details or progress with regards to the disclosure items concerned in case disclosure (hereinafter referred to as “unconfirmed disclosure”) has been made on the details that the decision making was in progress in case request for inquiry disclosure had been received, obtain the approval from the manager in charge of disclosure then execute re-disclosure within 1 month from the date of unconfirmed disclosure date. In such a case, in case executing a re-disclosure within 1 month is deemed to be impossible, the deadline of re-disclosure shall be specified to execute the disclosure.

Article 25 (Application) The regulations of Article 13, Article 16 Clause 2 and Article 17 shall be applicable with regards to the inquired disclosure. In such a case, “Periodic disclosure” in Article 13 shall be considered as “Inquiry disclosure”, “Inquiry disclosure” for “Timely disclosure” in Article 17 and “Confirmed details and disclosure document of Clause 1” for “Review details and disclosure documents in Clause 2 and Clause 3” of Article 17 Clause 1.

Paragraph 5 Voluntary disclosure

Article 26 (Voluntary disclosure) The company may prepare voluntary disclosure document and submit to the Exchange within the disclosure deadline.

Article 27 (Judgement of voluntary disclosure items and collection of information)

① The manager in charge of disclosures may instruct the collection of necessary information and the preparation of disclosure documents to the head of the department in charge of disclosures in case of items in which voluntary disclosure is deemed to be necessary or in case reason for cancellation of change of details that have already been voluntarily disclosed occurs or is expected to occur.

② The head of the department in charge of disclosures may request for necessary information or submission of materials to the head of the business department in case of items in which voluntary disclosure is deemed to be necessary or in case reason for cancellation of change of details that have already been voluntarily disclosed occurs or is expected to occur or in case there is an instruction from the manager in charge of disclosure in accordance with the previous clause.

③ The head of the business department shall immediately deliver the relevant information or materials to the department in charge of disclosure in writing in accordance with the method stipulated in Article 7 Clause 2 in case of items in which voluntary disclosure is deemed to be necessary or in case reason for cancellation of change of details that have already been voluntarily disclosed occurs or is expected to occur or in case there is an instruction from the manager in charge of disclosure in accordance with the previous clause.

④ The head of the business department shall immediately respond in case there is a request for complementation or submission of additional material with regard to the notification of the previous clause by the head of the department in charge of disclosure. However, in case the item concerned is deemed to require significant security or confidentiality, it shall be reported to the manager in case of disclosure and the necessary instruction shall be followed.

Article 28 (Application) The regulations of Article 13, Article 16 and Article 17 shall be applicable with regards to the voluntary disclosure. In such a case, “Periodic disclosure” in Article 13 shall be considered as “Voluntary disclosure”, “Review on the need for disclosure” for “Review on whether it belongs to the disclosure” in Article 16 Clause 1, “In case disclosure is deemed necessary” for “In case it belongs to the disclosure item” in Clause 2 of the equivalent Article, “In case disclosure is deemed unnecessary” for “In case it doesn’t belong to the disclosure item” in Clause 3 of the equivalent Article and “Voluntary disclosure” for “Timely disclosure” in Article 16 and Article 17.

Paragraph 6 Issued disclosure and report on important items

Article 29 (Issued disclosure and report on important items) The company shall prepare issued disclosure and report on important items then submit it to the FSC within the disclosure deadline.

Article 30 (Establishment of work execution plan) The head of the department in charge of disclosures shall confirm the disclosure items, the disclosure schedule and others in case of issued disclosure and report on key items of the Act Article 161 Clause 1 or Item 6 or Item 8 occur or is expected to occur, establish work execution plan for issued disclosure and report on key items including job assignment per business department, obtain the approval of the manager in charge of disclosure then deliver it to the respective business department in writing.

Article 31 (Application)

① The regulations of Article 9 Clause 3, Article 10 Clause 2 or Clause 3, Article 11 or Article 13 shall be applicable with regards to the issued disclosure and report on key items of the previous article. In such a case, “Annual disclosure work plan” in Article 10 Clause 3 shall be considered as “Work execution plan for issued disclosure and report on key items” and “Document on issued disclosure and report on key items” for “Periodic disclosure document” in Article 10 Clause 3, Article 11 or Article 13.

② With regards to the report on key items of the Act Article 161 Clause 1 Item 1 or Item 5 and Item 9, Article 15 or Article 18 shall be applicable. In such a case, “Timely disclosure” and “Timely disclosure document” shall be considered as “Report on key item” and “Report document on key item”.

Section 4 Information and communication

Article 32 (Collection, maintenance and management of information)

① The respective disclosure controlling organization shall collect, maintain and manage information necessary for inside and outside the company with regards to the responsible work in order to secure accuracy, fairness and timeliness of the disclosure information.

② The CEO may prepare an information management system or instruct necessary work so that the Director and employees can collect, maintain and manage the information of the previous clause and to utilize it for the relevant work.

Article 33 (Communication) The CEO shall attempt to establish the required communication system such as establishing a report system for smooth information exchange and communication in each disclosure controlling organization as well as between the Directors and employees.

Section 5 Assessment and management of disclosure risk

Article 34 (Management of disclosure risk) The CEO and the manager in charge of disclosures shall ensure that the disclosure risk of the following items which may have a negative impact on the accuracy, completeness and timeliness of the disclosure information is inspected and continuously managed in a timely manner.

1. Error in financial information: Disclosure risk arising from nonconformity between the actual financial status and the disclosure details caused by accounting mistakes or nonconformance between those in charge.

2. Insufficient indication in forms, error in indication: Disclosure risk caused by omission or error in items required in the form with regards to the disclosure such as lack of understanding on the indication method, typo and others
3. Unclear, insufficient, inaccurate disclosure details: Disclosure risk arising from use of technical terms and abbreviations that is difficult for ordinary people to understand, lack of sufficient explanation on the relevant details, nonconformity between the actual fact occurred and the disclosure details
4. Non-performance of the duty for complying with the disclosure deadline of the relevant acts: Disclosure risk in case the disclosure deadline has not been complied with due to delay in information delivery, delay in payment, misperception with regards to the disclosure deadline
5. Omission, concealment, reduction of disclosure items: Disclosure risk arising from omission due to lack of understanding the disclosure duty or due to concealment and reduction of negative information on the company and others
6. Risk following disclosure of predicted information: Disclosure risk arising from predicted information not grounded on rational basis or assumption or from intentional false indication, omission of important items and others
7. Leakage of undisclosed information: Disclosure risk arising from leakage of information that has not been disclosed to the general public through abnormal route such as being provided selectively to a certain person by a Director or employee
8. Risk following change of disclosure system: Disclosure risk that may arise from change in regulations related to disclosure, change in government policy, change of exchange market where the company belongs to, change in the person in charge or practical work in the relevant supervising organization and market operating organization and others
9. Change of person in charge of disclosures: Disclosure risk which may occur due to disconnection of information succession following change of person in charge of disclosures, loss of continuity in the execution of disclosure duty and others
10. Other disclosure risks that may have a negative impact on the disclosure information

Article 35 (Business department)

- ① In case a disclosure risk occurs or there is a possibility of occurrence in the process of executing work related to disclosure, each business department shall immediately deliver it to the department in charge of disclosures and shall manage adequately in accordance with the instruction of the manager in charge of disclosures to prevent the risk of disclosure from occurring.
- ② The head of each business department shall ensure that adequate inspection and management are conducted by listing the disclosure risk related to the business department concerned.

Article 36 (Department in charge of disclosures)

- ① The department in charge of disclosures shall supervise the inspection and management work with regards to disclosure risks from a companywide perspective.
- ② The head of the department in charge of disclosures shall list the disclosure risks, establish an annual work plan to ensure that continuous inspection and management are conducted, obtain the approval from the manager in charge of disclosures then implement it.
- ③ The head of the department in charge of disclosures shall separately classify the disclosure risks in which the result of occurrence of disclosure risk has an extremely important impact on the company and ensure that adequate inspection and management such as weekly and monthly inspection are conducted.

Section 6 Monitoring

Paragraph 1 Routine monitoring

Article 37 (Routine monitoring)

- ① The head of each business department and the head of the department in charge of disclosures shall inspect whether work related to disclosure are being processed in accordance with the disclosure control system through routine monitoring and in case vulnerable area has been identified, take necessary action to rectify and improve in a timely manner then confirm the implementation of the measure afterwards.
- ② For routine monitoring, approval of document, request for submission of reference materials, interview with the employees related to disclosure works, opinions of the department in charge of accounting or audit can be taken into account.

Paragraph 2 Inspection of operation status and evaluation of operation performance

Article 38 (Principal and period)

- ① The CEO and the manager in charge of disclosures shall inspect the operation status of the disclosure control system and evaluate the operation performance.
- ② The inspection of operation status and evaluation of operation performance have to be conducted prior to the submission of the business report after the completion of each business year. It may be conducted during the business year in case the CEO deems it to be necessary.

Article 39 (Procedure)

- ① The head of each business department and the head of the department in charge of disclosures shall submit the report on the operation status per department including the internal evaluation details to the manager in charge of disclosures before the date set forth by the manager in charge of disclosures within the period set forth in Clause 2 of the previous article.
- ② The manager in charge of disclosures shall inspect the operation status and conduct an evaluation on the operation performance with regards to the company's disclosure control system based on the report submitted by the respective business department and the head of department in charge of disclosures then report the said result to the CEO. In such a case, the manager in charge of disclosures may obtain advices from the auditor, internal audit team, external specialist and others.
- ③ The CEO shall inspect the operation status and evaluate the operation performance with regards to the company's disclosure control system based on the results reported by the manager in charge of disclosures.

Article 40 (Method and considerations)

- ① The CEO and the manager in charge of disclosures may use the following methods along with interviewing those engaged in disclosure procedure such as creating and delivering information, reviewing relevant documents, listening to the opinions of external specialists in order to inspect the operation status and evaluate the operation performance with regards to the disclosure control system.
- ② With regards to inspecting the operation status and evaluating the operation performance of the disclosure control system, the following items have to be considered.
 1. Which changes that influence the function of disclosure control system have occurred since inspection and evaluation have been conducted previously
 2. Whether the disclosure control system that is planned and operation by the company contributes to the production of continuous and accurate information and to the reduction of disclosure risks

3. Whether there is illegitimate or defect in the company's disclosure control system
 4. Whether the procedure is sufficient to inspect the accurate of the financial and non-financial information
 5. Whether sufficient preliminary review and post-inspection are being conducted with regards to the company's disclosure items
 6. Whether all partakers understand their responsibilities in the process of the company's disclosure control
 7. Whether the evaluation and management with regards to the disclosure risks and key disclosure risks that have occurred previously are being conducted adequately
 8. Whether the risks that have occurred previous have become avoidable through the existing disclosure control system
- ③ The manager in charge of disclosures may prepare and utilize a separate inspection table and others based on the discussions with regards to items that is deemed to be necessary other than the respective items in the previous clause.

Article 41 (Utilization of evaluation result)

- ① The CEO and the manager in charge of disclosures shall take necessary measures to improve the vulnerability in control identified through the inspection of operation status and the evaluation of operation performance with regards to the disclosure control system.
- ② The manager in charge of disclosures shall inspect whether the measures of the previous clause are being executed afterwards.

Section 7 Prohibition of unfair transaction in Directors and employees

Article 42 (General principles) The Directors and employees shall not use or permit others to use important undisclosed information related to works stipulated in the Act Article 174 Clause 1 (hereinafter referred to as "important undisclosed information") in transactions other than the sales of specific securities that is stipulated in the Act Article 172 Clause 1 (hereinafter referred to as "specific securities and others").

Article 43 (Transaction of special securities by Directors and employees)

- ① The Directors and employees shall notify the manager in charge of internal audit or the manager and/or legal affairs in advance on the circumstance that may arise in case one intends to engage in transactions other than the sales of specific securities and/or engage in any other transactions regardless of using the important undisclosed information.
- ② The manager in charge of internal audit and/or legal affairs who has received the notification of the previous clause may prohibit it in case the transactions other than the sales may be deemed to be defined as a transaction using important undisclosed information. In such a case, the Directors and employees have to comply with it.
- ③ The Directors and employees shall immediately report any transaction details that is not compliant (type of specific securities, sales quantity, transaction date) to the department in charge of disclosures or the manager in charge of legal affairs within the five days from the last day of the quarter that the said transaction date belongs to in case of transaction other than the sales of specific securities has been made.

Article 44 (Management of important undisclosed information)

- ① The CEO and the manager in charge of disclosures shall take necessary measures to ensure that important undisclosed information is managed in accordance to the following items.

1. Documents containing important undisclosed information shall be stored in a safety place where only authorized Directors and employees may use.
2. The Directors and employees shall not discuss about important undisclosed information in places where others can listen such as in elevators and corridors.
3. Documents containing important undisclosed information shall not be allocated in open places and when disposing the documents, they shall be disposed by using adequate methods such as shredding so that the details of the document cannot be analyzed.
4. The Directors and employees shall maintain security of the important undisclosed information in one's possession not only outside the company but also within the company.
5. Electronic transmission of documents such as facsimile, computer communication and others with regards to important undisclosed information shall only be executed in a status in which security is guaranteed.
6. Unnecessary photocopying of documents containing important undisclosed information shall be avoided if possible and documents shall be organized promptly in meeting rooms or work-related places.
7. The spare copies of the document containing important undisclosed information shall be destroyed completely as methods deem fit .

② The Directors and employees shall not disclose the company's important undisclosed information. However, in case of inevitably sharing important undisclosed information due to work with the other party of the transaction, attorney, external auditor and others, an inquiry shall be made to the manager in charge of disclosures or the head of the department in charge of disclosures in advance then shared within the necessary restriction.

③ In case a Director or employee discloses important undisclosed information unintentionally, it shall be notified to the head of the department in charge of disclosures without delay.

④ The head of the department in charge of disclosures who has received the notification of the previous clause shall report the fact concerned to the manager in charge of disclosures then take necessary action such as fair disclosure under the instruction.

Article 45 (Important undisclosed information of subsidiaries) With regards to the prohibition of using important undisclosed information of the company's subsidiary, Article 42 or Article 44 shall be applicable.

Article 46 (Return of short-swing profit and others)

① The Directors and the following employees shall return the profit to the company in accordance with Article 172 in case profit has been obtained by selling the specific securities and others within 6 months after buying or buying within 6 months after selling.

1. Employees engaged in work related to establishment, change, implementation, disclosure and other relevant work for items subject to report on key items under Article 3 Clause 13

2. Employees engaged in work related to financial, accounting, planning, research and development

② The head of the department in charge of disclosures shall report to the manager in charge of disclosures in case a request has been made by the company's shareholder (including those who own equity securities or depositary receipt other than stock certificate. The same applies to that in this article) for the company to claim the profit obtained by the Directors or employees who has engaged in short-swing profit.

③ The manager in charge of disclosures shall execute the necessary procedure to collect the profit concerned including the court claim with regards to the relevant Directors and employees within 2 months from the date of request of the previous clause.

④ The manager in charge of disclosures shall disclose the short-swing profit that has occurred on the company's homepage without delay for the following items for 2 years since the date the short-swing profit notification has been received by the Securities & Futures Commission (hereinafter referred to as "SFC"). However, in case the short-swing profit has been returned, it may not be applicable.

1. Position of those who has to return the short-swing profit
2. Amount of short-swing profit (refers to the total amount per Director, per employee or per key shareholder)
3. Date the short-swing profit notification has been received from SFC
4. Plan for claiming the return of short-swing profit from the relevant company
5. The shareholder (including those who own equity securities or depositary receipt other than stock certificate. The same applies to that in this article) of the relevant company may request for the return of short-swing profit from those who has obtained short-swing profit by the said company and in case the company does not make the claim within 2 months after the date of request, the shareholder may make the claim on behalf of the company
6. Company may use KRX-Insider Trading Alarm Service when reporting regarding prevention of unfair trading affairs including prohibition of insider's use of undisclosed information and return of insider's short-swing profit, and share declaration

Section 8 Other disclosure control

Paragraph 1 Contact with the media such as distribution of press release

Article 47 (Distribution of press release)

① The head of each business department shall deliver the press release to the department in charge of disclosures and obtain the approval from the manager in charge of disclosures before distribution in case of distributing the press release to the public media such as the press. In such a case, it shall be reported to the CEO and the instruction must be followed in case the manager in charge of disclosures deems it to be necessary.

② The head of the department in charge of disclosures has to prepare fair disclosure document and obtain the approval from the manager in charge of disclosures then conduct fair disclosure pursuant to Article 21 and Article 22 when the information delivered through the press release concerned belongs to fair disclosure item of Article 19.

Article 48 (Listening to opinion) The manager in charge of disclosures may listen to the opinions of Directors and employees or external specialists with professional knowledge with regards to information being provided through press release if necessary.

Article 49 (Post-inspection of press release details) The head of the business department that has written the press release and the head of the department in charge of disclosures shall conduct post-inspection with regards to the released details after distributing the press release and in case details that differ from the fact has been released, it shall be reported to the manager in charge of disclosures and necessary measures shall be taken in accordance to the instruction of the manager in charge of disclosures.

Article 50 (Coverage by the press and others) ① In case the mass media such as the press requests for coverage on the company, the following people may accept the coverage. However, in case of inevitable cases, the manager in charge of disclosures may designate those to accept the coverage.

1. CEO
2. Manager in charge of disclosures
3. Manager in charge of investor relation
4. Manager in charge of finance
5. Manager in charge of public relation

② The head of the department in charge of disclosures shall receive the questions in advance from the press concerned and others or prepare the expected answers in case there is a request for coverage of the previous clause and after the manager in charge of disclosures reviews it, it shall be delivered to those participating in the coverage.

③ The head of department in charge of disclosures shall confirm the details released by the mass media such as the press and in case details that differ from the fact has been released, it shall be reported to the manager in charge of disclosures and necessary measures shall be taken in accordance to the instruction of the manager in charge of disclosures.

Paragraph 2 Market rumor and others

Article 51 (Market rumor)

① The company shall not mention market rumors in any way whatsoever in principle.

② The manager in charge of disclosures or the head of department in charge of disclosures shall confirm whether the details of the market rumor conforms with the important undisclosed information by viewing the opinions with regards to the relevant business department and in case it conforms, necessary measures shall immediately be taken so that the relevant information is disclosed.

③ The manager in charge of disclosures or the head of department in charge of disclosures shall establish and implement appropriate countermeasures in case it is judged to be an issue that may have a negative impact on the interests of the company even though the details of the market rumors do not conform with the important undisclosed information.

Article 52 (Request for provision of information)

① In case a request for provision of information related to the company has been received from the shareholders, interested parties and others, the manager in charge of disclosures shall review the legitimacy of the request concerned then determine whether to provide the relevant information.

② In case of providing the information in accordance to the decision of the previous clause, opinions from the department in charge of legal affairs or external legal specialists can be taken into account with regards to the impact on the investment decision and stocks and in case it is subject to fair disclosure or in case of information that affects the investment decision and stocks, necessary measures shall be taken simultaneously (or before the provision of information) upon providing the information to those who have requested for the provision of the information concerned so that it is disclosed to the public.

Article 53 (Corporate seminar)

① In case of hosting corporate seminars such as investment seminars, analyst conference and others (hereinafter referred to as corporate seminar), the head of the business department in charge of the work concerned shall report the materials to be distributed in the corporate seminar and the expected answers in writing to the manager in charge of disclosures and obtain approval.

② In case of hosting corporate seminars, the head of the business department in charge of the work concerned shall notify the date, venue, participants and others to the department in charge of disclosures and the head of the department in charge of disclosures shall execute disclosure related to the host of the corporate seminar before it is hosted.

③ In case the providing information through Question & Answer and others that is not disclosed to the public, the head of the department in charge of disclosures shall take necessary measures to ensure that the concerned information is disclosed to the public without delay.

Article 54 (Provision of information through homepage, electronic mail and others)

① In case of providing information related to the company through homepage, electronic mail and others, the head of each business department shall deliver the information concerned to the department in charge of disclosures then provide it after obtaining the approval from the manager in charge of disclosures.

② Article 47 Clause 2, Article 48 and Article 49 shall be applicable in this article. In such a case, “press release” and “information provided through press release” shall be considered as “information provided through homepage, electronic mail and others”.

Section 9 Supplementary rules

Article 55 (Training)

① The manager in charge of disclosures shall establish and execute annual training plan related to the disclosure control system so that all Directors and employees are able to understand the disclosure control system sufficiently and to execute the relevant work correctly. In such a case, with regards to business departments with a bigger frequency of disclosure information occurrence and the department in charge of disclosures, professional training or education have to be completed.

② The department in charge of disclosures shall analyze the compulsory training schedule and others executed at the Exchange or Korea Listed Companies Association so that the training is completed and shall take necessary measures so that the training details are disseminated to the relevant Directors and employees.

Article 56 (Penalty) The company shall impose penalty or restrictions in accordance with the relevant regulations of the company with regards to Directors and employees who have violated this regulation.

Article 57 (Reorganization of regulation) The reorganization of this regulation shall be executed by the board of Directors.

Supplementary provision

This regulation shall come into effect from March 15th 2021.