

# **Guideline on the Protection of Persons Reporting Unethical Conduct**

Enacted as of December 18, 2018

Amended as of July 19, 2021

## **Chapter 1. General Provisions**

**Article 1 (Purpose)** The purpose of this Guideline is to set forth concrete standards and procedures for protecting persons reporting unethical conduct and for paying compensation to them in connection with implementation of the Code of Ethics.

**Article 2 (Scope of Application)** This Guideline shall apply to any of the officers and employees of the Company. Provided, however, that with respect to the protection of and compensation for reporters, this Guideline shall apply also to third parties other than officers and employees.

## **Chapter 2. Unethical Conduct and Reporting**

**Article 3 (Conducts Subject to Reporting)** ① Unethical conducts subject to reporting shall be as follows:

1. Receipt and acceptance of treat, solicitation, money and bribery between an officer or an employee and an interested party;
2. Work-related unethical conducts of an officer or an employee, such as embezzlement of the Company funds;
3. Request for special consideration for a job position, or solicitation and acceptance of money and valuables between an officer and an employee;
4. Conducts such as borrowing, requesting for a loan guarantee or special consideration for a job position with an interested party;
5. Unfair collusive conducts among suppliers, such as bid rigging among bidders;
6. Other unethical conducts in contravention of the Ethics Charter, the Code of Ethics, etc.

② Notwithstanding Paragraph 1, this Guideline shall not apply to conducts falling under any of the followings described in the Paragraph 1 of the Article 10 and the Article 13 of the Code of Ethics.

**Article 4 (Method of Reporting)** ① Anyone becoming aware of an unethical conduct may report to the Company via *Sinmungo*, email, post, etc., by attaching relevant evidential material thereto, and may make a report by referring to Attachment 1. Report of Breach. Provided, however, that in case of an urgent situation where an unethical conduct is ongoing upon report, a reporter may report to the Company with factual grounds but without evidential material.

② A reporter may cause his or her attorney-in-law to report on behalf of such reporter without revealing personal information. In such case, the reporter's personal information may be replaced with such attorney-in-law's personal information.

**Article 4-2 (Handling of Reporting)** ① The Company's overall system for reporting unethical conducts shall be managed by the Ethical Management Department.

- ② In receipt of a report on unethical conducts, the Ethical Management Department may refer the report to the Internal Audit Department or any other department related to the relevant issue ("**Related Department**") for the verification and investigation of the reported facts or may request an affiliate, partner company, related corporation, etc. related to the issue to verify such facts.
- ③ The Related Department to which the report on unethical conducts was referred pursuant to the preceding Paragraph shall conduct necessary verification and investigation of facts and send the results thereof to the Ethical Management Department.
- ④ In connection with the investigation results received, the Ethical Management Department may request supplementation thereof or refer them again to another Related Department and, if necessary, request assistance for investigation, advice, etc. from an external specialized agency. In addition, the Ethical Management Department may take necessary measures such as suspension, correction, etc. of unethical conducts or request the Related Department to do so.
- ⑤ If necessary, the Ethical Management Department may request the Internal Audit Department or any other Related Department to share the reports on unethical conducts directly received by them and the results of handling such reports.
- ⑥ The Ethical Management Department may separately determine the criteria for receipt and handling of reports on unethical conducts such as receipt, referral, closing, etc. of reports on unethical conducts.

### **Chapter 3. Compensation and Indemnification**

**Article 5 (Payment of Compensation)** ① If an unethical conduct reported is confirmed to be true, a reporter may request the Ethical Management Department to pay compensation by preparing Attachment 1-2. Compensation Request Form. Compensation request shall be filed within three years from the date on which an unethical conduct reported is confirmed to be true by a response from the Related Department under Article 4-2 (3) or (5), etc. Provided, however, that the foregoing shall not apply where justifiable cause exists.

② If a Compensation Request Form is submitted pursuant to the preceding Paragraph, the head of department of the Ethical Management Department shall convene a meeting of the Compensation Payment Deliberation Committee (the "**Committee**") to determine compensation payment and confirm compensation amount based on Table 1. Compensation Payment Standards.

③ To perform the services related to the payment of compensation, the Ethical Management Department may request the reporter, Related Department or any other interested parties to provide the following materials:

1. Materials regarding facts of unethical conducts;
  2. Status of disciplinary action resulting from reports;
  3. Other materials necessary to perform the services related to the payment of compensation.
- ④ Unless there is a special reason, compensation amount confirmed by the Committee shall be deposited into a bank account in the name of a reporter within a month, or into a business account of his or her attorney-in-law if the report was made by proxy.

**Article 6 (Exceptions to Payment of Compensation)** ① If reporter's report falls under any of the followings, compensation shall not be paid.

1. Where report is found untrue, or where it is difficult to confirm truth or falsehood due to lack of evidence;
2. Where an investigation is ongoing, or disciplinary procedures are ongoing or completed prior to a report.
3. Where details of report is disclosed to public through press release, etc. prior to the report;
4. Where it is hard to figure out profile of a reporter since report was made anonymously or under a false name;
5. Where an employee, who worked previously or is currently working for the Ethical Management Department or the Internal Audit Department, makes a report on information obtained during performing his/her duties;
6. Where an officer or an employee voluntarily reports his/her own unethical conduct;
7. Where compensation is deemed inappropriate by the Committee as a result of deliberation.

**Article 7 (Indemnification of Voluntary Reporter, Etc.)** ① If anyone who committed an unethical conduct makes a voluntary report by submitting Attachment 1. Report of Breach with evidential material as attachment thereto, disciplinary actions may be mitigated or waived.

② If such voluntary reporter is a business partner of the Company, disciplinary actions in the Standardized Contract for Ethical Practice under the Article 8(2) of the Code of Ethics may be mitigated or waived.

③ If anyone who participated in unethical conduct actively cooperates with investigation of the Internal Audit Department, disciplinary actions may be mitigated or waived.

**Article 8 (Exceptions to Indemnification)** In any of the followings, a voluntary reporter shall not be subject to indemnification.

1. Where a voluntary reporter does not return unfair benefits or reimburse loss of the Company;
2. Where anyone who had disciplinary actions indemnified or mitigated in the past is caught for the same or similar unethical conduct within 5 years.

**Article 9 (Clawback of Compensation and Cancellation of Indemnification)** If a reporter is found to be subject to exceptions under the Article 6 or Article 8 after compensation or indemnification, such compensation amount shall be clawed back or such indemnification shall be cancelled. Provided, however, that if 5 years have passed from such compensation or indemnification, it may not be cancelled.

## **Chapter 4. Compensation Payment Deliberation Committee**

**Article 10 (Composition of the Committee)** The Committee shall be composed as follows:

1. Chairperson: Head of department of the Ethical Management Department
2. Members: The chairperson shall appoint at least three members from executives and Grade 1 employees.
3. Secretary: General manager of the Ethical Management Department

**Article 11 (Deliberation of the Committee)** Matters subject to deliberation of the Committee shall be as follows:

1. Compensating for reporter's report on unethical conduct
2. Clawback of a compensation to a reporter
3. Other matters that the chairperson deems necessary

**Article 12 (Operation of the Committee)** ① The Committee shall consist of the chairperson and members, and a meeting of the Committee shall be convened with the attendance of a majority of all members and pass a resolution with an affirmative vote of a majority of the members attending the meeting. Provided, however, that any member who has interest in the agenda item for deliberation shall not participate in the voting for the agenda item.

② Members restricted from participating in the voting pursuant to Paragraph (1) shall not be included in the number of members attending the meeting when calculating the quorum for resolution, but shall be included in the number of members attending the meeting when calculating the quorum for convening the Committee.

③ For matters where the compensation amount is clear, the Committee may replace a resolution with a written resolution provided in the Attachment 2.

④ Whenever the Committee makes a resolution on matters subject to its deliberation, it shall prepare and maintain meeting minutes in the form provided in the Attachment 3.

## **Chapter 5 Protection of Identification**

**Article 13 (Protection of Reporting Person)** ① Any reporters and anyone that cooperates with the investigations (collectively, "**Reporters, Etc.**") is entitled to have their identity protected.

② Officers and employees shall not conduct any of the followings in order to protect the identity of Reporters, Etc. and may be subject to disciplinary actions for violating this Paragraph.

1. Act of revealing identity of Reporters, Etc. that an officer or an employee becomes aware of during work or by accident;
2. Act that may cause identity of Reporters, Etc. to be revealed, including inquiring the Ethical Management Department, Internal Audit Department and other Related Departments about identity of Reporters, Etc. or running around for information on identity;

3. Act of causing a reporter to transfer to another organization or department against the will of Reporters, Etc. within 2 years from the date of report;
4. Other acts that are disadvantageous to Reporters, Etc. in terms of personnel matters or others.
- ③ If an officer or employee of the Ethical Management Department, Internal Audit Department or other Related Departments receives an inquiry referred to in Subparagraph 2 of Paragraph 2 above, he/she shall immediately explain to the inquirer that such inquiry is prohibited pursuant to this Guideline. If such employee determines that identity of Reporters, Etc. may be revealed from an act in Subparagraph 1 of Paragraph 2, he/she may investigate, or request investigation of, the channel of disclosure of the identity.
- ④ If Reporters, Etc. deem that their identity was revealed and protection is necessary, they shall notify the Ethical Management Department or the Internal Audit Department and request for an investigation.
- ⑤ If Reporters, Etc. received disadvantages in personnel matters or otherwise were disadvantaged from identity disclosure, or if it is clearly likely that Reporters, Etc. will receive disadvantages, they may report to the Ethical Management Department or the Internal Audit Department and request for correction.
- ⑥ Upon receipt of a report or a request for correction in Paragraph 5, if the Ethical Management Department or the Internal Audit Department determines that Reporters, Etc. received disadvantages in personnel or other matters or it is clearly likely that they will receive disadvantages, the Internal Audit Department may request the personnel department to take actions, including change of position.

**Article 14 (Prohibition of Retaliation)** ① If Reporters, Etc. are retaliated by subject of report or any relevant third party, they shall immediately notify such to the Ethical Management Department or the Internal Audit Department and request for correction.

② Upon receipt of a notice under Paragraph 1, the Ethical Management Department or the Internal Audit Department shall immediately commence an investigation, confirm factual grounds, and request a disciplinary committee to review an officer or an employee involved in the retaliation.

③ The Ethical Management Department or the Internal Audit Department shall monitor on a six-month basis for two years whether a reporter suffers from retaliation, including job-related disadvantages, and upon discovery of any breach, shall immediately commence an investigation.

**Article 15 (Miscellaneous)** Matters not specifically set forth in this Guideline shall be determined by the deliberation of the Committee.

#### **ADDENDUM** <December 18, 2018>

**Article 1 (Enforcement Date)** This Guideline shall take effect from December 18, 2018.

**ADDENDUM** <July 19, 2021>

**Article 1 (Enforcement Date)** This Guideline shall take effect from July 19, 2021.

**Table 1) Compensation Payment Standards**

1. Standards for compensation payment for report of an officer or employee (If each standard overlaps with each other, a larger amount shall be paid.)

A) Payment based on the value of the object of compensation

<b>Value of the Object of Compensation</b>	<b>Payment Standards</b>	<b>Maximum Amount</b>
KRW 100 million or less	20%	KRW 20 million
More than KRW 100 million, but KRW 500 million or less	14% of an amount in excess of KRW 100 million + KRW 20 million	KRW 76 million
More than KRW 500 million, but KRW 2 billion or less	10% of an amount in excess of KRW 500 million + KRW 76 million	KRW 226 million
More than KRW 2 billion, but KRW 4 billion or less	6% of an amount in excess of KRW 2 billion + KRW 226 million	KRW 346 million
More than KRW 4 billion	4% of an amount in excess of KRW 4 billion + KRW 346 million	KRW 1 billion

※ The value of the object of compensation: an amount of directly recovered or increased income of the Company due to the rectification of a reported unethical behavior (hereinafter, the same shall apply).

B) Disciplinary action against a subject of report (if it is difficult to calculate a the value of the object of compensation)

<b>Category</b>	<b>Disciplinary Action against Reported Person</b>			
	Reprimand	Salary Reduction	Suspension from Duty	Disciplinary Removal
Amount of Compensation	KRW 1 million	KRW 3 million	KRW 5 million	KRW 10 million

※ If at least 2 subjects of report receive disciplinary actions, compensation to a reporter shall be based on a subject of report that receives the severest action.

C) Sanctions against partner company

Category	Period of Sanction			
	6 months or more but less than 1 year	1 year or more but less than 1 year and 6 months	1 year and 6 months or more but less than 2 years	Restriction on qualification for 2 years
Amount of Compensation	KRW 2 million	KRW 3 million	KRW 4 million	KRW 5 million

※ Determination of sanction period shall be subject to the Article 37 of the Purchase Regulations.

2. Standards for a payment of compensation for a report by an external interested party
  - 20% of the value of the object of compensation (Cap of compensation: KRW 10 million)



**- Attachment Form No. 1**

Report of Breach				
Reporter	Name		Occupation	
	Contact			
	Address			
Subject of Report	Affiliation			
	Position (Rank)		Name	
Details				
Evidentiary Document				
Remarks				

**- Attachment Form No. 1-2**

Compensation Request Form				
Request	Receipt No.		Date of Receipt	
	Report Title or Related Matters			
Requestor (Representative of the Requestor)	Name		Job	
	Contact			
	Address			

- Attachment Form No. 2

**Written Resolution of the [ ] Meeting of  
the Compensation Payment Deliberation Committee**

The Committee would like to resolve the following agenda item regarding compensation payment by obtaining written consent under the Article 12 (Operation of the Committee) of the Guideline on the Protection of Persons Reporting Unethical Conduct. Accordingly, the Committee asks each member to indicate ‘for’ or ‘against’ for the following agenda.

Agenda for Deliberation (Report)			Vote		Comments
No.	Description		For (○)	Against (×)	
No. ○○	Title				
	Reporter				
	Value of the Object of Compensation	KRW			
	Amount of Compensation to Be Paid	KRW			

- Attachment: a copy of Report on the Results of Investigation of Unethical Conduct

Deliberated and resolved as set forth above.

[Month, day, year]

Member: (seal)

Secretary: (seal)

**- Attachment Form No. 3**

**Resolution of the [     ] Meeting of the Compensation Payment Deliberation Committee**

Voted by	Member	Member	Member	Chairperson
Date of Resolution	20 . . . ( : ~ : )		Location	
Prepared by				
No.	Title		Resolution Results	
Key Details				