

POSCO INTERNATIONAL Corp.

Corporate Governance Report 2023

In accordance with Article 24, Paragraph 2 of the KOSPI Market Disclosure Regulation and to aid the understanding of investors, POSCO INTERNATIONAL has completed this report on its governance policy and operational status. The corporate governance status disclosed in this report is accurate as of December 31, 2023, and any changes occurring between the aforementioned date and the date of submission have been indicated accordingly. Moreover, unless stated otherwise, the governance-related activities disclosed in this report are those occurring from January 1, 2023 to December 31, 2023.

* This English report is a translation of the original report written in Korean, which was disclosed on May 31, 2024.

1. Company name: POSCO INTERNATIONAL Corporation

2. Reporting period and report date

Jan. 1, 2023 ~ Dec. 31, 2023 / May. 31, 2024

2-1. Fiscal year period

| | 2024 | 2023 | 2022 |
|-----------------|---------------|---------------|---------------|
| Start date | Jan. 1, 2023 | Jan. 1, 2022 | Jan. 1, 2021 |
| Completion date | Dec. 31, 2023 | Dec. 31, 2022 | Dec. 31, 2021 |

3. Report supervisor

| Supervisor | | Sub-supervisor | |
|------------|----------------------------|----------------|----------------------|
| Name | Chung, In Cheol | Name | Lee, Kyeongsuk |
| Position | Head of Investor Relations | Position | Manager |
| Team | IR Team | Team | IR Team |
| Phone | +82-2-3457-2288 | Phone | +82-2-3457-2288 |
| Email | ir2024@poscointl.com | Email | ir2024@poscointl.com |

4. Company overview

| | | | |
|-------------------------|----------------|--|---|
| The largest shareholder | POSCO Holdings | Shares held by the largest shareholder | 70.71% |
| | | Shares held by minority shareholders | 21.85% |
| Industry | Non-financial | Major business | Trade, Resources Development, Production/Processing, Infrastructure Development/Operation |

| | | | |
|---|------------|---|------------|
| Affiliated to corporate group (Under the fair trade act) | POSCO | Subject to act on the management of public institutions | No |
| Financial results (Unit: One million KRW) | | | |
| | 2023 | 2022 | 2021 |
| Consolidated revenue | 33,132,821 | 37,989,588 | 33,948,865 |
| Consolidated operating profit | 1,163,112 | 902,507 | 585,386 |
| Consolidated net profit | 680,419 | 604,912 | 356,488 |
| Consolidated total assets | 16,617,748 | 12,516,337 | 10,770,734 |
| Separate total assets | 12,565,027 | 9,190,741 | 9,144,515 |

5. Compliance of corporate governance key indices

Compliance Rate : 80

| Key Indices | Disclosure period | Previous disclosure period | Note |
|--|-------------------|----------------------------|--|
| Convocation notice 4 weeks prior to the Annual General Meeting (AGM) | O | N/A | Notice of convocation date was 31 days prior to the 24th AGM |
| Electronic Voting | O | N/A | Introduced from the 15th AGM |
| Avoiding the date of general meeting concentration | O | N/A | Held avoiding the general meeting concentration date in the past three years |
| Providing predictability regarding cash dividends | O | N/A | The final dividend record date has been changed to after the shareholders' meeting |
| Notice of dividend policy and plans to shareholders once or more a year | O | N/A | Announcement of Medium-Term (Fiscal Years 24-26) Dividend Policy |
| Establishment and operation of succession plan of the CEO | X | N/A | N/A |
| Establishment and operation of internal control policy such as risk management | O | N/A | Establishment and operation of internal control policies such as loan policy |

| | | | |
|---|---|-----|---|
| Whether an independent director is appointed as the chairperson of the board of directors. | X | N/A | N/A |
| Adoption of cumulative voting system | X | N/A | Exclusion of articles of incorporation |
| Establishment of a policy to prevent appointment of a director who is accountable for damage to corporate value or infringement upon shareholder rights | O | N/A | Specifying and complying with the restrictions outlined in the Commercial Law |
| The board of directors has gender diversity | O | N/A | Consists of diver gender |
| Establishment of an internal audit team (support team for internal audit tasks) | O | N/A | Internal audit team established and in operation |
| Existence of an accounting expert in the Audit Committee | O | N/A | Appointment of accounting experts within the board of directors committee |
| Meeting of the Audit Committee and the external auditor without the presence of the management once or more a quarter | O | N/A | Regular meeting being held |
| Procedure that allows access of the Audit Committee to important business matters | O | N/A | Establish procedures according to the operating guidelines on the Audit Committee |

1. Corporate Governance General Policy

(1) Operating direction and key considerations of corporate governance policy

POSCO INTERNATIONAL Corporation (the “Company”) aims to maximize corporate value based on the principles of transparent management and Responsible Business Conduct (RBC) by allowing managers to exercise their creativity and entrepreneurial spirit. In this spirit, the Board of Directors and its subcommittees vote on the following: matters specified in laws or in the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, and important business issues.

Furthermore, the Company seeks to ensure transparency, integrity, and stability, not only to enhance value for shareholders and protect their rights, but also to enable a Corporate Governance that reflects our growth path and corporate culture.

To ensure that the Board of Directors does not have a specific common background or represent specific interests, the Board consists of Directors with deep knowledge and experience in a range of fields, such as management, economics, and accounting.

Furthermore, to promote stable governance by keeping each member in check and maintaining balance among members, the Company delegates decision-making and business management of the Company to the Board of Directors and the management, respectively, and reports the executive’s business performance to the Board. Notably, the Directors on the Board are Outside Directors (57% in 2023, 63% in 2024) and all committees within the Board have a majority of Outside Directors, enabling the Board to efficiently keep the executive in check.

Through this system, the Company has established a balanced corporate governance system between the Board, management, and Outside Directors.

(2) Our distinct corporate governance

A. BOD composed mainly of outside directors.

The Board of Directors, the Company’s highest decision-making body, holds the power to appoint and dismiss the representative director, and is operated by outside directors at its core. The board is composed mainly of outside directors, with outside directors making up the majority of the total board members (57% in 2023, 63% in 2024), and it is operated primarily by outside directors.

The Company strives to ensure that its Board is led by outside directors whose independence and expertise have been certified, and the Board effectively monitors management to ensure that the Company's operations are well maintained.

B. Operation centered on Committees within the BOD

Under the Board of Directors, there are three Committees – the Outside Director Candidate Recommendation Committee, the Audit Committee, and the ESG Committee. Each committee consists of a majority of Outside Directors.

The establishment of the Outside Director Candidate Recommendation Committee and the Audit Committee is mandated by law.

C. Specializations of Committees within the BOD

The Audit Committee is composed of accounting, management, and industry experts, ensuring audits are conducted efficiently by qualified auditors.

At the end of May 2024, the Company has appointed three directors with specialized expertise: Director Han, Jong-soo, an accounting specialist, Director Lee, Haeng-Hee, an expert in management, and Director Chun, Yeong-han, an expert in industry, to increase the Board's professionalism.

The ESG Committee, which is composed of ESG and industry experts, has been established to review the importance of industry-specific ESG management and trends both domestically and internationally, and to ensure more systematic and professional management and supervision of key ESG management issues. As of the end of May 2024, the ESG Committee has composed of directors: Director Lee, Haeng-Hee, an expert in global business, Director Song, Hou-keun, an expert in ESG, Director Hur, Taewoong, an expert in agriculture to ensure the Committee's diversity and professionalism.

2. Shareholders

(Key Principle 1) Shareholder Rights

- Shareholders should receive sufficient and necessary information in a timely manner prior to exercising their rights, and should be able to exercise their rights through appropriate procedures.

(Sub-Principle 1-①) The Company should provide sufficient information about the general meeting of shareholders prior to the meeting. The information should include the date, location, and agenda.

Compliance with the above sub-principle is briefly described as follows:

In accordance with the provisions of the Commercial Act and the Articles of Incorporation, the Company is disclosing and announcing all matters related to the Annual General Meeting of Shareholders (AGM), including the date, location, and agenda, at least two weeks prior to the meeting.

(a) It explains the general information regarding AGM held from the start of the disclosure period to the time of report submission, including the date, location, agenda, and other related information.

Please refer to Table 1-1-1, Table 1-2-1 and Table 1-2-2.

Table 1-1-1 : General Meetings

| | 24th AGM | 23th AGM | 23th EGM (Temporary) | 22th AGM |
|---|--|--------------|-------------------------|--------------|
| Regular Meeting | O | O | X | O |
| Date of resolution on convocation | Feb 23, 2024 | Feb 22, 2023 | Aug 12, 2022 | Feb 23, 2022 |
| Date of convocation notice | Feb 23, 2024 | Feb 22, 2023 | Oct 10, 2022 | Feb 23, 2022 |
| Date of Meeting | Mar 25, 2024 | Mar 20, 2023 | Nov 04, 2022 | Mar 21, 2022 |
| Days between convocation notice and AGM | 31 days | 26 days | 15 days | 27 days |
| Location of Meeting | POSCO Tower-Song,do, 165 Convensia-daero, Yeonsu-gu, Incheon | | | |
| Means of notifying shareholders | Written notice was given to shareholders with holdings of 1% or above, in addition to general disclosure on the Company website and the electronic disclosure system of FSS and KRX. | | | |
| Notice | Execute | O | O | X |

| | | 24th AGM | 23th AGM | 23th EGM (Temporary) | 22th AGM |
|-----------------------------------|--|--|--|--|--|
| method for non-Korean shareholder | How to notify | Korea Exchange English disclosure | | | |
| Details | Attendance of Board Members | 9 out of 9 | 3 out of 7 | 3 out of 7 | 4 out of 6 |
| | Attendance of members of the Audit Committee | 3 out of 3 | 2 out of 4 | 1 out of 4 | 4 out of 4 |
| | Shareholder remarks | 5~10 shareholders commented Support for agendas | One shareholder commented Support for agendas | One shareholder commented Support for agendas | One shareholder commented Support for agendas |

Based on the above information, if the company fails to provide sufficient information regarding the shareholders' meeting well in advance, explain the reasons for this shortcoming and outlines future plans to address the issue.

- Reasons for shortcoming: The Company disclosed general information regarding the AGM, including the date, location, and agenda topics, 31 days before the meeting. Therefore, there were no outstanding matters.

- Future plans: In accordance with the Commercial Act and Articles of Incorporation, the Company discloses general information regarding the AGM, including location, date, and agenda, via electronic disclosure system of the FSS and on its website two weeks before the meeting.

In addition, the company plans to continue to make efforts to announce general shareholders' meeting-related matters, including the date, time, location, and agenda, four weeks before the AGM so that shareholders can exercise their voting rights after thoroughly reviewing the agenda.

(Sub-Principle 1-②) The Company should enable shareholders to easily propose agenda topics to the general meeting.

Resolution of Votes at General Meetings

The Company recommends the granting of proxies and executes electronic voting system to encourage more shareholders to exercise their voting right and for the convenience of shareholders.

(a) Exercising voting rights

- 1) Recent status over the last three fiscal years regarding the avoidance of peak days for shareholders' meetings, written voting, and proxy solicitation.

The Company recommends granting of proxies to encourage more shareholders to exercise their voting right and for the convenience of shareholders. The company discloses the reference documents (including power of attorney forms) on the electronic disclosure system of FSS and on its website two days prior to proxy solicitation.

Additionally, the power of attorney form is posted on the company's website.

In the 22nd AGM, 87 million shares were voted through the electronic voting system or by physical attendance at the meeting, while 8 million shares voted by proxy voting and proxy voting solicitation.

In the 23rd extraordinary general meeting (EGM), 96 million shares were voted through the electronic voting system or by physical attendance at the meeting, while 6 million shares voted by proxy voting and proxy voting solicitation.

In the 23rd AGM, 99 million shares were voted through the electronic voting system or by physical attendance at the meeting, while 8 million shares voted by proxy voting and proxy voting solicitation.

In the 24th AGM, 132 million shares were voted through the electronic voting system or by physical attendance at the meeting, while 8 million shares voted by proxy voting and proxy voting solicitation.

The Company does not allow mail-in voting; however, the Board resolved to adopt electronic voting and electronic power of attorney starting from the 15th AGM in 2015 (March 16, 2015) to enable shareholders to exercise their voting rights more conveniently. The Company will consider adopting mail-in voting in accordance with legal procedures and submit it to the AGM if there is a proposal from shareholders.

Since 2018, the Company strives to avoid shareholder meeting concentration dates by participating in the "AGM Date Dispersion Program" introduced by the Financial Services Commission (FSC) to ensure higher shareholder participation in the AGM.

Table 1-2-1: Accessibility to Exercising voting rights

| | The 24th(2023Y) | The 23rd(2022Y) | The 22rd(2021Y) |
|--|-----------------|-----------------|-----------------|
| Date of general meeting Concentration | N/A | N/A | N/A |
| AGM date | March 25, 2024 | March 20, 2023 | March 21, 2022 |
| Avoided concentration date | Yes | Yes | Yes |
| Mail-in voting | No | No | No |
| Electronic voting | Yes | Yes | Yes |
| Proxy voting solicitation | Yes | Yes | Yes |

2) The results of the voting are as follows: Refer to Table 1-2-2 below

| Agenda | | Resolution Type | Agenda Details | Results | Shares with Voting Rights (1) | Shares Voting of (1) | Votes For (%) | | Votes Against and Abstentions (%) | |
|----------|-------|-----------------|---|----------|-------------------------------|----------------------|---------------|-------|-----------------------------------|-----|
| The 24th | 1 | Ordinary | Approval of the 24th Financial Statements | Approved | 169,983,010 | 140,304,798 | 138,796,262 | 98.9 | 1,508,536 | 1.1 |
| | 2 | Extraordinary | Changes in Articles of Association | Approved | 169,983,010 | 140,304,798 | 140,248,239 | 100.0 | 56,559 | 0.0 |
| | 3-1-1 | Ordinary | Appointment of Inside Director Lee, Kye-In | Approved | 169,983,010 | 140,304,798 | 138,842,926 | 99.0 | 1,461,872 | 1.0 |
| | 3-1-2 | Ordinary | Appointment of Inside Director Lee, Jeon-hyeok | Approved | 169,983,010 | 140,304,798 | 138,844,048 | 99.0 | 1,460,750 | 1.0 |
| | 3-1-3 | Ordinary | Appointment of Inside Director Chung, Kyung-Jin | Approved | 169,983,010 | 140,304,798 | 139,949,930 | 99.7 | 354,868 | 0.3 |
| | 3-2-1 | Ordinary | Appointment of Non-Executive Director Jeong, Ki-Seop | Approved | 169,983,010 | 140,304,798 | 139,950,646 | 99.7 | 354,152 | 0.3 |
| | 3-3-1 | Ordinary | Appointment of Outside Director Lee, Hang-hee | Approved | 169,983,010 | 140,304,798 | 139,341,878 | 99.3 | 962,920 | 0.7 |
| | 3-3-2 | Ordinary | Appointment of Outside Director Hur, Tae-woong | Approved | 169,983,010 | 140,304,798 | 140,179,464 | 99.9 | 125,334 | 0.1 |
| | 3-3-3 | Ordinary | Appointment of Outside Director Song, Ho-keun | Approved | 169,983,010 | 140,304,798 | 140,169,768 | 99.9 | 135,030 | 0.1 |
| | 4 | Ordinary | Appointment of Lee, Hang-hee as Member of the Audit Committee | Approved | 48,652,145 | 18,973,933 | 18,134,632 | 95.6 | 839,301 | 4.4 |
| | 5 | Ordinary | Approval of director compensation limit | Approved | 169,983,010 | 140,304,798 | 140,185,024 | 99.9 | 119,774 | 0.1 |
| The 23rd | 1 | Ordinary | Approval of the 23th Financial Statements | Approved | 123,354,631 | 99,307,927 | 97,462,916 | 98.1 | 1,845,011 | 1.9 |
| | 2 | Extraordinary | Changes in Articles of Association | Approved | 123,354,631 | 99,307,927 | 99,176,146 | 99.9 | 131,781 | 0.1 |
| | 3-1-1 | Ordinary | Appointment of Inside Director Jeong, Tak | Approved | 123,354,631 | 99,307,927 | 98,371,533 | 99.1 | 936,394 | 0.9 |
| | 3-1-2 | Ordinary | Appointment of Inside Director Lee, Kye-In | Approved | 123,354,631 | 99,307,927 | 98,371,238 | 99.1 | 936,689 | 0.9 |
| | 3-1-3 | Ordinary | Appointment of Inside Director Lee, Jeon-hyeok | Approved | 123,354,631 | 99,307,927 | 98,371,816 | 99.1 | 936,111 | 0.9 |

| | | | | | | | | | | |
|--|-------|----------|--|----------|-------------|------------|------------|------|-----------|-----|
| | 3-2-1 | Ordinary | Appointment of Outside Director Chun, Yeong-han | Approved | 123,354,631 | 99,307,927 | 99,123,075 | 99.8 | 184,852 | 0.2 |
| | 4 | Ordinary | Appointment of Outside Director Han, Jong-soo to the audit committee | Approved | 40,614,139 | 16,567,435 | 16,384,196 | 98.9 | 183,239 | 1.1 |
| | 5 | Ordinary | Appointment of Chun, Yeong-han to the audit committee | Approved | 40,614,139 | 16,567,435 | 16,383,391 | 98.9 | 184,044 | 1.1 |
| | 6 | Ordinary | Approval of director compensation limit | Approved | 123,354,631 | 99,307,927 | 91,937,659 | 92.6 | 7,370,268 | 7.4 |
| | 7 | Ordinary | Revision of payment regulations on directors' retirement allowance | Approved | 123,354,631 | 99,307,927 | 99,099,176 | 99.8 | 208,751 | 0.2 |

(b) Communication with shareholders on highly opposed or rejected items

There was no highly opposed or rejected agenda items at the AGM held between the start of the reporting period and the report submission date.

(c) Based on the above information, if the company has not taken sufficient measures to ensure maximum shareholder participation in decision-making processes such as shareholders' meetings, explain the reasons for this shortcoming and outline future plans to address the issue.

1) Reasons for shortcomings

We have taken sufficient measures as described above.

2) Future plans

We will continuously make an effort to take sufficient measures as described above.

(Sub-Principle 1-③) The Company should enable shareholders to easily make proposals at the general meeting of shareholders, and allow questions and explanations to be freely asked and called upon on such proposals suggested at the general meeting.

Shareholders' Proposal Rights

The Company inform shareholders about the shareholder proposal process on the official website. If a shareholder proposal is exercised, a shareholder can freely ask questions and request explanations according to our internal procedures.

(a) Explain the following points regarding shareholders' proposal rights

1) Whether procedures related to shareholder proposals are provided in detail through the website, etc.

→ The process for proposing an agenda topic is described on the Company's website.

2) Whether there are established and implemented regulations concerning the procedures and criteria for handling shareholder proposals

→ The internal procedures for receiving shareholder proposals are as follows.

- Receipt of Shareholder Proposals: Confirmation of whether the shareholding ratio is satisfied according to the law specifying which shareholders have the right to propose, and whether the proposal period is observed according to the law of expression of intention
- Shareholder proposal review: Review if the proposal violates any laws or the Articles of Incorporation and if there are grounds for rejecting the shareholder proposal under the Commercial Act
- Presentation of proposed agenda to the board of directors.
- Presentation of the proposed agenda to the shareholders' meeting.

Furthermore, our company conducts shareholders' meetings in a manner that allows shareholders to freely question and explain their positions on not only shareholder-proposed agendas but also on all agendas presented at the shareholders' meeting.

3) Shareholder proposal details and implementation status from the commencement of the disclosure period until the submission of the report.

→ There are no shareholder proposals from the start of the disclosure period to the time of report submission.

4) The main contents and processing status of public letters received by the company from the commencement of the disclosure period until the submission of the report.

→ There are no shareholder proposals from the start of the disclosure period to the time of report submission.

(b) Based on the information provided, if there are shortcomings regarding policies aimed at facilitating shareholders' exercise of their shareholder proposal rights, the company explains the reasons for these deficiencies and outlines future plans to address them.

(Sub-Principle 1-④) The Company should inform shareholders of its long-term shareholder return policy and future plans, including dividends.

The company has developed and announced a medium to long-term shareholder return policy, including dividends, to provide shareholders with predictability regarding dividend-related matters.

(a) Shareholder return policy and relevant plans

Under its Articles of Incorporation, the Company may distribute its profits to shareholders in the form of cash, stock, or other assets. The Company has been continuously distributing dividends since 2004 as part of its efforts to demonstrate shareholder-oriented management. In order to operate a balanced shareholder return based on stable dividends and increased shareholder value through continuous growth and increase sustainable corporate value as an ESG leading company, the company established and announced a mid-term (fiscal year 2023-2025) shareholder-friendly policy, including consideration of introducing dividends and interim dividends at a level of 25% of the controlling shareholder's consolidated net profit.

- Methods used to inform shareholders about the shareholder return policy and whether the shareholder return policy is provided in English materials.

→ On January 31, 2024, the company announced through ad hoc disclosures ('Fair Disclosure') in Korean and English, the establishment and announcement of a medium-term (fiscal years 2023-2025) shareholder-friendly policy, which includes consideration of introducing a dividend at the level of 25% of consolidated net profit attributable to the controlling shareholders and interim dividends. Relevant materials can be found on our company's website in both Korean and English.

Homepage (<http://www.poscointl.com>) - Investors - IR Reports – IR Archive - 4Q 2023 Earnings Release

- Whether the dividend decision was made before the record date to provide shareholders with predictability regarding the dividend

→ At the 23rd AGM, the company introduced an advanced dividend policy of changing the end-of-period dividend base date to after the shareholders' meeting and reflected it in the Articles of Incorporation. (Article 41 (Profit Dividend))

Through this process, the dividend for the 24th term was implemented by designating March 31, 2024, as the record date, following the shareholders' meeting.

Table 1-4-1: Dividend record Date and Dividend confirmation date

| | Closing Month | Year-end dividend | Dividend record Date | Dividend confirmation date | Cash Dividend predictability |
|----------|---------------|-------------------|----------------------|----------------------------|------------------------------|
| The 24th | December | O | 2024-03-31 | 2024-03-25 | O |
| The 23rd | December | O | 2022-12-31 | 2023-03-20 | X |

(b) Based on the above information, if there were any shortcomings in establishing the shareholder return policy and providing sufficient information, the reasons for these shortcomings and future plans to address them are explained below.

The Company have prepared policies and provided sufficient information as described above and will continuously make an effort to prepare policies and provide sufficient information as described above.

(Sub-Principle 1-⑤) Shareholders' rights to receive a proper level of dividends in accordance with the long-term shareholder return policy should be respected.

The company respects shareholders' rights by establishing a shareholder return policy and distributes dividends at an appropriate level.

Dividends

In 2023, dividends per share were paid at KRW 1,000, which corresponds to a consolidated dividend payout ratio (based on controlling shareholder's net profit) of 25.4%.

The company plans to secure the funds necessary for long-term growth while continuing to pay out dividends in a stable and sustainable manner.

The specifics of dividends paid out are shown below.

For the fiscal year 2023, the closure date of the shareholder registry and the dividend record date did not coincide. Instead of using the closure date of the shareholder registry, the dividend was based on the arithmetic average of the final stock prices formed in the exchange market during the week leading up to two trading days before the dividend record date. The details are as follows.

Dividend: KRW 170,444 million

Net profit for controlling shareholder: KRW 670,235 million

Dividend payout ratio: 25.4%

Cash dividend per share: 1,000 won

Average dividend closing price over the past week: KRW 55,800

Dividend yield: 1.8%

Table 1-5-1-1: Dividend payouts over the last 3 fiscal years

| | | General Status | | Stock Dividend | Cash Dividend (Unit Won) | | | |
|------|-----------|----------------|---------------|----------------|--------------------------|-----------------|--------------------|----------------|
| | | Year | Closing Month | | Dividendable Profit | Total Dividend | Dividend Per Share | Dividend Yield |
| 2023 | Common | 2023 | December | | 2,532,206,456,773 | 170,444,487,000 | 1,000 | 1.8 |
| | Preferred | | | | | | | |
| 2022 | Common | 2022 | | | 2,093,165,757,614 | 123,354,631,000 | 1,000 | 4.0 |
| | Preferred | | | | | | | |

| | | | | | | | | |
|------|-----------|------|--|--|-------------------|----------------|-----|-----|
| 2021 | Common | 2021 | | | 1,892,978,751,451 | 98,699,912,800 | 800 | 3.5 |
| | Preferred | | | | | | | |

Table 1-5-1-2: Cash Dividend Payout Ratio for the last 3 fiscal years

| Type | 2023 | 2022 | 2021 |
|------------------|------|------|------|
| Consolidated (%) | 25.4 | 20.9 | 27.4 |
| Separate (%) | 26.9 | 42.6 | 49 |

The company announced its shareholder-friendly policy as follows.

1. The company will distribute dividends to shareholders at a level of 25% of the consolidated net profit attributable to the controlling shareholders.
 - The company will consider interim dividends
 - The company will implement an advanced dividend policy by changing the year-end dividend record date to after the shareholders' meeting.
2. By expanding shareholder communication activities, the company will make more efforts to communicate the growth story of our core businesses.
 - The company will hold regular Value Day events to actively communicate about the company's major business status.
 - The company will strengthen shareholder information accessibility by expanding online-based IR activities.
 - The company will actively attract foreign investors by providing foreign language interpretation services and expanding overseas NDR.
3. The company will proactively respond to mandatory ESG disclosure and improve ESG competitiveness.
 - The company will strengthen the transparency of ESG management based on communication with major stakeholders, mainly shareholders and investors, by internalizing the strengthening global ESG disclosure regulations in our management strategy and timely disclosing the status of ESG management progress.

The Company have prepared policies and provided sufficient information as described and will continuously make an effort to prepare policies and provide sufficient information as described above.

(Key Principle 2) Fair Treatment of Shareholders

■ Shareholders should hold fair voting rights according to the type and number of shares owned, and companies should have an adequate system to provide fair information to shareholders.

(Sub-Principle 2-①) The Company should create an environment in which the voting rights of shareholders are not infringed and provide sufficient corporate information to the shareholders in a fair and timely manner.

The company provides timely, sufficient, and fair corporate information to shareholders to ensure that their voting rights are not infringed.

Issued shares and categories of shares

Table 2-1-1-1: Total number of authorized shares

| Common | Preferred | Total number of authorized shares |
|-------------|-----------|-----------------------------------|
| 500,000,000 | | 500,000,000 |

Table 2-1-1-2: Number of issued shares

| | Number of issued shares | Issuance ratio (%) | Remarks |
|--------|-------------------------|--------------------|---------|
| Common | 175,922,788 | 35.18 | |

The company has only issued common stock and grants equal voting rights to all shareholders.

Communication with shareholders

The Company holds earnings conference calls led by the CFO and head of IR at the end of January, April, July, and October to report its financial results for the preceding year, first quarter, second quarter, and third quarter, respectively. IR events targeting institutional investors are held approximately 10 times per month.

In addition, the Company continues to engage in and strengthen communication with its shareholders by participating in IR events such as conferences organized by brokerages more than 10 times a year and making presentations on major business details of high interest to shareholders. We are also listening and sharing it with management. For the convenience of our investors and upon request, the IR team frequently conducts IR meetings at our Seoul office and the management actively conducts IR activities, such as holding direct meetings with investors as necessary, materials used during IR activities are posted in Korean and English on our website and shared with all shareholders, including those who were unable to attend.

Homepage(<http://www.poscointl.com>) - Investors - IR Reports – IR Archive

In 2023, the company moved away from traditional IR methods to diversify investor communication channels by uploading POSCO International IR content on YouTube. Through video content featuring experts in motor cores and CCS, the Company provided an introduction to the business and explained future vision, thereby enhancing familiarity and understanding of the core business.

<Main IR Activities, Conference Calls, and Dialogues with minority Shareholders>

| Date | Participants | Type | Main Topic |
|------------------------|---|----------------------------|---|
| Jan. 27, 2023 | Domestic Institutional Investors & Analysts | Conference Call | 4Q22 Earnings Results |
| Feb. 16~17, 2023 | Domestic Institutional Investors | NDR | 4Q22 Earnings Results |
| | | (Conference Call) | Annual Outlook |
| Feb. 23, 2023 | Domestic Institutional Investors & Analysts | Conference | 2023 Energy Business Presentation (Explanation to improve understanding of energy business (terminal, power generation, and renewable energy) and Q&A) |
| Mar. 14, 2023 | Domestic Institutional Investors | Conference Call | EUGENE INVESTMENT Corporate day |
| Mar. 28, 2023. | Domestic Institutional Investors & Analysts | Conference Call | SHINHAN INVESTMENT Corporate day |
| Apr 19, 2023 | Analysts | Small group meetings | Meeting with C-Level Analyst |
| Apr. 28~ May. 02, 2023 | Domestic Institutional Investors | NDR | 1Q23 Earnings Results |
| | | (Meeting, Conference Call) | |
| June. 02, 2023 | Domestic Institutional Investors | Conference Call | EUGENE INVESTMENT Corporate day |
| June. 22, 2023 | Domestic Institutional Investors & Analysts | Factory Tour | Tour on LNG terminal business/construction site and improve market understanding |
| June. 27, 2023 | Domestic Institutional Investors & Analysts | Conference Call | SHINHAN INVESTMENT Corporate day |
| July. 06, 2023 | Domestic Institutional Investors & Analysts | Conference | 2023 Energy Business Value Day (Enhancing understanding of our energy business) |
| July. 13, 2023 | Domestic Institutional Investors & Analysts | Conference Call | HEUNGKUK INVESTMENT Corporate day |
| July. 24, 2023 | Domestic Institutional Investors & Analysts | Conference Call | 2Q23 Earnings Results |
| July. 25 ~ 27, 2023 | Domestic Institutional Investors | NDR | 3Q23 Earnings Results and |
| | | (Conference Call) | Annual Outlook |
| Sep. 19, 2023 | Domestic Institutional Investors | Conference Call | KIWOOM INVESTMENT Corporate day |
| Sep. 20, 2023 | Domestic Institutional Investors | Conference Call | HI INVESTMENT Corporate day |
| Sep. 12, 2023 | Domestic Institutional Investors | Conference Call | EUGENE INVESTMENT Corporate day |
| Sep. 26, 2023 | Analysts | Small group meetings | Analyst meeting chaired by IR head |
| Oct. 11, 2023 | Domestic and Overseas Institutional Investors | Small group meetings | Participated in 2023 Korea Economic TV IR Competition |
| Oct. 24, 2023 | Domestic Institutional Investors & Analysts | Conference Call | 3Q23 Earnings Results |
| Oct. 25 ~ 26, 2023 | Domestic Institutional Investors | NDR | 3Q23 Earnings Results and |
| | | (Conference Call) | Annual Outlook |
| Nov. 08, 2023 | Domestic Institutional Investors & Analysts | Conference | 2023 Eco-friendly Material Business Value Day (Explanation of strategy for our eco-friendly material business) |

| | | | |
|--------------------|---|----------------------------|--|
| Nov. 22, 2023 | Domestic Institutional Investors | Small group meetings | DAESHIN INVESTMENT Corporate day |
| Dec. 15, 2023 | Domestic Institutional Investors & Analysts | Small group meetings | C-Level Meeting |
| Jan. 08, 2024 | Domestic Institutional Investors | Conference Call | HEUNGKUK INVESTMENT Corporate day |
| Jan. 31, 2024 | Domestic Institutional Investors & Analysts | Conference Call | 4Q23 Earnings Result |
| Feb. 01 ~ 05, 2024 | Domestic Institutional Investors | NDR | 4Q23 Earnings Results and |
| | | (Conference Call) | Annual Outlook |
| Feb. 23, 2024 | Domestic Institutional Investors | Conference Call | 2023 Earnings Results and Annual Outlook |
| Mar. 05, 2024 | Domestic Institutional Investors | Conference Call | 2023 Earnings Results and Annual Outlook |
| Mar. 07, 2024 | Domestic Institutional Investors & Analysts | Conference Call | inter battery day |
| Apr. 04, 2024 | Domestic Institutional Investors & Analysts | Conference Call | HEUNGKUK INVESTMENT Corporate day |
| Apr. 25, 2024 | Domestic Institutional Investors | Conference Call | 1Q24 Earnings Result |
| Apr. 25 ~ 30, 2024 | Domestic Institutional Investors & Analysts | NDR | 1Q24 Earnings Result |
| | | (Meeting, Conference Call) | |
| May. 20, 2024 | Domestic Institutional Investors | Conference Call | HI INVESTMENT Corporate day |
| May. 21, 2024 | Domestic and Overseas Institutional Investors | Small group meetings | Participated in BofA Korea Conference and NH Investment's Investor Relations Presentation Session |
| May. 28, 2024 | Domestic small individual investors | Small group meetings | Participated in the Investor Relations Presentation Session of POSCO group companies held by EUGENE INVESTMENT |
| May. 23, 2024 | Domestic and Overseas Institutional Investors | Small group meetings | Participated in NH THE C FORUM |
| May. 30, 2024 | Brokerage firm's sales staff and others | Small group meetings | Participated in the Investor Relations Presentation Session held by MIRAEASSET INVESTMENT |

<Main IR Activities with foreign Shareholders>

| Date | Participants | Type | Main Topic |
|-------------------------|---|----------------------|---|
| June. 12 ~ 16, 2023 | Overseas Institutional Investors | NDR | Our Real Value Story and Business Progress Status, Q&A |
| June. 13, 2023 | Overseas Investors | Factory Tour | Tour on our renewable energy business site and One-on-One meeting |
| Sep. 18 ~ 21, 2023 | Overseas Institutional Investors | NDR | Our Real Value Story and Business Progress Status, Q&A |
| Oct. 11, 2023 | Domestic and Overseas Institutional Investors | Small group meetings | Participated in 2023 Korea Economic TV IR Competition |
| Nov. 09 ~ 10, 2023 | Overseas Institutional Investors | NDR | Our Real Value Story and Business Progress Status, Q&A |
| Nov. 28 ~ Dec. 05, 2023 | Overseas Institutional Investors | NDR | Our Real Value Story and Business Progress Status, Q&A |
| Feb. 13 ~ 16, 2024 | Overseas Institutional Investors | Small group meetings | KIS KOREA INVESTORS CONFERENCE 2024 ASIA |

| Date | Participants | Type | Main Topic |
|--------------------|---|----------------------|---|
| Feb. 20, 2024 | Overseas Institutional Investors | Small group meetings | Tour on our Po-hang Traction Motor Cores and One-on-One meeting |
| May. 02 ~ 08, 2024 | Overseas Institutional Investors | NDR | Our Real Value Story and Business Progress Status, Q&A |
| May. 21, 2024 | Domestic and Overseas Institutional Investors | Small group meetings | Participated in BOFA Korea Conference and NH Investment's Investor Relations Presentation Session |
| May. 23, 2024 | Domestic and Overseas Institutional Investors | Small group meetings | Participated in NH THE C FORUM |

The company provides detailed contact information for inquiries by publishing the phone number and email address of the IR department on its website (<https://www.poscointl.com/index.html>).

The company operates an English website for foreign shareholders and provides contact information for designated staff who can assist in foreign languages. Additionally, the company discloses all ad hoc, voluntary, and fair disclosures in English.

The company has not been designated as a non-compliant disclosure corporation from the start of the disclosure period to the current date of document submission.

As mentioned, the company provides corporate information in a timely, sufficient, and fair manner.

(Sub-Principle 2-②) The Company should establish and apply measures that can protect the shareholders from unfair internal transactions and self-dealing of other shareholders, such as the controlling shareholder.

Internal Control System for related-party and self-dealing transactions

To prevent management and controlling shareholders from engaging in internal transactions and self-dealing in the pursuit of personal interests, it is determined as a resolution of the Board of Directors according to the Articles of Incorporation. In cases where Article 8 of the Operational Regulations of the Board of Directors, Article 397, Paragraph 2 (Prohibition of corporate opportunity) or Article 398 (Prohibition of self-dealing) apply, resolutions of the Board of Directors shall be carried by the vote of at least two-thirds (2/3) of the total members of the Board.

As a member of the POSCO Group, the Company must stipulate and announce transactions that constitute large-scale internal trading of more than KRW 5 billion under the Monopoly Regulation and Fair-Trade Act, and such transactions shall be deliberated on by the Board, provided that such resolution has been pre-approved by the Board of Directors and relevant disclosures are publicly released on the Electronic Notification System DART.

As a general trading company, it has frequent transactions with related parties, and as of 2023, it has a large number of related parties defined under Article 398 of the Commercial Act, totaling 194 entities, and under Article 542-9 of the Commercial Act, totaling 19 entities. This indicates a significant presence of affiliates and related parties.

To facilitate operational convenience, routine transactions such as purchases and sales are subject to predetermined periods and limits, approved comprehensively by the Board of Directors under Article 398 and Article 542-9 of the Commercial Act.

In December, at the 11th Board of Directors meeting in 2023, approval was granted for the expansion of transaction volumes and total transaction limits, taking into account factors such as currency exchange rates and price fluctuations, for sales and purchases of steel products, raw materials for steel and power generation, materials, and food products from January 1st, 2024, to December 31st, 2024.

1. Transactions with stakeholders (affiliates and subsidiaries, etc.)

① Loans for subsidiaries

(as of Dec. 31, 2023)

(Unit: 1,000 USD)

| Company | Relationship | Transaction type | Date | Purpose | Currency | Transactions | | | | Accrued interest | Term |
|-------------------------------------|--------------|------------------|------------|---------------------|----------|------------------|----------|----------|----------------|------------------|-------|
| | | | | | | Starting balance | Increase | Decrease | Ending balance | | |
| PT. BIO INTI AGRINDO | Subsidiary | Loan | 2015-01-21 | Facility fund, etc. | USD | 31,734 | - | 2,715 | 29,019 | 491 | 4.60% |
| POSCO SOUTH EAST ASIA PTE. LTD. | Subsidiary | Loan | 2017-04-03 | Operating funds. | USD | 10,000 | - | - | 10,000 | 0 | 2.90% |
| Senex Holdings Pty Ltd. | Subsidiary | Loan | 2022-08-26 | Operating funds. | AUD | 100,000 | 38,000 | - | 138,000 | 75 | 6.60% |
| POSCO INTERNATIONAL INDIA PVT. LTD. | Subsidiary | Loan | 2022-09-23 | Operating funds. | USD | 12,557 | 0 | - | 12,557 | 179 | 5.50% |
| Grain Terminal Holding PTE LTD | Subsidiary | Loan | 2023-04-25 | Operating funds. | USD | - | 4,600 | - | 4,600 | 73 | 8.30% |
| Total | | | | | USD | 54,291 | 4,600 | 2,715 | 56,176 | 743 | - |
| | | | | | AUD | 100,000 | 38,000 | - | 138,000 | 75 | - |

Note 1) The above transactions include the details of the Company's domestic and overseas affiliates.

Note 2) In accordance with the company's regulations, any investment, withdrawal from existing business, or disposal of investment interests (based on the higher of acquisition cost and disposal amount) exceeding 1% of the company's equity at the end of the previous fiscal year requires execution after approval by the Board of Directors. If the amount is less than 1%, the decision and execution are delegated to the CEO. However, transactions between the company and directors, major shareholders, subsidiaries, etc., under Article 398 of the Commercial Act, are executed after approval by the Board of Directors regardless of the transaction amount. Additionally, transactions involving funds for special related parties under the laws on monopoly regulation and fair trade, such as payments or loans exceeding 10 billion KRW, are executed after individual approval by the Board of Directors.

② Acquisitions and disposals of Equity investment

(as of Dec. 31, 2023)

(Unit: One million KRW)

| Company | Relationship | Transaction type | Transaction | | | | | Remarks |
|--|--------------|-------------------|------------------|----------|----------|----------------------------|----------------|--------------------------|
| | | | Starting balance | Increase | Decrease | Valuation of profit (loss) | Ending balance | |
| POSCO INTERNATIONAL E&P MALAYSIA SDN. BHD. | Subsidiary | Equity investment | 4,630 | 6,822 | - | - | 11,452 | Paid-in capital increase |
| Senex Holdings Pty Ltd | Subsidiary | Equity investment | 405,172 | 2,799 | - | - | 407,971 | Paid-in capital increase |
| PT POSCO INTERNATIONAL E &P INDONESIA (Note 3) | Subsidiary | Equity investment | - | 1,848 | - | - | 1,848 | New Acquisition |
| POSCO INTERNATIONAL E&P USA Inc. (Note 3) | Subsidiary | Equity investment | - | 983 | - | - | 983 | New Acquisition |
| SPH | Affiliate | Equity investment | 500 | - | -500 | - | - | liquidation |
| QURO | Affiliate | Equity investment | 882 | - | -882 | - | - | Sold off |
| ERA E AMS (Note 4) | Affiliate | Equity investment | 20,163 | - | -20,163 | - | - | FVOCI |

| Company | Relationship | Transaction type | Transaction | | | | | Remarks |
|---------|--------------|------------------|------------------|----------|----------|----------------------------|----------------|---------|
| | | | Starting balance | Increase | Decrease | Valuation of profit (loss) | Ending balance | |
| Total | | | 564,241 | 12,452 | -21,545 | - | 422,254 | |

Note 1) The above transactions include the details of the Company's domestic and overseas affiliates.

Note 2) The figures are based on the separate financial statement of the parent company with K-IFRS applied.

Note 3) During this period, POSCO INTERNATIONAL E&P INDONESIA, POSCO INTERNATIONAL E&P USA Inc. were established.

Note 4) As the outside director was unable to exercise significant influence as resigned, the company reclassified it as Equity investment measured at Other Comprehensive Income - Equity Securities Measured at Fair Value.

Note 5) FVOCI is Available-for-Sale Securities and stands for Fair Value Through Other Comprehensive Income.

③ Credit offerings for subsidiaries

(as of Dec. 31, 2023)

(Units: one thousand USD, one million IDR)

| Debtor (Relationship) | Creditor | Type of Guarantee | Guarantee period | Curre ncy | Transactions | | Limit of guarantee |
|---|----------------------------|----------------------|----------------------------|--------------|----------------------|-------------------|-----------------------|
| | | | | | Beginning Balance | Ending Balance | |
| PT. BIO INTI AGRINDO(Subsidiary) | Citibank N.A., Indonesia | Guarantee of Debt | 2023.09.14 ~2024.09.14 | IDR | 360,000 | 360,000 | 432,000 |
| | BTPN(SMBC SPC) | Guarantee of Debt | 2023.09.14 ~2024.09.14 | IDR | 818,510 | 800,000 | 800,000 |
| POSCO Internatio na Global Develo pment Pte. Ltd (Subsidiary) | POSCO-ASIA | Guarantee of Debt | 2023.06.13 ~2024.06.1 3 | USD | 150,000 | 150,000 | 180,000 |
| Golden Lace POS CO International Co., Ltd.(Subsidiary) | POSCO-ASIA | Guarantee of Debt | 2023.07.26 ~2024.07.2 6 | USD | 11,000 | 11,000 | 13,200 |
| GLOBAL KOMSCO DAEWOO LLC (Affiliate) | KEB HANA, BAHRAIN | Guarantee of Debt | 2022.06.12 ~2025.06.1 2 | USD | 6,300 | 6,300 | 6,650 |
| POSCO International Power (PNGLA E) Ltd. (Subsidiary) | KDB, SINGAPORE | Guarantee of Debt | 2022.10.29 ~2024.10.2 9 | USD | 17,400 | 13,400 | 20,880 |
| POSCO Assan TST (Affiliate) | ING, SEOUL, etc. | Guarantee of Debt | 2020.11.16 ~2023.11.16 | USD | 14,653 | 14,653 | 14,653 |
| GRAIN TERMINAL HOLDING PTE. LTD.(Subsidiary) | Korea Eximbank | Guarantee of Debt | 2021.07.28 ~2024.07.28 | USD | 27,000 | 27,000 | 27,000 |
| POSCO International E&P Malaysia (Subsidiary) | SC, MALAYSIA | Guarantee of Debt | 2023.01.17 ~2024.04.17 | USD | 6,000 | 6,000 | 6,000 |
| POSCO Internatio nal Singapore Pte., Ltd.(Subsidiary) | BMG | Guarantee of Debt | - | - | - | - | 50,000 |
| POSCO International Deutschland GmbH (Subsidiary) | (Bank Men des Gans) | Guarantee of Debt | 2023.08.27 ~2023.11.2 7 | USD | - | 19,085 | |
| POSCO International America Corp oration (Subsidiary) | | Guarantee of Debt | 2023.09.23 ~2023.10.27 | USD | 15,002 | 5,090 | |
| POSCO International Japan Corpora tion (Subsidiary) | | Guarantee of Debt | 2023.05.31 ~2023.11.3 0 | USD | 7,521 | 6,709 | |
| POSCO International Malaysia Corp oration (Subsidiary) | | Guarantee of Debt | - | - | - | - | |
| POSCO Internatio nal Italia S.R.L (Subsidiary) | | Guarantee of Debt | - | - | - | - | |
| POSCO International Mexico S.A de C.V (Subsidiary) | | Guarantee of Debt | 2023.08.30- 2023.11.29 | USD | - | 17,069 | |
| POSCO International Australia Holdings (Subsidiary) | | Guarantee of Debt | - | - | - | - | |
| POSCO International Narrabri Investment (Subsidiary) | | Guarantee of Debt | - | - | - | - | |
| POSCO International MEXICO E- M OBILITY S.A de C. V | Korea Eximbank | Guarantee of Debt | 2023.05.23 ~2026.06.27 | USD | - | 16,000 | 27,000 |
| PT. KRAKATAU POSCO ENERGY(Subsidiary) | PT. Bank Shlnhan Indonesia | Guarantee of Debt | 2020.10.02 ~2026.10.01 | USD | 12,602 | 11,027 | 18,903 |
| | POSCO Asia Company Limited | Guarantee of Debt | 2020.10.01 ~2028.09.30 | USD | 52,500 | 48,125 | 70,000 |
| Total | | | | USD | 319,978 | 351,457 | 434,286 |
| | | | | IDR | 1,178,510 | 1,160,000 | 1,232,000 |

In accordance with the company's regulations, any investment, withdrawal from existing business, or disposal of investment interests (based on the higher of acquisition cost and disposal amount) exceeding 1% of the company's equity at the end of the previous fiscal year requires execution after approval by the Board of Directors. If the amount is less than 1%, the decision and execution are delegated to the CEO. However, transactions between the company and directors, major shareholders, subsidiaries, etc., under Article 398 of the Commercial Act are executed after approval by the Board of Directors regardless of the transaction amount. Additionally, transactions involving funds for special related parties under the laws on monopoly regulation and fair trade, such as payments or loans exceeding 5 billion KRW, are executed after individual approval by the Board of Directors.

As of December 31, 2023, assets provided as collateral in relation to the borrowings of DMSA/AMSA and associates are as follows:

| Debtor | Collateralized assets | Unit: One million KRW | Creditor | Details |
|-----------|-----------------------|-----------------------|------------|---------------|
| DMSA/AMSA | DMSA/AMSA shares | 23,740 | PF Debtors | PF collateral |

2. Acquisition and disposal of assets with affiliates and subsidiaries

- None

3. Business transactions with affiliates and subsidiaries

| Company (Relationship) | Transaction Type | Period | Amount (Unit: One billion KRW) | Ratio (%) |
|--|---------------------------------------|-------------------------------|--------------------------------|-----------|
| POSCO Holdings (The largest shareholder) | Sales and purchase transactions, etc. | Jan 1, 2023 - Dec 31, 2023 | 801 | -% |

Note 1) The ratio is compared to consolidated sales of KRW 33,132.8 billion in 2023 with K-IFRS applied.

Note 2) The figures are based on the separate financial statement of the parent company with K-IFRS applied.

4. Transactions with stakeholders other than affiliates and subsidiaries

- None

As described above, the company implements policies to protect shareholders from unfair internal transactions and self-dealing.

(Sub-Principle 2-③) The Company should devise measures to protect shareholders, such as collecting opinions from minority shareholders and protecting the rights of opposing shareholders, in the event of changes in the Company's ownership structure or major business, such as merger, business transfer, division, comprehensive exchange, and transfer of stocks.

Under Article 9-(1) of the Board of Directors Regulations, the Company may convene a general shareholders' meeting and exercise shareholder proposals in accordance with the relevant laws and regulations when there is a change in the ownership structure or major business of a company. Additionally, through IR activities in 2023, we have communicated with minority shareholders over 400 times annually, listening to their opinions and demands, and sharing these with the management. We plan to continuously review and improve shareholder protection measures, including holding regular communications with minority shareholders as needed.

3. Board of Directors

(Key Principle 3) Functions of the Board of Directors (the "Board")

- **The Board must establish business objectives and strategies in the best interests of the corporation and its shareholders, and effectively supervise the activities of management.**

(Sub-Principle 3-①) The Board of Directors should effectively perform its duty of decision-making and supervision for management.

Matters for Deliberation and Resolution by the Board of Directors

As the Company's highest decision-making body, the Board of Directors has the power to resolve major business issues such as appointing and dismissing the representative director and setting up business plans. The specific authority of the current Board of Directors is set by law in the relevant provisions of Article 31, Paragraph 2 of the Articles of Incorporation and Article 3 of the Regulations of the Board of Directors.

Moreover, except for details in Article 11, Paragraph 3, the Board may delegate its authority to a committee within the Board. However, apart from matters that are empowered to the Committee by the law, agenda topics that have been passed through a committee resolution that are considered to require deliberation and resolution by the Board of Directors can be submitted to the Board for resolution.

In addition to the mandatory ones stipulated by the Commercial Act, the Capital Market Law, and the Fair-Trade Law, agenda topics to be resolved by the Board of Directors include the following activities that exceed an amount equal to 1% of the Company's equity: investment, borrowing, guarantee, collateral, and acquisition and disposition of property. This is a strengthened requirement that exceeds the 2.5% set forth in the Disclosure Standard in the Securities Market Disclosure Regulations, and the Company manages internal information that may have an important impact on the investor's investment judgment, and makes timely disclosures when the reasons for disclosure arise.

The company has the following matters subject to resolution by the board of directors.

[Regulations for the BOD Article 9. (Resolution)]

① General Meeting of Shareholders

1. Convening a General Meeting of Shareholders and determining the agenda
2. Approval of annual report and financial statements
3. Amendments to the Articles of Incorporation
4. Reduction of capital
5. Dissolution of Company, Merger, Split Merger, Continuation of Corporation
6. Transfer of all or part of a company's business and another company's business that have a significant impact on the Company
7. Lease or management delegation of all businesses, contracts with others that share all profits and losses, and the conclusion, modification, or cancellation of other equivalent contracts
8. Appointment and dismissal of Directors and Members of the Audit Committee
9. Remuneration of directors
10. Director's exemption from liability to company
11. Issue of stock under par value
12. Determine dividends to money, stock, or other property
13. Reduction of legal reserve
14. Other agenda topics to be submitted to the General Meeting of Shareholders

② Management

1. Decision on basic business policies and management plans
2. Investment, withdrawal of existing business, or disposal of investment interests at an amount equal to or greater than 1% of the Company's total equity at the end of the previous business year (the higher of either acquisition value or disposal value)
3. Nomination and dismissal of Representative Director
4. Establishment, operation, and abolition of Committees within the Board of Directors

5. Appointment and dismissal of Committee members (excluding Audit Committee)
6. Appointment and dismissal of General Manager
7. Appointment and dismissal of compliance officer, and enactment, revision, and abolition of compliance control regulations
8. Establishment, relocation, or closing of branches and workplaces
9. Establishment and opening/closing of company regulations corresponding to the following:
 - A. Regulations for the BOD
 - B. Principles specified as resolutions of the Board of Directors by laws and company regulations
10. Filing an important lawsuit (over KRW 10 billion)
11. Decision on Simplicity merger, Simplicity split merger, Small-scale merger and Small-scale split merger
12. Absorption or consolidation merger report
13. Donations (exceeding KRW 50 Million) or Social contributions (more than 2 years)
14. Other management matters considered necessary by the Representative Director

③ Finance

1. Issuance of new shares
2. Issuance of convertible bonds
3. Issuance of bonds with warrant
4. Reserve transfer to capital
5. Acquisition, disposal, and retirement of treasury stock
6. Providing loans, guarantees, and collateral in amounts equal to or greater than 1% of the Company's own capital at the end of the preceding year, and possibly bearing the debt of other companies (excluding trade finance on a physical basis)
7. Acquisition and disposal of property in excess of an amount equivalent to 1% of the Company's own capital at the end of the preceding year (the higher of either acquisition or disposal price)
8. Other financial matters deemed necessary by the Representative Director

④ Others

1. Approval of transactions between the company and directors : Confirmation through Director Candidate Verification Forms and Independent Director Eligibility Verification Forms.
2. Approval for Directors' Utilization of Corporate Opportunities
3. Matters Regarding Directors Holding Executive Positions in Other Companies
4. Approval of Transactions between the Company and Related Parties under Monopoly Regulation and Fair Trade Laws, in the following cases (changed from 5 billion KRW to 10 billion KRW, effective January 25, 2024):

- a. Providing or transacting funds such as advance payments or loans (10 billion KRW or more)
 - b. Providing or transacting securities such as stocks or corporate bonds (10 billion KRW or more)
 - c. Providing or transacting assets such as real estate or intangible property rights (10 billion KRW or more)
5. Other matters prescribed by laws or the Articles of Incorporation, and resolutions deemed necessary by the Board of Directors or the CEO

Among the Board's authorities identified in (1), all matters can be delegated to Board committees or the CEO (or chief executive officer), except for the following:

1. Proposals requiring approval by the general meeting of shareholders
2. Appointment and dismissal of the CEO
3. Establishment of committees and appointment and dismissal of their members
4. Matters prescribed by laws and the Articles of Incorporation

As described above, the company's board of directors will continue to effectively perform its management decision-making and supervision for management.

(Sub-Principle 3-②) The Board should prepare, operate, and consistently improve and complement a succession policy for Chief Executive Officer (including contingency appointment plan).

(1) Establishment of a Succession Policy and its operation

The CEO is appointed through a resolution of the Board of Directors pursuant to Article 389 of the Commercial Act, Article 33 of the Articles of Incorporation, and Article 3, Paragraph 1 of the Board of Directors Regulations. In addition, based on Article 4, Paragraph 3 of the Regulations of the Board of Directors, in the event of a sudden risk situation (e.g., the CEO's absence), the Board of Directors will select a Director to act on the CEO's behalf to minimize vacancy.

(2) Key content of the Succession Policy including candidate selection, management, and training

The Company may initiate the management succession process if it is determined that there is a rational reason after considering factors such as the expiration of the CEO's term of office, the situation of the business market, and overall business situation of the Company. A person who is determined to have the necessary leadership and expertise based on the qualification requirements of the CEO among the candidate group is finally selected as an Inside Director candidate for the general meeting of shareholders, and the

CEO is then appointed through a resolution of the Board of Directors.

To achieve its goal of fostering creative business leaders who will lead global businesses, the Company operates an external CEO training course for executives.

The CEO must possess outstanding leadership and expertise to achieve business outcomes. The Company develops a pool of CEO candidates that have competence and potential, who are strategically and systematically validated on their qualifications and fostered as prospective leaders.

Additionally, the Company's management performance is included as an index in the executive performance evaluation to cultivate competencies and leadership.

(3) Status of training during the disclosure period

POSCO INTERNATIONAL offers external CEO courses for executive candidates to enhance their management capabilities and establish networks. In 2023, four executives completed various educational programs: the Industry-University Policy Course at Seoul National University College of Medicine, the CFO Strategy Course at Seoul National University, the Climate Change Leadership Academy, and the Kim Chang-joon Academy. Additionally, seven executives enrolled in the Management Development Program run by POSCO Group University, designed to lead the group's growth strategy, gaining insights into management innovation and enhancing their ability to execute business growth.

(Sub-Principle 3-③) The Board should prepare, operate, and consistently improve and complement an internal control policy (risk management, compliance with the relevant rules and regulations, internal accounting control, etc.).

(1) Preparation and operation of Risk Management Policy

With the goal of systematic and effective risk management, the Company reports and suggests important issues to the Board of Directors for approval. The Board of Directors manages risks pertaining to overall business activities by stipulating matters pertaining to general shareholders' meetings, management, finance, and other topics.

The Company may encounter a variety of risks and uncertainties, as it maintains an extensive range of businesses internationally. The Company maintains a systematic risk management policy and control system to be able to detect, prevent, and manage any potential risks. Notably, the Enterprise Risk Management (ERM) department and the Investment Review Committee under the Investment Strategy Division are organized under the supervision of the CFO to proactively respond to various company-wide risk factors.

The Company takes on the role of examining risk factors related to credit transactions and project

businesses, and aims to effectively collect receivables and proactively prevent the occurrence of bad debt. Notably, all risk factors for each transaction are identified and quantified through a comprehensive review so that any potential risk exposure can be minimized.

The ultimate decision to take the risks involved in executing the businesses will be approved by either the CFO or the CEO depending on the level of risk exposure. This procedure is in accordance with the Company's regulations – Guidelines on Credit and Guidelines on Delegation - and is conducted prior to awarding an order or signing a business contract. The term of credit is within one year and ongoing businesses are re-evaluated and approved on an annual basis.

Notably, a new credit policy was formulated in 2020 in order to manage risk on a more stringent basis.

(2) Preparation and operation of Compliance Management, Internal Accounting Management, and Disclosure Information Management Policies

Compliance Management

The Company appoints a legal executive responsible for legal affairs as a compliance officer in accordance with Article 542-13 of the Commercial Act to ensure compliance management, conduct compliance inspections, and provide preventive education. The Company established the "Compliance Control Regulations" on April 26, 2012 to support fair and transparent business operations. The Company reports the annual results of the compliance reviews of Compliance Officer to the Board of Directors, and has established a compliance fair trade organization under the direct control of the representative director to perform the duties of Compliance Officer.

The legal department also checks for violations of laws and regulations such as the Fair Trade Act and Subcontracting Act, checks for Global risks such as Global Sanctions, conducts compliance inspections related to ESG issues such as international human rights protection, and provides compliance-related education, and is also engaged in compliance control activities of the Company.

The Company systematically identifies and evaluates the legal risks affecting the Company by comprehensively understanding the various regulations that must be complied with in business operations, conducts self-checks of compliance of employees to prevent illegal activities, and takes measures in accordance with the results of inspections. Notably, the Company is currently conducting an assessment of the effectiveness to ensure that the compliance control system is designed and operated effectively.

Internal Accounting Management

The company designs and operates an internal accounting management system to provide reasonable assurance that the financial statements are prepared and disclosed in accordance with generally accepted

accounting principles. Each fiscal year, the CEO reviews the effectiveness of the internal accounting management system and reports the findings to the shareholders' meeting, the Board of Directors, and the Audit Committee. The Audit Committee evaluates the operation of the internal accounting management system and reports the results to the Board of Directors. Additionally, in accordance with the Act on External Audit of Stock Companies, the company revised its "Internal Accounting Management Regulations" in February 2019 to enhance the design, operation, and evaluation of the internal accounting management system. To further strengthen the independence of the internal accounting management system, a dedicated department has been established to oversee the operation and provide training.

Disclosure Information Management

To ensure that all disclosure information is accurately and timely disclosed in accordance with the relevant laws and regulations, management of disclosure information is set forth in the Disclosure Information Management Guidelines.

The department in charge of disclosures manages disclosure risks through systematic reviews and close collaboration with the relevant departments and the relevant managers of major subsidiaries, and carefully examines whether there are disclosure targets on the agenda of the Board of Directors and whether there are any changes in the stakes of related parties. We are examining closely whether or not it is necessary.

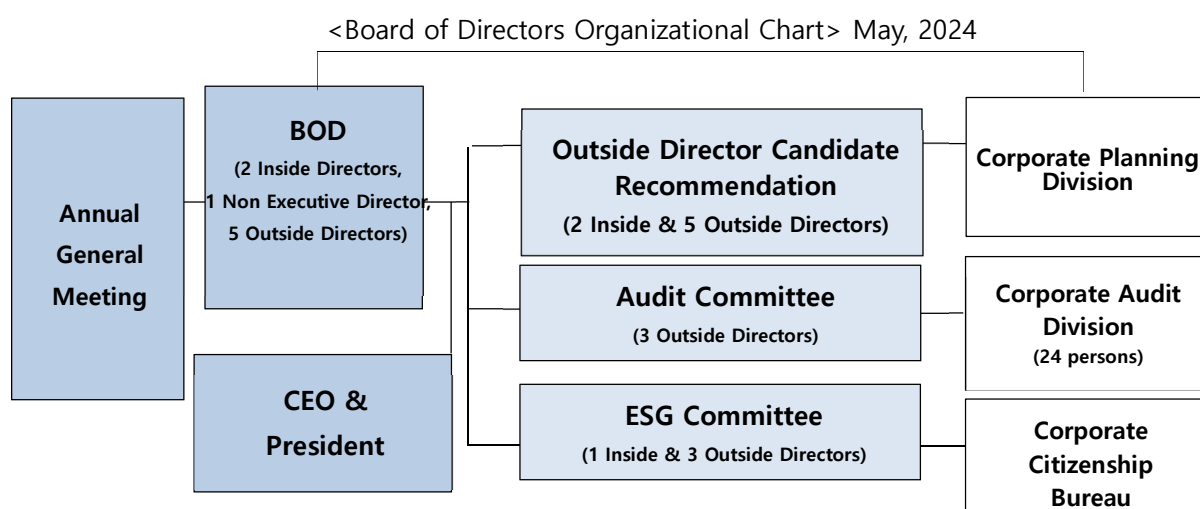
In addition, the collection and review of various disclosure information, regular inspection of the enactment and revision of disclosure-related laws, and disclosure-related notices and training are conducted.

(Key Principle 4) Composition of the Board

- The Board should be composed in a manner that facilitates effective decision-making and supervision of management, and directors should be appointed through a transparent process, which reflects the diverse opinions of shareholders.

(Sub-Principle 4-①) The Board should be composed in a manner that enables effective and prudent discussion and decision-making, with enough independent directors to enable it to fulfill its function independently from management and controlling shareholders.

The Company's Board of Directors consists of 3 to 12 directors.



The Company's Board of Directors consisted of a total of 7 directors in 2023 (3 internal directors and 4 external directors). As of the document submission date at the end of May 2024, the board comprises a total of 8 directors (2 internal directors, 1 non-executive director, and 5 external directors).

The external directors constitute a majority of the board (57% in 2023, 63% in 2024), and during the 23rd regular general meeting of shareholders on March 20, 2023, Jeong, Tak, Lee, Kye-in, and Lee, Jeon-hyuk were appointed as internal directors, while Han, Jong-soo and Chun, Yeong-han were appointed as external directors. In the 24th regular general meeting of shareholders on March 25, 2024, Lee, Kye-in and Lee, Jeon-hyuk were reappointed as internal directors, and Lee, Haeng-Hee was reappointed as an external director. Additionally, Chung, Kyung-jin was appointed as an internal director, and Jeong, Ki-seop as a non-executive director, while Song, Hou-keun and Hur, Taewoong were appointed as new external directors.

Please refer to the table below for information on the composition of the Board of Directors and of committees within the Board as of the report submission date.

Table 4-1-2: Composition of the BOD

| Name | Inside/ Outside | M/F | Position | Age | Termination of office | Area of expertise | Title/Committee |
|--------------------|-------------------------|-----|--|-----|--------------------------|---|---|
| Lee, Kye-in | Inside | M | CEO | 59 | 2025-03-24 | General corporate management | Seungkyun Kwan University MBA POSCO Intl., Head of Global Business Division (Current) POSCO Intl., CEO |
| Chung Kyung-jin | Inside | M | Head of Management Planning Division | 58 | 2025-03-24 | General corporate management | Seogang University, Master's in Business Administration POSCO Holdings, Finance Team Leader (Current) POSCO Intl., Director of Business Planning Division |
| Jeong, Ki-seop | Other non- executive | M | CEO of POSCO Holdings | 62 | 2025-03-24 | General corporate management | Bachelor of Business Administration, Yonsei University President of POSCO Energy (Current) Strategic Planning Manager/President, POSCO Holdings |
| Lee, Haeng-Hee | Independent | F | Audit Committee ESG Committee | 59 | 2026-03-23 | Expert in corporate management | PhD in of Business Administration, Sookmyung Women's University Chairman of the Korea Council of Chief Executive Officers of Multinational Corporations (KCMC) CEO and President of Korea Corning Co., Ltd. * Retired on March 31, 2024 (Current) Advisor to the Korea CEO Association of Multinational Corporations (KCMC) |
| Han, Jong-soo | Independent | M | Committee | 63 | 2025-03-24 | Expert in Finance & Accounting | PhD in Accounting from the University of Pittsburgh President of the Korean Accounting Association (Current) Professor of Accounting at Ewha Womans University |
| Chun, Yeong-han | Independent | M | Committee | 63 | 2025-03-24 | Expert in Energy, General corporate management | PhD in Electrical Engineering, University of Tokyo Member of Carbon Neutrality Committee (Current) Professor, Department of Electronic and Electrical Engineering, Hongik University |
| Song, Hou-keun | Independent | M | ESG Committee | 68 | 2026-03-23 | Expert in ESG, General corporate management | PhD in Sociology from Harvard University Distinguished Professor, Department of Humanities and Social Sciences, Pohang University of Science and Technology (Current) Distinguished Professor at Hallym University/Director of Doheon Academy |
| Hur, Taewoong | Independent | M | Committee | 58 | 2026-03-23 | Expert in Agriculture, General corporate management | PhD in Agriculture, Department of Livestock Science, Gyeongsang National Graduate School Commissioner of Rural Development Administration (Current) Gyeongsang National University, College of Agriculture and Life Sciences, |

Table 4-1-3-1: Committees of the Board

| | Major roles of the committee | Numbers | Concurrent Position |
|---|---|---------|---------------------|
| Outside Director Candidate Recommendation Committee | 1. Recommendation of outside director candidates 2. Other matters related to the recommendation of outside director candidates | 7 | A |
| Audit Committee | 1. Supervision of Directors and the Company's management 2. Appointment of third-party auditor 3. Other matters prescribed by the Articles of Incorporation or by-laws in relation to the audit work | 3 | B |
| ESG Committee | 1. Key matters related to the company's ESG management, including sustainability reports and response to environment/climate change 2. Other matters stipulated in the articles of incorporation or internal regulations related to ESG work | 4 | C |

Table 4-1-3-2: Composition of the committees of the Board

| Committee | Composition | | | | |
|---|-------------|----------------|-----------------|-----|---------------------|
| | Title | Classification | Name | M/F | Concurrent Position |
| Outside Director Candidate Recommendation Committee | Chairman | Inside | Lee, Kye-in | M | |
| | Member | Inside | Chung Kyung-jin | M | C |
| | Member | Independent | Lee, Haeng-Hee | F | B, C |
| | Member | Independent | Han, Jong-soo | M | B |
| | Member | Independent | Chun, Yeong-han | M | B |
| | Member | Independent | Song, Hou-keun | M | C |
| | Member | Independent | Hur, Taewoong | M | C |
| Audit Committee | Member | Independent | Lee, Haeng-Hee | F | A, C |
| | Chairman | Independent | Han, Jong-soo | M | A |
| | Member | Independent | Chun, Yeong-han | M | A |
| ESG Committee | Chairman | Independent | Lee, Haeng-Hee | F | A, B |
| | Member | Inside | Chung Kyung-jin | M | A |
| | Member | Independent | Song, Hou-keun | M | A |
| | Member | Independent | Hur, Taewoong | M | A |

ESG Committee oversees and supervises the company's ESG management activities, while also conducting pre-review of non-financial information disclosure. Additionally, it handles matters prescribed by laws or articles of association, as well as those delegated by the board of directors. This is specified in Article 3, Paragraphs 1 and 2 of the ESG Committee Operating Guidelines.

- Article 3, Clause 1: The committee is responsible for overseeing and managing the company's ESG management activities, as well as conducting pre-reviews of non-financial information disclosure.

- Article 3, Clause 2: In addition to the responsibilities outlined in Clause 1, the committee handles matters stipulated by laws or articles of association, as well as those delegated by the board of directors.

(Sub-Principle 4-②) The Board should be comprised of responsible and competent professionals in a range of fields considering their knowledge and career so that they can effectively contribute to the corporate management.

Our governance structure is designed to ensure diversity and expertise within the board, preventing it from having any specific common background or representing particular interests. According to the guidelines for outside directors' operations, our external directors possess qualifications such as rich expertise or experience in management, accounting, industries (such as environment, food, etc.), ESG, law, or the industries in which the company operates. In actual operation, we strive to include individuals with diverse expertise, avoiding any bias towards specific backgrounds or professions. Currently, our board comprises members with expertise in management, accounting, environment, ESG, food, and other fields, ensuring a balanced representation.

Furthermore, in pursuit of establishing a culture of gender equality within the company, we have appointed female outside directors. We are committed to securing diversity within the management team, aiming to enhance the competitiveness of both the company and society as a whole, fostering sustainable development through various efforts.

As of the reporting date (May 31, '24), our board consists of two internal directors with distinct expertise and one non-executive director. Our CEO, Lee, Kye-in, as an internal director, possesses extensive experience and expertise in the marketing field, having formulated and executed domestic and international business strategies as the head of materials, chemicals, and components/materials divisions at POSCO International. Currently serving as the CEO of POSCO International, he holds professional managerial capabilities and a broad perspective. Additionally, Chung Kyung-jin, another internal director, has contributed to the formulation and execution of business strategies at POSCO International as the head of the business planning division. With his experience in managing domestic business companies and expertise in various fields, including financial management at POSCO and POSCO Holdings, he possesses specialized knowledge relevant to managing company risks and promoting new investment projects.

Furthermore, our non-executive director, Jeong, Ki-seop, has served in various positions within POSCO, contributing to the management strategies of several businesses. Currently serving as the head of strategic planning and CEO at POSCO Holdings, he holds extensive knowledge and experience across the group's business sectors.

In addition to appointing internal directors and non-executive directors with expertise in various fields, we strengthen the board's professionalism through the outside director system. Our external directors, totaling five, each possess expertise in their respective fields.

Lee, Haeng-Hee, an outside director, holds a Ph.D. in Business Administration and has served as the Chairman of the Multinational CEO Association and President/CEO of Korea Conning Corporation. With her experience as an outside director, she brings valuable insights into the company's progressive policies. Another outside director, Han, Jong-soo, is a professor of accounting at Ewha Womans University and has served as the President of the Korean Accounting Association and a member of the International Financial Reporting Standards Interpretations Committee (IFRS IC). He is an expert in finance and accounting. Similarly, Chun, Yeong-han, an outside director, is a professor in the Department of Electrical and Electronic Engineering at Hongik University and a member of the Carbon Neutrality Committee. He possesses expertise in the industrial sector, particularly in the energy industry, contributing to the development and growth of our energy sector.

Furthermore, Song, Hou-keun, an outside director, serves as a Distinguished Professor at Hallym University and the Director of the Doheon Academy. He has served as a Distinguished Professor in the Department of Humanities and Social Sciences at Pohang University of Science and Technology (POSTECH), Director of External Relations at Seoul National University, and Chair of the Department of Sociology. As an expert in the ESG field, he brings extensive experience and knowledge to the board. Moreover, Hur, Taewoong, an outside director, serves as a Cooperative Professor in the College of Agriculture and Life Sciences at Gyeongsang National University. He has served as the Director of the Rural Development Administration, President of Korea National College of Agriculture and Fisheries, and Director of the Food Industry Policy Division at the Ministry of Agriculture and Forestry. As an expert in the food industry and other relevant fields, he possesses knowledge and experience essential for effective decision-making across various management aspects of the company.

Thus, we have appointed eight directors with diverse expertise, ensuring the competitiveness of the board and enabling it to make resolutions based on a broad spectrum of professional knowledge.

Table 4-2-1: History of appointments and changes of the directors

| Classification | Name | Date of original appointment | Date of tenure expiration | Date of change | Reason for change | In office |
|----------------|-----------------|------------------------------|---------------------------|----------------|-------------------|-----------|
| Inside | JOO, SI-BO | 2020-03-30 | 2023-03-20 | 2023-03-20 | Term Expired | Retired |
| | NOH, MIN-YONG | 2019-03-18 | 2023-03-20 | 2023-03-20 | Term Expired | Retired |
| | JEONG, TAK | 2023-03-20 | 2024-03-25 | 2024-03-25 | Term Expired | Retired |
| | LEE, KYE-IN | 2023-03-20 | 2025-03-24 | 2024-03-25 | Reappointed | In office |
| | LEE, JEON-HYEOK | 2023-03-20 | 2024-04-02 | 2024-04-02 | Resigned | Retired |
| | CHUNG KYUNG-JIN | 2024-03-25 | 2025-03-24 | | | In office |
| Non- | CHON, JUNG-SON | 2022-03-21 | 2023-03-20 | 2023-03-20 | Term Expired | Retired |

| Classification | Name | Date of original appointment | Date of tenure expiration | Date of change | Reason for change | In office |
|----------------|-----------------|------------------------------|---------------------------|----------------|-------------------|-----------|
| Executive | JEONG, KI-SEOP | 2024-03-25 | 2025-03-24 | | | In office |
| Outside | KWON, SOO YOUNG | 2019-03-18 | 2023-03-20 | 2023-03-20 | Term Expired | Retired |
| | KIM, HEUNG-SOO | 2019-03-18 | 2023-03-20 | 2023-03-20 | Term Expired | Retired |
| | HONG, JONG-HO | 2020-03-30 | 2024-03-25 | 2024-03-25 | Term Expired | Retired |
| | LEE, HAENG-HEE | 2022-03-21 | 2026-03-23 | 2024-03-25 | Reappointed | In office |
| | SONG, HOU-KEUN | 2024-03-25 | 2026-03-23 | | | In office |
| | HAN, JONG-SOO | 2023-03-20 | 2025-03-24 | | | In office |
| | CHUN, YEONG-HAN | 2023-03-20 | 2025-03-24 | | | In office |
| | HUR, TAEWOON | 2024-03-25 | 2026-03-23 | | | In office |

(Sub-Principle 4-③) The fairness and independence of the recommendation and appointment process of the candidates for directors should be secured.

Directors of the Company meet all the qualifications required by the relevant laws such as Article 382, Paragraph 3 of the Commercial Act and Article 542-8 paragraph 2 of the Commercial Act. Although there is no Inside Director Recommendation Committee in operation, the Company operates an Outside Director Recommendation Committee for Outside Directors. The Company carefully examines each candidate's qualifications in order to avoid appointing anyone responsible for having damaged corporate value or violating shareholder interests, and also to exclude anyone that has been sanctioned by a court for any violation of the law.

Table 4-3-1 : information provided regarding director candidates

| Name | | Date of information submission | Date of AGM | Classification | Information provided |
|--------------|-------------|--------------------------------|-------------|----------------|--|
| The 24th AGM | Lee, Kye-in | 2024-02-23 | 2024-03-25 | Inside | 1. Detailed career history of the candidate 2. Expiration of term and Appointment/Reappointment of the candidate 3. Current employment status of candidate 4. Past board activities (if re-elected) 5. Transaction history over the past three business years 6. Relationship with the largest shareholder 7. Whether the candidate is in default management of insolvent enterprises reason for disqualification under the law 8. Reasons for recommendation by the Board of Directors 9. The candidate's job performance plan |

| | | | | | |
|--|-----------------|------------|------------|---------------|--|
| | Lee, Jeon-Hyeok | 2024-02-23 | 2024-03-25 | Inside | 1. Detailed career history of the candidate 2. Expiration of term and Appointment/Reappointment of the candidate 3. Current employment status of candidate 4. Past board activities (if re-elected) 5. Transaction history over the past three business years 6. Relationship with the largest shareholder 7. Whether the candidate is in default management of insolvent enterprises reason for disqualification under the law 8. Reasons for recommendation by the Board of Directors 9. The candidate's job performance plan |
| | Chung Kyung-jin | 2024-02-23 | 2024-03-25 | Inside | 1. Detailed career history of the candidate 2. Expiration of term and Appointment/Reappointment of the candidate 3. Current employment status of candidate 4. Past board activities (if re-elected) 5. Transaction history over the past three business years 6. Relationship with the largest shareholder 7. Whether the candidate is in default management of insolvent enterprises reason for disqualification under the law 8. Reasons for recommendation by the Board of Directors 9. The candidate's job performance plan |
| | Jeong, Ki-seop | 2024-02-23 | 2024-03-25 | Non-executive | 1. Detailed career history of the candidate 2. Expiration of term and Appointment/Reappointment of the candidate 3. Current employment status of candidate 4. Past board activities (if re-elected) 5. Transaction history over the past three business years 6. Relationship with the largest shareholder 7. Whether the candidate is in default management of insolvent enterprises reason for disqualification under the law 8. Reasons for recommendation by the Board of Directors 9. The candidate's job performance plan |
| | Lee, Haeng-Hee | 2024-02-23 | 2024-03-25 | Independent | 1. Detailed career history of the candidate 2. Expiration of term and Appointment/Reappointment of the candidate 3. Current employment status of candidate 4. Past board activities (if re-elected) 5. Transaction history over the past three business years 6. Relationship with the largest shareholder |

| | | | | | |
|--|----------------|------------|------------|-------------|--|
| | | | | | 7. Whether the candidate is in default management of insolvent enterprises reason for disqualification under the law 8. Reasons for recommendation by the Board of Directors 9. The candidate's job performance plan |
| | Song, Hou-keun | 2024-02-23 | 2024-03-25 | Independent | 1. Detailed career history of the candidate 2. Expiration of term and Appointment/Reappointment of the candidate 3. Current employment status of candidate 4. Past board activities (if re-elected) 5. Transaction history over the past three business years 6. Relationship with the largest shareholder 7. Whether the candidate is in default management of insolvent enterprises reason for disqualification under the law 8. Reasons for recommendation by the Board of Directors 9. The candidate's job performance plan |
| | Hur, Taewoong | 2024-02-23 | 2024-03-25 | Independent | 1. Detailed career history of the candidate 2. Expiration of term and Appointment/Reappointment of the candidate 3. Current employment status of candidate 4. Past board activities (if re-elected) 5. Transaction history over the past three business years 6. Relationship with the largest shareholder 7. Whether the candidate is in default management of insolvent enterprises reason for disqualification under the law 8. Reasons for recommendation by the Board of Directors 9. The candidate's job performance plan |

The company disclose below activities in accordance with the notice of the general meeting of shareholders and as stated in the business report.

1. Activities of outside directors.

2. The attendance rate of directors at board meetings and their voting on agenda items are disclosed regularly.

| No. | Date | Agenda | | Name | | | | | | |
|-----|----------|---|----------|--------------------|--------------------|-------------------|-------------------|-------------------------|------------------|-----------------------|
| | | | | Jeon, Jung-seon | Kwon, Soo-young | Kim, Heung-soo | Han, Jong-su | Jeon, Young- hwan | Hong, Jong-ho | Lee, Haeng- hee |
| | | | | (Attendance rate) | | | | | | |
| | | | | 100% | | | | | | |
| 1 | 23.01.02 | 1) At the general shareholders' meeting to report on the merger | Approved | Passed | Passed | Passed | (Appointe d on | (Appointed on | Passed | Passed |

| | | | | | | | | | | |
|---|----------|--|----------|-------------------------|-------------------------|-------------------------|-----------|-----------|--------|--------|
| 2 | 23.01.26 | 1) Approval of the 23Y financial statements | Approved | Passed | Passed | Passed | 23.03.20) | 23.03.20) | Passed | Passed |
| | | 2) Approval of the 23rd business report | Approved | Passed | Passed | Passed | | | Passed | Passed |
| | | ※ Reports | | | | | | | | |
| | | - Status of internal accounting management system operation in 2022 | | | | | | | | |
| | | - 2022 compliance control and CP activity inspection results | | | | | | | | |
| 3 | 23.02.22 | 1) Convening the 23rd AGM and deciding on the purpose of the meeting | Approved | Passed | Passed | Passed | | | Passed | Passed |
| | | 2) 2023 POSCO International Safety and Health Plan | Approved | Passed | Passed | Passed | | | Passed | Passed |
| | | 3) Donation of gold to support victims of the Turkiye earthquake | Approved | Passed | Passed | Passed | | | Passed | Passed |
| | | ※ Reports | | | | | | | | |
| | | 2022 Internal Accounting Management System Operation Status Report | | | | | | | | |
| 4 | 23.03.20 | 1) Matter of appointment of CEO | Approved | (Retired on 2023.03.20) | (Retired on 2023.03.20) | (Retired on 2023.03.20) | Passed | Passed | Passed | Passed |
| | | 2) Death of CEO and Chairman of the Board of Directors Matter of decision on the city's acting representative | Approved | | | | Passed | Passed | Passed | Passed |
| | | 3) Appointment of Outside Director Candidate Recommendation Committee members | Approved | | | | Passed | Passed | Passed | Passed |
| | | 4) Matter of adjustment and payment of director remuneration standards in 2023 | Approved | | | | Passed | Passed | Passed | Passed |
| | | 5) Disposal of treasury stock to pay executive stock compensation in 2022 | Approved | | | | Passed | Passed | Passed | Passed |
| | | 6) Matter of contributing donations to Incheon POSCO High School in 2023 | Approved | | | | Passed | Passed | Passed | Passed |
| 5 | 23.04.27 | 1) Capital payment and parent company guarantee for establishment of local E&P corporation in Bunga mining area, Indonesia | Approved | | | | Passed | Passed | Passed | Passed |
| | | 2) Funding plan for the first half of 2023 | Approved | | | | Passed | Passed | Passed | Passed |
| | | 3) Change in Board of Directors regulations | Approved | | | | Passed | Passed | Passed | Passed |

| | | | | | | | | | | |
|---|----------|--|----------|--|--|--|--------|--------|--------|--------|
| | | 4) Donation to support forest fire damage in Gangneung, Gangwon-do | Approved | | | | Passed | Passed | Passed | Passed |
| | | ※ Reports | | | | | | | | |
| | | Establishment of POSCO International New Vision | | | | | | | | |
| 6 | 23.06.28 | 1) Establishment of the ESG Committee under the Board of Directors and changes to related Board of Directors regulations | Approved | | | | Passed | Passed | Passed | Passed |
| | | 2) Publication of the 2022 Corporate Citizenship Report and materiality assessment results | Approved | | | | Passed | Passed | Passed | Passed |
| | | 3) Setting transaction limits with related parties (holdings) related to the POSCO brand usage agreement | Approved | | | | Passed | Passed | Passed | Passed |
| | | 4) Change in Noeul Green Energy long-term service contract (Conditional litigation conclusion and contract termination) | Approved | | | | Passed | Passed | Passed | Passed |
| | | 5) Stack purchase and installation, BOP parts replacement service contract concluded | Approved | | | | Passed | Passed | Passed | Passed |
| | | 6) CGN filed a counterclaim in Yulchon Electric Power's lawsuit for damages | Approved | | | | Passed | Passed | Passed | Passed |
| | | 7) '23 Modern Slavery Act (MSA) Declaration | Approved | | | | Passed | Passed | Passed | Passed |
| | | 8) Participation in paid-in capital increase for NEH Co., Ltd. for the Gwangyang 2nd LNG Terminal PJT | Approved | | | | Passed | Passed | Passed | Passed |
| | | ※ Reports | - | | | | Passed | Passed | Passed | Passed |
| 7 | 23.07.26 | POSCO International 2050 Carbon Neutrality Basic Roadmap | | | | | | | | |
| | | 1) Sale of shares in the Narrabri bituminous coal business in Australia | Approved | | | | Passed | Passed | Passed | Passed |
| | | 2) Financing plan for the second half of 2023 | Approved | | | | Passed | Passed | Passed | Passed |
| | | 3) Change in Board of Directors regulations | Approved | | | | Passed | Passed | Passed | Passed |
| | | 4) Donation to repair damage from torrential rain and support victims | Approved | | | | Passed | Passed | Passed | Passed |
| 8 | 23.08.21 | 1) Participation in the offshore CCS underground site project in Texas, USA | Approved | | | | Passed | Passed | Passed | Passed |
| | | 2) Increase in the total transaction amount limit with related parties (POSCO FutureM) | Approved | | | | Passed | Passed | Passed | Passed |

| | | | | | | | | | | |
|----|-----------|--|----------|--|--|--|--------|--------|--------|--------|
| 9 | 23.09.21 | 1) Fund loan to Ukraine Grain Terminal Corporation (GTH) | Approved | | | | Passed | Passed | Passed | Passed |
| | | ※ Reports | - | | | | Passed | Passed | Passed | Passed |
| | | Female workforce development plan | | | | | | | | |
| 10 | 23.11.22. | 1) Approval of short-term financial limit for 2024 | Approved | | | | Passed | Passed | Passed | Passed |
| | | ※ Reports | - | | | | - | - | - | - |
| | | Mid-term shareholder-friendly policy | | | | | | | | |
| 11 | 23.12.19 | 1) Approval of the 2024 management plan | Approved | | | | Passed | Passed | Passed | Passed |
| | | 2) Setting a limit on the total amount of transactions with related parties in 2024 and approving transactions using the POSCO brand | Approved | | | | Passed | Passed | Passed | Passed |
| | | 3) Approval for purchase of NEH Co., Ltd. stocks to resolve holding company activity restrictions | Approved | | | | Passed | Passed | Passed | Passed |
| | | 4) Contribution to the '24 Company Labor Welfare Fund | Approved | | | | Passed | Passed | Passed | Passed |
| | | 5) Year-end donation contribution | Approved | | | | Passed | Passed | Passed | Passed |

* Note) Outside directors Han Jong-soo and Jeon Young-hwan were newly appointed at the 23rd AGM on March 20, 2023.

Activities of outside directors in committees within the board of directors

| Name | Directors | Date | Agenda | Result |
|-----------------|---|----------|---|----------|
| Audit committee | (Chairman) Han, Jong-soo, (Director) Jeon, Young-hwan, Hong, Jong-ho, Lee, Haeng-hee | 23.1.26 | ○ Resolution | |
| | | | - Major business performance in 2022 and business plan in 2023 | Approved |
| | | | - Consent to appoint a person in charge of the internal audit department | Approved |
| | | | ○ Report | - |
| | | | - Internal audit activity performance in the fourth quarter of 2022 | - |
| | | | - Results of internal audit of financial statements in 2022 | - |
| | | | - Report on the operation status of the internal accounting management system in 2022 | - |
| | | 23.2.22 | ○ Resolution | |
| | | | - 2022 internal accounting management system operation status evaluation report | Approved |
| | | | - The audit committee's review of the operation status of the internal monitoring device in 2022 Evaluation opinion | Approved |
| | | | - 'Audit Committee Audit Report in 2022 | Approved |
| | | | ○ Report | |
| | | | - Results of external audit of consolidated and separate financial statements in 2022 | - |
| | | | - Results of review of financial statements in 2022 | - |
| | | 23.2.22 | ○ Resolution | |
| | | | - Statement of opinion on the agenda and documents of the general shareholders' meeting | Approved |
| | | 23.3.20 | ○ Resolution | |
| | | | - Appointment of Audit Committee Chairman | Approved |
| | | 23.04.27 | ○ Report | |
| | | | - Results of external review of financial statements in the first quarter of 2023 and total annual audit stroke | - |
| | | | - Results of internal audit of financial statements in the first quarter of 2023 | - |
| | | | - Internal audit activity performance in the first quarter of 2023 | - |
| | | | | |
| | | 23.7.26 | ○ Report | |
| | | | - Results of external review of financial statements in the second quarter of 2023 | - |
| | | | - Results of internal audit of financial statements in the second quarter of 2023 | - |
| | | | - Internal audit activity performance in the second quarter of 2023 | - |
| | | 23.9.21 | ○ Report | |
| | | | - Report on external auditor evaluation results in 2022 | - |

| | | | | |
|--|---|----------|---|----------|
| | | | - Internal audit activity performance in the third quarter of 2023 | - |
| | | | - Watch List for the 3rd quarter of 2023 | - |
| | | 23.11.22 | ○ Resolution | |
| | | | - Selection of external auditor for fiscal year 2024~25 | Approved |
| | | | ○ Report | |
| | | | - Results of external review of financial statements in the third quarter of 2023 | - |
| | | | - Results of internal audit of financial statements in the third quarter of 2023 | - |
| | | | - Internal audit activity performance in the third quarter of 2023 | - |
| | | 23.12.19 | ○ Report | |
| | | | - Internal audit activity performance in the fourth quarter of 2023 | - |
| | | | - Watch List for the 4th quarter of 2023 | - |
| | | 24.1.25 | ○ Resolution | |
| | | | - 2024 Corporate Audit Division's main work plan | Approved |
| | | | ○ Report | |
| | | | - Results of internal audit of financial statements in the 4th quarter of 2024 | - |
| | | | - Current status of internal accounting management system operation in 2023 (written report) | - |
| Outside Director or Candidate Recommendation Committee | (Chairman) Jeong, Tak, (Director) Lee, Kye-in, Lee, Jeon-hyuk, Hong, Jong-ho, Lee, Haeng-hee, Han, Jong-soo, Jeon, Young-hwan | 23.02.22 | 1) Recommendation of outside director candidates for POSCO International Co., Ltd. | Approved |
| | | 23.03.20 | 1) Appointment of the chairman of the Outside Director Candidate Recommendation Committee and decision on an acting representative in the event of the chairman's absence | Approved |
| ESG Committee | (Chairman) Hong, Jong-ho, | 23.7.26 | ○ Resolution - Appointment of ESG Committee | Approved |
| | | | Report - Trends in global ESG regulation legislation and | - |

| | | | | |
|--|--|----------|--|----------|
| | (Director) | | company response direction | |
| | Lee, Haeng-hee, Han, Jong-soo, | 23.9.21 | Report - Establishment of supply chain ESG management system | - |
| | Jeon, Young-hwan, Lee, Kye-in, Lee, Jeon Hyuk | 23.12.19 | Resolution - Planning and materiality assessment of the 2023 Corporate Citizenship Report | Approved |

According to Article 27 of the Articles of Incorporation, the company does not currently apply cumulative voting, and as there have been no shareholder proposals regarding cumulative voting to date, the company has not conducted a specific review. However, the company plans to actively consider any requests from minority shareholders regarding cumulative voting if such requests arise. Furthermore, the company generally provides information related to the appointment of directors up to two weeks before the general shareholders' meeting, to ensure shareholders have sufficient information to review director candidates. For reappointed director candidates, the company discloses their board activities through the annual report, particularly highlighting the activities of outside directors, including attendance rates and voting on agenda items at each board meeting, through the notice of the shareholders' meeting.

(Sub-Principle 4-④) People who are responsible for the degradation of the enterprise value or infringement of shareholders' equity interest should not be appointed as executive officers.

The company strives not to appoint individuals as executives who are responsible for impairing corporate values or infringing shareholder rights. The detailed list of executives is as follows:

Table 4-4-1: Detailed list of Registered Executives

| NAME | Gender | Type | Full-time/ Part-time | Responsibilities |
|---------------------|--------|------------------|-------------------------|--|
| Lee, Kye-In | M | Inside Director | Full-time | President & CEO |
| Chung, Kyung-Jin | M | Inside Director | Full-time | CFO* of Corporate Strategy & Finance Group |
| Chun, Yeong-han | M | Outside Director | Part-time | Director |
| Han, Jong-soo | M | Outside Director | Part-time | Director |
| Lee, Haeng-Hee | F | Outside Director | Part-time | Director |

| NAME | Gender | Type | Full-time/ Part-time | Responsibilities |
|-------------------|--------|---------------------------|-------------------------|------------------|
| Song, Hou-Keun | M | Outside Director | Part-time | Director |
| Heo, Taewoong | M | Outside Director | Part-time | Director |
| Jeong, Ki-Seop | M | Non-Executive Director | Part-time | CSO |

Detailed list of Non-registered Executives

| NAME | Gender | Type | Full-time/ Part-time | Responsibilities |
|---------------------|--------|-----------------------------|-------------------------|--|
| Lee, Jeon-Hyeok | M | Non-registered Executive | Full-time | Assistant of CEO |
| PARK, Hyeon | M | Non-registered Executive | Full-time | COO* of Energy Business Development Group |
| Jho, Jhoon-Soo | M | Non-registered Executive | Full-time | COO of E&P Business Group |
| Lee, Sang-Hoon | M | Non-registered Executive | Full-time | COO of Agro & Bio Group |
| Kim, Sang-Chul | M | Non-registered Executive | Full-time | COO of Steel Business Group |
| Park, Hong-Sik | M | Non-registered Executive | Full-time | COO of Corporate Management Group |
| Lee, Young Woo | M | Non-registered Executive | Full-time | COO of Green Industry Business Group |
| Min, Chang-Kie | M | Non-registered Executive | Full-time | COO of Energy Infra Group |
| Cho, Ju Ik | M | Non-registered Executive | Full-time | Head of Business Management Division |
| Kim, Sung Jin | M | Non-registered Executive | Full-time | Head of Corporate Audit Division |
| Lee, Cheol-Ho | M | Non-registered Executive | Full-time | Head of Communications Division |
| Seo, Young-Ki | M | Non-registered Executive | Full-time | Head of Green Automotive Steel Division |
| Park, Jin-Woo | M | Non-registered Executive | Full-time | Head of RHQ* in North America / President of POSCO INTERNATIONAL America Corp. [N.J] |
| Choi, Ihn-Seok | M | Non-registered Executive | Full-time | Head of Steel Raw Material Division |
| Kwak, Min-Soo | M | Non-registered Executive | Full-time | Head of RHQ in Europe / President of DWID (Deutschland) |
| Eum, Gi-Yong | M | Non-registered Executive | Full-time | Head of Human Resources and Corporate Culture Division |
| Kong, Byoung-Sun | M | Non-registered Executive | Full-time | Head of Agribusiness Development Division |
| Park, Sang-Hun | M | Non-registered Executive | Full-time | Head of RHQ In Japan / President of POSCO INTERNATIONAL JAPAN Corp. (Tokyo) |
| Lee, Sun-Kyu | M | Non-registered Executive | Full-time | Head of Financial Accounting Division |

| NAME | Gender | Type | Full-time/ Part-time | Responsibilities |
|---------------------|--------|-----------------------------|-------------------------|---|
| Park, Hyeok-Sang | M | Non-registered Executive | Full-time | Head of Green Mobility Division |
| You, Sam | M | Non-registered Executive | Full-time | Head of Green Material Division |
| Lee, Jung-Hwan | M | Non-registered Executive | Full-time | Head of Resources Development Division |
| Park, Jeong-Bin | M | Non-registered Executive | Full-time | Head of Corporate Planning Division |
| Shin, Eun-Ju | M | Non-registered Executive | Full-time | Head of Terminal Business Division |
| Lim, Jae-Sung | M | Non-registered Executive | Full-time | President of POSCO INTERNATIONAL SINGAPORE PTE LTD. |
| Sim, Jun-Bo | M | Non-registered Executive | Full-time | Head of RHQ In China / President of POSCO INTERNATIONAL Shanghai Co., Ltd. |
| Hwang, Euy-Yong | M | Non-registered Executive | Full-time | Head of LNG Business Division |
| Won, Myung-Sung | M | Non-registered Executive | Full-time | Head of RHQ in Indonesia / President of POSCO INTERNATIONAL Indonesia Co., Ltd. |
| Park Hyun-Yul | M | Non-registered Executive | Full-time | Head of Stainless-Steel Division |
| Chung, In-Cheol | M | Non-registered Executive | Full-time | Head of Investor Relations Division |
| Oh, Young-Gueon | M | Non-registered Executive | Full-time | Head of Energy Operation Division |
| Kim, Dae-Yeon | M | Non-registered Executive | Full-time | Head of Power Business Development Division |
| Kim, Yong-Hyuk | M | Non-registered Executive | Full-time | Head of Green Industry Steel Division |
| Lee, Young-Lak | M | Non-registered Executive | Full-time | President of PT.KPE |
| An, Ju-Yong | M | Non-registered Executive | Full-time | Head of Hot Rolled Steel & Semi Product Division |
| Kim, Won-Young | M | Non-registered Executive | Full-time | President of POSCO INTERNATIONAL VIETNAM CO., LTD |
| Chung, Mun-Sik | M | Non-registered Executive | Full-time | Head of Legal Division |
| Heo, Sung-Hyung | M | Non-registered Executive | Full-time | Head of Corporate Citizenship Bureau |
| Hong, Seung-Pyo | M | Non-registered Executive | Full-time | Head of Agro-Commodity Division |
| Baek, Seung-Don | M | Non-registered Executive | Full-time | Head of Gas Production Operation Division |

*CFO/COO: Chief Financial/Operating Officer, RHQ: Regional Headquarters

To prevent the appointment of a candidate who has been or is responsible for the corporate's defamation or infringement of shareholders' rights and interests (e.g., where administrative and judicial sanctions have been imposed on such individual or the individual is exempted from such

legal execution), the Company has a specific requirement for appointment of executives in accordance with the Executive Personnel Management Regulations as follows: " A person who has been sentenced to at least imprisonment and served his/her sentence, or whose order for sentencing was confirmed not to be carried out and two years have not passed since the date of confirmation shall not be qualified for appointment as executive personnel."

In relation to this, the Company is closely examining and carefully scrutinizing candidates to exclude those who have been convicted of embezzlement or breach of trust issues in the past from being appointed as executives, and there is no case in which a person who has been punished for malpractice or embezzlement has been appointed as an executive. In addition, the Company thoroughly monitors whether individuals meet qualifications such as expertise, job fairness, ethical responsibility, and loyalty when evaluating possible candidates for executives.

Furthermore, the Company does not adopt the executive officer system in view of the fact that the Audit Committee is composed only of outside directors and that the selected outside directors can sufficiently supervise the management. The Company will continuously review the necessity of the system.

(Key Principle 5) Responsibilities of Independent Directors

- **Independent directors should be able to independently participate in the important decision-making process for corporate management and supervise and support the management as a Board member.**

(Sub-Principle 5-①) The Company should confirm, during the appointment stage of the process, that independent directors do not have significant personal interests in the Company.

The company complies with the Commercial Act Enforcement Decree, which allows outside directors of listed companies, including our own, to concurrently serve as directors, executive officers, or auditors at one other company, including our own outside directors. This adherence ensures that excessive concurrent positions at other companies do not impact the performance of duties by our outside directors, allowing them to dedicate sufficient time and effort to faithful duty performance. Furthermore, under Article 397 of the Commercial Act, the company requires board approval for directors who engage in similar business activities at other companies.

Table 5-1-1: Tenure of service of each outside director as of the date of the report submission

| NAME | Tenure of service at POSCO International (Month) | Tenure of service at affiliated companies (Month) |
|-----------------|--|---|
| Lee, Haeng-Hee | 26 | |
| Han, Jong-Soo | 14 | |
| Chun, Yeong-Han | 14 | |
| Song, Hou-Keun | 2 | 11 |
| Heo, Taewoong | 2 | |

(Sub-Principle 5-②) Independent directors should devote a sufficient amount of time and effort to sincerely fulfill their duties.

The company complies with the Commercial Act Enforcement Decree, allowing outside directors of listed companies, including our own, to concurrently hold positions as directors, executive officers, or auditors at one other company, including our own outside directors. This adherence ensures that excessive concurrent positions at other companies do not affect the performance of duties by our outside directors. Additionally, under Article 397 of the Commercial Act, the company requires board approval for directors who engage in directorships at other companies involved in similar business activities.

Table 5-2-1: Status of Outside Directors holding concurrent positions as of the date of the report submission

| Name | Date of original appointment | Date of tenure expiration | Current office | Status of concurrent office | | | |
|-------------------------------------|------------------------------|-----------------------------|--|-----------------------------|---------------------------------------|---|--|
| | | | | Concurrent institution | Concurrent position | Tenure of service in the concurrent institution | Listed/non-listed institution (concurrent) |
| Hong, Jong-Ho (Audit Committee) | 2020.03.30 | 2024 Annual General Meeting | Professor, Seoul National University, Graduate School of Environmental Studies | - | - | - | - |
| Lee, Haeng-Hee (Audit Committee) | 2022.03.21 | 2024 Annual General Meeting | President and Representative Director of Corning Korea | Corning Korea | President and Representative Director | 2004~ | Non-listed |
| Han, Jong-Soo | 2023.03.20 | 2025 Annual General Meeting | Professor, Ewha Womans University | LG | Outside Director | 2022.3.~ 2025.3. | Listed |
| Chun, Yeong-Han | 2023.03.20 | 2025 Annual General Meeting | Professor, Hongik University | | | | |

As stated above, our outside director is not overburdened with excessive concurrent positions to ensure faithful performance of their duties. They regularly attend both scheduled board meetings and ad hoc meetings to decide on critical corporate matters. Additionally, they actively participate in board committees, diligently audit the company's financial statements each quarter through routine meetings with external auditors.

The company supports board activities and assists directors through a board secretary and administrative department. They facilitate thorough review and preparation of agenda items prior to board meetings, ensuring informed decision-making. Moreover, they provide management reporting to outside directors and support requests necessary for their duties. All departments, beyond the administrative office, assist in the outside directors' duties when needed. Furthermore, the company offers guidance and education to enhance outside directors' expertise and, per board regulations, supports seeking advice from professionals at the company's expense when deemed necessary by the board or individual directors.

(Sub-Principle 5-③) The Company should provide sufficient information and resources for the independent directors to perform their duties.

The Company provides new Outside Directors with an orientation so that they can quickly understand the current state of management. After the orientation, the Company continues to provide and report information on the management status and key issues of the Company's businesses in order to aid the understanding of the Outside Directors. In particular, important investment issues to be decided on by the Board are reported to the Outside Directors prior to holding the Board meeting.

Furthermore, to provide Outside Directors with on-site experience, the Company provides annual visits to major domestic and foreign worksites of the Company. In June 2023, the Outside Directors visited energy facilities invested in by the company in Shinan and Gwangyang. During these visits, they inspected the operational status of these facilities and shared company's management policies.

To respond to requests for information and data from Outside Directors, the Company has designated a department (Corporate Planning Division) to exclusively support the Board and the committees within the Board. This department is composed of one director, one group leader, and two staff members. They are responsible for tasks such as providing advance explanations of board agenda items to outside directors and assisting with requests necessary for their duties.

Pursuant to the provisions of Article 15, Paragraph 2 of the Outside Director Operation Guidelines, Outside Directors may request the following if necessary:

1. Perusal and duplication of ledgers and statements
2. Establishment of a specialized department to assist with manpower and duties

3. Temporary recruitment of experts in accounting, law, and other relevant fields

4. Consultation from an external specialized organization

| Training Data | Held by | Attending outside directors | Reason for non-attendance | Main activity |
|---------------|----------------------------|-----------------------------|---------------------------|---|
| '23.6.27~28 | Management Planning Office | 4 | - | Improve understanding of the energy business through tours and business reports of our energy business sites (Gwangyang LNG Terminal, Shinan Onshore Wind Farm) |
| '23.7.26. | Corporate citizen bureau | 4 | - | Trends in global ESG regulation legislation |

Although the Company does not hold regular meetings participated in exclusively by Outside Directors, the Company provides sufficient information and resources necessary for the Directors to perform their duties and make decisions that benefit the Company and its shareholders, such as assisting newly appointed Directors to quickly get up to date with the Company's businesses, providing prior explanations of key agenda topics for Board meetings, and organizing visits to domestic and overseas worksites.

(Key Principle 6) Evaluation of Outside Directors Activities

- To promote the active performance of duties by the outside directors, their activities should undergo fair evaluation, and decisions on their remuneration and reappointment should be made based on the outcomes of such evaluation.

(Sub-Principle 6-①) Evaluation of an outside director should be based on the individual performance; the results of such evaluation should be reflected in the decision on reappointment.

The evaluation of Outside Directors has not been discussed so far, but the Company will review the pros and cons of implementing an evaluation system and fully discuss the matter with the Board if deemed necessary at a future date.

(Sub-Principle 6-②) Compensation should be set at a proper level in consideration of accountability, risk involved in fulfilling the duty, and the time spent.

The remuneration of the Outside Directors of the Company is in line with that of other companies with a similar size and degree of work, as well as within the socially acceptable level. If adjustments to compensation levels and criteria are deemed necessary, the Company plans to conduct thorough reviews and discussions to ensure that various factors such as job performance outcomes and difficulty are adequately considered before making any decisions.

(Key Principle 7) Operation of the Board

- **The Board should be operated efficiently and rationally to ensure that the management decisions are made in the best interests of the corporation and its shareholders.**

(Sub-Principle 7-①) In principle, the Board should be held on a regular basis, and the Company should prepare operational regulations that stipulate the authority, responsibility, and operational procedures of the Board in detail.

According to the board regulations, the board is divided into regular and ad hoc meetings, with regular meetings held every month except for May, August, and November. Meetings are only convened if there are agenda items to discuss. When convening a meeting, the board must set the meeting schedule and notify each director in writing, electronically, or orally at least 7 days prior to the meeting date. However, meetings can be convened at any time without following these procedures if consent is obtained from all directors. Please refer to the table below for the 2023 board meeting schedule.

Table 7-1-1: Board of Directors meetings held during disclosure period

| | Number of times held | Average agenda notification meeting period (days) | Average rate on Director attendance (%) |
|---------------|----------------------|---|---|
| Regular | 9 | 7 | 100 |
| Extraordinary | 2 | 7 | 100 |

The company supports executive officers in performing their duties by providing indemnity insurance to cover liability for damages or compensation claims against shareholders or third parties resulting from their job performance outcomes.

The company has approved various shareholder return policies, including dividends and share repurchases, to realize the interests of investors and other stakeholders. In March 2023, the board proposed and approved amendments to the articles of association at the regular shareholders' meeting, aligning dividend policies with the guidelines of the Financial Supervisory Service to determine dividend amounts and declaration dates. Additionally, in November 2023, a shareholder return policy was presented and approved by the board, encompassing mid-term dividend policies based on predictable profit realizations.

[The shareholder return policy]

The shareholder return policy approved in November 2023 is based on stable performance, focusing on growth through investments. The company is classified as a leading growth stock in the KOSPI, ranking high in PER and PBR as of June 2023 (PER: 13x, PBR: 1.67). Thus, the strategy emphasizes increasing returns through reinvestment rather than increasing dividends. The policy highlights a 25% dividend under the medium-term dividend policy, which allows for dividends higher than past levels considering CAPEX investments, thereby actively considering the realization of stakeholders' interests, including investors.

Moreover, the company has focused on enhancing stakeholder understanding of its shareholder return policies through C-level meetings, domestic and international Non-Deal Roadshows, and plans to further enhance accessibility through platforms like YouTube and AI models to gather stakeholder opinions for presentation to the board. This commitment aims to maximize benefits for all stakeholders through proactive engagement and strategy alignment with shareholder return policies.

(Sub-Principle 7-②) The Board should take the minutes of every meeting in detail and disclose the attendance rate of each director at the Board meeting and activities such as votes of approval and disapproval on the agenda.

The Company records all the remarks made by the Directors in the Minutes of the Board of Directors by shorthand or audio recording, and issues a copy to the Directors within one week after the end of the meeting. The Company keeps the final copy of the minutes.

Furthermore, the Company announces the matters to be voted on (such as the date of the board meeting, the content of the agenda, whether the vote passed) in the business report, the semi-annual and the quarterly reports. Please refer to the table below for the attendance history of Individual Directors and their attendance rate and approval ratings during the last three business years.

Table 7-2-1: Attendance rate and approval rate of directors for the past three years

| Name | Classification | Tenure of service | Attendance rate(%) | | | | Approval rate (%) | | | |
|-----------------|----------------|---|--------------------|------------------|----------|----------|-------------------|------------------|----------|----------|
| | | | Av. tenure | Last three years | | | Av. tenure | Last three years | | |
| | | | | 20 23 | 20 22 | 20 21 | | 20 23 | 20 22 | 20 21 |
| Joo, Si-Bo | Inside | 2020.03.30~2023.03.20 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Noh, Min-Yong | Inside | 2019.03.18~2023.03.20 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Jeong, Tak | Inside | 2017.03.13~2022.03.21 (Non-executive) 2023.03.20~2024.03.25 | 100 | 100 | | 100 | 100 | 100 | | 100 |
| Lee, Kye-In | Inside | 2023.03.20~ | 100 | 100 | | | 100 | 100 | | |
| Lee, Jeon-Hyeok | Inside | 2023.03.20~2024.04.02 | 100 | 100 | | | 100 | 100 | | |
| Chon, Jung-Son | Non-executive | 2022.03.21~2023.03.20 | 92 | 100 | 89 | | 100 | 100 | 100 | |
| Kwon, Soo-Young | Outside | 2019.03.18~2023.03.20 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Kim, Heung-Soo | Outside | 2019.03.18~2023.03.20 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Hong, Jong-Ho | Outside | 2020.03.30~2024. shareholders meeting | 100 | 100 | 100 | 100 | 99 | 100 | 97 | 100 |
| Lee, Haeng-Hee | Outside | 2022.03.21~ | 95 | 100 | 89 | | 100 | 100 | 100 | |
| Shin, In-Sook | Outside | 2020.03.30~2021.10.21 | 100 | | | 100 | 100 | | | 100 |
| Han, Jong-Soo | Outside | 2023.03.20~ | 100 | 100 | | | 100 | 100 | | |
| Chun, Yeong-Han | Outside | 2023.03.20~ | 100 | 100 | | | 100 | 100 | | |

(Key Principle 8) Committees of the Board

- To promote efficient operation, the Board should establish internal committees which are responsible for the performance of specific functions and roles.

(Sub-Principle 8-①) Outside directors should hold at least a majority of positions on the committees of the Board, and the Audit Committee and the Remuneration (compensation) Committee should be comprised entirely of outside directors.

The Board of Directors does not have a compensation (reward) committee, an internal transaction committee, or a risk management committee. There are a total of three board committees: the outside director candidate recommendation committee, the audit committee and the ESG committee.

The committees for recommending outside director candidates and for audit are both mandated

by corporate law and other regulations. Within the board of directors, these committees operate with a focus on outside directors. The committee for recommending outside director candidates is governed by internal regulations, requiring a majority vote. Currently, the proportion of outside directors is 57% (as of 2024, 71%). The audit committee, as per corporate law and internal guidelines (Audit Committee Operating Rules, Article 3), mandates a composition of more than two-thirds as outside directors. The company, however, comprises all members of the committee as outside directors to ensure that the audit committee effectively supervises the management.

(Sub-Principle 8-②) The organization, operation and authority of all the committees should be stipulated in the express provision, and the committee should report the resolutions to the Board.

The Committees of the Board of Directors stipulate the purpose, authority, composition, chairman, matters related to convening, discussion topics, and requirements related to meeting minutes based on the provisions for each committee.

1. Audit Committee (Operation Guidelines of Audit Committee)

1) Composition: (Article 3 Composition)

Three or more directors, more than two-thirds of the outside directors

Members who are not outside directors must meet the requirements of Article 542-11 (3) of the Commercial Act

2) Role and Authority: Article 7 Resolution, Article 9 Role and Performance Method, Article 10 Authority)

[Resolution]

1. Request for convocation of extraordinary shareholders meeting
2. Statement on agenda and documents of the general meeting of shareholders
3. Audit of the legality of management's execution
4. Preparation and submission of an audit report
5. Preparation and submission of evaluation opinions on the operation status of the internal accounting management system
6. Report to the Board of Directors regarding illegal acts by directors and demand the directors to stop such act
7. Request for business report from directors
8. Investigation of the Company's business and property status
9. Investigation on subsidiaries and request for business reporting

10. Representative suits against directors.
11. Representative lawsuit between directors and the Company
12. Filing a lawsuit for revocation of resolution against the Company
13. Appointment and dismissal of external auditors and reporting to the general meeting of shareholders
14. Report of violation of the accounting standards by the external auditor, and appointment of an external expert
15. Consent to the appointment of the head of the Corporate Audit Division
16. Audit plan and results reported by the Corporate Audit Division
17. Establishment and revision of the Operating Guidelines of the Audit Committee
18. Matters prescribed by related laws, the Articles of Incorporation and regulations
19. Matters delegated by the Board or deemed necessary by the Committee

[Role]

1. Review of soundness and adequacy of corporate financial activities and adequacy of financial reporting
2. Review of feasibility of changes in important accounting standards or accounting estimates
3. Report by an external auditor on important facts that violate the company's director's duties or violations of laws or articles of incorporation
4. Contract for non-audit services by external auditors
5. Advice from outside expert other than matters stipulated in Article 7, Paragraph 14
6. Other matters deemed necessary by the committee

[Authority]

1. Request for submission of relevant documents, ledgers, certificates and goods, etc.
2. Request for attendance and response from relevant executives and employees
3. Requests for other matters necessary for performing duties

2. Outside Director Recommendation Committee (Operation Guidelines of the Outside Director Candidate Recommendation Committee)

1) Composition: (Article 4 Composition)

Composition of two or more directors, the majority of members are outside directors

2) Role and Authority: (Article 3 Authority)

Has the right to recommend outside director candidates. When deciding who to recommend as an outside director candidate, candidates recommended by shareholders who meet the

requirements to exercise shareholder proposal rights pursuant to Article 542-6, Paragraph 2 of the Commercial Act must be included.

3. ESG Committee (Operation Guidelines of ESG Committee)

1) Composition: (Article 5 Committee Member, Article 6 Chairperson)

- Committee: Consisting of 3 or more directors
- Chairman: Appointed as one of the outside directors

2) Role and Authority: (Article 3 Role and Authority)

It manages and supervises the company's ESG management activities, performs a preliminary review of non-financial information disclosure, and handles other matters stipulated in laws or articles of incorporation and matters delegated by the board of directors.

Reporting details of committee resolutions within each board of directors

| Round | Date | Agenda | |
|-------|------------|----------------|--|
| | | Classification | Details |
| 2 | 2023.02.22 | Report | 2022 Internal Accounting Management System |
| | | | Operation status evaluation report |

※ Changes since the date of preparation

| Round | Date | Agenda | |
|-------|------------|----------------|--|
| | | Classification | Details |
| 2 | 2024.02.23 | Report | 2023 Internal Accounting Management System |
| | | | Operation status evaluation report |

Table 8-2-1: Details of Committee for Recommendation of Candidates for Outside Directors meetings

| Round | | Date | Attendance | Quota | Agenda | | Approval/ rejection | Report to the Board |
|-------|---|------------|------------|-------|----------------|---|------------------------|---------------------------|
| | | | | | Classification | Details | | |
| 2024 | 2 | 2024-03-25 | 8 | 8 | Resolution | 1) The appointment of the chairman of the outside director recommendation committee, and of a representative to the position of chairman in the event of the chairman's absence | Approved | O |
| | 1 | 2024-02-23 | 7 | 7 | Resolution | 1) Recommendation of outside directors for POSCO INTERNATIONAL CORPORATION | Approved | O |
| 2023 | 2 | 2023-03-20 | 7 | 7 | Resolution | 1) The appointment of the chairman of the outside director recommendation committee, and of a representative to the | Approved | O |

| | | | | | | | | |
|--|---|------------|---|---|------------|--|----------|---|
| | | | | | | position of chairman in the event of the chairman's absence | | |
| | 1 | 2023-02-22 | 6 | 6 | Resolution | 1) Recommendation of outside directors for POSCO INTERNATIONAL CORPORATION | Approved | O |

Other Board Committees_ESG Committee

| Round | Date | Attendance | Quota | Agenda | | Approval/ rejection | Report to the Board |
|-------|-----------|------------|-------|----------------|---|------------------------|------------------------|
| | | | | Classification | Details | | |
| 1 | '23.7.26 | 6 | 6 | Resolution | Appointment of ESG Committee Chairman | Approved | - |
| | | 6 | 6 | Report | Trends in global ESG regulation legislation and company response direction | - | - |
| 2 | '23.9.21 | 6 | 6 | Report | Establishment of supply chain ESG management system | - | - |
| 3 | '23.12.19 | 6 | 6 | Resolution | Planning and importance assessment of the 2023 Corporate Citizenship Report | Approved | - |

4. Audit Systems

(Key Principle 9) Internal Audit System

- The internal audit system should perform its auditing duties faithfully by maintaining independence from the management and controlling shareholders, and the details of key activities of the system should be disclosed.

(Sub-Principle 9-①) The Audit Committee should secure independence and professionalism.

The company has established and operates an audit committee. Please refer to the table below for details.

Table 9-1-1: Members of the Audit Committee

| Name | Composition | | Experience and qualifications | Remarks |
|--------------------|-------------|------------------|---|--|
| | Position | Classification | | |
| Han, Jong-Soo | Chairman | Outside Director | Member of the International Financial Reporting Standards Interpretation Committee (IFRS) (2015~2021) President of the Korean Accounting Association (2023.7~) Current) Professor of Accounting, Ewha Womans University Business School (2006~) | Accounting/Finance Field Degree holder (Commercial Article 37, Paragraph 2, Type 2) |
| Hong, Jong-Ho | Member | Outside Director | President of the Korean Environmental Economics Association (2016) Director of the Sustainable Development Research Institute at Seoul National University (2017-2019) President of the Asian Association of Environmental and Resource Economics (AAERE) (2019-2021) Current Professor at the Graduate School of Environmental Studies, Seoul National University (2009~) | |
| LEE, HAENG-HEE | Member | Outside Director | Chairman of the Korea Council of Chief Executive Officers of Multinational Corporations (KCMC) Current) Advisor to the Korea Council of Multinational Corporation CEOs (KCMC) (2015~) President and CEO of Corning Korea Co., Ltd. (2004~) | |
| CHUN, YEONG-HAN | Member | Outside Director | Electricity committee member (2019~2022) Carbon Neutral Committee Member (2021~2022) Current) Energy Transition Forum Co-CEO (2020~) Professor, Department of Electronic and Electrical Engineering | |

| Name | Composition | | Experience and qualifications | Remarks |
|-----------------|-------------|------------------|---|--|
| | Position | Classification | | |
| Han, Jong-Soo | Chairman | Outside Director | Member of the International Financial Reporting Standards Interpretation Committee (IFRS) (2015~2021) President of the Korean Accounting Association (2023.7~) Current) Professor of Accounting, Ewha Womans University Business School (2006~) | Accounting/Finance Field Degree holder (Commercial Article 37, Paragraph 2, Type 2) |
| Lee, Haeng-Hee | Member | Outside Director | Chairman of the Korea Council of Chief Executive Officers of Multinational Corporations (KCMC) Current) Advisor to the Korea Council of Multinational Corporation CEOs (KCMC) (2015~) President and CEO of Corning Korea Co., Ltd. (2004~) | |
| Chun, Yeong-Han | Member | Outside Director | Electricity committee member (2019~2022) Carbon Neutral Committee Member (2021~2022) Current) Energy Transition Forum Co-CEO (2020~) Professor, Department of Electronic and Electrical Engineering | |

※ Changes since the date of preparation

Independence and Professionalism of the Audit Committee

The Audit is structured with three or more directors in accordance with the articles of incorporation and Audit Committee Operating Guidelines. More than two-thirds of the total committee members are appointed as outside directors, and at least one member is designated as an accounting or financial expert as required by relevant laws. The committee maintains independence from the board of directors and executive management to ensure objectivity in performing audit duties.

During the disclosure period, Chairman Han, Jong-Soo, a management scholar, provided insights based on his extensive knowledge in management and finance, regarding the company's global business strategy, the role of the audit committee, and financial accounting risks. Director Hong,

Jong-Ho, an economist, offered comprehensive perspectives on ESG issues based on his expertise in economics and environmental fields. Director Lee, Haeng-Hee, a seasoned management professional, contributed specialized opinions on various aspects of company management based on his broad experience and knowledge in corporate governance. Director Chun, Yeong-Han, an energy sector specialist, shared expert insights on energy projects derived from his rich experience and expertise in the power sector.

Operating Guidelines of the Audit Committee is as follows

1. Request for convocation of extraordinary shareholders meeting
2. Statement on agenda and documents of the general meeting of shareholders
3. Audit of the legality of management's execution
4. Preparation and submission of an audit report
5. Preparation and submission of evaluation opinions on the operation status of the internal accounting management system
6. Report to the Board of Directors regarding illegal acts by directors and demand the directors to stop such act
7. Request for business report from directors
8. Investigation of the Company's business and property status
9. Investigation on subsidiaries and request for business reporting
10. Representative suits against directors
11. Representative lawsuit between directors and the Company
12. Filing a lawsuit for revocation of resolution against the Company
13. Appointment and dismissal of external auditors and reporting to the general meeting of shareholders
14. Report of violation of the accounting standards by the external auditor, and appointment of an external expert
15. Consent to the appointment of the head of the Corporate Audit Division
16. Audit plan and results reported by the Corporate Audit Division
17. Establishment and revision of the Operating Guidelines of the Audit Committee
18. Matters prescribed by related laws, the Articles of Incorporation and regulations
19. Matters delegated by the Board or deemed necessary by the Committee

In 2023, the audit committee conducted training sessions organized by HanYoung/SamJeong,/Samil Accounting Firms on topics including interest rate hikes and their impact on financial statements, updates on international ethical standards, and audits of internal accounting management systems.

These educational efforts were aimed at enhancing the committee's understanding and preparedness in these critical areas.

The company plans to continue conducting additional education and seminars as requested by and deemed necessary for the audit committee members.

The Audit Committee, in accordance with the Audit Committee Operating Guidelines under Article 10 (Authority), may exercise the following powers in performing its duties, and those requested shall comply unless there are specific reasons not to do so:

1. Request submission of relevant documents, books, evidence, and items.
2. Demand attendance and responses from relevant employees.
3. Request other matters necessary for performing its duties.

Additionally, if deemed necessary by the committee chairperson, management and related staff may be required to attend committee meetings to provide testimony or furnish necessary information. This framework ensures that the Audit Committee has the authority to gather essential information and insights crucial for its oversight responsibilities.

(Sub-Principle 9-②) Internal auditing bodies should execute auditing work with sincerity, for example, by hosting regular meetings and transparently disclosing the details of their activities.

In 2023, a total of 9 Audit Committee meetings were held, during which 27 agenda items were discussed including 8 resolutions and 19 reports. In 2024, 4 Audit Committee meetings were held, discussing a total of 10 agenda items including 7 resolutions and 3 reports.

Prior to each Audit Committee meeting, the Corporate Management Department, relevant departments, and accounting firms are tasked, depending on the matter, to provide advance explanations of agenda items to each committee member for thorough review. During these explanations, any additional requested documents or opinions from committee members are incorporated into the meeting agenda.

Throughout 2023 and 2024, the Audit Committee resolved on various matters including the previous year's performance of the Corporate Management Department, approval of audit plans for the current year, audit reports for the fiscal years 2022 and 2023, evaluations of the operation status

of internal control systems, opinions on the operation of internal audit mechanisms, resolutions for agenda items at the 23rd and 24th regular shareholders' meetings, and approvals for appointments of responsible personnel in the internal audit department.

Additionally, the Audit Committee regularly received reports on audit activities, evaluations of the operational status of internal control by internal audit managers, internal audit results within quarterly financial statements, and reviews of financial statements by external auditors. For details on Audit Committee meeting records, attendance records of individual directors, and attendance rates of individual directors over the past three fiscal years, please refer to the table number (3).

The company adheres to Article 12 of the Audit Committee Operating Guidelines, which stipulates that the proceedings of committee meetings are documented in minutes. The minutes include the agenda of discussions, the process of deliberation, outcomes, any dissenting opinions, and reasons for dissent. Each attending committee member confirms the accuracy of the minutes and signs or initials them.

Furthermore, the Audit Committee prepares audit reports in accordance with regulations, documenting the procedures and results of audits. Audit reports detail how audits were conducted and are signed or initialed by the committee members who performed the audits.

Decisions made by the Audit Committee (meeting dates, agenda items, voting results, and any pros and cons) are disclosed through annual reports and semiannual reports. Additionally, activities of outside directors within board committees, including the Audit Committee, are disclosed when announcing notices for shareholder meetings.

<History of Audit Committee>

| Round | Date | Attendance/quota | Agenda | | Approved/ Rejected |
|-------|------------|------------------|----------------|---|-----------------------|
| | | | Classification | Details | |
| 1 | 2023.01.26 | 4/4 | Resolution | Major business performance in 2022 and business plan in 2023 | Approved |
| | | | Resolution | Consent to appoint the head of the internal audit department | Approved |
| | | | Report | Internal audit activity performance in the fourth quarter of 2022 | - |
| | | | Report | 'Results of internal audit of financial statements in 2022 | - |
| | | | Report | Report on the operation status of the internal accounting management system in 2022 | - |

| Round | Date | Attendance/quota | Agenda | | Approved/ Rejected |
|-------|------------|------------------|----------------|---|-----------------------|
| | | | Classification | Details | |
| 2 | 2023.02.22 | 4/4 | Resolution | 2022 Internal Accounting Management System Operation Status Report | Approved |
| | | | Resolution | Audit Committee's evaluation opinion on the operation status of internal monitoring devices in 2022 | Approved |
| | | | Resolution | Audit Committee Audit Report in FY2022 | Approved |
| | | | Report | Separate and consolidated financial statements external audit results in 2022 | - |
| | | | Report | Financial statement review results in FY2022 | - |
| 3 | 2023.02.22 | 4/4 | Resolution | Statement of opinion on agenda and documents at general shareholders' meeting | Approved |
| 4 | 2023.03.20 | 4/4 | Resolution | Appointment of Audit Committee Chairman | Approved |
| 5 | 2023.04.27 | 4/4 | Report | External review results of financial statements in the first quarter of 2023 and annual audit plan | - |
| | | | Report | Results of internal audit of financial statements in the first quarter of 2023 | - |
| | | | Report | Internal audit activity performance in the first quarter of 2023 | - |
| 6 | 2023.07.26 | 4/4 | Report | Results of external review of financial statements in the second quarter of 2023 | - |
| | | | Report | financial statement internal audit results in 2nd quarter of 2023 | - |
| | | | Report | Internal audit activity performance in the second quarter of 2023 | - |
| 7 | 2023.09.21 | 4/4 | Report | External auditor evaluation results report in 2022 | - |
| | | | Report | Internal audit activity performance in the third quarter of 2023 | - |
| | | | Report | Watch List inspection in the third quarter of 2023 | - |
| 8 | 2023.11.22 | 4/4 | Resolution | Selected as an external auditor for the FY2024~FY2025 | Approved |
| | | | Report | Results of external review of financial statements in the third quarter of 2023 | - |
| | | | Report | Financial statement internal audit results in the 3rd quarter of 2023 | - |
| | | | Report | Internal audit activity performance in the third quarter of 2023 | - |

| Round | Date | Attendance/quota | Agenda | | Approved/ Rejected |
|-------|------------|------------------|----------------|---|-----------------------|
| | | | Classification | Details | |
| 9 | 2023.12.19 | 3/4 | Report | Internal audit activity performance in the fourth quarter of 2023 | - |
| | | | Report | Watch List inspection in the fourth quarter of 2023 | - |

※ Changes since the base date of report preparation

| Round | Date | Attendance/quota | Agenda | | Approved/ Rejected |
|-------|------------|------------------|----------------|--|-----------------------|
| | | | Classification | Details | |
| 1 | 2024.01.25 | 4/4 | Resolution | Corporate Audit Division main work plan in 2024 | Approved |
| | | | Report | Financial statement internal audit results in the third quarter of 2023 | Report |
| | | | Report | Internal accounting management system operation status report in 2023 | Report |
| 2 | 2024.02.23 | 4/4 | Resolution | Provision of non-audit services by external auditors for 2024 | Approved |
| | | | Resolution | Internal monitoring device operation status in 2023 | Approved |
| | | | Resolution | Audit Committee's Evaluation Opinion On Audit Committee Audit Report in FY2023 | Approved |
| | | | Resolution | Audit Committee Audit Report in FY2023 | Approved |
| | | | Report | Separate and consolidated financial statements external audit results in 2023 | Report |
| 3 | 2024.02.23 | 4/4 | Resolution | Statement of opinion on agenda and documents at general shareholders' meeting | Approved |
| 4 | 2024.03.25 | 3/3 | Resolution | Appointment of Audit Committee Chairman | Approved |

<Audit Committee Attendance History of 2023>

| Classification | Round | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|----------------|-----------------|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Date | 1.26 | 2.22 | 2.22 | 3.2 | 4.27 | 7.26 | 9.21 | 11.22 | 12.19 |
| | Han, Jong-Soo | 2023.03.20 Appointed | | | Present | Present | Present | Present | Present | Present |
| | Hong, Jong-Ho | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| | Lee, Haeng-Hee | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| | Chun, Yeong-Han | 2023.03.20 Appointed | | | Present | Present | Present | Present | Present | Present |
| | | | | | | | | | | |

| | | | | | |
|--|-----------------|---------|---------|---------|----------|
| | Kwon, Soo-Young | Present | Present | Present | Resigned |
| | Kim, Heung-Soo | Present | Present | Present | Resigned |

※ Changes since the base date of report preparation

| | Round | 1 | 2 | 3 | 4 | |
|----------------|-----------------|------------|------------|------------|------------|---------|
| | Date | 2024.01.25 | 2024.02.23 | 2024.02.23 | 2024.03.25 | Remarks |
| Classification | Han, Jong-Soo | Present | Present | Present | Present | - |
| | Lee, Haeng-Hee | Present | Present | Present | Present | - |
| | Hong, Jong-Ho | Present | Present | Present | Resigned | - |
| | Chun, Yeong-Han | Present | Present | Present | Present | - |

<Attendance rate of individual directors in the audit committee in the last 3 years>

| Classification | Name | Attendance rate (%) | | | |
|------------------|-----------------|-------------------------------|--------------|-------|-------|
| | | Average over the last 3 years | last 3 years | | |
| | | | 2021 | 2020 | 2019 |
| Outside Director | Han, Jong-Soo | 100.0 | 100.0 | | |
| | Hong, Jong-Ho | 96.9 | 100.0 | 100.0 | 90.0 |
| | Lee, Haeng-Hee | 89.5 | 88.9 | 90.0 | |
| | Chun, Yeong-Han | 100.0 | 100.0 | | |
| | Kwon, Soo-Young | 100.0 | 100.0 | 100.0 | 100.0 |
| | Kim, Heung-Soo | 96.2 | 100.0 | 92.3 | 100.0 |
| | Shin, In-Sook | 100.0 | | | 100.0 |

(Key Principle 10) External Auditors

- To ensure that the shareholders and other users have confidence in the corporate financial information, an external auditor must perform his/her auditing tasks fairly and independently from the corporation being audited, including its management and controlling shareholders.

(Sub-Principle 10-①) The Audit Committee should establish and operate a policy to secure the independence and professionalism for appointment of external auditors.

Under Article 11 of the Act on External Audit of Stock Companies, the company was designated an external auditor by the Securities and Futures Commission. The Company reported the selection

process and schedule for the external auditor to the Audit Committee on October 24 and November 21, 2022, respectively. On December 7, 2022, the Audit Committee newly appointed SamJeong, Accounting Corporation as the external auditor for the consecutive three fiscal years from fiscal year 2023 to 2025.

However, on November 3, 2023, in order to align with the external auditor of the parent company, the company submitted a request to the Securities and Futures Commission to change the external auditor under Article 15 of the Rules of the Act on External Audit. Subsequently, HanYoung Accounting Corporation was designated as the external auditor under Article 11 of the Act on External Audit of Stock Companies.

On November 22, 2023, during the Audit Committee meeting, the Company reported on the compensation, audit hours, audit plan, and expertise of the external auditor. The Audit Committee evaluated these aspects and subsequently appointed HanYoung Accounting Corporation as the new external auditor for the consecutive two fiscal years from the fiscal year 2024 to 2025.

Furthermore, the Audit Committee is evaluating whether the external auditor faithfully executed the audit plan after completing the external audit. The evaluation for the fiscal year 2022 was reported to the Audit Committee on September 21, 2023, and the evaluation for the fiscal year 2023 is scheduled to be reported on May 14, 2024, during the Audit Committee meeting. The evaluation encompasses assessing compliance with audit engagement hours and staffing requirements, diligence, expertise, and overall quality of audit services.

To ensure the independence management of the external auditor, our Audit Committee engages in thorough procedures. Non-audit service contracts with the external auditor and affiliated accounting firms are discussed with and approved by the Audit Committee in advance. For tasks with high potential for conflicts of interest, the company accurately review each contract item such as scope and purpose to assess any impairment of independence. Additionally, implemented a dual independence review process by seeking confirmation from the external auditor.

In 2023, the Company entered into a total of one non-audit service contract related to "corporate tax adjustment services." As of the current reporting date in 2023, there are no ongoing non-audit service contracts with the external auditor.

| |
|---|
| <p>(Sub-Principle 10-②) The Audit Committee should communicate with the auditors regularly in every phase of the audit process such as</p> |
|---|

independent auditing and audit result reporting

The Company's Audit Committee is composed entirely of outside directors, and discussed key issues with external auditors a total of 5 times in 2022 without the management's attendance. Please refer to Sub-Principle 9-② for the attendance rate.

Details of communication between the Audit Committee and the external auditor in 2023 are as follows:

| Round | Date | Attendant | Method | Agenda |
|-------|------------|---|--------------|--|
| 1 | 2023.02.22 | Auditor: 4 audit committee members, engagement partner of Han Young | Face-to-face | Discussion on significant findings related to the consolidated/separate financial statements of 2022 |
| | | Company: the director of the Corporate Audit Division | | |
| 2 | 2023.04.27 | Auditor: 4 audit committee members, engagement partner of Samjung | Face-to-face | Discussion of significant findings related to financial statement review for the first quarter of 2023 and Annual Audit Plan in 2023 |
| | | Company: the director of the Corporate Audit Division | | |
| 3 | 2023.07.26 | Auditor: 4 audit committee members, engagement partner of Samjung | Face-to-face | Discussion of significant findings related to financial statement review for the second quarter of 2023 |
| | | Company: the director of the Corporate Audit Division | | |
| 4 | 2023.11.22 | Auditor: 4 audit committee members, engagement partner of Samjung | Face-to-face | Discussion of significant findings related to financial statement review for third quarter of 2023 |
| | | Company: the director of the Corporate Audit Division | | |

※ Changes since the base date of report preparation

| Round | Date | Attendant | Method | Agenda |
|-------|------------|---|--------------|--|
| 1 | 2024.02.23 | Auditor: 4 audit committee members, engagement partner of Samjung | Face-to-face | Discussion on significant findings related to the consolidated/separate financial statements of 2023 |
| | | Company: the director of the Corporate Audit Division | | |

Table 10-2-1: Details of communication between the Audit Committee and the external auditor

| Attendant | Date | Quarter | Agenda |
|---|------------|---------|--|
| Auditor: 4 audit committee members, engagement partner of Han Young Company; the director of the Corporate Audit Division | 2023-02-22 | 1Q | Discussion on significant findings related to the consolidated/separate financial statements of 2022 |
| Auditor: 4 audit committee members, engagement partner of Samjung Company; the director of the Corporate Audit Division | 2023-04-27 | 2Q | Discussion of significant findings related to financial statement review for the first quarter of 2023 and Annual Audit Plan in 2023 |
| Auditor: 4 audit committee members, engagement partner of Samjung Company; the director of the Corporate Audit Division | 2023-07-26 | 3Q | Discussion of significant findings related to financial statement review for the second quarter of 2023 |
| Auditor: 4 audit committee members, engagement partner of Samjung Company; the director of the Corporate Audit Division | 2023-11-22 | 4Q | Discussion of significant findings related to financial statement review for the third quarter of 2023 |

The Audit Committee receives direct reports from SamJeong, Accounting Corporation following quarterly financial statement audits (reviews) to verify significant accounting standards, audit findings for each interim (semi-annual) period, and to ascertain any irregularities in management practices that may violate laws or articles of incorporation. The Committee exchanges opinions on key matters and conducts separate meetings on management-related issues.

According to the Audit Committee Operating Guidelines, the external auditor has the authority to report to the Audit Committee if there are significant instances of misconduct by directors in the performance of their duties or violations of laws or articles of incorporation. If there is reason to believe that a director has engaged in actions that violate laws or articles of incorporation, or there is a concern that such actions may occur, the matter must be reported to the Board of Directors. Additionally, upon receiving notification from the external auditor regarding violations of accounting standards by the company, the company may incur expenses to appoint an external expert to investigate the violations. Based on the investigation results, corrective actions may be demanded from the CEO of the company.

The Company submitted the separate financial statements of FY2023 for audit to the external auditor Samjung three times on January 15, January 17, and January 26, 2024, six weeks before the annual general meeting of shareholders. The consolidated financial statements were submitted twice, on January 23 and February 5, 2023, four weeks before the annual general meeting of shareholders.

Details are as shown in the table below.

Table 10-2-2: Financial statements provided by external auditors

| | Annual General Meeting of Shareholders | Date of provision of financial statement | Date of provision of consolidated financial statements | Subject to |
|----------------------------------|---|---|--|-------------------|
| The 24th Financial statements | 2024-03-25 | 2024-01-15 | 2024-01-23 | external auditors |
| The 23rd Financial statements | 2023-03-20 | 2023-01-12 | 2023-01-23 | external auditors |
| The 22nd Financial statements | 2022-03-21 | 2022-01-13 | 2022-01-20 | external auditors |

5. Other

(1) Fair Trade Compliance Program

A Fair-Trade Compliance Program is an internal system that companies establish and operate in accordance with the "Fair Trade Compliance Guidelines" developed by the Fair-Trade Commission to prevent violations of the Fair-Trade Act. It aims to prevent illegal activities by implementing and enforcing fair trade rules and regulations. The company adopted and enforced a Fair-Trade Compliance Program on December 13, 2011 to prevent violations of the Fair-Trade Act and to reduce legal costs associated with illegal activities in the short term while enhancing competitiveness in the long run.

The Compliance organization comprises Compliance Managers and department heads responsible for fair trade-related matters. We actively conduct fair trade consultations, self-assessments, and implement preventive measures to prevent legal violations.

In 2021, our Compliance Program was awarded an AA grade in the Fair-Trade Commission's CP (Compliance Program) evaluation, recognizing our excellent adherence to fair trade practices. We have committed to minimizing the risk of Fair-Trade Act violations through robust CP operations and establishing a compliance corporate culture suitable for the global business environment. This includes expanding subcontracting inspections, conducting department-specific meetings, and enhancing fair trade pre-monitoring efforts.

Specifically, we support internal audits tailored to departmental characteristics and provide compliance education focusing on high-risk areas and departments. Our activities follow CP operating standards and procedures, including ongoing efforts such as the Fair-Trade Compliance Guidebook.

Details of our Fair-Trade Self-Regulation Program and related activities are disclosed through the Electronic Disclosure System (DART), as announced on April 24, 2023.

(2) ESG Management

Our company has strengthened its ESG (Environmental, Social, and Governance) management system, prioritizing sustainability as a core value in our business operations, in response to diverse social demands and international standards. Reflecting the trend of enhanced responsibilities and expanded roles of corporate boards in the international community, we established an ESG Committee under our Board of Directors to bolster our capabilities in ESG management and oversight.

Since elevating our ESG Council to a managerial advisory body under the CEO, all management levels discuss key aspects of ESG management, enhancing our organization-wide efforts in this area. Additionally, we have joined the International Corporate Governance Network (ICGN), the world's largest association for corporate governance, to share governance-related information globally and strive to establish governance practices meeting international standards.

Moreover, in anticipation of the increasing global trend towards mandatory ESG disclosures, we preemptively adopted sustainability disclosure standards set by the International Sustainability Standards Board (ISSB) and issued a Corporate Citizenship Report as a pilot application. Specifically, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we proactively disclosed the estimated financial impacts of physical climate risks for major overseas operations.

Based on these commitments and efforts, our company has achieved an integrated grade of A in the ESG assessment by the Korea Institution of Corporate Governance and Sustainability (KCGS), receiving continuous high ratings in all ESG sectors. Furthermore, we secured the top position in the comprehensive category of the Korean Sustainability Index (KSI) at the 2023 South Korea Sustainability Conference. We have also been honored with the Korean Readers' Choice Awards for Sustainability Reporting in the service sector and the CEO Award for Sustainable Management.

Systematically responding to the EU's enactment of supply chain due diligence laws and the ESG risk management requirements of key stakeholders, we are establishing a systematic supply chain ESG management system. Additionally, through the Modern Slavery Act Statement, we strive to uphold internationally recognized human rights standards throughout our entire supply chain as a

member of the UN Global Compact, integrating the ten principles on human rights, labor, environment, and anti-corruption into our business strategy to promote sustainable growth.

Furthermore, recognizing the escalating climate risks due to global warming worldwide, we have developed a Carbon Neutrality Roadmap focusing on large-scale greenhouse gas emitting facilities in Korea, aiming to achieve carbon neutrality by 2050 and continuously enhancing the roadmap to meet international standards.

(3) Corporate Citizenship Activities

In 2023, our company established a new social contribution vision called 'Inter Act Together' with the aim of pursuing social value and enhancing corporate value. We have identified 'Eco-friendly', 'Global', 'Future Generation', and 'Employee Participation' as our four major strategies, and we are actively promoting various domestic and international social contribution projects aligned with these strategies.

Furthermore, all employees are dedicated to striving for the sustainable development of the company, with the goal of growing together with stakeholders. As a global comprehensive business company, we deeply empathize with the social issues of local communities and the countries in which we operate. Through continuous efforts to address these issues, we are committed to contributing to the creation of a better society.

(4) Collaborative activities for mutual growth

Our company is actively fostering a robust industrial ecosystem through collaborative efforts and partnerships with business partners. Leveraging our global business capabilities, we are particularly committed to supporting the overseas expansion of domestic small and medium-sized enterprises (SMEs) and ventures.

To facilitate the qualitative growth of SMEs and ventures, we support a collaborative cooperation fund. Additionally, we operate programs in collaboration with various external agencies to facilitate overseas exports. Through these initiatives, we aim to lead in achieving mutual growth and creating shared value.

Moving forward, we will continue to vigorously pursue collaborative activities across all levels of the organization to contribute to strengthening the resilience of domestic businesses.

【Attachment】Related Regulations

Attachment 1: Articles of Incorporation

Attachment 2: Board of Directors Regulations

Attachment 3: Guidelines for Outside Directors' Operations

Attachment 4: Guidelines for the Operation of the Committee Recommending Outside Director Candidates

Attachment 5: Audit Committee Operating Guidelines

Attachment 6: Code of Ethics

Attachment 7: Guidelines for Compliance Program Operation

Attachment 8: Internal Accounting Management Regulations