

Corporate Governance Guidelines of NEXEN TIRE Inc.

PREAMBLE

NEXEN TIRE Inc. (the "Company") creates new life values based on innovation and pursues sustainable growth to realize the goal of business activities that more people to connect with the world in a more convenient and safer way. The Company aims to become a first-class enterprise that contributes to the enhancement of the rights and interests of stakeholders such as customers, shareholders, and employees, and the development of the society and economy.

The Company does its best to build trust with various stakeholders and grow together by establishing a healthy corporate governance by establishing the "NEXEN TIRE Inc. Corporate Governance Guidelines" as a cornerstone of management activities to achieve these goals.

CHAPTER 1. SHAREHOLDERS

Article 1. Rights of Shareholders

- ① The shareholders are the owners of the Company and will have the basic rights under the commercial law or other relevant laws, such as the right to participate in profit distributions, the right to attend and vote at shareholder's meetings, the right to submit shareholder proposal.
- ② Any matters involving significant changes to the shareholders' rights, such as change of articles of incorporation, mergers, or transfer of business, shall be determined at the general meeting of shareholders in accordance with the principle of maximizing shareholders' rights.
- ③ The Company shall provide sufficient information to shareholders prior to the meeting about the time, date, place, purpose(s) of the meeting.
- ④ Shareholders shall propose agendas for the shareholder's meeting in accordance with relevant laws and regulations, and may ask questions and demand explanations.
- ⑤ The exercise of shareholder rights shall be transparent and fair according to the free will of shareholders, and shareholders shall be able to exercise their voting rights as easily as possible.

Article 2. Fair Treatment of Shareholders

- ① Each shareholder shall have one (1) vote per share. The Company shall not infringe the rights of shareholders.
- ② The Company shall provide the shareholders with necessary information. The Company shall provide corporate information fairly to all shareholders.
- ③ The Company shall protect shareholders from other shareholders' unfair insider trading or self-dealing.

Article 3. Responsibilities of Shareholders

- ① Each shareholder shall acknowledge the importance of his/her voting rights and shall actively exercise the rights with the aim of promoting the development and benefit of the Company.

- ② The controlling shareholder shall act for the benefit of the Company and all shareholders, and on the contrary, shall endeavor to prevent damage to the Company and other shareholders.

CHAPTER 2. BOARD OF DIRECTORS

Article 4. Roles of the Board of Directors

- ① The Board of Directors shall perform the functions of making management decisions and supervising the management of the Company for the benefit of the Company and shareholders.
- ② The Board of Directors shall delegate authority to representative director or subcommittees to the extent permitted by relevant laws and the articles of incorporation of the Company.

Article 5. Composition of the Board of Directors

- ① The Board of Directors shall be composed of a size that allows effective and smooth discussion and decision-making and should consist of enough directors to operate committees under the board.
- ② The Board of Directors shall be comprised of non-executive directors to ensure independence from the management and controlling shareholders, and the independence of the Board of Directors must be practically guaranteed by making up a majority of non-executive directors.
- ③ The Board of Directors shall be composed of personnel with expertise and responsibility in various fields to contribute to management, and the term of office of the appointed directors must be guaranteed unless there are special reasons.
- ④ The Company shall ensure that shareholders can exercise their voting rights with sufficient information about and time for director candidates.

Article 6. Election of Directors

- ① Directors excluding non-executive directors shall be selected by the recommendation of the Board of Directors at the shareholder's meeting.
- ② The Outside Director Candidate Recommendation Committee shall recommend candidates for the non-executive directors.
- ③ By the resolution of the Board of Directors, a representative director shall be selected amongst the directors selected at the shareholder's meeting.

Article 7. Non- Executive Directors

- ① The Company shall operate the Non- Executive Director Candidate Recommendation Committee consisting of a majority of non-executive directors to fairly and independently recommend candidates for non- executive directors.
- ② Non-executive directors shall have extensive professional knowledge and experience in various fields such as management, finance, economics, and science and technology. Based on this, non-executive directors shall provide practical advice and support for company management.
- ③ Non-executive directors participate in the Company's important management policy decisions independently and supervise the management through the Board of Directors.
- ④ Non-executive directors shall request the Company to provide information necessary for the

performance of their duties, and if necessary, shall receive support from employees or external experts at the Company's cost in accordance with the prescribed procedure.

Article 8. Procedures of the Board of Directors

- ① In principle, the Board of Directors holds a regular board meeting at least once every quarter of a year, and temporary board meetings are held as necessary.
- ② The Company shall establish and operate the Board of Directors operation regulations for the smooth operation of the Board of Directors that specifically stipulate the authority, responsibility, and operating procedures of the Board of Directors.
- ③ The Company shall prepare minutes for each meeting and disclose details of activities, such as the attendance rate of individual directors and whether they voted for or against the agenda.

Article 9. Committee within the Board of Directors

- ① The Company shall establish and operate a committee composed of two or more members (three or more in the case of the audit committee) to perform specific functions and roles under the Board of Directors.
- ② The committee selects a person to represent the committee by its resolution, and in the case of the audit committee, the chairperson must be a non-executive director, and at least two-thirds of the members must be non-executive directors.
- ③ The organization, operation and authority of each committee shall be stipulated in detail.
- ④ Each committee shall report resolutions to the Board of Directors.

Article 10. Duties of Directors

- ① Directors shall perform their duties with due diligence as a good manager. Directors shall make rational decisions by investing time and effort based on sufficient information.
- ② Directors shall pursue results that are in the best interest of the Company and shareholders, and shall not exercise their authority for the benefit of themselves or a third party.
- ③ Directors shall not assign company secrets learned in connection with the performance of their duties to outsiders or use them for their own or a third party's benefit.

Article 11. Responsibilities of Directors

- ① If a director violates laws or the articles of incorporation or neglects his/her duties, he/she may be liable for damages to the company, and if a director has malice or gross negligence, he/she may also be liable for damages to a third party.
- ② If a director has fulfilled his duty of care and faithfulness in the process of making a decision, such director's decision-making must be respected.
- ③ The Company shall purchase liability insurance for directors at the company's expense in order to deal with liability for damages that may arise in connection with the performance of duties and to recruit competent persons as directors.

Article 12. Evaluation and Compensation

- ① Management activities shall be fairly evaluated, and evaluation results shall be appropriately reflected in remuneration. Directors' compensation rate is appropriately executed within the scope approved at the general shareholders' meeting.
- ② The activities of non-executive directors shall be evaluated fairly, and the evaluation results can be reflected in the reappointment decision.
- ③ The Company shall disclose the compensation of key executives in accordance with the law.

CHAPTER 3. EVALUATION AND COMPENSATION

Article 13. Audit Committee

- ① The Audit Committee shall consist of three (3) or more directors who appointed at the shareholder's meeting (the 'Audit committee member'), provided that two thirds of the Committee members shall be outside directors and at least one (1) or more of the Committee members shall be the accounting or financial experts.
- ② The audit committee shall audit the Company's accounting and affairs in accordance with the relevant laws, articles of incorporation, and regulations of the Board of Directors and handle matters delegated by the Board of Directors.
- ③ The Audit Committee shall access relevant data necessary for audit affairs, and may, if necessary, request assistance from external institutions, experts, etc. at the Company's expense.
- ④ The Audit Committee shall be held once a quarter in principle, and additional committees shall be held, if necessary.
- ⑤ Internal audit organizations, such as audit committees and auditors, shall faithfully perform audit-related tasks, prepare minutes of each meeting, and disclose details of activities transparently.

Article 14. External Auditor

- ① External auditors are appointed by the Audit Committee, and shall perform audit duties fairly, guaranteed legal and practical independence from the company, management, and controlling shareholders.
- ② The Company shall have external auditors attend the shareholders' meeting to explain any questions from shareholders regarding the audit report.
- ③ External auditors shall communicate regularly with the internal audit organization at all stages, including conducting external audits and reporting audit results, and reporting important matters identified during external audit activities to the audit committee.

CHAPTER 4. STAKEHOLDERS

Article 15. Protection of Stakeholder Rights

- ① A Company shall strive to fulfill its corporate responsibilities for various stakeholders, including customers, shareholders, employees, creditors, suppliers, and local communities, and strive to enhance not only economic value but also social value at the same time.
- ② The Company shall comply with the labor relations laws and regulations and strive to maintain and improve working conditions.
- ③ The Company shall provide information necessary for protecting the rights of stakeholders as much

as possible under the relevant laws. The Company shall support access to such information by the stakeholders.

CHAPTER 5. DISCLOSURE

Article 16. Disclosure

- ① The Company shall regularly produce and disclose corporate reports, quarterly reports, and half-year reports. The Company shall timely and accurately disclose matters that are required by the laws and that may significantly affect the shareholders and stakeholders.
- ② The Company shall neither favor nor discriminate with regards to the extent of disclosure of important corporate information or the timing of such disclosure. The Company shall disclose in a manner such all stakeholders are able to simultaneously access the disclosed information.

ADDENDUM

This Regulation shall come into force on December 7, 2022, as approved by the Board of Directors.

Title	CORPORATE GOVERNANCE GUIDELINES OF NEXEN TIRE Inc.	Version	1.0
Establishment Date	07. 12. 2022	Revision Date	-
Establishment & Revision Department	Accounting Team	Management Department	ESG Team