한화에어로스페이스

ANTI-CORRUPTION REGULATION

01/20/2023

Hanwha Aerospace Co., Ltd.

ANTI-CORRUPTION REGULATION

CHAPTER 1 GENERAL PROVISIONS

Article 1 (Purpose)

① Hanwha Aerospace Co., Ltd. (hereinafter referred to as the "Company") places a high importance on corporate compliance management and aims to adhere to the highest legal and ethical standards in conducting business in any region around the world.

② The Company has established and enforces this Anti-Corruption Regulation (hereinafter referred to as the "Regulation") to provide proper decision-making and ethical judgment criteria for all employees and all relevant parties under Article 2, ensuring compliance with domestic and international anti-corruption laws and related regulations.

Article 2 (Scope of Application)

① The Regulation shall apply to all employees of the Company, including subsidiaries, overseas branches, and affiliates (hereinafter referred to as "Employees").

② The Company ensures that the Regulation applies equally not only to employees but also to all agents and business partners of the Company, including trading partners, agents, consultants, representatives, joint venture companies, and partner companies.

③ Depending on the local laws and circumstances of each country, separate guidelines for compliance with the Regulation may be established.

Article 3 (Definitions)

① The terms used in the Regulation are defined as follows:

1. The term "Public Official" means any officer or official representative of any local, city, provincial, state, or federal government (or any governmental department, agency or governmental agency) in the Republic of Korea or around the world, an officer or employee of a business or enterprise owned or controlled or controlled by the government (executives and employees of state-owned enterprises and state-run enterprises), an employee of a public international organization (e.g., the United Nations, the World Bank, etc.), an employee of a political party, and a candidate for public office.
2. The term "Customer" means a company (including its executives and employees) that receives products and services from the Company.
3. The term "Agent" means an agent, consultant or professional advisor (such as a legal, labor, accounting or tax professional) who is hired to promote products or services, demonstrate or explain, enter into or assist in the execution of a contract, or for any other governmental business.
4. The term "Third Party" means the Company's business partners, partners (consortiums, etc.), and joint ventures, including the agents of the Company.

5. The term "Bribe" means any valuable, property, or other tangible or intangible benefits that are illegally or improperly provided to the Public Official, customers, and third parties for the purpose of obtaining or maintaining business benefits.
6. The term "Gift" means something that is given without expectation of illegal or unfair consideration and is generally accepted by social norms.
7. The term "Entertainment" means the act of burdening expenses or providing intangible benefits incurred from meals, drinking, sports, and other leisure and cultural activities.
8. The term "Condolence gift" means valuables provided as congratulatory expenses, property benefits, etc.
9. The term "Valuables" means anything that is very broad and has economic value. This includes but is not limited to money or gifts, meals and entertainment, travel expenses, donations, political donations, memberships, gift certificates, etc.
10. The term "Express Charge" means money provided to foreign government officials in order to induce them to expedite the work of the government for general government work that is not subject to discretion (e.g., obtaining permits and permits, expediting government-related documents such as visas, resolving unfair customs clearances and delays, etc.).
11. The term "Conflict of Interest" means a situation in which private interests are involved in the conduct of business, which hinders or threatens to impede the fair and honest performance of duties by the Public Official.

② Terms not otherwise defined in the Regulation shall be defined in the anti-corruption laws of each local country.

CHAPTER 2 COMPLIANCE WITH ANTI-CORRUPTION LAWS AND REGULATIONS

Article 4 (Compliance with Domestic Laws)

The Employees shall comply with all anti-corruption laws and regulations of the Republic of Korea, including the Criminal Code, the Act on Aggravated Punishment for Specified Crimes, the Act on Aggravated Punishment for Specified Economic Crimes, the Act on the Prevention of Bribery of Foreign Public Official in International Commercial Transactions, the Act on the Prohibition of Unfair Solicitation and Receipt of Money and Valuables, the Act on the Prevention of Conflicts of Interest for the Public Official, and the Anti-Bribery Provisions of other relevant laws and regulations.

Article 5 (Compliance with Foreign Laws)

The Employees shall conduct business in strict compliance with all local anti-corruption laws and regulations, including the Foreign Corrupt Practices Act (FCPA) of the United States, the UK Bribery Act 2010, and the OECD Convention against Bribery, regardless of the region or country in which the Company conducts business.

CHAPTER 3 PROHIBITION OF OFFERING AND ACCEPTING BRIBES

Article 6 (Prohibition in Principle)

① The Employees shall not directly or indirectly offer, promise, or approve money, valuables, or other bribes for the purpose of exerting influence on the Public Official, customers, and other third parties (hereinafter referred to as "Public Official") or obtaining and maintaining improper business benefits.

② The Employees shall not receive illegal money, goods, entertainment, personal benefits, or other conveniences from business partners, government agencies, or other third parties related to business.

Article 7 (Exceptions Allowed)

① It shall not be permissible to improperly provide money, valuables, or other tangible or intangible benefits in exchange for business or preferential treatment, but it may be permissible to provide certain business conveniences to the Public Official.

② In the event of providing business conveniences (gifts, meals, services, entertainment, etc.) to the Public Official, etc., related to the conclusion of a contract or the promotion of a general understanding for friendly business relations, the following principles and procedures shall be followed.

1. Business convenience shall be provided in compliance with the limits and standards set forth in the laws of each country or the Code of Conduct for the Public Official.
2. Business convenience shall be in line with local culture and customs.
3. Business convenience shall be reasonable and appropriate.
4. Business conveniences shall not be provided frequently or repeatedly to certain Public Official, etc.
5. Expenses for business convenience shall be evidenced by receipts, invoices, statements, or other means, and shall be accurately recorded and reflected in the Company's accounting books.

Article 8 (Congratulatory Gifts)

① In the event of a congratulatory event by the Public Official, etc., a congratulatory gift may be offered as a sign of courtesy in accordance with the principles of Article 7 of the Regulation.

② The maximum amount of congratulatory gifts for the Public Official shall be in accordance with the anti-corruption laws of each country or the Code of Conduct for the Public Official.

③ Expenses related to congratulatory goods shall be proved as much as possible and properly classified and accounted for in the Company's books, records and accounting documents.

Article 9 (Payment of Travel Expenses)

① The Employees may provide travel expenses to the Public Official for their work, and the expenses shall be paid directly to business partners (hotels, travel agencies, etc.).

② In the event of providing travel expenses as described in the preceding paragraph, the following items shall be observed:

1. The standard of payment of travel expenses shall not violate the anti-corruption laws of each country or the code of conduct for the Public Official;
2. It relates to travel that is directly related to the conclusion or performance of a contract and shall be an actual expense at a reasonable and reasonable level;
3. Prior approval from the approving authority shall be obtained before spending travel expenses;
4. Non-business travel expenses of government employees are not paid;
5. Expenses of spouses and family members of government employees are not paid; and
6. All expenses related to travel expenses shall be documented by receipts, invoices, statements or other means, and shall be properly classified and accounted for in the Company's books, records and accounting documents.

Article 10 (Express Charge)

The Express Charge is the payment made to demand that the performance of ordinary government work beyond discretion be facilitated, and are therefore considered bribes in most countries, and therefore the Company is prohibited in principle from the Express Charge.

Article 11 (Donations)

① Donations related to politics are not allowed in the name of the Company.

② Donations to charitable organizations can be used as a means to violate anti-corruption laws, so the following shall be checked:

1. Charitable organizations shall be verified to ensure that they are legitimate;
2. Ensure that charitable donations do not disguise illegal payments to the Public Official; and
3. Ensure that charitable donations are not used as a channel to finance illegal activities that violate U.S. and international anti-money laundering laws.

CHAPTER 4 THIRD PARTY COMPLIANCE

Article 12 (Third Party Compliance)

The Employees shall fully communicate the Company's anti-bribery policy to third parties and ensure compliance with the Regulation.

Article 13 (Prior Verification)

In the event that the executives and employees of the Company transact with the Public Official through the Third Party, they shall carry out verification procedures and due diligence on the following matters, and document and preserve the results:

1. Information on the person who recommended the Third Party, the relationship with the Public Official, whether the person donated political funds, and the history of violations of anti-corruption laws and regulations; and
2. The role of the Third Party, the remuneration paid for that role, and whether such remuneration is reasonable.

Article 14 (Written Contract)

① The Employees shall include the following when concluding a contract with the Third Party that deals with the Public Official.

1. An anti-corruption statement confirming that the Third Party will comply with anti-corruption laws and regulations, including the U.S. FCPA.
2. Matters concerning the roles and responsibilities of third parties (including details of service provision and conditions of remuneration)
3. In the case that the Third Party violates the anti-corruption act, this Regulation, or the anti-corruption clause in the contract, the conditions under which the contract can be terminated, and damages can be claimed.
4. Conditions under which the Third Party can conduct an audit of the Third Party if it has provided or is likely to provide inappropriate money or goods to a public official, etc.

② The Employees shall conclude the contract in writing and keep it after the signature and seal of the parties.

③ Employees of the Company in charge of third parties shall regularly check whether the Third Party complies with the anti-corruption clause in the contract and preserve the results.

Article 15 (Red Flags)

Employees of the Company in charge of third parties shall pay attention to the following items and immediately contact the compliance team if any red flags are found or if they have any concerns or questions related to the Third Party:

1. In the case that it is known that corruption is rampant in the target country where the project is being carried out;
2. In the case that the Third Party is specifically recommended by a public official, etc.;
3. In the case that the Third Party refuses or fails to comply with the anti-corruption laws and regulations of each country, including the FCPA.;
4. In the case that the Third Party refuses to confirm a request for anti-corruption or provides incomplete or inaccurate information.;
5. In the case that the Third Party refuses to sign a written contract or requires a behind-the-scenes contract;
6. In the case that the Third Party frequently makes large political donations;

7. In the case that a complex method is required for the cost of payment to the Third Party (e.g., a request for remittance to a third country account, a request for remittance via the Third Party, a request for payment from another country, etc.);
8. In the case of requesting excessive remuneration for the Third Party (requiring fixed remuneration or successful remuneration, etc. that is higher than ordinary expenses)
9. In the case that the Third Party has a family or business relationship with the public official, etc.;
10. In the case that the Third Party asserts influence over the Public Official as its sole competence; or
11. In the case of any other concerns

CHAPTER 5 PREVENTION OF CONFLICTS OF INTEREST

Article 16 (Avoidance of Private Interests)

In the event that any of the following applies, the employee shall inform the Company of the fact and avoid the relevant duties in the performance of his or her duties:

1. In the case that the official involved in the duties is a family member (a family member under Article 779 of the Civil Code);
2. In the case that the employee is a public official who retired within the last two (2) years and has directed and supervised a public servant in the same department within two years prior to the date of retirement; or
3. In the case of trading money and securities with a job-related public official.

Article 17 (Prohibition of Private Contact)

The Employees who have retired from a public institution within the last two years shall notify the Company if they have personal contact with a public official belonging to the institution in connection with their duties (golf, travel, gambling entertainment).

Article 18 (Prohibition of Use of Confidential Duties in the Course of Office)

The Employees shall not knowingly obtain confidential information or undisclosed information of a public institution to which they belong from a public official or obtain it through fraudulent means, and shall not use it to allow the employee or the Company to acquire property benefits.

Article 19 (Restriction on Advice, Consultation, etc.)

The Employees shall not engage in any of the following acts in relation to their duties:

1. An act of receiving personal advice or consultation from a job-related public official and receiving compensation;
2. An act of receiving knowledge or information related to duties from a public official

belonging to a job-related organization and providing compensation; or

3. An act of receiving advice, counsel, or information from a public official who is the other party in a matter of direct interest to the Company.

Article 20 (Recruitment of Retired Public Official)

① The Company shall not employ persons subject to employment restrictions under Article 17 of the Public Official Ethics Act.

② Notwithstanding the preceding paragraph, if it is necessary to hire a retired public official, the Public Official Ethics Committee shall confirm in advance whether the Public Official Ethics Committee has restricted employment or the result of the employment approval examination in accordance with Article 18 of the Public Official Ethics Act.

CHAPTER 6 TRANSPARENT RECORDS AND ACCOUNTING MANAGEMENT

Article 21 (Accurate Books and Records)

① The Company shall maintain accurate books and records documenting all financial transactions in a proper and fair manner.

② The Employees shall accurately record all expenditures paid to the Public Official, etc., and prove them by receipts, bills, statements, etc., and classify them appropriately according to the books and accounts.

③ The Employees shall not forge or falsify official documents and various evidence related to work.

CHAPTER 7 TRAINING AND INSPECTION

Article 22 (Anti-Corruption Education)

① The Employees shall complete anti-bribery training based on the anti-corruption act or the Regulation.

② The Employees of high-risk departments who have frequent or regular contact with executives, department heads, and government officials are required to complete anti-corruption training at least once a year, and the detailed training content and procedures are in accordance with the compliance team training operation plan.

Article 23 (Internal Inspection and Monitoring)

The compliance team regularly monitors the Company's executives and employees for their diligence in compliance with anti-bribery laws and regulations, conducts on-site inspections when necessary, and reports the results to the compliance committee.

Article 24 (Inquiry)

The Employees shall strictly comply with the anti-corruption act and the contents of the Regulation, and if there is any doubt about the legality and appropriateness of a specific act, The Employees shall contact the compliance team.

CHAPTER 8 REPORTING AND ACTIONS FOR VIOLATIONS

Article 25 (Reporting and Taking Action against Violations)

① In the event that the Employees become aware of any violation of the anti-corruption act or the Regulation, or any suspected or feared violation, they shall immediately report the fact to the compliance team.

② Reports under the preceding paragraph may be made in person, by telephone, fax, or e-mail (compliance1@hanwha.com), or by using the 'Report' function of the Compliance Management System (CPMS) or the Compliance Bulletin on the Company's website (www.hanwhaaerospace.com).

③ The compliance team has the authority to conduct investigations into reported violations and, if necessary, report the results of the investigation to the CEO or the compliance committee.

CHAPTER 9 PROTECTION OF INFORMANTS AND STANDARDS FOR PUNISHMENT OF VIOLATORS

Article 26 (Protection of whistleblowers)

① The Company shall strictly protect the confidentiality of any employee who reports any violation of the anti-corruption act or any suspicion or concern and shall not impose any disadvantage on the employment relationship or any other matter.

② Notwithstanding Paragraph 1, the following cases shall not be regarded as legitimate reporting, and no protection shall be given to the informant:

1. In the case that the informant knowingly or could has known that the contents of the report are not true, but the informant made a report; or
2. In the case that the report is requested for money or preferential treatment in relation to the report, or the report is used for other unfair purposes.

Article 27 (Rewards for Ethical Conduct)

The Company may provide appropriate rewards to executives and employees who comply with anti-corruption laws and various internal regulations and contribute to the establishment of a compliance culture.

Article 28 (Standards for Punishment of Violators)

① In addition to civil and criminal legal measures, the Employees who violate the anti-corruption act or the Regulation may be subject to internal sanctions in accordance with the Company's employment rules or the compliance control standards.

② In the event that the Employees are fined due to civil or criminal penalties for violating the anti-corruption act, the Company shall not be liable on behalf of the employee under any circumstances, and the Company shall not be able to receive reimbursement from the Company for the amount of the fine or any other damages.

CHAPTER 10 MISCELLANEOUS

Article 29 (Amendment of the Regulation)

In the event that it is necessary to revise the Regulation in order to comply with anti-corruption laws, the Regulation may be changed or amended through a resolution of the compliance committee.

Addendum (02/25/2014)

The Regulation shall be established and effective from February 25, 2014.

Addendum 08/10/2015)

The Regulation shall be amended and effective from August 10, 2015.

Addendum (02/22/2016)

The Regulation shall be amended and effective from February 22, 2016.

Addendum (10/22/2018)

The Regulation shall be amended and effective from October 22, 2018.

Addendum (09/18/2020)

The Regulation shall be amended and effective from September 18, 2020.

Addendum (10/15/2021)

The Regulation shall be amended and effective from October 15, 2021.

Addendum (01/20/2023)

The Regulation shall be amended and effective from January 20, 2023.