

Hanwha Aerospace Co., Ltd.
Corporate Governance Charter

February 25, 2022

Hanwha Aerospace Co., Ltd.

PREAMBLE

The purpose of Hanwha Aerospace Co., Ltd. (hereinafter referred to as ‘the Company’) is to become a company that is respected and trusted both domestically and internationally through leading technology and innovation in the aviation and space industries, and

the Company endeavors to achieve sustainable development of the Company and society by maximizing competitiveness through discovering future growth engines and improving business structure, and improving quality of life through diverse and active ESG improvement activities.

Accordingly, the Company pursues sustainable growth by establishing a sound governance structure that ensures fairness, transparency, independence and etc., and in order to promote the rights and interests of various stakeholders including customers, shareholders, and society, and the Company has enacted and been operating the following “Corporate Governance Charter of Hanwha Aerospace Co., Ltd.”.

CHAPTER 1. SHAREHOLDERS

Article 1. Rights of Shareholders

- ① Shareholders shall have fundamental rights as shareholders, based on the shareholder rights prescribed by the Commercial Act and relevant laws and regulations.
- ② Matters that involve significant changes to the Company or shareholder rights shall be resolved at the general meeting of shareholders in accordance with relevant laws and the Articles of Incorporation, in a manner that maximizes the protection of shareholder rights.
- ③ The Company shall provide shareholders with sufficient notice in advance regarding the date, time, venue, and agenda of the general meeting of shareholders. The date, time, and venue of the meeting shall be determined in a manner that maximizes shareholder participation.
- ④ Shareholders may propose agenda items for the general meeting of shareholders in accordance with applicable laws, and may raise questions and request explanations regarding the agenda during the meeting.

Article 2. Fair Treatment of Shareholders

- ① Shareholders shall be entitled to one vote per common share, and their fundamental rights shall not be infringed upon. Any restriction on voting rights of specific shareholders shall be limited as prescribed by law.
- ② The Company shall provide shareholders with necessary information in a timely, sufficient, and fair manner.
- ③ The company shall endeavor to protect shareholders from unfair internal transactions and self-dealing by controlling shareholders or other shareholders.

Article 3. Responsibilities of the Shareholders

- ① Shareholders shall recognize that exercising their voting rights may influence the management of the Company, and shall endeavor to actively exercise such rights for the development of the Company.
- ② Controlling shareholders or those who exert influence over the management of the Company shall act in the best interests of the company and all shareholders.

CHAPTER 2. BOARD OF DIRECTORS

Article 4. Functions of the Board of Directors

- ① The Board of Directors shall perform the decision-making and oversight functions related to the Company's management.
- ② The Board may delegate its authority to the CEO, Representative Executive Officer, or committees within the Board, except for key matters as specified by laws, the Articles of Incorporation, or the Board's regulations.

Article 5. Composition of the Board and Appointment of Directors

- ① The Board shall be of a size that enables effective and prudent discussions and decision-making, and shall have enough directors to operate its committees.
- ② The Board shall include independent outside directors capable of acting independently from management and controlling shareholders. The number of outside directors shall be sufficient to ensure substantial independence (at least three and a majority of the Board).
- ③ Directors shall be appointed based on expertise that can contribute to the Company's management. The tenure of appointed directors shall be guaranteed unless otherwise justified.
- ④ The Company shall ensure shareholders to have sufficient information and time to exercise their voting rights regarding director candidates.

Article 6. Outside Directors

- ① Outside directors shall have no material relationship with the Company and shall be capable of making independent decisions from management and controlling shareholders.
- ② The Company shall establish an Outside Director Candidate Recommendation Committee, which shall nominate candidates qualified under relevant laws.
- ③ Outside directors may request information necessary to perform their duties, and the Company shall provide sufficient information accordingly.
- ④ Outside directors shall devote sufficient time to fulfill their responsibilities.
- ⑤ Outside directors may, as necessary, receive support from employees or external experts through appropriate procedures, and the company may cover the related expenses.

Article 7. Operation of the Board

- ① The Board shall consist of regular and extraordinary meetings.
- ② The Board shall establish the regulations of Board of Directors, specifying its authorities, responsibilities, and operational procedures for smooth operation.
- ③ The Board shall use remote communication methods, when necessary, to facilitate participation by all Board members.

Article 8. Committees Within the Board of Directors

- ① To enhance professionalism and efficiency, the Board shall establish committees such as the Outside Director Candidate Recommendation Committee, Audit Committee, and others deemed necessary by the Board.
- ② The detailed matters on the composition, authority, and operation of each committee shall be determined by the resolutions of the Board.
- ③ The resolutions of the committees on matters delegated by the Board shall have the same effect as the resolution of the Board and shall be reported to the Board.

Article 9. Duties of Directors

- ① Directors shall perform their duties with the care of a good manager, based on sufficient information, time, and effort to make reasonable decisions.
- ② Directors shall not exercise their powers for their own or third-party interests and shall pursue the best outcomes for the Company and its shareholders.
- ③ Directors shall not disclose confidential company information acquired in the course of performing their duties, nor use it for personal or third-party benefit.

Article 10. Responsibilities of Directors

- ① If directors violate laws, the Articles of Incorporation, or neglects their duties, they shall be liable to the Company for any resulting damages. In case of willful misconduct or gross negligence, they may also be liable to third parties.
- ② In the course of making business decisions, if directors act in good faith after collecting and reviewing adequate and reliable information, and reasonably believe the decision is in the best interest of the Company, such business judgment shall be respected.
- ③ To ensure effective accountability and attract competent individuals to serve as directors, the Company may purchase liability insurance for directors at the Company's expense.

Article 11. Evaluation and Compensation

- ① The Board's business performance shall be evaluated fairly, and the results shall be reflected appropriately in directors' compensation.
- ② The activities of outside directors shall be evaluated fairly and may be considered in the decision of their reappointment.

CHAPTER 3. AUDITING BODIES

Article 12. Audit Committee

- ① The Audit Committee shall consist of three or more directors, and to maintain independence and expertise, at least two-thirds of the total members shall be outside directors, and at least one member shall be an accounting or financial expert as required by relevant laws and regulations.
- ② The Audit Committee shall audit the Company's accounting and operations in accordance with relevant laws and regulations, the Articles of Incorporation, the Board's regulations, and its own regulations, and shall perform tasks delegated by the Board of Directors.
- ③ The Audit Committee shall have free access to any necessary information for its audit duties, and if necessary, may request to receive consulting of external institutions or experts at the Company's expense.
- ④ The Audit Committee shall convene at least once per quarter and may hold additional meetings as needed. Relevant employees or external auditors may be requested to attend.

Article 13. External Auditors

- ① The external auditor shall perform audit duties fairly and independently of the Company, its management, and controlling shareholders.
- ② The external auditor shall be appointed by the Audit Committee and shall report and consult on the significant matters found during audits.
- ③ The external auditor shall attend the general meeting of shareholders and faithfully respond to questions about the audit report.

CHAPTER 4. STAKEHOLDERS

Article 14. Protection of Stakeholders' Rights

- ① The Company shall respect and protect the rights of various stakeholders, including shareholders, executives and employees, and shall faithfully fulfill its social responsibilities.
- ② The Company shall respect the rights of its members and endeavor to improve their quality of life.
- ③ The Company shall comply with fair market practices as prescribed by law and shall sincerely cooperate with stakeholders for coexistence and co-prosperity, based on trust and integrity.
- ④ In cases of mergers, reductions in capital, or divisions that significantly affect creditors, the company shall comply with procedures to protect creditor rights.
- ⑤ When stakeholders also hold shareholder status, their rights as stakeholders and shareholders shall be protected and exercisable.

Article 15. Ethical Management

- ① The Company shall establish a code of conduct for employees, and make it accessible to all members.
- ② The Company shall practice ethical management, comply with laws and social norms, and endeavor to respect market economy principles in all social and economic activities.

CHAPTER 5. PUBLIC DISCLOSURE

Article 16. Public Disclosure

- ① The Company shall promptly disclose all information required by law. In addition, matters that significantly affect or may affect the decisions of shareholders or stakeholders shall also be disclosed as necessary.
- ② The Company shall promptly and accurately disclose important matters, even beyond regular periodic disclosures, in accordance with relevant laws.
- ③ The Company shall endeavor to prepare disclosure documents in a manner that is clear and easy for stakeholders to understand and use.
- ④ The Company shall designate a disclosure officer and establish an internal system to ensure important information of the Company is swiftly communicated to the disclosure officer.
- ⑤ The Company shall ensure that corporate information is disclosed equally to all stakeholders and shall not favor or discriminate against specific users of information.

SUPPLEMENTARY PROVISION

This Corporate Governance Charter is established and publicly announced by a resolution of the Board of Directors on February 25, 2022.