
HYUNDAI STEEL

Guideline upon Independence and Diversity of Independent Directors

Enactment & Revision History	Version	Record on Enactment and Revision	Contents of enactment /Revision
	0	Feb 2018	Initial Enactment
	1	Mar 2020	Revised
	2	May 2021	Revised
	3	May 2022	Revised

[Team in Charge]

IR Team

Guideline upon Independence of Independent Directors

Hyundai Steel organizes a majority of its directors as Independent Directors.

In addition, all directors are appointed by presenting individual agenda items at the general shareholders' meeting, so that they can faithfully perform their duties as Independent Directors. Hyundai Steel prohibits concurrent offices as directors, executive officers, and auditors of two or more other companies. Hyundai Steel abides by domestic commercial law and other related laws in order to verify the independence of Independent Directors, and also establishes independence requirements which apply or more stringent than global code; the Board of Director and Independent Director Candidate Recommendation Committee shall determine the independence of a candidate of, and an incumbent director based on these requirements. Independent Directors are directors who are not members of the company's executive directors, and are not in any of the following subparagraph. Those applicable to any of these subparagraphs will lose their position:

- Directors, executive officers and employees of the company, or directors, auditors, executive officers or employees who have been in the executive position of the company within the last two years;
- The largest shareholder him/herself, or his/her spouse and direct ancestor or descendant
- Director, auditor, executive officer, and employee of the corporation, if corporation being the largest shareholder;
- Spouse, direct ancestor or descendant of a director, auditor, and executive director;
- Director, auditor, executive officer and employee of the parent company or subsidiary of the company
- Directors, auditors, executive officers and employees of a corporation with important interests, such as the business relation like a significant customer or supplier of the company
- Director, auditor, executive officer, and employee of other companies in which the directors, executive officers and employees of the Company are directors or executive officers;
- Director, auditor, executive officer, and employee of a corporation whose combined trading performance with the company in the last three business year is 10% or more than the company's total assets or operating profits
- Directors, auditors, executive officers and employees of a corporation that has entered into a single trading contract with the Company for an amount equal to 10% or more than its total sales during the recent business year.
- The director must not accept or have a Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year or any of the past three fiscal years

- The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management

In addition to the requirements above, the Board of Directors shall consider comprehensively how a director is related to the company in determining its independence, including the domestic and international circumstances and that of directors and the company.

Guidelines upon Diversity of the Board of Directors

Hyundai Steel strives to constitute the Board of Directors with a variety of directors in consideration of the interests of various stakeholders such as shareholders or customers, for the Board of Directors making important decisions based on a broader perspective.

Expertise

- 1) Compulsory expertise: Industry, management (organization operation), economy, law, accounting, environment
- 2) Specific expertise: Having the necessary expertise as a director of a steel company such as global experience, risk management, etc.
- 3) Experience of Independent Director: Understanding of the duty of Independent Directors

Diversity

- 1) Nationality: Discovering a group of candidates of various nationalities for the establishment of global advanced governance structure
- 2) Age: Improving the efficiency of the Board of Director harmonizing the flexible response to the change of business environment with experience and knowledge
- 3) Gender: Applying the principle of gender equality for operating the Board of Director with diverse perspectives
- 4) Experience and Background: Taking into account the characteristic of Korean society, yet rejecting the bias of certain origin
- 5) The other: Consider other diversities such as race, religion, ethnic group, etc.

Recommendation

Taking advantage of various and independent way of recommendation for the benefits of various stakeholders. The Board of Directors shall ensure the composition of the Board reflects the aforementioned diversity requirements evenly through 'Diversity Validation' in determining the direction of the Board's formation.

Hyundai Steel will strive to operate its Board of Directors more effectively with various perspectives and experiences, in consideration of every element within the law of Republic of Korea.