

DL E&C Guidelines for Independence and Diversity of the Board of Directors

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- We ensure compliance with relevant laws and regulations including the Commercial Act to maintain the independence of our independent directors. We also introduced global regulations¹⁾ or stricter requirements to check their independence when selecting candidates.
- Candidates are considered independent if they do not fall under any of the following conditions, and their relationship with the company is comprehensively reviewed.
 - Directors, executive officers and employees working for the company, or directors, auditors, executive officers and employees who have worked for the company within the last 3 years
 - The largest shareholder, their spouse and immediate family members, or if the largest shareholder is a company, and they are the director, auditor, executive officer, or employee of the company
 - A director, executive officer, auditor or employee of the following company within the last 2 years:
 - ✓ A total amount of transactions with DL E&C in the last 3 business years is 10% or more of their total assets or total sales
 - ✓ An accounting firm that is appointed as an auditor of DL E&C
 - Serving as a director, executive officer, or auditor of two or more other companies besides DL E&C
 - The person's immediate family member has served as a director or executive member of DL E&C within the last 3 years
 - The person or his/her family member has received during any twelve month period within the last 3 years, more than KRW 70 million (US\$ 60,000) in direct compensation
 - The person who has worked for a public organization related to DL E&C 3 years from the date of resignation (unless approved by the Public Official Ethics Committee)
- The Board of Directors is composed of directors with expertise in various fields, not biased toward a specific field so that they can make informed rational decision based on the interests of stakeholders including shareholders and customers.
- In particular, independent directors are selected by considering their nationality, gender, and age to ensure diversity to keep a broad perspective.
 - Diversity

- ✓ Nationality: Candidates with various nationalities to build a balanced governance structure
- ✓ Gender: Candidates of different genders to reflect the principle of gender equality and take broad perspectives without being biased toward a certain gender
- ✓ Age: Candidates of various ages to ensure flexibility in dealing with changing business environment and increase the effectiveness of the board
- ✓ Others: Other elements including race, ethnicity,; and religion to support diversity

1) 『NYSE Listed Company Manual』 Section 303A