

# **EVERGREEN STEEL CORPORATION**

## **Audit Committee Charter**

### **Article 1**

To foster corporate governance and strengthen the functions of the Board of Directors, this Audit Committee Charter (hereinafter, “this Charter”) is established in accordance with Article 14-4 of the Securities and Exchange Act and the Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

### **Article 2**

Matters concerning the number of members of the Audit Committee (hereinafter, “the Committee”), term of office, powers, rules of procedure for meetings of the Committee, and resources to be provided by the Company when the Committee exercises its powers shall be handled in accordance with this Charter.

Matters not covered in this Charter, if any, shall be conducted in accordance with applicable laws, regulations, and internal rules of the Company.

### **Article 3**

The main function of the Committee is to supervise the following matters:

1. Fair presentation of the financial reports of the Company.
2. The hiring and dismissal, independence, and performance of certificated public accountants of the Company.
3. The effective implementation of the internal control system of the Company.
4. Compliance with relevant laws and regulations by the Company.
5. Management of the existing or potential risks of the Company.

#### **Article 4**

The Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

The independent director members of the Committee shall serve a 3-year term, and may be re-elected to further terms. When the number of the independent director members is less than the number prescribed in the preceding paragraph or in the articles of incorporation due to an independent director's dismissal for any reason, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When all independent directors are dismissed, the Company shall convene a shareholders' meeting for by-election of independent directors within 60 days from the date of the occurrence.

#### **Article 5**

Powers conferred by the Securities and Exchange Act, the Company Act, and any other laws to be exercised by supervisors, excepting those set forth in Article 14-4, paragraph 4 of the Securities and Exchange Act, shall be exercised by the Committee.

Persons to represent the Company in matters under Article 213, 214, and 223 of the Company Act shall be appointed by the Committee in accordance with the procedure set out in the Article 8, paragraph 4, and the Committee may resolve to have the Committee members individually or jointly represent the Company in such matters. If representatives are not selected by the Committee in accordance with the above procedures, the entire members of the Committee shall jointly represent the Company.

#### **Article 6**

The powers of the Committee are as follows:

1. Adoption or amendments of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendments, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or operational acts, such as

acquisition or disposal of assets, engaging in derivatives trading, lending funds to other parties, or providing endorsements or guarantees for other parties.

4. Matters in which a director is an interested party.
5. Material transactions for assets or derivative products.
6. Material funds lending, endorsements, or guarantees.
7. Offering, issuance, or private placement of any equity-type securities.
8. Appointment or dismissal, and remuneration of a Certified Public Accountants.
9. Appointment or discharge of a financial officer, accounting officer, or internal audit officer.
10. Quarterly and annual financial reports signed or sealed by the chairman, managerial officer and accounting officer.
11. Other material matters required by the Company or the competent authority.

The matters under paragraph 1 shall be approved by one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution.

Any matter specified in the paragraph 1, except subparagraph 10, may be approved without the consent of one half or more of the entire membership of the Committee, but with the consent of two thirds or more of the entire membership of the board of directors.

The “entire membership” mentioned herein shall be counted as the number of members actually in office at the given time.

The convener of the Committee represent the Committee **externally**.

## **Article 7**

The meetings of the Committee shall be convened at least once per quarter, and may be convened at any time when necessary.

When convening a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each independent director member at least 7 days in advance. In emergency circumstances, however, the meeting may be called on shorter notice.

The Committee meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to attendance by all committee members and suitable for holding the Committee meeting.

A member of the Committee shall be elected as the convener and meeting chair by and from the entire membership of the Committee. If the committee members cannot elect the convener, the independent director who received votes representing the largest share of the voting rights shall serve as the convener.

When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint an independent director member on the Committee as acting convener; if the convener does not make such an appointment, one independent director member of the Committee shall be elected by and from the independent director members of the Committee to serve as acting convener.

Independent directors constituting one-half or more of the entire membership of the committee may, by filing a written proposal setting forth the subjects for discussions and the reasons, request the convener to convene a meeting of the committee. If the convener fails to convene a Committee meeting within 15 days from the filing of the request, independent directors constituting one-half or more of the entire membership of the committee may convene a meeting on their own.

The Committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of the Company to attend the meeting as non-voting participants and provide pertinent and necessary information, provided that they shall leave the meeting when discussion and voting takes place.

When the Committee meets, relevant materials should be prepared for the Committee members present at the meeting to consult at any time.

## **Article 8**

When a meeting of the Committee is held, an attendance book shall be made available for signing-in by the independent director members in attendance and thereafter made available for reference.

Independent director members shall attend meetings of the Committee in person; if an independent director member is unable to attend in person, the independent director member may appoint another independent director member as proxy to attend the meeting. Attendance via video conferencing is deemed as attendance in person.

A member of the Committee who appoints another independent director member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the consent of one half or more of the entire membership. The result of a vote shall be made known on the spot and recorded in writing.

When a proposal comes to a vote at the meeting, if no attending members voices an objection following an inquiry by the meeting chair, the proposal will be deemed approved. If there is an objection following an inquiry by the meeting chair, the proposal shall be voted on by show of hands.

If for a legitimate reason it is impossible to hold a meeting of the Committee, the matters out to be resolved by the Committee shall be adopted with the consent of two-thirds or more of the entire members of the board of directors. Nevertheless, a written opinion indicating consent shall be obtained from each independent director member with respect to the matters under Article 6, paragraph 1, subparagraph 10.

The proxy under paragraph 2 may accept a proxy from one person only.

## **Article 8-1**

If the number of the committee members present at the meeting does not reach one-half of the entire membership at the time scheduled for the meeting, the meeting chair may announce that the meeting will be postponed to later on the same day, provided that only two postponements may be made. If the quorum is still not met after two

postponements, the meeting chair may re-call the meeting following the procedures provided in Article 7, paragraph 2.

## **Article 8-2**

A Committee meeting shall be proceeded in accordance with the agenda specified in the meeting notice. However, the agenda may be changed with the approval of one-half or more of the entire membership of the audit committee.

Unless otherwise being approved by one-half or more of the entire membership of the Committee, the meeting chair cannot declare the meeting closed before all the items (including special motions) listed in the agenda are resolved.

If at any time during the proceedings of a Committee meeting the number of the members sitting at the meeting does not reach one-half of the entire membership, then upon motion by the independent directors sitting at the meeting, the meeting chair shall declare a suspension of the meeting, in which case the preceding article shall apply mutatis mutandis.

If at any time during the proceedings of a Committee meeting, the convener for any reason is unable to chair the meeting or the meeting chair declare the meeting closed in violation of paragraph 2, the provisions of Article 7, paragraph 5 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.

## **Article 9**

The Proceedings of the Committee meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance by the independent director members, including the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.

5. The name of the minute taker.
6. Report Items.
7. Discussion items: For each proposal, the resolution method and the result; a summary of the comments of the independent director members of the Committee, experts, and other persons present at the meeting; the name of the independent director members who is an interested party as referred to in paragraph 1 of Article 12, explanation of the material aspects of the interest the independent director members has, the reason why the independent director members should or should not recuse himself or herself, and status of recusal; and any objections or reservations expressed.
8. Extraordinary motions: The name of the mover; the resolution method and the result; a summary of the comments of the independent director members of the Committee, experts, and other persons present at the meeting; the name of the independent director members who is an interested party as referred to in paragraph 1 of Article 12, explanation of the material aspects of the interest the independent director members has, the reason why the independent director members should or should not recuse himself or herself, and status of recusal; and any objections or reservations expressed.
9. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee and shall be appropriately preserved during the existence of the Company.

The minutes of a Committee meeting shall bear the signature or seal of both the meeting chair and the minute taker, and a copy of the minutes shall be distributed to each independent directors members within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

## **Article 10**

The Committee's meeting agenda shall be ratified by the convener, other members may also submit proposals to the Committee for discussion.

The Corporate Government Department is hereby designated to handle the meeting affairs of the Committee.

## **Article 11**

Any and all meetings of the Committee shall be audio-recorded or videotaped from beginning to adjournment of the meeting as evidence. The audio and video recordings shall be kept for at least five years and may be stored in the electronic form.

If any litigation relating to a resolution of the Committee arises before the expiry date of the period in which the audio and video recordings shall be kept in accordance with the preceding paragraph, the audio and video recordings shall continually be kept until the conclusion of the litigation.

For a meeting of the Committee convened via videoconferencing, the audio and video recordings shall be included as part of the meeting minutes and properly kept during the existence of the Company.

## **Article 12**

If an independent director member of the Committee is the interested party in relation to an agenda item, he or she shall explain the material content of the interested party relationship. When such a relationship is likely to prejudice the interests of the Company, the independent director shall recuse himself or herself from discussion and voting on that agenda item. Also, they shall not exercise voting right on behalf of another independent director member of the Committee.

Where the spouse or a blood relative within the second degree of kinship of an independent director is an interested party in relation to the agenda item as described in the preceding paragraph, such independent director shall be deemed to be an interested party in relation to that agenda item.



If the committee is unable to make a resolution due to the circumstances specified in the preceding two paragraphs, it shall be reported to the board of directors and such agenda item shall be submitted to the board of directors for resolution.

### **Article 13**

The Committee may resolve to retain attorneys, certified public accountants, or other professionals to conduct necessary inspections or provide consultation on the matters in connection with Article 6, and the expenses incurred shall be borne by the Company.

### **Article 14**

The Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the board of directors and shall submit their proposals to the board of directors for resolution.

### **Article 15**

The Committee shall conduct periodic reviews of matters relating to this Charter and present the review results to the board of directors for revision.

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members to follow-up and submit written or verbal reports to the Committee during the implementation period. When necessary, the execution status shall be presented to the next meeting of the Committee for ratification or report.

### **Article 16**

This Charter, and any amendments hereto, shall come into in force after adoption by a resolution of the board of directors.

### **The History of “Audit Committee Charter”**

This Charter were enacted on November 29, 2019.

1. The 1<sup>st</sup> amendment was made on March 16, 2020;
2. The 2<sup>nd</sup> amendment was made on November 10, 2020;
3. The 3<sup>rd</sup> amendment was made on May 13, 2021;
4. The 4<sup>th</sup> amendment was made on March 13, 2024.