
GOVERNANCE GUIDELINES

DATE : DEC 29th 2023

REV No. : 1st

Preamble

The ultimate managerial objective of DAE YANG STRAPS (the "Company") is to pursue the happiness of those who chose company with the belief that being with company can result in greater happiness (the "members") and stakeholders of the Company.

The Company, as the framework and foundation upon which members and stakeholders continuously pursue happiness, shall achieve its ultimate goal of sustained progress by maintaining stability and growth.

The Company shall enhance economic and social values for the happiness of stakeholders, and thereby develop mutual trust with stakeholders to increase the total value of DY, composed of economic and social values, and achieve sustainable growth.

The Company provides various stakeholders with the following values:

The Company provides its customers with a variety of values and earns their trust by continuously satisfying them, ultimately developing along with its customers; creates a fair and competitive ecosystem with its business partners, and promotes mutual development through a virtuous circle of cooperation based on the ecosystem;

increases its enterprise value by continuously creating shareholder value; and grows along with the wider community by playing a variety of roles needed in the community, such as environmental protection, creation of new jobs, improvement of quality of life, and contribution to local communities.

In addition, the Company shall make a consistent effort to find a balance between the happiness of stakeholders and consider this in both the present and the future to remain sustainable over the long-term.

If deemed that it is required for pursuing the happiness of members and stakeholders and its sustainable growth, the Company may voluntarily determine to mutually share and cooperate with DY STRAP Companies.

In this case, the Company shall endeavor to contribute to the survival and enhancement of value including the Company, through mutual sharing and cooperation.

In order to achieve sustained progress by realizing the aforementioned management philosophy, the Company shall establish a sound and transparent governance structure based on responsible management centered on the Board of Directors, and make a continuous effort to gain recognition therefor.

Following the resolution of the Board of Directors, the Company sets forth the Corporate Governance Guidelines. as follows, with the aforementioned management philosophy and commitment to the establishment of governance structure to realize this management philosophy.

Dec 29th, 2023

DAE YANG STRAPS CO., .LTD

PART 1. RESPONSIBLE MANAGEMENT

CENTERED ON THE BOARD OF DIRECTORS

CHAPTER 1. ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Article 1. Objective

- ① The Board of Directors shall acknowledge that the Company's ultimate managerial goal is to pursue happiness of members and stakeholders of the Company, and shall endeavor to accomplish this goal.
- ② The Board of Directors shall acknowledge that it shall pursue the happiness of both members and stakeholders for the Company's sustainable progress, and shall consider this in the decision-making process.
- ③ The Board of Directors shall acknowledge that the Company may obtain greater economic value from stakeholders by providing social value, and shall endeavor to enhance cooperation and trust between the Company and stakeholders.

Article 2. Responsibilities

- ① The Board of Directors is responsible for establishing and reviewing the Company's objective and management strategy to achieve the happiness of members and stakeholders and the Company's sustainable growth.
- ② The Board of Directors shall consider ESG management policies in determining the distribution of management resources and capital.
- ③ The Board of Directors shall endeavor to create a corporate culture pursuing sustainability and to that end, shall monitor and review whether the Company's objective, value, management strategy, policies and practices coincide with a corporate culture pursuing sustainability.

Article 3. Authority and Functions

- ① The Board of Directors shall have comprehensive authority with respect to the management of the

Company.

- ② The Board of Directors shall make managerial decisions and supervise the management of the Company. The functions that the Board of Directors is to perform are as follows:
1. Establishment of managerial objective and strategy;
 2. Investment/disposal and guarantee/borrowing above a certain amount
 3. Review of transparency in accounting and sustainability;
 4. Appointment/Dismissal of the CEO and supervision of the management;
 5. Assessment of managerial performance and resolution on remuneration;
 6. Decision-making for the improvement of ESG policy; and
 7. Any other decision-making which has a material impact on the Company or relates to external trust.
- ③ Any deliberation or resolution of the Board of Directors shall be made in accordance with the regulation of the Board of Directors.

Article 4. Insider Trading and Self-Dealings

- ① The Board of Directors shall supervise any insider trading or self-dealings through its internal control system, and the details of such trading or dealings shall be disclosed in accordance with a fair procedure.
- ② Any act that has a material impact on the interests of the Company and the shareholders, such as merger, spin-off or capital transactions between member companies, shall be carried out in accordance with a justifiable procedure in which substantial fairness shall be ensured.
- ③ The Board of Directors shall record in the minutes of the Board of Directors' meeting any grounds for procedural justification and substantial fairness with regards to insider trading and self-dealings.

Article 5. Defense of Management Rights

The Board of Directors shall decide whether to accept a takeover bid taking into account possibility of sustainable development of the Company, and the shareholders' interests, etc. in accordance with

a legitimate procedure.

Article 6. Risk Management

- ① The Board of Directors shall endeavor to systemically manage both non-financial and financial risks including ESG risks for the sustainable growth of the Company.
- ② The Board of Directors shall endeavor to establish an effective internal control system, etc. for systematic risk management.

Article 7. Chief Executive Officer Evaluation

- ① The Board of Directors shall prepare specific procedures for evaluating the representative director, such as the Chief Executive Officer, and conduct the evaluation according to fair standards and objective indicators.
- ② The Board of Directors uses the evaluation results for CEO remuneration and succession policies.

Article 8. Chief Executive Officer Remuneration Policy

The Board of Directors shall establish a remuneration policy and practice for the representative director, such as the Chief Executive Officer, in line with the Company's sustainable growth and long-term interests of the shareholders.

Article 9. Chief Executive Officer Succession Policy

The Board of Directors shall find and train persons who may become the Chief Executive Officer such as the representative director, and establish a standardized system through which the Company may prepare for the expiration of term of office or resignation of the chief executive officer or any other contingency.

CHAPTER 2. ROLES AND RESPONSIBILITIES OF DIRECTORS

Article 12. Roles of Directors

- ① The directors shall perform their duties with the duty of care of a good manager and shall always

seek to achieve results in the best interest of the Company and the shareholders.

- ② The directors shall make reasonable decisions based on sufficient information by devoting adequate time and effort.
- ③ The directors shall thoroughly review any materials related to any pending issue at the Company and regularly attend the Board of Directors' meeting.
- ④ The directors may, if necessary, ask the management questions or give their opinions and may request for advice from outside experts.

Article 13. Duties and Responsibilities of Directors

- ① The directors may not divulge or use for their own interests or those of any third party any confidential information of the Company acquired during the performance of their duties.
- ② The directors may not exercise their authority for their own interests or those of any third party.
- ③ The directors shall indemnify the Company in the event they violate the relevant laws, regulations or the Articles of Incorporation, or neglect their duties. In such a case, the directors shall also indemnify any third party in case of willful misconduct or gross negligence on their part.
- ④ The business judgment of directors shall be respected as long as they have collected, and prudently and sufficiently reviewed reasonably reliable materials and information during the process of making such business judgment, and performed their duties in the manner believed to be in the best interests of the Company based on reasonable judgment made in good faith.
- ⑤ The Company may subscribe to indemnification liability insurance for the directors at its expense in order to secure effectiveness in claiming liabilities against the directors and to recruit competent persons as directors.

CHAPTER 3. COMPOSITION OF THE BOARD OF DIRECTORS

Article 14. Adequate Size of the Board of Directors

The size of the Board of Directors shall be adequate for effective and prudent discussions and

decision-making and shall be comprised of a sufficient number of directors to ensure that the committees under the Board of Directors are substantially activated.

Article 15. Adequate Number of Independent Directors

The Board of Directors shall include outside directors who can function independently from the management and the controlling shareholders (hereinafter, any persons, including individuals, corporations, institutional investors and any other shareholders, who have a substantial influence over major managerial matters of the Company, such as appointment/dismissal of officers, regardless of their shareholding ratio), and their number shall be adequate to enable the Board of Directors to maintain substantial independence from the management and the controlling shareholders and supervise and hold in check the process of making managerial decisions.

Article 16. Expertise of the Board of Directors

The Board of Directors shall be comprised of competent directors with expertise and knowledge adequate for the Company, who can substantially contribute to the management of the Company.

Article 17. Diversity of the Board of Directors

- ① The Board of Directors shall be comprised of directors whose knowledge, experience, capabilities, and gender are diverse and harmonized to fulfill its roles and responsibilities.
- ② The Board of Directors, by securing diversity, shall share various perspectives and make an objective decision through effective discussions.

CHAPTER 4. INDEPENDENT DIRECTORS

Article 18. Independence of Independent Directors

- ① The independent directors shall be capable of making decisions independent of the management and the controlling shareholders.
- ② The independent directors shall endeavor to make independent decisions without being influenced by the management and the controlling shareholders.

Article 19. Disclosure of Independence of Outside Directors

- ① The independent directors shall, when accepting appointment, submit to the Company confirmation that they do not have any significant relationship with the Company.
- ② The Company shall confirm and disclose that candidates for independent directors do not have any significant relationship with the Company.
- ③ When a change is made to the confirmation specified in Paragraph 1 following the appointment of an independent director, the independent director shall immediately submit an amended confirmation, and the Company shall disclose this confirmation.

Article 20. Expertise and Verification of Independent Directors

- ① The Board of Directors shall make best efforts to identify the professional competencies necessary for the composition of the Board and to appoint independent directors with the relevant competencies.
- ② The Board of Directors and the competent committee may utilize internal and external assistance at the company's expense to constantly manage and verify the candidates for independent directors who possess the professional competency necessary for the composition of the Board.

Article 21. Prohibition on Excessive Concurrent Offices and Competitive Transactions

- ① The independent directors shall not excessively hold concurrent positions in order to ensure faithful performance of their duties.
- ② The independent directors may not carry out financial transactions related to the businesses conducted by the company where they hold the position of the independent director and may not hold the position of the independent director in other companies within the same field.

Article 22. Performance of Duties

- ① The independent directors shall devote sufficient time to collect information related to any matters to be decided upon in performing their duties, and thoroughly review materials provided by the Company.

- ② In the event the materials provided by the Company are insufficient, the independent directors shall obtain and review necessary materials by themselves, such as browsing books or any relevant documents.
- ③ The independent directors shall endeavor to obtain necessary information from various stakeholders within and outside of the Company including the shareholders, and collect a variety of opinions about the management of the Company.

Article 23. Provision of Information to Independent Directors

- ① The management, including the Chief Executive Officer, shall provide sufficient information in a timely manner to ensure that the independent directors obtain accurate information about the management status of the Company. In particular, when a meeting of the Board of Directors is held, the management shall provide relevant information in advance in order for the independent directors to thoroughly review the agenda to be presented at the meeting.
- ② The independent directors may request a person in charge of to provide necessary information for performance of their duties in order to present opinions about the Company's managerial goal or decision of strategy.
- ③ The Company may designate a department to respond to the independent directors' information request.

Article 24. Assistance from External Experts

The independent directors may request for assistance or advice from the employees, officers or outside experts in accordance with the appropriate procedure, if necessary, at the Company's expense to the extent reasonable.

Article 25. Provision of Sufficient Education Opportunities

- ① The Company shall provide sufficient education opportunities to ensure that the directors can effectively perform their roles.
- ② The directors shall receive training on a regular basis for effective performance of their duties

and shall devote sufficient time and effort for clear understanding of their duties and desirable performance thereof.

- ③ Any newly appointed director shall participate in training on duties and governance structure of the Company, which is to be provided immediately after his/her appointment.

Article 26. Independent Directors Council

- ① The Board of Directors organizes and operates the Independent Directors Council in which all Independent Directors participate in order to enhance the management supervision/support functions of Independent Directors.
- ② The operation of the Independent Directors Council will be determined by the Bylaws of the Board of Directors.

Article 27. Lead Director

- ① The chairperson of the Board, who is an independent director, also serves as the Lead Director, and When an executive director is appointed as the chairperson of the Board, the Lead Director will be separately appointed from among the independent directors and disclosed.
- ② The Lead Director presides over the Independent Director Council, collects the opinions of independent directors, and delivers them to the Board or management.

Article 28. Communication between Independent Directors and Management

The Company shall endeavor to provide independent directors and the management with opportunities to regularly discuss managerial matters.

CHAPTER 5. OPERATION OF THE BOARD OF DIRECTORS

Article 29. Regular Meeting of the Board of Directors

- ① In principle, the Board of Directors meeting shall be held on a regular basis, at least once every year.
- ② For the effective operation of the Board of Directors, the Company shall schedule the regular

Board of Directors' meeting for the entire year in advance.

Article 30. Operation of the Board of Directors

- ① The Board of Directors shall provide every director with an equal opportunity to state his/her opinions.
- ② In the event any director is unable to physically attend the Board of Directors' meeting, the Board of Directors shall enable the director to participate in the meeting through means of remote communication (audio only or audio together with video).
- ③ The Company shall prepare the minutes of its every meeting and maintain and keep the details thereof.

Article 31. Roles of the Chairperson of the Board of Directors

- ① The chairperson of the Board of Directors shall continuously monitor whether the Company is establishing a transparent and sound governance structure and shall seek measures to develop its governance structure.
- ② The chairperson of the Board of Directors shall encourage proactive discussions and lead the Board of Directors in a constructive manner and support the independent directors in order to enable them to participate in decision-making based on accurate and timely information.
- ③ The chairperson of the Board of Directors shall endeavor to build constructive relationships between directors, and between directors and the management, and may seek and propose to the Company measures through which each director can readily find necessary information for decision-making in a timely manner.

Article 32. Evaluation and Remuneration of the Board of Directors

- ① The Board of Directors evaluates the board activities and directors, and the details will be determined in the Bylaws of the Board and the Board of Directors.
- ② In order to ensure objectivity and fairness, the Board of Directors may request an evaluation from an external organization.
- ③ The Board of Directors may use the evaluation results as a basis for improving Board operations,

remuneration for independent directors, and decisions on re-election, e.g.

Article 33. Delegation of Authority of the Board of Directors

The Board of Directors may delegate its authority to the representative director or the committees under the Board of Directors to the extent that it does not violate the relevant laws, regulations, or the Articles of Incorporation.

CHAPTER 6. COMMITTEES UNDER THE BOARD OF DIRECTORS

Article 34. Establishment and Operation of Committees under the Board of Directors

- ① The Board of Directors may establish under the Board of Directors committees with adequate number of members to perform certain roles and functions in order to enhance expertise and efficiency in performing duties.
- ② The committees under the Board of Directors shall be comprised of a majority of independent directors and appoint an independent director as the chairperson of each committee to ensure independence.
- ③ The company may designate a support department of the company for each committee to enhance the expertise of each committee.

Article 35. Roles of Audit Committee

The Audit Committee shall oversee and manage whether the directors and the management carry out their duties in a legitimate and reasonable manner in accordance with laws, Articles of Incorporation, and the Bylaws of the Board of Directors, and details are determined by the Charter of the Audit Committee.

Article 36. Roles of HR Evaluation and Remuneration Committee

The HR Evaluation and Remuneration Committee shall recommend director candidates to be appointed at the General Meeting of Shareholders and reviews major HR matters such as the evaluation of the CEO and succession plan, remuneration adequacy and evaluation of the Board of

Directors/Directors, and details are determined by the Charter of the HR Evaluation and Remuneration Committee.

Article 37. Roles of Strategic Planning Committee

The Strategic Planning Committee shall review matters related to the CEO's KPI establishment and evaluation, the Company's mid- to long-term strategies and major investment plans, and details are determined by the Charter of the Strategic Planning Committee.

Article 38. Roles of ESG Committee

The ESG Committee shall review strategies and key issues related to the environment / social / governance structure in the Company's business decision-making, and details are determined by the Charter of the ESG Committee.

PART 2. SHAREHOLDERS

CHAPTER 1. RIGHTS OF SHAREHOLDERS

Article 39. Rights of Shareholders

- ① The fundamental rights of the shareholders may not be deprived of or restricted by the Articles of Incorporation, the General Meeting of Shareholders or a resolution of the Board of Directors.
- ② The shareholders, as the owners of the Company, may receive the Company's dividends or its remaining property, and exercise their voting rights at the General Meeting of Shareholders.
- ③ The shareholders are entitled to receive sufficient information from the Company in a timely manner, which is necessary for exercising their rights, and the Company shall faithfully respond to the shareholders' request for information to the extent there is no legitimate cause to not respond.
- ④ The shareholders may freely exercise their voting rights for the development of the Company and enhancement of corporate value, and the Company shall make every effort to make it easy for all shareholders to exercise their voting rights.



Article 40. Protection of Shareholders' Rights

- ① The Company shall ensure that each shareholder has one vote for each share he/she/it owns, and restriction on voting rights of certain shareholders shall be imposed restrictively in accordance with the relevant laws and regulations.
- ② Any matter bringing significant changes to the existence of the Company and the shareholders' rights shall be determined at the General Meeting of Shareholders in a manner ensuring the shareholders' rights to the maximum extent possible.
- ③ The Board of Directors shall endeavor to ensure that any shareholder opposed to any important structural change, such as merger or substantial business transfer, is entitled to exercise his/her/its appraisal right based on the fair value reflecting the actual value of his/her/its interest as stipulated in the relevant laws and regulations.
- ④ The controlling shareholder shall not abuse his/her/its rights to invade other general shareholders' right, and the Company shall endeavor to ensure that the rights of minority shareholders can be easily exercised in order to prevent the controlling shareholders' abuse of control and protect the interests of all shareholders.

CHAPTER 2. GENERAL MEETING OF SHAREHOLDERS

Article 41. Subject and Agenda

- ① The Company shall endeavor to ensure that various subjects will be presented as agenda for discussions, such as ESG management, at the General Meeting of Shareholders.
- ② The Company shall provide the shareholders with sufficient explanation about the agenda and opportunities to ask questions before there is a resolution on the agenda at the General Meeting of Shareholders, unless any shareholder intends to interrupt the meeting or ask repetitive or unreasonable questions.

Article 42. Date, Time and Venue, etc.

- ① The Company shall provide the shareholders in advance with sufficient information on the agenda

to ensure that the shareholders may review the agenda before the meeting.

- ② The Company shall determine the date, time and venue of the General Meeting of Shareholders to ensure that as many shareholders as possible can attend the meeting and shall notify the shareholders of the date, time and venue of the meeting in writing or electronic form sufficiently in advance.
- ③ Each director shall endeavor to attend the General Meeting of Shareholders.

Article 43. Appointment of Directors

- ① The Company shall endeavor to gather as many opinions of the shareholders as possible in selecting candidates for directors and appointing directors.
- ② The Company shall separately appoint at least one (1) member of the Audit Committee apart from the other directors to enhance independence of the Audit Committee.

PART 3. AUDIT

CHAPTER 1. INTERNAL AUDIT

Article 44. Enhancement of Independence and Expertise of Audit Committee

- ① The Audit Committee shall be comprised of at least three (3) members to smoothly perform functions as a committee, and all the members of the Audit Committee shall be comprised of independent directors to ensure objectivity and independence.
- ② The members of the Audit Committee shall not be entitled to receive any compensation other than the remuneration as directors, to conduct their duties independent of the management and the controlling shareholders.
- ③ In order to enhance the expertise of the Audit Committee, all the members of the Audit Committee shall have fundamental knowledge on conducting an audit, and at least one (1) of the members shall have professional knowledge in accounting/finance as stipulated in the relevant laws and regulations such as the Commercial Act.

- ④ The Audit Committee may organize an internal audit department directly under its control to enhance professionalism and smooth operation.
- ⑤ Members of the Audit Committee shall receive education on audits on a regular basis.

Article 45. Operation of the Meeting of Audit Committee

- ① The Audit Committee shall hold a meeting at least once every quarter to ensure effectiveness of the quarterly reporting system.
- ② The chairperson of the Audit Committee may request the management, financial officer, head of the internal audit department, and the independent auditor to attend the Audit Committee meeting, and may engage any related external personnel to participate in the meeting depending on the agenda.

Article 46. Access Right to Information, e.g.

- ① Members of the Audit Committee may freely access any information necessary for conducting the audit for faithful performance of their duties.
- ② Apart from Paragraph 1, members of the Audit Committee shall endeavor to collect information from and exchange opinions with the management, the internal audit department, and the independent auditor through individual contact.
- ③ The Audit Committee may request for cooperation from officers and/or employees or independent auditor or request for assistance or advice from accountants, attorneys, or other outside experts during the performance of duties.

CHAPTER 2. INDEPENDENT AUDIT

Article 47. Maintenance of Independence of Independent Auditor

The Company shall ensure legal and substantial independence of the independent auditor from the Company, the management, the controlling shareholders, and the Company's consolidated parent company and subsidiaries.

Article 48. Independent Auditor's Attendance at the General Meeting of Shareholders

The Company shall engage the independent auditor to participate in the General Meeting of Shareholders and provide sufficient answer and explanation if the shareholders have any question on the presented audit report.

Article 49. Communication with Independent Auditor

- ① The Audit Committee shall discuss the status of independent audit with the independent auditor from time to time, and review and discuss major matters confirmed by the independent auditor during the performance of its duties.
- ② The Audit Committee shall discuss major matters relating to independent audit with the independent auditor at least once every quarter without the presence of the management.

PART 4. COMMUNICATION WITH SHAREHOLDERS AND STAKEHOLDERS

Article 50. Direct Communication with Shareholders and Stakeholders

- ① The Board of Directors and the management shall pay attention to any requests or concerns of the shareholders and stakeholders in order to contribute to the Company's sustained and stable growth, and shall, if necessary, endeavor to directly communicate with the shareholders and stakeholders about various subjects including ESG management.
- ② The Board of Directors shall appoint at least one (1) Stakeholder Communication Member among the independent directors, in order to facilitate communication with and protect the rights and interests of, the shareholders and stakeholders of the Company.
- ③ The Stakeholder Communication Member shall share with the Board of Directors any opinions he/she gathered through communication with the shareholders and stakeholders to ensure that such opinions are taken into consideration in the decision-making process.

Article 51. Information Disclosure

- ① The Company shall endeavor to equally provide all shareholders with any information about the

Company that may have influence on the Company's enterprise value.

- ② The Company shall endeavor to proactively respond to stakeholders' request for information to the extent permitted by the relevant laws and regulations to ensure the Company's sustainable growth and happiness of stakeholders.
- ③ The Company may disclose or publicly announce any matters that have or may have significant influence on the decision-making of the shareholders and stakeholders, in addition to those required to be disclosed under the relevant laws and regulations unless such matters are confidential information.

Article 52. Accessibility to Disclosure

- ① The Company shall post on its website any information it intends to disclose, such as business reports, audit reports, sales reports, and company presentation materials to ensure that anyone can easily access the disclosure.
- ② The Company shall make the disclosure easy to understand in as simple terms as possible.

Article 53. Designation of Officer in Charge of Disclosure, e.g.

- ① The Company shall effectively discharge disclosure obligations by designating an officer in charge of disclosure, and shall establish an internal information delivery system through which the Company's important information can be delivered swiftly to the officer in charge of disclosure.
- ② The Company shall have the officer in charge of disclosure receive training on disclosure obligations.

