Policy and Procedure on Appointment and Dismissal of Executive Management

Definition

"Executive Management Member of the Group" shall mean (i) Executive President, Representative Executive Officers and Executive Officers, and (ii) CEO, COO, CFO and any other position within the Group that is close or only next to those officers in significance and requires a resolution of the Board of Directors for such appointment or dismissal.[1]

Details

The Nomination Committee shall provide recommendations and/or advice to the Board on such appointments and/or dismissals prior to any resolution by the Board.

In determining such appointment and/or dismissal, comprehensive consideration shall be given to the individual's proven performance to date, potential caliber as a leader, and commitment to the Group's future direction, "Our Vision", principles of stakeholder communication, the code of conduct and the Group Competency.

The term of office of Executive Officers shall, in principle, be one year. Appointment or re-appointment of all Executive Officers shall be reviewed annually based on the above standards. As regards the other senior management, individual performance reviews shall also be carried out annually.

Recognizing that the Group, as a global company, faces retention risks with management talent, we seek to maintain a highly transparent process in relation to the policies and procedures on such appointments and/or dismissals, while aiming to minimize such risks through the annual review of succession plans and by implementing talent development activities in a planned manner and thereby offering rewarding career development opportunities.

[1] Those who report directly to CEO should be normally included in this category.