		Doc no.	SWS-B-005	Page	1 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		


Corporate Governance Charter

Document No.: SWS-B-005

Effective Date: January 1, 2025

Table of Contents

1. Preamble
2. Shareholders
3. Board of Directors
4. Audit Mechanism
5. Stakeholders
6. Disclosure

		Doc no.	SWS-B-005	Page	2 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		

1. Preamble

SWECO Inc. aims to proactively respond to the rapidly changing electrical insulation materials market through continuous challenge and innovation, creating new customer value and striving to become a leading global company. Alongside this, we are committed to contributing to the sustainability of both the company and society through diverse and proactive ESG improvement activities.


Furthermore, believing that establishing sound corporate governance is the foundation for securing trust from all stakeholders and conducting sincere management activities, we hereby establish this Corporate Governance Charter.

In accordance with this Charter, SWECO Inc. seeks to promote transparent and accountable management under the supervision of a professional and independent board of directors, and endeavors to balance and enhance the rights and interests of shareholders, customers, employees, and partners, thereby becoming a company that opens the way to a sustainable future.

2. Shareholders

A. Shareholders' Rights

- 1) Shareholders, as owners of SWECO Inc. (hereinafter referred to as the "Company"), shall have the following fundamental rights guaranteed by the Commercial Act and other relevant laws:
 - The right to participate in profit distribution
 - The right to attend and vote at the general shareholders' meeting
 - The right to receive regular and timely information
- 2) The following matters, which may significantly affect the Company's existence and shareholders' rights, shall be resolved at the general shareholders' meeting under the principle of maximizing shareholders' rights protection:
 - Amendments to the Articles of Incorporation
 - Mergers, business transfers, and corporate splits
 - Dissolution
 - Capital reduction
 - Comprehensive stock exchange and transfer, among others
- 3) The exercise of shareholders' rights shall be convenient and voluntary. The Company shall provide sufficient information regarding the time, place, and agenda of the general shareholders' meeting well in advance to facilitate the exercise of shareholders' rights.

		Doc no.	SWS-B-005	Page	3 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		

B. Fair Treatment of Shareholders

- 1) Each shareholder shall have one voting right per one share. However, restrictions on voting rights for certain shareholders may be imposed in accordance with applicable laws.
- 2) The Company shall provide shareholders with necessary information in a timely, sufficient, and easily understandable manner. Even when disclosing information not subject to mandatory public disclosure, the Company shall provide it equitably to all shareholders.
- 3) The Company shall protect shareholders from unfair related-party transactions and self-dealing by other shareholders.


C. Shareholders' Responsibilities

- 1) Shareholders shall actively exercise their voting rights for the development and benefit of the Company.
- 2) Major shareholders shall act in the best interests of the Company and all shareholders, and shall endeavor to prevent any actions that cause damage to the Company or other shareholders.

3. Board of Directors

A. Functions of the Board of Directors

- 1) The Board of Directors is a body with comprehensive responsibility and authority over management within the scope of relevant laws. It approves management strategies, objectives, and business plans for the benefit of the Company and its shareholders, and supervises their implementation.
- 2) The Board performs the following functions:
 - Resolving important matters related to the Company's management strategies and business operations
 - Supervising the execution of duties by directors and management
 - Deciding on other matters prescribed by laws, the Articles of Incorporation, or the Board's rules of operation
- 3) Except for major matters stipulated by laws, the Articles of Incorporation, or the Board's regulations, the Board may delegate authority to the CEO or committees.

		Doc no.	SWS-B-005	Page	4 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		

B. Composition and Operation of the Board of Directors

- 1) The Company shall appoint at least three directors at the general shareholders' meeting to ensure diverse opinions and efficient decision-making.
- 2) The CEO shall serve as the chairperson of the general shareholders' meeting. In the event the CEO is unable to perform this role, another director appointed by the Board shall act as the chairperson. The chairperson of the Board shall convene and preside over the Board meetings, ensuring that the Board effectively fulfills its roles in all aspects.
- 3) The Board shall hold regular meetings, and extraordinary meetings shall be convened when urgent agenda items arise. To ensure smooth operation, the Company shall establish and implement Board regulations that clearly define the Board's authority, responsibilities, and operating procedures.

C. Qualifications and Independence of Directors


- 1) Directors shall meet the qualification standards prescribed by relevant laws and possess exemplary ethics, professionalism, and integrity. They must be able to represent the balanced interests of all shareholders and stakeholders.
- 2) Directors shall dedicate sufficient time to fulfill their duties and demonstrate strategic thinking, practical knowledge, mature judgment, and a strong sense of responsibility.
- 3) Directors shall not be discriminated against based on gender, age, nationality, race, religion, educational background, disability, or other factors. They should contribute to enhancing corporate value and protecting shareholders' rights.

D. Appointment and Nomination of Directors

- 1) Directors of the Company shall be appointed by the general shareholders' meeting upon the recommendation of the Board of Directors.
- 2) To respond flexibly to changes in the business environment based on diverse perspectives and experiences, the Company strives to enhance diversity within the Board.

E. Responsibilities of Directors

- 1) Directors shall perform their duties in good faith and with due care as fiduciaries, acting in the best interests of the Company and its shareholders. They shall not disclose information obtained through their duties to external parties or use such information for their own or a third party's benefit.

		Doc no.	SWS-B-005	Page	5 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		


- 2) If a director violates laws, the Articles of Incorporation, or neglects their duties, they shall be liable for damages to the Company. If the director intentionally or through gross negligence neglects their duties, they shall be jointly liable to compensate third parties for damages. However, if a director has performed their duties based on sincere and reasonable judgment, believing it to be in the Company's best interest, such business judgment shall be respected.
- 3) The Company shall, at its own expense, purchase directors and officers liability insurance to mitigate the burden of liability and to attract and retain competent directors.

F. Committees Within the Board of Directors


- 1) The Board of Directors may establish and operate committees within the Board to enhance expertise in performing duties and improve operational efficiency.
- 2) The Board shall operate an Audit Committee and a Sustainability Management Committee as standing committees within the Board, and may establish other committees as necessary. The composition and operation of each committee shall follow separate regulations established for each committee.
- 3) Committees shall report their resolutions to the Board of Directors, and the Board may reconsider and resolve matters decided by the committees.

G. Sustainability Management Committee

- 1) The Sustainability Management Committee aims to review the practice of sustainable management, protect shareholders' rights and interests, ensure transparency in related-party transactions, and promote ethical and ESG management. The Committee deliberates and resolves the following matters:
 - Matters for Resolution:
 - ① Large-scale related-party transactions as defined under the Monopoly Regulation and Fair Trade Act
 - ② Transactions with major shareholders as stipulated in Article 542-9(3) of the Commercial Act
 - ③ Key policies related to ethical management and social contribution
 - ④ Amendments to the Corporate Governance Charter
 - ⑤ Establishment and revision of codes of ethics and other ethical standards
 - Matters for Deliberation:
 - ① Investment, expansion, or disposal of new facilities above a certain scale; acquisition or disposal of shares in other companies
 - ② Transactions between directors and the Company

		Doc no.	SWS-B-005	Page	6 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		

- ③ Establishment and operation of compliance support and monitoring systems, and other matters deemed important by the Committee
 - ④ Important issues related to the protection of shareholders' rights and interests
- 2) The Sustainability Management Committee reviews major management matters including mergers and acquisitions related to shareholder rights protection, acquisition and disposal of significant assets and equity, dividend policies, share repurchases, and other issues deemed important by the Committee. To strengthen shareholder communication, one inside director from the Committee shall be appointed as the director responsible for shareholder rights protection.
 - 3) The roles of the non-executive director responsible for shareholder rights protection are as follows:
 - Attend key investor relations (IR) events and conduct meetings with shareholders to facilitate communication between the Board and shareholders
 - Convey feedback and proposals related to shareholder rights protection to the Sustainability Management Committee and the Board
 - Continuously identify and propose policies to improve shareholder rights protection
 - 4) To facilitate effective compliance monitoring and supervision, one executive director from the Sustainability Management Committee shall be appointed as the director responsible for compliance management.
 - 5) The roles of the non-executive director responsible for compliance management are as follows:
 - Advise and oversee the internal compliance management system in close communication with the compliance officer
 - Promote active discussions on compliance management matters
 - 6) The Company shall fully support the Committee with all necessary information and resources for its activities and shall operate continuous education or training programs to enhance the Committee members' expertise.
 - 7) The Sustainability Management Committee shall, in principle, convene quarterly and may hold additional meetings as needed. The outcomes of the meetings shall be reported to the Board of Directors. The Committee's annual activities shall be disclosed through various channels, such as the general shareholders' meeting and SWECO Inc.'s Sustainability Report, to ensure full accessibility for all shareholders.

		Doc no.	SWS-B-005	Page	7 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		


H. Evaluation and Compensation

- 1) The management activities of the Board of Directors shall be evaluated fairly, and the results shall be appropriately reflected in compensation.
- 2) To enhance the effectiveness of the Board, regular evaluations of the Board's performance shall be conducted.
- 3) Directors' compensation and any necessary business-related expenses shall be determined by the Board within the limits approved by the general shareholders' meeting.
- 4) Compensation for directors shall be reasonably proportionate to their duties, appropriately set in light of the Company's financial status, and aligned with the long-term interests of the Company and its shareholders.
- 5) The Board of Directors shall determine matters related to compensation, including the maximum compensation limit for directors, through resolutions at the general shareholders' meeting.

4. Audit Mechanism

A. Audit Committee

- 1) The Audit Committee shall be composed of one or more directors appointed at the general shareholders' meeting, and must include at least one expert in accounting or finance.
- 2) The Audit Committee shall perform the following functions:
 - Auditing the legality of the activities of directors and management
 - Reviewing the soundness and validity of financial operations and the accuracy of financial reporting
 - Selecting, changing, or dismissing external auditors, and reporting to the general shareholders' meeting
 - Other matters prescribed by applicable laws, the Articles of Incorporation, and the Audit Committee's regulations
- 3) The Audit Committee may, at any time, inspect or copy books and records related to accounting, request reports from directors regarding business operations, and investigate the Company's affairs and financial status.

		Doc no.	SWS-B-005	Page	8 / 8
		Revision no.	1		
Standard	Corporate Governance Charter	Revised date	2025. 01. 01		

B. External Auditor

- 1) The external auditor shall perform audit duties fairly and independently, without influence from the Company, management, or specific shareholders.
- 2) The external auditor shall be appointed by the Audit Committee and must report any significant matters identified during the audit to the Audit Committee.
- 3) The external auditor shall attend the general shareholders' meeting and faithfully respond to any shareholder questions regarding the audit report.

5. Stakeholders

- 1) The Company faithfully fulfills its corporate social responsibilities, believing that sincerely addressing the interests of all stakeholders—including customers, employees, partners, and local communities—contributes to the enhancement of long-term shareholder value.
- 2) The Company makes every effort to protect the rights of stakeholders as stipulated by laws and contractual agreements.
- 3) Within the scope permitted by applicable laws, the Company provides stakeholders with the necessary information to protect their rights and supports their access to relevant information.

6. Disclosure

- 1) The Company regularly prepares and discloses business reports, quarterly reports, and semi-annual reports, and discloses information related to the Company faithfully, promptly, and transparently to shareholders and other stakeholders.
- 2) In addition to periodic disclosures, the Company discloses material issues and matters subject to legal disclosure obligations without delay, ensuring accuracy and completeness.
- 3) The Company does not favor or discriminate against any individual or group in terms of the timing or scope of important corporate disclosures. All disclosures are made in a manner that ensures equal and simultaneous access for all stakeholders.