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포스코퓨처엠

포스코퓨처엠 기업지배구조헌장
(CORPORATE GOVERNANCE CHARTER)

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Managed by	**Management Strategy Group**		
Reviewed by	**Head of Management Strategy Group**		
Approved by	**CEO (Chairman of BOD)**		

Introduction

POSCO FUTURE M ("POSCO FUTURE M" or "Company") is committed to becoming a globally respected company by providing valuable goods and services, thereby contributing to its stakeholders and human society.

The corporate governance charter ("Charter") is enacted with firm belief that establishing sound corporate governance serves as the stepping stone to secure trust of all stakeholders and faithfully fulfilling the social responsibility.

The Charter aims at promoting transparent, sound, responsible and professional management under the supervision of an independent board of directors ("BOD") so as to enhance in a balanced manner the rights of all stakeholders , such as shareholders, customers and employees, and etc.

I. General Provisions

① POSCO FUTURE M's business goal is to enhance long-term shareholder value. This is carried out by all its employees under the management of its executives including the CEO. The BOD decides the Company's key management policy, checks and supervises the management efforts of the executives to enhance shareholder value.

② In order to enhance shareholder value and to protect stakeholder interest, POSCO FUTURE M will establish a global professional management (GPM) system for check and balance between the BOD (centering on an independent outside director) and the management.

③ POSCO FUTURE M shall disclose key provisions related to management and financial statements promptly and accurately to shareholders and interested parties, and review the accuracy of the financial information through independent and professional audit systems.

II. Shareholders

2-1. Shareholder Rights

① Shareholders, as owners of POSCO FUTURE M, possess the rights including the following which is guaranteed by relevant laws and regulations such as the Commercial Code.
- Right to participate in profit sharing
- Right attend and vote at the General Meeting of Shareholders (the "GMS")
- Right to propose objectives of the GMS such as nomination of Director candidates
- Right to obtain relevant corporation information regularly and in a timely manner

② To protect the utmost rights of shareholders, any matters causing fundamental changes to the existence of the Company and the shareholders' rights (including mergers, amendments to the articles of incorporation, capital reduction and etc.) shall be decided at the GMS.

③ Shareholders should be able to exercise their voting rights as easily as possible and based on their free will. POSCO FUTURE M will provide sufficient information on the GMS's agenda and ensure that the shareholders exercise their voting rights in a written form.

2-2. Equitable Treatment of Shareholders

① Shareholder shall be fairly treated according to the type and amount of shares possessed and the intrinsic right of the shareholder shall not be infringed upon.

② In any of its business dealings, POSCO FUTURE M shall not provide special treatment for reason of being a shareholder and shall not take unfair action for reason of not being a shareholder.

③ The exercise of minority shareholder rights shall be guaranteed to the extent permitted by relevant laws, unless exercising such rights infringes the rights of all other shareholders. POSCO FUTURE M shall seek ways (e.g., adopting the cumulative voting policy) to protect minority shareholder rights such as adopting the Cumulative Voting Policy.

2-3. Responsibility of Shareholders

① Shareholders shall make every effort to exercise their voting right proactively for the development of the Company with acknowledgement of the fact that exercising such rights can affect the management of the Company.

② Controlling shareholder shall act in the best interests of the Company and all shareholders, and shall not inflict losses to other shareholders by acting in ways that violate this principle.

III. Board of Directors

3-1. Function of the Board

① The BOD shall have the comprehensive power over the management of the Company within the scope provided by relevant laws and regulations, and shall make key managerial decisions and supervise the management in the best interests of the Company and its shareholders.

② The Board shall perform the following functions:
- Setting business goals and core business strategies
- Approving the appointment & dismissal, supervision, evaluation, and compensation policy of the management
- Regular monitoring of the management's accomplishments
- Approving important investment projects, large-sum loans, yearly business plans and budgets
- Overseeing provisions stated in other laws, statutes and the Operational Regulations for Board of Directors
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3-2. Board Composition

① POSCO FUTURE M shall form the BOD on a scale that enables effective discussion and efficient decision-making of various opinions, and should consist of enough directors to operate the committees under the BOD.

① The outside directors shall perform their duties independently from the management, controlling shareholders and the Company.

② POSCO FUTURE M shall allow shareholders to exercise their voting rights with sufficient information and time on candidates for directors.

3-3. Qualification of Directors

① Directors shall possess an exemplary set of ethics, business sense and integrity, and the ability to enhance long-term value of all shareholders and fairly represent the interest of all stakeholders.

② Standing directors, as a high-level manager of corporation, shall have sufficient experience and knowledge related to the Company's business, and shall be capable of making managerial decisions in a rational and appropriate manner.

③ Outside directors shall have sufficient knowledge and experience in the relevant field such as finance, economics, management, legal, accounting, etc., and shall have no material relationship with the Company and shall be able to make decisions independently from the Company and shareholders.

④ In order to secure diversity in the composition of the BOD, the director candidate shall be appointed in comprehensive consideration of factors such as gender, country, age, educational background, and professional competency etc.

3-4. Appointment of Directors

① Director shall be appointed at the GMS by recommendation from the BOD

② The candidate for outside director is recommended to the GMS by the Outside Director Candidate Recommendation Committee.

③ In order to select candidates for outside directors transparently and objectively, advice can be obtained from external experts

④ By resolution of the BOD, the Company shall appoint the representative director among the standing directors.

3-5. Role of Outside Directors

① Through the BOD activities, the outside director participates in the Company's key decision-making process. As a member of the BOD, the outside director supervises and supports the management through constructive consultation.

② The outside director may request information necessary to perform duties. If needed, the outside director can receive consultation from external experts through proper procedures, for which POSCO FUTURE M shall cover any reasonable expense.

③ Outside directors shall devote sufficient time for purposes of performing their duties and shall review all related materials before attending a BOD meeting.

3-6. Responsibility of Directors

① Directors shall do their utmost in performing their duties with prudence and faithfulness for the best interests of the company and its shareholders. Directors shall not divulge or use any information obtained during the course for their own or third parties' benefit.

② When a director violates the law or the articles of incorporation, or neglects his duties, he may be liable for damages to the Company or a third party. But managerial decisions by the director that are based on good faith and rational judgement shall be respected.

③ To mitigate the director's liability and to attract a competent director, the Company may purchase coverage for the director liability insurance.

④ A director shall resign if a conflict of interest between POSCO FUTURE M and such director. The director shall not engage in discussions or decision-making processes that may have an effect on one's personal or business interest.

3-7. Steering of the Board

① In order to make the best managerial decision for the best interest of POSCO FUTURE M and its shareholders, the BOD should be operated in an efficient and rational manner.

② The BOD should establish the ESG Committee, the Director Candidate Recommendation Committee, the Evaluation and Compensation Committee, and the Audit Committee in order to carry out the management in an efficient and professional manner. The Chair of each Committee should be elected among outside directors. The ESG Committee should be entirely comprised of the outside directors.

③ In principle, the BOD Meeting should be held once every quarter. If there is an emergency agenda that needs to be discussed, an interim meeting of the BOD is held. In order to smoothly manage the BOD, the operational regulations for the BOD should be enacted and implemented which states in detail the BOD's authority, responsibility and management procedure.

3-8. Evaluation and Compensation of the Management Team

① The BOD should design and implement the Evaluation and Compensation System of the Management that can contribute to shareholders' long-term values. The business activity of the Management should be fairly evaluated and the results should be rationally and appropriately linked to the compensation and reappointment.

② The Evaluation and Compensation Committee should regularly evaluate the business activities of the Management, according to the evaluation standard and business goal set out at the BOD Meeting.

Ⅳ. Audit Systems

4-1. Audit Committee

① The Audit Committee shall be comprised of more than three outside directors and more than one expert who specialize in accounting or financing as specified in relevant laws and regulations.

② The Audit Committee shall perform the following functions:
- Audit appropriateness of the manager's execution of operations
- Review the soundness and reasonableness of POSCO FUTURE M's financial activity and the accuracy of the financial report
- Review the adequacy of major accounting standards and changes in accounting estimates
- Review provisions stated in other laws, statutes and the Audit Committee Operating Regulations

③ The Audit Committee is held at least once every quarter and may request the directors, the executive officers or other related employees to attend.

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4-2. External Auditors

① External auditors shall perform fair audits independently from the corporation, its management and controlling shareholders

② External auditors shall be appointed by the Audit Committee and shall report key provisions identified during the audit to the Audit Committee.
External auditors shall attend the GMS and answer any shareholders' questions on the audit reports.

V. Stakeholder

① POSCO FUTURE M shall endeavor to achieve corporate stewardship which is to efficiently resolve issues related to interested parties (employees, customers, creditors, suppliers and local communities), so as to enhance shareholders' long-term values.

② POSCO FUTURE M shall endeavor to protect the rights of stakeholders by the laws, regulations or contract. In particular, POSCO FUTURE M shall make efforts to faithfully observe the labor-related laws and regulations such as the Labor Standard Act, and maintain and improve its labor conditions.

③ POSCO FUTURE M shall disclose any information that is required to be disclosed under the relevant laws and regulations in order to protect stakeholder interests, and shall support access to relevant information by interested parties.

VI. Disclosure

① POSCO FUTURE M shall regularly prepare and disclose business reports, quarterly reports and semi-annual reports. In addition to the disclosures required by laws, POSCO FUTURE M shall disclose information that may have a significant effect on the decisions made by shareholders and interested parties in a timely and accurate manner.

② POSCO FUTURE M shall not prioritize nor unfairly discriminate anyone on the scope or the timing of the disclosure, and the disclosure shall be prepared in a manner that all stakeholders can simultaneously have access to the information.