

# **ARTICLES OF ASSOCIATION**

**Samsung Engineering Co., Ltd.**

# Articles of Association

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## Chapter 1. General

Article 1. (Title) :

The name of the firm shall be "Samsung Engineering Co., Ltd."

Article 2. (Objectives) :

The firm's objective shall be to contribute to the national economic development by promoting the level of engineering services and the industrial skills by engaging in the businesses described below:

1. Businesses pertaining to engineering services;
2. Promotion of home production for the needs of industrial utilities services and of the businesses pertaining to the export of industrial utilities;
3. Businesses pertaining to design, contracting, engineering consulting for industrial utilities, buildings and civil construction works;
4. Businesses pertaining to the development of engineering and accumulation of said engineering know how;
5. Development of software and marketing businesses;
6. Manufacture and sale of industrial machinery;
7. Transaction and leasing of real estate;
8. Whole and retail sale-;
9. Lease and maintenance of heavy equipments;
10. Overseas construction contracting and overseas engineering services;
11. Civil/Buildings, construction, paving, installation of steel structures, dredging and landscaping works.
12. Electric construction works and information & communication construction works
13. Export, imports and foreign trade agency;
14. Fire fighting utilities contracting;
15. Contracting for specialized heat machinery/materials and gas facility construction;
16. Businesses pertaining to development, transportation, import/export, storage, and sale of energy or its resources (including mineral resources), and any relevant engineering and power generating businesses;
17. Construction, transaction and lease of housing facilities;
18. Management and lease of commercial malls;
19. Construction and management of sport and public entertainment facilities;
20. Military goods supply contracting;
21. Environments pollution prevention facility construction contracting, environmental effects evaluating agency, design and construction of general wastes treatment and excretions treatment facilities, measurements agency, environments management agency, soils purification contractor;
22. Businesses pertaining to the internet;
23. Consolidated specialized consulting services;
24. Businesses pertaining to production, construction, sale, and operation of water-related facilities (including seawater desalination facility and water supply and drainage facility, etc);
25. Manufacture, process and sale of water-treatment catalysts, synthetic resins, other chemical products and their related products;
26. Investment for the businesses pertaining to each of above items; and

27. Subsidiary businesses pertaining to each of above.

Article 3. (Head and Branch offices)

The head office of the firm shall be located in the City of Seoul of the Republic of Korea and branch stores, offices or sales agency offices may be established at proper areas inside and outside of the country under the resolution made by the Board of Directors or by a committee whose authority is delegated the authority by the Board of Directors.

Article 4. (Method of Public Announcement)

Public announcements will be made on the company's internet website (<http://www.samsungengineering.co.kr>). However, if the announcement cannot be made on the company's website due to technical or other unavoidable reasons, the announcement will be made on the daily newspaper, Joongangilbo, published in Seoul.

## **Chapter 2. Shares and Corporate Bonds**

Article 5. (Total Numbers of Share To Be Issued By The Firm)

The total numbers of share to be issued by the firm shall be 300,000,000 shares.

Article 6. (Total Number of Shares To Be Issued At The Time Firm is Founded)

The total numbers of share to be issued at the time the firm is founded shall be 211,744 shares.

Article 7 (Unit Price of One (1) Share)

The unit price of one (1) share shall be 5,000 Korean Won.

Article 8. (Types of Shares)

1. The type of shares issued by the firm shall comprise of registered common shares and registered preference shares.
2. The preference shares issued by the firm shall have no voting rights and issuing number shall be limited to less than 3,500,000 shares.
3. For the preference shares, preference dividends over 1% annum shall be made available for the face value under the resolution made, at the time the preference shares are issued initially, by the Board of Directors or a committee whose authority is delegated by the Board of Directors.
4. For the preference shares, upon the initial issuance of the preference shares are -under the resolution made by the Board of Directors or by a committee whose authority is delegated by the Board of Directors, the marginal difference between common shares shall be added to the face value of the preference shares when the dividends for the common shares exceeds the dividends for preference shares or portion of said exceeding dividends shall be diverted into the number of preference shares so that the dividends be made available under the same rate as common shares.
5. For accumulated outstanding unpaid dividends for preference shares, caused by failing to grant for certain business year, such outstanding dividends shall be paid in the following business year.
6. In case the firm undertakes to implement a capital increase with purchasable shares and dividends with, the same conditions shall basically be applied according to same condition equal to either the common shares or the preference shares owned respectively. However, the firm may issue only one type of share when undertaking capital increase with purchasable shares or

shares dividends as required by the firm. In this case, all the shareholders shall have the rights to receive allocation or allotment of dividends for the shares issued.

#### Article 8-2 (Destroying The Shares by Incineration)

The firm may incinerate the shares of the firm, within the scope of profits to be allotted for the shareholders as dividends under the resolution made by the Board of Directors as prescribed by the applicable statutes. (However, the insuperable amount shall be less than the amount stipulated in the applicable statute and within the limit profit dividends is possible under the regulations prescribed in the Par. 1, Article 462 of the Commercial law at the end of the applicable business fiscal year.-

#### Article 9 (Electronic Registration of Rights to Be Marked on Certificates of Shares and Right to Receive New Shares)

The firm shall not issue certificates of shares and right to receive new shares, and, instead, shall electronically register the rights that shall be marked on the aforementioned certificates on registry of an electronic registration office.

#### Article 10. (Right to Receive New Shares)

1. The shareholders retain the rights to attain the allocation of new shares proportionally to the shares owned by the shareholders. However, the board of directors or the committee delegated the authority by the board of directors may dispose the shares in case the shareholder abandon or forfeit the right to receive new shares or odd lot are created in the course of allocating new shares.
2. In spite of the regulations stated in the Par 1 above, the firm reserves the rights to allocate the new shares for the persons other than the shareholders for each of the following cases:
  - a. When the new shares are issued for the purpose of undertaking public subscription under the resolution made by the board of directors or transfer to the claimant, in accordance with related laws and regulations, such as the Capital Market and Financial Investment Business Act or similar laws.
  - b. When the new shares are allocated under preference basis for employee stock ownership association under the resolution made by the board of directors based on related laws and regulations, such as the Capital Market and Financial Investment Business Act or similar laws.
  - c. When the new shares are issued according to the issue of depositary receipt (DR) under the resolution made by the board of directors in compliance with related laws and regulations, such as the Capital Market and Financial Investment Business Act or similar laws.
  - d. When the new shares are issued under the public subscription basis in accordance with Article 10-3.
  - e. When the new shares are issued due to the exercising of stock optional right in accordance with the regulations prescribed in Article 10-4.
  - f. When the new shares are issued, within the scope not to exceed 30/100 of the total shares issued by the firm, with common or preference shares for the other firms cooperating for the procurement of funds with domestic or international monetary agencies or other engineering firms to induce engineering know how. However, the issuing face price of said new shares shall be above the prices prescribed by related laws and regulations, such as the Capital Market and Financial Investment Business Act or similar

laws.

Article 10-2 (The Initial Date In Reckoning For The Dividends For New shares)

The dividends of the profits for the new shares issued in accordance with the purchasable capital increase, share dividend and grant of dividends with the new shares, the issue of said new shares are treated as issued before the last day of the business year immediately preceding the current business year. However, as for the intermediate dividends for the new shares issued after the dividends basic date, as mean of capital increase with purchasable shares and with shares dividends as prescribed in the Par 6, Article 41, such shares are treated as issued immediately after the intermediate dividends basic date.

Article 10-3 (Capital Increase by Public Subscription)

1. The firm may issue new shares under the public subscriptions with the resolution made by the board of directors in accordance with the method prescribed in related laws and regulations, such as the Capital Market and Financial Investment Business Act or similar laws. In this case, the new shares to be issued shall not exceed 30/100 of the total number of shares issued.
2. In case the new shares are issued under the method of public subscriptions, the number, type and issuing amount etc. shall be determined under the resolution made by the board of directors. However, the face price of said new shares shall be higher than that rate prescribed in related laws and regulations, such as the Capital Market and Financial Investment Business Act or similar laws.

Article 10-4 (Stock Optional Right)

1. The firm may grant the stock optional rights the directors and employees (Including the directors and staff employees of the related firm as prescribed in Article 542-3 of the Commercial Act. The meaning of the directors and employees is the same under this Article.) under the special resolution made by the shareholders general meeting, in accordance with the method as specified in the Commercial Act or similar laws. However, stock optional rights may be made available for the directors and employees (Excludes the directors of this firm) within the limit permitted under the applicable legal statute applying the resolutions made by the board of directors and after the fact approval by the shareholders general meeting.
2. The directors and the employees entitled to receive stock optional rights shall be the directors and employees who have contributed to or are expected to contribute to the founding, management, innovation of technology, promotion of overseas sales, etc. for the firm. However, this excludes those directors and employees for whom said grant of stock options is prohibited.
3. The shares (referring to the shares applicable for the basis of estimation for computing differences in case the margin between stock optional price and prevailing market prices is paid out with cash or with own shares) to be issued applying stock optional rights shall be registered common or registered preference shares.
4. The total number of shares to be issued applying stock optional right shall be the maximum number prescribed in the related statutes.
5. The exercising of stock optional right shall be designated as 8 years commencing from the date 2 years from the date of the resolutions are made by the shareholders general meeting or the board of directors. The stock optional rights shall be terminated on the date of expiration under the

resolution made either by the shareholders general meeting or the Board of Directors. However, a person who has obtained said stock optional right shall be obliged to finish over 2 years employment with the firm or the person's employment shall be continuing with the firm unless otherwise prescribed by the related statute.

6. The conditions for the stock optional rights to include scopes, prices etc. shall be determined with the resolutions made either by the shareholders general meeting or by the Board of Directors. However, the agenda the regulations not stipulated in the related statute and the articles of association shall be determined under the resolution either made by the Board of Directors or by the committee delegated the authority by the Board of Directors.
7. The stock optional rights may be cancelled under the resolution made by the boards of directors for any of the following cases:
  - a. When the director or the employee retires or resigns at his own discretion after the stock optional right is granted;
  - b. When the director or the employee causes grave loss for the firm intentionally or by mistake; or
  - c. When other causes for the cancellation of the stock optional right is generated against stock optional contract.

Article 11 (The Transfer Agent)

1. The firm shall appoint a transfer agent for the firm.
2. The duties of the transfer agent, the scope of delegated operations and the location of administration office shall be publicly announced either under the resolutions made by the Board of Directors or by the committee delegated the authority by the Board of Directors.
3. The firm shall maintain a shareholders roster or copies thereof in the attorney's administration office and have a transfer agent manage register shares electronically, manage the shareholders roster, and handle other share-related issues.
4. The procedures pertaining to the disposition of administration mentioned in Paragraph 3 above shall be executed applying the Regulation on Securities Transfer Agency Business of Transfer Agent.

Article 12 Deleted<2019.3.21.>

Article 13 (Closing the Shareholders Roster and the Basic Date)

1. The firm may suspend the recording of the shareholders roster which pertains to the shareholder's rights for the period covering January 1st to January 31st of each calendar year.
2. The firm shall designate the shareholders, recorded on the shareholders roster as of December 31st of every year, as the shareholders who may exercise voting rights on the regular shareholders general meeting convened for the settlement of accounts.
3. When summoning an extraordinary shareholders general meeting or as otherwise required, the firm shall suspend the recording of the change on the shareholders roster or may designate a basic date by designating certain

period of time, not to exceed 3 months of time, after public announcement is made 2 weeks in advance of convening said meeting, under the resolutions either made by the Board of Directors or by the committee delegated the authority by the Board of Directors. However, the suspension of the recording of shareholders roster and the date of basic date may be designated simultaneously when required by the Board of Directors or by a committee whose authority to determine such is delegated .

Article 14. (The Issue of Corporate Bonds)

1. The firm may issue corporate bonds with the resolution made by the Board of Directors.
2. The Board of Directors may delegate the issue of corporate bonds to the Representative Director for a period that does not exceed one year by setting the price and selecting the type of corporate bond.

Article 14.2 (The Issue of Convertible Debentures)

1. The firm may issue convertible debentures for the persons other than the company shareholders, within the limit not to exceed a total amount of 100,000,000,000 Korean Won. However, for the intermediate dividends for the shares issued, due to the conversion, after the intermediate dividends basic date according to the Paragraph 6, Article 41 shall be treated as the shares are issued immediately after the intermediate dividends basic date.
2. For the convertible debentures described in Paragraph 1 above, the Board of Directors may issue such shares under the condition that convertible rights are endowed for a part only.
3. The shares issued due to the conversion shall involve 60,000,000,000 Won worth of common shares and 40,000,000,000 Won worth of preference shares out of the total face amount of debentures and the convertible amount shall be determined either equal to face amount of shares or higher than that amounts which shall be determined by the Board of Directors when debentures are issued.
4. The period conversion demand may be requested shall cover the period from the next day of applicable debentures are issued and until the day immediately before the date of refund. However, the conversion demand period may be adjusted within the period mentioned above under the resolution made by the Board of Directors.
5. For the profit dividends for the shares issued due to conversion and for the payment of interest for the convertible debentures, the regulations prescribed in Article 10-2 shall be applied

Article 15 (Issue of Debentures geared to the undertaking New Shares)

1. The firm may issue new stocks optional debentures for the persons other than the company shareholders within the limit no to exceed 70,000,000,000 Won worth in the total face amount. However, for the intermediate dividends for the shares issued after the intermediate dividends basic date according to the exercising of stock optional rights as described in the Paragraph 6, Article 41, shall be treated as those shares are issued immediately after the intermediate dividends basic date.
2. The amount required for undertaking new shares shall be determined by the Board of Directors within the limit not to exceed total face amount.
3. The shares to be issued by exercising new stock optional rights shall

comprise 40,000,000,000 Won worth of common shares and 30,000,000,000 Won worth of preference shares out of total face amount of debentures and the issuing amount shall be equal to face amount or higher than that as determined by the Board of Directors when the debentures are issued.

4. The period exercising new stock optional right shall commence from the next day of the applicable debentures are issued and valid until immediately prior to the date of refund. However, said stock optional period may be adjusted within prescribed period under the resolution made by the Board of Directors.

#### Article 15.2 (Electronic Registration of Rights to Be Marked on Certificates of Corporate Bonds and Right to Receive New Shares)

The firm shall not issue certificates of corporate bonds and right to receive new shares, and, instead, shall electronically register the rights that shall be marked on the aforementioned certificates on registry of an electronic registration office.

#### Article 16 (Applicable Regulations Pertaining to The Convertible Debentures)

The regulations prescribed in Articles 11 shall be applied for the issue of debentures.

### **Chapter 3. Shareholders General Meeting**

#### Article 17 (Summoning and Notice)

1. The summoning of the regular shareholders general meeting shall be made within 3 months following the close of business year and the extraordinary shareholders meeting shall be summoned as required. The representative director shall make the summon under the resolutions made either by the board of directors or by the committee delegated the authority by the Board of Directors, except otherwise regulated by the statute. The regulations prescribed in the Paragraph 4, Article 29 shall be applied when the representative director is absent.
2. The date and time, location and the objectives of the shareholders general meeting shall be notified in writing or by electronic method for the shareholders 2 weeks prior to the convening of said shareholders general meeting.
3. The summoning notice for shareholders having less than 1/100 with voting right out of the total numbers of shares issued, may be made, in two or more daily newspapers published in the capital city of Seoul, the Republic of Korea, more than twice, or by an announcement of the convening of the meeting and the objectives of meeting via electronic methods as specified in the related laws and regulations such as the Commercial Act or similar laws, in lieu of summoning by written notice or electronic document.

#### Article 18 (Resolution)

The shareholders general meeting shall be called only for deliberating the objective agenda stipulated on summoning notice.

#### Article 19 (Summoning Location)

The shareholders general meeting shall basically convened at head office location which may be altered to other areas under the resolution made by the Board of Directors.

#### Article 20 (Chairman)



The Representative Director shall chair the shareholders general meeting. However, the Board of Directors shall determine the acting chairman following the order established for representation when the Representative Director is absent and except in the case other regulations are prescribed in the Articles of Association.

**Article 21 (The Rights to Maintain Orders by The Chairman)**

The chairman of the shareholders general meeting may order the suspension of addressing or the withdrawal of any persons engaged in the disturbance of the proceedings of the shareholders general meeting and may restrict the time and number of times any persons may address the general meeting when such is deemed necessary for smooth disposition of the agenda.

**Article 22 (Resolution)**

The voting right of the shareholder shall be one (1) for one (1) share possessed unless otherwise prescribed in the statute.

**Article 23. (Proceedings and Resolution)**

Unless otherwise specified in the applicable statutes or in the Articles of Association, the resolution shall be made in the shareholders general meeting with the vote of the majority of shareholders attending, holding over 1/4 of shares issued by the firm.

**Article 24. (Delegation Of Voting Rights)**

1. The shareholders may delegate the right to make resolution through designated attorney. However, the delegated attorney shall have to submit written power of attorney to the firm prior to the convening of the shareholders general meeting.
2. The attorney mentioned in Paragraph 1 above shall submit the documents certifying qualifications when the delegated authority is assigned to the 3rd persons.

**Article 25 (Minutes of the Shareholders General Meeting)**

The minutes for the proceedings of the shareholder general meeting shall be recorded and maintained at the head office of this firm after signed or sealed by the Directors attended at the meeting.

**Article 26 (Execution of The Rights For Non-Consolidated Resolution)**

1. When a shareholder having more than 2 voting rights intends to participate in the execution of the rights for non-consolidated resolution, such intention shall be filed in writing or electronic document to the firm 3 days prior to the convening of the shareholders general meeting.
2. The firm has the right to reject the execution of the rights for non-consolidation resolution by the shareholder. However, this does not apply when the shareholder undertakes the trust of the shares or when the shareholders retains the shares for other persons

**Chapter 4. Directors, Board of directors and Auditors**

**Article 27 (Election of Directors)**

1. The firm shall elect not less than 3 Directors and not more than 8 Directors at the shareholders general meeting. The number of Outside Directors shall be - one half (1/2) of the total number of Directors and three (3) or more. The outside Directors shall be selected from those who are recommended by the Outside Directors candidate nomination committee.
2. The representative Director shall be elected by the Board of Directors.

3. The Vice President, Managing Directors and Executive Director shall be elected under the resolution made by the Board of Directors.
4. The concentrated voting system, prescribed in Article 382-2 of the Commercial Act, shall not be applied when electing more than 2 Directors.
5. Election of Directors shall be made with the majority of shareholders attended and with the voting exceeding 1/4 of total shares issued by the firm unless otherwise prescribed by the statute.

Article 27-2 (Outside Directors)

1. Outside director is defined as a director not fully engaged in the operation of the company's business .
2. Outside Directors shall be elected among the persons having abundant special knowledge or experience pertaining to the management, economy, accounting, laws or engineering know how.
3. The persons corresponding to each item contained in Article 542-8 of the Commercial Act shall not be qualified as Outside Directors and shall lose their assignment when in violation of said restrictions.

Article 28 (Terms of Directors)

The terms of Directors and Outside Directors shall respectively be 3 years. However, said term shall be extended until the end of the regular shareholders general meeting when the terms of the Directors ends prior to the close of said meeting which pertains to the final settlement of accounts for the applicable business year.

Article 28-2 (Replacement of Directors)

1. In case the vacancy created, the election of Directors for vacant position shall be elected at the shareholders general meeting. In case the vacancy created. However, the replacement may not be filled when there is no hindrance in performing company business operations with out replacing number of persons prescribed in Article 27.
2. The concentrated voting system, prescribed in the Article 382-2 of the Commercial Law shall not be applied when an election is conducted for the replacement of over 2 Directors

Article 29. (Duties of a Director)

1. The Representative Director of the firm shall represent the company as prescribed the applicable statutes. Each Representavie Director shall represent the firm respectively in case there are two or more than Representative Directors
2. The Representative Director execute the matters determined by the Board of Directors by supervising overall business operation of the firm.
3. The Vice President, Managing Director, Executive Director and Directors shall assist the Representative Director by performing assigned duties respectively.
4. The business operations shall be performed as delegated under the determination made by the Board of Directors when the Representative Director is absent.
5. A Director shall immediately notify the Auditor upon finding any facts which

may crucially harm the firm.

Article 30. (Board of Directors)

The Board of Directors is organized with the Directors and shall make the resolutions of major business objectives of the firm excluding the particulars designated by the statute or by the resolutions made by the shareholders general meeting prescribed in these Articles of Association.

Article 30-2 (The Committee)

1. Each of the following committees may be organized within the organization of the Board of Directors under the resolution made by the Board of Directors:
  - a. Management committee;
  - b. Audit committee;
  - c. Outside Directors candidate nomination committee
  - d. Other committees recognized as required by the Board of Directors.
2. The Board of Directors designates rights and operation under the resolutions made by the Board of Directors unless otherwise provided by the applicable statute.
3. The regulations stipulated in Articles 32, 32 and 33-2 shall be applied for the committees.

Article 30-3 (Management Committee)

1. The management committee may be organized in accordance with the regulations prescribed in Article 30-2 under the resolution made by the Board of Directors.
2. The management committee shall implement the given duties according to the regulations and resolution established by the Board of Directors and engage in the deliberation and concluding resolutions for the duties delegated by the Board of Directors.
3. The Board of Directors shall designate detailed matters pertaining to the organization and operation of the management committee.

Article 30-4 (Audit Committee)

1. The audit committee shall be organized in accordance with the regulations prescribed in Article 30-2 under the resolution made by the Board of Directors.
2. The Board of Directors shall designate the detailed matters pertaining to the organization and operation of the audit committee.

Article 30-5 (Outside Directors candidate nomination committee )

1. The Outside Directors candidate nomination committee shall be organized in accordance with the regulations prescribed in Article 30-2 under the resolution made by the Board of Directors.
2. The Board of Directors shall designate the detailed matters pertaining to the organization and operation of the Outside Directors candidate nomination committee.

Article 31 (Chairman of The Board of Directors)

The Chairman of the Board of Director shall be appointed among the Directors through the resolution of the Board of Directors.

Article 32 (Summoning of The Board of Directors)

1. The Board of Directors shall be summoned by the chairman by notifying the Directors at least 24 hours in advance by written or electronic notice or verbally. Said summoning procedures may be omitted when full consent is obtained by all members of Directors.
2. Each of the Directors may summon the Board of Directors when such is considered required by obtaining consent of the chairman. The preceding regulations shall be applied in this case.

Article 33 (The Resolution By the Board of Directors)

1. The resolution by the Board of Directors shall be made with the majority of Directors attended and via majority voting by the Directors in attendance.
2. The Directors may participate through means of audio communication, without directly attending the meeting of the Board of Directors. In this case, said Directors are recognized as actually having directly attended the meeting of the Board of Directors.

Article 33-2 (The Minutes of The Board of Directors)

The minutes for the proceedings of Board of Directors shall be prepared by recording agenda, proceedings, results, objecting persons and the reason of objection. The signature or seal of the Directors attended at the meeting of the Board shall be affixed by the Directors-who have attended.

Article 33-3 (Establishment of Business Management Regulations)

The firm may establish and implement business management regulations required for the promotion of business operations and as required for the management under the resolutions made by the Board of Directors or by a committee whose authority has been delegated by the Board of Directors.

Article 33-4 (Approval of Insider Trading)

1. The approval by the Board of Directors shall be made on the following cases:
  - a. The case where, under the Monopoly Regulation and Fair Trade Act, the firm intends to carry out the large-scale internal trading with specially-related persons or for such specially-related persons in accordance with the article 11-2 of said act,
  - b. The case where the firm intends to carry out the transaction (which falls under any of the items listed in Paragraph 3, Article 542-9 of the Commercial Act) with the shareholder with the most number of shares of the firm, specially-related persons thereof and specially-related persons of the firm (as defined in Paragraph 4, Article 13 of the Enforcement Decree of the Commercial Act), provided that such approval does not apply to the case in which the Board of Directors have already approved the total amounts of the relevant transactions in accordance with Paragraph 2(5), Article 542-9 of the Commercial Act.
2. The Board of Directors shall exercise reasonable business judgment as to approval of the insider trading referred in the previous provision with the consideration of the policy behind the relevant laws.

Article 34 (Prohibition of competition of the Business by the Directors)

The Directors shall not engage in businesses similar to that of the firm without the approval of the Board of Directors or the committee whose authority has been delegated by the Board of Directors. However, this does not apply for the Director who was elected by the firm recognizing that said Director was engaged in competitive business prior to the election by the firm.

Article 35 Deleted<2010.03.19>

Article 35-2 Deleted<2010.3.19>

Article 35-3 Deleted<2010.3.10>

Article 36 (Salary For Directors)

The limit of salaries for the Directors-shall be determined under the resolution made by the shareholders general meeting.

Article 37 (Retirement Allowance and Bonus For Directors)

The retirement allowances and the bonus for the Directors- shall be determined separately as prescribed in the retirement allowances payment regulations

Article 38 Deleted<2010.3.19.>

## **Chapter 5. Accounting**

Article 39 (The Business Fiscal Year and the Settlement of Account)

The business fiscal year of the firm shall be from January 1st to December 31st of each year and the settlement of account shall be conducted once a year at the end of December of each year.

Article 40 (Disposition of Profits Amount)

The profit gained for each fiscal business year (including carried over surplus) shall be disposed as follows:

1. Profits reserve (Profit reserves designated by the Commercial Law);
2. Other Legal Deposits;
3. Dividends;
4. Free Deposits;
5. Other Profit Surplus Disposition;
6. Profit Surplus Carried over to Next Term.

Article 41 (Profit Dividends)

1. The profit dividends shall be paid for registered shareholders or for the registered mortgage creditor, registered on the shareholders roster as of the end of each settlement of account.
2. The profit dividends shall be reverted to the firm in case no payment demand is filed within full 5 years elapsed following the designation of verified payment date.
3. No interest shall be made available for the payment of profit dividends.
4. The dividends for the profit shall be made with cash and the shares.
5. In case the firm pays profit dividends with shares, the other type of shares may be issued under the resolution made by the shareholders general meeting when the firm issues numbers of type of the shares.

6. This firm may pay profit dividends with cash with one time pay under the resolution made by the Board of Directors with the basic date set to June 30th, during the business fiscal year.
7. The dividends for Paragraph 1 (Regular dividends) and Paragraph 6 (Intermediate dividends) shall be payable for the shareholders recorded on the shareholders roster or registered mortgage creditors, recorded as of the end of each settlement of account or as of the basic date of intermediate dividends.

Article 42. (Preparation and Maintenance of Financial Statements and The Business Operations Reports)

1. Before six weeks prior to the date of the regular shareholders general meeting, the Representative Director of the firm shall prepare and submits to the Audit Committee the following documents, accompanied by detailed supporting breakdown, the business operation reports and subsequently, shall submit, for the regular shareholders general meeting, the following documents accompanied by the business operation reports:
  - a. Balance Sheets
  - b. Loss & Profits Accounts
  - c. Profits Surplus Disposition Accounts or Loss Disposition Accounts
2. The Audit Committee shall prepare audit reports within 1 week after receiving the documents mentioned in the Paragraph 1 above and shall submit audit reports to the Representative Director.
3. The Representative Director shall provide the documents mentioned in the Paragraph 1 above together with detailed breakdown, business operation reports and audit reports at the head office 1 week prior to the convening of the regular shareholders general meeting. Said documents shall be maintained at the head office for a period of 5 years and certified copies shall be maintained at the branch offices for 3 years.
4. The Representative Director, upon obtaining approval by the regular shareholders general meeting for the documents mentioned above, shall announce publicly the balance sheets accompanied by the letter of opinion written by the outside Auditor, without delay.

These Articles of Association were adopted at extra ordinary staff employee's general meeting of the Korea Engineering Limited Company convened on July 12,1978.

In witness thereof, the all members of staff employees hereby records the names and affixes seals respectively

Address: 1-60, Yeouido-Dong, Youngdungpo-Gu, Seoul, Republic of Korea  
Title : Korea Engineering Co., Ltd.  
Representative director: HAN, BYUNG-SO

Address: 2-5, 3 Kasumiga-Seki-3-Chome, Chiyoda-Ku, Tokyo, Japan  
Title : Kokusai Engineering Co., Ltd.  
Representative Director: MATSUSE KUNIIHIKO

**Additional Clause**

These Articles of Association shall be enforced from November 25, 1978.

Additional Clause

These Articles of Association shall be enforced from December 6, 1978.

Additional Clause

These Articles of Association shall be enforced from February 14, 1981.

Additional Clause

These Articles of Association shall be enforced from February 16, 1982.

Additional Clause

These Articles of Association shall be enforced from February 14, 1985.

Additional Clause

These Articles of Association shall be enforced from February 23, 1987.

Additional Clause

These Articles of Association shall be enforced from February 24, 1989.

Additional Clause

These Articles of Association shall be enforced from February 23, 1990.

Additional Clause

These Articles of Association shall be enforced from December 21, 1990.

Additional Clause

These Articles of Association shall be enforced from February 25, 1991.

Additional Clause

These Articles of Association shall be enforced from February 26, 1993.

Additional Clause

These Articles of Association shall be enforced from September 16, 1994.

Additional Clause

These Articles of Association shall be enforced from February 29, 1996.

Additional Clause

These Articles of Association shall be enforced from March 12, 1997.

Additional Clause

Article 43 (Date Enforced)

These Articles of Association shall be enforced from March 18, 1998.

Additional Clause

Article 43 (Date enforced)

These Articles of Association shall be enforced from March 20, 1999.

However, Paragraph 4, Article 27 ("Concentrated voting" out of The election of Director) and Paragraph 2, Article 28-2 ("Concentrated voting" out of the replacement election of director) shall be enforced starting from June 29, 1999.

Additional Clause

Article 43 (Date Enforced)

These Articles of Association shall be enforced from March 17, 2000.

Article 43-2 (Interim measures pertaining to the outsider director)

Article 28 Modified regulations shall be applied for the outside Directors elected initially after these Articles of Association are enforced.

Additional Clause

Article 43 (Date Enforced)

These Articles of Association shall be enforced from February 28, 2002.

Additional Clause

Article 43 (Date Enforced)

These Articles of Association shall be enforced from February 27, 2004.

Additional Clause

These Articles of Association shall be enforced from February 28, 2006.

Additional Clause

These Articles of Association shall be enforced from February 28, 2007.

Additional Clause

These Articles of Association shall be enforced from March 28, 2008.



Additional Clause

These Articles of Association shall be enforced from March 13, 2009.

Additional Clause

1 (Enforcement date)

These Articles of Association shall be enforced from March 19, 2010.

2 (Interim measures pertaining to the Outside Directors)

The Outside Director who was elected at the regular shareholders general meeting which was held on the amendment date of the Articles of Association shall be deemed as being recommended by the Outside Directors candidate nomination committee.

Additional Clause

These Articles of Association shall be enforced from December 7, 2015.

Additional Clause

These Articles of Association shall be enforced from March 30, 2016.

Additional Clause

These Articles of Association shall be enforced from March 22, 2018.

Additional Clause

These Articles of Association shall be enforced from March 21, 2019. However, the revisions in the Article 9, 11, 12, 15.2 and 16 shall be effective starting from September 16, 2019, a date when the Enforcement Decree of the Act on Electronic Registration of Shares and Corporate Bonds takes effect.