

Report on Corporate Governance in 2019



Kangwon Land Co., Ltd.

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I . OUTLINE

- Corporate name: Kangwon Land Co., Ltd.
- Person in charge of preparation: (Head) Fund Team Manager Lee Gwang-yeol (Deputy) Manager of Fund Team Oh Ji-yeon
- Date of preparation: December 31, 2019
- Company Outline

Largest shareholder	Mine Redemption Corp	Equity ratio of largest shareholder	1)	36.27%	3)
		Equity ratio of minority shareholder	2)	37.17%	3)
Business category	Non-financial	Main products		Casino	
Applicability for corporate group under the Fair Transaction Act	Not applicable	Subject to apply the 「Act on the Management of Public Institutions」		Applicable	
Name of corporate group	-				
Summarized financial status (Unit: KRW 100 million)					
	2019	2018		2017	
Consolidated sales revenue	15,201	14,381		15,478	
Consolidated operating profit	5,012	4,307		5,309	
Consolidated going concern profit	3,347	2,972		4,375	
Consolidated current net income	3,347	2,972		4,375	
Consolidated total amount of assets	44,381	42,312		41,857	
Total amount of separate assets	44,365	42,296		41,825	

- 1) As of the preparation for this report
- 2) Based on the end date of the recent business year / A minority shareholder means the shareholder that owns a number of shares below 1% of the total number of outstanding common shares
- 3) Rounding off for the third digit of decimal point

II. STATUS OF CORPORATE GOVERNANCE

Policy of Corporate Governance

A. Principle and Policy of Corporate Governance

The Company is a market-type public company with the mission ‘promote the economy in the abandoned mine area to seek regional development and resident life improvement, and through leading the leisure culture contribute to the promotion of national happiness’ and ‘be the shelter of Korea that grows with the abandoned mine area and earning the trust of people’. Together with the accomplishment of mission and vision of the Company, it secures corporate governance for transparency, soundness and stability to fulfill its social responsibility and protection of interests of shareholders and interested parties.

The Company discloses the corporate governance-related work processing standard, procedure and result for achieving transparent corporate governance. The Company displays all internal regulations of the Company, such as the 「Articles of Incorporation」, 「Board of Directors Regulation」, 「Operation Regulation of the Officer Nomination Committee」 and the status of the Board of Directors and Audit Committee activities on the company homepage (<https://kangwonland.high1.com>), and the major decision-making matters. The result of the Board of Directors and others are provided through the Public Management Information Disclosure System (Alio, <http://www.alio.go.kr>) and electronic disclosure system (<http://dart.fss.or.kr>) in a way to help understanding of interested parties.

The Company achieves stable corporate governance through balance and control of constituents. In order to enable the Board of Directors to engage in practical controlling function on the top management with its independent decision and decision making, the ratio of those non-standing directors (external directors and other non-executive directors) for the Board of Directors or committees within the Board of Directors is organized for a majority or more, and the Chairman and Commissioner are appointed from non-standing directors. In addition, through Board of Directors organization that has various specializations and backgrounds, it secures the functions for reasonable decision making and mutual control.

In the meantime, in order to minimize the impact following the interests of individual directors, the transactions between a director and the Company are restricted following Article 398 of the 「Commercial Act」, and any director with a special interest with the agenda in accordance with Article 10 of the 「Board of Directors Regulation」 of the Company is barred from participating in the resolution of the agenda in an effort to secure corporate governance through various systems and devices.

B. Characteristics of Corporate Governance

1) The non-standing director-oriented organization of Board of Directors

Through the 「Act on the Management of Public Institutions」 and Articles of Incorporation, the ratio of the non-standing directors in the Board of Directors is organized with 1/2 or more of the total constituents of the Board of Directors, and the work of the Board of Directors is defined to be taken on by the senior non-standing director from the non-standing directors and appointed by the Minister of Planning and Finance. From all 13 members of the Board of Directors, there are 9 non-standing directors (8 external directors and 1 non-executive director). This is purported to have outsiders equipped with diverse specialization and background to participate in the Board of Directors to enhance the reasonableness in decisions of the Board of Directors while securing the independence to access the controlling function for top management through having the independence. The committees within the Board of Directors of the Audit Committee and others is comprised of the non-standing directors of 1/2 or more of entire constituents, and in

particular, the officers from the Officer Nomination Committee constituents are comprised of all non-standing directors. (For detailed matters, refer to II. STATUS OF CORPORATE GOVERNANCE - 3. BOARD OF DIRECTORS - B. Organization of the Board of Directors)

2) Operation around Committees in the Board of Directors

Under the Board of Directors, there are Audit Committee and Officer Nomination Committee. The Audit Committee carries out the duties of auditor following Article 412 of the Commercial Act and the Officer Nomination Committee carries out the nomination and deliberation affairs of the officer candidate of the Company.

The Company establishes the regulations of each committee in addition to the authority and roles for each committee defined under laws and regulations, and by establishing the scope through detailed authority of the Committee, it has strengthened the specialization, independence and efficiency of the committee. (For detailed matters, refer to II. STATUS OF CORPORATE GOVERNANCE - 3. BOARD OF DIRECTORS - F. committees within the Board of Directors)

3) Strengthening of specialization and diversity of Committee in the Board of Directors

The Audit Committee is organized with the non-standing directors of 2/3 or more of all members, and from the constituents, the accounting or finance specialist shall be at least 1 person or more to be included. The Officer Nomination Committee operates with the non-standing directors (external director) and members appointed by the Board of Directors within the scope of 5 to 15 persons, and in particular, the members appointed by the Board of Directors are appointed from the persons with rich academic knowledge and experience in various fields of law, economy, media, academy and other pertinent industries. In addition, for securing diversity and balance of the Board of Directors, it expands the candidate nomination requesting institutions. In particular, through the Officer Nomination Committee, it strengthens recruitment and nomination of woman candidates by managing the HR pool for female officers. In addition, the directors with rich experience and knowledge in various fields, such as legal field, economic field, academic field etc. are appointed to secure the balance in the Board of Directors.

Shareholders

A. Right of Shareholders

(Core principle 1) Right of Shareholders

A shareholder shall be provided with sufficient information in a timely manner as required to exercise the rights and capable to exercise its rights under appropriate procedure.

1) Providing meeting of shareholders related information

(Detailed principle 1-①) The Company shall provide the shareholders with sufficient information on date and time, place and agenda of the meeting of shareholders before the meeting of shareholders with sufficient time.

- The Company has the principle to enable the shareholders to participate in the meeting of shareholders as often as possible to present the opinions with the provision of sufficient information on the meeting of shareholders before the meeting and it duly implements the principle based on the pertinent regulations under the 「Commercial Act」, 「Marketable Securities Market Disclosure Regulation」, 「Articles of Incorporation」 and others.
- Pursuant to the Marketable Securities Market Disclosure Regulation (Article 7 (1)) immediately upon the resolution to convene the meeting of shareholders through the Board of Directors, the electronic disclosure shall be implemented (date and time, place and agenda), and pursuant to the general matters related to the meeting of shareholders (detailed matters for each agenda, detailed record for each officer candidate, etc) of the Commercial Act (Article 542-4), the matters related to the meeting of shareholders to notify at least 2 weeks prior to the date of holding the meeting of shareholders (electronic disclosure and homepage of the Company) to provide shareholders with sufficient time to determine the agenda of the meeting of shareholders. It plans to provide pertinent information with more time. The

contents related to the most recent meeting of shareholders of the Company in this relation are shown as follows.

<Contents of meeting of shareholders that was held in 2018>

Classification	The 20 th general meeting of shareholders	The 20 th special meeting of shareholders	The 21 st special meeting of shareholders	
Resolution day of convening	Mar. 6, 2018	Aug. 8, 2018	Nov. 12, 2018	
Notice date of convening	Mar. 14, 2018	Sep. 13, 2018	Dec. 12, 2018	
Date of holding meeting of shareholders	Mar 29, 2018	Sep. 28, 2018	Dec. 27, 2018	
Period between the notice day and meeting of shareholders day	15 days prior to meeting of shareholders	15 days prior to meeting of shareholders	15 days prior to meeting of shareholders	
Place/region of hosting	Head office/ Jeongseon-gun, Gangwon-do	Head office/ Jeongseon-gun, Gangwon-do	Head office/ Jeongseon-gun, Gangwon-do	
Method of notice to shareholders for meeting of shareholders related matters	Forwarding of convening notice, e-disclosure, information on homepage			
Convening notice for foreign shareholders	The convening notice for any foreign shareholder to understand is not implemented			
Detailed matters	Attendance of members of the Board of Directors	Attending 3 persons from 10 persons	Attending 1 person from 9 persons	Attending 4 persons from 10 persons
	Attendance of audit or Audit Members	Attending 1 person from 3 persons	Attending 1 person from 3 persons	Attending 1 person from 3 persons
	Main contents of speeches of shareholders	-	-	-

<Contents of hosting the meeting of shareholders from 2019 up to the date of submitting the notification document 2019>

Classification	The 21 st general meeting of shareholders	The 22 nd special meeting of shareholders	The 22 nd general meeting of shareholders	
Convening resolution date	Mar. 8, 2019	Nov. 25, 2019	Mar. 9, 2020	
Convening notification date	Mar. 13, 2019	Dec. 26, 2019	Mar. 13, 2020	
Date for meeting of shareholders	Mar. 28, 2019	Jan. 10, 2020	Mar. 30, 2020	
Period between the notification date and meeting of shareholders date	15 days prior to meeting of shareholders	15 days prior to meeting of shareholders	15 days prior to meeting of shareholders	
Place of venue	Head office/ Jeongseon-gun, Gangwon-do	Head office/ Jeongseon-gun, Gangwon-do	Head office/ Jeongseon-gun, Gangwon-do	
Method of notice to shareholders for matters related to meeting of shareholders	Forwarding of convening notice, e-disclosure, information on homepage			
Convening notice for foreign shareholders	The convening notice for any foreign shareholder to understand is not implemented			
Detailed matters	Attendance of members of the Board of Directors	Attending 3 person from 13 persons	Attending 4 persons from 14 persons	Attending 4 persons from 14 persons
	Attendance of audit or Audit Members	Attending 1 person from 3 persons	Attending 1 person from 3 persons	Attending 1 person from 3 persons
	Main contents of speeches of shareholders	-	-	-

2) Guarantee of participation for shareholders

(Detailed principle 1-②) The shareholders shall present their opinions by participating in the meeting of shareholders as much as possible.

□ The Company held the general meeting of shareholders in 2018 and 2019 on the ‘shareholder concentration day’ due to the internal situation of the Company, but the general meeting of shareholders of 2020 was held by avoiding the concentration date and it had a greater number of shareholder participation than before.

□ The Company does not adopt voting in writing and electronic voting for the meeting of shareholders under the company's situation.

As a way of supplementing the foregoing, the Company recommended the proxy to exercise the voting right through the <reference document> disclosure at least 2 weeks prior to hold all meeting of shareholders to encourage to exercise the voting rights of most shareholders and the Company seeks to enable as many shareholders to attend the meetings as possible. The contents related to the recent meeting of shareholders regarding this matter are shown as follows.

<Meeting of shareholders held from 2018 to the date of submitting the disclosure documents>

Classification	The 20 th general meeting of shareholders	The 21 st general meeting of shareholders	The 22 nd general meeting of shareholders
Concentration day of the general meeting of shareholders	Mar. 23, 29 and 30 of 2018	Mar. 22, 27, 28 and 29 of 2019	Mar. 13, 20, 26 and 27 of 2020
Date of general meeting of shareholders	Mar. 29, 2018	Mar. 28, 2019	Mar. 30, 2020
Dispersed holding of general meeting of shareholders	Not applicable	Not applicable	Applicable
Implementing the voting in writing	No	No	No
Implementing the electronic voting	No	No	No
Recommendation when exercising the proxy voting right	Yes	Yes	Yes

<Contents of pros and cons for each agenda in the meeting of shareholders held from 2019 to the date of submittal for disclosure documents>

General			The 21 st general meeting of shareholders			Mar. 28, 2019		
Agenda		Classification for resolution	Purpose of the meeting	Approval	Total number of outstanding shares with voting right (①)	No. of ① shares with voting right (A)	Ratio of number of consenting shares (B) (Ratio, %) / No of opposing and abstain shares (C) (Ratio, %)	
No. 1 Agenda		Common	The 21 st Term ('18.1.1~'18.12.31) Matter of approval for financial statements (including statement of retained earning disposition) & consolidated financial statements	Adopted	202,738,988	175,409,903	16,793,130 (95.07%) 8,647,733 (4.93%)	
No. 2 Agenda	No. 2-1	Common	Senior Director (Standing audit member candidate)	(Candidate) Kim Yong-beom Not adopted	202,738,988	172,680,846	Consent 38,150,705 (22.09%) Opposition and abstain 8,678,498 (5.03%)	
	No. 2-2		Matter of appointment (1 person)	(Candidate) Song Seok-du Adopted				
No. 3 Agenda		Special	Standing audit member (In-company director) Matter of appointment (1 person)	Adopted	131,233,381	89,877,013	54,310,776 (60.45%) 35,545,237 (39.5%)	
No. 4 Agenda	No. 4-1	Common	non-standing director (Recommendation of Youngwol-gun Mayor)	(Candidate) Ko Jin-beop Not adopted	202,738,988	161,965,164	Consent 26,357,251 (16.27%) Opposition and abstain 7,237,493 (4.47%)	
			Matter of appointment (1 person)	(Candidate) Jang Kyung-jae Adopted				
	No. 4-2	Common	non-standing director (Recommendation of Samcheok-si Mayor)	(Candidate) Kim Hwa-yoon Not-adopted	170,779,341	170,779,341	Consent 26,647,236 (15.60%) Opposition and abstain 6,540,308 (3.83%)	
			Matter of appointment (1 person)	(Candidate) Jung Gwang-soo Adopted				
No. 5 Agenda		Common	Matter of approval for limit of remuneration for directors	Adopted		175,409,903	131,249,031 (74.81%) 4,191,872 (25.19%)	

No. 6 Agenda	Common	Matter of partial modification of the 「Articles of Incorporation」	Articles	Adopted	175,409,903	175,439,844 (9.9%)	1,019 (0.01%)
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General		The 22 nd special meeting of shareholders			Jan. 10, 2020		
Agenda	Classification of resolution	Purpose of meeting	Adoption	Total number of outstanding shares with voting right (㉠)	No. of ㉠ shares with voting right (A)	Ratio of number of consenting shares (B) (Ratio, %)	No of opposing and abstain shares (C) (Ratio, %)
No. 1 Agenda	General	Matter of appointment acting chairman: Moon Taegon)	Adopted	202,738,988	171,265,478	134,741,749 (78.67%)	36,523,729 (21.3%)
No. 2 Agenda	General	Matter of mitigating circumstance for external director	Adopted	202,738,988	171,265,264	35,280,380 (20.60%)	135,984,84 (79.40%)

General		The 22 nd general meeting of shareholders			Mar. 30, 2020		
Agenda	Classification of resolution	Purpose of the meeting	Adoption	Total outstanding shares with voting right (㉠)	No. of ㉠ shares with voting right (A)	Ratio of number of consenting shares (B) (Ratio, %)	No of opposing and abstain shares (C) (Ratio, %)
No. 1 Agenda	General	Matter of approval for financial statements in the 22 nd term (including Statement of retained earnings disposition) and consolidated financial statements	Adopted	202,738,988	176,451,486	165,632,943 (93.87%)	10,818,543 (6.13%)
No. 2 Agenda	General	Matter of appointment for candidate of Audit Committee member: Kim Joo-il)	Adopted	116,232,692	89,945,102	85,527,478 (95.09%)	4,417,624 (4.91%)
No. 3 Agenda	General	Matter of approval for limit of remuneration for directors	Adopted	202,738,988	176,451,486	176,419,367 (9.98%)	32,119 (0.02%)

※ The matter of appointing audit and Audit Member is recorded with the no of shares excluding the no of shares restricted with the voting right

※ No. of shares (A) = No. of shares (B) + No. of shares (C)

※ Ratio of share for consent (%) = (B/A) × 100

※ Ratio of share for opposition and abstain (%) = (C/A) × 100

3) Guarantee of shareholder proposal right

(Detailed principle 1-③) A company shall enable shareholders to easily propose the agenda in the meeting of shareholders, and make inquiries at will and demand explanation on the agenda proposed by the shareholder at the meeting of shareholders.

□ The Company does not impose any restriction on the shareholders in proposing the agenda of the meeting of shareholders and it has the policy to review enthusiastically when the shareholders propose agenda items.

□ The contents of shareholder proposal submitted to the Company from 2018 to the time of decision-making document submittal date are shown as follows.

Date of proposal	Nov. 25, 2019
Subject of proposal	6 minority shareholders including Taebaek-si (Taebaek-si, Jeongseon-gun, Samcheok-si, Youngwol-gun, Gangwon-do and Gangwondo Development Corporation)
Contents of proposal 1)	Hosting of meeting of shareholders with the agenda in mitigating the responsibility for damage compensation on the Company for 7 directors consented for matters of contribution by Taebaek-si in the 111 th Board of Directors (2012.7.12.)
Status of disposition and performance	Request to hold meeting of shareholders for the resolution of mitigating the responsibility on the Company for the director ('19.11.25.), hosting of the Board of Directors of the Company for hosting the meeting of shareholders ('19.8.26. /'19.9.25.) and deliberation of agenda (decision to postpone) petition to a court for permission to convene special meeting of shareholders by minority shareholder including Taebaek-si ('19.8.30.) permitted for convening of the special meeting of shareholders of the court ('19.11.6.) and hosting of the special meeting of shareholders ('20.1.10.)

Adoption	Not adopted	Rate of consent (%)	20.60%	Rate of opposition and abstain (%)	79.40%
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1) Background of agenda: In 2012, the Board of Directors determined to donate KRW 15 billion to Taebaek-si to resolve the funding difficulty of Otoo Resort (2012.7.12.), and on this matter, the Board of Audit and Inspection pointed out (Feb. 2014) that there is a need for claim of damage compensation against 9 directors (7 consenting and 2 abstaining directors) that had the voting at the Board of Directors on the ground of inflicting loss to the Company with the payment of donation fund. Thereafter, the Company commenced the litigation to claim for damage compensation against those directors, and consequently, the Supreme Court renders the decision (2019.5.16) by acknowledging the liability for damage compensation against the 7 directors who consented from all 9 directors. Therefore, the 6 minority shareholders including Taebaek-si (Taebaek-si, Jeongseon-gun, Samcheok-si, Youngwol-gun, Gangwon-do, Gangwondo Development Corporation) demanded the Company to hold the meeting of shareholders with the agenda of mitigating the liability of damage compensation (mitigating the damage compensation amount of KRW 3 billion and interest to KRW 571 million) against the 7 directors pursuant to Article 366 (2) of the Commercial Act.

- From 2018 to the decision-making document submittal date, there is no open letter submitted to the Company as part of the performance activities with the trustee's responsibility of institutional investors.
- Due to the fact that there are rare cases of shareholder proposals, there is no detailed device available for internal standard, procedure and homepage information for current proposal of shareholders but it is scheduled to review the detailed plans by having the ways of easy use of shareholder proposal by sufficiently reviewing the policy in the future.
- The Company does not have any restriction on any shareholder to attend in a meeting of shareholders to freely inquire and request for real name, and it respects all statements of shareholders with the exception of cases where it clearly intends to interfere with the process of the meeting.

4) Policy of shareholder restoration

(Detailed principle 1-④) The Company shall prepare the mid- to long-term shareholder restoration policy including the dividend, future plan etc., and inform the same to shareholders.

- For enhancing the shareholder value through the enthusiastic shareholder restoration, the Company has implemented the dividend for each year beginning from the 2000 accounting year, and in particular, it has paid a dividend of 44% or more for each year since 2007 that the efforts have been made to protect the rights and interests of shareholders. The Company shall prepare a separate mid- to long-term shareholder restoration policy that does not disclose the fact, but in the future, it has the policy to determine for dividend by considering the balance of interests for continued growth and shareholder restoration to place its best effort to enable the shareholder restoration as much as possible.
- Matters on the dividend for each year is finally determined in the general meeting of shareholders through the resolution of the Board of Directors, and the matters to determine in each phase is provided to the shareholders immediately through the electronic disclosure. After the resolution of the meeting of shareholders for each year (later part of March), the dividend is paid within 30 days, and the notice of dividend is forwarded via mail at least one week of payment date to confirm the contents of dividend to shareholders. It does not make any separate disclosure (dividend policy, future dividend plan, etc).

(Detailed principle 1-⑤) The right of Shareholders to receive appropriate level of dividends based on the shareholder restoration policy, future plan etc. must be respected.

The dividend trend of the Company in the past 3 years is 45% ~ 61% that sought for shareholder restoration as much as possible and the status is shown as follows. The differentiated dividend, quarterly dividend, and intermediary dividend are not implemented.

<Status of shareholder restoration for each of three recent business years>

Business year	Settlement month	Type of share	Share dividend	Cash dividend (shares, KRW, %)				
				Dividend per share (KRW)	Total dividend amount (KRW)	Market price dividend rate (%)	Dividend trend (%)	
							Consolidation base	Individual base
2019	12	Common shares	-	900	182,465,098,200	3.0	54.52	54.37
2018	12	Common shares	-	900	182,465,098,200	2.7	61.39	61.37
2017	12	Common shares	-	990	200,711,608,020	2.8	45.87	45.92

※ The dividend per share is based on the settlement dividend proceeds.

※ The market dividend rate is the ratio of dividend per share on the average price formed in the exchange market for the past week from 2 stock transaction days of the shareholder registry closing day.

※ The applicable trend is the ratio of current net income or total dividend proceeds.

B. Fair Treatment of Shareholders

(Key principle 2) Fair Treatment of Shareholders

A shareholder shall be granted with the fair voting right in accordance with the class and number of shares it owned and the effort shall be made to have the system that fairly provides the corporate information to shareholders.

1) Protection of voting right for shareholders and corporate information disclosure

(Detailed principle 2-①) A company shall not interfere with the voting right of the shareholders and it shall provide the shareholders with corporate information in time, sufficiently and fairly.

A) Protection of voting right for shareholders

□ The Company has issues a total of 213,940,500 common shares to the present time and it does not issue the class shares. From them, the number of distribution shares excluding the equity shares is 202,738,998 shares and all are guaranteed with the fair voting right. The status of share issuance is shown as follows.

<Status of share issuance>

Classification	No. of share available for issuance (No. of authorized shares)	Number of outstanding shares	Remark
Common shares	1,000,000,000 shares	213,940,500shares	Equity shares for 11,201,502 shares
Class shares		-	-

※ The number of available shares to issue is the number of authorized shares (number of shares on the Articles of Incorporation) as of the standard date.

※ The number of available class shares is 250,000,000 shares or less.

※ The number of outstanding shares has deducted the total number of shares of the shares decreased (capital decrease, profit retiring, etc) as up to the base date from the total number of shares issued up to the present base date and there has been no changes compared to the previous year.

B) Communication with shareholders

□ Under the principle that ‘the shareholders are provided with corporate information fairly, sufficiently and timely’, the Company facilitates the electronic disclosure and web-site of the Company. In the web-site, it discloses the status of corporate governance, 「Articles of Incorporation」 and other management information, as well as main IR data (quarterly performance data, business report, and audit report), real-time share information, contact for person in charge (TEL, fax number) and others to allow as many shareholders as possible to access the information. The e-mail address of the person in charge is refrained from decision making with the concern of hacking.

□ The Company operates an English web-site and the English IR page for foreign shareholders provide the contact for IR inquiry and performance data in English. The English-version disclosure is not available.

□ The quarterly performance is announced through the fair disclosure, and separate performance related data is posted on the web-site to provide the detailed information to shareholders. The contents of main IR activities and fair decision making are shown as follows.

<Contents of fair decision making from 2019 to the date of submitting the decision-making documents>

Date of decision making	Title of decision making	Main contents
2019.2.12.	Notice of settlement performance decision making (decision making information)	Notice of performance decision making
2019.2.14.	Performance of standard operating (tentative) of consolidated financial statements (fair decision making)	Tentative performance in sales revenue, operating income, etc. for 4Q of 2018s (fair decision making)

2019.5.7.	Notice of settlement performance decision making (decision making information)	Notice of performance decision making
2019.5.9.	Performance of standard operating (tentative) of consolidated financial statements (fair decision making)	Tentative performance in sales revenue, operating income, etc. for 1Q of 2019s (fair decision making)
2019.8.7.	Notice of settlement performance decision making (decision making information)	Notice of performance decision making
2019.8.8.	Performance of standard operating (tentative) of consolidated financial statements (fair decision making)	Tentative performance in sales revenue, operating income, etc. for 2Q of 2019s (fair decision making)
2019.11.6.	Notice of settlement performance decision making (decision making information)	Notice of performance decision making
2019.11.8.	Performance of standard operating (tentative) of consolidated financial statements (fair decision making)	Tentative performance in sales revenue, operating income, etc. for 3Q of 2019s (fair decision making)
2020.2.10.	Notice of settlement performance decision making (decision making information)	Notice of performance decision making
2020.2.11.	Performance of standard operating (tentative) of consolidated financial statements (fair decision making)	Tentative performance in sales revenue, operating income, etc. for 4Q of 2019s (fair decision making)
2020.5.8.	Notice of settlement performance decision making (decision making information)	Notice of performance decision making
2020.5.12.	Performance of standard operating (tentative) of consolidated financial statements (fair decision making)	Tentative performance in sales revenue, operating income, etc. for 1Q of 2020s (fair decision making)

<Status of main IR from 2019 to the date of submitting the decision-making documents >

Date	Subject	Form	Main contents
2019.2.21.~22.	Domestic and overseas institutional investor	J.P. Morgan Korea Conference 2019	Business status and future prospect
2019.3.8.	Domestic and overseas institutional investor	Citi Korea Investor Conference 2019	Business status and future prospect
2019.5.16.~17.	Domestic and overseas institutional investor	Samsung Global Investors Conference 2019	Business status and future prospect
2019.6.24.~25.	Overseas institutional investor	UBS Korea Conference 2019	Business status and future prospect
2019.7.19.	Domestic institutional investor	IR session for Kangwon Land for Hana Financial Investment	Business status and future prospect
2019.8.29.~30.	Overseas institutional investor	Bank of America Merrill Lynch 2019 Korea Conference	Business status and future prospect
2019.12.13.	Casino analyst	Bull session	Business status and future prospect
※ One-on-one IR, conference call and others for each investor as processed from time to time are omitted from recording.			

□ The Company has not been designated as delinquent public corporation since the marketable securities market listing (2003.9.4.to the present time and it is committed to duly fulfill its obligation for disclosure in the future.

2) System to prevent insider trading and self-serving transactions

(Detailed principle 2-②) A company shall prepare and operate the device to protect the shareholders from the self transactions and inside transactions of the other shareholders, such as controlling shareholders and others.

□ The Company is not applicable to the corporate group under the 「Fair Trade Act」, and for the characteristics of affiliated companies (operating theme park, golf course and others), the possibility of mutual transaction is conspicuously low. In the event that there is any internal trading case with an affiliated company, it has to go through the approval of the top management or Board of Directors depending on the agenda after the review by the affiliated company management department. In this relation, a separate system (policy) has not been prepared, but it plans to enthusiastically review its needs.

□ The head of institution (representative director), deputy head of institution (vice president) and standing auditors of the Company are applicable for subject of asset decision making for public employee following Article 10 of the 「Public Service Ethics Act」, and pursuant to Article 14-4 and Article 14-5 of the 「Public Service Ethics Act」, in the event that the total amount of the shares held by the applicable person and interested party exceed KRW 30 million, the applicable shares shall be requested for disposition, blank trust and duty-related review in principle. In addition, there are various controlling devices as follows to cut off the unethical decision against the interest of the Company and the activities and works of the top management and employees to be based on ethical responsibility, and it is done

with the self-transaction control of officers and employees.

- Through the 「Officer Duty Integrity Contract Operation Regulation」, the top management is required to fulfill its obligation and responsibility of work integrity and it is taken as a guideline for ethical management and transparent management. The appointed officer shall have the obligation to enter into the ‘Officer Duty Integrity Contract’ and it operates as the primary controlling device to cut off the acquisition, intervention or involvement of unjust gain by using the position as an officer.

- Through the 「Human Rights and Ethical Management Execution Regulation」, the standards and procedures are defined for management execution for officers and employees in striving for the ethical corporate culture. This regulation specifies the responsibility of shareholders with the general principle of ethical management through ‘maximizing the interests of shareholders through sound management activities’, and the officers and employees have the obligation to report any act interfering with the 「Ethical Code of Conduct for Officers and Employees of Kangwon Land」 following the ethical management principle.

- Through the 「Guideline on Clean Citizen Audit Operation」, it is granted with the authority to monitor the independent position regarding the corruption vulnerable works in the view of a third party, not officer or employee, in a way of working as one of the corporate control devices.

- From 2019 to the present decision-making document submittal date, there are no contents of transaction between the Company and interested parties, such as controlling shareholders or the like. For a reference, 51% of the Company equity is fixed as the public equity for Mine Redemption Corp, Gangwondo Development Corporation, Jeongseon-gun and others, and for shareholder with 1% or more, there are National Pension Corporation and others.

BOARD OF DIRECTORS

A. Functions of the Board of Directors

(Key principle 3) Functions of the Board of Directors

The Board of Directors shall determine the management goal and strategy of the Company for the interests of the Company and shareholders and shall supervise the top management effectively.

1) Decision making and management supervision of management for the Board of Directors

(Detailed principle 3-①)

The Board of Directors shall effectively carry out the functions of management decision making and management supervision.

A) Matters for deliberation and resolution of the Board of Directors that is set forth by the 「Articles of Incorporation」 or 「Board of Directors Regulation」

The Board of Directors of the Company is the highest management organization where the important matters of the Company affairs are resolved in accordance with Article 33 of the 「Articles of Incorporation」, and the resolution matters under Article 7 and Article 7-2 of the 「Board of Directors Regulation」 and other matters to report are shown as follows.

<Matters of resolution>

1. Agenda for convening meeting of shareholders and negative stipulation
2. Establishment and modification of management goal and budget, and plan for operation and mid- to long-term financial management
3. Disposition of settlement and profit surplus
4. Issuance of new shares and disposition of forfeited share
5. Subscription of debenture
6. Establishment, transfer and shut down of branches etc

7. Establishment, modification and closing of following main provisions
 - A. Articles of Incorporation
 - B. Regulation of the Board of Directors
 - C. Regulation on Position System
 - D. Employment Regulation
 - E. Personnel Provision
 - F. Wage regulation, Salary System regulation, Officers' Remuneration regulation
 - G. Welfare regulation
 - H. Accounting regulation
 - I. Audit Committee regulation
 - J. Internal accounting management regulation
 - K. Contract regulation
 - K. Investment project deliberation regulation
 - L. Anti-Money Laundering Work regulation
 - M. Officer Nomination Commission Operation regulation
8. Matters required for deliberation and resolution of the Board of Directors under the matters set forth by the laws, regulations or company regulations
9. Matters on establishment and operation of Subcommittees in the Board of Directors
10. Establishment and revision of appointing compliance officer and compliance control standards
11. Organization of the Officer Nomination Committee
12. Capital investment, contribution and debt guarantee on other corporate entities etc
13. Management contract (proposed) with Representative Director (President)
14. Acquisition and disposition of real estate and extraordinary deficit and expenditures for KRW 3 billion or more
15. Matters requested by Representative Director (President) that acknowledges as required for the deliberation and resolution of the Board of Directors
16. Other matters that the Board of Directors acknowledges as required in particular

<Matters to report>

1. Matters pointed out from the national audit, accounting audit implemented in accordance with the provisions of Article 43 (1) of the 「Act on the Management of Public Institutions」 and the audit implemented by the Board of Audit and Inspection in accordance with the provision of Article 52 of the same Act, and the plan and performance thereof
2. Collective agreement result of the Company and ensuing the estimated budget requirement
3. Face of clarification following the provision of Article 20 of the 「Enforcement Decree of the Act on the Management of Public Institutions」
4. Fund operation plan for each business year
5. Status of AML for each business year and audit result
6. Operation status and evaluation in operating the internal accounting management system for each business year
7. Matters of report following Article 7 (4)
8. Other matters that the Board of Directors set forth to report under the laws, regulations or the Company regulations or request to the Representative Director (President)

B) Matters other than the required matters under the pertinent laws from the matters deliberated and resolved by the Board of Directors

The Board of Directors of the Company specifies to obtain the deliberation and resolution of the Board of Directors for the acquisition and disposition of real estate and non-ordinary expenditures of KRW 3 billion or more under Article 7 (1) (xv) of the 「Board of Directors Regulation」 other than the matters obligated under the x3 and pertinent laws and regulations. Through the foregoing, when engaging in real estate sales or engaging in new business, the external auditors as non-standing directors, review the conformity of management policy and core value of the

Company, feasibility of business promotion and appropriateness of cost for the applicable agenda in a way of securing the public nature of the Company and enhancement of transparency.

C) Matters delegated to the Committee in the Board of Directors and representative director from the rights of the Board of Directors

With the exception of cases set forth differently under laws and regulations, the Board of Directors may delegate the rights by setting forth the matters on authority, operation and others after establishing the committees within the Board of Directors with the resolution of the Board of Directors in accordance with the 「Commercial Act」 and 「Articles of Incorporation」 .

In addition, when there is any availability to hold the Board of Directors or unable to hold as a matter that requires urgency, the representative director shall take a required measure first and then obtain approval by presenting it in the next board meeting.

As described on the above, the Board of Directors of the Company adds and reviews separate resolution matters for strengthening the self-regulated control standards in addition to laws, regulations or 「Articles of Incorporation」 , and if necessary, the authority of the Board of Directors is effectively carried out with the management decision making and management supervisory functions by delegating the authority to the committees within the Board of Directors and representative director.

2) CEO succession policy

(Detailed principle 3-②) The Board of Directors shall prepare and operate the CEO succession policy (including the non-standing appointment policy) and make continuous improvement and supplementation.

A) Establishment of the succession policy and operating subject

In the event that the term of the CEO (representative director) is expired and there is a need for new appointment, the Company shall proceed appropriate to the procedure following the 「Act on the Management of Public Institutions」 and 「Operation Regulation of the Officer Nomination Committee」 . The main entity of establishing the succession policy and operation is the Officer Nomination Committee, and it is organized through the resolution of the Board of Directors in accordance with Article 29 of the 「Act on the Management of Public Institutions」 .

B) Main contents of the succession policy on candidates (group) selection, management, education etc.

□ The Officer Nomination Committee carries out the works of determination of method to recruit the candidate, review of officer candidate, and decision of person to be nominated as the officer candidate. For the case of representative director, the candidates are recruited through open subscription method of nomination or both, and the review is processed in accordance with document and interview review defined under the 「Operation Regulation of the Officer Nomination Committee」 . The Officer Nomination Committee of the Company shall nominate 5 candidates to the Steering Committees of public institutions under the Minister of Planning and Finance, and thereafter, the representative director is appointed through the appointment procedure of the President through the deliberation and resolution of steering committees of public institutions, resolution of the meeting of shareholders, and second motion of the Minister of Industry, Commerce, Resource (chairman of the pertinent institution).

□ The term for the CEO (representative director) of the Company shall be 3 years (head of agency) following Article 28 of the 「Act on the Management of Public Institutions」 and may consecutively serve in 1-year unit. Matters on consecutive service are determined by the president through management performance evaluation following Article 48 of the same Act. In the event that the head of institution is consecutively served, and the contract shall be executed with the Minister of Industry, Commerce, Resource again in accordance with Article 31 (3) of the same Act.

□ When the CEO (representative director) is unable to carry out its duty for inevitable cause, a senior director in sequence set forth by the position system regulation in accordance with Article 29 of the 「Articles of Incorporation」 shall act on behalf of the CEO, and when all senior directors are unable to act on behalf, the senior non-standing director in sequence of next seniority, and oldest director from all non-standing directors carry out the duties.

□ The Company shall reflect the contents related to the 「Act on the Management of Public Institutions」 with respect to the appointment of the CEO (representative director) on the internal regulation and appointment procedure

to continuously improve and supplement the succession policy of the CEO.

□ During the decision making subject period (2019.1.1.~report submittal date), there is no fact of CEO appointment and no education thereto.

3) Internal control policy

(Detailed principle 3-③) The resolution of the Board of Directors shall prepare and operate the internal control policy (risk management, compliance management, internal accounting management, disclosure information management, etc) and continuously improve and supplement the same.

A) Risk management

□ In order to respond to the risk available from drastic change of the internal management environment, the Company operates the preemptive response system through the detailed management for each field while strengthening the post management through the audit activities. The risks are largely classified for financial risk and non-financial risk, and it has regulation and deliberation advisory committee for each detailed field to secure the minimization of risk factor and reasonable decision.

<Risk management system>



리스크관리체계	Risk management system
증빙확보 (Surveillance 팀 등)	Securing of verification (Surveillance Team, etc.)
재무리스크	Financial risk
유동성 무차입기조 유지 및 투자집행 등을 통해 리스크 대응	Liquidity Respond to risk through non-borrowing policy, investment execution and others
수익성 수익구조 개선 및 비용 절감을 통한 리조트 수익개선	Profitability Resort income improvement through improvement of profit structure and cost savings
투자 외부 전문가 의견 반영 및 투자자산	Investment Profit improvement through reflection of professional opinions and diversification of investment assets

다변화를 통한 수익개선	
운영 사전예방 상시 감사, 회계 부정 예방 및 투명성 제고	Operation Advance prevention, audit from time-to-time, prevention of illegal accounting and enhancement of transparency
리스크 접수	Risk acceptance
리스크 식별 및 진단	Risk identifying and examination
리스크억제	Risk control
대응전략 수립	Establishment of response strategy
유관기관 협조 요청	Request for cooperation from pertinent institution
조치결과 접수	Reception of action result
자체 처리 가능여부	Availability of independent processing
리스크 DB 구축 사후 관리	Structuring of risk and post management
관리정책 피드백	Feedback on management policy
리스크 관리평가	Risk management evaluation
리스크 통제 및 대응	Risk control and response
비재무리스크	Non-financial risk
정보●보안 자체 모의 훈련을 통한 개인정보 침해사고 대응 역량 강화	Information ● security Strengthening of response competency involving personal information infringement through independent mock training
환경 친환경 리조트를 목표로 환경영방침을 설정 (에너지 및 자원 절감등)	Environment Set for environment management policy with the goal of environmentally friendly resort (energy and resource savings)
재난 ● 안전 산업안전보건법 준수 여부 및	Disaster ● safety Implementing various facility safety inspections through compliance with the Industrial Safety and Health Act and checklist

<p>체크리스크를 통한 각종 시설 안전점검 실시</p>	
<p>부정●부패 행동강령 이행 실태 및 기강해이 특별 복무 점검 강화</p>	<p>Illegality ● Corruption Status of code of action and strengthening of inspection for indiscipline and special work affairs</p>

□ For the financial risk management, it has the detailed regulation and guideline for each works related to fund operation, investment, contract and others, and it has 7 committees, such as Fund Operation Advisory Committee, Investment Deliberation Committee, contract deliberation and others, to operate. Depending on needs, the external specialists may be participated in the committee.

□ The non-financial risk is classified for information, security, environment, disaster safety, illegality and corruption, and others, and on the basis of the regulation for each field, it is managed through various activities with the purpose of Committee operation for each field, preemptive response and competency strengthening for procedural risk management.

□ As the multiple service facilities, the Company structures powerful safety and health preventive system on the basis of regulations and organization for disaster and safety risk management of 「Disaster Prevention and Inspection Guideline」, 「Risk Evaluation Implementation Regulation」 and others. The Comprehensive Situation Center monitors the enterprise crisis situation in real time to operate, and the representative director or vice president is to work as the commissioner of Disaster Safety Committee, Industrial Safety and Health Committee, and Safety Management Advisory Committee for determining the safe management related material matters to minimize. Following such a policy, the COVID-19 crisis broke out in early February 2020 has been encountered with preemptive and aggressive response in enterprise level by implementing voluntary shut down for business site for casino facilities (mid-February) and resort facilities (early March). In addition, the internal control system has been structured for early warning through the – monitoring system, unanimous informant, request registration system for illegal and corruption risk management, and through the regulations of 「Operation Guideline on Report of Corruptive Practice and Protecting Reporting Person」, 「Officer Duty Integrity Contract Operation Regulation」, 「Human Rights and Ethical Management Execution Regulation」, 「Ethical Code of Conduction of Officers and Employees」, 「Auditor Ethics Code of Conduct」 and others, the Company presents clean and ethical decision making for officers and employees and conduct standard as a way of having a control device for Illegality Corruption Risk Prevention.

□ For the post management on the risk prevention and recurrence prevention, there are 5 committees (Audit Committee and others) in operation in the audit field together with the integrity audit organizations (planning audit team, management audit team and integral audit team).

In particular the clean citizen audit meeting is a system participated in by external personnel for structuring efficient corruption prevention system.

B) Status of compliance management

The Company has established the 「Compliance Control Regulation」 and 「Detailed Rules of Implementation on Compliance Control Regulation」 (May 2017) and sets forth the procedure and standard to comply for officers and employees work performance in order to enable the fair and transparent business operation through compliance with the pertinent laws and regulations. In addition, for accomplishing the compliance control following this regulation, it is inspected and reported to the Board of Directors for the operation from May 2017 by introducing the compliance supporter system. The compliance supporter is currently vacated after the previous officer resigned based on personal reasons (March 2019).

C) Status of decision making information management

The Company operates and manages the decision making related works in accordance with the 「Disclosure Information Management Regulation」 and control organization. The disclosure control activities are operated as the system to inspect, acquire and manage the disclosure information from regular and time-to-time for the subject of key department for the head of planning and management division as the responsible person of disclosure as well as the Funding Team under Office of Finance Management, the department in charge of disclosure, the main department in charge of the disclosure.

D) Status of internal accounting management system operation

□ The Company produces, manages and controls the information related to accounting through the internal accounting management system following the 「internal accounting management regulation」. The responsible person of operating the internal accounting management system is the representative director, and the head of planning management division is the internal accounting management that oversees the accounting management of the system, and operation organization. The representative director carries out the inspection on effectiveness of the internal accounting management system for each business year, and the operation status is reported to the Board of Directors, Audit Committee, and meeting of shareholders. The Audit Committee evaluates the management status of the system as the monitored of this system to report to the Board of Directors.

□ For the system operation to comply with the 「Act on External Auditor of Stock Companies, etc.」 (revised in Oct. 2017), the Company implemented the re-structuring of internal accounting management system (completed in Jan. 2019) and the revision of the 「internal accounting management regulation」 (May 2019) through the external specialist, and the independence of the Company system was verified through the external specialist service. As a result of such endeavors, the internal accounting management system audit report (March 2020) of 2019 accounting year by the external auditor to obtain certification for effective design and operation for the internal accounting management system.

□ The Company engages in the detailed control activities for each main category (enterprise, financial report, personnel, funding, disclosure, computerization, legal regulation management, tangible assets, purchase, casino sales, golf sales, hotel sales, condominium sales, ski resort sales, watermark sales, settlement management) and implements the internal evaluation thereof. The internal evaluation to be implemented in 2020 is implemented through external consulting with the design evaluation and operation evaluation (advance evaluation of independent TF team) to maintain independence of the system, and it adds the change management and illegal risk evaluation process for the response of internal and external environment changes. In the meantime, through the establishment of the 「internal accounting management work guideline」 within the year, it plans to prepare the detailed guideline related to design and operation of the internal accounting management system along with the organization and report system of the internal accounting management system, appropriateness of the internal accounting management system organization, establishment and implementation of the education plan, work agency plan, outcome evaluation, selection of scope, risk evaluation and adverse risk evaluation, selection and structuring of control behavior, change management system etc.

B. Organization of Board of Directors

(Key principle 4) Organization of Board of Directors

The Board of Directors shall be comprised to make decision making efficient and supervise the top management and the directors shall be appointed under a transparent procedure to reflect the opinions of shareholders broadly.

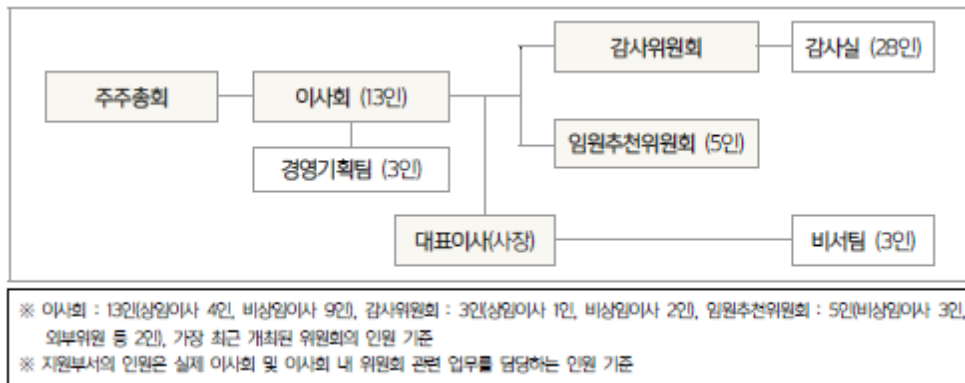
1) Related to organization of Board of Directors and non-standing director (External director)

(Detailed principle 4-①) The Board of Directors shall be comprised to make careful consideration and decision

making effectively, and shall have the external directors sufficiently carry out the functions independently from the top management and controlling shareholders.

The Board of Directors of the Company is organized with 15 or less directors including one Representative Director (President) in accordance with Article 25 of the 「Articles of Incorporation」 and Article 18 of the 「Act on the Management of Public Institutions」, and for the committees within the Board of Directors, it has the Audit Committee and Officer Nomination Committee. Pursuant to minority shareholder 33 of the 「Articles of Incorporation」, the representative director shall not concurrently serve as the chairman of the Board of Directors, and the majority of total number of directors is organized with non-standing directors to secure the independence from top management or system and it secures the decision making with effective and serious discussion. As of the report submittal date, the contents related to the Board of Directors are shown as follows.

A) Organization map related to Board of Directors, committees in Board of Directors, support division and others



주주총회	Meeting of shareholders
이사회 (13인)	Board of directors (13 persons)
경영기획팀 (3인)	Management Planning Team (3 persons)
대표이사(사장)	Representative Director (President)
임원추천위원회 (5인)	Officer Nomination Committee (5 persons)
감사위원회	Audit Committee
감사실 (28인)	Office of Audit (28 persons)
비서팀 (3인)	Secretary Team (3 persons)
※ 이사회 : 13인(상임이사 4인, 비상임이사 9인), 감사위원회 : 3인(상임이사 1인, 비상임이사 2인), 임원추천위원회 : 5인(비상임이사 3인, 외부위원 등 2인), 가장 최근 개최된 위원회의 인원 기준 ※ 지원부서의 인원은 실제 이사회 및 이사회 내 위원회 관련 업무를 담당하는 인원 기준	※ Board of Directors: 13 persons (Senior Director 4 persons, non-standing director 9 persons), Audit Committee: 3 persons (Senior Director 1 person, non-standing director 2 persons), Officer Nomination Committee: 5 persons (non- standing director 3 persons, external members 2 persons), based on personnel for the committee most recently held ※ The personnel of the support dept. is based on the personnel in charge of relevant works related to the actual decision making and members on the Board of Directors

B) Status for organization of Board of Directors

Classification	Name	Gender	Position	Date of appointment	Scheduled date of term expiration	Specialized field	Main experiences
Senior Director (In-company director)	Moon	M	Representati	2017.12.21.	2020.12.20.	General corporate	Ministry of General Affairs (24 th National Examination on Government

	Tae-gon		ve Director (President)			management	Administration), Ministry of National Defense <ul style="list-style-type: none"> ◦ National Budget and Audit (Grade 5~2) ◦ Public Officer Secretary in the Office of Civil Administration in the Blue House ◦ Deputy Minister II, Director General of Planning and Control Office, Board of Audit and Inspection ◦ Standing Audit Member of Samsung Life ◦ Advisor of Law Firm Hwawoo
Senior Director (In-company director)	Song Seok-du	M	Standing audit member	2019.4.8.	2021.4.7.	General corporate audit	32nd National Examination on Government Administration) <ul style="list-style-type: none"> ◦ Deputy Governor in Administration for Chungcheongnam-do ◦ Deputy Mayor in Administration for Daejeon Metropolitan City ◦ Deputy Governor in Administration for Gangwon-do
Senior Director (In-company director)	Han Hyung-min	M	Vice President	2017.12.21.	2020.12.20.	General corporate management	<ul style="list-style-type: none"> ◦ Civil Officer for the Office of President Secretariat ◦ Executive Director of Paradise Co., Ltd.
Senior Director (In-company director)	Go Gwang-pil	M	Director of Planning Management Division	2018.9.28.	2020.9.27.	General corporate management	<ul style="list-style-type: none"> ◦ Director of Support for National Governance of Presidential Committee on Regional Administration Policy ◦ Head of Midland Mine Safety Office of Ministry of Industry
non-standing director (Non-executive)	Gwon Sun-rok	M	-	2017.12.21.	2020.12.20.	Corporate management advisory	<ul style="list-style-type: none"> ◦ Director of Planning and Cooperation, Central Government Employee Education Center ◦ Director of Administrative Support for Regional Administration Training Center, Ministry of the Interior and Safety ◦ Director of Investigation, Bureau of General Affairs for Personal Information Protection Committee ◦ Director General of Management Strategy, Korea Mine Management Corp.
Non-standing director (External director)	Kim Joo-il	M	Chairman of the board, Audit Member	2017.12.21.	2020.12.20.	Accounting, audit	<ul style="list-style-type: none"> ◦ Team Manager of Private School Faculty Pension Corporation ◦ Professor at Inha Univ. ◦ Director in Finance, Infinite Investment Advisory Co., Ltd. ◦ External Director of UP Capital Co., Ltd. ◦ Associate Professor at Gyeonggi National Univ.

Classification	Name	Gender	Position	Date of appointment	Scheduled date of term expiration	Specialized field	Main experiences
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Non-standing director (External director)	Kim Joo-il	M	Chairman of the Board of Directors, audit member	2017.12.21.	2020.12.20.	Accounting, audit	<ul style="list-style-type: none"> ◦ Team Manager of Private School Faculty Pension Corporation ◦ Professor at Inha Univ. ◦ Director in Finance, Infinite Investment Advisory Co., Ltd. ◦ External Director of UP Capital Co., Ltd. ◦ Associate Professor at Gyeonggi National Univ.
Non-standing director (External director)	Choi Don-yong	M	Head of Audit Committee	2017.3.30.	2020.3.29.	Accounting, audit (CPA)	<ul style="list-style-type: none"> ◦ Director for JD Business Consulting ◦ Planning and Audit Team Manager for Office of Planning and Control of Tongil Group ◦ Head of Management Planning Office for Boyeong Medians Co., Ltd.
Non-standing director (External director)	Kim Jin-gak	M	-	2017.12.21.	2020.12.20.	Corporate management advisory	<ul style="list-style-type: none"> ◦ Secretariat Officer of Technology for National Forestry Service ◦ Advisory Member of Forestry for Kangwon Land Co., Ltd. ◦ President of National Unification Taebaek-si Council
Non-standing director (External director)	Lee Moon-geun	M	-	2019.1.3.	2021.1.2.	Corporate management advisory	<ul style="list-style-type: none"> ◦ City Council Member for Taebaek-si ◦ President of Taebaek-si Regional Action Plan Commission ◦ President of Taebaek-si Council for National Unification Advisory Council
Non-standing director (External director)	Choi Kyung-sik	M	-	2019.1.3.	2021.1.2.	Corporate management advisory	<ul style="list-style-type: none"> ◦ President of Joint Council for Revitalization Gohan·Sabuk·Nam-myeon Region ◦ External Director for Kangwon Land Co., Ltd. ◦ President of 3.3 Memorial Association for Jeongseon Regional Development Research Institute
Non-standing director (External director)	Lee Tae-hee	M	-	2019.1.3.	2021.1.2.	Corporate management advisory	<ul style="list-style-type: none"> ◦ CEO of Han Woori Co., Ltd. ◦ CEO of Seokgwang Industry Co., Ltd. ◦ President of Joint Council for Revitalization Gohan·Sabuk·Nam-myeon Region
Non-standing director (External director)	Jung Gwang-soo	M	-	2019.4.8.	2021.4.7.	Corporate management advisory	<ul style="list-style-type: none"> ◦ President of Dogye Development Advisory Commission ◦ External Director of Black BValley CC ◦ President of Dogye-eup Community
Non-standing director (External director)	Jang Kyung-jae	M	-	2019.4.8.	2021.4.7.	Corporate management advisory	<ul style="list-style-type: none"> ◦ Civil Council Member of Youngwol-gun ◦ Representative Director of Youngwol Resident Co., Ltd. ◦ Representative of Good Speech Research Institute
<p>※ Director Choi Don-yong maintains rights and obligations as a director until a successor is appointed in accordance with Article 28 (5) of the Act on the Management of Public Institutions</p> <p>※ Director Han In-goo resigned as of Mar. 26, 2020 but maintains the rights and obligations until Mar. 30, 2020</p>							

C) Status of organizing committees on the Board of Directors

Committee	Organization					Main roles
	Title	Classification	Name	Gender	Concurrent position1)	
Audit Committee (A total of 3 persons)	Chairman	non-standing director (External director)	Choi Don-yong	M	-	Auditor for accounting affairs of the Company Approval on selection of external auditor Matters set forth by the 「Articles of Incorporation」 or internal regulation in relation to the audit works
	Member	Senior Director (In-company director)	Song Seok-du	M	-	
	Member	non-standing director (External director)	Kim Joo-il	M	-	
Officer	Member	3 non-standing directors				Determination of recruitment method of officer candidates

Nomination Committee (A total of 5 persons)	2 other external members (appointed by the Board of Directors)	Determination of review for candidates and persons to be nominated as officer Stipulation of management contract with person to be nominated as the candidate for Representative Director (President) Other works related to nominating the officer candidate ※ The president is selected by call from non-standing directors
1) Pursuant to Article 9 of the 「Official Information Disclosure Act」 and Article 41 of the 「Guideline on Management of Public Company and Quasi-Government Institution」 of the Ministry of Planning and Finance, the Officer Nomination Committee member list shall not be disclosed that it does not mark for cases of concurrently serving the member of the ‘committees within the Board of Directors’		

D) Status of organization for Non-standing Director (External Director)

As of the decision-making document submittal date, from 13 organizations of Board of Directors members, there are 3 non-standing directors, and from the non-standing directors, there are 8 external directors with the exception of 1 non-executive director. From all members of the organization of Board of Directors, the ratio of external director is approximately 62%. Pursuant to minority shareholder 27 of the 「Articles of Incorporation」 and Article 28 of the 「Act on the Management of Public Institutions」, the non-standing director may serve consecutively, but there is no non-standing director consecutively serving from the commencement day of disclosure subject period (Jan. 1, 2019) to the decision-making document submittal date.

E) Separation of representative director and Chairman of the Board of Directors

In order to secure the independence from the top management and system, the chairman of the Board of Directors shall be the new non-standing director, not the representative director pursuant to Article 33 (5) of the Articles of Incorporation. The newly elected non-standing director is appointed through the deliberation-resolution of the Steering Committee by the Minister of Planning and Finance from the non-standing director pursuant to Article 22 of the Act on the Management of Public Institutions and Article 33-3 of the Articles of Incorporation.

2) Specialization and responsibility of the Board of Directors

(Detailed principle 4-②) The Board of Directors shall be comprised with the competent persons with specialization and responsibility in various fields with knowledge and experience to be able to contribute practically to the corporate management.

- The Officer Nomination Committee, an organization for appointing new directors, Nominate persons equipped with capability and rich academic knowledge and experience on the works of public companies and corporate management following the Act on the Management of Public Institutions as the director candidate.
- In particular, when appointing non-standing director, in order to accomplish the purpose of corporate establishment in ‘economic facilitation of abandoned mine area’, the candidates that may represent various opinions of the region are nominated by Gangwon-do, and head of local government in the abandoned mine area promotion districts in Gangwon-do (2 persons from Gangwon-do and 1 person each from Taebaek, Samcheok, Youngwol and Jeongseon).
- The Board of Directors of the Company is organized with professionals in various fields of knowledge, experience, background and others to have competitiveness and sense of responsibility, including the persons that represent the opinions of the abandoned mine area, that it is operated in the structure to realize the social value as a public institution.

<Status of specialization and diversity of the Board of Directors as of the report submittal date>

Classification	Name	Gender	Specialization and diversity
Senior Director (In-company director)	Moon Tae-gon	M	Possess the transparent and fair work processing capability through diverse public positions where high integrity is required, such as the BH and Board of Audit and Inspection
	Song Seok-du	M	With the works done as the deputy governor of Gangwon-do, he has high level of understanding on the abandoned mine area and the Company
	Han Hyung-min	M	Possess the specialized knowledge on operating the casino with experience gained as executive director of Paradise Co., Ltd.
	Go Gwang-pil	M	Through the public service of 29 years, it possesses the capability of planning appropriate to the public agency policies on the basis of administrative experience

Non-standing director (Non-executive)	Gwon Sun-rok	M	High level of understanding on national and public institutions and has profound insight on work planning and innovation
Non-standing director (External director)	Kim Joo-il	M	A professional in the management field as an associate professor of Gyeonggi National University and possesses the various experience and knowledge in serving as an external director in other industrial fields
	Choi Don-yong	M	Equipped with professional competency on accounting and audit for carrying out the audit works for companies as CPA
	Kim Jin-gak	M	(Regional recommendation) A [professional in forestry from National Forestry Service and has various knowledge on egoism by facilitating the surrounding natural environment
	Lee Moon-geun	M	(Regional recommendation) With the background of civil council member of Taebaek-si, he has high understanding on the local organization policies and status of regional status
	Choi Kyung-sik	M	(Regional recommendation) He analyzes the scheme of regional development with the record of serving as the director of Jeongseon Regional Development Research Institute and is equipped with competency to reflect on management.
	Lee Tae-hee	M	(Regional recommendation) Through the experience as representative for regional civil organization, he carries out the role to represent the opinions of local residents
	Jung Gwang-soo	M	(Regional recommendation) He has high understanding on the region with the capability on the role to control by serving as the corporate external director
Jang Kyung-jae	M	(Regional recommendation) With the background as the civil council member of Youngwol-gun, he has high understanding on the local government policy and status of regional economy	

- In the meantime, for strengthening the diversity of the Board of Directors, pursuant to Article 24-2 of the Act on the Management of Public Institutions that was revised and implemented in July 2019, it plans to have 20% or more of entire officers with female officers annually until 2022. For this purpose, it requests the Bureau of Personnel Innovation to nominate the female candidates other than the general open recruitment from 2020, and it is planned to publicize the open recruitment to a number of female organizations, such as the Ministry of Women and Family, Korea Women Entrepreneurs Association and others. The contents of appointment of director and changes are shown as follows.

<Contents of director appointment and changes (2018 ~ as of the decision-making document submittal date)>

Classification	Name	Initial appointment date	Expiration date	Modification date	Cause of change	Current on the job
Senior Director (In-company director)	Go Gwang-pil	2018.9.28.	2020.9.27.	2018.9.28.	Senior	Working
	Song Seok-du	2019.4.8.	2021.4.7.	2019.4.8.	Senior	Working
Non-standing director (non-executive)	Shin Joo-ho	2017.3.30.	2018.2.26.	2018.2.26.	Resigned	Retired
	Yang Min-seok	2017.12.21.	2018.2.26.	2018.2.26.	Resigned	Retired
non-standing director (External director)	Lee Yun-jae	2017.12.21.	2018.4.5.	2018.4.5.	Resigned	Retired
	Lee Moon-geun	2019.1.3.	2021.1.2.	2019.1.3.	Senior	Working
	Lee Tae-hee	2019.1.3.	2021.1.2.	2019.1.3.	Senior	Working
	Choi Kyung-sik	2019.1.3.	2021.1.2.	2019.1.3.	Senior	Working
	Jang Kyung-jae	2019.4.8.	2021.4.7.	2019.4.8.	Senior	Working
	Jung Gwang-soo	2019.4.8.	2021.4.7.	2019.4.8.	Senior	Working
	Han In-goo	2017.3.30.	2020.3.26.	2020.3.26.	Resigned	Retired

※ It is based on the corporate registry date of the Company and in the event that an officer resigns, the expiration date of the term shall be prepared as the resignation date

※ In the event that the contents of change are 2 or more (for example: after appointed in 2017, resign in 2018), the cause of change is prepared for "resignation" as the cause of final change

3) Fairness and independence of nomination for director candidate and appointment process

(Detailed principle 4-③) The fairness and independence have to be secured with respect to nomination for director candidate and appointment in the process

C processes the procedure based on the internal regulations and pertinent laws and regulations of the 「Act on the Management of Public Institutions」, 「Articles of Incorporation」 and others for securing fairness and independence in all phases on appointing directors from the Officer Nomination Committee to the meeting of shareholders. As a public institution under Article 4 of the 「Act on the Management of Public Institutions」, the

Company may nominate a multiple number of director candidates through the ‘Officer Nomination Committee’ of the Company that is in charge of the role for the Director Candidate Nomination Committee under the Commercial Act pursuant to Article 29 of the Commercial Act for nominating fair officer candidate. The director candidate that goes through deliberation and resolution of the ‘Public Institution Steering Committee’ will be appointed by the Minister of Planning and Finance through the resolution of the meeting of shareholders. However, for the case of appointing senior director (vice president, head of planning and management division) other than the audit member, the representative director shall personally appoint through the meeting of shareholders after the document and interview screening through the open recruitment in accordance with Article 25 (2) of the same Act and Article 25 of the Articles of Incorporation.

A) Officer Nomination Committee

The ‘Officer Nomination Committee’ is a non-permanent organization that, in the event that there is a need for newly appointing an officer due to the cause of expiration of the term, it is organized through the resolution of the Board of Directors, and the term of the Committee member and survival period of the Committee is up to the time of final appointment by the nominating person of the officer candidate. In order to secure the independence of director candidate nomination and senior course, the Officer Nomination Committee is comprised with the non-standing director (3 persons) and external member (2 persons) appointed by the Board of Directors of corporate governance following the 「Operation Regulation of the Officer Nomination Committee」. The 「Operation Regulation of Officer Nomination Committee」 specifies in details on full capacity of Committee (determined by the resolution of the Board of Directors within the scope of 5~15 persons), structuring method (organized by a number of external members appointed by the Board of Directors is 1/3 or more of full number of members, and less than 1/2), Following such regulations, refer to the committees within the Board of Directors’ for the contents of the activities in the Officer Nomination Committee.

B) Providing information on the director candidate before the meeting of shareholders

In the event that the agenda to appoint directors to the meeting of shareholders is included, pursuant to minority shareholder 363, Article 542-4 and Article 542-5 of the 「Commercial Act」, the name, record, person of nomination, relationship with largest shareholder, contents of transaction between the Company and candidate and others of the director candidate are provided through the electronic disclosure at least two weeks in advance to the meeting date in a way of providing the time for sufficient review to shareholders. The contents of providing information on such a director candidate are shown as follows.

<Contents of provided information on the director candidate at the time of meeting of shareholders (2019 ~ as of the decision-making document submittal date)>

Date of information provision	Date of meeting of shareholders	director candidate		Contents of disclosure information provided
		Classification	Name	
2020.3.09. (21 days prior to the meeting of shareholders)	2020.3.30.	Audit member (external)	Kim Joo-il	1. Detailed career and specialized field of the candidate - Associate professor of Gyeonggi National Univ. 2.Cause of nominating candidate -Appointment from vacated audit member 3.Contents of confirming independence (interest relations): No problem 4.Status of concurrent position: Not applicable
2019.3.13. (15 days prior to the meeting of shareholders)	2019.3.28.	Senior Director (In-company)	Kim Yong-beom	1.Detailed career and specialized field of the candidate -Korea Credit Information Auditor/Standing Audit Member 2.Cause of nominating candidate - Appointment from vacated standing audit member (In-company director) 3.Contents of confirming independence (interest relations): No problem 4.Status of concurrent position: Not applicable
		Senior Director (In-company)	Song Seok-du	1.Detailed career and specialized field of the candidate -Deputy governor of Gangwon-do 2.Cause of nominating candidate - Appointment from vacated standing audit member (In-company director) 3.Contents of confirming independence (interest relations): No problem

				4.Status of concurrent position: Not applicable
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Date of information provision	Date of meeting of shareholders	Director candidate		Contents of disclosure information provided
		Classification	Name	
2019.03.13. (15 days prior to the meeting of shareholders)	2019.3.28.	Non-standing director (External)	Ko Jin-beop	1.Detailed career and specialized field of the candidate -President of Radio Star Social Cooperative Union 2.Cause of nominating candidate - Appointment from vacated non-standing director 3.Contents of confirming independence (interest relations): No problem 4.Status of concurrent position: Not applicable
		Non-standing director (External)	Jang Kyung-jae	1.Detailed career and specialized field of the candidate -CEO of Goods Peach 2.Cause of nominating candidate - Appointment from vacated non-standing director 3.Contents of confirming independence (interest relations): No problem 4.Status of concurrent position: Not applicable
		Non-standing director (external)	Kim Hwa-yoon	1.Detailed career and specialized field of the candidate -Planning Division of Dogye Mine Office, Korea Coal Corporation 2.Cause of nominating candidate - Appointment from vacated non-standing director 3.Contents of confirming independence (interest relations): No problem 4.Status of concurrent position: Not applicable
		Non-standing director (external)	Jung Gwang-soo	1.Detailed career and specialized field of the candidate -External director of Black Valley CC 2.Cause of nominating candidate - Appointment from vacated non-standing director 3.Contents of confirming independence (interest relations): No problem 4.Status of concurrent position: Not applicable
※Refer to the record of director candidate through the <Notice of Convening of meeting of shareholders> disclosure				

C) Providing contents of past Board of Directors activities by the director candidate for re-appointment

The contents of past Board of Directors activities for the director candidate to be re-appointed are not separately provided, but the activity contents are disclosed through regular report disclosure, homepage of the Company and Public Management Information Disclosure System (Alio). In the event that there is any director candidate to be re-appointed, the contents of the past Board of Directors activities of the applicable candidate are scheduled to provide through the disclosure of <notice to convene the meeting of shareholders>, <reference document> and so forth.

D) Effort for reflecting the opinions of minority shareholders, such as intense voting system etc.

The Company does not exclude the intense voting system in the Articles of Incorporation that, when a shareholder that holds 1% of total outstanding stocks with voting right requests the convening of the meeting of shareholders with the purpose of 2 or more directors to be appointed, the intense voting system can be adopted. In the event that the meeting of shareholders is held including the agenda on director Senior, the information related to the applicable candidate shall be delivered at least 2 weeks prior to the date of the meeting of shareholders to provide sufficient time for discussion. In addition, in the event that there is a proposal of shareholder based on Article 363-2 of the Commercial Act, the qualification and legitimacy of the applicable shareholder and contents of proposal shall be reviewed and sets it as a matter purported by the meeting of shareholders. In the meantime, the Company makes effort to sufficiently reflect the opinions of the systems by building up the environment for systems to freely speak in the meeting

4) Exclusion of appointing officer for any person having the cause of disqualification

(Detailed principle 4-④) No person who is responsible to damage corporate value or interference with the rights of decision makings shall be appointed as an officer.

The officers of the Company as of the decision-making document submittal date shall be 4 standing directors (in-company directors) and 9 non-standing directors (external directors and other non-executive directors) and there is no

non-registered officer. Detailed status of officer is shown as follows.

<Status of officers as of report submittal date>

Name	Gender	Position	Registered officer	Full-time	Work in charge
Moon Tae-gon	M	Standing Director (In-company Director)	Registered officer	standing	General management
Song Seok-du	M	Standing Director (In-company Director)	Registered officer	standing	General auditing
Han Hyung-min	M	Standing Director (In-company Director)	Registered officer	standing	General management
Go Gwang-pil	M	Standing Director (In-company Director)	Registered officer	standing	General management
Gwon Sun-rok	M	Non-standing Director (other Non-standing Director)	Registered officer	Non-standing	Management advisory
Kim Joo-il	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory, auditing
Choi Don-yong	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory, auditing
Kim Jin-gak	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory
Lee Moon-geun	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory
Choi Kyung-sik	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory
Lee Tae-hee	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory
Jung Gwang-soo	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory
Jang Kyung-jae	M	Non-standing Director (External Director)	Registered officer	Non-standing	Management advisory

- As a listed company and public institution, the Company does not appoint any person applicable to the public employees with illegal activities under Article 13 of the 「Operation Regulation of the Officer Nomination Committee」 and Article 34 of the Act on the Management of Public Institutions of the Company, in addition to the cause of disqualification as the director of applicable company under Article 382 and Article 542-8 of the Commercial Act in order to prevent the appointment of any officer who is responsible for damages to corporate value or interference with the rights of shareholders. In addition, after the senior, if an officer, the status of maintaining the qualification requirement is thoroughly maintained, such as going through the procedure of confirmation periodically regarding the breach of above-referenced laws and regulations for disqualification.
- In addition, in a way of not appointing any person receiving the adjudication for embezzlement or misappropriation as an officer, when placing for open recruitment of officer candidate or inquiring for nomination, the person without the cause under Article 33 of the State Public Officials Act is considered as the subject of candidate, and the officer candidate selected thereafter will be determined again in the process of deliberation and resolution under the Public Institution Steering Committee by the Ministry of Planning and Finance.
- Even after the Senior, in the event that a director of the Company is under investigation by investigation agency due to embezzlement or misappropriation, the applicable process and result of the investigation agency shall be notified to the Company to find out the current status pursuant to Article 53-2 of the 「Act on the Management of Public Institutions」. There is no one receiving the adjudication for to embezzlement or misappropriation in the past for officers of the Company.
- As of the decision-making document submittal date, the Company does not operate the execution officer system.

C. Responsibility of non-standing director (standing director)

(Key principle 5) Responsibilities of external director

An external director shall participate in the decisions of independently important corporate management policy and supervise and support the top management as a constituent of the Board of Directors.

1) Relationship between the Company and Non-standing Director (External Director)

Detailed principle 5-①) An external director shall not have any material interest relationship with the

applicable company, and the Company shall confirm for any interest relationship at the appointment phase.

A) Experience of non-standing director with employment in the Company and any transaction with the Company

The Company confirms on interest relations with the Company with respect to entire process of appointing officers. In particular, for the case of the non-standing directors of corporate governance including the external directors, it shall find out the employment or transaction with the Company or affiliated company of the Company in the past of the candidate from the phase of registering the candidates, and in the event that there is any content, it shall be informed to the meeting of shareholders by recording it on the notice of convening. Other than the 「Commercial Act」, there is no separate procedure and internal regulation to check the above contents. As shown on the below table, the non-standing directors of the Company have no material interests that may influence on the management decision making of corporate governance in carrying out the duties.

<Experience of non-standing director with employment in the Company and any transaction as of the report submittal date>

Name	Contents of employment of the non-standing director with an affiliated company of the Company in the past		Contents of transaction of the affiliated company of the Company with a non-standing director (or a company where the non-standing director is the largest shareholder)		Contents of transaction of the affiliated company of the Company where the non-standing director works as an officer or employee	
	The Company	Affiliated company of the Company	The Company	Affiliated company of the Company	The Company	Affiliated company of the Company
Kim Joo-il	None	None	None	None	None	None
Choi Don-yong	None	None	None	None	None	None
Gwon Sun-rok	None	None	None	None	None	None
Kim Jin-gak	Work for '12~'14 as the irregular position (forestry expert)	None	None	None	None	None
Lee Moon-geun	None	None	None	None	None	None
Choi Kyung-sik	Non-standing director for '14~'17	None	None	None	None	None
Lee Tae-hee	None	None	None	None	None	None
Jung Gwang-soo	None	None	None	None	None	None
Jang Kyung-jae	None	None	None	None	None	None

B) Employment period for each non-standing director

There is no non-standing director in the Company that has experience in excess of 6 years (9 years including affiliated companies) of employment period as follows

<Employment period for each non-standing director and loan-term employment as of the report submittal date>

Name	THE COMPANY		When including affiliated companies	
	Period of Working	Cause if exceeding 6 years	Period of Working	Cause if exceeding 0 years
Kim Joo-il	2 years 5 months	Not applicable	2 years 5 months	Not applicable
Choi Don-yong	3 years 2 months		3 years 2 months	
Gwon Sun-rok	2 years 5 months		2 years 5 months	
Kim Jin-gak	2 years 5 months		2 years 5 months	
Lee Moon-geun	1 year 5 months		1 year 5 months	
Choi Kyung-sik	1 year 5 months		1 year 5 months	
Lee Tae-hee	1 year 5 months		1 year 5 months	
Jung Gwang-soo	1 year 2 months		1 year 2 months	
Jang Kyung-jae	1 year 2 months		1 year 2 months	

2) Substantive work performance and support of the Company for the foregoing with respect to the Non-standing Director (External Director)

(Detailed principle 5-②)

An external director shall place sufficient time and endeavor for substantive duty performance

A) Status of Concurrent Position for Non-standing Director (External Director)

The Company has no internal standard that specifies the restriction on concurrent position in another company for the directors from the non-standing directors including the external directors, but it complies with the contents on the restriction for concurrent position with external director as defined by the Commercial Act. Article 542-8 (2) (vii) of the Commercial Act prohibits any person who may have difficulty of carrying out the works as an ‘external director or person that may influence on the management of a listed company that is set forth by the Presidential Decree’ as appointed for a non-standing director, and the above ‘person set forth by the Presidential Decree defines under Article 34 (5) (iii) of the Enforcement Decree as the ‘person working as an execution officer of another company beside the applicable listed company. Accordingly, a non-standing director of the Company may concurrently work for a director of 1 company beside the Company. As shown in the following table, the non-standing director of the Company works with its sufficient time and effort under the condition for substantive work performance as the director of the Company.

<Status of Concurrent Position of Non-standing Director (External Director) as of the report submittal date>

Name	Initial Senior date	Expiration date	Current position	Status of concurrent position			
				Concurrent institution	Concurrent works	Employment period of concurrent institution	Listing for concurrent institution
Kim Joo-il (Audit Member)	2017.12.21.	2020.12.20.	Associate professor of Gyeonggi National Uni.	-	-	-	-
Choi Don-yong (Audit Member)	2017.3.30.	2020.3.29.	-	-	-	-	-
Kim Jin-gak	2017.12.21.	2020.12.20.	President of National Unification Taebaek-si Council	-	-	-	-
Lee Moon-geun	2019.1.3.	2021.1.2.	President of Taebaek-si Council of National Unification Advisory Council	-	-	-	-
Choi Kyung-sik	2019.1.3.	2021.1.2.	President of 3.3 Memorial Foundation	-	-	-	-
Lee Tae-hee	2019.1.3.	2021.1.2.	Non-standing director of 3.3 Memorial Foundation	-	-	-	-
Jung Gwang-soo	2019.4.8.	2021.4.7.	President of Dogye-eup Community	Black Valley CC	External director	2018.7.31.~ Present	Not applicable
Jang Kyung-jae	2019.4.8.	2021.4.7.	Representative of Good Speech Research Institute	-	-	-	-

The ‘current position’ is based on the standing position of applicable non-standing director, and the ‘concurrent position status’ is prepared on the basis of the non-standing position, and in the event that only the non-standing position is exempted without working as standing position (the Company excluded), the duties of applicable non-standing position is prepared in the ‘current position’

(Detailed principle 5-③) A company shall sufficiently provide information, resource etc. as required in the job performance as an external director.

B) Support of work performance of Non-standing Director (External Director)

□ The Company makes enthusiastic administrative support and allocate personnel (3 persons) exclusively for the Board of Directors in order to maximize the efficiency and specialization of duty performance of the non-standing directors. Before holding the Board of Directors, the agenda shall be forwarded in advance for the non-standing directors to review the agenda with sufficient time, and if necessary, the face-to-face description is processed with personal visit. For enhancing the understanding on the company management, the regular report is implemented on company status, critical works, and status of press coverage for twice a month, and implements separate report on Board of Directors’ agenda and other inquiries. In addition, following Article 15 of the 「Articles of Incorporation」, it provides the pertinent expenses required for work performance of the non-standing directors.

□ In addition, the Company holds the workshops twice a year in a way of building up the binding power of constituents including non-standing directors and facilitate the specialization for each director to establish the

directions of the corporate business strategy. For enhancing the reasonableness and efficiency of decision making by the Board of Directors, the non-standing directors are given the opportunity to visit and inspect the business fields of the Company, and it holds the meetings for non-standing directors with various reports.

<Contents of hosting the meeting of only by non-standing directors from 2019 to the report submittal date>

Sequence	General / special	Date of meeting	No of attending non-standing director / No of entire non-standing director	Meeting information
1	Temporary	2019.4.17.	2/10	Report of general status of the Company subject for newly appointed non-standing director and main agenda
2	Temporary	2019.10.29.	8/10	Status of local projects and report of future plan
3	Temporary	2019.12.26.	10/10	Field inspection of local-linked project and discussion on method to improve (machine manufacturing project and High healing center)

D. Evaluation of non-standing director (standing director) Activities

(Key principle 6) Evaluation of the external director activities

In order to entice the enthusiastic duty performance of external directors, their activity contents shall be fairly evaluated, and depending on the result, the remuneration payment and re-appointment shall be determined.

1) Evaluation of Non-standing Director (External Director)

(Detailed principle 6-①) The evaluation of an external director shall be made based on the individual performance and the evaluation result shall be reflected only in the decision for re-appointment.

□ The non-standing director of the Company is evaluated for its duty performance pursuant to Article 36 of the 「Act on the Management of Public Institutions」. As a detailed evaluation category, there are participation record in the Board of Directors, contents of Board of Directors activities (for audit members, add the record on audit activities), and other activity records. For securing the fairness of evaluation, the evaluation of the non-standing directors are carried out by the Minister of Planning and Finance (external evaluation), not a director or employee of the Company.

□ As a result of the evaluation, a non-standing director with low duty performance record may be dismissed through the deliberation and resolution of the ‘Public Institution Steering Committee’ under the Ministry of Planning and Finance or promote the Minister of Planning and Finance to dismiss following Article 36 of the same Act, and the non-standing director that is dismissed by such a cause shall not be appointed as an officer of public companies including the Company or an quasi-government institution for 3 years from the date of dismissal. In addition, the evaluation result is reflected when determining for consecutive appointment of the term-expired non-standing director by the Minister of Planning and Finance that is the person with the right to appoint or dismiss the non-standing director pursuant to Article 28 of the Act on the Management of Public Institutions.

2) Setting the Remunerations of Non-standing Director (External Director)

(Detailed principle 6-②) The remuneration of an external director shall be determined at appropriate level by considering the evaluation result, responsibilities of duty performance, risk and so forth.

□ The non-standing director remuneration policy of the Company is determined under the 「Guideline on Management of Public Company and Quasi-Government Institution」 of the Ministry of Planning and Finance. The allowance of the current non-standing director is set forth by the upper limit of KRW 30 million per year including the attendance allowance of the monthly fixed amount and attending in meetings under the above guideline. The meeting attendance allowance is the allowance paid when attending in duty related meetings for the non-standing director, and it may be paid depending on attendance in meetings for each non-standing director. The Company does not grant the stock options to the non-standing directors.

□ As recorded above, the remuneration of the non-standing director for the Company is determined and paid at

appropriate level under the Ministry of Planning and Finance Guideline, but the applicable guideline has no basis to determine in consideration of the risk in duty performance as a result of evaluating the remuneration of the non-standing directors that the Company does not reflect the contents related to the remuneration amount. When the applicable guideline is revised in the future to enable the remuneration to set forth the evaluation and risk of the non-standing director to be applied the foregoing.

E. Operation of Board of Directors

(Key principle 7) Operation of Board of Directors

The Board of Directors shall be operated efficiently and reasonably to determine the best management intent with the interests of the Company and shareholders.

1) Operation of Board of Directors' regulation and contents of meeting

(Detailed principle 7-①) The Board of Directors shall be held regularly in principle and the operation of Board of Directors' regulation that is defined in details of authorities, responsibilities, operation procedure and the like of the Board of Directors shall be prepared.

The Company specifies the authorities and responsibilities and contents related to operation procedure are operated by specifying them to the 「Articles of Incorporation」 and 「Board of Directors Regulation」. Following Article 5 of the 「Board of Directors Regulation」, the general Board of Directors is held at least once for each term, and in the event that there is any need for approval of irregular Board of Directors or in the event that it is difficult to be adverse to the schedule for the Board of Directors, the special Board of Directors is held from time to time. In the event that the Board of Directors is held, pursuant to Article 6 of the 「Board of Directors Regulation」, the agenda of the Board of Directors is notified to each director at least 7 days prior to the meeting date. However, when there is unanimous consent of the directors, the agenda may be presented on the day of holding the meeting. The contents of holding the board meetings to the recent time are shown as follows.

<Contents of hosting the Board of Directors (2019 ~ as of the decision-making document submittal date)>

Sequence	Agenda		Adoption	/special	Date of hosting	Agenda notice date	Attending /full members
	Classification	Contents					
164th	Matters to resolve	Partial revision of position system regulation (proposed)	Adopted	Special	2019.2.15.	2019.2.7.	12/13
		Approval of transfer for public equity shares of Kangwon Land Co., Ltd. (Proposed)	Adopted				
		High-One project plan (Proposed)	Adopted				
		2019 accounting year budget operation plan (Proposed)	Adopted				
		Revision of Position System Maintenance Related Regulation (Proposed)	Adopted				
		Support for contribution on Jeongseon-gun Urban Revitalization Support Center (Proposed)	Adopted				
	Matters to report	Report of result for M&A after permitting Donggang Sista Co., Ltd.	Report				
		Report of result for 2018 annual audit	Report				

Sequence	Agenda		Adoption	General /special	Date of hosting	Agenda notice date	Attending /full members
	Classification	Contents					
		Convening of the 21 st general meeting of shareholders (Proposed)	Adopted				
		Planning for director appointment (Proposed)	Adopted				
		Determination of limit for remuneration of 2019 non-standing	Adopted				

165th	Matters to resolve	director remuneration (Proposed)		General	2019.3.8.	2019.2.28.	13/13
		Determination of limit for remuneration of 2019 for senior director remuneration (Proposed)	Adopted				
		Revision of officer remuneration regulation (Proposed)	Adopted				
		Partial modification of the 「Articles of Incorporation」 (Proposed)	Adopted				
		Approval of 2018 fiscal year with financial statements and consolidated financial statements, and business report (Proposed)	Adopted				
	Matters to report	Report of 2019 fund operation plan	Report				
		Report of independence on external auditor following the accounting audit standard	Report				
		Report of status for AML works	Report				
		Report of audit result for AML works	Report				
		Report of operation status of internal accounting management system	Report				
		Report of operation status evaluation of internal accounting management system	Report				
		Report of operation status for 2018 compliance supporter system	Report				
		Report of hoe retired implementation (Proposed)	Report				
166th	Matters to resolve	Sponsorship for Gangwon-do pro soccer team in 2019 (Proposed)	Adopted	Temporary	2019.5.17.	2019.5.9.	13/14
		Plan to move Singapore Office (Proposed)	Adopted				
		Full revision of internal accounting management regulation (Proposed)	Adopted				
		Revision of personnel regulation (Proposed)	Adopted				
		Revision of position system regulation (Proposed)	Adopted				
		Revision of operation regulation of Officer Nomination Committee (Proposed)	Adopted				
		Approval of transfer for public equity for Kangwon Land Co., Ltd. (Proposed)	Adopted				
	Matters to report	Report of audit result and action taken for the Ministry of Industry, Commerce, Resource	Report				
		Report of audit result and action taken for Board of Audit and Inspection	Report				

Sequence	Agenda		Adoption	General /special	Date of hosting	Agenda notice date	Attending /full members
	Classification	Contents					
167 th	Matters to resolve	Mid- to long-term finance management plan for 2019~2023 (Proposed)	Adopted	Regular	2019.6.24.	2019.6.14.	14/14
		Promotion of phase-2 project for Coal Culture Park (Proposed)	Adopted				
		Basic plan for Kangwon Land safety in 2019 (Proposed)	Adopted				
	Matters to report	Revision of employment rules (Proposed)	Report				
168th	Matters to resolve	Contribute the in-company labor welfare fund in 2019 (Proposed)	Adopted	Temporary	2019.8.26.	2019.8.16.	14/14
		Promotion of repairing and reinforcement of High One Square parking lot and added and corrected for facility investment (Proposed)	Adopted				
		Convening the 22nd special meeting of shareholders (Proposed)	Postponed				
169 th	Matters to resolve	Convening the 22 nd special meeting of shareholders (Proposed)	Postponed	Regular	2019.9.25.	2019.9.17.	14/14
		Revision of the wage and collective agreement related regulation (Proposed)	Adopted				
	Matters to report	Report of result for 2019 wage and collective agreement	Report				
		Report of main modified matters with the 2019~2023 mid- to long-term finance management plan (Proposed)	Report				
Matters to resolve	Mid- to long-term management target for Kangwon Land 2020 ~ 2024 (Proposed)	Adopted					
	Plan for additional building project for Kangwon Land Co., Ltd.	Adopted					

170th		dormitory and modification of project cost (Proposed)		Temporary	2019.10.29.	2019.10.21.	12/14
		Promotion of Youth start-up company to transfer to abandoned mine area and additional correction of contribution (Proposed)	Adopted				
		Sponsorship for Gangwon-do pro soccer team in 2019 (Proposed)	Adopted				
		Purchase of national forest facility site within the project site (Proposed)	Adopted				
		Approval of transfer for public equity of Kangwon Land Co., Ltd. (Proposed)	Adopted				
Matters to report		Report of matters pointed out from national audit and action taken in 2018	Report				
		Report of revision process for operation system of High One Ice Hockey Team	Report				
171th	Matters to resolve	Established company converted for regular positions for cooperative companies (Proposed)	Adopted	Temporary	2019.11.29.	2019.11.21.	13/14
		Revision of Audit Committee Regulation (Proposed)	Adopted				
		New construction project of outside management unit of Kangwon Land Co., Ltd. (Proposed)	Adopted				
		Approval of transfer for public equity for Kangwon Land Co., Ltd. (Proposed)	Adopted				

Sequence	Agenda		Adoption	General /special	Date of hosting	Agenda notice date	Attending /full members	
	Classification	Contents						
172th	Matters to resolve	Revision of the position system regulation and personnel regulation (Proposed)	Adopted	Regular	2019.12.26.	2019.12.18.	13/14	
		Full revision of investment business deliberation regulation (Proposed)	Adopted					
		2020 accounting year budget (Proposed)	Adopted					
173th	Matters to resolve	2020 accounting year budget operation plan (Proposed)	Adopted	Temporary	2020.1.29.	2019.1.21.	14/14	
		Basic plan for 2020 Kangwon Land safety (Proposed)	Adopted					
		Revision of wage regulation and salary wage regulation (Proposed)	Adopted					
	Matters to report	Report of annual audit result in 2019	Report					
174th	Matters to resolve	Convening of the 22 nd general meeting of shareholders (Proposed)	Adopted	Regular	2020.3.9.	2019.2.28.	12/14	
		Approval of 2019 financial accounting year with financial statements, consolidated financial statements and business report (Proposed)	Adopted					
		Audit member appointment plan (Proposed)	Adopted					
		Decision of limit for remuneration in 2020 non-standing director (Proposed)	Adopted					
		Decision of limit for remuneration in 2020 senior director remuneration (Proposed)	Adopted					
		Revision of officer remuneration regulation (Proposed)	Adopted					
		Operation and organization of Officer Nomination Committee (Proposed)	Adopted					
		Promotion of Taebaek region elderly care business (Proposed)	Adopted					
		Support of contribution for 2020 abandoned mine area with 3 local governments with recuperating support center (Proposed)	Adopted					
		Support of contribution for 2020 Jeongseon-gun urban recycling resource center (Proposed)	Adopted					
	Establishment of the Philippines liaison office (Proposed)	Adopted						
	Closure of Singapore Branch (Proposed)	Adopted						
	Matters to report		Report of fund operation plan in 2020					Report
			Report of status for AML affairs					Report
		Report of audit result of AML works	Report					
		Report of operation status for internal accounting management system	Report					

		Report of operation status evaluation for internal accounting management system	Report				
175th	Matters to resolve	Project for high level water purification facilities in High One Resort (Proposed)	Adopted	Temporary	2020.5.18.	2020.5.8.	13/13
		Plan to introduce the electronic table in 2020 (Proposed)	Adopted				

2) Preparation of the minutes for the Board of Directors and disclosure of the activity 내역

(Detailed principle 7-②) The Board of Directors shall be prepared the minutes in details for each meeting and the attendance rate of the Board of Directors for each director and the contents on activities for consent regarding the agenda shall be disclosed.

□ Pursuant to Article 391-3 of the 「Commercial Act」 and Article 35 of the 「Articles of Incorporation」 of the Company, the Company records the process of meeting, result, dissenting directors and reason for dissent for each board meeting and prepare the minutes signed or affixed with the seal by attending directors and auditor. The prepared minutes book is not only displayed in the head office but also is available to access through the Public Management Information Disclosure System (Alio) of the Ministry of Planning and Finance.

□ Main discussion contents and matters to resolve are prepared by included in the minutes for each director, and the result (consent or dissent) is disclosed through quarterly/semi-annually/ business report. The contents of individual director for the Board of Directors and rate of consent for agent are shown as follows.

<Contents of attendance at the Board of Directors for each director (2019 ~ as of the decision-making document submittal date)>

Classification	Sequence	164th	165th	166th	167th	168th	169th	Remark
	Date of hosting	'19.2.15.	'19.3.8.	'19.5.17.	'19.6.24.	'19.8.26.	'19.9.25.	
Resident (In-company)	Moon Tae-gon	Attended	Attended	Attended	Attended	Attended	Attended	-
	Song Seok-du	Not applicable	Not applicable	Attended	Attended	Attended	Attended	166th
	Han Hyung-min	Attended	Attended	Attended	Attended	Attended	Attended	-
	Go Gwang-pil	Attended	Attended	Attended	Attended	Attended	Attended	-
Non-standing (non-executive)	Gwon Sun-rok	Attended	Attended	Attended	Attended	Attended	Attended	-
Non-resident (External)	Kim Sang-il	Not attending	Attended	Not applicable	Not applicable	Not applicable	Not applicable	166 th Retired
	Han Seung-ho	Attended	Attended	Not applicable	Not applicable	Not applicable	Not applicable	166th Retired
	Han In-goo	Attended	Attended	Attended	Attended	Attended	Attended	174th Resigned
	Choi Don-yong	Attended	Attended	Attended	Attended	Attended	Attended	-
	Kim Joo-il	Attended	Attended	Attended	Attended	Attended	Attended	-
	Kim Jin-gak	Attended	Attended	Not attending	Attended	Attended	Attended	-
	Lee Moon-geun	Attended	Attended	Attended	Attended	Attended	Attended	-
	Lee Tae-hee	Attended	Attended	Attended	Attended	Attended	Attended	-
	Choi Kyung-sik	Attended	Attended	Attended	Attended	Attended	Attended	-
	Jung Gwang-soo	Not applicable	Not applicable	Attended	Attended	Attended	Attended	166th Appointed
Jang Kyung-jae	Not applicable	Not applicable	Attended	Attended	Attended	Attended	166 th Appointed	

< Contents of attendance at the Board of Directors for each director (2019 ~ as of the decision-making document submittal date) >

Classification	Sequence	170th	171th	172th	173th	174th	175th	Remark
	Date of holding	'19.10.29.	'19.11.29.	'19.12.26.	'20.1.29.	'20.3.9.	'20.5.18.	
Resident (In-company)	Moon Tae-gon	Attended	Attended	Attended	Attended	Attended	Attended	-
	Song Seok-du	Attended	Attended	Not attending	Attended	Attended	Attended	166 th Appointed

	Han Hyung-min	Attended	Attended	Attended	Attended	Attended	Attended	-
	Go Gwang-pil	Attended	Attended	Attended	Attended	Attended	Attended	-
Non-standing (non-executive)	Gwon Sun-rok	Not attending	Attended	Attended	Attended	Attended	Attended	-
Non-resident (External)	Kim Sang-il	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	166 th Retired
	Han Seung-ho	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	166 th Retired
	Han In-goo	Attended	Attended	Attended	Attended	Attended	Not applicable	174 th Resigned
	Choi Don-yong	Attended	Not attending	Attended	Attended	Not attending	Attended	-
	Kim Joo-il	Attended	Attended	Attended	Attended	Attended	Attended	-
	Kim Jin-gak	Attended	Attended	Attended	Attended	Attended	Attended	-
	Lee Moon-geun	Attended	Attended	Attended	Attended	Attended	Attended	-
	Lee Tae-hee	Attended	Attended	Attended	Attended	Attended	Attended	-
	Choi Kyung-sik	Attended	Attended	Attended	Attended	Attended	Attended	-
	Jung Gwang-soo	Attended	Not attending	Attended	Attended	Not attending	Attended	166 th Appointed
Jang Kyung-jae	Attended	Attended	Attended	Attended	Attended	Attended	166 th Appointed	

<Rate of attendance in board meetings and rate of consent for each director in the past 3 business years (Jan. 1, 2017 ~ Dec. 31, 2019)>

Name	Classification	Period of serving Board of Directors	Attendance rate (%)				Consent rate (%)			
			Work average	Recent 3 years			Work average	Recent 3 years		
				2019	2018	2017		2019	2018	2017
Moon Tae-gon	Senior Director (In-company)	2017.12.21.~ present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Song Seok-du	Senior Director (In-company)	2019.4.8.~ present	86.0	86.0	-	-	100.0	100.0	-	-
Han Hyung-min	Senior Director (In-company)	2017.12.21.~ present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Go Gwang-pil	Senior Director (In-company)	2018.9.28.~ present	100.0	100.0	100.0	-	100.0	100.0	100.0	-
Ham Seung-hee	Senior Director (In-company)	2014.11.13.~ 2017.11.12.	50.0	-	-	50.0	100.0	-	-	100.0
Kim Kyung-jung	Senior Director (In-company)	2014.11.13.~ 2017.11.12.	100.0	-	-	100.0	100.0	-	-	100.0

Name	Classification	Period of serving Board of Directors	Attendance rate (%)				Consent rate (%)			
			Work average	Recent 3 years			Work average	Recent 3 years		
				2019	2018	2017		2019	2018	2017
Oh Won-jong	Non-standing director (Executive)	2016.3.30.~ 2017.7.27.	66.7	-	-	66.7	100.0	-	-	100.0
Yoon Sung-bo	Non-standing director (Executive)	2016.3.30.~ 2017.2.14.	0.0	-	-	0.0	-	-	-	-
Shin Joo-ho	Non-standing director (Executive)	2017.3.30.~ 2018.2.26.	91.7	-	100.0	83.3	100.0	-	100.0	100.0
Gwon Sun-rok	Non-standing director (Executive)	2017.12.21.~ present	93.0	89.0	90.0	100.0	100.0	100.0	100.0	100.0
Yang Min-seok	Non-standing director (Executive)	2017.12.21.~ 2018.2.26.	100.0	-	100.0	100.0	100.0	-	100.0	100.0
Jeon Hyun-cheol	Non-standing director (External)	2014.3.28.~ 2017.3.27.	100.0	-	-	100.0	100.0	-	-	100.0
Kim Ho-beom	Non-standing director (External)	2014.3.28.~ 2017.3.27.	100.0	-	-	100.0	100.0	-	-	100.0
Kim Sang-il	Non-standing director (External)	2016.3.30.~ 2019.3.29.	80.0	50.0	90.0	100.0	93.6	83.3	97.6	100.0

Han Seung-ho	Non-standing director (External)	2016.3.30.~ 2019.3.29.	95.8	100.0	100.0	87.5	97.2	91.7	100.0	100.0
Han In-goo	Non-standing director (External)	2017.3.30.~ 2020.3.26.	94.4	100.0	100.0	83.3	100.0	100.0	100.0	100.0
Choi Don-yong	Non-standing director (External)	2017.3.30.~ present	84.1	89.0	80.0	83.3	100.0	100.0	100.0	100.0
Kim Joo-il	Non-standing director (External)	2017.12.21.~ present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Kim Jin-gak	Non-standing director (External)	2017.12.21.~ present	96.3	89.0	100.0	100.0	99.0	96.9	100.0	100.0
Lee Yun-jae	Non-standing director (External)	2017.12.21.~ 2018.4.5.	66.7	-	33.3	100.0	100.0	-	100.0	100.0
Choi Kyung-sik	Non-standing director (External)	2019.1.3.~ present	90.0	100.0	-	80.0	98.7	97.4	-	100.0
Lee Moon-geun	Non-standing director (External)	2019.1.3.~ present	100.0	100.0	-	-	97.4	97.4	-	-
Lee Tae-hee	Non-standing director (External)	2019.1.3.~ present	100.0	100.0	-	-	97.4	97.4	-	-
Jung Gwang-soo	Non-standing director (External)	2019.4.8.~ present	86.0	86.0	-	-	100.0	100.0	-	-
Jang Kyung-jae	Non-standing director (External)	2019.4.8.~ present	100.0	100.0	-	-	100.0	100.0	-	-

※ For the case of work average for attendance rate and consent rate, it is calculated by dividing by the previous year after combining the ratio of each working year

※ For the case of attendance rate, it is calculated by the frequency of the Board of Directors attended in comparison to the attendance attended compared to the frequency of the Board of Directors for the applicable year

※ For the case of consent rate, it is calculated on the basis of the consent ratio of the directors in comparison with the previous agenda of the applicable year, and any agenda without the resolution procedure, such as consent or opposition from the entire agenda shall be excluded (Matters to report, agenda postponed, etc)

※ For the case of director reappointed in the applicable period (3 years), it is prepared by the period after the reappointment with the working period in the Board of Directors

F. Committees in the Board of Directors

(Key principle 8) Committees in the Board of Directors

The Board of Directors shall establish committees that carryout specific functions and roles within them for efficient operation.

1) Status of committees in the Board of Directors and ratio of Non-standing Director (External Director)

(Detailed principle 8-①) The committees within the Board of Directors shall be comprised of a majority of external directors, but the Audit Committee and compensation (remuneration) Committee shall be comprised of all external directors.

As the committees within the Board of Directors of the Company, there are the Audit Committee and Officer Nomination Committee, and pursuant to Article 4 of the 「Audit Committee Regulation」 and Article 4 of the 「Operation Regulation of the Officer Nomination Committee」, the majority or more for each Committee consists of non-standing directors. The Audit Committee is regulated to have 2/3 or more of the constituents and the Officer Nomination Committee shall have 1/2 or more of the constituents with the non-standing directors. Refer to ‘B. Organization of Board of Directors’ for the status of establishment for committees in the Board of Directors, main roles and so forth.

2) English-version of the committees in the Board of Directors and report to the Board of Directors

(Detailed principle 8-②) With respect to organization, operation and authority for all committees, it shall be regulated in English and the Committees shall report the resolutions to the Board of Directors.

The purpose of establishment of the as the committees within the Board of Directors of the Audit Committee and Officer Nomination Committee, authorities and responsibilities, activities, composition and qualification and appointment and dismissal are specified on the 「Audit Committee Regulation」 and 「Operation Regulation of the Officer Nomination Committee」. In addition, the Company evaluates the work performance record of are shown as follows activities on the non-standing directors under Article 36 of the Act on the Management of Public Institutions. Matters to resolve for each Committee and work performance record are reported to the Board of Directors under Article 393-2 of the 「Commercial Act」 and Article 35-2 of the 「Articles of Incorporation」. The contents related to the hosting of the Officer Nomination Committee are shown as follows. (Refer to ‘4. Audit Organization’ for the contents related to hosting of the Audit Committee)

<Contents of holding the Officer Nomination Committee (2019 ~ as of the report submittal date)>

Sequence	Date of hosting	Attendance /full capacity	Agenda		Adoption
			Classification	Contents	
First (2019)	2019.1.21.	4/5	Matters to resolve	Appointment of Commissioner	Adopted
				Determination of recruitment method	Adopted
				Determination of deliberation standard	Adopted
				Determination of future promotion schedule	Adopted

Sequence	Date of hosting	Attendance /full capacity	Agenda		Agenda
			Classification	Contents	
Second	2019.1.30.	5/5	Matters to report	Report of the 1 st meeting and nomination reception	Report
			Matters to resolve	Determination of nomination subject through the document review	Adopted
				Determination of future promotion schedule	Adopted
First (2020)	2020.3.18.	5/5	Matters to resolve	Appointment of Commissioner	Adopted
				Determination of recruitment method	Adopted
				Determination of deliberation standard	Adopted
				Determination of future promotion schedule	Adopted

Second	2020.4.10.	5/5	Matters to report	Report of the 1 st meeting, open recruitment and nomination reception result	Report
			Matters to resolve	Determination of number of subject persons of interview	Adopted
				Determination of subject person of interview through the document review	Adopted
Third	2020.4.17.	5/5	Matters to report	Report of the 2 nd meeting result	Report
			Matters to resolve	Determination of candidate nomination in multiple number	Adopted
				Determination of nomination candidate through interview review	Adopted
※ For the case of agenda that requires the determination, such as determination of the deliberation standard and others, it is prepared by the 'Matters to resolve' and 'Matters to report' for other information and report					

<Attendance rate for each director in the recent 3 business year>

Classification	Name	Attendance rate (%)			
		Average for recent 3 years	Recent 3 years		
			2019	2018	2017
Non-standing director	Member 1	75.0	50.0	75.0	100.0
	Member 2	95.2	100.0	100.0	85.7
	Member 3	100.0	-	100.0	100.0
	Member 4	100.0	-	-	100.0
	Member 5	100.0	-	-	100.0
	Member 6	100.0	-	-	100.0
	Member 7	100.0	-	-	100.0

※ Pursuant to Article 9 of the 「Official Information Disclosure Act」 and Article 41 (5) of the 「Public Management Information Disclosure System」 for the Ministry of Planning and Finance, the list of the officer nomination committee member shall not be disclosed

※ From the members of the Officer Nomination Committee, the attendance rate of external members, not the director of the Company, shall be excluded

Refer to the '4. Audit Organization' for the contents of the Audit Committee as one of the committees within the Board of Directors.

Currently, the Company does not separately operate Risk Management Committee and Internal Transaction Committee.

Audit Organization

A. Internal Audit Organization

(Key principle 9) Internal Audit Organization

The Internal Audit Organization of the Audit Committee, audit and others shall duly carry out the audit affairs under the independent position from the top management and controlling shareholders and the contents of main activities of the Internal Audit Organization shall be disclosed.

1) Organization and operation of the Audit Committee

(Detailed principle 9-①) The Audit Committee, audit and other internal audit organization shall secure the independence and specialization.

A) Organization of the Audit Committee and member appointment policy

The Audit Committee of the Company established in accordance with Article 415-2 and Article 542-11 of the 「Commercial Act」 and Article 30 of the 「Articles of Incorporation」 shall define the duties, authorities, composition and others of each committee pursuant to pertinent laws and regulations as well as the 「Articles of

Incorporation」 on the Audit Committee Regulation, and it carries out the works as the Internal Audit Organization that is independent from the top management.

□ Following Article 4 of the 「Audit Committee Regulation」 and Article 415-2 of the 「Commercial Act」, the Audit Committee shall be comprised with 3 or more directors, but 2/3 or more of total members shall be organized with the non-standing directors, and at least 1 member shall be appointed by the accounting or finance specialist.

□ Following Article 26 of the 「Articles of Incorporation」, the appointment of standing audit members (in-company directors) is nominated by the ‘Officer Nomination Committee’ in multiple numbers to have the President appoint them with the second motion by the Minister of Planning and Finance through the deliberation and resolution of the Public Institution Steering Committee under the Ministry of Planning and Finance and the resolution of the meeting of shareholders. The appointment of non-standing audit members (external directors) is nominated by the ‘Officer Nomination Committee’ in multiple numbers to have the Minister of Planning and Finance appoint them through the deliberation and resolution of the Public Institution Steering Committee under the Ministry of Planning and Finance and the resolution of the meeting of shareholders.

□ Currently, the Audit Committee is organized by two non-standing directors and 1 senior director, and 2 of them (Director Choi Don-yong and Director Kim Joo-il) are accounting and finance specialists, respectively following Article 37 (2) of the Enforcement Decree of the 「Commercial Act」. Standing audit members are the heads of 3 organizations from cities and provinces (deputy administrative governors) and have the specialization to duly carry out the roles of supervision on legitimate and reasonable processing of works by top management on the basis of experience to manage the Audit Committee.

□ The detailed status on organizing the Audit Committee is shown as follows.

<Status of organizing the Audit Committee as of the report submittal date>

Organization			Experience and qualification related to audit works	Remark
Title	Classification	Name		
Chairman	non-standing director (External director)	Choi Don-yong	CPA (acquired in 1995) - Accounting Firms of Anjin/Anjeong/Samjeong (1992~1999) Team Manager of Planning Audit Team, Office of Planning and Control, Tongil Group (Assistant Executive Director, 2007) Director of Office of Management Planning, Boyeong Medians Co., Ltd. (Executive Director, 2016)	Accounting specialist
Member	Senior Director (In-company director)	Song Seok-du	- Deputy Governor of Chungcheongnam-do (2013~2016) - Deputy Mayor of Daejeon Metropolitan City (2016~2017) - Deputy Governor of Gangwon-do (2017~2019)	-
Member	Non-standing director (External director)	Kim Joo-il	PhD in Management (Financial Management), Gyeonggi National Univ. (2011) - Professor, Inha Univ. (2009~2011) Finance Executive, Infinite Investment Advisory Co., Ltd. (2009~2012) - UP Capital Co., Ltd, External Director (2012~2014) Associate Prof. of Gyeonggi National Uni. (2011~)	Finance specialist

※ Kim Joo-il, Non-resident Audit Member (External director), was appointed as an audit member in the 22nd meeting of shareholders (2020. 3. 30)

B) Operation of the Audit Committee

(1) Operation regulation

The Audit Committee of the Company shall supervise the work execution of the top management and directors for making reasonable management decision and directors with deliberation and resolution on matters delegated by audit and Board of Directors for accounting and other works in accordance with the 「Audit Committee Regulation」, 「Audit Regulation」 and 「Detailed Rule for Audit Regulation and Implementation」. Detailed role of the Audit Committee is set forth as follows under Article 30-2 of the 「Articles of Incorporation」 Article 3 and Article 10 of the 「Audit Committee Regulation」.

<Duties and authorities of the Audit Committee>

① The Committee monitors the accounting and affairs of the Company and reports the result to the Board of Directors.
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- ② The Committee may request the report on business to the director or investigate the affairs of the Company or property status at any time.
- ③ The Committee may investigate the agenda and documents to be submitted to the meeting of shareholders to check if there are any unjust matters under the laws, regulations, or Articles of Incorporation or committed any clearly unjustifiable action and present its opinion to the meeting of shareholders for the above matter.
- ④ The Committee may submit the Board of Directors with a written document that specifies the purpose of meeting, ground of convening and others to make demand to convene the special meeting of shareholders through the resolution of the Board of Directors.
- ⑤ In the event that there is a concern that a director has committed an act to irrevocably damage the Company by committing any act in violation of laws, regulations or Articles of Incorporation, the Committee may request to suspend such act for the Company.
- ⑥ When it is required to carry out the work, the Committee may request to report of business to its subsidiary company, investment-chartered institution, re-investment and re-capital institution.
- ⑦ The Committee shall process the matters delegated by the Board of Directors and matters set forth under the Articles of Incorporation or laws other than Paragraph 1 through Paragraph 5.

<Matters of deliberation and resolution by the Audit Committee>

- ① Claim for convening the special meeting of shareholders and Board of Directors
- ② Result of survey on documents and agenda of meeting of shareholders
- ③ Report to the Articles of Incorporation on breaches by a director regarding laws, regulations or 「Articles of Incorporation」
- ④ Representative of the Company for the case of conflict for the interest of director or interests of the Company for litigation between the directors and the Company
- ⑤ In the event that a director is concerned of engaging in an act to violate laws, regulations or Articles of Incorporation to inflict irreparable damage to the Company, the Committee may request to suspend the action for the Company.
- ⑥ Preparing and submittal of audit report on financial statements to be submitted to the meeting of shareholders
- ⑦ Appointment of the Commissioner
- ⑧ Request of business report on director
- ⑨ Evaluation of appropriateness of devising and operation of internal control system in the fiscal year
- ⑩ Approval on appointing, modification and dismissal of external auditor
- ⑪ Opening and closure of instruction for audit related regulations
- ⑫ Consent on appointment and dismissal of head of audit dept.
- ⑬ Establishment of annual audit plan
- ⑭ Matters delegated from the Board of Directors
- ⑮ Matters acknowledged as required by the committee and matters set forth by other laws, regulations, 「Articles of Incorporation」 and others

□ In addition, the Company is a market-type public company that any matter on the standing audit member or audit dept. for audit work performance is based on the pertinent laws and regulations, such as the 「Act on Public Sector Audits」, 「Act on the Management of Public Institutions」, 「Public Management Information Disclosure System」 and others.

□ The Audit Committee holds the general committee meeting once each term and holds the special committee from time to time as needed in accordance with Article 6 of the 「Audit Committee Regulation」.

□ The 「Audit Regulation」 and 「Detailed Rule for Audit Regulation and Implementation」 regulates the audit organization to take the role of Audit Committee, procedure of audit works, audit activity expense of the auditor and others. In addition, the organization of appropriate size, HR, and budget that are required for the effective performance of the audit duties by the Company for the Standing audit member is reflected, and the standing audit member is specified to request for required support to the Company. The 「Audit Regulation」 and 「Detailed Rule for Audit

Regulation and Implementation」 are revised through the approval of the Audit Committee.

□ Based on the authority of auditor as specified under Article 12 of the 「Audit Regulation」, the Audit Committee and its support organization (office of auditor) may request for submitting all work related books on management, and attendance/response of relevant person, and it shall retain the authority to demand the personal sanction for any employee refusing the audit, submitting false data, or refusing to submit data without justifiable cause.

□ In addition, the head of audit subject dept. and relevant persons under Article 27 of the 「Audit Regulation」 shall enthusiastically cooperate to flawlessly carry out the audit works, and by causing to be subject for aggravated punishment in times of false statement in auditing, concealing data or refusal to submit data in a way of supporting the Audit Committee for its authority to audit the management organization with independence. The Audit Committee of the applicable company under such a stringent regulation may have the access to all management information, and there has been no restriction in accessing to the management information to this point.

(2) Support for education and external advisory

The Company supports specialized education opportunity in various fields of government and private institutions, independent education and others related to the audit in a way for an audit member to effectively carry out the audit works, and implement education in finance, accounting and others for once or more a year for all audit members for seeking of strengthening competency for the audit members. The status of education implemented in 2019 is shown as follows and depending on the COVID-19 crisis situation, the Audit Committee education planned to be postponed and implemented in the second half of 2020.

<Status of education implementation of the Audit Committee>

Date of education	Time of education	Main body for education	Attending Audit Member	Main contents of education
2019.5.21.	1 hour	Board of Audit and Inspection	Song Seok-du	Audit education
2019.5.24.	3 hours	Korea Listed Companies Council	Song Seok-du	Audit education
2019.6.3.	20 hours	Korea Internal Control Evaluation Center	Song Seok-du	Acquisition of certificate for audit education and internal control evaluation
2019.6.3.	2 hours	Insurance Training Center	Choi Don-yong, Han In-goo, Song Seok-du	Anti-money laundering education
2019.6.27.	14 hours	Audit Education Board	Song Seok-du	Audit education
2019.7.5.	6 hours	Korea Public Institution Audit Association	Song Seok-du	Audit education
2019.8.29.	1 hour	E&Y Accounting Firm	Choi Don-yong, Han In-goo, Song Seok-du	Accounting transparency enhancement plan
2019.8.30.	37 hours	Seokang University	Song Seok-du	Internal audit specialized process
2019.10.20.	32 hours	Korea Public Institution Audit Council	Song Seok-du	International Anti-corruption Academy (IACA)
2019.12.23.	1 hour	Accounting Firm Anjin	Song Seok-du	Internal accounting management system change related

(3) Control on top management

□ The Audit Committee may implement the audit on accounting and corporate affairs in accordance with Article 30-2 of the 「Articles of Incorporation」, and following Article 3 of the 「Audit Committee Regulation」, in the event that there is any concern of irreparable damage to the Company as it may request for report on the director at any time or engage the director to commit any breach against the Articles of Incorporation, it is entitled to claim for suspension. In addition, the Audit Committee may attend in the variety of management related meetings in addition to the Board of Directors to undertake the role of check and balance in the decision making of the top management.

□ The Company shall follow the 「Act on the Management of Public Institutions」 as a public institution and it works as a controlling device for the top management. It is specified on dismissal, damage compensation and its

procedure to the top management including representative director under Article 22 of the same Act (in the event that there is a clear interference with the work performance as the head of institution by neglecting the duties or committing any act against laws and regulations or Articles of Incorporation it goes through the resolution of the Board of Directors to request the chairman or the pertinent agency to dismiss or propose to dismiss the head of institution), Article 35 (2) (in the event that the obligations and responsibilities following Paragraph 1 and duties following Article 32 are not carried out or neglected by non-standing directors and standing audit members, the Minister of Planning and Finance may propose the dismissal to the person with right to dismiss or appoint or dismiss the non-standing director or standing audit member through the deliberation and resolution of the steering committee, and may request for the public company to claim the damage compensation), Article 35 (3) (in the event that the head of institution or senior director fails to perform the duties following Article 32 and obligations and responsibilities following Paragraph 1 or neglected the same, the chairman of the pertinent agency may dismiss the head of institution or senior director or may propose or demand the person with the right to appoint or dismiss or head of institution, , and may request for the public company to claim the damage compensation. However, in the event that the head of institution of public company is dismissed or the dismissal is proposed to the person with the right to appoint or dismiss, it shall go through the deliberation and resolution of the steering committee)

□ In 2019, following the audit work approval standard under Article 5-2 (2) of the 「Audit Regulation」, the approved document of the representative director is specified to obtain the ordinary audit of the standing audit member (revised in April 2019) to strengthen the check and balance function on the decisions of top management. In addition, the audit management recommendation system linked with the e-audit system is systematized to manage the management proposal of various fields with various meetings, and the management control index of standing audit members is developed to periodically implement the independent measurement in facilitating the same to verify and improve the effectiveness on the management proposal outcome.

(4) Establishment of independent internal audit dept.

The Company defines the detailed matters on the 「Audit Regulation」 with respect to duties, operation, qualification, education, personnel, obligation, norm of ethical conduct, right, work procedure, Report and others for the audit support organization. Accordingly, it operates the independent support organization (office of auditor, a total of 28 persons as of the report submittal date) for diligent work support of the Audit Committee as follows.



감 사 Committee	Audit Committee
감 사실	Office of Audit
기 획 audit 팀	Planning and Audit Team
경 영 audit 팀	Management Audit Team
청 령 audit 팀	Integrity Audit Team

□ The support organization shall maintain the independence on its works as an auditor based on the 「Audit Regulation」 and carry out the works in accordance with the ethical behavior norm, and comprised with the HR equipped with the conforming qualification and specialization.

□ The support organization carries out the audit affairs, such as comprehensive audit, ordinary audit, special audit and service audit in accordance with the annual audit plan acquired with the approval of the Audit Committee in the beginning of the year based on the 「Audit Regulation」 and 「Detailed Rule for Audit Regulation and Implementation」, and the result is reported periodically to the Audit Committee. In addition, the audit result is reported to the Board of Directors for each year.

□ In addition, in order to secure the authority of independent internal audit department from the top management, the

personnel of internal audit dept. shall be carried out by the representative director following Article 9 of the 「Audit Regulation」, and in the event that the request could not be followed, the cause shall be explained in writing.

(5) Remuneration policy for Audit Member

The remuneration of the non-standing audit member is paid for less than KRW 30 million pursuant to Article 5 (allowance of non-standing audit and non-standing director) of the 「Public Management Information Disclosure System」, and there is no remuneration difference between a non-standing audit member and non-standing director. However, when holding the Audit Committee for 4 times or more for each year, a separate allowance for deliberation may be paid. The remuneration of standing audit member is paid for 80% or less of base salary for the head of institution based on Article 4 (Adjustment of Base Salary) of the 「Public Management Information Disclosure System」.

2) Activities of the Audit Committee

(Detailed principle 9-②) The Internal Audit Organization of the Audit Committee. Audit and others shall duly perform the works related to audit, such as hosting the regular meetings, and provide the activity contents transparently.

A) Meetings of the Audit Committee

The Audit Committee was held a total of 8 times in 2019 and twice in first term of 2020, and each time of holding, all 3 audit members attended in to discuss a total of 17 cases for matters to resolve and 54 cases for matters to report to carry out the audit affairs diligently as follows.

<Contents of holding the Audit Committee meetings (2019 ~ as of the report submittal date)>

Sequence	Meeting date	Attendance/ Full capacity	Agenda		Adoption
			Classification	Contents	
88 th	2019.2.28.	3/3	Matters to resolve	The 21 st audit report (Proposed)	Adopted
			Matters to resolve	Evaluation of operation status for 2018 internal accounting management system (Proposed)	Adopted
			Matters to resolve	Consent on appointment of the head of audit dept. (Proposed)	Report
			Matters to report	Report of operation status for 2018 internal accounting management system	Report
			Matters to report	and the 21 st Financial Statements and business Report	Report
			Matters to report	Report of audit result for the 21 st external auditor on audit settlement Report of audit result on AML	Report
			Matters to report	(Anti-money Laundering) operation status inspection	
			Matters to report	Report of audit result in 2016 for the case of sexual harassment by a third party	
			Matters to report	Report of specific audit result related to the organization culture	Report
			Matters to report	interfering act	Report
			Matters to report	of condo team	Report
				TF to improve the audit activities on result report for monetary lending cases between employees	Report
				Report of activity result	
				Report of operation result for 2018 clean citizen audit center	
89 th	2019.3.21.	3/3	Matters to resolve	Result of document survey and agenda for the 21 st general meeting of shareholders (Proposed)	Adopted
			Matters to report	Opinion of evaluation related to the status of operating the internal monitoring devices (Proposed)	Adopted
			Matters to report	Report of audit result for the Ministry of Industry, Trade and Industry	Report
			Matters to report	Report of audit result for Board of Audit and Inspection	Report
			Matters to report	Report of specific audit result related to illegal instruction for personal gain	
				Report of specific audit result for traffic accident involving death of pedestrian	
90 th	2019.4.30.	3/3	Matters to resolve	Revision of detailed rule of implementing the audit regulation (Proposed)	Adopted
			Matters to report		Adopted

				Report of specific audit for status of personal information management Report of specific audit for violation of officer and employee ethics code of conduct guideline and regulation	
97 th	2020.3.20.	3/3	Matters to resolve Matters to resolve Matters to resolve Matters to report Matters to report	Result of survey on agenda and documents of the 22 nd general meeting of shareholders (Proposed) Opinion on evaluation on the operation status of internal audit device (Proposed) Revision of operation instruction for auditor clarification system, for active administrative exemption (Proposed) Report of specific audit for the case of violating the 'Solicitation Prohibition Act' by the person in charge of service Report of specific audit for abusive act on junior employees (verbal abuse)	Adopted Adopted Adopted Report Report
98 th	2020.5.27.	3/3	Matters to resolve Matters to report Matters to report Matters to report	Revision of detailed rules on audit regulation and audit regulation implementation (Proposed) Report of accounting audit in the 1Q of 2020 Report of specific audit related to stealing of currency box for slot machines Report of specific audit related to the computer equipment purchase and management status Report of specific audit for employee competency development education lecturing	Adopted Report Report Report Report

<Contents of attendance for each member of the Audit Committee>

Classification	Sequence	88th	89th	90th	91st	92nd	93rd	94th	95th	96th	97th	98th
	Date of hosting	2019									2020	
		2.28.	3.21.	4.30.	7.15.	8.29.	9.25.	11.21.	12.12.	3.4.	3.20.	5.27.
non-standing director (External)	Choi Don-yong	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Han In-goo	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Kim Sang-il	Attended	Attended	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Kim Joo-il	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Senior Director (In-company)	Song Seok-du	Not applicable	Not applicable	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

※ Han In-goo, non-standing audit member, resigned on Mar. 26, 2020 and ended its duties on Mar. 29, 2020
 ※ Kim Sang-il, non-standing audit member, ended its term on Mar. 29, 2019 and ended its duties on Apr. 7, 2019
 ※ Kim Joo-il, non-standing audit member, began its term as appointed by the 22nd meeting of shareholders (2020. 3. 30)
 ※ Song Seok-du, standing audit member, started its term from Apr. 6, 2019 (appointment date by the president) as appointed by the 21st meeting of shareholders (Mar. 28, 2019)

Attendance rate of the Audit Committee for each audit member in the recent 3 business years>

Classification	Name	Attendance rate (%)			
		Average of employment	Recent 4 years		
			2019	2018	2017
Non-standing director (External director)	Park Su-hoon	100.0	-	-	100.0
	Jeon Hyun-cheol	94.7	-	-	100.0
	Kim Ho-beom	100.0	-	-	100.0
	Choi Don-yong	100.0	100.0	100.0	100.0
	Han In-goo	100.0	100.0	100.0	100.0
	Kim Sang-il	83.3	100.0	83.3	75.0
Senior Director (In-company director)	Song Seok-du	100.0	100.0	-	-

B) Internal regulation on the audit procedure etc

□ Chapter 3 of the 「Audit Regulation」 defines the procedure of the audit work involving establishment of audit plan, notice of audit implementation, measures on audit result, petition for appeal and so forth, and the implementation method of the audit class and detailed procedure are set forth separately on the 「Detailed Rule for Audit Regulation and Implementation」 and process the same with the forms. In addition, the audit result is required to disclose through the homepage of the Company within 25 days after notifying the audit result in accordance with Article 21-2 of the same regulation, and through preparing the independent disclosure standard plan, the full context of the audit report excluding the personal information is disclosed to comply with Article 26 of the 「Act on Public Sector Audits」 and 「Public Audit Standard」 of the Ministry of Planning and Finance.

□ The Audit Committee requires to prepare the minutes regarding Article 14 of the 「Audit Committee Regulation」, and the minutes shall record the date and time of meeting, venue, attendees, agenda, speeches, meeting result with opposing persons and reason for opposition as well as the signature or affixation of seal by attending members. In addition, Article 21 of the same regulation and Article 24 of the 「Detailed Rule for Audit Regulation and Implementation」 define the record and conservation of the minutes, and as a result of audit, the matters required for measure and result of disposition are required to maintain the record.

□ In addition, pursuant to Article 10 (2) of the 「Audit Committee Regulation」, it reviews the survey result on the agenda and document of meeting of shareholders and the agenda and document to be submitted breaches the Articles of Incorporation or clearly unjust and it is reported to the meeting of shareholders, and following Article 8 of the 「Act on External Auditor of Stock Companies, Etc」, it evaluates the operation status of the internal accounting management system and it reports to the Board of Directors at least 1 week prior to the general meeting of shareholders with the evaluation report with signature or affixation of seal for entire Audit Committee members.

B. External Auditor

(Key principle 10) External Auditor

In order to enable the accounting information of a company is to gain the trust from the users, such as shareholders, the external auditor shall perform its audit work fairly as in the independent position from the audit company, its top management, and controlling shareholders.

1) Appointment and operation of the external auditor

(Detailed principle 10-①) The Internal Audit Organization shall prepare and operate the 三 policies for securing the independence and specialization at the time of appoint external auditor.

□ As a listed company for its certificate of share, the Company it defines the standard and procedure on appointment and dismissal of external auditor, securing of independence and exchange of opinion of the external auditor under Chapter ` of the Audit Committee Regulation」 for appointing the external auditor secured with the independence and specialization. Accordingly, The appointed external auditor of the Company is E&Y Accounting Firm and it is in charge of external audit from business year in 2020 to business year in 2022. E&Y Accounting Firm has duly carried out the audit works from business year of 2017 to business year of 2019 with reappointment, and it has high level of understanding of the Company with investment in subordinate companies and relevant companies.

□ The Audit Committee held the audit Committee twice in order to appoint external auditor to carry out the audit works from business year of 2020 to prepare the standard and procedure required for appointing the external auditor under Article 10 of the 「Act on External Auditor of Stock Companies, Etc」 , audit time following Article 13 of the Enforcement Decree of the same Act, audit personnel, appropriateness of audit remuneration and audit plan, independence of auditor, audit time etc. After receiving the proposal from a number of accounting firms regarding the external audit works, comprehensive evaluation has been processed for securing level of understanding of the Company, performance experience of similar fields, audit execution plan, specialized HR and operation plan, audit quality assurance plan etc. As such, through the fair and transparent evaluation procedure following the pertinent laws and regulations, E&Y Accounting Firm that received high assessment compared to other firms in the fields of level of understanding, audit quality, guarantee plan, added service field and it has been appointed again as the external auditor of 3 business years continued from business year in 2020 of the Company. In the future, following the revised 「Act on External Auditor of Stock Companies, Etc」 , it plans to implement the substantive evaluation on the audit activities of the external auditor.

□ The Company has reviewed for all non-audit works for securing independence of the auditor pursuant to Article 18 (Securing of Independence) of the 「Audit Committee Regulation」 , and there is no non-audit work contract executed between the external auditor (including E&Y Accounting Firm and its subsidiary company) for business year in 2017 ~ business year 2019 and the Company along with the review of the audit works and internal accounting management system. In addition, the prohibited works defined under Article 21 of the 「Certified Accountant Act」 place the effort for securing independence of the external auditor for processing through other accounting firm, and pursuant to the 「Accounting and Audit Standard 260」 , it is communicated with the Company in writing for the Company regarding independence of the external auditor.

2) Communication with the external auditor

(Detailed principle 10-②) Internal Audit Organization shall be communicated periodically with the external auditor in all stages, such as external audit implementation, report of audit result, etc

- The Audit Committee and its support organization are reported for important accounting processing standards and audit result pursuant to Article 10 (Resolution and Matters to Report) of the 「Audit Committee Regulation」, and it is directly reported without the attendance of the top management from external auditor regarding review of quarterly/semi-annual financial statements, internal accounting management system operation status review, annual audit plan, schedule, and other important matters, and with respect to important issues, sufficient decision making is made by processing the communication in various methods, such as e-mail, cable phone and others.
- In 2019, the meetings participated by the top management attended without audit organization and external auditors without the attendance of top management were held for four times to stipulate on matters to note critically on annual audit plan, financial statements test, core audit system, internal accounting management system, accounting transparency enhancement plan, and management in general, and the stipulation result is reflected on the internal audit works if necessary. Furthermore, through e-mail and others, communication has been made on main matters for sufficient communication of once or more for each term with the external auditor. During 2020, the Audit Committee person to person meetings participated by the top management attended without audit organization and external auditors without the attendance of top management will be held once a term, and it will continue through various methods.
- As an Audit Committee support organization, the audit office is reported for audit activity result from the external auditor for each term, and it exchanges the opinions on matters related to various matters in diverse ways.
- The Audit Committee is to have the report of the illegal activities on the job of the director from external auditor in accordance with Article 10 (2) of the 「Audit Committee Regulation」, or fact of breaching laws and regulations and Articles of Incorporation, or fact of violating the accounting processing standard of the Company.
- The contents that the financial statements prior to audit (consolidated & separate) for the recent 3 years to the external auditor are shown as follows.

Date of submittal	Contents submitted	external auditor
2020. 1. 28.	Financial statements prior to audit (consolidated & separate) in 2019 (22nd term)	Earnest & Young
2019. 1. 25.	Financial statements prior to audit (consolidated & separate) in 2018 (21st term)	Earnest & Young
2018. 1. 22.	Financial statements prior to audit (consolidated & separate) in 2017 (20th term)	Earnest & Young

<Attachments>

1. Status of compliance with the core index for corporate governance structure
2. Articles of Incorporation of Kangwon Land Co., Ltd.
3. Kangwon Land Co., Ltd.' Board of Directors regulation
4. Kangwon Land Co., Ltd. Audit Committee regulation

※All internal regulations of the Company, including the above-referenced regulations are available to access in the homepage of the Company (<https://kangwonland.high1.com>) and Public Management Information Disclosure System (Alio, <http://www.alio.go.kr>).

Attachment 1
Status of compliance with the core index for corporate governance structure

Classification	Core index	Compliance		Detailed description on the compliance mark	Remark
		○	X		
Shareholders	① Implement convening notice at least 3 weeks prior to the meeting of shareholders		X	Pursuant to Article 542-4 of the Commercial Act, the convening notice of the meeting of shareholders shall be implemented 15 days prior to the meeting date	Refer to 7p
	② Implement electronic voting *		X	It has not been introduced up to now and introduction is considered in the future	-
	③ Holding the meeting of shareholders other than the concentration date *	○		Applicable for the 22 nd general meeting of shareholders (2020.3.30)	Refer to 7p
	④ Notify shareholders for once or more a year with the dividend policy and dividend implementation plan		X	The dividend implementation plan is established in accordance with the applicable performance for each year and it is informed through the electronic disclosure for each determining phase (Board of Directors and general meeting of shareholders). No separate dividend policy is announced	Refer to 11p
Board of directors	⑤ Preparation and operation of CEO succession policy (including policy to appoint in times of emergency)	○		Following the 「Act on the Management of Public Institutions」 and 「Operation Regulation of the Officer Nomination Committee」 of the Company, candidate selection standard, education, evaluation and the like are implemented and the regular improvement and supplementation of the applicable regulations are made	Refer to 17p
	⑥ Preparation and operation of internal control policy	○		Regulation, system and other policies are prepared and operated accordingly for each category for internal control, such as risk management, compliance management, internal accounting management, disclosure information management and so forth	Refer to 18p
	⑦ Separate the chairman of the Board of Directors and representative director	○		Pursuant to Article 33 (5) of the 「Articles of Incorporation」, the chairman of the Board of Directors and representative director shall be separated	Refer to 23p
	⑧ Adopt intense voting system **	○		The 「Articles of Incorporation」 does not exclude the intense voting system.	Refer to 27p
	⑨ Establishment of policy for preventing the appointment of officer from a person responsible for damaging corporate value or infringing the rights of shareholders	○		A person without the cause of q6 pursuant to Article 34 of the 「Act on the Management of Public Institutions」, Article 33 of the 「State Public Officials Act」, and Article 13 of the 「Operation Regulation of the Officer Nomination Committee」 shall be selected as the officer candidate and the additional q6 is determined in the candidate qualification deliberation process of the 「Public Institution Steering Committee」	Refer to 28p
	⑩ Non-existence of external director who has been serving for a long time in excess of 6 years	○		There is no external director who has been serving for a long-term of 6 years or longer	Refer to 30p
Audit organization	⑪ Providing education for once or more per year regarding the Internal Audit Organization **	○		Education related to finance, accounting and others subject for the Audit Committee has been implemented	Refer to 46p
	⑫ Establishment of independent internal audit dept. (organization to support internal audit works)	○		Based on the 「audit regulation」, the internal audit department is established with the activities independent from the top management	Refer to 47p
	⑬ Existence of specialist in accounting or finance for Internal Audit Organization	○		The Audit Committee (a total of 3 persons) has accounting specialist (1 person) and finance specialist (1 person) pursuant to the Enforcement Decree of the 「Commercial Act」	Refer to 44p
	⑭ Holding meetings with external auditor without the attendance of top management for once or more for each term by Internal Audit Organization	○		The Audit Committee is sufficiently communicating with the external auditor for at least once for each term without the top management in attendance	Refer to 53p
	⑮ Whether the management related important information is prepared with the procedure to access by the Internal Audit Organization	○		The 「audit regulation」 defines the authority of the Audit Committee to have the access to all management information required and cooperation, obligation, and punishment of the subject of auditing	Refer to 46p