

Hyundai Elevator Co., Ltd.
The 41st Annual General Meeting of Shareholders
Convocation Notice

2025.03.11



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1. Letter to Shareholders

Dear Valued Shareholders,

We extend our sincerest appreciation for the trust and support you have placed in Hyundai Elevator as we pursue growth and innovation. Your unwavering confidence has been instrumental in driving our steady growth, even amidst challenging market conditions.

In 2024, the global economy faced significant uncertainties due to ongoing conflicts and high interest rates, compounded by a sluggish domestic construction industry. Despite these challenges, we achieved notable milestones. Notably, we surpassed 200,000 elevators under maintenance domestically for the first time in 40 years since our founding. Our inclusion in the government-selected 'Korea Value-Up Index Fund' underscores our commitment to enhancing shareholder value.

[Financial Highlights]

In 2024, despite a difficult business environment, we successfully targeted the replacement demand market, achieving remarkable growth through sustained maintenance services. Our standalone sales increased by 5.7% year-over-year to KRW 1,989.1 billion, while operating profit rose by 65.9% to KRW 167.7 billion. We maintained a market share of 37.4% in the domestic new elevator market, securing the top position for the 18th consecutive year, and continued to lead the maintenance market for the 10th consecutive year.

Our consolidated performance also showed significant improvement in 2024, with sales increasing by 10.9% year-over-year to KRW 2,885.3 billion and operating profit rising by 173.2% to KRW 225.7 billion. This marked a meaningful year in which we achieved both sustained growth and profitability.

[Improvement in Corporate Governance]

We continue to enhance our corporate governance policies to increase shareholder value. In December 2024, we disclosed a plan to enhance corporate value, providing a clear roadmap for the shareholder return policy announced in November 2023. This plan aims to achieve an ROE of 15% and over 50% shareholder return by 2027, aligning with market expectations.

To ensure the sustainability of shareholder returns, our Board of Directors has resolved to distribute a cash dividend of KRW 4,000 per share for the second consecutive year. We also implemented an interim dividend by the end of June 2024 to continue providing consistent returns to shareholders.

At this shareholders' meeting, we are proposing amendments to our articles of incorporation to strengthen ESG-related corporate governance. These include formalizing the composition of the audit committee with all independent directors (already in practice), allowing the Board to designate the record date for dividends to enhance flexibility, and introducing quarterly dividends.

Additionally, in accordance with the Commercial Act, which requires that reserves exceeding 150% of capital be transferred to retained earnings to meet various corporate needs, we plan to convert KRW 307.2 billion in capital reserves to retained earnings.

Finally, we have completed the establishment and evaluation of the Board operation assessment system, marking the final step in our six-point policy for enhancing Board operations announced in 2023.

[Pursuit of Sustainability]

We are strengthening our sustainability through ESG management. In the 2024 KCGS (Korea Institute of Corporate Governance and Sustainability) evaluation, we achieved an overall grade of A, with grades of A in the environmental sector, A+ in the social sector, and B+ in the governance sector. We also received an AA rating in the Sustainvest evaluation, recognizing our ESG management level. Furthermore, we were selected as the top company in the steel/mechanical industry by the ESG Happy Economy Research Institute.

We are fulfilling our social responsibilities through various activities. By expanding employment opportunities for people with disabilities, we opened 'Ellis Cafe' at our Chungju headquarters, providing jobs and fostering an inclusive corporate culture. We also continue to support local community scholarships, sponsor the Korean Foundation for Children with Leukemia, and assist low-income vulnerable groups, practicing the value of sharing with our employees. For more details on our ESG activities, please refer to our ESG report scheduled for release in June of 2025.

[2025 Annual General Meeting of Shareholders]

At the upcoming 41st Annual General Meeting of Shareholders on March 26th, we will address the approval of financial statements, the transfer of capital reserves to retained earnings, the appointment of directors, the appointment of independent directors to the audit committee, amendments to our articles of incorporation, and the approval of director compensation limits.

Lastly, Hyundai Elevator is committed to meeting your expectations through relentless efforts. In return for your trust, we promise continuous innovation, efficient management, and responsible corporate operations. We look forward to your continued interest and support.

Thank you.

Cho Jae Cheon
CEO, Hyundai Elevator Co., Ltd.

2. Notice of Convocation for the Annual General Meeting of Shareholders

We extend our warmest wishes for your good health and happiness.

In accordance with Article 365 of the Commercial Act and Article 17 of the Company's Articles of Incorporation, we hereby notify the convocation of the 41st Annual General Meeting of Shareholders. We kindly request your attendance.

- Details -

1. Date and Time : March 26, 2025 (Wednesday) 9am (KST)

2. Location : Welfare Building 4th Floor Auditorium (Bok-ji Dong), 128, Chungjusan-dan 1-ro, Chungju-si, Chungcheongbuk-do, Republic of Korea

3. Purpose of the Meeting

A. Report Items :

- Audit Report
- Business Report
- Report on Internal Accounting Control System Operation Status
- Report on Transactions with Major Shareholders and Affiliates

B. Resolution Items

- Agenda Item 1: Approval of the 41st Financial Statements (including the Statement of Appropriation of Retained Earnings) and Consolidated Financial Statements
- Agenda Item 2 : Transfer of Capital Reserve to Retained Earnings
- Agenda Item 3 : Election of Directors
Agenda Item 3-1 : Re-election of KIM Jung Ho as Independent Director (1 year)
Agenda Item 3-2: Election of KIM Han Su as Independent Director (3 years)
- Agenda Item 4 : Appointment of Audit Committee Members from Independent directors
Agenda Item 4-1: KIM Jung Ho
Agenda Item 4-2: KIM Han Su
- Agenda Item 5 : Partial Amendment to the Articles of Incorporation
Agenda Item 5-1: Amendment to Article 41-4 (Audit Committee)
Agenda Item 5-2: Amendment to Article 47 (Distribution of Profits)
Agenda Item 5-3: Amendment to Article 47-2 (Interim Dividend)
- Agenda Item 6 : Approval of the Director's Compensation Limit
※ Compensation Limit: KRW 5.0 Bn (2024 limit: KRW 5.0 Bn)

4. Availability of Management Reference Information

In accordance with Article 542-4, Paragraph 3 of the Commercial Act, the notice and announcement for the General Meeting of Shareholders are available at our headquarters, branches of the Financial Services Commission, Korea Exchange, and the Securities Services Department of KB Kookmin Bank.

5. Items to prepare for Attendance at the Shareholders' Meeting:

- Identification Card for direct participation
- Power of Attorney, proxy's identification card for proxy participation

3. Agenda Items

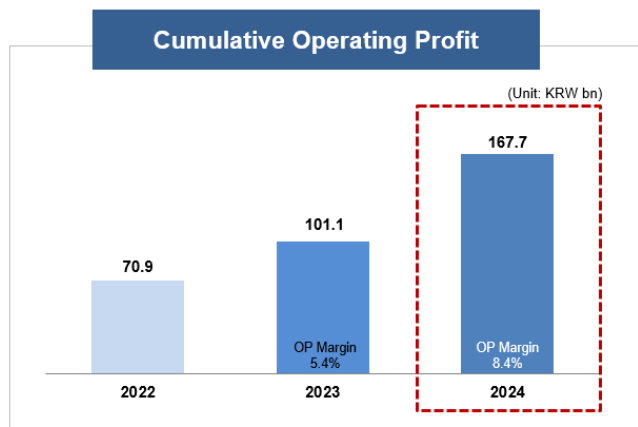
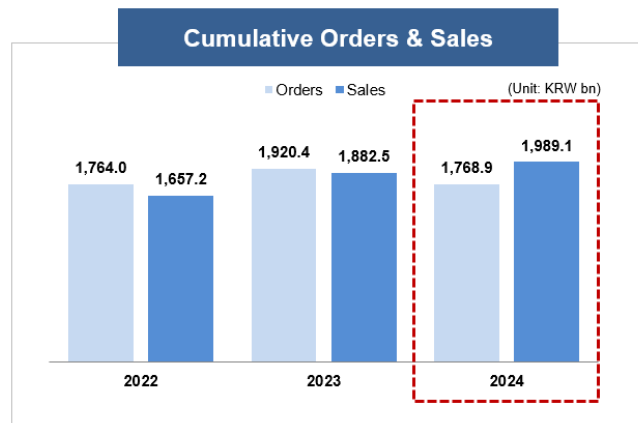
Agenda Item 1: Approval of the 41st Financial Statements (including the Statement of Appropriation of Retained Earnings) and Consolidated Financial Statements

Our financial statements for the past three years have been audited by Samil PWC and have received unqualified opinions. The audit report for the fiscal year 2024 is scheduled for release on March 18, 2025.

During the fiscal year 2024, the construction market experienced a downturn, leading to a decline in new installation orders. However, we benefited from an increase in remodeling project commencements, an expansion of maintenance service contracts, and a moderate improvement in the performance of our affiliate, Hyundai Movex, resulting in overall sales growth compared to the previous year.

In terms of operating profit, we achieved improved profitability at project sites through enhanced cost efficiency, expanded our high-margin service portfolios, and maintained ongoing cost reduction efforts. Additionally, certain affiliates that reported losses in 2023 successfully turned profitable in 2024, collectively contributing to increased performance compared to the previous year.

Meanwhile, our debt levels increased due to heightened debt financing activities, including borrowing and bond issuance, compared to the previous year. Furthermore, the payment of cash dividends led to a decrease in retained earnings on a consolidated basis, which in turn reduced our total capital compared to the previous year.



On the business front, we will enhance profitability by strengthening our core elevator business capabilities in Korea and achieving visible profit realization from our overseas elevator business. We will also strive to secure new growth drivers by entering the modular construction market and developing AI/smart technologies.

In our domestic business, we plan to enhance profitability by strengthening our core elevator business capabilities and reinforcing our market position through new and remodeling projects. We will expand partnerships in the apartment market, grow our MOD (Modernization) business, develop premium products, and increase regular maintenance prices to improve the profitability of our maintenance business. Additionally, we will provide differentiated services and enhance profitability by leveraging MIRI services and IoT technologies.

In our overseas business, we will pursue expanded orders and improved profitability through our headquarters' overseas sales strategy. We plan to increase our market share in key overseas subsidiaries, including China, Indonesia, Vietnam, Malaysia, and Turkey, by implementing localized sales strategies. We will also focus on profit-oriented order management and increase our margin rates by diversifying materials and options through sales network restructuring.

As a new growth driver, we will strengthen our competitiveness in securing orders by entering the modular construction market and strive for a paradigm shift towards smart mobility through AI and smart technology development. We also plan to secure new growth drivers by expanding smart solutions.

Operating Performance (Summary Consolidated Income Statement)

(Unit: KRW Bn)

Account	2024.1.1.~12.31.	2023.1.1.~12.31.	Remarks
Revenue	2,885.3	2,602.1	
Cost of Goods Sold	2,298.0	2,163.2	
Gross Profit	587.3	438.9	
Selling, General, and Administrative Expenses	361.5	356.3	
Operating Profit	225.7	82.6	
Income (Loss) before Income Tax Expense	258.4	401.6	
Income Tax Expense (Profit)	64.5	87.3	
Consolidated Net Income (Loss)	193.9	314.3	

Financial Position (Consolidated Balance Sheet)

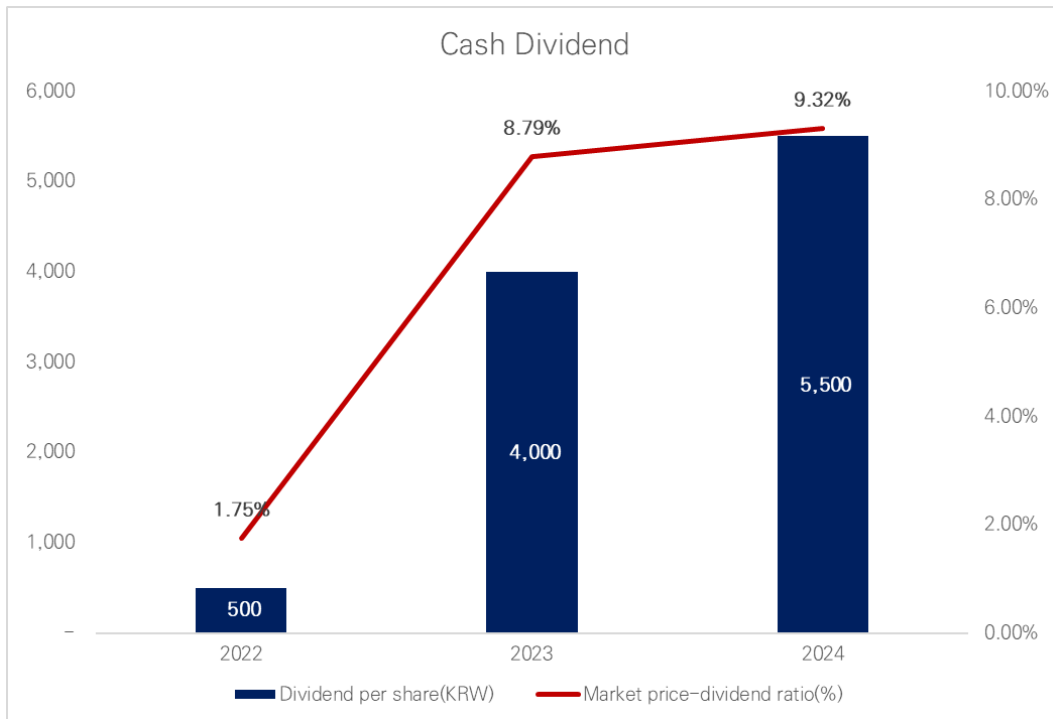
(Unit: KRW Bn)

Account	As at end 2024	As at end 2023	Remarks
Current Assets	1,536.2	1,345.8	
Non-current Assets	2,037.5	2,194.1	
Total Assets	3,573.8	3,539.9	
Current Liabilities	1,638.0	1,333.8	
Non-current Liabilities	593.5	830.1	
Total Liabilities	2,231.5	2,163.9	
Capital Stock	212.2	212.2	
Consolidated Capital Surplus	571.4	573.7	
Consolidated Other Capital Components	(128.8)	(128.8)	
Consolidated Other Accumulated Earnings and Comprehensive Income	7.3	6.4	
Consolidated Retained Earnings (Deficit)	592.5	626.9	
Non-controlling Interest	1,342.3	1,376.0	
Total Equity	35,738	35,399	

We announced our mid-to-long-term dividend policy in the Corporate Governance Policy Report on November 17, 2023, as follows:

- 1) Cash dividends or share buybacks and cancellations at a level exceeding 50% of Ordinary Profits;
- 2) One-time gain will be distributed in cash or through share buybacks and cancellations at a certain ratio; and
- 3) Ensuring stability by setting a minimum dividend payout (KRW 500 per share, based on the 2022 fiscal year-end dividend).

We have consistently expanded our dividend payouts over the past three years by implementing this mid-to-long-term dividend policy. In 2024, we set the annual dividend per share at KRW 5,500 (including an interim dividend of KRW 1,500), representing a 37.5% increase from the previous year. Additionally, we have enhanced shareholder communication through active IR channels, conference participation, English report disclosures, and releases of corporate value enhancement progress, all aimed at maximizing shareholder value.



	FY2022	FY2023	FY2024
Market Price(KRW)	28,590 (’22.12.21~12.27)	45,525 (’23.12.20~12.26)	59,025 (’24.12.20~12.26)
DPS(KRW)	500	4,000	4,000
Dividend Yield (%)	1.75%	8.79%	6.78%
Payout Ratio(%)	25.4%	45.3%	108.4%

Agenda Item 2 : Transfer of Capital Reserve to Retained Earnings

We intend to respond to the various needs by transferring Capital Reserve exceeding 150% to Retained Earnings in accordance with Article 461-2 of the Commercial Act.

We presented a corporate value enhancement plan (Value-Up) in December 2024, which sets targets for achieving a Return on Equity (ROE) of 15% from the perspective of corporate growth and a shareholder return rate of over 50% from the perspective of shareholder growth. To achieve these growth targets, we plan to strengthen our position in the domestic market, make our overseas business performance more visible, and optimize our asset portfolio. To achieve our shareholder value enhancement targets, we will implement a comprehensive shareholder return policy, including the introduction of a pre-dividend reinvestment policy and quarterly dividend payments.

We will utilize the capital reserve funds transferred to surplus not only as resources for implementing its mid-to-long-term corporate value enhancement plan but also as resources for ensuring financial stability.

【Calculation of Transferable Reserve Funds】

	Amount	Calculated Amount	Remarks
Capital Reserve Fund	KRW 582.5 bn	KRW 582.5 bn	① Share Premium
Profit Reserve Fund	KRW 43.1 bn	KRW 43.1 bn	② Statutory Reserve
Capital Stock	KRW 212.2 bn	KRW - 3,18.4 bn	③ 1.5 times the Capital Stock
Calculated Amount		KRW 307.2 bn	① + ② - ③

【Proposal for Transfer of Capital Reserve Funds to Retained Earnings】

	Details	Remarks
Reduction of Capital Reserve Funds	KRW 307.2 bn Reduction(-)	※Main Source: Reduction from Share Premium (KRW 582.5 billion)
Transfer to Retained Earnings	KRW 307.2 bn Transfer(+)	
Effective Date	2025.3.26	

Agenda Item 3, 4 : Appointment of Directors

Our Board of Directors currently consists of a total of seven members, including four independent directors. We plan to propose one new appointment and one reappointment of independent directors at the upcoming shareholders' meeting. The new appointment is due to the expiration of the term of one existing independent director, and there will be no change in the total number of Board members.

Firstly, under agenda items 3-1 and 4-1, we propose the reappointment of independent director KIM Jung Ho (Audit Committee member) for a term of one year. KIM Jung Ho, CEO of Opus Private Equity Co., Ltd. and a Certified Public Accountant, has significantly enhanced the Board's decision-making capabilities over the past two years with his extensive knowledge and expertise in finance and accounting. We expect him to continue contributing to the Board's development in the future.

Under agenda items 3-2 and 4-2, we propose the appointment of KIM Han Su as a new independent director and audit committee member, following the expiration of the term of independent director JEONG Young Gi. KIM Han Su, a managing partner at Law firm Seongzy Partners, has accumulated high expertise in law and compliance through his roles as a member of the Korea Exchange (KRX) Market Surveillance Committee and as a chief prosecutor at the Financial and Tax Investigation Division. We expect him to make substantial contributions not only to enhancing transparency in the capital market but also to overall legal risk management, compliance system strengthening, and establishing corporate ethical management.

We follow a strict and systematic process for appointing independent directors. We evaluate candidates from a broad pool managed by independent external consulting firms and select the first group of candidates based on their capabilities from multiple angles. Then, we conduct thorough qualification verification based on the Board Skills Matrix (BSM), which reflects the company's needs and Board composition requirements. The Independent director Nomination Committee selects the final candidates from a small group of those deemed 'suitable' and presents them as shareholder meeting agenda items.

As independent director JEONG Young Gi, who is currently serving as the Chair of the Board, reaches the end of his term, we plan to appoint a new independent director as the Chair of the Board. This will ensure the continued independence of the board and its committees.

These changes to the Board are expected to further enhance the transparency and efficiency of our corporate governance structure and ultimately have a positive impact on shareholder value. We promise to strive for the optimal Board composition to achieve sustainable growth and maximize shareholder benefits in the future.

Agenda Item 3, 4: Appointment of Directors and Audit Committee Member

Agenda Item 3-1: Election of KIM Jung Ho (Independent Director, 3-year term)

In accordance with Article 382 of the Commercial Act and Article 25 of the Company's Articles of Incorporation, we propose to appoint the following director at the Shareholders' Meeting.

Agenda Item 4-1: KIM Jung Ho (Audit Committee Member)

In accordance with Article 415-2 of the Commercial Act and Article 41-4 of the Company's Articles of Incorporation, we propose to appoint the following director at the Shareholders' Meeting.

※ Biographical Details

Name	KIM Jung Ho
DOB	1970.10.01
Gender	Male
Director Type	Independent Director
Current Occupation	CEO, Opus Private Equity
Key Career Highlights	2011 ~ Present : CEO, Opus Private Equity (CPA) 2006 ~ 2010 : Sr. Vice President, Woori Private Equity
Recent Transaction History	-
with the Company	Independent Director Nomination Committee / 1 Year
Nominator / Term	-
Other Directorships	CEO, Opus Private Equity
Academic Experiences	M.S in Technology Management, SUNY at Stony Brook
Attendance Rate of the Board and Committees	100%
Disqualification Criteria for Independent Directors (Commercial Act Article 382, Paragraph 3)	N/A

※ Reasons for Candidate Nomination

Candidate KIM Jung Ho has contributed significantly to the company's growth strategy development and financial stability during his tenure as an independent director, leveraging his expertise in finance, accounting, and corporate management as the CEO of Opus Private Equity (Certified Public Accountant). He has provided balanced perspectives and practical advice in key decision-making processes.

Based on this comprehensive evaluation, the Independent Director Nomination Committee recommends KIM Jung Ho as a candidate for Independent Director.

Agenda Item 3-2: Election of KIM Han Su (Independent director, 3-year term)

In accordance with Article 382 of the Commercial Act and Article 25 of the Company's Articles of Incorporation, we propose to appoint the following director at the Shareholders' Meeting.

Agenda Item 4-2: KIM Han Su (Audit Committee Member)

In accordance with Article 415-2 of the Commercial Act and Article 41-4 of the Company's Articles of Incorporation, we propose to appoint the following director at the Shareholders' Meeting.

※ Biographical Details

Name	KIM Han Su
DOB	1967.12.28
Gender	Male
Director Type	Independent Director
Current Occupation	Law firm Seongzy Partners, Managing Partner
Key Career Highlights	2022 ~ Present : Law firm Seongzy Partners, Managing Partner 2022 ~ 2024 : Member, KRX Market Surveillance Committee 2017 ~ 2018 : Prosecutor, Ulsan District Prosecutors' Office 2012 : Senior Prosecutor, Financial and Tax Investigation Division 3, Seoul Central District Prosecutors' Office
Recent Transaction History	-
with the Company	Independent Director Nomination Committee / 3 Years
Nominator / Term	-
Other Directorships	Shaperon Co., Ltd. - Audit
Academic Experiences	Bachelor of Laws, Seoul National University MBA, University of Seoul Visiting scholar, George Washington University Law School
Attendance Rate of the Board and Committees	-
Disqualification Criteria for Independent Directors (Commercial Act Article 382, Paragraph 3)	N/A

※ Reasons for Candidate Nomination

Candidate KIM Han Su is expected to make a significant contribution to strengthening the Board's management of financial and legal risks, leveraging his extensive expertise in the fields of law and policy, as well as finance.

KIM Han Su has a deep history of handling legal issues related to corporate financial and accounting operations through his experience as a prosecutor at the Seoul District Prosecutors' Office and his work with the Ministry of Justice's Policy Planning Division. In particular, his experience as a member of the Korea Exchange's Market Surveillance Committee and Corporate Review Committee, where he played a key role in reviewing financial statements and assessing accounting transparency, is expected to directly contribute to enhancing the company's financial soundness and transparency.

Based on this rich experience and expertise, it is anticipated that KIM Han Su will play a crucial role in maintaining the company's healthy financial structure and securing trust in the capital market and among shareholders. Therefore, the Independent Director Nomination Committee recommends KIM Han Su as a candidate for Independent Director.

Composition of the Board of Directors (To-be)

Director Type	Assuming the approval of director appointments at the AGM					
	Name	Sex	Status	Key Career Highlights	Term Ends	Term
Executive	CHO Jae Cheon	M		Current) CEO, Hyundai Elevator Former) Head, Hyundai Elevator Sales Division	'27.03	
Non-Executive Director	KIM Ho Jin	M		Current) Sr. Executive Vice President, Hyundai Group Planning & Development Office Former) Executive Vice President, Daewoo Securities IB Business Division	'27.03	
	RHIM Yu Chul	M		Current) Co-CEO, H&Q KOREA PARTNERS Former) Director/VP, H&Q KOREAPARTNERS	'26.12	
Independent	HAN Hee Won	M		Current) Professor, Dongguk Univ. College of Law Former) Prosecutor (Daegu District Prosecutors' Office, Seoul High Prosecutors' Office)	'27.03	
	KIM Jung Ho	M	Re-appoint	Current) CEO, Opus Private Equity (CPA) Former) Sr. Vice President, Woori Private Equity	'26.03	1 Yr
	LEE Ki Hwa	F		Current) Partner, Dasan Accounting Corp. (CPA) Former) Vice Chairman, Korean Institute of CPA	'26.12	
	KIM Han Su	M	Newly appoint	Current) Seongzy Partners, Managing Partner Former) Member, KRX Market Surveillance Committee	'28.03	3 Yrs
Total: 7			BOD Independence Rate : 57%			

※ Among the board members, the two candidates for director's appointment at the upcoming AGM are marked in blue

Composition of the Audit Committee (As-is) → (To-be)

Committee	Director Type	As-is	To-be	Independence Rate
Audit	Independent director	JEONG Young Gi (Chair)	KIM Jung Ho	100%
		KIM Jung Ho	KIM Han Su	
		LEE Ki Hwa	LEE Ki Hwa	
		HAN Hee Won	HAN Hee Won	

Composition of the Key Governance Committees

Committee	Director Type	As-is	Independence Rate
Independent Director Nomination	Independent director	KIM Jung Ho (Chair)	67%
	Independent director	JEONG Young Gi*	
	Independent director	LEE Ki Hwa	
	Independent director	HAN Hee Won	
	Non-Executive director	KIM Ho Jin	
	Non-Executive director	RHIM Yu Chul	
Evaluation & Compensation	Independent director	KIM Jung Ho (Chair)	100%
	Independent director	JEONG Young Gi*	
	Independent director	HAN Hee Won	
Internal Transaction	Independent director	JEONG Young Gi* (Chair)	50%
	Executive director	CHO Jae Cheon	
	Independent director	KIM Jung Ho	
	Non-Executive director	KIM Ho Jin	
Risk Management	Independent director	HAN Hee Won (Chair)	50%
	Executive director	CHO Jae Cheon	
	Independent director	LEE Ki Hwa	
	Non-Executive director	RHIM Yu Chul	
ESG	Independent director	LEE Ki Hwa (Chair)	50%
	Executive director	CHO Jae Cheon	
	Independent director	KIM Jung Ho	
	Non-Executive director	RHIM Yu Chul	

※ Among the Board members, the two candidates for director's appointment at the upcoming AGM are marked in blue.

※ Directors whose terms have expired are marked with '*'.
※ The composition of committees to be revised after the election of directors at the AGM, subject to discussion at the Board.

Board Skills Matrix

To-be						
Name	Director Type	Management/ Leadership	Finance/ Accounting/ Investment	Legal/Policy	Risk Management	ESG
CHO Jae Cheon	Executive	●			●	●
HAN Hee Won	Independence			●	●	●
KIM Jung Ho	Independence		●		●	●
LEE Ki Hwa	Independence		●		●	●
KIM Han Su	Independence	●	●	●		
KIM Ho Jin	Non-Executive	●	●			
RHIM Yu Chul	Non-Executive	●	●		●	●

※ Among the Board members, the newly nominated director candidates for AGM are marked in gray.

Agenda Item 5 : Partial Amendment to the Articles of Incorporation

Agenda Item 5-1: Amendment to Article 41-4 (Audit Committee)

We have maintained a shareholder-friendly corporate governance policy by ensuring the independence of the audit committee, including composing all audit committee members as independent directors. In 2025, as part of our policy to enhance corporate governance, we plan to codify in our Articles of Incorporation, the policy of having all audit committee members be independent directors. This will transform our current optional policy into a mandatory one through our Articles, thereby solidifying the independence of the audit committee.

This direction aligns with the corporate governance best practices, which recommends that audit committees be composed entirely of independent directors to maintain their independence and expertise.

[Article 41-4 (Audit Committee) Amendment Proposal]

	Current	Revised (Proposal)
Article 41-4 (Audit Committee)	<p>(2) The audit committee shall consist of three or more directors. However, if the number of independent directors falls short of the requirements for forming the audit committee due to vacancies, the next shareholders' meeting convened after the occurrence of such a situation must ensure compliance with the requirements.</p> <p>(3) More than two-thirds of the audit committee members must be independent directors. Members who are not independent directors shall be subject to the provisions of Article 542-10, paragraph 2 of the Commercial Act.</p>	<p>(2) The audit committee shall consist of three or more directors and shall be composed entirely of independent directors. However, if the number of independent directors falls short of the requirements for forming the audit committee due to vacancies, the next shareholders' meeting convened after the occurrence of such a situation must ensure compliance with the requirements.</p> <p>(3) Deleted</p>

Agenda Item 5-2: Amendment to Article 47 (Distribution of Profits)

We aim to continue advancing the domestic capital market and enhancing corporate value. We actively participate in the financial authorities' efforts to address the "Korea Discount" through corporate value-up initiatives by proposing an amendment to our articles of incorporation regarding dividends to align with the corporate governance report guidelines. This aims to implement policies that improve the predictability of investments for investors.

The core of this amendment is to allow the board of directors to determine the dividend record date through a resolution. This establishes a systemic foundation for implementing a "pay dividends before investing" policy, which is to increase the transparency and predictability of our dividend policy.

If this proposal is approved, we expect to be able to execute more flexible and shareholder-centric dividend policies. By providing shareholders with more information and opportunities for choice, we anticipate enhancing the certainty of investment decisions and increasing market efficiency.

【Article 47 (Distribution of Profits) Amendment Proposal】

	Current	Revised (Proposal)
Article47 (Distribution of Profits)	(1) Dividend payments shall be made to shareholders or registered pledgees listed in the shareholders' register as of the end of each fiscal year.	(1) The Company may determine a record date for dividend payments to shareholders or registered pledgees through a board resolution. If such a date is set, it must be publicly announced at least two weeks prior to the record date.

Agenda Item 5-3: Amendment to Article 47-2 (Interim Dividend)

We are continuously striving to enhance shareholder value and advance the capital market. This proposed amendment to our articles of incorporation is part of these efforts, aiming to revise the current interim dividend regulation to introduce quarterly dividends.

The amendment to the "Capital Markets and Financial Investment Business Act" effective December 27, 2024, allows the board of directors to determine the record date for dividends, including quarterly dividends. We intend to reflect this legal amendment in our articles of incorporation to establish a systemic foundation for implementing a "pay dividends before investing" policy in quarterly dividends as well.

If this amendment to our articles of incorporation is approved, we will be able to execute more flexible and efficient dividend policies, which will positively impact both shareholder value enhancement and the company's sustainable growth.

【Article 47-2 (Interim Dividends) Amendment Proposal】

	Current	Revised (Proposal)
Article 47-2 (Interim Dividends)	<p>Article 47-2 (Interim Dividends)</p> <p>(1) The Company shall pay interim dividends in cash to shareholders as of 0:00 on July 1, in accordance with Article 462-3 of the Commercial Act.</p> <p>(2) The interim dividends under paragraph 1 shall be resolved by the board of directors, and such resolution must be made within 45 days after the record date specified in paragraph 1.</p> <p>(3) The interim dividends shall be limited to the amount obtained by subtracting the following amounts from the net asset value shown on the balance sheet of the previous fiscal year:</p> <p style="text-align: center;">(Omitted)</p> <p>(4) If new shares are issued after the start of the fiscal year and before the record date specified in paragraph 1, the provisions of Article 11 shall apply to interim dividends.</p> <p>(5) When paying interim dividends, the same dividend rate as for common shares shall be applied to preferred shares as specified in Article 8.</p>	<p>Article 47-2 (Quarterly Dividends)</p> <p>(1) The Company may pay quarterly dividends in cash through a resolution by the board of directors within 45 days after the end of March, June, and September of each fiscal year, starting from the beginning of the fiscal year.</p> <p>(2) The Company may determine the record date for quarterly dividends through a board resolution and, if such a date is set, must publicly announce it at least two weeks prior to the record date.</p> <p>(3) The specific limits for quarterly dividends shall be in accordance with the Capital Markets and Financial Investment Business Act and other relevant laws and regulations.</p> <p>(4) If new shares are issued after the start of the fiscal year and before the record date specified in paragraph 1, the provisions of Article 11 shall apply to quarterly dividends</p> <p>(5) When paying quarterly dividends, the same dividend rate as for common shares shall be applied to preferred shares as specified in Article 8.</p>

【Note. Addendum】

Addendum (Effective March 26, 2025)	<p>Article 1 (Enforcement of Amendments to the Articles of Incorporation)</p> <p>The amendments to these articles of incorporation shall take effect from the date of the resolution at the regular shareholders' meeting for the 41st fiscal year.</p>
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Agenda Item 6: Approval of the Director's Compensation Limit

We operate a reasonable compensation system that provides long-term incentives and motivation for enhancing corporate value, based on objective and systematic criteria using both quantitative and qualitative metrics.

We have maintained the same board size as the previous year while keeping the compensation cap for directors at KRW 5.0 billion, considering various circumstances. This is to prepare for potential adjustments in the compensation system in the future and to establish a foundation that can further strengthen the capabilities of the board.

We will strive to ensure efficient operations while allocating budgets to enhance the independence of the board.

[FY 2022~2024 Limit and Actual, FY 2025 Limit Proposal]

(KRW bn, %)

	2022	2023	2024	2025	Remarks
Approval Limit	6.0	6.0	5.0	5.0	
Execution performance (Rate)	4.1 (63.3%)	3.6 (60.0%)	0.8 (16.0%)	-	

4. Corporate Governance

In late 2023, we set goals for improving our corporate governance structure based on the opinions of external consulting firms. Subsequently, we selected six advanced policies for enhancing board operations and successfully implemented all of them.

■ Board Operation Policies (Content and Completion Status)

1. [Completed] Added a new process for verifying independent director candidates to enhance the board's expertise and independence
2. [Completed] Appointed an independent director as the chair of the board to ensure independence
3. [Disposed] Introduction of a stock option-based performance compensation system linked to stock prices for independent directors: Negative opinions from stakeholders
4. [Completed] Established an Internal Transactions and a Risk Management Committee within the board
5. [Completed] Set up a dedicated support organization for the Audit Committee
6. **[Completed] Established and conducted an evaluation system for board operation**

■ Evaluation of Board Operations

In June 2024, we conducted an evaluation of the board and committee operations for 2023. The evaluation was carried out using a named self-assessment survey targeting directors and audit committee members who served in 2023. The board secretariat compiled and analyzed the results, which were discussed at a related board meeting in January 2025. The evaluation results showed that the board and committees received overall positive assessments, particularly in terms of their roles and responsibilities. In the future, we will review and develop improvement plans based on the evaluation results, analysis, and recommendations from corporate governance best practices.

■ Improvement Directions and Plans

• Strengthen Strategic Discussions

- » Clarify the position and relevance of each agenda item within the mid-term business plan and vision
- » Set up dedicated deliberation items for strategies that significantly impact plan achievement
- » Ensure opportunities for open discussions on business environments and related fields as needed

• Regularize Board Operation Evaluations

- » Achieve regularization of operations through the refinement of the plan-evaluation-analysis-improvement process

We will continue to make efforts to improve our corporate governance structure to enhance shareholder value and become an exemplary ESG management company.

5. ESG Highlights

[2024 Key ESG Achievements]

Sustainable Management and Growth

We have continued to internalize ESG management and enhance our sustainable management level, achieving excellent results in major domestic and international ESG evaluations. In the 2024 KCGS (Korea Institute of Corporate Governance and Sustainability) evaluation, we obtained a comprehensive grade of A, with an environmental grade of A, a social grade of A+, and a governance grade of B+. Additionally, we recorded an AA rating in the Sustainvest evaluation, recognizing our ESG management level. In the S&P Global Corporate Sustainability Assessment (CSA), a global sustainability assessment, we scored 52 points, objectively evaluating our ESG performance as superior to that of global competitors. We plan to further enhance our ESG management system and continuously improve it to achieve global-level sustainable management.

Environmental (E): Greenhouse Gases - Strengthening Carbon Neutrality by 2050

We have established and implemented climate change response and greenhouse gas reduction strategies through the ESG committee within our board of directors. As part of these efforts, in 2023, we invested in renewable energy facilities at our Chungju campus and concluded a third-party power purchase agreement (PPA), achieving a reduction of approximately 51% in greenhouse gas emissions compared to 2022. We also adjusted our greenhouse gas reduction target for 2030 from 42% to 60%, strengthening our 2050 carbon neutrality plan. To achieve this, we are expanding investments in solar power facilities, developing eco-friendly technologies, and expanding eco-friendly products. Starting this year, we will also disclose consolidated greenhouse gas emissions, including those from our overseas subsidiaries and affiliates. (Detailed performance will be disclosed in our sustainability report to be published in June 2025.)

Environmental (E): Green Management - Achieving Low-Carbon Green Growth

We are responding to environmental regulations and promoting sustainable growth through green management. In addition to investing in renewable energy facilities at our Chungju campus, we are expanding solar power investments at the smart factory of our Chinese subsidiary. We have also received certification for green technology products using 'regenerative power conversion control technology' in 'regenerative power inverters.' These inverters effectively control and utilize regenerative power generated during motor operation, saving up to 64% of electrical energy compared to conventional inverters. We plan to continue developing eco-friendly technologies to enhance our capabilities in low-carbon green growth.

Environmental (E): Biodiversity - MOU with Chungju for Binae Island, Chungju

We have signed an MOU with Chungju City and the Wonju Regional Environmental Office to conserve the environment of Binae Island, a protected wetland area. Through this agreement, we are conducting various activities such as protecting endangered species, removing invasive species, and cleaning up wetlands. This contributes to preserving the environment where 18 endangered species and 865 wild animals inhabit Binae Island.

Social (S): Diversity - Expanding Employment of People with Disabilities

We have opened 'ELLIE'S Café' at our Chungju headquarters, operated by baristas with disabilities, to realize social value by expanding employment opportunities for people with disabilities. This provides stable jobs for people with

disabilities and contributes to creating an inclusive corporate culture. This is another meaningful activity following the establishment of a choir for people with disabilities in 2023, and our support for vulnerable groups and social responsibility will continue to expand.

Social (S): Philanthropy and Social Contribution Activities - Practicing Social Responsibility through Sharing

We are striving to grow with the local community through various social contribution activities. Key donation activities include supporting scholarships for local students (KRW 3 million), sponsoring the Korean Leukemia Children's Foundation (KRW 1 million), donating blood donation certificates, supporting low-income vulnerable groups (KRW 2 million), and sponsoring the Korean Deaf Baseball Team (KRW 2 million). Additionally, we donated KRW 1,192,000 from the sale of 1st DNA chocolates, practicing the value of sharing with our employees. We also continue to conduct monthly 'house repair volunteer' activities to improve the living environment of vulnerable groups in Chungju, centered around a volunteer repair team. These activities not only provide financial support but also spread a culture of sharing, practically helping improve the quality of life for vulnerable groups.

Social (S): Strengthening Local Education - Supporting Education for Future Talent

We collaborate with the Chungju community to operate education programs for nurturing future industry talent. In 2024, we partnered with Chungju Technical High School to establish an elevator installation technology course and conducted eight practical training sessions for 25 students in the electrical and electronics department. Students received field-tailored education using practical infrastructure for elevator installation and maintenance, enhancing local talent's expertise and contributing to community development.

Social (S): Strengthening Human Rights Management

We have continuously strengthened our human rights management policies and conducted a company-wide human rights impact assessment in 2024 to check human rights risks. This assessment covered 230 indicators across 16 major areas, including prevention of forced labor, prohibition of discrimination, protection of freedom of association and collective bargaining, workplace privacy protection, and industrial safety assurance. Specifically, the assessment highlighted the need to improve our human rights management system and enhance the accessibility of grievance-handling procedures. Based on this, we plan to strengthen human rights protection policies within our supply chain and improve human rights education and reporting channels for all employees in 2025. These efforts will establish a culture of respecting human rights both within and outside our company, serving as a crucial foundation for sustainable management.