

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

I. Desirable Contracting Practices for Mutually Beneficial Cooperation between Large Enterprises and Small and Medium Enterprises

1. Purpose

The purpose of these Regulations for Compliance with Shared Growth (hereinafter referred to as the "Regulations") is to enable suppliers to accurately represent their interests in contracts between Hyosung TNC Co., Ltd. (hereinafter referred to as the "Company") and small and medium-sized businesses (hereinafter referred to as "suppliers"), as well as to establish reasonable and fair trade practices by presenting the contents to be observed in contract formation to prevent the Company from abusing its superior bargaining position in transactions with suppliers and undermining the concept of contract freedom.

2. Composition of Practices

These practices consist of "Contract conclusion infrastructure," which the Company must construct prior to concluding a contract; "Conclusion of a contract with the right to self-determination guaranteed" in a situation in which the right to self-determination is guaranteed; and "Faithful performance of contracts in accordance with their terms and applicable laws," which outlines contract fulfillment provisions.

3. Establishment of Contract Conclusion Infrastructure

3.1 Establishment of contract conclusion selection criteria

The Company must select a method for concluding contracts based on specific criteria.

Methods of contract conclusion include the following:

3.1.1 Private contract

In the case of concluding a contract by arbitrarily choosing a suitable counterparty without recourse to methods such as bidding

3.1.2 Open tendering

Where a contract is awarded by determining the successful bidder through open competition without limiting the qualifications of bidders or nominating bidders

3.1.3 Limited competitive bidding

Where a contract is awarded by determining the successful bidder through competition by limiting the qualifications of bidders or nominating bidders

3.1.4 Nominated competitive bidding

Where a contract is awarded by determining the successful bidder through competition by nominating bidders;

3.2 Selection criteria for contract conclusion method

3.2.1 Consideration must be given to the significance of the goods, the number of suppliers available for transaction, previous transaction experience, and standards relative to the total transaction

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

amount when establishing detailed selection criteria.

* The following criteria can be modified based on the characteristics of individual businesses.

	Many (≥5 companies)	Few (less than 5 companies)
High	Limited competitive bidding, Nominated competitive bidding	Private contract
Low	Open tendering	Limited competitive bidding, Nominated competitive bidding

3.2.2 When determining detailed selection criteria, the Company should consider the following criteria.

* The following criteria can be modified based on the characteristics of suppliers.

Conclusion Method	Requirements
Private contract	<ul style="list-style-type: none"> If there is no room for competition as a result of a sharp increase in the cost of raw materials or other similar circumstances If there is no other option but to conclude a contract with the existing counterparty <ul style="list-style-type: none"> If it is difficult to divide responsibility for deficiencies in the construction of future facilities or in the case of finishing works If the manufacturer or supplier directly installs, assembles, or maintains the product In the event of incompatibility, if the goods were manufactured or supplied by a party other than the original manufacturer or supplier When competition is practically impossible <ul style="list-style-type: none"> Construction using a patented technique or new technology In the case of manufacturing or purchasing a product for which a patent, utility model registration, or design registration has been registered If competition is impossible due to the technology service of a particular individual, a particular location, structure, quality, performance, or efficiency
Open tendering	<ul style="list-style-type: none"> No special criteria <ul style="list-style-type: none"> Selection based on the type and significance of the goods, the number of counterparties, etc.
Limited competitive bidding	<ul style="list-style-type: none"> Contract amount limit, construction capacity, or experience in construction of the same type Construction contracts requiring specialized technologies or construction techniques Contract for the manufacture of goods necessitating specialized equipment or technology Purchase contract for goods requiring specialized performance or quality Service contracts requiring specialized technology Financial standing of competitors, if required to prevent insolvency during contract performance <p>* When limiting the qualifications of bidders, the restrictions and criteria must be outlined in the tender notice.</p>
Nominated competitive	<ul style="list-style-type: none"> If the nature or purpose of the contract makes it difficult to achieve the contract's purpose without a person/entity with specialized facilities, technologies,

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

bidding	<p>materials, goods, or performance, and there are fewer than 10 bidders</p> <ul style="list-style-type: none"> • In the case of construction work, manufacturing consignment, or service consignment for which the estimated price is equal to or less than a certain amount standard (set by the Company) • In the event of purchasing a product with a standard mark or an Eco-Label certification * A minimum of five bidders must be nominated, and there must be a minimum of two bidders. (However, if there are less than 5 nominees, all the nominees)
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3.3 Operation of a proposal system for businesses desiring to trade

The Company may operate on-site briefing sessions or an online proposal system where companies interested in doing business can directly submit a proposal based on the characteristics of their business.

3.4 Partner relationship management (PRM)

The Company establishes PRM and as well as promotes the coexistence of large enterprises and suppliers through open supplier management, which includes transactions with new businesses, rather than closed supplier management. Additionally, the Company supports information sharing and cooperation among suppliers by creating a cyberspace exclusive to them or arranging regular meetings.

3.5 Operation of a supplier support organization

The Company operates the Shared Growth Promotion Team, a support organization dedicated to providing suppliers with technical support, financial support, training, and assistance for making proposals.

4. Conclusion of a Contract with the Right to Self-determination Guaranteed

The Company shall observe the following conditions in order to conclude a contract.

4.1 Prior document issuance

4.1.1 It is standard practice to sign a contract in advance; however, before beginning work on delivery (“transfer” in the case of construction; hereinafter the same applies), at least a contract with a signature and seal (including electronic contracts using accredited certificates) must be submitted.

4.1.2 A contract must include the contents of the subcontract, such as the subcontracting cost and payment method, as well as the contents specified in the Enforcement Decree, such as the adjustment requirements, methods, and procedures of the subcontracting cost in response to fluctuations in the cost of raw materials.

4.1.3 In the case of frequent transactions, a basic contract must be issued first, followed by a statement of settlement for a certain period of time.

4.1.4 If volume changes are evidently anticipated as a result of minor and frequent additional work,

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

a settlement agreement must be issued immediately following the completion of delivery.

4.1.5 The main contents must be agreed upon in advance in writing if additional requests are made within a significantly shorter time frame than is customary.

4.2 Calculation of unit price using a reasonable formula

4.2.1 The unit price of components should be determined in consultation with suppliers using a reasonable calculation method that takes into account the quantity, quality, specification, delivery date, payment method, material price, labor cost, manufacturing cost, or market price trends, and that adds the necessary management costs and profits.

4.2.2 During the contract period, if there is a reason for a change in the initial unit price, a request for unit price adjustment may be submitted to the counterparty. In this case, the unit price must be recalculated through mutual consultation within thirty (30) days (can be extended for 30 days) from the request date.

4.2.3 The temporary unit price determined through consultation must be applied if the unit price is delayed for special reasons, and the difference between the temporary unit price and the final unit price shall be settled retroactively upon the determination of the final unit price.

4.2.4 In cost estimation, the standard wage rate should be investigated on a regular basis in order to present an accurate unit price; however, the wage rate should be set according to the characteristics of each supplier, such as working conditions, company size, and technological level, as well as labor costs in the same industry.

4.2.5 In the event of changes in the initial unit price, the contract must specify standards and procedures for discussing such changes with suppliers.

4.2.6 Reasons for unit price changes (e.g. price, price of raw materials, exchange rate), consultation period, payment terms, and other matters must be specified in detail in the contracts.

4.3 Clear delivery dates

4.3.1 Taking into account the characteristics of each industry, standard delivery dates must be determined through adequate consultation with the supplier.

4.3.2 The delivery date must be established upon signing a contract, and if the date is altered, it must be clarified. In the event that a shorter delivery date than usual is necessary due to reasons such as a sudden order, it must be agreed upon in consultation with the supplier.

4.3.3 Where there is no reason attributable to the supplier, the Company shall compensate the supplier for damages caused by unreasonable delay or refusal to accept the goods.

4.4 Objective inspection criteria

4.4.1 In the case of an inspection of deliverables (“finished products” in the case of construction; hereinafter the same applies), objective and fair/reasonable inspection criteria and procedures must be established in consultation with the supplier.

4.4.2 Where delivery takes place, a receipt must be issued immediately even prior to inspection, and

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

inspection must be conducted expeditiously in accordance with predetermined inspection regulations and procedures.

4.4.3 Unless there is a justifiable reason, inspection results must be communicated within ten (10) days of receiving the deliverables from the supplier.

4.4.4 A competent manager must oversee the management of ordered components prior to or during inspection.

4.5 Determination of reasonable payment due dates

4.5.1 In the case of the consignment of manufacturing, etc. to a supplier, payment must be made by the shortest possible payment due date within sixty (60) days of the delivery date of the deliverables (the acceptance date in the case of construction; the date on which the entrusted service is completed in the case of services; the date specified in cases where the parties to the transaction set the date of issuance of tax invoices at least once a month due to reasons such as frequent delivery; hereinafter the same applies).

4.5.2 When manufacturing, etc. is consigned to a supplier, payment must be made within fifteen (15) days of receiving payment for the completion of manufacturing, repair, construction, or service performance from the ordering party (if the payment due date arrives before then, the payment due date).

4.5.3 In the case of receiving payment for completion according to the progress of manufacturing, repair, construction, or service performance, the amount corresponding to the manufacturing, repair, construction, or service performed by the supplier must be paid within fifteen (15) days of the date that payment was received (if the payment due date arrives before that, the payment due date).

4.5.4 The price must be paid in excess of the cash ratio paid for the consigned manufacturing, etc. from the ordering party.

4.5.5 Where payment is made by promissory note, the promissory note must be delivered within the payment period (from the date of issuance to the date of maturity) of the promissory note issued by the ordering party in relation to the consigned manufacturing, etc. in the same year.

4.5.6 Where payment is made by a promissory note, the promissory note must be discountable by a financial institution established in accordance with the law, and the discount rate (determined and publicly disclosed by the Fair Trade Commission) for the period between the date the bill was delivered and its maturity date must be paid on the date the promissory note was issued.

4.5.7 If a promissory note is issued within sixty (60) days from the date of receiving the deliverables, the discount rate for the period exceeding sixty (60) days until the maturity date must be paid within sixty (60) days from the date of receiving the deliverables.

4.5.8 When using a payment method other than a promissory note, the fee (including loan interest) for the period between the payment date (the card payment approval date in the case of corporate purchase-only cards; the delivery date in the case of secured loan of credit sales; and the purchase capital payment date in the case of purchase loans) and the subcontracting

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

cost payment due date must be paid on the payment date.

4.5.9 When using a payment method other than a promissory note to make payment within sixty (60) days from the date of receiving the deliverables, the fee for the period from the date of receiving the items, etc. to the date of repayment of the subcontract fee after exceeding sixty (60) days must be paid to the supplier within sixty (60) days from the date of receiving the deliverables.

4.5.10 If the payment is made more than sixty (60) days after the date of receiving the deliverables, the interest rate for the excess period shall be the rate announced by the Fair Trade Commission.

4.6 Reasonable return process for after-delivery defects

Returns must be processed in accordance with an agreement between the parties involved, specifying the subject of defect cause investigation, the type of cause of the defect, and the proportion of liability of each party.

4.7 Cancellation and termination of contract

4.7.1 The reason for contract cancellation or termination should be determined by agreement between the parties and divided into "cases where notice is required," and "cases where notice is not required."

4.7.2 Cases where notice is not required are as follows:

- (1) Where the counterparty receives a disposition to suspend transactions from a financial institution or other dispositions such as cancellation or suspension of business from a regulatory agency; or
- (2) Where the counterparty decides to dissolve, transfer business, or merge with another company, or where both parties agree that it is difficult to fulfill the terms of the basic contract or an individual contract due to a natural disaster or other circumstances.

4.7.3 Cases where notice is required are as follows. In this case, the contract may be canceled or terminated if the counterparty is issued a notice to make corrections within a set period of at least one (1) month and the performance is not completed within the timeframe.

- (1) Where the counterparty violates the essential terms of this contract or a specific contract, or where the Company delays the fulfillment of matters necessary for manufacturing ordered components without justification, thereby disrupting the work of the supplier;
- (2) Where a supplier refuses to manufacture ordered components without a justifiable reason or delays the start, and it is recognized that delivery within the delivery period is difficult; or
- (3) Where a significant reason exists for the supplier's inability to fulfill the contract due to a lack of technology, production, and quality management capabilities.

* In addition to the above, the following items are recommended when concluding a contract, if necessary.

- Technical data deposit system

Use the "technical data deposit system" to deposit technical data with a third-party institution in order to safeguard the source technology of suppliers

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

- Improvement of occasional ordering

If possible, quarterly predictions are recommended for occasional orders that result in managerial instability for suppliers

5. The Company shall refrain from conducting the following acts when entering into a contract.

5.1 Failure to issue or preserve documents

- 5.1.1 Conducting the following acts without justifiable grounds: issuing a document without specifying matters that are difficult to determine at the time of consignment with no reasons stating why the matters were not determined, as well as the scheduled due date for determining the unspecified matters
- 5.1.2 Acts of delaying or failing to issue a new document to a supplier after the relevant matter has been confirmed for a document issued with certain matters omitted
- 5.1.3 Regarding the contents of an oral consignment (order), acts of failing to respond in writing within fifteen (15) days of receiving a request from a supplier to confirm the contents of the consignment as either approved or rejected, including the consigned work, subcontracting cost, and the date and time of consignment
- 5.1.4 Acts of failing to provide the signature or seal of the person in charge of the contract when approving or rejecting the contents of an oral consignment (order)
- 5.1.5 Acts of failing to issue specific additional contracts or work instructions despite the fact that the scope and cost of additional work are distinct and substantial
- 5.1.6 For construction work, acts of failing to issue a contract for changes or a statement of settlement due to disputes over the settlement between the parties, despite the fact that it has been proven that the work volume has been added to or changed
- 5.1.7 Acts of arbitrarily destroying legal documents within three (3) years, without preserving such documents for three (3) years
- 5.1.8 Acts of creating and storing false documents or documents with false content despite preserving documents for three (3) years after the date of transaction closure
- 5.1.9 Acts of failing to preserve documents related to the subcontracting cost decision, such as bid documents, the successful bidder's pricing statement, a quote, and a site description and specifications (in the case of a construction consignment)

5.2 Unreasonable subcontracting cost determination

- 5.2.1 Acts of determining the subcontracting cost by reducing the unit price at a uniform rate without a justifiable reason
- 5.2.2 Acts of determining the subcontracting cost by unilaterally allocating a certain amount and then reducing the amount, despite the contract items, for instance, a request for cooperation
- 5.2.3 Without a justifiable reason, acts of discriminating against a specific supplier in determining the price or unilaterally determining the price based on a low unit price without reaching an

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

agreement with the supplier

5.2.4 Acts of deceiving a supplier and using such deception to determine the price by causing errors in terms of transaction, such as order quantity, or by displaying another business operator's estimate or false estimate

5.2.5 Without a justifiable reason, acts of establishing a price that is lower than the sum of the direct construction cost items when entering into a private contract

5.2.6 Without a justifiable reason, acts of determining a price that is lower than the lowest bid amount when concluding a contract through competitive bidding

5.2.7 Acts of establishing a price by uniformly reducing the unit price without objectively valid reasons for such a reduction, such as a decrease in the cost of materials or wages

5.2.8 Acts of discriminating against a specific supplier and setting a low price despite the fact that there is no difference in payment, transaction volume, or work difficulty

5.2.9 After quoting a price based on the premise of a large order, acts of determining the actual price based on the large order while placing a small order

5.2.10 Acts of consigning manufacturing, etc. without determining the price, and then determining a price below the price normally paid, without consulting the supplier

5.2.11 After requesting and receiving delivery-related technical data, acts of providing such data to another business operator and reducing the price based on the quoted price of the respective business operator

5.2.12 Acts of setting a low price due to a significantly lower execution budget than the original contract price, with construction work required to be completed within the scope of the same execution budget

5.2.13 Acts of setting a price that is significantly lower than the standard price for reasons such as export, discount sales, giveaways, and samples

5.3 Oral requests for proposal or development

Acts of canceling development after completion of equipment or production preparations, or requesting reduction of a verbally presented unit price

5.4 Unreasonable interference with business

5.4.1 Acts of interfering with human resource management by having a supplier obtain direction or approval from the Company for appointing or dismissing employees or hiring a specific individual against the supplier's will

5.4.2 Acts of intervening in a subcontracting and restricting its content, for instance, selecting and setting contract conditions without regard for the purpose of the subcontracting, such as maintaining the quality and on-time delivery of the Company's consigned deliverables

5.4.3 Contrary to the supplier's intention, acts of mobilizing on-site workers to perform construction work despite the fact that construction is already in progress

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

5.4.4 Acts of putting restrictions on a supplier's production items or facility size, or prohibiting a supplier from doing business with the Company's competitors or affiliates

5.4.5 Acts of requesting and supplying delivery-related technical information to a supplier without a justifiable reason

5.4.6 Acts of forcing suppliers to participate in special sales events, such as giveaways or special discounts, or to purchase merchandise or gift certificates

5.5 Acts that do not account for increased construction expenses (limited to construction-related contracts)

5.5.1 Acts that prevent the Company from requesting an additional volume settlement when additional volume occurs subsequent to the completion of construction

5.5.2 Acts of prohibiting suppliers from bearing the cost of installing and operating a supervisor's office, or prohibiting any modification to the initial contract in regard to wage increases or price fluctuations

5.5.3 Acts of refusing to recognize additional contracts for reasons such as construction delays and suspensions caused by the construction company's circumstances, or natural disasters resulting from climatic conditions and the rainy season, since a construction period excludes such delays and suspensions

5.6 Non-adjustment of subcontracting cost due to design changes, etc.

5.6.1 Acts of failing to make the payment despite receiving an additional amount from the ordering party for reasons such as a design change or a change in economic situation, or paying less than the received rate or volume

5.6.2 Acts of failing to adjust the contract amount by the date exceeding thirty (30) days, or adjusting the contract amount beyond thirty (30) days after the ordering party has paid has adjusted the amount due to changes in design or economic conditions

5.6.3 Acts of failing to pay late interest, promissory discount charges, or fees for the excess period when making payment in cash or by a promissory note or an alternative payment method fifteen (15) days after the ordering party has paid the additional amount due to changes in design or economic conditions

5.6.4 Acts of failing to notify a supplier of the reason and specifics of the adjustment within fifteen (15) days when the ordering party has increased or decreased the contract amount due to changes in design or economic conditions (except for cases directly notified by the ordering party)

5.7 Non-adjustment of subcontracting cost due to fluctuating raw material costs

5.7.1 Acts of failing to respond to a request for consultation or to engage in actual consultation procedures, such as holding a meeting, exchanging opinions, or submitting a unit price adjustment proposal after being notified that consultation will take place

5.7.2 Acts in which the person with the authority to adjust unit price does not engage in consultation

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

despite a consultation request was made thirty (30) days in advance

5.7.3 Acts of repeatedly presenting a price that is unacceptable to the other party without objective evidence, such as market research for unit price adjustment or cost calculation

5.8 Demanding exclusive transactions

Acts of restricting a supplier to conduct business with a company designated by the Company (except when an exclusive transaction is agreed with the supplier on the grounds of jointly developing technology with the supplier)

5.9 Unilateral transfer of complaint handling

The Company shall bear all economic and administrative responsibilities for various complaints arising during construction and, if complaints are not resolved and the potential for dispute continues, acts of deducting the related costs from progress payments after handling the complaint by the Company

5.10 Unfair special contracts

5.10.1 Acts of imposing contract terms that infringe upon or restrict the interests of suppliers

5.10.2 Acts of establishing an agreement for the supplier to bear the costs of requested matters not specified in the contract

5.10.3 Acts of establishing agreements that impose costs related to complaint handling, industrial accidents, and other matters, which should be borne by the Company, on suppliers

5.10.4 Acts of establishing an agreement for the supplier to bear the costs of requested matters not specified in the bidding statement

6. Faithful Performance of Contracts in Accordance with Their Terms and Applicable Laws

6.1 The parties to the transaction must observe the following conditions during contract performance.

6.1.1 Compliance with applicable laws and regulations, such as the Civil Act

The parties to the transaction must comply with applicable laws and regulations, such as the principle of good faith, the Fair Transactions in Subcontracting Act, and the Monopoly Regulation and Fair Trade Act; however, if a dispute arises, it must be resolved based on written documents.

6.1.2 Adequate prior agreement and written document issuance in the case of unit price reduction

In the case of a unit price reduction due to a drop in raw material costs or an increase in volume, reasonable grounds must be presented for the extent of the unit price reduction due to volume increase.

6.1.3 Price adjustment based on contract amendments

If additional costs are incurred as a result of contract amendments, such as requests for additional specifications, the corresponding payment must be made.

* Recommendations

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

Cancel or terminate the contract in accordance with its terms, but notify the supplier in writing as soon as possible, at least two (2) to three (3) months in advance, of any cancellation or suspension of business that is not due to a reason specified in the contract.

6.2 The parties to the transaction must refrain from conducting the following acts during contract performance.

6.2.1 Unreasonable refusal to accept delivery

- (1) Acts of refusing to accept delivery despite the inability to determine whether the contents of the delivery or construction differ from the contents of the consignment due to ambiguous consignment details
- (2) Acts of refusing to accept previously consigned goods due to complaints from the ordering party, foreign importer, or customer; or poor sales
- (3) Acts of refusing to accept delivery due to late supply of raw materials or construction materials contracted for supply despite the fact that delivery or construction cannot be completed within the deadline
- (4) Acts of using stricter than usual criteria without first establishing inspection criteria
- (5) Acts of refusing to accept delivery due to unclear contents or applying criteria higher than those specified in the original contract despite the fact that the inspection criteria have been set
- (6) Acts of refusing to accept delivery without a justifiable reason, such as a lack of storage space, despite the supplier's request for acceptance
- (7) Acts of refusing arbitrarily to accept previously ordered goods because stable supply is deemed difficult due to reasons such as the bankruptcy of the supplier
- (8) Acts of consigning the production of multiple items and refusing to accept other items due to some items being defective, or refusing to accept delivery because the ordering party has canceled or suspended an order

6.2.2 Return of goods without justifiable reasons

- (1) Acts of returning goods due to reasons such as the counterparty canceling the order or changes in economic conditions
- (2) Acts of returning goods by unreasonably deeming them as inadequate according to ambiguous inspection criteria and procedures
- (3) Acts of returning goods despite the fact that they have been verified to be nonconforming due to defects in raw materials
- (4) Acts of returning goods due to delivery delay caused by a delay in raw material supply
- (5) Acts of returning goods due to complaints from the ordering party, foreign importers, and customers; or poor sales
- (6) Acts of returning goods despite the fact that the supplier has made the delivery after passing a third-party inspection
- (7) Acts of returning goods due to a delay in the delivery or construction period on the part of the supplier despite objectively allowing such a delay

6.2.3 Unreasonable price reduction

- (1) Acts of reducing the price for unjustifiable reasons, such as a request for cooperation after consignment, the cancellation of an order by the counterparty, or a change in economic

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

- conditions, without specifying the conditions for price reduction at the time of consignment
- (2) If an agreement on unit price reduction has been concluded, acts of unilaterally reducing the price by applying a retroactive method to the portion consigned before the agreement was concluded
 - (3) Acts of excessively reducing the price for cash payment or payment before the due date
 - (4) Acts of unilaterally reducing the price due to minor negligence on the part of the supplier that does not materially affect the occurrence of damage
 - (5) Acts of deducting from the price an amount that exceeds the appropriate purchase price or use price when having the Company purchase goods required for manufacturing, repair, construction, or service performance, or when using the Company's equipment, etc.
 - (6) Acts of reducing the price on the grounds that the cost of goods or materials has decreased between the time of delivery and the time of payment
 - (7) Acts of reducing the price for unjustifiable reasons such as business deficit or lower sales price
 - (8) Acts of reducing indirect labor costs, general management costs, profits, value-added tax, etc. contrary to the original contract
 - (9) Acts of forcing a supplier to bear employment insurance premiums, occupational safety and health management expenses, and other expenses that the Company is required to bear under the Act on the collection of Insurance Premiums for Employment Insurance and Industrial Accident Compensation Insurance, the Occupational Safety and Health Act, and other applicable laws
 - (10) Acts of delaying the supply of materials or equipment or reducing the price due to failure to deliver or complete construction within this period after setting an unreasonable delivery or construction period
 - (11) Acts of reducing subcontracting cost that has already been confirmed due to continuous ordering or due to specific manufacturing or construction details after the total amount has been contracted
 - (12) Acts of reducing the price contrary to the original contract for reasons such as receiving an order for deliverables at a lower cost
 - (13) Acts of reducing the price, such as by amending the contract even though the consignment contents and terms remain unchanged
 - (14) Acts of transferring foreign exchange loss, etc., to the supplier in a manner different from the original contract terms in order to reduce the price

6.2.4 Unreasonable demand for financial benefits

- (1) Acts of demanding financial benefits such as sponsorships, incentives, or subsidies for commencing a transaction or multiple transactions
- (2) Acts of demanding financial benefits such as sponsorships, incentives, or subsidies for unreasonable reasons such as for-profit or deteriorating business conditions
- (3) Acts of demanding financial benefits such as sponsorships, incentives, or subsidies despite the fact that the supplier has no legal obligation to provide them

6.2.5 Transfer of cost burden due to own reasons

Acts of transferring to the supplier cost burdens such as internal wage increase and delay in

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

the internal evaluation process

6.2.6 Unreasonable payment in substitutes

Acts of paying a fixed price in substitutes against the supplier's will and requiring acceptance of such contrary to the original contract

6.2.7 Retaliatory action

Acts of limiting contract opportunities or imposing suspension or other disadvantages on a supplier for reporting a violation of the Fair Transactions in Subcontracting Act to the Fair Trade Commission

6.2.8 Evasion of the law

- (1) Acts of using indirect means to evade the application of the Fair Transactions in Subcontracting Act to subcontracting transactions
- (2) Acts of collecting payment after payment to a supplier or deducting this from the delivery price in accordance with the Fair Trade Commission's corrective measures
- (3) Acts of reducing the unit price by an amount equal to the amount paid to a supplier as promissory note discounts, late interest, etc.

6.2.9 Forced purchase of goods, etc.

- (1) Acts of compelling a supplier to purchase or use products or services of the Company, its affiliates, or a specific company without a justifiable reason
- (2) Acts of forcing a supplier to purchase materials for its construction site against the supplier's will, or demanding a supplier to purchase or use specified items or equipment without a justifiable reason
- (3) Acts of continuously requesting a purchase despite the supplier's indication that it has no intention to purchase, or while recognizing that there is no intention to purchase

6.2.10 Demand for unreasonable payment, such as the purchase price of goods

- (1) Acts of forcing a supplier to purchase goods required for delivery, etc. from the Company or to use the Company's equipment, etc., and to pay all or a portion of the purchase or use price before the payment due date
- (2) Acts of forcing a supplier to purchase goods required for delivery, etc. from the Company, or to use the Company's equipment, etc., and to make payment based on significantly less favorable terms than the terms of purchase or use by the Company or terms of supply to a third party

6.2.11 Forced disclosure of technical data

- (1) Acts of demanding suppliers to provide the following technical data to the Company or a third party without a justifiable reason:
 - Data on the methods of manufacturing, repair, construction or service performance kept confidential by considerable effort;
 - Information concerning intellectual property rights, including patent rights, utility model rights, design rights, and copyrights; and
 - Other technical or managerial information with independent economic value that benefits business activities.
- (2) Acts of misappropriating technical data obtained from a supplier for the benefit of the

Regulations for Compliance with Shared Growth	Management Department	Revision No.	Last Revision
	Shared Growth Team	Established	Jun. 1, 2018

Company or a third party

ADDENDUM

1. These Regulations shall enter into force on June 1, 2018.