

# KAKAO CORPORATE GOVERNANCE CHARTER

Date of Enactment: January 12, 2021

KAKAO constantly challenges and innovates to create a better world with the help of technology and people and endeavors to transform the world to be good.

KAKAO enacts this corporate governance charter (this “**Charter**”) which will be the cornerstone for sustainable management, based on which KAKAO will build trust with a variety of stakeholders and use best efforts for mutual growth.

The purpose of this Charter is for the management to perform responsible management and to establish and develop sound corporate governance under the supervision of the Board of Directors with expertise and independence in accordance with this Charter.

## CHAPTER 1. SHAREHODLERS

### Article 1. Rights of Shareholders

1. Shareholders, as owners of KAKAO, have the following fundamental rights as specified in the Commercial Act and applicable laws and regulations:
  - Right to participate in profit sharing;
  - Right to attend and vote at the general meeting of shareholders;
  - Right to be provided information on a regular and timely basis; and
  - Right to propose agenda including candidates for appointment as directors to the general meeting of shareholders.
2. The following matters that may cause a material change in the existence of KAKAO and the rights of shareholders will be determined in a way that protect the shareholders’ rights as much as possible, at the general meeting of shareholders:
  - Amendment to the Articles of Incorporation;
  - Merger and acquisition, business transfer and split-off;
  - Dissolution;
  - Capital reduction; and
  - All-inclusive exchange and transfer of shares.

3. KAKAO will provide sufficient information on the date and time, location and agenda of the general meeting of shareholders to the shareholders with sufficient time before the scheduled date of meeting, and in determining the date and time and location of the general meeting of shareholders, the ease of access by the shareholders will be considered.
4. Shareholders are entitled to propose agenda for the general meeting of shareholders to the Board of Directors in accordance with the applicable laws and regulations including the Commercial Act, and may question and request explanation about the agenda at the general meeting of shareholders.
5. Resolutions by the general meeting of shareholders will be made transparently and fairly, and shareholders will be able to exercise their voting rights directly or indirectly, in the most convenient manner possible.

## **Article 2. Equitable Treatment of Shareholders**

1. Shareholders have one voting right per share, and the fundamental rights of the shareholders will not be violated; *provided that* restriction on the voting right of a specific shareholder will be made limitedly as stipulated by law.
2. KAKAO will provide shareholders with sufficient information necessary in a timely and impartial manner in accordance with applicable laws and regulations, and if KAKAO discloses any information that is not required to be disclosed, it will provide such information to all shareholders impartially.
3. In order to hold the shareholders harmless from unfair insider trading and self-dealing of other shareholders including the controlling shareholders, KAKAO will devise an appropriate internal control system and publicly disclose the details of such transactions with due process.

## **Article 3. Responsibility of Shareholders**

1. Shareholders will acknowledge that the exercise of their voting rights may have an effect on the management of KAKAO, and endeavor to proactively exercise their voting rights for development of KAKAO.
2. The controlling shareholders who exert their influence on the management of KAKAO will act in the interests of KAKAO and all shareholders and will not engage in any contrary act that may inflict damage on KAKAO and other shareholders.

## **CHAPTER 2. BOARD OF DIRECTORS**

### **Article 4. Functions of the Board of Directors**

1. The Board of Directors have the overall authority over the corporate management of KAKAO to the extent permitted by the applicable laws and regulations and will perform the decision-making and supervisory functions.
2. The Board of Directors may delegate its authority to the representative director or committees of the Board of Directors; *provided that* the authority related to the key matters as set forth in the laws and the Articles of Incorporation or the Board of Directors Operation Regulation will be excluded.
3. The Board of Directors will establish and operate a policy on succession of chief executive officer. In particular, the policy will include the content related to the succession of chief executive officer in case of emergency.
4. It is recommended that the Board of Directors devise and operate a risk management policy for systematic risk management.

### **Article 5. Composition of the Board of Directors and Appointment of Directors**

1. The Board of Directors will be of a size that enables effective and prudent discussion and decision-making, and will be composed of the directors in the number sufficient to make the committees of the Board of Directors be active.
2. The Board of Directors will have outside directors who can perform the functions independently from the management and the controlling shareholders, and at least the majority of the total number of directors will be comprised of outside directors so that the Board of Directors can practically maintain independence.
3. Anyone who is accountable for the damage to corporate value or infringement upon the shareholders' rights and interests will not be appointed as an executive officer.
4. The members of the Board of Directors will be a competent person with expertise who can make effective contribution to the corporate management. The term of office of the appointed directors will be respected; *provided that* the total term of office for an outside director will not exceed six (6) years.
5. The Board of Directors will be composed of directors coming from a diverse background, and the directors will not be discriminated because of any factors such as gender, age, religion, nationality, race, disability, or education level.
6. The chairperson of the Board of Directors who represents it will be appointed separately from the representative director who represents the management.
7. A director will be appointed at the general meeting of shareholders by the recommendation of the Board of Directors or the Director Candidate Recommendation Committee. The Director Candidate Recommendation Committee will be organized to

ensure the fairness and independence of the process of recommending candidates for directors.

8. KAKAO will ensure that the shareholders may exercise their voting rights with sufficient information and time for determination on the candidates for directors.

#### **Article 6. Outside Directors**

1. The outside director will have no material relationship with KAKAO, and will be a person who can make a decision independently from the management and the controlling shareholders.
2. KAKAO will confirm and disclose that the candidate for outside director has no material relationship with KAKAO. In addition, the outside director will submit a statement certifying that he/she has no material relationship with KAKAO when he/she accepts the appointment.
3. The outside director will not concurrently hold additional positions in excess, in order to ensure faithful performance of his/her duties.
4. KAKAO will provide sufficient information necessary for performance of the outside director's duties, and the outside director may request KAKAO to promptly provide information necessary for performance of his/her duties.
5. The outside director will spend sufficient time performing his/her duties, and if a meeting of the Board of Directors is held, the outside director will review the relevant documents in advance and attend the meeting.
6. The outside director may receive support from the executive officers/employees or independent experts, through due process, if necessary, and KAKAO will support the required expenses.
7. In order to reinforce the outside directors' functions of monitoring and supporting the management of KAKAO, it is recommended that a meeting in which only the outside directors attend will be held separately from the meeting of the Board of Directors.

#### **Article 7. Operation of the Board of Directors**

1. The Board of Directors will, in principle, hold a regular meeting at least once a quarter, and may hold irregular meetings, if necessary.
2. KAKAO will enact and operate the Board of Directors Operation Regulation setting forth in detail the authority and responsibility of the Board of Directors, and the operational procedures, for the smooth operation of the Board of Directors.
3. The Board of Directors will prepare, make and keep detailed minutes and recording tape of every meeting. In particular, the minutes of important discussions and resolutions will be prepared per each director.

4. The Board of Directors will disclose the attendance rate of each individual director at the meetings of the Board of Directors and details of each individual director's activities, including votes for and against agenda that are main subjects of disclosure.
5. The Board of Directors will ensure that the members of the Board of Directors can attend the meetings as much as possible via telecommunication means if necessary.

#### **Article 8. Committees of the Board of Directors**

1. The Board of Directors will establish and operate internal committees, such as Audit Committee, Director Candidate Recommendation Committee, Compensation Committee and ESG Committee, in order to enhance the expertise and efficiency in performing its duties.
2. A majority of the members of each committee of the Board of Directors will, in principle, be comprised of outside directors, and the composition of the directors may be adjusted depending on the respective functions and roles of each committee. All of the members of the Audit Committee will be comprised of outside directors.
3. A resolution by the committee on a matter with regard to which it is authorized by the Board of Directors to make a decision has the same effect as that by the Board of Directors, and the committee will report its resolution to the Board of Directors. In addition, matters related to the organization, operation and authority of all committees will be handled in accordance with the statutory regulations of committee operation.

#### **Article 9. Duties of Directors**

1. Directors will perform their duties with due care of a good manager. In addition, directors will make reasonable decisions on a sufficiently informed basis, putting in sufficient time and efforts.
2. Directors will not exert the authority for their own or a third party's interests, and will always seek the result that will be the best interests to KAKAO and shareholders.
3. Directors will not divulge any confidential information on KAKAO known to them with regard to the performance of their duties, or use it for their own or a third party's interests.

#### **Article 10. Responsibilities of Directors**

1. Any director who violates the law or the Articles of Incorporation or neglects his/her duties will be liable for damages to KAKAO. The director will be also liable for damages to a third party if it is caused by his/her malice or gross negligence.
2. If the director, in making a business decision, has collected and prudently and sufficiently reviewed considerable material and information that are reasonably reliable, and has performed the director's duties based on his/her faithful and reasonable judgment using means deemed to be in the best interests of KAKAO, then such a decision will be respected.

3. KAKAO may purchase directors' liability insurance, at its own costs, to secure the effectiveness in holding directors to account and to recruit a competent person as a director.
4. The outside director will participate in internal and external training for efficient performance of duties on a regular basis. In particular, it is recommended that a newly appointed director will participate in training related to the duty and corporate governance.

#### **Article 11. Remuneration**

The Board of Directors will design a remuneration policy for the key executives in a way that is consistent with the interests of shareholders as well as the long-term interests of KAKAO, and disclose the main content of the remuneration policy. In addition, the remuneration for each individual management executive will be disclosed in detail in accordance with the disclosure regulation.

### **CHAPTER 3. AUDIT BODY**

#### **Article 12. Internal Audit Body**

1. In order to maintain the independence and expertise of the Audit Committee, all members of the Audit Committee will be outside directors, and one of the members will have expertise in auditing.
2. The Audit Committee or the auditors will perform the following auditing duties in good faith:
  - Audit of legality of the directors' and the management's business activities;
  - Review of soundness and reasonableness of corporate financial activities and accuracy of financial reports;
  - Appointment, change, and removal of the external auditor, and reporting thereof to the general meeting of shareholders; and
  - Other matters set forth in the laws, the Articles of Incorporation, and the Audit Committee Operation Regulation.
3. The Board of Directors will stipulate objectives, organization, authority, and responsibilities, and duties of the Audit Committee or the auditors. In addition, the Audit Committee or the auditors will annually assess the reasonableness of said regulation and disclose the content thereof.
4. The Audit Committee will hold a meeting at least once each quarter, and may cause the management, chief financial officer, the head of the internal audit department and the external auditor to attend the meeting, if necessary.

5. The Audit Committee will prepare the minutes of every meeting, and the minutes will include the main discussions and resolutions clearly in detail. The Audit Committee or the auditors will prepare an audit report recording detailed content of audit.
6. The Audit Committee's members or the auditors will be free to have access to information necessary for the auditing duties and to seek advice from outside experts, if necessary.
7. The Audit Committee will report the assessment on its own independence and its major activities to the general meeting of shareholders, and the representative director will disclose such assessment in the business report.
8. The Audit Committee's members will be independent from the management and the controlling shareholders. Accordingly, the Audit Committee's members are entitled to receive only the remuneration to which they are entitled to as a director, but not any other remunerations.

#### **Article 13. External Auditor**

1. The external auditor will maintain legal and practical independence from the company to be audited, the management and controlling shareholders, of the company.
2. The external auditor will attend the general meeting of shareholders and answer any questions on the audit report from the shareholders.
3. In conducting the audit, the external auditor will make an effort to confirm whether there are unfair or illegal conducts by the company to be audited.
4. The external auditor will consider the viability of the company to be audited in accordance with the applicable laws including the Act on External Audit of Stock Companies.
5. The external auditor will report important matters identified during the course of external audit to the Audit Committee or the auditors.

### **CHAPTER 4. STAKEHOLDERS**

#### **Article 14. Protection of Right of the Stakeholders**

1. KAKAO will endeavor not to violate the rights of a variety of stakeholders.
2. KAKAO will not neglect its social responsibility for consumer protection and environmental protection.
3. KAKAO will respect the workers' rights and endeavor to improve the quality of their life.
4. KAKAO will facilitate the establishment of a fair market order and promote balanced development of the national economy by complying with the fair trade laws.
5. KAKAO will comply with the procedures for protection of creditors with regard to merger and acquisition, capital reduction, and split-up/merger, that may have a material effect on

the creditors' status.

6. KAKAO will provide information necessary for the protection of rights of the stakeholders and provide them access to relevant information, to the extent permitted by the applicable laws.

## **CHAPTER 5. MANAGEMENT MONITORING BY THE MARKET**

### **Article 15. Disclosure**

1. In addition to the matters required to be disclosed by law, KAKAO will disclose any matters that have or are likely to have a material effect on the decision-making of the shareholders and the stakeholders.
2. KAKAO will explain the difference between its own corporate governance structure and the standard provisions of this Charter, and the reason and future plan for amendment, through its business report or the electronic disclosure system.
3. In addition to the regular disclosure, when KAKAO makes a decision on any important matter, it will disclose the content clearly in detail in a timely manner through irregular disclosure. If the decision is made by a resolution of the Board of Directors, the information on the directors who attended the meeting and the result of their voting as well as the content of the resolution will be disclosed.
4. KAKAO will make an appropriate disclosure of the forecast on its future business performance and financial conditions.
5. The audit report and important regular disclosures and public notices will be prepared and disclosed in Korean and English languages.
6. KAKAO will designate a disclosure manager and an employee in charge of disclosure and devise an internal information delivery system to ensure that the important information of KAKAO can be promptly delivered to such disclosure manager and the employee in charge of disclosure.
7. KAKAO will disclose detailed information on the shareholding status of the actual controlling shareholders and their specially related persons.
8. The representative director and the disclosure manager will certify accuracy and completeness of the financial report.
9. KAKAO will establish and disclose its own code of business ethics.
10. KAKAO will not treat favorably or discriminate a specific person with regard to the scope or time of disclosure of material corporate information, and will endeavor to ensure that all stakeholders can have access to the disclosed information at the same time.



#### **Article 16. Market for Corporate Management Right**

1. Any actions, such as corporate merger and acquisition, split-off or business transfer, that may cause changes in the corporate management right will be conducted in accordance with transparent and fair procedures.
2. Any defensive actions for the corporate management right will not be conducted by sacrificing the interests of the company and its shareholders for the purpose of maintaining the management right for certain shareholders or executives.
3. KAKAO will ensure that those shareholders who dissent on change of the important structure, such as merger or business transfer, may exercise their appraisal rights at the fair value reflecting the actual value of their own shares as stipulated by law.