

[Principle 4.8] Effective Use of Independent Directors

In the NSG Group Corporate Governance Guidelines, the Group defines the significance and role of Independent External Directors as follows. The Company currently has five Independent External Directors, so the majority of directors are independent external directors. Further, the Chairman of the Board as well as chairpersons of all three Committees are all appointed from among the Independent External Directors.

NSG Group Corporate Governance Guidelines

[Structure of the Board and its Committees]

Articles 9.2

The Board of Directors comprises such number of Independent External Directors referred to in Section 13.1 as is two or greater and constitutes no less than one-third of its total membership.

[Independent External Director]

Articles 13

Independent External Directors referred to in the Guidelines means only those Directors who are not only qualified as external directors prescribed by the Companies Act but also meet the criteria for independency as defined by the Stock Exchanges and Nomination Committee as additional requirements. (See Annex 13.1 for Criteria of Independency for External Director at NSG.)

2. Independent External Directors are tasked to oversee the Group business performance in his/her position which would not cause conflict with the interest of shareholders in general and hence are anticipated to contribute to heightening a level of transparency with regard to the process of decision-making of the Board and each Committee and consequently their performance.
3. Independent External Directors will be continually kept updated in regard to the Group business backgrounds and circumstances via the Board Secretarial Team, as separate from and in addition to those offered by the Executive Officers.
4. Independent External Directors will organize and hold meetings consisting only of them as participants with no attendance of Executive Officers or Internal Directors at least once per annum (including such an occasion organized as a part of the Board effectiveness review exercise referred to in Article 22), in order to discuss any issue of Group's corporate governance, among others, adequacy of the decision-making process and procedures used by the Group or any area for improvement in line with the spirit of the Guidelines.
5. Further to the preceding section, Independent External Directors will hold ad-hoc meetings as appropriate and on as-needed basis, in order mainly to exchange the view of those Independent External Directors in relation to important management issues of the Group or specific material proposals produced. In such events, the Executive Officers must, upon request from Independent External Directors, render adequate support to them.
6. The maximum cumulative period of tenure as Independent External Director is six years in principle.