

## **[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 four Independent External Directors, so the half 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 ad-hoc meetings as appropriate and on as-needed basis, at least once per annum (including such an occasion organized as a part of the Board effectiveness review exercise), in order mainly to exchange the views among the regarding any issue of Group's corporate governance, important management issues of the Group and specific material proposals produced. At such meetings, Other Directors and Executive Officers will render adequate support if so requested by the Independent External Directors.
5. The maximum cumulative period of tenure as Independent External Director is six years in principle.