

Pulmuone Corporate Governance Charter

Preamble

Pulmuone Co., Ltd. ("Pulmuone" or the "Company") aspires to become a LOHAS company that provides goods and services designed for health of families and sustainability of the earth.

Pulmuone draws up this Corporate Governance Charter (the "CG Charter") to gain trust from all stakeholders, and implement its TISO Management principles.

In accordance with the CG Charter, Pulmuone puts responsible management principles into practice in a fair and transparent manner under the supervision of the independent board of directors. By doing so, the Company champions rights and interests of all stakeholders including shareholders, customers, employees and partner companies, growing into a global LOHAS company with the sound and solid governance.

I. Shareholders

1. Rights

Shareholders, as owners of Pulmuone, hold the basic rights guaranteed by the Commercial Act and other applicable laws, including the right to participate in profit sharing, the right to attend and cast a vote at the general shareholders' meetings, and the right to have regular and timely access to information among others. Any issues that bring material changes to the existence of the Company or the shareholder rights, including but not limited to a revision to the articles of incorporation, merger, business transfer, demerger, dissolution, capital reduction, comprehensive exchange or transfer of shares, are decided pursuant to the principle that shareholder rights must be maximally guaranteed.

The Company shall ensure all decisions at the general shareholders' meetings to be made in accordance with a transparent and fair process, and facilitate both direct and indirect exercise of their voting rights by forwarding necessary information such as the date, place and agenda in advance to every shareholder.

2. Equitable treatment

Every shareholder has one(1) voting right for one(1) share. The essential rights of shareholders are guaranteed; however, the voting right of a specific shareholder may be restricted pursuant to the applicable laws. The Company shall timely, sufficiently and equitably provide necessary information to shareholders, and protect them from any unfair insider trading or self-dealing by other shareholders.

3. Responsibilities

Shareholders shall exercise their voting rights proactively in a manner that promotes the Company's development. The controlling shareholders with actual influence on business management shall act in the best interest of the Company and all the other shareholders, and refrain themselves from abusing their power to prevent any damage to other shareholders.

II. Board of Directors

1. Roles

To the extent permitted by relevant laws, the Board of Directors(the "Board") reserves the comprehensive managerial rights, overseeing or making decisions on matters including but not limited to business targets, key strategies, CEO appointment, supervising, assessing and remunerating the Management, periodic business performance monitoring, major investment projects, approval of an annual business plan which includes large-scale borrowing as decided by applicable laws, the article of incorporation and the Board policy. The Board may delegate its authority to the CEO or corporate committees to the extent permitted by the articles of incorporation or the Board policy.

2. Composition

The Board, consisting of at least three(3) directors, should have the composition that encourages diversity of opinions, effective discussions and efficient decision-making. The size of independent non-executive directors should be adequate enough to undertake effective oversight over the corporate management.

3. Nomination and appointment

Directors are appointed at the general shareholders' meeting based on the recommendations made by the Board or the Independent Director Nomination Committee. The Company should appoint only those with competency and expertise to contribute to corporate management. The Company guarantees the term of directors, and does not introduce a staggered board.

4. Independent directors

Independent directors are appointed based on nominations made by the Independent Director Nomination Committee, pursuant to Article 542 (8) of the Commercial Act, and Article 29 (2) of the articles of incorporation. Candidates shall fulfill all the qualification requirements as requested by the Commercial Act, applicable legislations and the articles of incorporation, have no material conflicts of interest with the Company, and represent the diversity of employees and stakeholders. To this end, the Company shall ensure diversity in the process of nomination and appointment by eliminating any discrimination based on gender, race, nationality, hometown, religion, among others.

Independent directors shall submit to the Company the documents that confirm they don't have any conflicts of interest upon accepting the appointment, and will engage themselves in relevant managerial decision-making process while supervising and supporting the Management as members of the Board. The Company shall empower independent directors by providing necessary information to assist their performance of duties in a timely manner so that they can have an accurate understanding over the status of the Company. Independent directors shall invest a sufficient amount of time to duly carry out their roles and responsibilities by reviewing relevant data before attending the Board meetings, listening to opinions of shareholders, and obtaining both internal and external information concerning the Company. When necessary, independent directors may obtain support from employees or other professional advice from outside, in compliance with the required process at the Company's expense.

5. Operation

The Board meeting is held six(6) times per year on a periodic basis in parallel with an ad-hoc meeting whenever there is an urgent agenda to discuss. Each meeting shall generate a minute based on the recording of the meeting, which enumerates every major

discussions and agreements in detail. The meeting minutes and recordings should be kept and saved.

6. Board committees

The Board has set up a Management Committee, an Independent Director Nomination Committee, an Audit Committee, a Remuneration Committee, an Independent Director Evaluation Committee, a Strategy Committee and others to enhance its expertise and efficiency of work. It may set up and operate any ad-hoc committee when special expertise or prompt decision-making becomes necessary. A decision made by the committees on the matter delegated by the Board shall have the same authority of a decision made by the Board, and the committees should report all their decisions and agreements to the Board with documents on their activities.

7. Duties and responsibilities

Directors shall fulfill their duty of due care in good faith when performing their tasks, and act in the best interest of the Company and shareholders as leaders of the corporate management. Directors shall also faithfully fulfill their duty of loyalty towards the Company and shareholders, and wield their authority not for themselves or the third party, but for the interest of the Company and shareholders. The business judgment rule is applied to deliberations or decisions made by directors at the Board, but they are held legally accountable for any breach of applicable legislations, the articles of incorporation and others.

8. Evaluation and remuneration

The managerial activities of the Management shall be fairly evaluated, and the results should be duly reflected in their remunerations. Director remuneration is decided by the Board after deliberation by the Remuneration Committee within the scope approved by the general shareholders' meeting. Stock options are offered only to the employees who can contribute or have contributed to business performance based on the criteria reviewed by the Remuneration Committee and approved by the Board. The performances of independent directors are fairly evaluated by the Independent Director Evaluation Committee to have the results incorporated into remuneration and reappointment decisions and disclose such information.

III. Auditors

1. Audit Committee

The Audit Committee consists of three(3) or more directors with two thirds(2/3) or more as independent directors. Its Chair is appointed among the independent directors. The Audit Committee inspects legality about the performance of duties done by directors and the Management, reviews the soundness of financial activities and the accuracy of financial reports, verifies the feasibility of major accounting standard revision or accounting estimates, approves appointment or dismissal of independent auditors, and inspects activities of independent auditors.

2. External auditors

The Company shall offer an environment where external auditors can undertake audit inspection objectively, independent from the Company, the Management and controlling shareholders.

External auditors shall report important issues identified during the inspection to the Audit

Committee and attend the general shareholders' meeting to answer questions from shareholders regarding the audit report.

IV. Stakeholders

The Company shall diligently fulfill its social responsibility of protecting creditors, consumers and the environment, and comply with applicable labor legislations including the Labor Standards Act to maintain and improve the working conditions, provide information necessary for protecting stakeholder interest, and grant necessary information access to stakeholders to the extent permitted by laws.

V. Disclosure

The Company generates and discloses business reports, semi-annual and quarterly reports among others on a regular basis to provide corporate information to shareholders and stakeholders faithfully, promptly and accurately. Apart from the periodic disclosures, the Company shall open its legal duties and major issue tasks to the public. Disclosed contents should be easily understandable for the readers.