



DHQ-GS-003 Regulation of Audit Committee	
	Established on June 13, 2016
	Amended on March 27, 2019
Amendment No.: 1	

<p><b>Contents</b></p> <p><b>CHAPTER I. GENERAL PROVISIONS</b></p> <p>Article 1 (Purposes)</p> <p>Article 2 (Scope of Application)</p> <p>Article 3 (Duty and Authority) [Amended]</p> <p>Article 4 (Independence)</p> <p><b>CHAPTER II. COMPOSITION</b></p> <p>Article 5 (Composition)</p> <p>Article 6 (Dismissal)</p> <p>Article 7 (Chairperson)</p> <p><b>CHAPTER III. MEETING</b></p> <p>Article 8 (Meeting Convening)</p> <p>Article 9 (Person Authorized to Convene Meeting)</p> <p>Article 10 (Procedure of Convening Meeting)</p> <p>Article 11 (Method of Resolutions)</p> <p>Article 12 (Agenda) [Amended]</p> <p>Article 13 (Attendance of Relational Person etc.)</p> <p>Article 14 (Minutes of Meeting)</p> <p>Article 15 (Liaison with External Auditor)</p> <p>Article 16 (Establishment of Department in Charge)</p> <p>Article 17 (Auditing Minutes)</p> <p><b>Addendum</b></p>
---

Date	Reason for Amendment	Writer	Reviewer	Approver
2016.06.13	Established			
2019.03.27	Amended pursuant to Act on External Audit of Stock Companies			



## CHAPTER I. GENERAL PROVISIONS

**Article 1 (Objective)** The objective of this regulation for the Audit Committee (is to provide for the matters regarding the efficient operation of the Audit Committee (hereinafter referred to as the “Committee”) of Doosan Bobcat Inc. (“Company”).

**Article 2 (Scope of Application)** All the matters related to Committee shall be subject to this regulation, unless otherwise provided in relevant laws and regulations or the Articles of Incorporation or the Regulation of the board of directors.

### Article 3 (Duty and Authority)

- ① The Committee has an authority to audit the accounting and operation of the Company.
- ② The Committee can require a report on business activities to the directors and investigate financial status of the Company at any time.
- ③ The Committee shall select an external auditor. *[Amended on March 27, 2019]*
- ④ The Committee shall handle matters, which are other than those stipulated by subparagraph (1) to (3) above, as required by the laws or the matters stipulated in the Articles of Incorporation, or the matters designated by the Board of Directors.

**Article 4 (Independence)** The Committee and auditing members must conduct works independently from the Company.

## CHAPTER II. COMPOSITION

### Article 5 (Composition)

- ① The auditors (hereinafter referred to as the “Auditor”) shall be appointed by the resolution of a general meeting of shareholders.
- ② The Committee shall be composed of at least three (3) directors.
- ③ At least two thirds (2/3) of the Auditors shall be outside directors, and an Auditor who is not an outside director must satisfy the qualifications stated in Article 542-11(3) of the Commercial Act.
- ④ In case of a number of the Auditor being an outside director is less than the number of Auditors as required under above Article 5(3) due to causes such as resignation or death, , the composition requirement of the Committee shall be satisfied by the resolution of the first general meeting of shareholders immediately following the occurrence of such cause.

**Article 6 (Dismissal)** The Auditor may be dismissed by the resolution of a general meeting of shareholders.

### Article 7 (Chairperson)

- ① The Committee shall appoint a chairperson by its resolution in accordance with Article 11.
- ② The chairperson shall represent the Committee, convene the Committee and supervise overall management of the Committee.
- ③ If the chairperson is unable to execute his or her duties, other Committee member designated by the Committee shall act as an acting chairperson.

## CHAPTER III. MEETING

**Article 8 (Meeting Convening)** Meeting shall be convened from time to time when necessary.

### Article 9 (Person Authorized to Convene Meeting)

- ① The Committee shall be convened by the chairperson. However, in case that the chairperson is not able to perform its duty by accident, the person pursuant to Article 7(3) shall execute duty on behalf of the chairperson.
- ② Each Committee member may request to convene the Committee meeting stipulating the agenda and reason for the meeting. In the event the chairperson does not convene meeting without any justification, the Committee member who has made the request may convene the Committee meeting.

#### Article 10 (Procedure of Convening Meeting)

- ① The Date of the Committee meeting should be determined and must be notified to each Committee member by one (1) day before the date of meeting.
- ② The procedures in above Article 10(1) maybe waived with the consent of all Committee members.

#### Article 11 (Method of Resolutions)

- ① The Resolution of the Committee shall require the attendance of a majority of the serving Committee members and shall require affirmative votes of a majority of the members attended. The Committee meeting can take a format of any means of communication allowing transmission and reception of voices of all members without all of or part of the members being present in the meeting and in such case, the members shall be deemed to have attended the meeting in person.
- ② The Committee member who has any special interest in a certain agenda up for voting may not participate in the voting on the relevant resolution.

#### Article 12 (Agenda) The following matters shall be presented to and approved by Committee.

- ① Matters Concerning general meeting of shareholders
  - (1) Request for convening a special meeting of shareholders
  - (2) Statement on agenda and document of shareholders meeting
- ② Matters concerning director and the Board of Directors:
  - (1) Matters to report to Board of Directors
  - (2) Preparation and submission of auditor report
  - (3) Injunction request for director's illegal act
  - (4) Request for business report from a director
  - (5) Matters designated by the Board of Directors
- ③ Matters concerning audit:
  - (1) Investigation of business activities and assets
  - (2) Investigation of subsidiary companies
  - (3) Receiving report from a director
  - (4) Sub-representative between a director and the Company
  - (5) Determination on filing a lawsuit against a director when requested by minority shareholders
  - (6) Request in relation to selection and dismissal of an external auditor *[Amended on March 27, 2019]*
  - (7) Receiving report from the external auditor on important facts involving (i) misconducts of a director in performing its duties for the Company's business or (ii) violation of laws or the Articles of Incorporation
  - (8) Receiving report from the external auditor on the Company's violation of accounting standards
  - (9) Matters requiring resolution of the Audit Committee under the laws and regulations, the Articles of Incorporation and by the Board of Directors, and any other matters the Audit Committee deems necessary

#### Article 13 (Attendance of Related Person etc.)

- ① The Committee in performing its duties may require the relevant employees or officers or an external auditor to attend the meeting
- ② The Committee may require consultation from experts at the Company's costs when the Committee deems it necessary.



#### Article 14 (Minutes of Meeting)

- ① The Committee shall record the minutes of Committee meetings.
- ② The minutes of Committee meeting shall record agenda, procedure and results of the proceedings of the meeting, and those who objected and their reasons, and the Committee members who attended the meeting shall sign and seal on the minutes.

**Article 15 (Liaison with External Auditor)** The Committee shall maintain a close relationship with external auditors and must put efforts to achieve the audit purpose by using the audit plan, procedure and result provided by the external auditor.

#### Article 16 (Establishment of Department in Charge)

- ① The Committee may use the internal audit department of the Company or establish and operate a department in charge to assist the Committee for its efficient work conduct.
- ② The Committee can adopt separate standards on other necessary matters such as establishment and operation of the department in charge, appointment of professional personnel and operation expenses.

#### Article 17 (Auditing Minutes)

- ① The Committee shall record audit minutes concerning audits.
- ② The audit minutes shall contain implementation method and the result of the audit, and the Committee Member who implemented audit shall sign or seal on the minutes.

#### Addendum

1. This regulation shall come into effect on June 13, 2016.
2. This regulation shall come into effect on March 27, 2019.