

2023

Annual Report on  
Corporate Governance &  
Remuneration System







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Remuneration System

This Annual Report on Corporate Governance and Remuneration System is in strict compliance with the Company's Internal Code of Corporate Governance.

This report is a translated version of Shinhan Financial Group's Annual Report on Corporate Governance and Remuneration System, which is originally written in Korean.

A handwritten signature in black ink, appearing to read 'Okdong Jin', is centered on the page. The signature is written in a cursive, fluid style.

March 5, 2024

**Jin Okdong**

CEO

Shinhan Financial Group

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Shinhan Financial Group (hereafter "the Company") has prepared this report on its corporate governance policy and the operation of the Company and its subsidiaries for the calendar year 2023 in accordance with the Act on Corporate Governance of Financial Companies that became effective on September 14, 2023, and the Standards of Preparing the Annual Report on Corporate Governance and Remuneration System that were revised on December 28, 2023.

Unless otherwise mentioned herein, the information in this report is based on accumulated data as of the end 2023.

The incumbent members of the Board of Directors ("the Board") as of the end 2023 are stated in the order of their initial dates of appointment, except the Chair of the Board, who is stated first. For those Board members having the same date of appointment, they are stated in Korean alphabetical order.

The former members of the Board, as of the end of 2023, are stated after stating the incumbent members of the Board. When there are more than one former members of the Board, they are stated in the order set forth in the previous paragraph.

The committees were listed in the order of the committees presented on the table of contents in the Annual Report. The committee members were listed in the Korean alphabetical order, following the name of the chairperson.





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## I. Corporate Governance - Overview

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# I. Corporate Governance - Overview

## 1. Principle and Policy of Corporate Governance

Good corporate governance contributes to the Group's sustainable growth and the long-term success, creating trust and engagement between the Company and its stakeholders to create and deliver sustainable shareholder value. To pursue the long-term development of Shinhan Financial Group ("the Company") and protect the interests of shareholders and financial consumers, the Company endeavors to secure transparency, soundness, and stability and establish corporate governance that will lead to positive growth and supportive organizational culture. We further enhance our governance standards with strong internal controls, values and culture which are implemented through our Board and various sub committees. We measure and reward performance both in terms of what employees achieve and how they achieve it, which has a positive effect on how well our culture and values are embedded within the Company.

Through its efforts, the Company has been earning an "A+" integrated rating in the ESG Evaluation conducted by the Korea Institute of Corporate Governance and Sustainability ("KCGS"), an organization under the Korea Exchange, for 9 years in a row since 2015. The Company became the first and only evaluated company to receive an "S" rating in the field of corporate governance in 2017. Additionally, the Company has consecutively been receiving "A+" since 2018, which is the top rating under the newly adjusted evaluation model introduced by KCGS.

### [Reference] Company's corporate governance rating by the KCGS

Classification	2010	2011	2012	2013	2014	2015	2016	2017	2018 <sup>1)</sup>	2019	2020	2021	2022	2023
Corporate governance rating	A	A	A+	A+	A+	A+	A+	S	A+	A+	A+	A+	A+	A+

Note1) Rating adjustment as a result of a newly introduced evaluation model in 2018

The Company's principle and policy of corporate governance are as follows.

### A. Transparent corporate governance

The Company actively discloses the standards, procedures, and results of corporate governance-related matters to achieve transparent corporate governance.

First, the Company discloses its annual corporate governance report on its website, that of the Korea Federation of Banks and the electronic disclosure system (dart.fss.co.kr) at least 20 days prior to the date of its general meeting of shareholders each year. This report transparently notifies all of its stakeholders about all matters related to corporate governance.

Second, the Company provides an annual corporate governance report to its stakeholders to help them understand how the Company handles corporate governance. This report discloses all of its corporate governance-related internal regulations (e.g., articles of incorporation, bylaws, regulations of the Board, regulations of the Board's subcommittees).

Third, the Company promptly discloses the results of the general meeting of shareholders, appointment and dismissal of executives, and cases of non-compliance with its Internal Code of Corporate Governance through its website and that of the Korea Federation of Banks.

Fourth, especially in connection with the general meeting of shareholders, the Company does not exclude the "cumulative voting system" to protect minority shareholders' rights but promotes electronic voting and "exercise of voting right in writing" to guarantee active voting by shareholders, thus enhancing shareholders' rights. The Company also provides real-time videos of its general meeting of shareholders to provide information from these meetings in a fair and timely manner. On the Company's website, the corporate governance-related disclosure site is as follows.

[http://www.shinhangroup.com/kr/governance/board\\_notice1.jsp](http://www.shinhangroup.com/kr/governance/board_notice1.jsp)

### B. Sound corporate governance

To ensure a sound corporate governance, the Company's Board of directors is operated in an independent and professional manner. Furthermore, its internal regulations, such as the Articles of Incorporation, Internal Code of Corporate Governance,

and Board of Directors Regulation, reflect the matters recommended by the Commercial Act, the Act on Corporate Governance of Financial Companies ("Corporate Governance Act"), Corporate Governance Code, etc. in connection with the Board, and the Company diligently complies with the same.

### **C. Stable corporate governance**

To realize stable corporate governance through checks and balances between the Board and the management, the Company has delegated its decision-making and operation to them respectively. The management's execution of business was reported to the Board, which conducted diligent monitoring through its activities and those of its subcommittees.

Independent directors account for 82% (9 out of 11 total independent directors) of the Board, which is greatly in excess of the majority required by the law. In this way, the Company is creating conditions enabling the Board to dutifully perform its function of checking the management.

The Company also actively promotes the Board's independent directors-centered activities by filling a majority of each subcommittee with independent directors. (The average percentage of independent directors in subcommittees is 94%)

The Board is granted the authorities to appoint and dismiss CEO (executive director) and senior management so that it can actually check the management. Independent directors have the authority to request data, advisory services, etc., and the Company has the obligation to provide this information to independent directors.

Independent directors shown to have outstanding capability to fulfill their role are granted the terms of office to the extent allowed by the applicable laws and internal regulations. When independent directors are appointed, their experience and knowledge as independent directors, stability and continuity of corporate governance, professionalism in the operation of committees within the BOD, etc. are comprehensively considered.

To ensure the continuity of independent directors' work while maintaining their diligent performance of duties, they will be given a 2-year term of office when elected the first time and thereafter given successive 1-year terms. This ensures that only independent directors that have dutifully executed their duties will have the chance of being re-elected at the general meeting of shareholders.

In addition, in the Independent Director & Audit Committee Member Recommendation Committee, independent directors that belong to the re-election candidate group are fundamentally prohibited from self-recommendation and from voting on their recommendation.

The CEO shall not be over 70 years of age for the sake of an effective CEO succession process.

The Company implements corporate governance so that the aforementioned system and devices will help the Board, the management, and independent directors exercise checks and balances against each another.

### **D. Diversity and expertise in the composition of the Board**

The Internal Code of Corporate Governance of the Company specifies the "principle of diversity" in the composition of the Board. These principles keep the Board from sharing a specific common background or advocating specific interests, thereby realizing diversity and expertise of corporate governance.

In its actual operations, the Board consists of members with diverse expertise. This prevents specific backgrounds or skill sets from being over-represented.

The members of the Board evenly cover 6 areas (finance, business management, economy, legal, accounting, and information technology) among the areas of expertise required by the Corporate Governance Act.

Considering financial holding companies' characteristics, which cover all sectors of the financial industry, the Company endeavors to elect independent directors with expertise across multiple areas.

**[Reference] Composition of the Board by area of expertise**

(Unit: No. of directors)

Classification	Finance	Economics	Business management	Accounting	Legal	Information technology	Total
After General Meeting of Shareholders (March 2023)	2	2	1	2	3	1	11

Meanwhile, the Company complies with the "Board Diversity Guidelines," which requires the long list to include independent director candidates with diverse experience and perspectives in terms of nationality, gender, age, experience, background. The Board currently has 2 female independent director, thus pursuing its gender diversity, and has independent directors of 2 nationalities (Korean, and American) and 2 main countries of operation (Korea and Japan), thus incorporating global perspectives in its management. In addition, in order to continuously expand the number of female independent directors for gender diversity, we are endeavoring to diligently follow the principle of diversity in the Board's composition including clarifying the criteria to maintain a minimum 20% for female candidates in the long list.

**[Reference] Skill matrix of the Board (As of December 31, 2023 in BOD)**

Classification	Kwak Su Keun	Kim Jo Seol	Bae Hoon	Sung Jae-ho	Yoon Jaewon	Lee Yong-guk	Lee Yoon-jae	Jung Sang Hyuk	Jin Okdong	Jin Hyun-duk	Choi Jae Boong
Finance							●	●	●		
Economics		●					●				
Accounting	●		●		●						
Business management	●				●		●	●	●	●	
Legal			●	●		●					
IT, Digital											●
International business		●	●	●		●			●	●	

**[Reference] Number of female independent director candidates in the past 3 years (maintaining a ratio of at least 30% every year)**

Classification	Number of independent director candidates	Number of female independent director candidates (Percentage)
As of December 31, 2021	131	49 (37.4%)
As of December 31, 2022	140	50 (35.7%)
As of December 31, 2023	164	56 (34.1%)

## E. Corporate governance reflecting growth direction and Shinhan Financial Group's organizational culture ("the Group")

The Company began as Shinhan Bank, which was founded in July 1982 as "the first bank in Korea to be formed solely with private capital". It was born out of the patriotism of 341 Korean national shareholders residing in Japan (100% shareholding, with equity capital of 25.9 billion won).

With the slogan of "Bank for the country," the genuine sense of mission of the aforementioned Korean national shareholders to contribute to the development of their mother country's financial industry was the basis for Shinhan Financial Group's founding spirit, ("the Group"). That spirit is fully reflected in the company name which signifies "Bank of the new (*Shin*) Korea (*Han*)."

From the incorporation of Shinhan Bank to the present, the Company's Korean national shareholders residing in Japan, as the founding shareholders, have been acting as more than just investors.

After Shinhan Bank's incorporation, these shareholders have unwaveringly supported the Company to maintain its position in the market and secure a solid future growth engine.

By launching the "campaign to buy Shinhan shares" despite a heavy fall in its stock price during the 1997 Korean financial crisis, the Korean national shareholders residing in Japan have not only contributed to their home country's economic development, but have also played the role of silently and patiently helping the Group's development.

The founding shareholders' unwavering affection and support have laid the foundation for Shinhan Bank, a small financial company with only 3 branches at the time of its incorporation, to grow into a financial group that proudly represents Korea today.

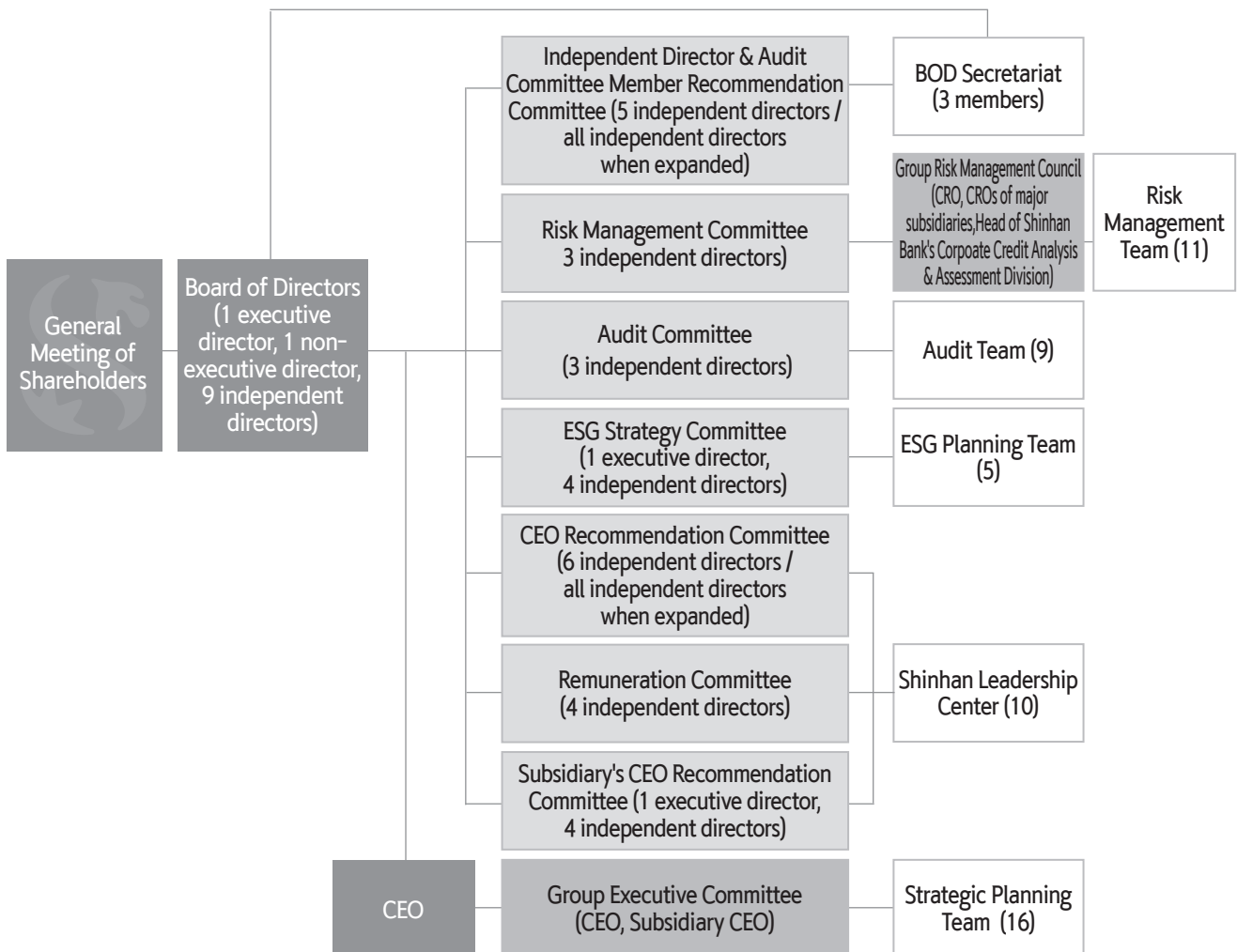
Based on such full-fledged trust by its founding shareholders, the Group has mainly been run, from its incorporation until now, by professional managers with a deep affection for and understanding of the "Shinhan" value, thus continuing to record stable development.

Launched in 2001 as "the first privately-held financial holding company in Korea.", the Company successfully laid the foundation for a new leap into the future through its strategic partnership with BNP Paribas Group, a global financial group. Also, it attracted investment by IMM PE, a management-participating private equity fund, in 2019 and investment by the global private equity funds Affinity Equity Partners and EQT Private Capital Asia (Formerly Baring Private Equity Asia) in 2020, thus strengthening communication and cooperation with capital market participants and securing a long-term growth engine.

Members of the Board are chosen to reflect the Group's growth path and organizational culture in its corporate governance. Independent directors include management, law, and economics experts representing the Group's founding spirit and the Company's Korean-national shareholders residing in Japan, and accounting, law, and IT experts recommended by IMM PE, Affinity Equity Partners and EQT Private Capital Asia (Formerly Baring Private Equity Asia), the Company's strategic partners.

## 2. Current Status of Corporate Governance

### A. Organizational chart (As of December 31, 2023)



## B. Key characteristics of Shinhan Financial Group's corporate governance

### (1) Independent director-centered composition of the Board

The Board is the Company's supreme and standing decision-making body. It has the authority to appoint and dismiss CEO, and independent directors play a central role in its operation. Currently, 9 out of the 11 members of the Board are independent directors (82%), and the proportion of independent directors are much higher than in other financial companies. This strong presence of independent directors enhances rational decision-making through greater participation in the Board by those with diverse expertise and backgrounds. It also strengthens checks against the management through multiple independent directors with verified independence. In addition, the Company's internal regulations were updated in March of 2010 so that chair of the Board is now required to be an independent director.

### (2) Subcommittees-centered operation

There are a total of 7 subcommittees: Independent Director & Audit Committee Member Recommendation Committee, CEO Recommendation Committee, Audit Committee, Remuneration Committee, Risk Management Committee, ESG Strategy Committee, and Subsidiary's CEO Recommendation Committee.

Among the subcommittees, the Independent Director & Audit Committee Member Recommendation Committee, CEO Recommendation Committee, Audit Committee, Remuneration Committee, and Risk Management Committee are required by law, particularly the Corporate Governance Act. The remaining two subcommittees were voluntarily formed by the Board to enhance expertise, independence and efficiency of the Board and stability of the corporate governance.

Independent directors also play a central role in the subcommittees, as is the case in (1) above.

For example, in the case of the Independent Director & Audit Committee Member Recommendation Committee, the Corporate Governance Act requires that independent directors shall account for a majority thereof, and the Company's internal regulations also set this as a requirement. Actually, all its members are independent directors (Article 3 of Independent Director & Audit Committee Member Recommendation Committee Regulation). Likewise, in the case of CEO Recommendation Committee, all its members are independent directors despite the law requiring that a majority thereof be independent directors, enhancing transparency and independence in the CEO succession process. (Article 3 of the CEO Recommendation Committee Regulation.)

In regard to the Audit Committee, the Corporate Governance Act and the Company's internal regulations (Article 7 of Audit Committee Regulation) mandate that independent directors shall account for two thirds or more. In actuality, all its members are independent directors in the Company so that the Audit Committee can dutifully exercise its role of supervising the management's execution of duties.

In the case of the Risk Management Committee, the Corporate Governance Act and the Company's internal regulations (Article 3 of the Risk Management Committee Regulation) mandate that independent directors shall account for a majority, but in actuality, all its members are independent directors. In the ESG Strategy Committee, and Subsidiary's CEO Recommendation Committee, which were established by the Board's voluntary resolution, independent directors account for a majority of the members.

In addition, all subcommittees, excluding Subsidiary's CEO Recommendation Committee, are chaired by an independent director.

### (3) Distribution of authority in recommending candidates for executives

In connection with the recommendation of the candidates for executives, the Company runs the Independent Director & Audit Committee Member Recommendation Committee, CEO Recommendation Committee, and Subsidiary's CEO Recommendation Committee.

The Corporate Governance Act, having become effective on August 1, 2016, obligates that a committee recommending



candidates for executives (independent directors, CEO, representative officers, and Audit Committee members) be formed. The Company had already been running multiple subcommittees depending on the types of executives when the law started being enforced.

The Independent Director Recommendation Committee has been in charge of recommending independent director candidates since May 10, 2004. The CEO Recommendation Committee (Formerly Governance & CEO Recommendation Committee) has been in charge of recommending candidates for CEO since August 25, 2011, the Audit Committee Member Recommendation Committee has been in charge of recommending candidates for Audit Committee members since February 4, 2008, and the Board Steering Committee has been in charge of recommending candidates for non-executive directors since August 25, 2011. Currently, through the amendment of the Articles of Incorporation and related internal regulations (March 25, 2021), the Independent Director Recommendation Committee and the Audit Committee Member Recommendation Committee are merged to form the Independent Director & Audit Committee Member Recommendation Committee in order to clarify the authority of recommending candidates for independent directors who are also Audit Committee members, and the recommendation authority was transferred to the Board to strengthen the non-executive director recommendation process, leaving the Board Steering Committee redundant and abolished. In addition, for independence and transparency in the recommendation of candidates for subsidiaries' CEOs, the Subsidiary's CEO Recommendation Committee has been turned as a subcommittee.

Independent directors are appointed as members of the subcommittees to avoid overlaps to the maximum extent possible. This prevents certain independent directors from monopolizing their authority to recommend candidates for executives.

Classification	Executives to be recommended	Subcommittee members (independent directors)
Independent Director & Audit Committee Member Recommendation Committee	Recommend candidates for independent directors, and Audit Committee members	Choi Jae Boong, Kim Jo Seol, Yoon Jaewon, Lee Yong-guk, Jin Hyun-duk (However, when the final recommendation of independent director candidates and the recommendation of Audit Committee member candidates commences, all independent directors become members of the committee)
CEO Recommendation Committee	Recommend candidates for CEO	Sung Jaeho, Bae Hoon, Lee Yong-guk, Lee Yoon-jae, Jin Hyun-duk, Choi Jae Boong (However, at the final meeting for the selection of the CEO candidate, all independent directors become members of the committee)
Subsidiary's CEO Recommendation Committee	Recommend candidates for subsidiaries' CEOs	Kwak Su Keun, Bae Hoon, Sung Jaeho, Lee Yoon-jae

#### (4) Strengthened expertise of subcommittees

As prescribed in the Corporate Governance Act, the Audit Committee must include at least 1 accounting or financial expert: Director Yoon Jaewon, a professor of business administration with accounting major who is a licensed certified public accountant in the US, and Director Kwak Su Keun, also a professor of business administration with accounting major, are serving there, thus meeting the statutory requirement and reinforcing the subcommittee's expertise.

In the case of the Risk Management Committee, the inclusion of Director Lee Yong-guk, a legal/financial expert with professional experience in finance and capital markets who has provided financial and legal advices for various domestic and foreign large-scale matters for approximately 15 years, and Director Sung Jaeho, who can closely check and monitor the management of financial companies based on his sufficient experience as an independent director of financial companies as well as his legal expertise, added depth to the committee's performance of its role.

Given the relevant committees' characteristics, members of the Remuneration Committee are not allowed to consecutively serve in excess of 2 years, and exceptions to the foregoing are allowed only when there are unavoidable circumstances, such as when they do not significantly interfere with the composition of the committees.

However, in the case of the Audit Committee, Risk Management Committee, Remuneration Committee, etc., in consideration of



expertise in the relevant areas, checks against the management, etc., changes in subcommittee members are minimized during the directors' terms of office.

### (5) Strengthened corporate social responsibility and sustainable management

In order to grow together with internal and external stakeholders including customers, shareholders, and the community, fulfill its corporate social responsibility as a financial company, and actively and systematically realize the Group's mission, 'Compassionate Finance for the Future,' the Company on March 25, 2015 established the ESG Strategy Committee (formerly Corporate Social Responsibility Committee) as a subcommittee for the first time among domestic financial companies.

### (6) Compliance to responsibilities of a financial holding company

As the first privately held financial holding company in Korea, the Company endeavors to operate in compliance with the purpose of its incorporation in the aspect of corporate governance.

The Corporate Governance Act does not have a separate provision regarding this, but in consideration of the purpose of applicable provisions in the former Corporate Governance Code, the Company has established and continues to run its Management and Risk Management Council.

Since September 2011, the Company has been running the Group Executive Committee. This committee discusses the Group's key issues (Business Management Council under the Corporate Governance Code) as an organization that supports decision-making by the CEO.

To discuss the Group's risks in detail, the Company has been running the Group Risk Council (Risk Management Council under the Corporate Governance Code) since December 2001. In November 2009, the Group strengthened Risk Management Committee's role as a working-level policy body.

The Subsidiary's CEO Recommendation Committee ensures that while subsidiaries operate in a way to maximize shareholder value, they adhere to the overarching group-wide corporate governance framework.

## C. Current status of corporate governance (Summary)

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name, Independence)	Related regulations
Board of Directors	<ol style="list-style-type: none"> <li>1. Establish and evaluate management plans covering subsidiaries in scope</li> <li>2. Establish, revise, and abolish important internal regulations such as Articles of Incorporation</li> <li>3. Matters on budget and settlement of accounts</li> <li>4. Matters on important organizational changes and contracts</li> <li>5. Matters on overall corporate governance of the Company</li> <li>6. Supervise conflict of interest between the Company and major shareholders or executives</li> <li>7. Establish and revise the Company's internal control system</li> <li>8. Establish and revise the Company's risk management standards</li> <li>9. Establish and evaluate CEO succession plan and manage the CEO candidate pool</li> </ol>	9/11	Lee Yoon-jae (independent director)	<ul style="list-style-type: none"> <li>· Key roles: Article 4 of the Internal Code of Corporate Governance, Article 10 of the Board of Directors Regulation</li> <li>· Composition: Article 36 of Articles of Incorporation, Article 3 of the Internal Code of Corporate Governance, Article 5 of Board of Directors Regulation</li> <li>· Chairperson of the Board: Article 45 of Articles of Incorporation, Article 5 of the Internal Code of Corporate Governance, Article 7 of Board of Directors Regulation</li> </ul>

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name, Independence)	Related regulations
Independent Director & Audit Committee Member Recommendation Committee <sup>1)</sup>	<ol style="list-style-type: none"> <li>1. Establish, review, and supplement the principles of electing independent directors, and Audit Committee members</li> <li>2. Recommend candidates for independent directors, and Audit Committee members to be elected at the general meeting of shareholders</li> <li>3. Manage the independent director candidate pool and verify the candidates</li> </ol>	5/5 (9/9) <sup>2)</sup>	Choi Jae Boong (Independent director)	<ul style="list-style-type: none"> <li>· Key roles: Article 13 of the Internal Code of Corporate Governance, Article 6 of the Independent Director &amp; Audit Committee Member Recommendation Committee Regulation</li> <li>· Composition: Article 13 of the Internal Code of Corporate Governance, Article 3 of the Independent Director &amp; Audit Committee Member Recommendation Committee Regulation</li> <li>· Chairperson: Article 4 of the Independent Director &amp; Audit Committee Member Recommendation Committee Regulation</li> </ul>
CEO Recommendation Committee <sup>3)</sup>	<ol style="list-style-type: none"> <li>1. Support the Board in the succession of CEO</li> <li>2. Set the qualifications of CEO such as talents or business acumen</li> <li>3. Recommend the candidate for CEO</li> <li>4. Select the candidate for CEO and manage the candidate pool (e.g, verify whether the candidate meets the qualifications)</li> </ol>	6/6 (9/9) <sup>4)</sup>	Sung Jaeho (Independent director)	<ul style="list-style-type: none"> <li>· Key roles: Article 10 of the Internal Code of Corporate Governance, Article 6 of the CEO Recommendation Committee</li> <li>· Composition: Article 10 of the Internal Code of Corporate Governance, Article 3 of the CEO Recommendation Committee</li> <li>· Chairperson: Article 4 of the CEO Recommendation Committee</li> </ul>
Audit Committee	<ol style="list-style-type: none"> <li>1. Supervise directors' and the management's execution of duties</li> <li>2. Select external auditor and request dismissal of the same</li> <li>3. Other matters prescribed by the Articles of Incorporation or internal regulations in connection with auditing</li> </ol>	3/3	Yoon Jaewon (Independent director)	<ul style="list-style-type: none"> <li>· Key roles: Article 12 of the Internal Code of Corporate Governance, Article 10 of Audit Committee Regulation</li> <li>· Composition: Article 12 of the Internal Code of Corporate Governance, Article 7 of Audit Committee Regulation</li> <li>· Chairperson: Article 8 of Audit Committee Regulation</li> </ul>

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name, Independence)	Related regulations
Remuneration Committee	<ol style="list-style-type: none"> <li>1. Matters on determination and payment method of remuneration for the Company's management and financial investment personnel</li> <li>2. Prepare and disclose an annual report on payment of remuneration to the management and financial investment personnel</li> <li>3. Design and operate remuneration system for the management and financial investment personnel and evaluate reasonableness of such design and operation</li> <li>4. Matters on evaluation of, and remuneration for, subsidiaries' executives</li> <li>5. Decisions on the Company's financial investment personnel</li> <li>6. Matters on procedure for decision-making concerning remuneration policy</li> <li>7. Other matters related to remuneration system</li> </ol>	4/4	Sung Jae-ho (Independent director)	<ul style="list-style-type: none"> <li>· Key roles: Article 15 of the Internal Code of Corporate Governance, Article 6 of Remuneration Committee Regulation</li> <li>· Composition: Article 15 of the Internal Code of Corporate Governance, Article 3 of Remuneration Committee Regulation</li> <li>· Chairperson: Article 4 of Remuneration Committee Regulation</li> </ul>
Risk Management Committee	<ol style="list-style-type: none"> <li>1. Establishing basic risk management guidelines befitting management strategies</li> <li>2. Decide the level of risk which the Company and each subsidiary can bear</li> <li>3. Approve the limits of reasonable investment or allowable loss</li> <li>4. Enact and revise Group Risk Management Regulation and Group Risk Council Regulation</li> <li>5. Matters on the structure, and delegation of responsibilities, of the risk management department</li> <li>6. Operate the risk management system</li> <li>7. Set the limits and approve exceptions thereof</li> <li>8. Decision-making related to Group Internal Ratings-Based Approach approval of the Financial Supervisory Service's non-retail and retail credit rating system</li> <li>9. Matters of risk disclosure policy</li> <li>10. Result of crisis analysis, and capital management plan and funding plan related thereto</li> <li>11. Matters deemed necessary by the Board</li> <li>12. Matters required by outside regulations (e.g, FSC regulations) and matters prescribed by other regulations, guidelines, etc.</li> <li>13. Matters deemed necessary by the Committee Chairperson</li> </ol>	3/3	Lee Yong-guk (Independent director)	<ul style="list-style-type: none"> <li>· Key roles: Article 14 of the Internal Code of Corporate Governance, Article 6 of Risk Management Committee Regulation</li> <li>· Composition: Article 14 of the Internal Code of Corporate Governance, Article 3 of Risk Management Committee Regulation</li> <li>· Chairperson: Article 4 of Risk Management Committee Regulation</li> </ul>
ESG Strategy Committee	<ol style="list-style-type: none"> <li>1. Establish sustainable management strategy</li> <li>2. Establish, revise, and abolish standards/policies related to sustainable management such as eco-friendly management (including response to climate change) and corporate social responsibility</li> <li>3. Other matters related to sustainable management and submitted by the Chairperson</li> </ol>	4/5	Kwak Su Keun (Independent director)	<ul style="list-style-type: none"> <li>· Key roles: Article 17 of the Internal Code of Corporate Governance, Article 6 of ESG Strategy Committee Regulation</li> <li>· Composition: Article 17 of the Internal Code of Corporate Governance, Article 3 of ESG Strategy Committee Regulation</li> <li>· Chairperson: Article 4 of ESG Strategy Committee Regulation</li> </ul>

Subcommittees	Key roles	Composition (No. of independent directors / No. of members)	Chair (Name, Independence)	Related regulations
Subsidiary's CEO Recommendation Committee	<ol style="list-style-type: none"> <li>1. Support the Board in the management succession of subsidiaries' CEOs</li> <li>2. Set the qualifications of subsidiaries' CEOs such as talents or business acumen</li> <li>3. Recommend candidates for subsidiaries' CEOs</li> <li>4. Select the candidates, verify whether the candidates the qualifications for subsidiaries' CEOs, and manage the candidate pool</li> <li>5. Matters related to subsidiary management leadership evaluation</li> <li>6. Request actions (sanctions, etc.) according to the inspection results for the subsidiaries</li> </ol>	4/5	Jin Okdong (Executive director)	<ul style="list-style-type: none"> <li>· Formation and operation: Article 19 of the Internal Code of Corporate Governance, Article 2 of Subsidiary Management Committee Regulation</li> <li>· Matters requiring committee resolution: Article 19 of the Internal Code of Corporate Governance, Article 5 of Subsidiary Management Committee Regulation</li> <li>· Chairperson: Article 4 of Subsidiary Management Committee Regulation</li> </ul>
Group Executive Committee	<p>Deliberate and discuss the Group's key issues and thereby support decision-making by CEO</p> <ol style="list-style-type: none"> <li>1. Matters related to establishment of the Group's vision/strategic direction and management plan/budge.</li> <li>2. Matters that require cooperation or interest coordination among subsidiaries, etc. and business divisions in order to implement the Group's strategy.</li> <li>3. Matters related to the various management issues of subsidiaries, etc. and business divisions, that need to be shared and discussed among the subsidiaries.</li> <li>4. Matters related to the systems jointly applied by subsidiaries, etc. and business divisions.</li> <li>5. Matters related to the Group-level brand strategy.</li> <li>6. Other matters deemed necessary by the CEO</li> </ol> <p>* Submission may be exempt for agenda items required by laws or contracts to be confidential</p>	-	Jin Okdong (Executive director)	<ul style="list-style-type: none"> <li>· Key roles: Article 43 of the Internal Code of Corporate Governance, Articles 2, 6, and 7 of Group Executive Committee Regulation</li> <li>· Composition: Article 43 of the Internal Code of Corporate Governance, Article 3 of Group Executive Committee Regulation</li> <li>· Chairperson: Article 3 of Group Executive Committee Regulation</li> </ul>
Group Risk Management Council	<p>For consistency in the risk policies and strategies of the Group and subsidiaries, discuss on the Group's risks and resolve on matters necessary to implement policies formulated by Risk Management Committee</p> <ol style="list-style-type: none"> <li>1. Matters on the setting of exposure limits such as countries, critical areas, individual companies and affiliates.</li> <li>2. Matters on implementation of the Group's integrated crisis analysis.</li> <li>3. Decision-making related to the Group's non-retail credit rating system, excluding those subject to approval under the Financial Supervisory Service's Internal Ratings-Based Approach.</li> <li>4. Other matters deemed necessary by the chairperson.</li> </ol>	-	Bang Dong-kwon (Chief Risk Officer)	<ul style="list-style-type: none"> <li>· Key roles: Article 43 of the Internal Code of Corporate Governance, Articles 2, 5, and 6 of Group Risk Management Council Regulation</li> <li>· Composition: Article 74 of the Internal Code of Corporate Governance, Article 3 of Group Risk Management Council Regulation</li> <li>· Chairperson: Article 3 of Group Risk Management Council Regulation</li> </ul>

Note 1) Independent Director & Audit Committee Member Recommendation Committee for the recommendation of candidates for executives under the Corporate Governance Act (Recommend candidates for independent directors, and Audit Committee members)

Note 2) When the final recommendation of independent director candidates and the recommendation of Audit Committee member candidates commences, all independent directors become members of the committee

Note 3) CEO Recommendation Committee: Committee for the recommendation of candidates for executives under the Corporate Governance Act (Recommend candidate for CEO)

Note 4) At the final meeting for the selection of the CEO candidate, all independent directors become members of the committee

### 3. Related regulations

- (1) Articles of Incorporation
- (2) Internal Code of Corporate Governance
- (3) Group Internal Control Regulation
- (4) Board of Directors Regulation
- (5) Independent Director & Audit Committee Member Recommendation Committee Regulation
- (6) CEO Recommendation Committee Regulation
- (7) Audit Committee Regulation
- (8) Remuneration Committee Regulation
- (9) Risk Management Committee Regulation
- (10) ESG Strategy Committee Regulation
- (11) Subsidiary's CEO Recommendation Committee Regulation
- (12) Group Executive Committee Regulation
- (13) Group Risk Council Regulation
- (14) Shinhan Financial Group Code of Ethics

# 2023 Annual Report on Corporate Governance & Remuneration System



## II. Board of Directors

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## II. Board of Directors

### 1. Roles

#### A. Overview

The Board is the Company's supreme and standing decision-making body. It decides the Group's and the Company's key issues (e.g., appointment and dismissal of CEO, formulation and approval of the Company's business plan). Through its function of reasonable checks, it supports responsible management by the executives.

The Company endeavors to compose the Board of independent directors that can offer various expertise and insights. They are led by the CEO, executive & non-executive directors, and independent directors who are professional managers in the field of finance and have a deep understanding of "Shinhan Culture." This enables the Group's and the Company's key decision-making to be made from diverse perspectives. The Company also provides support to decision-making by using internal and external specialists, if necessary.

#### B. Specific roles

Article 4, Paragraph 1 of the Internal Code of Corporate Governance and Article 10, Paragraph 1 of the Board of Directors Regulation states the specific roles of the Board, which are reflected in the Company's Articles of Incorporation.

##### (1) Establish and evaluate management goals and strategies

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 1) provides that the Board has authority for 'establish and evaluate the Company's and subsidiaries' management plans', and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 4 Item a) provides that 'drafting and approval of the Company's business plan (including those of subsidiaries)' requires the Board's resolution.

The Company's Board establishes, evaluates and finally approves the management plan (including business, financial, risk, and budget plans), and in cases of dramatic changes in the management environment, may revise the same.

The 9th temporary Board meeting (Dec. 7, 2023) approved the 'Group's management plan and budget for 2024' as follows.

The management plan for 2024 began with 'review of group strategies and discussion of the direction of the 2024 management plan' at the holding company's working-level workshop on management plan (Sep. 2023). The Strategic Planning Team (department in charge of management plan) prepared a draft, and after a team head meeting and executive meeting, came up with a detailed 'Group management plan (draft)'. The Board's workshop (Oct. 6, 2023) discussed the draft plan, decided on the Group's strategic direction and shared the result with subsidiary companies. Then, each subsidiary company checked its performance of 2023 in the performance analysis meeting, and reviewed its draft management plan for 2024. Through discussions among the subsidiary companies' executives in charge of management plan and the Group Executive Committee, the 'draft Group management plan for 2024' was produced. The 9th temporary Board meeting (Dec. 7, 2023) approved it, finalizing the 'draft Group management plan and budget for 2024'.

Key items are as follows.

To achieve "customer-centeredness" and "Excellence, Shinhan," the Group's pursued value and long-term goal, for the purpose of promoting "innovation and challenge" by breaking away from the framework of past success and thinking anew from the beginning, "Customer-centered, first-class Shinhan! Innovation and challenge that breaks the mold!" was set as the management slogan and detailed tasks were established. The 2024 management plan specifies tasks rather than setting vague goals or directions and clarifies the roles of task owners, and the direction has been set to strengthen implementation capabilities based on continuous inspection and evaluation.

The strategic tasks for 2024 can be divided into a priority strategic task and core strategic tasks, and the details are as follows.

The priority strategic task is "Preemptive internal control and thorough risk management" which will be the most basic for the Group in 2024. Detailed directions of their implementation include "Establishment of new internal control governance," "Strengthening of preemptive prevention system against financial incidents," "Improvement of anti-money laundering capabilities," "Internalization of ethical compliance," "Response to expanded potential risks and thorough management of risk," "Risk management for sustainable growth support" and "Strengthened risk management system for future growth engine."

The second to eighth are core strategic tasks.

Second is "Beyond Legacy, securing a differentiated customer base." Detailed directions include "Enhancing the value of the financial business," "Bold partnerships and new attempts," and "Strengthening the customer-based promotion system."

Third is "Improvement of market position in the capital market through efficient growth." Detailed directions include "Strengthening capabilities for product supply and operation," "Expanded performance in IB biz," "Strengthening global and VC competitiveness," and "Connecting between industries and supporting growth."

Fourth is "Value-up 2024, sustainable, first-class and global." Detailed directions include "Strengthening internal control, risk management and collaboration systems," "Creating differentiated value," "Expanding non-bank contributions," and "Supporting sustainable growth."

Fifth is "Scaling up performance creation through digital to value." Detailed directions include "Creating results by building the Shinhan SOL Universe," "Strengthening business continuity and expanding digital ESG activities," "Improving digital business efficiency and continuing investment in new technologies and businesses," and "Strengthening sustainable digital core capabilities."

Sixth is "Promoting a great transformation of Shinhan culture centered on righteousness." Detailed directions include "Employee growth through metacognition," "Internalization of righteousness-centered management direction," "Securing future talent competitiveness," and "Human resource innovation using HR technology."

Seventh is "Promoting ESG while fulfilling social roles and responsibilities." Detailed directions include "Promoting sincere eco-friendly management," "Promoting expansion of social contribution that reflects social needs," and "Creating DEI culture and spreading values."

Finally, there is "Growth and profits that meet market expectations." Detailed directions include "Strengthening basic strengths of the Group's business lines," "Discovering new growth engines and seizing market opportunities," and "Efficient resource allocation."

In addition, taking into account consistency between the aforesaid strategic tasks and mid-term strategic goals, the characteristics and environment of each business sector, each of the 15 subsidiaries (including Shinhan Bank) prepared its business plan, which has been approved by the Board and each company's board of directors to secure a consistent strategic direction for the entire Group.

The Board receives reporting of 'Group management plan/annual business plan: Performance results' every half year and reviews progress of the management plan. The progress is monitored by reporting the performance results to the Board in the first and second half of the year respectively, and through this, we are enhancing Group-level execution thereof by linking the same with the CEO strategic task evaluation and the compensation system reflected in each subsidiary's business plan. In 2023, the matter was reported at the 1st temporary Board meeting (February 8) and the 3rd regular Board meeting (August



10). In 2024, it was reported at the 1st regular Board meeting (February 8).

## **(2) Enact, amend, and abolish important regulations such as the articles of incorporation**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 2) provides that the Board has authority for 'enactment, amendment, and abolishment of important regulations such as Articles of Incorporation', and designates the Board of Directors Regulation Articles of Incorporation as an important regulation and makes it clear that the Articles' amendment requires the Board's resolution (Article 10 Paragraph 1 Subparagraph 3 ('Enactment, amendment, and abolishment of important regulations')).

In addition to the Articles of Incorporation, the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 3) designates, as important regulations, the Internal Code of Corporate Governance, Board of Directors Regulation, Subcommittee Regulation, Executives Regulation, and Internal Control Regulation etc., and provides that enactment, amendment, and abolishment of the foregoing (including other important regulations deemed to require the Board's resolution) requires Board resolution.

For 2023, partial changes to the Articles of Incorporation were approved at the first regular Board meeting (February 28), and confirmed at the annual shareholders' meeting (March 23). There were changes in the grounds for the creation of new subcommittees, and the Subsidiary Management Committee was renamed as the Subsidiary's CEO Recommendation Committee. The key change is that the dividend base date can be changed from the end of the fiscal year (end of December) to on or after the dividend amount determination date (general shareholders' meeting date).

In addition, the Board revised the Internal Code of Governance, Board of Directors Regulation, Audit Committee Regulation, Management Evaluation and Remuneration Regulation, and Subsidiary's CEO Recommendation Committee Regulation, in order to rename the Subsidiary's CEO Recommendation Committee and change some of its deliberations and resolutions, clarify the subject of delegation from the Audit Committee to the internal audit manager, and reorganize the names of executive compensation items.

In addition, at the 2nd regular meeting held on May 11, the Board revised the Regulation for Operation of Group Self-Normalization Plan to reflect the contents of the Group Self-Normalization Plan approved by the Financial Services Commission, and reflected the Risk Management Committee's key roles depending on the stage of the crisis.

At the 3rd regular meeting held on August 10, the Board resolved to revise the Board of Directors Regulation to prescribe the deadline for preparing Board minutes in accordance with the Financial Supervisory Service's recommendation in the regular inspection.

Lastly, at the 4th regular meeting held on November 9, in order to respond to the revision of the New York Stock Exchange ("NYSE") listing standards regarding the recovery of executive performance remuneration and operate a reasonable executive performance remuneration system, the Board enacted the Regulation on Recovery of Performance Remuneration for NYSE-Listed Companies and revised the Management Evaluation and Remuneration Regulation and the PS Operation Regulation.

## **(3) Approve budget and settlement of accounts**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 3) provides that the Board has authority for 'budget and financial statements' and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 4 Item b) more specifically provides that 'approval of budget and financial statements (including remuneration for directors, executives and employees' requires the Board's resolution.

The 2024 budget plan was established in the same process as in the aforesaid (A) 'establishment and evaluation of management goals and strategies, and was finally approved at the 9th temporary Board meeting (Dec. 7, 2023) as follows.

Key items of the '2024 budget plan' are as follows.

Total budget for 2024 is KRW 190.5 billion (a increase of KRW 6.2 billion over the previous year) and, in detail, an increase of KRW 3.7 billion in expense budget and a increase of KRW 2.4 billion in capital budget. Expense budget is KRW 177.0 billion, with cost of labor KRW 49.8 billion, other expenses KRW 123.1 billion, and reserves KRW 4.0 billion. In the Company, financial statements as well as budget plan have to be approved.

As for the 2022 financial statements, a draft was prepared by the internal accounting manager in January 2023, and by resolution of the 1st temporary Board meeting (Feb. 8, 2023), was submitted to the Audit Committee, and via the external auditor's review (Feb. 2023), accounting audit of the 22nd financial statements was finalized at the 2nd Audit Committee meeting (Feb. 23, 2023) and submitted to the AGM, being finally approved by the 22nd AGM (Mar. 23, 2023).

#### **(4) Important organizational changes such as dissolution, business transfer, merger**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 4) provides that the Board has authority for 'material organizational changes and contracts,' and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 4 Item c ('change of stock and capital'), Subparagraph 5 ('inclusion and exclusion as subsidiaries'), Subparagraph 8 Item a ('capital contribution each of which is in excess of 1/100 of the equity'), Subparagraph 8 Item b ('funding intended for support of subsidiaries and each of which is in excess of 3/100 of the equity'), Subparagraph 8 Item c ('strategic alliance or partnership with foreign financial institutions for purposes of comprehensive business alliance, equity participation, etc.'), and Subparagraph 8 Item d ('approval of dissolution, business transfer, and merger') give details requiring the Board's resolution.

At the 1st temporary Board meeting (Feb. 8, 2023), the inclusion and exclusion of subsidiaries, etc. for the second half of 2022 were collectively reported in the agenda of the "inclusion and exclusion of subsidiaries, etc." (2nd half of 2022) that falls under the exception to Article 10, Paragraph 1, Item 5 of the Board of Directors Regulation ("where the amount invested by a subsidiary, etc. in its own subsidiary, etc. is 1/100 or less of the holding company's equity capital at the time of inclusion or exclusion of the latter subsidiary (grandchild company), etc."). In addition, at the 6th temporary Board meeting (Jul. 27), the details of inclusion and exclusion of subsidiaries (first half of 2023) were collectively reported as the agenda of "inclusion and exclusion of subsidiaries, etc. for the first half of 2023."

Additionally, at the 9th temporary Board meeting (Dec. 7), the progress and future schedule of the asset transfer between Shinhan AI (our subsidiary) and Shinhan Bank were reported in the Group portfolio adjustment report. In this matter, a final resolution will be made by the Board at the time of actual liquidation.

#### **(5) Establish and evaluate principles and policies of corporate governance**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 5) provides that the Board has authority for 'the Company's overall policies and principles on governance,' and the Board of Directors Regulation provides that 'matters on the Company's corporate governance' (Article 10 Paragraph 1 Subparagraph 6) and 'matters on directors' (Article 10 Paragraph 1 Subparagraph 7) require the Board's resolution.

The 1st temporary Board meeting (Feb. 8, 2023) reviewed 'composition of the 2023 Board,' and decided the total number of Board members and the percentages of executive/independent/non-executive directors.

Through this, the Board, which used to consist of 14 members (12 independent directors, 1 executive director, and 1 other non-executive director), was changed to 11 members (9 independent directors, 1 executive director, and 1 other non-executive director) after the 2023 annual shareholders' meeting. We took into account the expertise and diversity of the Board, the unique beginnings of the Company, and relationships with institutional investors. It was expected that the Board's operations and discussions would become more practical and efficient through changes in its composition.

At the 1st regular meeting (Feb. 28, 2023), the Board, in the matter of "Deliberation on adequacy of director candidates,"

deliberated on the adequacy of all director candidates recommended by the Independent Director & Audit Committee Member Recommendation Committee. In addition, on the same date, the Board recommended the non-executive director candidate and approved the cap on director remuneration. These details were finalized at the 22nd annual shareholders' meeting (March 23, 2023).

At the 2nd temporary Board meeting (March 23, 2023), the appointment of the Chairman of the Board and the appointment of the CEO and Chairman were resolved. As former CEO and Chairman Cho Yong-byoung, who served as CEO and Chairman for the past six years, retired at the end of his term and Jin Okdong was elected as new director at the 22nd annual shareholders' meeting held before the Board meeting, the Board made a resolution to appoint Director Jin Okdong as CEO and Chairman. In addition, in accordance with the opinions of all directors that it would be better for independent director Lee Yoon-jae to continue serving as the Board Chairman who has to collect and listen to the opinions of various directors and lead the Board to efficient operation and rational judgment, director Lee Yoon-jae, who has excellent knowledge and understanding of finance and the economy as a whole, has the ability to collect information through a wide network encompassing public and private sectors, and not only presents balanced opinions at the Board but also has faithfully fulfilled his role as Chairman of the Board for the past two years, was reappointed as Chairman of the Board.

At the 3rd special meeting held on the same day, the Board resolved to appoint subcommittee members, and at the subsequent joint meetings, chairpersons for subcommittees were appointed. The chairperson and members for each subcommittee are as follows.

The same Board meeting passed 'appointment of members of Subcommittees.' Members of the subcommittees are as follows.

- Independent Director & Audit Committee Member Recommendation Committee: Choi Jae Boong (Chairperson), Kim Jo Seol, Yoon Jaewon, Lee Yong-guk, Jin Hyun-duk
- \* However, when the final recommendation of independent director candidates and the recommendation of Audit Committee member candidates commences, all independent directors become members of the committee
- CEO Recommendation Committee: Sung Jaeho (Chairperson), Bae Hoon, Lee Yong-guk, Lee Yoon-jae, Jin Hyun-duk, Choi Jae Boong
- \* However, at the final meeting for the selection of the CEO candidate, all independent directors become members of the committee
- Remuneration Committee: Sung Jaeho (Chairperson), Kwak Su Keun, Kim Jo Seol, Lee Yoon-jae
- Risk Management Committee: Lee Yong-guk (Chairperson), Sung Jaeho, Choi Jae Boong
- ESG Strategy Committee: Kwak Su Keun (Chairperson), Kim Jo Seol, Yoon Jaewon, Lee Yong-guk, Jin Okdong
- Subsidiary's CEO Recommendation Committee: Jin Okdong (Chairperson), Kwak Su Keun, Bae Hoon, Sung Jaeho, Lee Yoon-jae

Audit Committee members were elected by the resolution of the 22nd AGM, Audit Committee members are Directors Yoon Jaewon (Chairperson), Kwak Su Keun, and Bae Hoon.

In addition, at the same meeting, the Board approved remuneration for the directors. The Board decided that the remuneration of the executive director who is the CEO would be the same as in the previous year.

Lastly, at the 10th special meeting (December 19, 2023), in the matter of "Appointment of non-director executives," the Board decided the matters concerning the appointment of executives of the holding companies including those in key posts by reflecting the Group's strategic direction for 2024, the holding companies' organizational reshuffle, etc.

## **(6) Manage and supervise conflict of interest**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 6) provides that the Board has authority for 'supervision of conflict of interest between large shareholders/executives and the Company,' and the Board of Directors

Regulation (Article 10 Paragraph 1 Subparagraph 7 Item d) provides that 'approval of transactions between director and the Company' requires the Board's resolution.

The Company's Board includes Shinhan Bank CEO as a non-executive director. Thus, transactions between the Company and Shinhan Bank are those between director and the Company. To supervise such conflict of interest, the Company restricts the non-executive director's (Shinhan Bank CEO) voting right for such matter, and apply special resolutions requiring concurrence of at least 2/3 of the directors in office. In 2023, as we renewed the real estate lease agreement with Shinhan Bank (owner) for the office space we are using, the lease agreement was resolved at the 9th temporary Board meeting (December 7, 2023). Through this, the Board approved the cap on lease agreement in consideration of contract renewal for the next three years, along with the lease deposit, monthly rent, and maintenance fee for our office space.

At the 3rd special meeting (March 23, 2023), the Board received reporting on 'Operation of the independent director system,' and after confirming the details of donations for the past two years to non-profit corporations to which the independent directors belong, the Board checked for conflicts of interest.

### **(7) Establish and evaluate internal control standards**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 7) provides that the Board has authority for 'establishment and change of the Company's internal control system', and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 10) designates the same as requiring the Board's resolution. Also, the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 10 Item a) designates enactment and abolishment of the Internal Control Regulation as requiring the Board's resolution.

In 2023, there was no revision of the internal control-related regulations.

As for other important matters, at the 1st special meeting (February 8, 2023), the Board received a report on the "Results of the internal control system and operations checks in 2022," and at the 1st regular meeting (February 28, 2023), the Board received a report on "Operations of the financial reporting internal control by management in 2022," "Result of the Audit Committee's evaluation of the financial reporting internal control in 2022," and "Result of the anti-money laundering audit in 2022." In addition, at the 3rd regular meeting (August 10, 2023), the Group compliance officer's internal control activities for the first half of the year were reported.

Meanwhile, considering the ever-increasing importance of internal control activities, the Board discussed internal control-related agenda items on two workshops. First, at the 1st Board Workshop held in May, internal control education and training were conducted, and a law firm attorney specializing in internal control was invited to share and discuss recent major issues and trends related to the internal control of financial companies. Second, at the 2nd Board Workshop held in August, the Group's compliance officer conducted a presentation titled "How to strengthen the Group's internal control" and then held a discussion session.

### **(8) Establish and evaluate risk management standards**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 8) provides that the Board has authority for 'establishment and change of the Company's risk management standards', and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 11) designates the same as requiring the Board's resolution.

Also, the Board of Directors Regulation (Article 10 Paragraph 1), within the limit of applicable laws and the Articles of Incorporation, allows the Board to delegate part of the authorities to subcommittees, and Article 10 Paragraph 3 specifies the procedure of delegation wherein the Board can enact and amend subcommittee regulations (clauses on 'matters requiring resolution') to delegate relevant authorities to subcommittees.

As stated in this annual report (I. Corporate Governance - Overview - 2. Current Status of Corporate Governance - B.

Characteristics of corporate governance - (2)), this is related to the subcommittee-centered Board operation. The purpose is to delegate part of the Board's authorities requiring expertise to individual subcommittees, so that agendas can be handled professionally and in depth.

On the other hand, Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 15) provides that subcommittee (except Audit Committee) resolutions deemed to require another resolution can be resolved by the Board.

The purpose is to apply the subcommittee-centered professional, independent, efficient governance in principle, but allow Board-level checks of subcommittees' wrong decisions.

Thus, the Company delegates a large part of 'establishment and change of the Company's risk management standards' requiring professional decision-making as follows, through Article 6 (Matters requiring resolution) of Risk Management Committee Regulation.

Risk Management Committee Regulation Article 6 (Matters requiring resolution)

① The Committee makes resolutions on the following.

1. Establishing basic risk management guidelines befitting management strategies
2. Decide the level of risk which the Company and each subsidiary can bear
3. Approve the limits of reasonable investment or allowable loss
4. Enact and revise Group Risk Management Regulation and Group Risk Council Regulation
5. Matters on the structure, and delegation of responsibilities, of the risk management department
6. Operate the risk management system
7. Set the limits and approve exceptions thereof
8. Decision-making related to Group Internal Ratings-Based Approach approval of the Financial Supervisory Service's non-retail and retail credit rating system
9. Matters on risk disclosure policy
10. Result of crisis analysis, and capital management plan and funding plan related thereto
11. Matters deemed necessary by the Board
12. Matters required by outside regulations (e.g., FSC regulations) and matters prescribed by other regulations, guidelines, etc.
13. Matters deemed necessary by the Committee Chairperson

② The Committee deliberates on the results of reviewing the risks for the following matters.

1. Matters concerning inclusion and exclusion as subsidiaries, etc. subject to resolution of the Board
2. Credit extension provided by subsidiaries, etc. in excess of 1/100 of the relevant subsidiary's equity capital in relation to inclusion and exclusion as subsidiaries, etc. under Paragraph 1)
3. Important contracts, etc. subject to resolution of the Board
  - A. Capital contribution in excess of 1/100 of the equity capital, per case
  - B. Financing for subsidiaries, etc., in excess of 3/100 of the equity capital, per case
  - C. Matters concerning strategic partnership or agreement with foreign financial institutions for the purpose of comprehensive business partnership, capital participation, etc.
  - D. Approval of dissolution, business transfer, and merger
4. Enactment and revision of the Risk Management Committee Regulation
5. Matters concerning establishment of and changes in the Company's risk management standards
6. Matters required by independent regulations (e.g., FSC regulations) and matters prescribed by other regulations, guidelines, etc.
7. Matters deemed necessary by the Committee Chairperson

As another important matter, at its 6th special meeting (July 27, 2023) the Company reported the direction of the Group's self-normalization plan (draft), and after final approval of the Group's self-normalization plan (draft) at the 7th special meeting (October 6, 2023), submitted the plan (draft) to the financial supervisory authority.

### **(9) CEO succession**

The Internal Code of Corporate Governance (Article 4 Paragraph 1 Subparagraph 9) provides that the Board has authority for 'establishment and evaluation of CEO succession plan and management of CEO candidate pool,' and the Board of Directors Regulation (Article 10 Paragraph 1 Subparagraph 12) prescribes the same as requiring the Board's resolution.

For the same reason as in the aforesaid (H) "Establish and evaluate risk management standards," the Company designates 'CEO succession' as the Board's authority, but delegate a large part thereof as follows, through Article 6 (Matters requiring resolution) of the CEO Recommendation Committee Regulation.

CEO Recommendation Committee Regulation Article 6 (Matters requiring resolution, etc)

① The Committee deliberates and resolves the following.

1. Recommendation of director (CEO candidate)
  - A. Establishment and review of CEO succession plan
  - B. Operation of CEO succession plan (e.g., select the CEO candidate pool, verify whether the candidates meet the qualifications, and evaluate)
  - C. Qualifications of CEO
  - D. Recommendation of director who is candidate for CEO

In the 1st CEO Recommendation Committee meeting (February 28, 2023), the members conducted evaluation of the Group CEO succession candidates for 2022, selection of the candidates for 2023, and review of development plan for the selected candidates, and reported the results at the 1st regular Board meeting held on the same date. The candidates for the Group CEO succession included those with experience working as CEOs of subsidiaries with total assets of KRW 10 trillion or more, the CEOs of subsidiaries subject to the Corporate Governance Act who served as the concurrent (double-duty) head of a business group with total assets of KRW 10 trillion or more, and the executives having served as the concurrent head of a business group with total assets of KRW 10 trillion or more for more than 2 years.

In the 3rd CEO Recommendation Committee meeting (May 10, 2023), the results of performance evaluation (2022) of candidates under the Group CEO succession plan and the development plan (2023) of such candidates were reported. At the 4th CEO Recommendation Committee meeting (July 27, 2023), the adequacy of the Group CEO succession plan was checked, and the following results were reported at the 6th special Board meeting (the same day).

### **(10) Miscellaneous**

The Board of Directors Regulation (Article 10 Paragraph 1 Subparagraphs 1 and 2) provides that the Board has authority for 'convening of general meeting of shareholders ("GM") and 'its agendas to be voted upon.'

The 1st regular Board meeting (Feb. 28, 2023) passed 'approval of convening and agendas of the 22nd AGM,' with its agendas including approval of financial statements, partial amendment of Articles of Incorporation, election of directors, election of independent directors who will be Audit Committee members, election of Audit Committee members, and approval of cap on director remuneration, and decided to hold the 22nd AGM on Mar. 23, 2023.

Additionally, at the 4th temporary Board meeting, held on April 27, 2023, 6th special meeting (July 27th), and 8th special meeting (October 25th), respectively, the Board resolved to implement quarterly dividends and acquire and retire treasury stock, discussing implementation of a continuous shareholder return policy. Meanwhile, at the 2nd regular meeting (May 11, 2023), the Board resolved to issue KRW-redeemable contingent capital securities (hybrid capital securities) for purpose of



refinancing hybrid capital securities with call options nearing maturity. At the 10th special meeting (December 19, 2023), the Board resolved to issue KRW-redeemable contingent capital securities (hybrid capital securities) for the purpose of appropriate capital ratio management.

At the 5th temporary Board meeting (June 19, 2023), the Plan for Group Self-Normalization Mock Training was reported, and a foundation was laid so that, by conducting a training that assumes actual situations, we can inspect the crisis response procedures of the previous plan, derive points of improvement, and accordingly prepare the next self-normalization plan more effectively.

At the 9th special meeting (December 7, 2023), the Board resolved to set a limit on financial support for subsidiaries in 2024 to secure a liquidity limit when the support of the operating funds and capital expansion of subsidiaries is needed in 2024.

### **(11) Important reports to the Board**

First, the Board of Directors Regulation (Article 10 Paragraph 2 Subparagraphs 1 and 2) requires that 'execution and results of Board resolutions' and 'matters to be deliberated and resolved by subcommittees' shall be reported to the Board. Thus, at each Board meeting, execution of Board resolutions passed by its immediately preceding meeting (result) and operation of subcommittees (result) are reported to the Board in their entirety. In particular, operation results (performance) of the Risk Management Committee and the Audit Committee must be reported directly by the risk management manager (responsible person for risk management) and the executive in charge of audit, so that the committees can fulfill their roles and responsibilities in a position independent from the management. In addition, the compliance officer and the executive in charge of audit must be present at each Board meeting to verify whether the Board's decision-making is not in violation of internal control and is legal.

Second, the Board of Directors Regulation (Article 10, Paragraph 2, Subparagraph 4) requires that other matters deemed necessary to be reported to the Board by the Chairperson shall be reported to the Board. At the independent directors' request for periodic analysis of the economic environment and review of major issues to help the Board's logical decision-making, at the 1st regular Board meeting (February 28, 2023), major accounting standards to be implemented in 2023 were reported, and at the 3rd regular Board meeting (August 10), major macro issues for the second half of 2023 were reported. In addition, at the Board Workshop (October 6), the financial environment outlook and risk management direction for 2024 were reported to help the Board make rational decisions based on the understanding of changes in the macroeconomic environment.

The Board received a report on the results of the status check of the internal control system and its operation in 2022 at the 1st special meeting (February 8, 2023), and at the 1st regular Board meeting (February 28), the 2022 anti-money laundering audit results, 2022 audit performance, and 2022 credit information manager/protector performance were reported. At the 3rd regular Board meeting (August 10), the Group compliance officer's internal control activities for the first half of the year were reported. In addition, major issues and trends related to internal control of financial companies were shared through internal control education and training at the Board workshop (May 11). At the Board workshop (August 10th), measures to strengthen the Group's internal control were reported. Thus, the Board faithfully performed its compliance role by thoroughly examining the internal control system, status, and major issues through Board meetings and Board workshops.

Third, we periodically report to the Board concerning operation of the independent director system. The Internal Code of Corporate Governance (Article 10 Paragraph 3) requires that the Independent Director & Audit Committee Member Recommendation Committee's management of independent director candidate pool shall be reported to the Board twice a year. Thus, the same was reported to the Board at the 1st special meeting (Feb. 8, 2023), 2nd regular meeting (May 11), 3rd regular meeting (Aug. 10), 7th special meeting (Oct. 6), and 10th temporary Board meeting (Dec. 19).

## 2. Composition

### A. Overview

The Company's Board shall consist of 3 to 15 directors. (Article 36 of Articles of Incorporation, Article 3 of the Internal Code of Corporate Governance, Article 5 of Board of Directors Regulation).

The Minimum number of directors (3) is based on the minimum number of board members mandated by the Commercial Act (Article 383, Paragraph 1). The upper limit is set at 15 so as to avoid issues such as delayed decision-making due to decreased efficiency of communication, etc., that are common with larger boards.

The Company has maintained an efficient size of the Board in compliance with the regulations. The existing size of the board is optimally set up to smoothly oversee management of the subsidiaries in various sectors of the financial industry and strengthen the professional decision-making function centered on the Board (subcommittees) as the supreme and standing decision-making body. There must be at least 3 independent directors, who shall account for a majority of all directors (Article 36 of Articles of Incorporation, Article 3 of the Internal Code of Corporate Governance, Article 5 of Board of Directors Regulation). This is the same as the minimum number of independent directors and the total number of directors as required by Article 12 of the Corporate Governance Act. Since its incorporation, the Company has had at least 8 independent directors at any given time in actual practice. The Company applies the majority requirement more strictly, keeping with our philosophy that a Board that is centered on independent directors. The Board conducts a review and determines the independence of its directors on an annual basis. By Company standards, an independent director in the company is one who is (i) independent from management; (ii) does not have any business relationships with the Company and the substantial shareholders of the Company and (iii) has not served for more than nine years (no more than six years with the Company and nine years in total with the Company and its subsidiaries) on the Board.

As of the end of 2023, our Board consists of a total of 11 directors (1 CEO (executive director), 1 non-executive directors, and 9 independent directors).

The term of office for directors is set to not exceed 3 years at the general meeting of shareholders, and directors can serve consecutive terms. Independent directors' term of office may not exceed 2 years. In the case of their re-election, the term may not exceed 1 year and may not exceed 6 years in total. The total period of serving as an independent director in the Company or its subsidiaries cannot exceed 9 years (Article 38, Paragraph 1 of Articles of Incorporation, Article 26, Paragraphs 1 & 4 of the Internal Code of Corporate Governance). In reflection of Article 6, Paragraph 1, Subparagraph 7 of the Corporate Governance Act, the term of office was limited to prevent "Clubby Boards" of independent directors.

As of the end of 2023, the terms of office of directors currently in office are as follows.

Director Jin Okdong (executive director) was newly elected at the 22nd annual shareholders' meeting (March 2023) for a term of 3 years. Director Jung Sang Hyuk (non-executive director) was newly elected at the 22nd annual shareholders' meeting (March 2023) for a term of 2 years.

The terms of office expired for 11 directors (Kwak Su Keun, Park Ansoon, Bae Hoon, Byeon Yang-ho, Sung Jaeho, Yoon Jaewon, Lee Yong-guk, Lee Yoon-jae, Jin Hyun-duk, Choi Jae Boong, and Huh Yong-hak) at the 21st general meeting of shareholders (March 2022). Among them, 8 members (Kwak Su Keun, Bae Hoon, Sung Jaeho, Yoon Jaewon, Lee Yong-guk, Lee Yoon-jae, Jin Hyun-duk, and Choi Jae Boong) were re-elected for a 1-year term, one member (Byeon Yang-ho) resigned in January 2023, before the end of his term, and 2 members (Park Ansoon, and Huh Yong-hak) retired at the expiry of term in office.

Director Kim Jo Seol, independent director whose terms do not expire in 2023, were newly elected at the 21st general meeting of shareholders (March 2022) for a 2-year term.



Directors shall meet both negative and positive screening for eligibility, and keep meeting them during their terms of office. First, the qualifications under the applicable laws are as follows.

The negative requirements common to all directors of the Company are governed by Article 5, Paragraph 1 and Article 6, Paragraph 1 of the Corporate Governance Act and Articles 7 and 8 of the enforcement decree of the aforementioned act, whose provisions set forth the qualifications of financial holding companies' executives.

In addition, independent directors are subject to negative requirements under Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act.

Qualifications under the internal regulations are as follows.

The CEO who is the executive director shall meet the negative requirement of age restriction under Article 7 of the CEO Recommendation Committee Regulation. He/she shall be younger than 67 years old at the time of initial election. A CEO who is 67 years of age or older and re-elected as CEO may not serve past the age of 70. Article 9, Paragraph 2 of the CEO Recommendation Committee Regulation requires that the committee recommends a candidate for CEO who possesses ethics, the ability to realize "Shinhan Value," professional expertise, and ability to run an organization, shares the Company's vision, and can endeavor to raise public interest and realize sound management.

As a requirement for non-executive directors, Article 10, Paragraph 3 of Board Steering Committee Regulation stipulates that when a company is the employer of a non-executive director candidate and is engaged in loan transactions, etc. with a subsidiary of the Company, the reasonableness of such transactions shall be verified by the loan review committee, etc. of such subsidiary. In addition, in the case of non-executive directors who do not concurrently serve as full-time employees of the Group, they are required to meet passive and active qualifications similar to those of independent directors, and their appointments are limited to the cases in which they are recommended by a person who has a significant stake (shares) due to an alliance or shareholder agreement and they undergo strict deliberation by the Board.

Article 39, Paragraph 2 of the Articles of Incorporation and Article 23, Paragraph 2 of the Internal Code of Corporate Governance set forth some of the negative requirements for independent directors. They prohibit the concurrent service of independent directors in companies other than the Group's subsidiaries. Article 39, Paragraph 1 of the Articles of Incorporation and Article 23, Paragraph 1 of the Internal Code of Corporate Governance set forth positive requirements and reflect the standards stated in the Corporate Governance Code. The relevant person is required to have expertise and sufficient practical experience or specialized knowledge in areas related to financial companies. These areas include finance, business management, economics, legal, accounting, consumer protection, and information technology. In addition to being capable enough of executing their duties, independent directors must also exercise fairness for the interest of all shareholders and financial consumers without being bound by any specific interest. They must also exercise integrity and awareness in their execution of tasks as independent directors, as well as strong work ethics to their role by applying sufficient time and effort to their duties.

Also, the 5th Independent Director Recommendation Committee meeting (Aug 23, 2019), to select independent directors who will contribute to maintaining transparent, independent governance, required that the number and expertise of independent directors shall be decided through review by the Board and that independent director candidates shall be recommended from the independent director long list in principle, and in addition to the aforesaid negative requirement, prescribed as additional review criteria, the diversity of the BOD composition (selection in comprehensive consideration of nationality, gender, age, experience, background and balance with existing directors), the compatibility with Shinhan Financial Group (those who deeply emphasize with Shinhan Financial Group's vision, growth path, and corporate culture and will succeed to and develop the same and contribute the Company's growth), and effectiveness in securing competitive edge (those with managerial, administrative experiences to implant various business-sectoral comparative edge elements in consideration of changes in the paradigm).

As of the end of 2023, the directors can be classified as follows based on their areas of expertise.

When the 11 directors are classified based on their expertise (in case of expertise in multiple areas, the main area of competency shall be applicable), there are 2 financial experts, 1 business management experts, 2 economics expert, 2 accounting experts, 3 legal affairs experts, 1 information technology experts, and 1 international business expert. From the perspective of diversity, the Board shall consist of experts across the areas of core expertise set forth in the Corporate Governance Act.

**[Areas of expertise of the directors (Seniority order – Korean alphabetical order)]**

Chair of the Board Lee Yoon-jae: Expert in the areas of economics, finance, and business management

Independent Director Sung Jaeho: Expert in the areas of legal, and international business

Independent Director Yoon Jaewon: Expert in the areas of accounting and business management

Independent Director Jin Hyun-duk: Expert in the area of business management, and international business

Independent Director Kwak Su Keun: Expert in the areas of accounting and business management

Independent Director Bae Hoon: Expert in the areas of legal, accounting, and international business

Independent Director Lee Yong-guk: Expert in the areas of legal, finance, and international business

Independent Director Choi Jae Boong: Expert in the area of information technology

Independent Director Kim Jo Seol: Expert in the area of economics, and international business

Non-Executive Director Jung Sang Hyuk: Expert in the areas of finance, business management

Executive Director Jin Okdong: Expert in the areas of finance, business management, and international business

Independent directors currently in office meet the qualifications under the Corporate Governance Act. Those elected or re-elected before enforcement of that law did meet the positive screening for eligibility mentioned in "Model Code for Independent Directors of Banks, etc.," abolished on December 24, 2014, and "Corporate Governance Code for Financial Companies," abolished on August 1, 2016, at the time of the election or re-election.

**B. Members**

The current status of our board of directors during the 2023 period covered by the annual report is as follows.

**(1) Director Lee Yoon-jae (Chair of the Board / Independent director)**

Director Lee Yoon-jae was initially elected at the 18th AGM (Mar. 27, 2019), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2015 - 2019	Independent director, CJ Freshway
2012 - 2016	Independent director, Busan Bank
2009 - 2014	Independent director, LG Corporation
2006 - 2011	Independent director, KT&G
2006 - 2007	Independent director, S-Oil
2000 - 2005	Independent director, Samsung Fire & Marine Insurance
2000 - 2005	Independent director, Jeil Bank/SC Jeil Bank
2001 - 2010	CEO, KorEl
1998 - 1999	Secretary to the President for Financial & Economic Affairs
1998	Secretary to the President for Policy Affairs
1996 - 1998	Head of Economic Policy Bureau, Ministry of Finance and Economy
1994 - 1996	Head of Banking & Insurance, Ministry of Finance and Economy
1994	Chief of Staff to Deputy Prime Minister, Economic Planning Board

1991 - 1994	Director General (for trade) in External Coordination Office, Economic Planning Board
1980 - 1991	Manager (Economic Planning Bureau and Budget Office), Economic Planning Board

An independent director, Director Lee Yoon-jae has been serving as the Board Chair representing the Board and independent directors since the date of the 20th AGM (Mar 25, 2021).

As for subcommittee activities, served as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2019 - Mar. 2020), CEO Recommendation Committee (Mar. 2020 - present), Audit Committee (Mar. 2019 - present), ESG Strategy Committee (Mar. 2019 - present), Subsidiary's CEO Recommendation Committee (Mar. 2022 - present), and Remuneration Committee (Mar. 2023 - present).

In the aforesaid period, he served as Chair of the CEO Recommendation Committee (Mar. 2020 - Mar. 2021), and Chair of the ESG Strategy Committee (Mar. 2019 - Mar. 2021).

## (2) Director Sung Jaeho (Independent director)

Director Sung Jaeho was initially elected at the 18th AGM (Mar. 27, 2019), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2023.3 - present	Dean, Sungkyunkwan University Graduate School of Future Policy Studies
2021 - present	Member, Public Fund Management Committee, Financial Services Commission
2009 - present	Professor, Sungkyunkwan University Law School
2016 - 2021	President, International Law Association (ILA) Korean Branch
2015	Chairman of Humanitarian Law Advisory Committee, Korean Red Cross
2015	President, Korea Society of International Law
2014	Bar exam advisory committee member, Ministry of Justice
2011 - 2013	Head of Planning & Coordination Division, Sungkyunkwan University
2009	Policy advisor, Ministry of Unification
2009 - 2010	President, Korean Society of International Economic Law
2009	President, Korea International Law Review
2007 - 2009	Head of Admissions Division, Sungkyunkwan University
2005 - 2007	Head of Student Affairs Division, Sungkyunkwan University
2002 - 2004	Head of Comparative Law Research Center, Sungkyunkwan University
2002 - 2009	Professor, Department of Law, Sungkyunkwan University
2002	Policy advisor, Ministry of Foreign Affairs and Trade
1997 - 2002	Associate professor, Department of Law, Sungkyunkwan University
1994 - 1997	Assistant professor, Department of Law, Sungkyunkwan University
1993	Assistant professor, Georgetown Law Center, US

As for subcommittee activities, has been serving as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2019 - Mar. 2021), CEO Recommendation Committee (Mar. 2019 - present), Audit Committee (Mar. 2019 - present), Remuneration Committee (Mar. 2020 - Mar. 2022), Board Steering Committee (Mar. 2019 - Mar. 2020), Subsidiary's CEO Recommendation Committee (Mar. 2021 - present), and Risk Management Committee (Mar. 2023 - present).

In the aforesaid period, has been serving as Chair of the Independent Director & Audit Committee Member Recommendation Committee (Mar. 2019 - Mar. 2021), Chair of the CEO Recommendation Committee (Mar. 2021 - present), and Chair of the Remuneration Committee (Mar. 2023 - present).

**(3) Director Yoon Jaewon (Independent director)**

Director Yoon Jaewon was initially elected at the 19th AGM (Mar. 26, 2020), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2004 - present	Professor of Business Administration, Hongik University
2021 - present	Dean, Hongik University Graduate School of Culture and Arts Management
2023 - present	Non-standing member of Korea Accounting Standards Board
2023 - present	Financial Supervisory Advisory Committee member (Capital Market Division), Financial Supervisory Service
2018 - present	Diversity (D&I) Committee chairperson/Vice President, Korean Accounting Association
2017 - present	Vice President, Korean Tax Association
2015 - present	Tax Development Deliberation Committee member, Ministry of Economy and Finance
2018 - 2023	Corporate Review Committee member, Korea Exchange
2013 - 2019	Non-executive Judge, Tax Tribunal
2006 - 2009	Public Enterprise Evaluation Committee member, Ministry of Strategy and Finance
2003 - 2009	National Tax Review Committee member, National Tax Service
2000 - 2002	Senior Researcher, Korea Accounting Standards Institute
1999	US Certified Public Accountant

As for subcommittee activities, served as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2020 - present), Audit Committee (Mar. 2020 - present), Remuneration Committee (Mar. 2020 - Mar. 2021), and ESG Strategy Committee (Mar. 2020 - present).

In the aforesaid period, he served as Chair of the Audit Committee (Mar. 2020 - present).

**(4) Director Jin Hyun-duk (Independent director)**

Director Jin Hyun-duk was initially elected at the 19th AGM (Mar. 26, 2020), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

1986.4 - present	CEO of Phoedra Inc.
2018.8 - present	Director, Mindan (Korean Residents Union in Japan) Tochigi
2017.11 - present	Councilor, Korea Education Foundation
2014.4 - present	Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University
2014.4 - present	Visiting Professor, Department of Engineering, Utsunomiya University Graduate School

As for subcommittee activities, served as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2020 - Mar. 2021, Mar. 2023 - present), and CEO Recommendation Committee (Mar. 2020 - present).

**(5) Director Kwak Su Keun (Independent director)**

Director Kwak Su Keun was initially elected at the 20th AGM (Mar. 25, 2021), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2021 - present	Founding chairman, Rural Community Coexistence Forum
2019 - present	Chairman, POSCO Corporate Citizenship Advisory Committee
2019 - present	Chairman, Governance Advisory Committee, Korea Listed Companies Association
2018 - present	Honorary Professor of Accounting, Seoul National University, Business School

2017 - 2021	Independent director and Audit Committee chairman, Lotte Holdings Co., Ltd.
2012 - 2014	Chair of Financial Supervisory Advisory Committee, Financial Supervisory Service
2011 - 2012	President, Korean Academic Society of Business Administration
2007 - 2009	Dean, Seoul National University Business School and Graduate School of Business Administration
2004 - 2007	Non-standing member, Securities and Futures Committee, Financial Services Commission
1998 - 2018	Professor, Seoul National University, Business School
1994 - 1995	Visiting Professor, University of British Columbia, Canada

As for subcommittee activities, served as a member of Audit Committee (Mar. 2020 - present), ESG Strategy Committee (Mar. 2020 - present), Subsidiary's CEO Recommendation Committee (Mar. 2021 - Mar. 2022, Mar. 2023 - present) and CEO Recommendation Committee (Mar. 2022 - Mar. 2023).

In the aforesaid period, he served as Chair of the ESG Strategy Committee (Mar. 2021 - present).

#### (6) Director Bae Hoon (Independent director)

Director Bae Hoon was initially elected at the 20th AGM (Mar. 25, 2021), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2003 - present	Representative Attorney, Orbis Legal Profession Corporation
2006 - 2012	Director, LAZAK (Lawyers Association of Zainichi Korea)
2002 - 2006	Co-President, LAZAK (Lawyers Association of Zainichi Korea)
1985	Passed the Japanese bar exam
1979	Registered as an assistant certified public accountant, Japan

As for subcommittee activities, served as a member of Remuneration Committee (Mar. 2021 - present), Audit Committee (Mar. 2022 - present), CEO Recommendation Committee (Mar. 2022 - present), and Subsidiary's CEO Recommendation Committee (Mar. 2023 - present).

#### (7) Director Lee Yong-guk (Independent director)

Director Lee Yong-guk was initially elected at the 20th AGM (Mar. 25, 2021), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2024 - present	Senior Lawyer, Cleary Gottlieb Steen & Hamilton LLP
2024 - present	Adjunct Professor, Seoul National University, School of Law
2024 - present	Adjunct Professor, Handong University, School of International Law
2020 - 2023	Clinical Professor, Seoul National University, School of Law
2015 - 2017	Member, International Committee, Korean Bar Association
2014 - 2019	Director, Foreign Law Firm Association
2012 - 2019	Representative, Cleary Gottlieb Steen & Hamilton LLP Seoul Office
1992 - 2012	Partner, Cleary Gottlieb Steen & Hamilton LLP Hong Kong Office

As for subcommittee activities, served as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2021 - Mar. 2022, Mar. 2023 - present), Risk Management Committee (Mar. 2021 - present), Remuneration Committee (Mar. 2021 - Mar. 2023), and CEO Recommendation Committee (Mar. 2022 - present).

In the aforesaid period, he served as Chair of the Remuneration Committee (Mar. 2021 - Mar. 2023), and Chair of the Risk Management Committee (Mar. 2023 - present).

**(8) Director Choi Jae Boong (Independent director)**

Director Choi Jae Boong was initially elected at the 20th AGM (Mar. 25, 2021), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2023 - present	Vice-Chancellor (Nature Science Campus) and Research & Business Foundation Director, Sungkyunkwan University
2023 - present	Advisory Member, Cultural Digital Innovation Council, Ministry of Culture, Sports and Tourism
2022 - present	Deliberative Member, Presidential Advisory Council on Science and Technology
2022 - present	Supreme Committee Member, Korea Federation of ICT Organizations Digital Society, Ministry of Science and ICT
2009 - present	Professor, Sung Kyun Kwan University, College of Engineering
2019 - 2020	Future Education Committee Member, Ministry of Education
2018 - 2019	Advisory Member, Innovation Growth Division, Ministry of Economy and Finance
2017 - 2018	Advisory Member, National Assembly Special Committee on 4th Industrial Revolution
2016 - 2018	Member, Science and Technology ICT Internationalization Project Promotion Committee, Ministry of Science, ICT and Future Planning

As for subcommittee activities, served as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2021 - present), Risk Management Committee (Mar. 2021 - present), ESG Strategy Committee (Mar. 2021 - Mar. 2022), and CEO Recommendation Committee (Mar. 2022 - present).

In the aforesaid period, he served as Chair of the Independent Director & Audit Committee Member Recommendation Committee (Mar. 2022 - present).

**(9) Director Kim Jo Seol (Independent director)**

Director Kim Jo Seol was initially elected at the 21st AGM (Mar 24, 2022), with term of office to be expired on the date of the 23rd AGM (Mar. 2024).

Major career is as follows.

2023 - present	Executive Director and President of the Northeast Asian Society
2020 - present	Professor, Osaka Commercial University of Economics
2020 - present	Professor Emeritus, Shinshu University
2021 - 2022	Executive Director and Vice President of the Northeast Asian Society
2017 - 2018	Chairman, Nagano Prefectural Human Rights Policy Council
2014 - 2020	Professor of Social Sciences, Shinshu University Academic Research Institute
2001 - 2020	Professor, Shinshu University of Economics
1996 - 1997	Institute of East Asian Studies, University of Sheffield, UK (International Studies)
1992 - 2001	Assistant Professor, Faculty of Economics, Shinshu University
1988 - 1992	Lecturer, Faculty of Economics, Shinshu University
1986 - 1988	Assistant, Faculty of Economics, Shinshu University

As for subcommittee activities, served as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2022 - present), ESG Strategy Committee (Mar. 2021 - Mar. 2022), and Remuneration Committee (Mar. 2023 - present).

**(10) Director Jin Okdong (Executive director)**

Director Jin Okdong was initially elected at the 18th AGM (Mar. 27, 2019), with term of office to be expired on the date of the 22nd AGM (Mar. 2023), and his term of office expired on the date of the annual shareholders' meeting (March 23, 2023). Subsequently, Director Jin Okdong was elected as an executive director for the first time on the same day, and his term will

expire on the date of the 25th annual shareholders' meeting (March 2026).

Major career is as follows.

2023.3.23 - present	CEO, Shinhan Financial Group
2019.3~2022.12.31	CEO, Shinhan Bank (Concurrently served as non-executive director of Shinhan Financial Group)
2017.3 - 2018.12	Deputy president, Shinhan Financial Group
2017.1 - 2017.3	Deputy president for Management Support Group, Shinhan Bank
2015.6 - 2016.12	Head of SBJ Bank
2014.1 - 2015.5	Deputy president, SBJ Bank
2011.12 - 2013.12	President, SH Capital (Japan)
2009.12 - 2011.12	Head of Osaka Branch, SBJ Bank
2008.3 - 2009.12	Head of Osaka Branch, Shinhan Bank
2004.7 - 2008.3	Team head in Fund Department, Shinhan Bank

Jin Okdong, CEO manages the Company's entire affairs as executive director, while representing Shinhan Financial Group that has 15 subsidiaries as CEO. He also contributed to the Company's various subcommittees including the ESG Strategy Committee (Mar. 2023 - present), and Subsidiary's CEO Recommendation Committee (Mar. 2023 - present).

In the aforesaid period, he served as Chair of the Subsidiary's CEO Recommendation Committee (Mar. 2023 - present).

#### (11) Director Jung Sang Hyuk (Non-Executive director)

Director Jung Sang Hyuk was initially elected at the 22nd AGM (Mar 23, 2023), with term of office to be expired on the date of the 24th AGM (Mar. 2025).

Major career is as follows.

2023.2 - present	CEO, Shinhan Bank
2021.1	Head of Business Management Planning, Shinhan Bank (Deputy President)
2020.1	Head of Management Planning Group, Shinhan Bank (Managing Director)
2017.01~2019.02	Shinhan Bank Seongsu-dong Corporate Finance Center Community Head
2009.12	Shinhan Bank Customer Satisfaction Center Manager
2007.12~2009.11	Shinhan Bank Dunchon-dong Branch Manager
1990.2	Joined Shinhan Bank

Director Jung Sang Hyuk concurrently served as CEO of Shinhan Bank. For consistency of the Group's strategies and for smooth communication with the Company's Board (the Group's highest decision-making body), the Company since its establishment has been designating the CEO of Shinhan Bank (largest subsidiary, and the center of the Group) as its non-executive director.

#### (12) Director Byeon Yang-ho (Independent director)

Director Byeon Yang-ho was initially elected at the 18th AGM (Mar 27, 2019), with term of office to be expired on the date of the 22nd AGM (Mar 2023) but voluntarily resigned as of January 12, 2023.

Major career is as follows.

2016 - present	Advisor, VIG Partners
2011 - 2015	Non-executive director, Tongyang Life Insurance
2005 - 2016	Co-CEO, Vogo Fund
2004 - 2005	Commissioner, Korea Financial Intelligence Unit
2004	Director General, Ministry of Finance and Economy
2002 - 2004	Head of Financial Policy Bureau (Director general), Ministry of Finance and Economy
2001 - 2002	Head of Financial Policy Bureau (Deputy director general), Ministry of Finance and Economy
2001	Deputy Director General of Policy Coordination, Ministry of Finance and Economy



1999 - 2000	Deputy Director General of International Finance, International Finance Bureau Ministry of Finance and Economy
1998 - 1999	Head of International Finance Division, International Finance Bureau, Ministry of Finance and Economy
1997 - 1998	International Finance Officer, Ministry of Finance and Economy
1997	Head of Policy Coordination Division, Ministry of Finance and Economy
1995 - 1997	Head of Industrial Economy Division, Economic Policy Bureau, Ministry of Finance and Economy
1994	Head of National Savings Division, Ministry of Finance
1993 - 1994	Manager, Office of Presidential Secretary for Economy, Office of President
1990 - 1992	Senior Economist, IMF

As for subcommittee activities, served as a member of CEO Recommendation Committee (Mar. 2019 - present), Risk Management Committee (Mar. 2019 - Jan. 2023), Remuneration Committee (Mar. 2021 - Jan. 2023), Board Steering Committee (Mar. 2019 - Mar. 2020), ESG Strategy Committee (Mar. 2019 - Mar. 2021, Mar. 2022 - Jan. 2023), and Subsidiary's CEO Recommendation Committee (Mar. 2020 - Mar. 2021).

In the aforesaid period, served as the Chair of Risk Management Committee (Mar. 2019 - Mar. 2022).

### (13) Director Park Ansoon (Independent director)

Director Park Ansoon was initially elected at the 16th AGM (Mar 23, 2017), and resigned on the date of the 22nd AGM at the expiry of term in office (Mar. 23, 2023).

Major career is as follows.

2018 - present	Chairman, the Korean Residents Union in Japan
2010 - present	Chairman, Taisei Trade Co., Ltd.
2012 - 2018	Vice Chairman, Korean Residents Union in Japan Headquarters
1993 - 2010	CEO, Taisei Trade Co., Ltd. (Japan)

As for subcommittee activities, served as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2017 - Mar. 2019, Mar. 2022 - Mar. 2023), Board Steering Committee (Mar. 2018 - Mar. 2019, Mar. 2020 - Mar. 2021), ESG Strategy Committee (Mar. 2017 - Mar. 2020), and Subsidiary's CEO Recommendation Committee (Mar. 2019 - Mar. 2023).

### (14) Director Huh Yong-hak (Independent director)

Director Huh Yong-hak was initially elected at the 18th AGM (Mar. 27, 2019), and resigned on the date of the 22nd AGM at the expiry of term in office (Mar. 23, 2023).

Major career is as follows.

2015 - present	CEO, Hong Kong First Bridge Strategy Ltd.
2008 - 2014	Chief Investment Officer (CIO) of Private Markets and Direct Investment, HKMA
2004 - 2008	Head of Financial Institutions Group for Asia and Head of Korea at Investment Banking Division, HSBC
2003 - 2004	Managing director, Olympus Capital Investment LLC
1985 - 2003	Head of M&A Asia, JP Morgan

As for subcommittee activities, has been serving as a member of Independent Director & Audit Committee Member Recommendation Committee (Mar. 2021 - Mar. 2023), CEO Recommendation Committee (Mar. 2020 - Mar. 2021), Remuneration Committee (Mar. 2019 - Mar. 2021), Risk Management Committee (Mar. 2019 - Mar. 2023), and Subsidiary's CEO Recommendation Committee (Mar. 2019 - Mar. 2021, Mar. 2022 - Mar. 2023).

In the aforesaid period, has been serving as Chair of the Independent Director & Audit Committee Member Recommendation Committee (Mar. 2019 - Mar. 2022), Chair of the Remuneration Committee (Mar. 2019 - Mar. 2021), and Chair of the Risk Management Committee (Mar. 2022 - Mar. 2023).



## C. Summary

Name	Classification	Title	Career	Initial Appointment Date	End of term	Period in office	Committee in charge
Lee Yoon-jae	Independent director	· Chair of the Board	· Head of Economic Policy Bureau, Ministry of Finance and Economy (1996 - 1998) · Secretary to the President for Financial & Economic Affairs (1998 - 1999) · CEO, KorEl (2001~2010)	March 27, 2019	General Meeting of Shareholders (March 2024)	57 months	· CEO Recommendation Committee · Subsidiary's CEO Recommendation Committee · Remuneration Committee
Sung Jaeho	Independent director	· Chair of the CEO Recommendation Committee · Chair of the Remuneration Committee	· Dean, Sungkyunkwan University Graduate School of Future Policy Studies (2023 - present) · Member, Public Fund Management Committee, Financial Services Commission (2021-present) · Professor, Sungkyunkwan University Law School (2009 - present)	March 27, 2019	General Meeting of Shareholders (March 2024)	57 months	· CEO Recommendation Committee · Subsidiary's CEO Recommendation Committee · Remuneration Committee · Risk Management Committee
Yoon Jaewon	Independent director	· Chair of the Audit Committee	· US Certified Public Accountant · Professor of Business Administration, Hongik University (2004 - present) · Non-standing member of Korea Accounting Standards Board (2023 - present)	March 26, 2020	General Meeting of Shareholders (March 2024)	45 months	· Audit Committee · Independent Director & Audit Committee Member · Recommendation Committee · ESG Strategy Committee
Jin Hyun-duk	Independent director	-	· CEO of Phoedra Inc. (1986-present) · Visiting Professor, Department of Engineering, Utsunomiya University Graduate School (2014-present) · Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University(2014-present)	March 26, 2020	General Meeting of Shareholders (March 2024)	45 months	· CEO Recommendation Committee · Independent Director & Audit Committee Member · Recommendation Committee
Kwak Su Keun	Independent director	· Chair of the ESG Strategy Committee	· Chair of Financial Supervisory Advisory Committee, Financial Supervisory Service (2012-2014) · Professor, Seoul National University, Business School (1998-2018) · Professor Emeritus, Seoul National University Business School (2018 - present) · Chairperson, POSCO Corporate Citizenship Advisory Committee (2019 - present)	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· ESG Strategy Committee · Audit Committee · Subsidiary's CEO Recommendation Committee
Bae Hoon	Independent director	-	· Director, LAZAK (Lawyers Association of Zainichi Korea) (2002-2006) · Representative Attorney, Orbis Legal Profession Corporation (2003-current)	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· Audit Committee · CEO Recommendation Committee · Subsidiary's CEO Recommendation Committee
Lee Yong-guk	Independent director	· Chair of the Remuneration Committee	· Attorney, Cleary Gottlieb Steen & Hamilton LLP. (2012-2019) · Senior Lawyer, Cleary Gottlieb Steen & Hamilton LLP (2024 - present) · Adjunct Professor, Seoul National University, School of Law (2024 - present)	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· Risk Management Committee · CEO Recommendation Committee · Independent Director & Audit Committee Member · Recommendation Committee
Choi Jae Boong	Independent director	· Chair of the Independent Director & Audit Committee Member Recommendation Committee	· Professor, Sung Kyun Kwan University, College of Engineering (2009-current) · Vice-Chancellor & Research & Business Foundation Director, Sungkyunkwan University (2023 - present)	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· Independent Director & Audit Committee Member · Recommendation Committee · Risk Management Committee · CEO Recommendation Committee

Name	Classification	Title	Career	Initial Appointment Date	End of term	Period in office	Committee in charge
Kim Jo Seol	Independent director	-	· Professor, Shinshu University of Economics(2001-2020) · Professor, Osaka Commercial University of Economics (2020-present)	March 24, 2022	General Meeting of Shareholders (March 2024)	21 months	· ESG Strategy Committee · Independent Director & Audit Committee Member Recommendation Committee
Jin Okdong	Executive director	· CEO · Chair of the Subsidiary's CEO Recommendation Committee	· Deputy president, Shinhan Bank (2017) · Deputy president, Shinhan Financial Group (2017 - 2019) · CEO, Shinhan Bank (2019 - 2022) · CEO, Shinhan Financial Group (2023 - current)	March 23, 2023	General Meeting of Shareholders (March 2023)	9 months	· Subsidiary's CEO Recommendation Committee · ESG Strategy Committee
Jung Sang Hyuk	Non-executive director	-	· Director, Shinhan Bank (2020) · Deputy President, Shinhan Bank (2021) · CEO, Shinhan Bank (2023 - current)	March 23, 2023	General Meeting of Shareholders (March 2025)	9 months	-
Byeon Yang-ho	Independent director	-	· Commissioner, Korea Financial Intelligence Unit (2004 - 2005) · Advisor, VIG Partners (2016 - present)	March 27, 2019	January 12, 2023 (Resigned)	45 months	· Risk Management Committee · Remuneration Committee · ESG Strategy Committee
Park Ansoon	Independent director	-	· Chairman, Taisei Trade Co., Ltd. (2010 - present) · Chairman, the Korean Residents Union in Japan (2018 - present)	March 23, 2017	March 23, 2023	72 months	· Independent Director & Audit Committee Member Recommendation Committee · Subsidiary's CEO Recommendation Committee
Huh Yong-hak	Independent director	-	· CIO of Private Markets and Direct Investmen, HKMA (2008 - 2014) · CEO, First Bridge Strategy Ltd. (2015 - present)	March 27, 2019	March 23, 2023	48 months	· Risk Management Committee · Independent Director & Audit Committee Member Recommendation Committee · Subsidiary's CEO Recommendation Committee

### 3. Activities

#### A. Overview

In 2023, a total of 14 meetings of the Board (4 regular meetings, quarterly, and 10 special meetings) were held, and the directors' average participation rate was 99.4%.

#### B. Meetings held

##### (1) 1st special meeting of the Board in 2023: February 8, 2023 (Wed)

[Date of notice: February 1, 2023 (Wed)]

Items	Activities of directors														Whether or not approved
	Lee Yoon-jae	Park Ansoon	Huh Yong-hak	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Cho Yong-byoung	Jin Okdong		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended		
3. Comments on reported matters															
A. Report on Subsidiary's CEO Recommendation Committee's activities	No particular comments														
B. Results of the Group's management plan (annual business plan) in 2022	Director Lee Yoon-jae requested that more efforts be made in communicating with investors considering that overseas investors continue to check and demand the sincerity of ESG activities.														
C. Report on the Group's financial performance	No particular comments														
D. Inclusion and exclusion of subsidiaries, etc. in the second half of 2022	No particular comments														
E. Results of quarterly KRW bond issuance and status of support for subsidiaries	No particular comments														
F. Result of issuing Korean-currency redeemable contingent capital securities	No particular comments														
G. Result of inspection of internal control system and operation (2022)	No particular comments														
H. Report on Audit Committee's activities	No particular comments														
I. Report on the Board's activities	No particular comments														
4. Resolutions															
A. Approval of settlement of accounts for the 22nd fiscal year (January 1, 2022 to December 31, 2022)	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Approval of the 22nd statement of dividend and retained earnings	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Acquisition and retirement of treasury stock	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Appointment of Committee of the Board of Director members	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
E. Composition of the 2023 Board	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
F. Performance evaluation (2022) and target setting (2023) for the Board of Directors Secretariat	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Voting restricted	Approved	

Resolution A. Approval of settlement of accounts for the 22nd fiscal year (January 1, 2022 to December 31, 2022): As for the key part of the "2022 financial statements," in the case of profit and loss, a total net profit of KRW 4,642.3 billion was shown on a consolidated basis, an increase of about KRW 623.0 billion from the previous year, mainly due to an increase in interest income, reflection of profits from the sale of some subsidiaries' buildings, and a decrease in provisions. In terms of top-line, the increase in securities and loans (lending) led to KRW 676 trillion, showing an increase of KRW 28 trillion.

Resolution B. Approval of the 22nd statement of dividend and retained earnings: This shows the settlement of dividends to shareholders and the disposal of retained earnings as of late December, 2022 according to the settlement of accounts in 2022. It approved a total dividend of KRW 206.5 billion (KRW 866 per share) and disposal of retained earnings accordingly.

Resolution C. Acquisition and retirement of treasury stock: In accordance with the shareholder return plan for the fiscal year of 2023, the acquisition and retirement of treasury stock worth KRW 150 billion was approved.

Resolution D. Appointment of subcommittee member: Due to the resignation of Director Byeon Yang-ho in January 2023, a subcommittee lacking in quorum occurred. The Board passed a resolution to appoint a new subcommittee member. The subcommittee in question was the Remuneration Committee, and Director Sung Jaeho was appointed for a term until the date of 2023 annual shareholders' meeting (March 23). In relation to this agenda, Director Lee Yong-guk, Chairperson of the Remuneration Committee, expressed an opinion that considering the characteristics of the Remuneration Committee, where many key agenda items are concentrated in February and March, Director Sung Jaeho, with recent experience as a member of the Remuneration Committee, is the right person.

Resolution E. Composition of the Board for 2023: In consideration of the stability of corporate governance and the expertise and diversity of the Board, the number and proportion of members (independent/executive/non-executive directors) of the Board to be operated after the annual shareholders' meeting in March 2023 was determined. For effectiveness and efficiency, the Board decided to have 9 independent directors, 1 executive director (CEO and Chairman), and 1 non-executive director.

Resolution F. Performance evaluation (2022) and target setting (2023) for the Board of Directors Secretariat: The Board of Directors Secretariat's performance target achievement level and evaluation results for 2022 were confirmed to determine the grade, and the performance targets for 2023 were set. The voting rights of the CEO and the non-executive directors are limited to ensure the independence of the Board Secretariat.

Reporting A. Report on the Subsidiary's CEO Recommendation Committee's operation: As Shinhan Bank President Han Yong-gu, who took office on January 1, 2023, announced his intention to resign for health reasons, the Company urgently held a Subsidiary's CEO Recommendation Committee meeting to discuss and recommend a successor. It was reported that Deputy president Jung Sang Hyuk, who served as Deputy president of Shinhan Bank's Management Planning Group and Money Market Group, was recommended as the successor to former President Han Yong-gu.

Reporting B. Results of the Group's management plan (annual business plan) in 2022: Each half-year, the Board receives a report of "Group management plan/annual business plan: Performance results" and review the management plan's progress. Through semi-annual reporting of the results, progress is checked, by which CEO strategic tasks reflected in each subsidiary company's business plans is evaluated and linked with remuneration system, leading to enhanced subsidiary company-level execution. In relation to this agenda, Director Lee Yoon-jae requested that more efforts be made in communicating with investors considering that overseas investors continue to check and demand the sincerity of ESG activities.

Reporting G. Result of inspection of internal control system and operation (2022): Each fiscal year, under the Financial Company governance Supervision Regulation and its Group Internal Control Regulation, the Company checks the internal control system and operation and reports the results to the Board.

**(2) 1st regular meeting of the Board in 2023: March 2, 2023 (Tue)**

[Date of notice: February 21, 2023(Tue)]

Items	Activities of directors														Whether or not approved
	Lee Yoon-jae	Park Ansoon	Huh Yong-hak	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Cho Yong-byoung	Jin Okdong		
1. Name of director															
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended		
3. Comments on reported matters															
A. Report on major accounting standards implemented in 2023	Director Kwak Su Keun checked whether there were any guidelines in applying the new accounting standards, and Director Yoon Jaewon, expecting that there would be advantages or disadvantages for each insurance company following the introduction of the system, checked the status of Shinhan Life (subsidiary).														
B. Matters concerning early redemption of hybrid capital securities	No particular comments														
C. Reporting of operations (operation status) of the financial reporting internal control by the management in 2022	No particular comments														
D. Report of operation status of internal control of finance report for Audit Committee in 2022	No particular comments														
E. Report on audit of anti-money laundering audit in 2022	No particular comments														
F. Report on results of audit in 2022	No particular comments														
G. Report on Audit Committee's activities	No particular comments														
H. Report on Risk Management Committee's activities	No particular comments														
I. Report on Remuneration Committee's activities	No particular comments														
J. Report on CEO Recommendation Committee's activities	No particular comments														
K. Report on Subsidiary's CEO Recommendation Committee's activities	No particular comments														
L. Report on Independent Director and Audit Committee Member Recommendation Committee's activities	No particular comments														
M. Report on the Board's activities	No particular comments														
N. Report on activities of credit information manager (2022)	No particular comments														
O. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2022 4Q)	No particular comments														
4. Resolutions															
A. Revision of important regulations	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Approval of amendment to the articles of incorporation	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Approval of cap on remuneration for directors	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Decision on cancellation of long-term remuneration	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Items	Activities of directors													Whether or not approved
E. Deliberation on adequacy of director candidates	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(A) Candidate for Director Kwak Su Keun	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(B) Candidate for Director Bae Hoon	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Approved
(C) Candidate for Director Sung Jaeho	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(D) Candidate for Director Yoon Jaewon	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(E) Candidate for Director Lee Yong Guk	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Approved
(F) Candidate for Director Lee Yoon-jae	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(G) Candidate for Director Jin Hyun-duk	Concur	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
(H) Candidate for Director Choi Jae Boong	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Concur	Concur	Concur	Approved
F. Matter of recommend candidates for non-executive directors	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
G. Approval of 22nd GMS convening and agenda	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Revision of important regulations: To improve operational efficiency and clarify subcommittees' authorities, the Board resolved to partially revise the Internal Code of Corporate Governance, Board of Directors Regulation, Audit Committee Regulation, Subsidiary's CEO Recommendation Committee Regulation, and Management Evaluation and Compensation Regulation. The main points are as follows. First, there were some improvements to the operation of the Subsidiary's CEO Recommendation Committee. Reducing the scope of deliberation and resolution by focusing on the function of recommending candidates for subsidiaries' CEOs, the subcommittee was renamed Subsidiary's CEO Recommendation Committee. Second, in order to establish and operate subcommittees with more flexibility, the Board made changes in the ability to create a subcommittee when necessary, even if its name is not stated in the Articles of Incorporation. Third, the Audit Committee's delegated duties to the internal audit manager have been clarified. Lastly, the names related to executive compensation were reorganized and unified.

Resolution B. Approval of amendment to the articles of incorporation: To reflect aforesaid important changes (change in the basis for creating a subcommittee, renaming of the Subsidiary Management Committee, change in the dividend base date from the end of the financial year to on or after the date the dividend amount is determined, etc.) in the regulations, it was decided that submission of a partial change to the Articles of Incorporation to the general shareholders' meeting was necessary.

Resolution C. Approval of cap on remuneration for directors: The Board passed a resolution to submit to AGM the cap on remuneration for directors for 2023 in the amount of KRW 3.0 billion, KRW 0.5 billion less than the previous year.

Resolution E. Deliberation on adequacy of director candidates: The Board reviewed suitability of all director candidates recommended by the Independent Director & Audit Committee Member Recommendation Committee. In the case of this agenda, the candidate's voting rights were restricted.

Resolution F. Matter of recommend candidates for non-executive directors: The Board verified the qualifications of the non-

executive director candidate to be submitted to the 22nd annual shareholders' meeting, judged them to be appropriate, and decided to recommend Shinhan Bank President Jung Sang Hyuk as the non-executive director candidate.

Resolution G. Approval of 22nd GMS convening and agenda: The Board decided to submit to the 22nd AGM the agendas of approval of financial statements, partial amendment of Articles of Incorporation, election of directors, election of independent directors who will be Audit Committee members, election of Audit Committee members, and approval of cap on director remuneration, and decided to hold the 22nd AGM on March 23, 2023.

Reporting A. Report on major accounting standards for 2023: In relation to the major accounting standards to be implemented in 2023, major changes and financial impact following the introduction of IFRS17 were reported. In relation to this agenda, Director Kwak Su Keun checked whether there were any guidelines in applying the new accounting standards, and Director Yoon Jaewon, expecting that there would be advantages or disadvantages for each insurance company following the introduction of the system, checked the status of Shinhan Life (subsidiary).

Reporting C. Reporting of operations (operation status) of the financial reporting internal control by the management in 2022: The internal accounting manager's reporting on the operations of the internal accounting management system. Checking of the financial reporting internal control by the Company and its 9 subsidiaries in fiscal year 2022 showed fourteen defect, and a plan for improvement was established and reported to the Board. The matter was reviewed again by the Audit Committee, whose resolution was also reported to the Board (Reporting D).

Reporting E. Report on audit of anti-money laundering audit in 2022: Each fiscal year, under the Audit Committee Regulation (Article 15 Paragraph 4), the Company reports to the Board the results of review and evaluation of anti-money laundering in terms of appropriateness and effectiveness.

Reporting N. Report on activities of credit information manager (2022): Each fiscal year, under the Credit Information Protection Act, the Company reports to the Board the results of activities by credit information manager/protector, thereby checking the Group's compliance with management and protection of personal credit information.

### (3) 2nd special meeting of the Board in 2023: March 23, 2023 (Thu)

[Date of notice: March 16, 2023 (Thu)]

Items	Activities of directors											Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk	
1. Name of director												
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	(No agenda to report)											Not applicable
4. Resolutions												
A. Appointment of chair of the Board	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Appointment of CEO	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Election of Chair of the Board: Given the social expectations and roles of financial holding companies and the enormous role of the Board for growth and development of the Group and protection of financial consumers at a time of increased management uncertainty, the Board took into account the importance of the timing of appointing the new CEO and Chairman, and since the Chair of the Board, who must lead the Board's efficient operation and reasonable judgment based on the members' collective wisdom, has a much more difficult job than other independent directors, independent director Lee Yoon-jae was elected as the Chairperson of the Board at the directors' unanimous opinion that independent



director Lee Yoon-jae, who has excellent knowledge and understanding of the overall financial industry, and has not only presented balanced opinions at the Board but also led the Board stably over the past two years, would be desirable and qualified as the Chairperson of the Board.

Resolution B. Appointment of CEO: Director Jin Okdong, (The Board resolved to appoint Director Jin Okdong, elected as an executive director for a 3-year term at the 22nd annual shareholders' meeting held prior to that date, as CEO and Chairperson.)

#### (4) 3rd special meeting of the Board in 2023: March 23, 2023 (Thu)

[Date of notice: March 16, 2023 (Thu)]

Items	Activities of directors											Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk	
1. Name of director												
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters												
A. Report on Audit Committee's activities	No particular comments											
B. Report on Remuneration Committee's activities	Presented an opinion that there is a need to respond more actively and proactively to improving the executive compensation system, given that there is a high social interest in the overall performance evaluation and compensation system for financial company executives, and that review and improvement of the overall financial group is in progress.											
C. Report on the Board's activities	No particular comments											
D. Report on operation of the independent director system	No particular comments											
4. Resolutions												
A. Appointment of Committee of the Board of Director members	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Approval of director remuneration	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Appointment as advisor	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Appointment of Committee of the Board of Director members: Members of the subcommittees are as follows. Each subcommittee meeting, held as a joint meeting during the Board meeting, resolved to appoint a chairperson. The details are as follows. (Chairperson in the parenthesis, and then in Korean alphabetical order)

- Independent Director & Audit Committee Member Recommendation Committee: (Choi Jae Boong), Kim Jo Seol, Yoon Jaewon, Lee Yong-guk, Huh Yong-hak
- CEO Recommendation Committee: (Sung Jaeho), Bae Hoon, Lee Yong-guk, Jin Hyun-duk, Choi Jae Boong
- Remuneration Committee: (Sung Jaeho), Kwak Su Keun, Kim Jo Seol, Lee Yoon-jae
- Risk Management Committee: (Lee Yong-guk), Sung Jaeho, Choi Jae Boong
- ESG Strategy Committee: (Kwak Su Keun), Kim Jo Seol, Yoon Jaewon, Lee Yong-guk, Jin Okdong
- Subsidiary's CEO Recommendation Committee: (Jin Okdong), Kwak Su Keun, Bae Hoon, Sung Jaeho, Lee Yoon-jae

Members of the Audit Committee, Directors (Yoon Jaewon), Kwak Su Keun, and Bae Hoon, were elected by resolution of the 22nd annual shareholders' meeting held earlier on the same date.

Resolution B. Approval of director remuneration: Based on the Company's remuneration policy, the target level of the base pay and annual performance pay for the CEO, an executive director, was raised. The compensation of independent directors



was also set at the same level as last year.

Resolution C. Appointment as advisor: In order to utilize his expertise in the financial industry and experience in company management and external communication as an engine for sustainable growth and development of the Group, the Board appointed former CEO Cho Yong-byoung, who was retired at the end of his term at the 22nd annual shareholders' meeting (March 23, 2023), as an advisor.

Reporting D. Report on operation of the independent director system: Internal Code of Corporate Governance (Article 29 Paragraph 7) requires that contributions made in relation to independent directors shall be reported to the Board. Thus, checked the contributions made to independent director-related non-profit corporations and reported the same to the Board.

#### (5) 4th special meeting of the Board in 2023: April 27, 2023 (Thu)

[Date of notice: April 20, 2023 (Thu)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
A. Report on financial performance (2023 1Q)	No particular comments												
B. Report on the result of acquisition and retirement of treasury stock	No particular comments												
C. Report on dividends from the Subsidiary Group companies (FY2022)	No particular comments												
D. Conversion of convertible preferred stock to common stock	Requested that the market be clearly communicated regarding stocks converted to common stocks although the matter had been decided before.												
4. Resolutions													
A. Quarterly dividend	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Acquisition and retirement of treasury stock	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Quarterly dividend: Decided to implement a quarterly dividend to enhance shareholder value through shareholder dividend. The Board decided to pay a total dividend of KRW 274.4 billion, with per share dividend of KRW 525.

Resolution B. Acquisition and retirement of treasury stock: In accordance with the FY2023 shareholder return plan, the acquisition and retirement of treasury stocks worth KRW 150 billion was approved. Director Kwak Su Keun mentioned that fulfilling the promises made in relation to the shareholder return policy is a good direction. Director Lee Yoon-jae suggested that since the planned schedule may be affected by the market and regulatory environment, changes in external factors shall be continuously observed and communicated closely to investors.

Reporting A. Report on financial performance (2023 1Q): The Company reviews its financial performance each quarter. The Board received report on key management indicators including performance per subsidiary, key details of the income statement, and key details of the statement of financial position.

**(6) 2nd regular meeting of the Board in 2023: May 11, 2023 (Thu)**

[Date of notice: May 3, 2023 (Wed)]

Items	Activities of directors											Whether or not approved	
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director													
2. Attendance status and reason if absent	Attended	Absence	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended		
3. Comments on reported matters													
A. Report on the approval results of the self-normalization plan and improvement direction	Requested the Company to check whether the scope of the crisis includes accidental factors and to prepare by organizing the roles of the Board in future mock training.												
B. Matters concerning early redemption of hybrid capital securities	No particular comments												
C. Result of quarterly issuance of KRW-denominated bonds and the status of support for subsidiaries	No particular comments												
D. Report on Audit Committee's activities	No particular comments												
E. Report on Risk Management Committee's activities	Urged close review and monitoring of the impact on delinquency rates due to the end of COVID-19 support policies.												
F. Report on ESG Strategy Committee's activities	No particular comments												
G. Report on Remuneration Committee's activities	In relation to the executive performance remuneration adjusting and recovering regulations introduced by US SEC, requested the Company to prepare well to improve its system to comply with the above.												
H. Report on Subsidiary's CEO Recommendation Committee's activities	No particular comments												
I. Report on CEO Recommendation Committee's activities	No particular comments												
J. Report on Independent Director and Audit Committee Member Recommendation Committee's activities	No particular comments												
K. Report on the Board's activities	Requested that in consideration of the contents of the Financial Supervisory Service's regular inspection, the deadline for recording minutes of the Board and subcommittees shall be specified in the regulations to be within 14 days after the end of the meeting, and that the practice shall substantially comply with the regulations.												
L. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2023 1Q)	No particular comments												
4. Resolutions													
A. Revision of the Regulation on Operation of the Group Self-Normalization Plan	Concur	Absence	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Revision of the Guideline on Provision and Use of Customer Information	Concur	Absence	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Deliberated on the issuance of redeemable contingent capital securities	Concur	Absence	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
D. Setting of limit on the issuance of foreign-currency bonds in 2023	Concur	Absence	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Revision of the Regulation on Operation of the Group's Self-Normalization Plan: As the Financial Services Commission's approval of the Group's self-normalization plan was completed, the Board resolved to revise the Regulation on Operation of the Group Self-Normalization Plan to incorporate some changes that reflect the role of the Risk Management Committee by the stage of crisis, etc.

Resolution B. Revision of the Guideline on Provision and Use of Customer Information: As Shinhan EZ Non-life Insurance became a new subsidiary of Shinhan Financial Group, the Board decided to revise the aforesaid guideline to subject the new subsidiary to the application of the guideline.

Resolution C. Issuance of redeemable contingent capital securities: As the call option on previously issued contingent capital securities nears maturity, the Board decided to issue KRW-redeemable contingent capital securities worth KRW 500 billion for the purpose of capital ratio management. Director Kwak Su Keun noted that the U.S. Federal Reserve's interest rates have recently continued to rise and requested that the bank respond appropriately to additional interest rate increases. Director Lee Yoon-jae emphasized that there is a need to continuously monitor the possibility of a financial crisis similar to 2008 and prepare a separate response plan.

### (7) 5th special meeting of the Board in 2023: June 19, 2023 (Mon)

[Date of notice: June 12, 2023 (Mon)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
A. Implementation of mock training for the Group's self-normalization plan	Emphasized that although mock training may be unfamiliar, it is an exercise to appropriately respond to crises at the Board level when a situation actually occurs, thus there is a need to continuously improve it.												
4. Resolutions													
(No agenda to resolution)	Not applicable												Approved

Reporting A. Plan for the Group's self-normalization plan mock training: The Company conducted mock training to strengthen the effectiveness of its self-normalization plan (Inspecting the crisis response procedures in the self-normalization plan through hypothetical crisis scenarios, identifying points of improvements, reflecting them in the next plan, etc.)

### (8) 6th special meeting of the Board in 2023: July 27, 2023 (Thu)

[Date of notice: July 20, 2023 (Thu)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
A. Report on the Group's financial performance (2023 2Q)	No particular comments												
B. Report on the result of issuing Korean-currency redeemable contingent capital securities	No particular comments												

Items	Activities of directors												Whether or not approved
3. Comments on reported matters													
C. Report on the result of acquisition and retirement of treasury stock	No particular comments												
D. Report on the result of the issuance of foreign-currency bonds in 2023	No particular comments												
E. Result of 2023 Group Self-Normalization Plan Mock Training and direction of the plan	No particular comments												
F. Details of inclusion and exclusion of subsidiaries, etc. for the first half of 2023	No particular comments												
G. Company reorganization plan for the second half of 2023	No particular comments												
H. Report on Audit Committee's activities	No particular comments												
I. Report on Risk Management Committee's activities	There was a separate report on the current status of real estate PF, and there was a suggestion that not only the company's assets but also customer assets needed to be reviewed.												
J. Report on Remuneration Committee's activities	No particular comments												
K. Report on CEO Recommendation Committee's activities	No particular comments												
L. Report on the Board's activities	No particular comments												
4. Resolutions													
A. Quarterly dividend	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Acquisition and retirement of treasury stock	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Quarterly dividend: Decided to implement a quarterly dividend to enhance shareholder value through shareholder dividend. The Board decided to pay a total dividend of KRW 272.1 billion, with per share dividend of KRW 525.

Resolution B. Acquisition and retirement of treasury stock: In accordance with the FY2023 shareholder return plan, the acquisition and retirement of treasury stocks worth KRW 150 billion was approved. Director Yoon Jaewon suggested that if there are some changes in the shareholder return policy, including dividends, established earlier this year, it is necessary to clearly communicate them in the market and present a guide in the future.

#### (9) 3rd regular meeting of the Board in 2023: August 10, 2023 (Thu)

[Date of notice: August 3, 2023 (Thu)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
A. Key macro issues for the second half of 2023	No particular comments												
B. Results of the Group's management plan (Second half year business plan) in 2023	No particular comments												
C. Result of quarterly issuance of KRW-denominated bonds and the status of support for subsidiaries	No particular comments												
D. Internal control activities of the Group compliance monitor (1st half year)	Mentioning recent occurrence of many embezzlement incidents in financial institutions, requested for more efforts to prevent embezzlement.												
E. Report on Audit Committee's activities	No particular comments												
F. Report on ESG Strategy Committee's activities	No particular comments												
G. Report on Independent Director and Audit Committee Member Recommendation Committee's activities	No particular comments												
H. Report on the Board's activities	No particular comments												
I. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2023 2Q)	No particular comments												
4. Resolutions													
A. Revision of Board of Directors Regulation	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved

Resolution A. Revision of the Board of Directors Regulation: In order to reflect the Financial Supervisory Service's regular inspection recommendations and prescribe the deadline for preparing Board minutes, a resolution was made to revise the Board of Directors' Regulation. A new clause was added requiring draft minutes to be prepared and sent to all directors within 14 days from the end of the meeting. It was also prescribed that the same deadline applies to the preparation of subcommittee minutes.

This agenda was resolved by revising some of its contents according to the suggestion of Director Sung Jaeho during the Board discussion. By changing the order of some provisions of the proposed amendment, the regulation was revised to have a more logical flow.

#### (10) 7th special meeting of the Board in 2023: October 6, 2023 (Fri)

[Date of notice: September 27, 2023 (Wed)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended		
3. Comments on reported matters													
A. Report on the result of acquisition and retirement of treasury stock	No particular comments												
B. Report on Audit Committee's activities	No particular comments												
C. Report on Risk Management Committee's activities	No particular comments												
D. Report on Independent Director and Audit Committee Member Recommendation Committee's activities	No particular comments												
E. Report on the Board's activities	No particular comments												
4. Resolutions													
A. Approval of the Group Recovery and Resolution Plan(RRP) 2023	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Setting of limit on the issuance of Korean-currency bonds and submission of a new shelf registration statement	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Approval of the Group Recovery and Resolution Plan(RRP) : Established the Group Recovery and Resolution Plan(RRP) and obtained the Board's approval thereof, in accordance with the Act on Structural Improvement of the Financial Industry and its enforcement decree.

Reporting D. Report on Independent Director & Audit Committee Member Recommendation Committee's activities: Regarding the selection advisory group operation plan discussed by the subcommittee, Director Lee Yoon-jae requested that sufficient communication and reporting be provided to all Board members, considering that it was an issue that may have a major impact on governance.

#### (11) 8th special meeting of the Board in 2023: October 25, 2023 (Wed)

[Date of notice: October 11, 2023 (Wed)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended		
3. Comments on reported matters													
A. Report on the Group's financial performance (2023 3Q)	Examined the cause of the partial decline of liquidity core deposits and ordered appropriate countermeasures.												
4. Resolutions													
A. Quarterly dividend	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Acquisition and retirement of treasury stock	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Quarterly dividend: Decided to implement a quarterly dividend to enhance shareholder value through shareholder dividend. The Board decided to pay a total dividend of KRW 270.6 billion, with per share dividend of KRW 525.

Resolution C. Acquisition and retirement of treasury stock: In accordance with the shareholder return plan for the fiscal year of 2023, the acquisition and retirement of treasury stock worth KRW 100 billion was approved.

#### (12) 4th regular meeting of the Board in 2023: November 9, 2023 (Thu)

[Date of notice: November 2, 2023 (Thu)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
A. Result of quarterly issuance of KRW-denominated bonds and the status of support for subsidiaries	No particular comments												
B. Report on Audit Committee's activities	No particular comments												
C. Report on Risk Management Committee's activities	No particular comments												
D. Report on Remuneration Committee's activities	No particular comments												
E. Report on Subsidiary's CEO Recommendation Committee's activities	No particular comments												
F. Report on Independent Director and Audit Committee Member Recommendation Committee's activities	No particular comments												
G. Report on the Board's activities	No particular comments												
H. Customer data sharing among the Subsidiary Group companies (subsidiaries) and the result of inspection (2023 3Q)	No particular comments												
4. Resolutions													
A. Partial change in the evaluation of independent directors	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved to revised proposal	Approved
B. Enactment/revision of regulations related to remuneration of executives, etc.	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Partial change in the evaluation of independent directors: In order to evaluate the activities of independent directors more objectively and improve the usability of evaluation data, a resolution was made to change the criteria and period of independent director evaluation. For objective evaluation, the portion of self-evaluation was abolished (30% → 0%) and that of peer evaluation was increased (60% → 90%). The timing of evaluation was changed from early January to mid-November, for use in the independent director recommendation process.

This agenda was resolved by revising some of its contents according to the suggestion of Director Lee Yoon-jae during the Board discussion. The result went one step further than the original plan of reducing the portion of self-evaluation (30% → 10%), and completely deleted that item, thereby improving the objectivity of the evaluation.

Resolution B. Enactment/revision of regulations related to remuneration of executives, etc.: In order to respond to the revision of the NYSE listing standards regarding the recovery of executive performance remuneration and operate a reasonable executive performance remuneration system, the Board enacted the Regulation on Recovery of Performance Remuneration for NYSE-Listed Companies and revised the Management Evaluation and Remuneration Regulation and the PS Operation Regulation. Through this, a basis has been established so that if there is a material error in the previously issued financial statements, and if it is corrected within the current fiscal year or left unrectified, which may lead to material misstatement, the performance remuneration of executives and division heads can be recovered.

### (13) 7th special meeting of the Board in 2023: December 7, 2023 (Thu)

[Date of notice: September 28, 2023 (Tue)]

Items	Activities of directors												Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk		
1. Name of director													
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters													
A. Report on Company reorganization plan in 2024	No particular comments												
B. Adjustment of the Group's business portfolio	No particular comments												
C. Review of the 2023 dividend base date	No particular comments												
D. Report on the results of measures to resolve obstacles according to the insolvency management plan	No particular comments												
E. Report on inspection of Group advisors' activities	No particular comments												
F. Report on donations to non-profit corporations to which an independent director belongs	No particular comments												
G. Report on ESG Strategy Committee's activities	No particular comments												
H. Report on Remuneration Committee's activities													
I. Report on the Board's activities	No particular comments												
4. Resolutions													
A. Approval of the Group's management plan and budget for 2024	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Setting of limit on the financial support for subsidiaries in 2024	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
C. Real estate lease agreement	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Voting restricted	Approved
D. Composition of the 2024 Board	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Approval of the Group's management plan and budget for 2024: Established a plan of key businesses to be pursued in 2024 and a plan of budget required for the businesses. Director Yoon Jaewon requested that as communication with shareholders is very important in relation to the shareholder return plan, among financial plans, a stable operation is necessary in relation to quarterly dividends, acquisition/retirement of treasury stock, etc., and requested that careful communication be made to prevent shareholders from misunderstanding or feeling anxious.



Resolution B. Setting of limit on the financial support for subsidiaries in 2024: The limit of annual financial support for subsidiaries' operating funds and capital expansion was set for each subsidiary, and the resolution of the Board was obtained.

Resolution C. Real estate lease agreements: As we renewed the real estate lease agreement with Shinhan Bank (owner) for the office space we are using, the Board approved the cap on lease agreement in consideration of contract renewal for the next three years, along with the lease deposit, monthly rent, and maintenance fee for our office space. This is a special resolution item under Article 398 of the Commercial Act, and the voting rights of the non-executive director concurrently serving as the president of Shinhan Bank (the counterparty to the contract) are restricted, and this agenda was submitted as requiring the approval of at least 2/3 of the directors.

Resolution D. Composition of the 2024 Board: The number and proportion of directors (independent/executive/non-executive directors) of the Board to be operated after the annual shareholders' meeting in March 2024 were determined. In order to operate the Board practically and efficiently, it was decided that the Board shall have 9 independent directors, 1 executive director (CEO and Chairman), and 1 non-executive director, as in the previous year.

Reporting A. Report on Company reorganization plan in 2024: The main direction of the Company's reorganization in 2024 that reflects the role of the holding company in consideration of the Group's strategic direction in 2024 was reported.

Reporting B. Adjustment of the Group's business portfolio: Report was made on the progress and future schedule of the asset transfer between Shinhan Bank and Shinhan AI. Shinhan AI (our subsidiary) will proceed with the liquidation process through asset transfer in the future and will be excluded from the subsidiary list accordingly.

Reporting E. Report on the inspection of the Group advisor's activities: As former CEO Cho Yong-byoung, appointed as our advisor by the resolution of the 3rd temporary Board meeting (March 23, 2023), was appointed as the Chairman of the Korea Federation of Banks, his advisory contract was terminated. Accordingly, we inspected and reported on his management advisory performance during the advisory period and the contribution to Company policies and systems.

Reporting F. Report on donations to non-profit corporations affiliated with independent directors: If a company provides a donation to a non-profit corporation to which an independent director belongs, the independent director shall report the fact to the Board. The Company provided a donation in anticipation of revitalizing mutual communication in the IFRS enactment and revision process through financial support to the Korea Accounting Standards Board's International Accounting Standards Foundation. Yoon Jaewon, an independent director of the Company, is serving as a non-standing member of the Korea Accounting Standards Board, the recipient of the donation, and reported the details of the donation to the Board.

#### (14) 10th special meeting of the Board in 2023: December 19, 2023 (Tue)

[Date of notice: December 12, 2023 (Tue)]

Items	Activities of directors											Whether or not approved
	Lee Yoon-jae	Sung Jaeho	Yoon Jaewon	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol	Jin Okdong	Jung Sang Hyuk	
1. Name of director												
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters												
A. Report on Subsidiary's CEO Recommendation Committee's activities	No particular comments											
B. Report on Audit Committee's activities	No particular comments											

Items	Activities of directors												Whether or not approved
3. Comments on reported matters													
C. Report on Risk Management Committee's activities	No particular comments												
D. Report on Remuneration Committee's activities	No particular comments												
E. Report on Independent Director and Audit Committee Member Recommendation Committee's activities	No particular comments												
F. Report on the Board's activities	No particular comments												
4. Resolutions													
A. Appointment of non-director executives	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Issuance of redeemable contingent capital securities	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Appointment of non-director executives: We decided on the appointment of the holding company's executives and concurrent (double-duty) business group heads by reflecting the details of the holding company's organizational reshuffle. Director Lee Yoon-jae requested that it is necessary to minimize the internal impact of changes in the holding company's executives and to ensure stable operation.

Resolution B. Issuance of redeemable contingent capital securities: Approved the issuance of redeemable contingent capital securities to manage the appropriate capital ratio. The issuance amount is within KRW 400 billion, and the time of issuance is set to be 2024.

## 4. Evaluation of the Board and Directors

### A. Evaluation of the Board

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Board evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Board, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Since the details of the evaluation shall be determined by the Board, the Company has conducted and completed the evaluation in December of 2023 based on the resolution, its content shown below, of the 8th special meeting of the Board on December 28, 2016. The evaluation was conducted and completed in December 2023 based on the following matters supplemented at the 11th temporary Board meeting (December 17, 2020). The Company currently refers to the evaluation results in supporting the Board's operations.

**(1) Purpose of evaluation:** For use as reference in supporting the Board's operations

**(2) Evaluator:** Evaluation by all directors

**(3) Criteria for evaluation:**

① Operation evaluation: Reasonableness of Board meeting hours, reasonableness of agenda, reasonableness of frequency of

Board meetings, and whether the Company has provided sufficient information

② Role evaluation: Reasonableness of the Board's performance related to the Board's authorities specified in the Internal Code of Corporate Governance

**(4) Method (procedure) of evaluation:** Questionnaire survey with 5-point scale and evaluation by third-party evaluating firm for fairness of evaluation and anonymity of evaluator

- Grade 5 (extremely outstanding, 4.50 or higher and 5.00 or lower) / Grade 4 (outstanding, 3.50 or higher but lower than 4.50) / Grade 3 (average, 2.50 or higher but lower than 3.50) / Grade 2 (inadequate, 1.50 or higher but lower than 2.50) / Grade 1 (very inadequate, 1.00 or higher but lower than 1.50)

The 2023 Board evaluation found that the Board's operation and performance were at an outstanding level (grade 4). Additional points of improvement include:

- Sufficient time shall be provided for prior review of major agendas to allow for more active participation and in-depth discussions by independent directors.
- Subcommittees need opportunities to communicate appropriately with practitioners in other professional areas.
- Requested the need to hold frequent meetings among independent directors and provide frequent opportunities for independent directors to propose agenda items.
- Fidelity of information delivery shall be improved through prior explanation, but discussions on agenda items shall be actively conducted at the Board.
- It is necessary to share the annual activity plan early to secure Board members' schedules and improve operational efficiency.
- One of the main roles of the Board is risk management. So, it is necessary to give sufficient thought to what types of risks a director with what expertise will be responsible for inspecting and monitoring.

The 2023 Audit Committee evaluation found that the Committee's operation and performance were at an outstanding level (grade 4). Additional points of improvement include:

- In case of agenda items other than routine work, it is recommended that prior reporting be actively utilized and that main meetings focus on discussions, supervision instructions, etc.
- Need for sessions (training) by experts in IT, risk management, etc.
- Need to share roles with compliance officers and Risk Management Committees and expand related communication including consultations with subsidiary audit committees.

The 2023 Remuneration Committee evaluation found that the Committee's operation and performance were at an outstanding level (grade 4). Additional points of improvement include:

- Committee agenda items shall be provided at an early stage, allowing sufficient time to learn in advance.
- Need to regularly review performance evaluation and compensation.
- Need for a systemic review that allows the committee to substantially intervene in the Company's management evaluation and compensation decisions.

The 2023 Risk Management Committee evaluation found that the Committee's operation and performance were at an outstanding level (grade 5). Additional points of improvement include:

- Training on regulatory trends and major risk issues was very effective, so further training for committee members is desired.
- Expanding committee meeting hours is necessary to ensure thorough discussion.

The 2023 ESG Strategy Committee evaluation found that the Committee's operation and performance were at an outstanding level (grade 5). Additional points of improvement include:

- Confirm and inform agenda and schedule of the committee early.
- Secure sufficient meeting hours and strengthen prior explanation of the Company's progress on major issues (eco-friendly policy, diversity policy, etc.)
- Provide education on domestic and international ESG regulatory trends and major issues

The 2023 Independent Director & Audit Committee Member Recommendation Committee evaluation found that the Committee's operation and role performance were at an outstanding level (grade 4). Additional points of improvement include:

- In order to secure and maintain the independence of the committee, intervention from outside parties shall be avoided.
- Expand discovery of excellent candidates by diversifying external recommendation channels
- Not only independent directors' professional capabilities but also their experience in field management is important, so secure enough candidates with a sense of the field.

The 2023 Subsidiary's CEO Recommendation Committee evaluation found that the Committee's operation and performance were at an outstanding level (grade 4). Additional points of improvement include:

- Provide sufficient time and materials to have in-depth discussions about candidates
- Provide sufficient basis for judgment so that independent directors can carefully review the suitability of candidates.

The 2023 CEO Recommendation Committee evaluation found that the Committee's operation and performance were at an outstanding level (grade 4). Additional points of improvement include:

- Provide opportunities to frequently communicate with CEO candidates through presentations and discussions at the Board
- Prepare measures such as regulation enactment to improve the objectivity and reliability of the current CEO recommendation process.

## **B. Criteria for director evaluation**

To reinforce directors' responsibilities and verify their abilities as directors at the time of recommendation for re-election, the Company conducts evaluations of independent directors under Article 30 of the Internal Code of Corporate Governance. The Company also carries out evaluations of the management under Article 50 of the same.

For the criteria used in independent director evaluations, please see "V. Activities and Remuneration of Independent Directors – 5. Evaluation of Independent Directors."

Evaluation of the management uses both quantitative and qualitative methods, and is deliberated and resolved by Remuneration Committee in link with organization-level (e.g., a company) job performance. Evaluation criteria for non-executive directors (excluding those concurrently serving as non-executive directors) apply, mutatis mutandis, to those for independent directors.

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### III. CEO Recommendation Committee

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### III. CEO Recommendation Committee (Formerly Corporate Governance & CEO Recommendation Committee)

#### 1. Roles

The CEO Recommendation Committee, a subcommittee consisting of 5 to 7 independent directors, is run for the purpose of recommending, as CEO, a person who possesses integrity, the ability to realize "Shinhan Value," expertise for the job and the ability to run an organization, sharing the Company's vision, and a drive for public interest and sound management. The committee performs the steps such as setting qualifications of the CEO candidate group, creating a candidate pool, managing the pool, verifying qualifications of and recommending the final succession candidate, and reports the results to the Board.

#### 2. Composition

The CEO Recommendation Committee is a permanent subcommittee which is operated with a total of 5~7 members including the Chairperson. To ensure the independent operation of the committee, all its members are independent directors, with one of them being elected as the Chairperson. Relevant regulations revised in March 2021 require all independent directors to attend the final meeting to select the CEO candidate, thus improving objectivity and fairness of the Group CEO succession process.

<Before General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Sung Jaeho	Independent director	Chairperson	March 24, 2022	March 23, 2023
Lee Yoon-jae	Independent director	Member	March 24, 2022	March 23, 2023
Jin Hyun-duk	Independent director	Member	March 24, 2022	March 23, 2023
Kwak Su Keun	Independent director	Member	March 24, 2022	March 23, 2023
Bae Hoon	Independent director	Member	March 24, 2022	March 23, 2023
Lee Yong-guk	Independent director	Member	March 24, 2022	March 23, 2023
Choi Jae Boong	Independent director	Member	March 24, 2022	March 23, 2023

<After General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Sung Jaeho	Independent director	Chairperson	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Lee Yoon-jae	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Jin Hyun-duk	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Bae Hoon	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Lee Yong-guk	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Choi Jae Boong	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024

#### 3. Criteria of selection

##### A. Qualifications of candidates

Refer to this annual report at "VI. Succession of CEO - 2. Recommendation of the candidate for CEO and CEO succession process - A. Overview - (1) Qualifications of CEO (pages 149-150)".

## B. Procedure of recommending candidates

Refer to this annual report at "VI. Succession of CEO - 2. Recommendation of the candidate for CEO and CEO succession process - A. Overview - (2) Selecting a pool of CEO candidates and how to manage the pool including qualification check (page 150), (3) Reasons and timing for commencement of CEO succession process (page 150), (4) Procedure of final candidate recommendation (page 150), (5) CEO succession process (page 150)".

## C. Method of evaluating execution of duties as an independent director

The Company evaluates "Group KPIs" and "strategic task performance" in certain proportions, so that its financial performance and non-financial evaluation elements can be reflected in the evaluation of CEO.

Financial performance indicators are Group KPI items: mid to long-term growth-based indicators (total shareholder return, Group customer base), profitability indicators (adjusted ROE, adjusted ROA), soundness indicator (actual non-performing loan coverage ratio), risk-related indicator (RAROC), efficiency indicator (cost income ratio), etc. As for non-financial performance indicators, performance of key strategic tasks arising from the Group's strategic direction are evaluated.

In accordance with the Remuneration Committee Regulation (Article 6), the Remuneration Committee decides CEO evaluation system and deliberates on the result of the evaluation.

## 4. Activities and Evaluations

### A. Overview

In 2023, CEO Recommendation Committee meetings were held 4 times. A total of 8 agenda items were submitted during this period, including 4 resolution items and 4 reporting items. All agenda items submitted for Committee resolutions were passed.

### B. Meetings held

#### (1) 1st meeting of the CEO Recommendation Committee in 2023: February 28, 2023 (Thu)

[Date of notice: February 21, 2023 (Tue)]

Items	Activities of directors							Whether or not approved
	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
1. Name of director	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	(No agenda to report)							Not applicable
4. Resolutions								
A. Evaluation of candidates under the Group CEO succession plan for 2022, deliberated	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved
B. Selection of candidates under the Group CEO succession plan for 2023	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

At the 1st CEO Recommendation Committee meeting of 2023, quorum was present with all 7 members in office attending. The committee deliberated and decided Agenda #1 "Evaluation of candidates under the Group CEO succession plan for 2022, deliberated" Agenda #2 "Selection of candidates under the Group CEO succession plan for 2023," selecting Group CEO succession candidates under the plan.

**(2) 2nd meeting of the CEO Recommendation Committee in 2023: March 23, 2023 (Thu)**

[Date of notice: March 16, 2023 (Tue)]

Items	Activities of directors						Whether or not approved
	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
1. Name of director	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	(No agenda to report)						Not applicable
4. Resolutions	A. election of the Chair of the CEO Recommendation Committee						Approved
	Concur	Concur	Concur	Concur	Concur	Concur	

In the 2nd CEO Recommendation Committee meeting of 2023, quorum was present with all 6 members in office attending. Committee member Sung Jaeho was elected as the chairperson.

**(3) 3rd meeting of the CEO Recommendation Committee in 2023: May 10, 2023 (Wed)**

[Date of notice: May 3, 2023 (Wed)]

Items	Activities of directors						Whether or not approved
	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
1. Name of director	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Absence	
3. Comments on reported matters	A. Role of the CEO Recommendation Committee and its 2023 operation schedule						No particular comments
	B. Report on the result of performance evaluation of candidates under the Group CEO succession plan (2022)						No particular comments
	C. Deliberation of Development plan for the candidates selected in 2023						No particular comments
	D. Review of operational improvement for the CEO Recommendation Committee						No particular comments
4. Resolutions	(No resolutions)						Not applicable

In the 3rd CEO Recommendation Committee meeting of 2023, quorum was present with 5 members, out of 6 in total, attending. The 2022 performance evaluation results, confirmed after the 1st CEO Recommendation Committee meeting in the management performance evaluation system, for some candidates under the Group CEO succession plan and the development plan for candidates under the Group CEO succession plan for 2023, and how to improve the operation of the CEO Recommendation Committee were reported to the committee.

**(4) 4th meeting of the CEO Recommendation Committee in 2023: July 27, 2023 (Thu)**

[Date of notice: July 20, 2023 (Thu)]



Items	Activities of directors						Whether or not approved
	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
1. Name of director	Sung Jaeho	Lee Yoon-jae	Jin Hyun-duk	Bae Hoon	Lee Yong-guk	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters							
(No agenda to report)	Not applicable						
4. Resolutions							
A. Checking and reporting of reasonableness of Group CEO succession plan	Concur	Concur	Concur	Concur	Concur	Concur	Approved

In the 4th CEO Recommendation Committee meeting of 2023, quorum was present with all 6 members in office attending. Deliberated and decided of reasonableness of Group CEO succession plan was submitted. The committee checked whether the Group CEO succession plan faithfully reflects internal and external laws and regulations (e.g., Corporate Governance Act, Supervisory Regulation on Corporate Governance of Financial Companies, and the Company's Internal Code of Corporate Governance reflecting the foregoing), and whether the procedures set forth in the aforesaid plan are properly being run year-round. Also, the committee checked whether the Group CEO succession candidates meet the qualifications set forth in the aforesaid plan. Based on the results of investigation, the committee concluded that the Group CEO succession plan is appropriately established in accordance with the goal of management continuity through stable CEO succession and sustainable development of the Group, and reported the same to the Board.

### C. Evaluation

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the CEO Recommendation Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose, subject (evaluator), criteria, and method of evaluation, refer to this annual report at "II. Board of Directors - 4. Evaluation of the Board and Directors - A. Evaluation of the Board".

Evaluation of the CEO Recommendation Committee for 2023 shows that the Committee's level of operation and role execution was excellent level.

### 5. Information on recommendation of the candidate for CEO

Not applicable

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## IV. Independent Director & Audit Committee Member Recommendation Committee

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## IV. Independent Director & Audit Committee Member Recommendation Committee

### 1. Roles

The Independent Director & Audit Committee Member Recommendation Committee deliberates and resolves matters delegated by the Board, and has the role of making the recommendation of the Company's independent director candidates transparent and sound. (Article 2 of the Independent Director & Audit Committee Member Recommendation Committee Regulation)

The committee has the authority to establish, review, and supplement the principles of the independent director and audit committee member election, recommend candidates for the independent directors and audit committee member to be elected at the general meeting of shareholders, manage the independent director candidate pool at all times, and verify the qualifications of the candidates. (Article 6, Paragraph 1 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 13, Paragraph 2 of the Internal Code of Corporate Governance)

It is also responsible for recommending independent director candidates befitting the interests of the Company, shareholders, etc. using a fair, transparent procedure, and for verifying in a fair manner whether preliminary independent director candidates meet qualifications under the applicable laws and Internal Code of Corporate Governance, before making the aforementioned recommendation (Article 10, Paragraphs 1 and 2 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 24, Paragraphs 1 and 2 of the Internal Code of Corporate Governance)

In accordance with the principle of diversity of the Board specified in Article 3 of the Internal Code of Corporate Governance, the committee recommends independent director candidates who meet both positive and negative criteria for eligibility under applicable laws and the Company's internal regulations. The committee also manages and recommends candidates who are independent and possess expertise and insight befitting the Company's growth history and organizational culture on a regular basis. (Article 6, Paragraph 1, Subparagraph 3 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 13, Paragraph 2, Subparagraph 3 of the Internal Code of Corporate Governance)

The committee manages the candidate pool by areas of expertise (finance, economics, business management, accounting, legal, information technology, international business, and consumer protection) in principle, and checks the candidates' expertise, fair judgment, integrity, strong work ethics, and negative screening for eligibility, through monitoring of publicly available information that can be obtained in compliance with personal information protection laws and through reference check by third party advisors.

As set forth in Article 3 of the Internal Code of Corporate Governance, the committee uses various recommendation channels (e.g., Independent Director & Audit Committee Member Recommendation Committee, independent directors, shareholders, third party advisors) in principle so that specific backgrounds or skill sets will not be overrepresented in the Board in terms of expertise. (Article 10, Paragraph 6 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 24, Paragraph 3 of the Internal Code of Corporate Governance)

The committee is also obligated to check whether independent director candidates' negative and positive screening for eligibility required by the applicable laws and the Corporate Governance Code are met. (Article 10, Paragraph 2 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 24, Paragraph 2 of the Internal Code of Corporate Governance)

In order to periodically check the reasonableness of the independent director candidate pool management, the Independent Director & Audit Committee Member Recommendation Committee is obligated to report to the Board about its management of the independent director candidate pool at least twice a year. (Article 6, Paragraph 3 of the Independent Director & Audit

Committee Member Recommendation Committee Regulation, Article 13, Paragraph 3 of the Internal Code of Corporate Governance)

In addition, the verification results for the independent director candidates recommended by the Independent Director & Audit Committee Member Recommendation Committee and reasonableness of the recommendation have to be deliberated and resolved again by the Board. This encourages the Board to more closely examine the independent director candidates recommended by the Independent Director & Audit Committee Member Recommendation Committee, who will be voted on by the general meeting of shareholders. This results in enhanced transparency in the election of independent directors. (Article 10, Paragraph 5 of the Independent Director & Audit Committee Member Recommendation Committee Regulation)

Lastly, in the recommendation of candidates for the Audit Committee, for the expertise of accounting and compliance audits, at least one committee member shall be an expert in the fields of accounting or finance and law. Candidates with the know-how and expertise to audit the duties of directors and executives are recommended as candidates for the Audit Committee based on a fair and transparent process. (Article 11, Paragraph 1 of the Independent Director & Audit Committee Member Recommendation Committee Regulation)

## 2. Composition

Under the Company's internal regulations, the Independent Director & Audit Committee Member Recommendation Committee shall consist of between 3 and 5 directors, and independent directors shall account for a majority of the members (Article 3, Paragraph 1 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 13, Paragraph 1 of the Internal Code of Corporate Governance) The foregoing reflects the purpose of "independent director" system by ensuring that the committee shall be independent director-centered and that independent directors are elected by a fair, transparent process. In actual practice, all its five members are organized with independent directors. However, when the final recommendation of independent director candidates and the recommendation of Audit Committee member candidates commences, all independent directors become members of the committee. This is to enhance transparency in the process of electing independent directors and Audit Committee members by allowing the Board to more closely review candidates for the independent directors to be elected at the general shareholders' meeting.

The Company makes sure that independent directors, who meet the independence requirement set forth in applicable laws and possess financial career experience and expertise from various areas, are included in the Independent Director & Audit Committee Member Recommendation Committee. (Article 3, Paragraph 2 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 13, Paragraph 1 of the Internal Code of Corporate Governance)

Also, for the "independence" of the members, independent directors allowed for re-election are excluded to the greatest extent possible from the Independent Director & Audit Committee Member Recommendation Committee. That is, independent directors with an unexpired term, those having expressed intent to resign as an independent director, thus making them ineligible for re-election, are given priority consideration.

If it is unavoidable to include an independent director standing for re-election, in consideration of the committee's expertise and representativeness, such director is strictly restricted from voting in resolutions recommending him/her as an independent director candidate (Article 7, Paragraph 2 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 13, Paragraph 4 of the Internal Code of Corporate Governance)

In addition, so that diversity of the committee is achieved while members with financial experience, expertise, and representativeness are elected, in March 2020, Director Yoon Jae-won (accounting/management experts) was elected as committee member, and in March 2021, Director Choi Jae Boong (IT expert), and in March 2022, Director Kim Jo Seol (economics expert), and in March 2023, Director Jin Hyun-duk (management expert), and Director Lee Yong-guk (legal expert) were elected as members to complete composition of the committee.

## &lt;Before General Meeting of Shareholders in March of 2023&gt;

Name	Independence	Title	Date of election	End of term
Choi Jae Boong	Independent director	Chairperson	March 24, 2022	March 23, 2023
Kim Jo Seol	Independent director	Member	March 24, 2022	March 23, 2023
Park Ansoon	Independent director	Member	March 24, 2022	March 23, 2023
Yoon Jaewon	Independent director	Member	March 24, 2022	March 23, 2023
Huh Yong-hak	Independent director	Member	March 24, 2022	March 23, 2023

(However, when the final recommendation process for independent director candidates and the recommendation process for Audit Committee member candidates begin, all independent directors will be included.)

## &lt;After General Meeting of Shareholders in March of 2023&gt;

Name	Independence	Title	Date of election	End of term
Choi Jae Boong	Independent director	Chairperson	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Kim Jo Seol	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Yoon Jaewon	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Lee Yong-guk	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Jin Hyun-duk	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024

(However, when the final recommendation process for independent director candidates and the recommendation process for Audit Committee member candidates begin, all independent directors will be included.)

### 3. Criteria of selection

#### A. Qualifications of candidates

Common qualifications applicable to the selection of independent director candidates are as follows.

In regard to disqualifications, the following laws and internal/external regulations are strictly reviewed. Article 382, Paragraph 3 (Qualifications of corporation's independent directors) and Article 542-8, Paragraph 2 (Qualifications of listed company's independent directors) of the Commercial Act, Article 5, Paragraph 1 (Qualifications of executives) of the Act on Corporate Governance of Financial Companies, Article 6, Paragraphs 1 and 3 (Qualifications of independent directors) of the same, Article 23, Paragraph 2 (Concurrent service as independent director of other companies) of the Internal Code of Corporate Governance, and Article 26, Paragraph 4 (Term limit for independent directors) of the Internal Code of Corporate Governance.

In regard to independent directors' positive screening for eligibility, the Company's Articles of Incorporation and Internal Code of Corporate Governance require whether the relevant person has sufficient practical experience and knowledge in related areas such as finance, economics, business management, accounting, legal, consumer protection, and information technology, fair judgment, integrity, and strong work ethics.

Also, the Internal Code of Corporate Governance requires that the Board shall include those who possess the right experience or knowledge for a director's job as acquired from various areas and are capable of carrying on and renewing the Group's founding spirit. Efforts shall be made so that specific backgrounds or skill sets will not be over-represented in the Board in terms of expertise.

In addition to such an internal regulation, at the 1st Independent Director Recommendation Committee meeting (January 15,

2018), the committee established detailed principles to elect independent director candidates to maintain transparent and sound corporate governance, and at the 5th meeting (August 23, 2019), supplemented the aforesaid principles and the criteria of managing the candidate pool (long list). At the 6th meeting (November 13, 2020), the committee supplemented the independent director long list in further detail (e.g., newly including experts in the fields of HR (rich in organizational management experience) and technology strategy, in addition to the aforesaid 7 fields, into the long list).

In addition, on November 18, 2021, female independent director candidates with expertise in various fields were added to the multiple candidate groups in order to secure "diversity of the composition of the Board," and at the 7th meeting (December 16, 2021), the Independent Director & Audit Committee Member Recommendation Committee has decided to conduct an additional deliberation on the exclusion of candidates whose specific political orientation is confirmed or suspected, and has reinforced the qualification standards for candidates with experience as independent directors of the Group's companies. At the 6th Committee meeting (August 11, 2022), director Kim Jo Seol, who had been newly appointed as an independent director at the 21st general shareholders' meeting in 2022, was excluded from the list of candidates. Candidates that do not meet the Company's candidate management standards (e.g. being elected as an independent director of another company) were additionally excluded or newly incorporated into a separate candidate group. In addition, at the committee meetings in November and December 2022, the committee improved the group of candidates in the field of "management and economy," having has a relatively large decrease compared to the previous long list of candidates, and recruited a diverse group of candidates spanning the 8 major fields of expertise by additionally recruiting candidates with expertise in the "global" field. In 2023, there were 5 resolutions on the management of independent director candidates. In order to respond to the risks of the rapidly changing external environment, we have notably recruited experts with financial field experience and experts of risk management.

At first, if the BOD determines the number of new independent directors to be elected, specialized field and others through the resolution of the BOD (proposed), the Independent Director Recommendation Committee regulates the general overview to recommend the independent director candidates by selecting the persons that meet the qualification and deliberation criteria as well as the contents of the BOD resolution from the candidate group (long list) that is constantly managed.

Next, as for the positive screening for eligibility of an independent director, the existing expertise, fair judgment, integrity and strong work ethics are applied, and in addition, three criteria of deliberation have been established for diversity (an independent director is elected with comprehensive consideration of nationality, gender, age, experience, background recommendation channel, and harmony with current directors) of the BOD composition, reasonableness (elect persons who will contribute to the growth of the Company by profoundly sharing the vision of Shinhan Financial, growth process and corporate culture as well as succeeding and advancing such aspects) with Shinhan Financial Group, and efficacy (elect the person with experience in management for balance in order to link the comparatively advantageous elements for each business type in consideration of paradigm change of business) of management advisory.

In addition, the detailed criteria of 'expertise' and 'diversity' are prepared to take reference when selecting candidates group of independent director. For example, in the example regarding the 'expertise', the financial field acknowledges the expertise only for any person with working 3 years or longer in the position of top management in a financial company, working 3 years or longer in the position of top management for the finance related works in a corporate entity, or working 10 years or longer as an executive, or any person who has the experience of working 5 years or longer for policy establishment, management and supervisory works or works related to financial or related works in financial related government, public institution, supervisory institution, relevant organization and association. In addition, it reflects the 'principle of equal opportunity' based on the 'diversity' to prepare the female candidate group of at least 20% from the candidate group of independent director, and select the candidates in various age groups of  $\pm 15$  years based on the CEO age for effective advisory expenses based on long history and flexible response to the change of management environment.

Furthermore, the criteria related to the 'independence of director' as established by the CEO Recommendation Committee (the Company's Board) and verified by the Board is referenced when selecting the candidate group of independent director.

The 'director independence guideline' and earlier recorded 'BOD diversity guideline' are disclosed in detail through the homepage of the Company.

Furthermore, for managing the candidate group for independent directors, the Independent Director & Audit Committee Member Recommendation Committee is clearly defined for its meaning (Long list) and recommending route of candidate (Independent Director & Audit Committee Member Recommendation Committee, Independent Director & Audit Committee Member Recommendation Committee member, shareholder recommendation, independent advisor recommendation), and ① reception and verification of candidate recommendation of independent director through the regular inquiry to third party advisors, ② reflection of special nature of corporate governance of Shinhan Financial Group, ③ maintenance of expertise, independence and stability of BOD, ④ management of candidate group in connection with the group management strategy, ⑤ preference of person having practical experience for each specialized field and female candidate for strengthening gender diversity, and ⑥ principle of election of independent director and qualification by regulating the 6 management criteria of continuously monitoring the candidate group.

Namely, the Company comprehensively considers the independent deliberation criteria that are established by the Independent Director & Audit Committee Member Recommendation Committee other than the laws and regulations and internal regulation for the verification of the qualification of the independent director candidate.

The Audit Committee consists of three to five directors in accordance with the Articles of Incorporation and the Audit Committee Regulation. At least two-thirds of the total Committee members are independent directors. Along with at least one member of the Committee shall be an accounting or financial expert specified in the relevant laws. In addition, to enhance the compliance monitoring function of the Audit Committee, at least one member shall be a legal expert.

## B. Procedure of recommending candidates

For the fair and transparent election of independent directors, the Independent Director & Audit Committee Member Recommendation Committee Regulation and the Internal Code of Corporate Governance details the procedure for the Independent Director & Audit Committee Member Recommendation Committee's recommendation for independent director candidates.

Key provisions and workflow related to the procedure of recommending independent director candidates are as follows.

- Recommend those befitting or serving interests of the Company, shareholders, etc. as independent director candidates in a fair and transparent process (Article 10, Paragraph 1 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 24, Paragraph 1 of the Internal Code of Corporate Governance)
- Maximize use of external recommendations such as recommendations by shareholders, stakeholders, third party advisors if necessary to search for independent director candidates (Article 10, Paragraph 6 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 24, Paragraph 3 of the Internal Code of Corporate Governance).
- In case of recommending candidates for independent directors standing for re-election, the independent director evaluation shall demonstrate the independent director's outstanding capacity as an independent director, and the candidate recommendation form shall be accompanied by the evaluation results and Independent Director & Audit Committee Member Recommendation Committee's review report (Article 10, Paragraphs 3 and 7 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 24, Paragraph 4 of the Internal Code of Corporate Governance).
- Recommend independent director candidates after fair verification of whether preliminary independent director candidates meet qualifications under applicable laws and the Internal Code of Corporate Governance (Article 10, Paragraph 2 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 24, Paragraph 2 of the Internal Code of Corporate Governance).



- From among those verified to meet the foregoing, finalize those selected by Independent Director & Audit Committee Member Recommendation Committee as independent director candidates, and recommend those to the general meeting of shareholders (Article 10, Paragraph 4 of the Independent Director & Audit Committee Member Recommendation Committee Regulation).
  - Submit the result of verifying independent director candidates, and reasonableness of the recommendation, to the Board concerning Independent Director & Audit Committee Member Recommendation Committee's activities so that the Board will deliberate and resolve the above (Article 10, Paragraph 5 of the Independent Director & Audit Committee Member Recommendation Committee Regulation).
  - When recommending independent director candidates, the Company announces the following before giving notice for convocation of the general meeting of shareholders, and states in such notice the fact of disclosure, method of checking the content of disclosure, etc. (Article 10, Paragraph 8 of the Independent Director & Audit Committee Member Recommendation Committee Regulation, Article 25 of the Internal Code of Corporate Governance).
1. Overview of the procedure for recommending independent director candidates
  2. Names and career summaries of the members of the Independent Director & Audit Committee Member Recommendation Committee
  3. Relationship between each independent director candidate and his/her recommender (When the Company's current or former independent director is recommended as an independent director candidate, all past recommenders for him/her shall be stated.)
  4. Relationship between each independent director candidate and the Company, subsidiaries, and their executives and major shareholders
  5. Whether qualifications under applicable laws and Article 20 of the Internal Code of Corporate Governance are met, and the grounds of such determination
  6. Reasons for recommending the independent director candidates
  7. Career of the independent director candidates
  8. Other matters recognized by the Board as necessary in connection with recommending the independent director candidates

Aside from the aforesaid internal regulation, Independent Director Recommendation Committee in its 1st meeting (January 15, 2018) established more objective, transparent criteria, and improved the process of recommending independent director candidates.

First, in electing new independent directors, the existing 3-stage recommendation process ("prepare the long list - recommend preliminary candidates - recommend final candidates") was expanded into a 4-stage process ("prepare the long list - prepare the short list - recommend preliminary candidates - recommend final candidates), thus enabling more in-depth verification or screening.

In terms of operation, the transparency of the criteria process for the independent directors is secured, and for strengthening the verification of the independent director candidates that have expertise and independence, the inquiry on reputation by the independent advisory agency is carried out for all candidates (long list) to prepare the verification data in advance, and in consideration of personnel of independent directors subject to replace and core principle in diversity for the BOD to resolve the matters related to the BOD composition and the Independent Director & Audit Committee Member Recommendation Committee selects the expertise field and number of independent directors to be newly selected to meet the BOD resolution through the board skill matrix verification, and each member of the Independent Director & Audit Committee Member Recommendation Committee evaluates the conformity of the expertise, fair judgment, integrity, strong work ethics



requirement as the positive screening for eligibility of the independent directors through the verification data for the long list in the applicable fields. Then short list is selected from at least 3 times to 5 times among the minimum number of final candidates through multiple votes with anonymous votes or by committee discussions and calls. Then, by implementing the additional reputation inquiry of the separate independent advisory agency, not the independent advisory agency for the long list reputation inquiry for the subject of short list, the conformity of the principle to select independent directors and qualification on the basis of the close verification data to verify in-depth, and the preliminary candidates are selected through the order of most voting through secret voting or through discussion and call between the members. Lastly, after accurate verification of whether a preliminary relevant candidate is willing to serve as independent director and is subject to any ground of disqualification, he/she will be recommended as the final candidate and will be elected in the general meeting of shareholders as an independent director.

In order to operate a more objective and transparent independent director recommendation process in 2023, at its 8th meeting (November 9), the Independent Director & Audit Committee Member Recommendation Committee has adopted its selection advisory group system. For groups that consist of external parties:

- ① Before condensing the independent director candidates (long list) into the final candidates (short-list) in the first-time independent director recommendation process, a separately compressed group of advisory group-chosen candidates gathered by consensus among the advisory members is proposed to the committee.
- ② In the incumbent recommendation process for independent director candidates whose term of office expires, the group is responsible for submitting opinions to the committee on whether to recommend re-election.
- ③ In addition, recommendations on the direction of electing independent directors after the following year can be submitted to the committee.

With the introduction of the selection advisory group system, recommendation levels increased from the existing 4 levels to 5 levels, allowing candidates to be verified once more from an external perspective. We expect that we will be able to upgrade our independent director recommendation process to the next level.

In addition, the Independent Director & Audit Committee Member Recommendation Committee at its 8th meeting (November 9, 2023) established the 2024 independent director recommendation principles. The purpose is to further solidify the direction of the committee by enacting, as a separate resolution, the contents discussed before the start of the independent director recommendation process every year starting from 2023.

The principles of independent director recommendation (2024): ① Secure gender diversity. ② Recommend candidates who enhance the collective integrity of the Board. ③ Recommend candidates in consideration of the tenure of the Board's experts and the expiration of the term. In order to secure the diversity of Board composition and the expertise in response to changes in the financial environment, the Board skill matrix was reviewed and established by reflecting existing discussions. We plan to pursue a balanced approach to ensure that the candidate selection principles do not impede the continuity of Board operations.

Candidates for the Audit Committee shall be recommended among the director candidates who meet the qualifications for independent directors in consideration of the expertise of the Audit Committee's duties. The Committee decides, with the consent of 2/3 or more of the total Committee members, the matter of recommending candidates for the Audit Committee and the matters related to such recommendation and submitted by Committee Chairperson.

### **C. Method of evaluating execution of duties as an independent director**

From December 2022 to January 2023, the Company conducted the "2022 independent director evaluation" of candidates for all independent directors standing for re-election. This is a thorough, 360-degree feedback process in which the evaluators include the evaluated director himself/herself, other independent directors, executives and employees (head of the department in charge of supporting the BOD and BOD committees). Evaluation items consist of 3 questions under each of

the major categories; expertise, fair judgment conduct, integrity, and strong work ethic. Subjective questions are also used for in-depth evaluation. For fairness of evaluation and anonymity of evaluator, the entire process including conduct of evaluation and collection of results is performed by an "External professional evaluation firm." From 2022, in order to increase convenience during evaluation, online evaluation was conducted in addition to the existing postal method.

## 4. Activities and Evaluations

### A. Overview

In order to organize the independent directors with diversified experts, the Company constantly manages the candidate group for independent directors as recommended from the Independent Director & Audit Committee Member Recommendation Committee, shareholders and third-party advisors, and for recommending the independent director candidates and management of candidate group, a total of 9 Independent Director & Audit Committee Member Recommendation Committee meetings were held during 2023.

### B. Meetings held

#### (1) 1st meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: February 8, 2023 (Wed)

[Date of notice: February 1, 2023 (Wed)]

Items	Activities of directors					Whether or not approved
	Choi Jae Boong	Park Ansoon	Huh Yong-hak	Yoon Jaewon	Kim Jo Seol	
1. Name of director	Choi Jae Boong	Park Ansoon	Huh Yong-hak	Yoon Jaewon	Kim Jo Seol	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report of operation process for the Independent Director and Audit Committee Member Recommendation Committee in 2023	No particular comments					
B. Report of evaluation result of independent directors in 2022	No particular comments					
C. Report on review of compensation levels for independent directors of domestic financial holding companies and large corporations	No particular comments					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Reporting A. Report of operation process for the Independent Director Recommendation Committee in 2023: Provided information on the schedule and procedure for recommendation of candidate for independent director in 2023 and sought for unanimous consent of all members.

Reporting B. Report of evaluation result of independent directors in 2022: Checked the evaluation result based on the contents of independent director activities during 2022.

Reporting C. Report on review of compensation levels for independent directors of domestic financial holding companies and large corporations: As part of securing sound competitiveness of the Board to recruit independent directors with expertise, checked the results of a survey on the compensation levels of independent directors at other financial holding companies or large corporations.

Resolution A. Matter of management of independent director candidates: Finalized the long list of permanent candidates for recommendation as candidates for independent directors in 2023.

**(2) 2nd meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: February 22, 2023 (Wed)**

[Date of notice: February 13, 2023 (Mon)]

Items	Activities of directors					Whether or not approved
	Choi Jae Boong	Park Ansoon	Huh Yong-hak	Yoon Jaewon	Kim Jo Seol	
1. Name of director	Choi Jae Boong	Park Ansoon	Huh Yong-hak	Yoon Jaewon	Kim Jo Seol	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report on the qualifications and recommendation process for Audit Committee candidates (2023)	No particular comments					
4. Resolutions						
A. Matter of managing the candidates for independent directors	Concur (Voting rights restricted if he/she is the nominee)	Concur	Concur	Concur (Voting rights restricted if he/she is the nominee)	Concur	Approved

Reporting A. Report on the qualifications and recommendation process for Audit Committee candidates (2023): A separate election process for the independent directors also serving as Audit Committee members for 2023 has been notified, and sought for unanimous consent of all members.

Resolution A. Matter of managing the candidates for independent directors: Confirmed the committee's recommendation opinions on independent director candidates up for re-election. (Excluding Director Huh Yong-hak, who expressed his intention to resign)

**(3) 3rd meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: February 28, 2023 (Tue)**

[Date of notice: February 21, 2023 (Tue)]

Items	Activities of directors											Whether or not approved
	Choi Jae Boong	Park Ansoon	Huh Yong-hak	Yoon Jaewon	Kim Jo Seol	Kwak Su Keun	Bae Hoon	Sung Jae-ho	Lee Yong-guk	Lee Yoon-jae	Jin Hyun-duk	
1. Name of director	Choi Jae Boong	Park Ansoon	Huh Yong-hak	Yoon Jaewon	Kim Jo Seol	Kwak Su Keun	Bae Hoon	Sung Jae-ho	Lee Yong-guk	Lee Yoon-jae	Jin Hyun-duk	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	Absence	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters												
(No agenda to report)	Not applicable											
4. Resolutions												
A. Recommendation of candidates for independent directors also serving as Audit Committee members	Concur	Concur	Concur	Concur (Voting rights restricted if he/she is the nominee)	Concur	Concur	Concur	Concur	Concur	Concur	Concur	Approved

Items	Activities of directors											Whether or not approved	
4. Resolutions													
B. Matter of managing the candidates for independent directors	Concur (Voting rights restricted if he/she is the nominee)	Concur	Concur	Concur	Concur	Concur (Voting rights restricted if he/she is the nominee)	Concur (Voting rights restricted if he/she is the nominee)	Concur (Voting rights restricted if he/she is the nominee)	Concur (Voting rights restricted if he/she is the nominee)	Concur (Voting rights restricted if he/she is the nominee)	Concur (Voting rights restricted if he/she is the nominee)	Concur (Voting rights restricted if he/she is the nominee)	Approved
C. Matter of recommendation of Audit Committee member candidate	Concur	Concur	Concur	Concur	Concur	Concur (Voting rights restricted if he/she is the nominee)	Concur (Voting rights restricted if he/she is the nominee)	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Recommendation of candidates for independent directors also serving as Audit Committee members: The committee recommended candidates for independent directors also serving as Audit Committee members who will be submitted for the 22nd annual shareholders' meeting (March 23, 2023).

Resolution B. Matter of managing the candidates for independent directors: Reflecting the result of verifying the candidates for re-elected independent directors recommended at the 2nd Independent Director & Audit Committee Member Recommendation Committee meetings, determined the independent director candidates to be referred to the 22nd general meeting of shareholders in 2023.

Resolution C. Matter of recommendation of Audit Committee member candidate: The candidates for Audit Committee to be submitted at the 22nd annual general meeting of shareholders in 2023 were recommended.

**(4) 4th meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: March 23, 2023 (Thu)**  
 [Date of notice: Omitted (Emergency meeting convened by unanimous consent of the members)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Jae Boong	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Hyun-duk	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Election of the chair of the Independent Director & Audit Committee Member Recommendation Committee	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Election of the Chair of the Independent Director & Audit Committee Member Recommendation Committee: Elected new members of the Independent Director & Audit Committee Member Recommendation Committee after the 22nd annual general meeting of shareholders held on the same date. Director Choi Jae Boong, who presided over transparent and fair meetings last year, established standards for the management of independent director candidates, and made various suggestions to secure high-quality independent director candidates, was appointed as chairperson, continuing from last year.

**(5) 5th meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: May 11, 2023 (Thu)**  
 [Date of notice: May 4, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Jae Boong	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Hyun-duk	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Role of the Independent Director & Audit Committee Member Recommendation Committee and its 2023 operation schedule	No particular comments					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Reporting A. Role of the Independent Director & Audit Committee Member Recommendation Committee and its 2023 operation schedule: The Company provided information on the main roles of the Independent Director & Audit Committee Member Recommendation Committee and sought consent from all members to the 2023 operation schedule.

Resolution A. Matter of management of independent director candidates: From the independent director candidates determined at the 1st Independent Director & Audit Committee Member Recommendation Committee meeting, the same committee finalized the 2nd candidate long list by re-verifying whether the candidates meet the Company's qualification requirements and deliberation criteria for independent directors, and the details of the management of candidates were reported at the 2nd regular Board meeting held on the same date.

**(6) 6th meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: August 10, 2023 (Thu)**  
 [Date of notice: August 3, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Jae Boong	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Hyun-duk	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Direction of improving the operation of the Independent Director & Audit Committee Member Recommendation Committee	No particular comments					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Reporting A. Direction of improving the operation of the Independent Director & Audit Committee Member Recommendation Committee: The consent of all committee members was sought for creating practical results in the management of independent director candidates and establishing an objective and transparent independent director selection process.

Resolution A. Matter of management of independent director candidates: Reflecting the discussion of members at the 5th Independent Director & Audit Committee Member Recommendation Committee meeting, the 3rd regular candidate group was confirmed by reinforcing with financial field experts having actual work experience in financial companies and with

female financial professionals. The candidate group management details were reported at the 3rd regular Board meeting (held on the same day).

**(7) 7th meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: October 6, 2023 (Fri)**

[Date of notice: September 27, 2023 (Wed)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Jae Boong	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Hyun-duk	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Operation of the Independent Director & Audit Committee Member Recommendation Committee's selection advisory group (draft)	No particular comments					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Reporting A. Operation of the Independent Director & Audit Committee Member Recommendation Committee's selection advisory group (draft): In order to enhance objectivity and transparency throughout the independent director recommendation process, the Company sought the consent of all members to the creation and operation of the selection advisory group.

Resolution A. Matter of management of independent director candidates: The 4th regular candidate group was confirmed by adding female or former business executives to the list of candidates confirmed at the 6th Independent Director & Audit Committee Member Recommendation Committee meeting. Details of candidate group management were reported at the 7th temporary Board meeting held on the same day.

**(8) 8th meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: November 9, 2023 (Thu)**

[Date of notice: November 2, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Jae Boong	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Hyun-duk	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Establishment of principles for selecting independent director candidates in 2024	Approved to revised proposal Concur	Approved to revised proposal Concur	Approved to revised proposal Concur	Approved to revised proposal Concur	Approved to revised proposal Concur	Approved
B. Operation of the Independent Director & Audit Committee Member Recommendation Committee's selection advisory group	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Establishment of principles for selecting independent director candidates in 2024: In order to ensure transparency and objectivity in the operation process of the Independent Director & Audit Committee Member Recommendation Committee and the collective suitability of the Board, the committee has established the principles for selecting independent director candidates in 2024.

Resolution B. Operation of the Independent Director & Audit Committee Member Recommendation Committee's selection advisory group: The committee resolved to establish and operate the Independent Director & Audit Committee Member Recommendation Committee's selection advisory group, discussed at the 7th committee meeting.

**(9) 9th meeting of the Independent Director & Audit Committee Member Recommendation Committee in 2023: December 19, 2023 (Tue)**

[Date of notice: December 12, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
1. Name of director	Choi Jae Boong	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Hyun-duk	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of management of independent director candidates	Concur	Concur	Concur	Concur	Concur	Approved

Resolution A. Matter of management of independent director candidates: The candidate group confirmed at the 7th Independent Director & Audit Committee Member Recommendation Committee meeting was supplemented with candidates with management experience in financial companies, leading to the reorganization of the regular candidate group, and the 5th regular candidate group was confirmed. Details of candidate management were reported at the 10th temporary Board meeting held on the same day. In addition, the committee provided advance information on the operating schedule and procedures of the 2024 Independent Director & Audit Committee Member Recommendation Committee.

### C. Evaluation

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Independent Director & Audit Committee Member Recommendation Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Purpose of evaluation, main theme, criteria and method should refer to the contents on this Annual Report 'II. Board of directors - 4. Evaluation on BOD and Directors - A. BOD evaluation.'

As a result of evaluation for the Independent Director & Audit Committee Member Recommendation Committee in 2022, shows that the Committee's level of operation and role execution was excellent.

## 5. Matters related to recommendation of independent director candidate

### • Lee Yoon-jae

#### 1. Candidate's profile

- (1) Year of birth: 1950  
 (2) Education: LLB from Seoul National University - MBA from Stanford University (USA)

#### 2. Career Highlights

- Former) President of KorEi
- Former) Advisor for Law Firm of Kim & Chang
- Former) Presidential Secretary in Finance and Economy (Managing Officer)
- Former) Presidential Secretary in Policy 1
- Former) General Director of Economic Policy Bureau, Ministry of Finance and Economy
- Former) General Director of Banking and Insurance, Ministry of Finance and Economy
- Former) Secretary General to Deputy Prime Minister and Ministry of Economic Planning
- Former) Director General of the Office of External Control (in charge of trade), Ministry of Economic Planning
- Former) Director (Bureau of Economic Planning and Office of Budget), Ministry of Economic Planning
- Passed the 11th National Examination for Public Administration

#### 3. Experience as an independent director of Shinhan Financial Group

- (1) Term of office: March 27, 2019 ~ present (as of the end of 2022 based on candidate recommendation in February 2023, hereinafter the same)  
 (2) BOD meeting attendance record:
- Attended in 52 meetings out of a total of 52 BOD meetings (attendance rate: 100%)
  - Attended in 13 meetings out of a total of 13 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)
  - Attended in 16 meetings out of a total of 16 CEO Recommendation Committee meetings (attendance rate: 100%)
  - Attended in 41 meetings out of a total of 41 Audit Committee meetings (attendance rate: 100%)
  - Attended in 14 meetings out of a total of 14 ESG Strategy Committee meetings (attendance rate: 100%)
  - Attended in 18 meetings out of a total of 18 Subsidiary's CEO Recommendation Committee meetings (attendance rate: 100%)

#### 4. Nominator<sup>1)</sup>: Independent Director & Audit Committee Member Recommendation Committee

(1) Candidate's profile	Huh Yong-hak (Chair): Current CEO of Hong Kong First Bridge Strategy Ltd. Yoon Jaewon : Current Professor of Business Administration, Hongik University Lee Yong-guk: Current Clinical Professor of Seoul National University, School of Law Choi Kyong-rok: Current CEO of CYS Corporation Choi Jae Boong: Current Professor of Sung Kyun Kwan University, College of Engineering
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	The candidate has extensive knowledge encompassing the public and private sectors, based on his long-term public service in finance-related government agencies and his experience as an independent director of leading domestic companies. He has an excellent understanding of the industry as a whole, providing balanced opinions to ensure that the management's decision-making is not biased towards a specific viewpoint, contributing to the management and development of the group. Based on a high level of ethical awareness and diverse expertise in finance and economics, he conducted a comprehensive review of the group's governance and provided constructive feedback. Through careful preparation for all agenda items, he encouraged the Board to make decisions rationally. In addition, as the Chairman of the Board, the candidate balanced conflicting opinions within the Board, presented a clear philosophy and vision for the social role of finance based on expertise and insight, and promoted Board member meetings, thus improving the operation of the Board so that it can operate more efficiently. In addition, the candidate attended all Board and subcommittee schedules, invested a lot of time in overall training, and actively participated in meetings with investors, emphasizing the independent and operative activities of our Board and the excellence of ESG and governance, etc. He was evaluated as having faithfully served as the Chairman of the Board and an independent director. He is recommended for re-election by consensus of the Independent Director & Audit Committee Member Recommendation Committee.

#### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable



**6. Eligibility Screening**

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in economics, finance and business management, expert in accounting and finance under the Corporate Governance Act (high ranking officer in government agency in charge of finance and economics, professional manager)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	For the activities of BOD and BOD subcommittee, the candidate allocated sufficient hours and efforts, and meets the qualification of laws and regulations, no change in concurrent position after the election, and proven for strong work ethics when considering the attendance rate in BOD and others
E. Additional verification criteria of the committee (Diversity in the composition of the Board)	Satisfactory	Possessing experience as executive in government agencies and private company
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	High level of understanding for corporate culture with rich experience as an professional manager and independent director
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	Effectively carrying out management advisory by having the experience of independent director and experiences in economics and financial policies

**7. Clarification of the applicable person for independent director candidate**

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, the statement of experience
(3) Current concurrent position	No concurrent position

**8. Independent Director & Audit Committee Member Recommendation Committee resolution results**

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Consent
- Member: Kwak Su Keun: Consent
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Consent
- Member: Sung Jae-ho: Consent
- Member: Yoon Jaewon: Consent
- Member: Lee Yong-guk: Consent
- Member: Lee Yoon-jae: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where he is recommended as a candidate by himself)
- Member: Jin Hyun-duk: Consent
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of initial election: In accordance with the Capital Market and Financial Investment Services Act, a management-participating private equity fund (IMM PE) recommends, and then the former Independent Director Recommendation Committee deliberates and makes the final recommendation / Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

● **Sung Jaeho**

**1. Candidate's profile**

- (1) Year of birth: 1960
- (2) Education: Bachelor of Law / Master of law / Doctor of law (Sungkyunkwan University)

**2. Career Highlights**

- Current) Dean, Sungkyunkwan University Graduate School of Future Policy Studies
- Current) Professor, Sungkyunkwan University Law School
- Current) President, International Law Association (ILA) Korean Branch
- Former) Head of Planning & Coordination Division, Sungkyunkwan University
- Former) Head of Comparative Law Research Center, Sungkyunkwan University
- Former) Professor, Department of Law, Sungkyunkwan University
- Former) Chairman of Humanitarian Law Advisory Committee, Korean Red Cross
- Former) President, Korea Society of International Law
- Former) President, Korean Society of International Economic Law
- Former) President, Korea International Law Review
- Former) Policy advisor, Ministry of Unification
- Former) Policy advisor, Ministry of Foreign Affairs and Trade

**3. Experience as an independent director of Shinhan Financial Group**

- (1) Term of office: March 27, 2019 - present
- (2) BOD meeting attendance record:
  - Attended 52 meetings out of a total of 52 BOD meetings (attendance rate: 100%)
  - Attended 15 meetings out of a total of 15 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)
  - Attended 23 meetings out of a total of 23 CEO Recommendation Committee meetings (attendance rate: 100%)
  - Attended 50 meetings out of a total of 51 Audit Committee meetings (attendance rate: 98%)
  - Attended 5 meetings out of a total of 5 Board Steering Committee meetings (attendance rate: 100%)
  - Attended 8 meetings out of a total of 8 Remuneration Committee meetings (attendance rate: 100%)
  - Attended 10 meetings out of a total of 10 Subsidiary's CEO Recommendation Committee meetings (attendance rate: 100%)
  - Attended 7 meetings out of a total of 7 Risk Management Committee meetings (attendance rate: 100%)

**4. Nominator<sup>1)</sup> : Independent Director & Audit Committee Member Recommendation Committee**

(1) Candidate's profile	Huh Yong-hak (Chair): Current CEO of Hong Kong First Bridge Strategy Ltd. Yoon Jaewon : Current Professor of Business Administration, Hongik University Lee Yong-guk: Current Clinical Professor of Seoul National University, School of Law Choi Kyong-rok: Current CEO of CYS Corporation Choi Jae Boong: Current Professor of Sung Kyun Kwan University, College of Engineering
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	The candidate has extensive knowledge encompassing the public and private sectors, based on his long-term public service in finance-related government agencies and his experience as an independent director of leading domestic companies. He has an excellent understanding of the industry as a whole, providing balanced opinions to ensure that the management's decision-making is not biased towards a specific viewpoint, contributing to the management and development of the group. Based on a high level of ethical awareness and diverse expertise in finance and economics, he conducted a comprehensive review of the group's governance and provided constructive feedback. Through careful preparation for all agenda items, he encouraged the Board to make decisions rationally. In addition, as the Chairman of the Board, the candidate balanced conflicting opinions within the Board, presented a clear philosophy and vision for the social role of finance based on expertise and insight, and promoted Board member meetings, thus improving the operation of the Board so that it can operate more efficiently. In addition, the candidate attended all Board and subcommittee schedules, invested a lot of time in overall training, and actively participated in meetings with investors, emphasizing the independent and operative activities of our Board and the excellence of ESG and governance, etc. He was evaluated as having faithfully served as the Chairman of the Board and an independent director. He is recommended for re-election by consensus of the Independent Director & Audit Committee Member Recommendation Committee.

**5. Relationship with the Company**

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

**6. Eligibility Screening**

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in international business, finance and business management (executive in global financial companies and professional manager)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing experience in various global financial companies as an executive
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	For the activities in BOD and BOD subcommittee, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Additional verification criteria of the committee (Diversity in the composition of the Board)	Satisfactory	Possessing experiences in government agency and private financial companies
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	Has experience as an independent director of a Shinhan Financial Group subsidiary, and with rich experience as an independent director of other companies, has a high understanding of corporate culture.
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	Available for effective management advisory by having the experiences in law professor and independent director

**7. Clarification of the applicable person for independent director candidate**

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Satisfying active requirements submission of resume, the statement of experience
(3) Current concurrent position	No concurrent position

## 8. Independent Director & Audit Committee Member Recommendation Committee resolution results

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Consent
- Member: Kwak Su Keun: Consent
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Consent
- Member: Sung Jae-ho: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where he is recommended as a candidate by himself)
- Member: Yoon Jaewon: Consent
- Member: Lee Yong-guk: Consent
- Member: Lee Yoon-jae: Consent
- Member: Jin Hyun-duk: Consent
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of initial election: Candidate recommended by reflecting the results of anonymous voting by the former Independent Director Recommendation Committee / Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

## ● Jin Hyun-duk

### 1. Candidate's profile

(1) Year of birth: 1955  
 (2) Education: Department of Law, Chuo University, Japan - MBA, Graduate School of Business, Keio University, Japan

### 2. Career Highlights

- Current) CEO of Phoedra Inc.
- Current) Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University
- Current) Visiting Professor, Department of Engineering, Utsunomiya University Graduate School
- Current) Councilor, Korea Education Foundation
- Former) Director, Mindan (Korean Residents Union in Japan) Tochigi

### 3. Experience as an independent director of Shinhan Financial Group

(1) Term of office: March 26, 2020 - present  
 (2) BOD meeting attendance record:  
 - Attended 37 meetings out of a total of 39 BOD meetings (attendance rate: 94.8%)  
 - Attended 8 meetings out of a total of 8 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)  
 - Attended 16 meetings out of a total of 16 CEO Recommendation Committee meetings (attendance rate: 100%)

### 4. Nominator<sup>1)</sup>: Independent Director & Audit Committee Member Recommendation Committee

(1) Candidate's profile	Choi Jae Boong(Chair): Current Professor of Sung Kyun Kwan University, College of Engineering Kim Jo Seol: Current Professor, Osaka Commercial University of Economics Park Ansoon: Current Chairperson, Taisei Trade Co., Ltd. Yoon Jaewon: Current Professor of Business Administration, Hongik University Huh Yong-hak: Current CEO of Hong Kong First Bridge Strategy Ltd.
(2) Relationship with the candidate	Not applicable

(3) Reason for recommendation	Based on his insight and problem-solving skills gained while running a business for a long time as a professional manager and the management theories established as a business professor, the candidate promoted effective management and operation of the Group by sharing global companies' management strategies and latest best practices with the Board in relation to the Group's major agenda. In particular, in order to promote sustainable management based on a firm management philosophy without being preoccupied with short-term profits and goals, he emphasized the role of future-oriented finance that breaks the framework of the existing financial industry. He contributed to the Board's strategic decision-making by suggesting the need for bold support in new areas for the Group's mid- to long-term strategy. In addition, he has a strong sense of calling regarding personal and corporate social responsibility, working as a visiting professor at a university and concurrently engaging in educational foundation activities. He performed his duties fairly from an objective standpoint for the common benefit of various stakeholders without being restricted by specific interest groups. In addition, despite the difficulties in attending meetings due to restrictions on movement between countries caused by COVID-19, he made an effort to attend most Board and subcommittee meetings face-to-face. He was evaluated as having added depth to the Board's discussions by generously sharing with the Board the diverse knowledge and experiences he had acquired not only as a manager but also as an educator and researcher. He is recommended for re-election by consensus of the Independent Director & Audit Committee Member Recommendation Committee.
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### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

### 6. Eligibility Screening

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of business management and international business (professional manager, professor of management, officer of overseas company)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee
E. Additional verification criteria of the Independent Director Recommendation Committee (Diversity in the composition of the Board)	Satisfactory	Recommended by shareholders, professor of business administration, and experience in general company management
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	Has experience as an independent director of a Shinhan Financial Group subsidiary, and with rich experience as an independent director of other companies, has a high understanding of corporate culture.
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	Can provide effective management advising thanks to experiences as a professor of business administration and in general company management

**7. Clarification of the applicable person for independent director candidate**

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

**8. Independent Director & Audit Committee Member Recommendation Committee resolution results**

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Consent
- Member: Kwak Su Keun: Consent
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Consent
- Member: Sung Jae-ho: Consent
- Member: Yoon Jaewon: Consent
- Member: Lee Yong-guk: Consent
- Member: Lee Yoon-jae: Consent
- Member: Jin Hyun-duk: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where he is recommended as a candidate by himself)
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of initial election: Candidate recommended by reflecting the results of anonymous voting by the former Independent Director Recommendation Committee / Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

**● Bae Hoon****1. Candidate's profile**

(1) Year of birth: 1953  
 (2) Education: Bachelor of Economics, Kyoto University, Japan - MBA, Kobe University, Japan - Ph.D., Graduate School of Law, Kyoto University, Japan

**2. Career Highlights**

- Current) Representative Attorney, Orbis Legal Profession Corporation (located in Japan, hereinafter the same experience)
- Former) Co-President/ Director, LAZAK (Lawyers Association of Zainichi Korea)
- Assistant certified public accountant/ Attorney, Japan

**3. Experience as an independent director of Shinhan Financial Group**

(1) Term of office: March 25, 2021 - present  
 (2) BOD meeting attendance record:  
 - Attended 24 meetings out of a total of 24 BOD meetings (attendance rate: 100%)  
 - Attended 2 meetings out of a total of 2 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)  
 - Attended 10 meetings out of a total of 10 Audit Committee meetings (attendance rate: 100%)  
 - Attended 6 meetings out of a total of 6 Remuneration Committee meetings (attendance rate: 100%)  
 - Attended 7 meetings out of a total of 7 CEO Recommendation Committee meetings (attendance rate: 100%)

**4. Nominator<sup>1)</sup>: Independent Director & Audit Committee Member Recommendation Committee**

(1) Candidate's profile	Choi Jae Boong(Chair): Current Professor of Sung Kyun Kwan University, College of Engineering Kim Jo Seol: Current Professor, Osaka Commercial University of Economics Park Ansoon: Current Chairperson, Taisei Trade Co., Ltd. Yoon Jaewon: Current Professor of Business Administration, Hongik University Huh Yong-hak: Current CEO of Hong Kong First Bridge Strategy Ltd.
(2) Relationship with the candidate	Not applicable

(3) Reason for recommendation	The candidate is a Korean-national lawyer residing in Japan who specializes in corporate legal consulting in Korea-Japan relations, and an assistant certified public accountant in Japan who has completed a master's degree in business administration. He is an expert in the legal, accounting, and global fields who provides legal advice in various areas, including corporate debt collection and rehabilitation. The candidate presented professional feedback to the Board's major management decision-making process based on sufficient experience and knowledge in the legal and accounting fields, and faithfully performed management monitoring and supervision duties based on expertise and independence. Based on the rational judgment acquired while working as a lawyer, he reviewed legal issues and detailed provisions of the Group's major management issues and expressed opinions, and shared within the Board examples of corporate governance and financial policies of various overseas companies, thus contributing greatly to the Group's management by providing professional feedback on financial soundness and corporate social responsibility. He was evaluated as having performed his duties fairly as an independent director without being biased towards one party's interests, with an excellent sense of balance in all matters. In addition, even in a situation where it was difficult to travel between countries due to COVID-19, it was concluded that he faithfully performed his duties as an independent director by not only attending the entire Board and subcommittee schedules but also actively participating in face-to-face meetings. He is recommended for re-election by consensus of the Independent Director & Audit Committee Member Recommendation Committee.
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### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

### 6. Eligibility Screening

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in law, accounting, and international business (Assistant certified public accountant/Attorney (Japan))
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee
E. Additional verification criteria of the Independent Director Recommendation Committee (Diversity in the composition of the Board)	Satisfactory	Recommended by shareholders; experience as an attorney and assistant certified public accountant in Japan
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	Proficient in legal/business studies; expected to have a high level of understanding of corporate culture thanks to his expertise in corporate legal advice
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	MBA degree; expected to be able to provide effective management advice due to expertise in corporate legal advice



**7. Clarification of the applicable person for independent director candidate**

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

**8. Independent Director & Audit Committee Member Recommendation Committee resolution results**

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Consent
- Member: Kwak Su Keun: Consent
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where he is recommended as a candidate by himself)
- Member: Sung Jae-ho: Consent
- Member: Yoon Jaewon: Consent
- Member: Lee Yong-guk: Consent
- Member: Lee Yoon-jae: Consent
- Member: Jin Hyun-duk: Consent
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of initial election: : Candidates recommended by consensus among members of the Independent Director Recommendation Committee / Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

**● Kwak Su Keun**

**1. Candidate's profile**

(1) Year of birth: 1953  
 (2) Education: Boseong High School - Business Administration, Seoul National University - Doctor of Business Administration, University of North Carolina, USA

**2. Career Highlights**

- Current) Honorary Professor of Accounting, Seoul National University, Business School
- Current) Chairperson, POSCO Corporate Citizenship Advisory Committee
- Current) Chairperson, Governance Advisory Committee, Korea Listed Companies Association
- Former) Professor, Seoul National University Business School / Dean, Business School / Dean, Graduate School of Business
- Former) Independent director and Audit Committee Chairperson, Lotte Holdings Co., Ltd.
- Former) Chair of Financial Supervisory Advisory Committee, Financial Supervisory Service
- Former) President, Korean Academic Society of Business Administration
- Former) Non-standing member, Securities and Futures Committee, Financial Services Commission

**3. Experience as an independent director of Shinhan Financial Group**

(1) Term of office: March 25, 2021 - present  
 (2) BOD meeting attendance record:  
 - Attended 24 meetings out of a total of 24 BOD meetings (attendance rate: 100%)  
 - Attended 2 meetings out of a total of 2 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)  
 - Attended 21 meetings out of a total of 22 Audit Committee meetings (attendance rate: 95.5%)  
 - Attended 8 meetings out of a total of 8 ESG Strategy Committee meetings (attendance rate: 100%)  
 - Attended 7 meetings out of a total of 7 CEO Recommendation Committee meetings (attendance rate: 100%)  
 - Attended 5 meetings out of a total of 6 Subsidiary's CEO Recommendation Committee meetings (attendance rate: 83.3%)

**4. Nominator<sup>1)</sup>: Independent Director & Audit Committee Member Recommendation Committee**

(1) Candidate's profile	Choi Jae Boong(Chair): Current Professor of Sung Kyun Kwan University, College of Engineering Kim Jo Seol: Current Professor, Osaka Commercial University of Economics Park Ansoon: Current Chairperson, Taisei Trade Co., Ltd. Yoon Jaewon: Current Professor of Business Administration, Hongik University Huh Yong-hak: Current CEO of Hong Kong First Bridge Strategy Ltd.
(2) Relationship with the candidate	Not applicable



(3) Reason for recommendation	The candidate was recommended as an independent director candidate by a management-participating private equity fund on the grounds that he is expected to perform his duties as an independent director of the Company responsibly by fairly representing the opinions of all shareholders based on his expertise in accounting and management. The candidate has served as an accounting professor for a long time and has experience serving as an advisory member of various academic societies and public institutions. Based on sufficient experience and knowledge accumulated in related fields, he presented effective opinions on not only accounting but also finance and management in general to the Board, and promoted harmony by eliciting the opinions of members, thus acting with a strong sense of responsibility as an independent director. In addition, he served as an independent director of the Company for the past two years and contributed greatly to discussions on the Group's financial and audit-related work. In particular, as the Chairperson of the ESG Strategy Committee, he not only established the Group's detailed ESG strategic direction but also actively participated in meetings with overseas investors. By listening to the opinions of various stakeholders, he promoted sound management and development of the Company by encouraging reasonable decision-making by the management. It was concluded that he had acted faithfully as an independent director, including devoting sufficient time and effort to preliminary review of key issues for the Board and subcommittees, and acting as a bridge between the Company and investors. He is recommended for re-election by consensus of the Independent Director & Audit Committee Member Recommendation Committee.
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### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

### 6. Eligibility Screening

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of accounting and business management / Expert in accounting and finance under the Corporate Governance Act (Professor of management with major in accounting)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee
E. Additional verification criteria of the Independent Director Recommendation Committee (Diversity in the composition of the Board)	Satisfactory	Recommended by shareholders; professor of business management majoring in accounting; and experience as independent director in other companies
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	Professor of business administration; governance advisory experience; expected to have a high level of understanding of corporate culture thanks to the rich experience as independent director of other companies
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	Professor of business administration; expected to be able to provide effective management advice due to experience as independent director of other companies

**7. Clarification of the applicable person for independent director candidate**

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

**8. Independent Director & Audit Committee Member Recommendation Committee resolution results**

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Consent
- Member: Kwak Su Keun: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where he is recommended as a candidate by himself)
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Consent
- Member: Sung Jae-ho: Consent
- Member: Yoon Jaewon: Consent
- Member: Lee Yong-guk: Consent
- Member: Lee Yoon-jae: Consent
- Member: Jin Hyun-duk: Consent
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of initial election: In accordance with the Capital Market and Financial Investment Services Act, a management-participating private equity fund (IMM PE) recommends, and then the former Independent Director Recommendation Committee deliberates and makes the final recommendation / Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

**• Lee Yong-guk****1. Candidate's profile**

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| (1) Year of birth: 1964  |
| (2) Education: International Relations, Princeton University, USA - LL.M., Harvard Law School, USA |

**2. Career Highlights**

- Current) Adjunct Professor, Seoul National University, School of Law
- Current) Adjunct Professor, Handong University, School of International Law
- Current) Senior Lawyer, Cleary Gottlieb Steen & Hamilton LLP
- Current) Clinical Professor, Seoul National University, School of Law
- Former) Representative of Seoul Office / Partner of Hong Kong Office, Cleary Gottlieb Steen & Hamilton LLP
- Former) Director, Foreign Law Firm Association
- Former) Member of International Committee / Special International Exchange Committee, Korean Bar Association
- Attorney licensed in the State of New York and Hong Kong

**3. Experience as an independent director of Shinhan Financial Group**

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|---|
| (1) Term of office: March 25, 2021 - present  |
| (2) BOD meeting attendance record:  |
| - Attended 24 meetings out of a total of 24 BOD meetings (attendance rate: 100%)  |
| - Attended 8 meetings out of a total of 8 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 100%) |
| - Attended 25 meetings out of a total of 25 Risk Management Committee meetings (attendance rate: 100%)  |
| - Attended 6 meetings out of a total of 6 Remuneration Committee meetings (attendance rate: 100%)   |
| - Attended 7 meetings out of a total of 7 CEO Recommendation Committee meetings (attendance rate: 100%)   |

**4. Nominator<sup>1)</sup>: Independent Director & Audit Committee Member Recommendation Committee**

(1) Candidate's profile	Choi Jae Boong(Chair): Current Professor of Sung Kyun Kwan University, College of Engineering Kim Jo Seol: Current Professor, Osaka Commercial University of Economics Park Ansoon: Current Chairperson, Taisei Trade Co., Ltd. Yoon Jaewon: Current Professor of Business Administration, Hongik University Huh Yong-hak: Current CEO of Hong Kong First Bridge Strategy Ltd.
(2) Relationship with the candidate	Not applicable

(3) Reason for recommendation	The candidate was recommended as an independent director candidate by a management-participating private equity fund on the grounds that he is expected to perform his duties as an independent director of the Company responsibly by fairly representing the opinions of all shareholders based on his legal and financial expertise. Having served as a lawyer for a large global law firm for a long time, the candidate not only presented his opinions based on reasonable and accurate judgment to the Board using his sufficient experience and knowledge in the related field, but also actively listened to the opinions of various stakeholders, approached issues carefully, and maintained fairness and objectivity, thus promoting sound management of the Company. In particular, in relation to the Russia-Ukraine war last year, he requested an inspection of the risk management status of major subsidiaries and the investment proportion of customer assets, and provided insightful opinions on the expansion of risk-weighted assets in relation to the Group's financial orientation, expressing effective feedback for the Group's risk management and sound management. In addition, he was evaluated to have acted responsibly as an independent director by not only attending the entire schedule of the Board and subcommittees, but also being very active in participating in overall training and faithfully conducting preliminary reviews of agenda items. He is recommended for re-election by consensus of the Independent Director & Audit Committee Member Recommendation Committee.
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### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

### 6. Eligibility Screening

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in law, finance, and international business (Attorney specializing in international/corporate finance; professor of Law)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has appropriate business relationship with the Company and Seoul National University and has low possibility of having conflict of interest and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee
E. Additional verification criteria of the Independent Director Recommendation Committee (Diversity in the composition of the Board)	Satisfactory	Recommended by shareholders; foreign attorney; experience as professor of law
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	Expected to have a high understanding of corporate culture due to rich experience in legal advice for international companies
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	Expected to be able to provide effective management advice due to rich experience in legal advice in international/corporate finance fields

**7. Clarification of the applicable person for independent director candidate**

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

**8. Independent Director & Audit Committee Member Recommendation Committee resolution results**

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Consent
- Member: Kwak Su Keun: Consent
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Consent
- Member: Sung Jae-ho: Consent
- Member: Yoon Jaewon: Consent
- Member: Lee Yong-guk: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where he is recommended as a candidate by himself)
- Member: Lee Yoon-jae: Consent
- Member: Jin Hyun-duk: Consent
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of initial election: Recommended as a final candidate after the recommendation by Affinity Equity Partners and deliberation by the Independent Director & Audit Committee Member Recommendation Committee in accordance with the shareholders' agreement / Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

**• Choi Jae Boong****1. Candidate's profile**

(1) Year of birth: 1965  
 (2) Education: Mechanical engineering BS/MS, Sungkyunkwan University - Mechanical engineering MS/PhD, University of Waterloo, Canada

**2. Career Highlights**

- Current) Professor, Sung Kyun Kwan University, College of Engineering
- Current) Vice-Chancellor and Research & Business Foundation Director, Sungkyunkwan University
- Current) Advisory Member, Cultural Digital Innovation Council, Ministry of Culture, Sports and Tourism
- Current) Deliberative Member, Presidential Advisory Council on Science and Technology
- Former) Advisory Member, Innovation Growth Division, Ministry of Economy and Finance
- Former) Advisory Member, National Assembly Special Committee on 4th Industrial Revolution
- Former) Member, Science and Technology ICT Internationalization Project Promotion Committee, Ministry of Science, ICT and Future Planning

**3. Experience as an independent director of Shinhan Financial Group**

(1) Term of office: March 25, 2021 - present  
 (2) BOD meeting attendance record:  
 - Attended 24 meetings out of a total of 24 BOD meetings (attendance rate: 100%)  
 - Attended 12 meetings out of a total of 12 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 100%)  
 - Attended 25 meetings out of a total of 25 Risk Management Committee meetings (attendance rate: 100%)  
 - Attended 7 meetings out of a total of 7 CEO Recommendation Committee meetings (attendance rate: 100%)  
 - Attended 4 meetings out of a total of 4 ESG Strategy Committee meetings (attendance rate: 100%)

**4. Nominator<sup>1)</sup>: Independent Director & Audit Committee Member Recommendation Committee**

(1) Candidate's profile	Choi Jae Boong(Chair): Current Professor of Sung Kyun Kwan University, College of Engineering Kim Jo Seol: Current Professor, Osaka Commercial University of Economics Park Ansoon: Current Chairperson, Taisei Trade Co., Ltd. Yoon Jaewon: Current Professor of Business Administration, Hongik University Huh Yong-hak: Current CEO of Hong Kong First Bridge Strategy Ltd.
(2) Relationship with the candidate	Not applicable

(3) Reason for recommendation	The candidate was recommended as an independent director candidate by a management-participating private equity fund on the grounds that he is expected to perform his duties as an independent director of the Company responsibly by fairly representing the opinions of shareholders through his expertise in information technology. As a long-time professor in the field of engineering and the highest authority in the digital field in Korea, based on sufficient experience and knowledge in the field of information technology, including actively participating in ICT-related industry-academic cooperation activities and government-led innovation projects, he served as an effective management advisor by presenting the Group's digital strategy direction and vision in a rapidly changing IT environment. In particular, based on abundant insight related to digital transformation, the metaverse ecosystem, and MZ generation trends, he is exploring strategies with the management to expand the daily contact points between the Company and financial consumers. He contributed to the Group's innovative management by speaking to the Board about the importance of data-based risk management. In addition, the candidate was assessed to have faithfully worked as an independent director by attending all schedules of the Board and subcommittees, as well as faithfully conducting preliminary reviews of agenda items. He is recommended for re-election by consensus of the Independent Director & Audit Committee Member Recommendation Committee.
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#### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

#### 6. Eligibility Screening

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in IT, Digital (Professor of mechanical engineering in ICT field)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has appropriate business relationship with the Company and Sunggyungwan University and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee
E. Additional verification criteria of the Independent Director Recommendation Committee (Diversity in the composition of the Board)	Satisfactory	Recommended by shareholders; experience as a professor in the field of IT
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	Expected to have a high understanding of corporate culture due to rich experience in industry-university cooperation in IT field and experience as an independent director of other companies
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	Expected to be able to provide effective management advice due to experience in industry-university cooperation and experience as an independent director

**7. Clarification of the applicable person for independent director candidate**

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

**8. Independent Director & Audit Committee Member Recommendation Committee resolution results**

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where he is recommended as a candidate by himself)
- Member: Kwak Su Keun: Consent
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Consent
- Member: Sung Jae-ho: Consent
- Member: Yoon Jaewon: Consent
- Member: Lee Yong-guk: Consent
- Member: Lee Yoon-jae: Consent
- Member: Jin Hyun-duk: Consent
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of inclusion in the long list: Recommended as a final candidate after recommendation by EQT Private Capital Asia (formerly Baring Private Equity Asia) and deliberation by the Independent Director and Audit Committee Member Recommendation Committee in accordance with the shareholders' agreement / Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

**6. Matters related to recommendation of candidates for independent directors also serving as Audit Committee members****● Yoon Jaewon****1. Candidate's profile**

- (1) Year of birth: 1970
- (2) Education: Bachelor of Business Administration, Master and PhD in Business Administration, Korea University (Accounting)

**2. Career Highlights**

- Current) Professor of Business Administration, Hongik University
- Current) Dean of Hongik University Graduate School of Business
- Current) Vice President, Korean Tax Association
- Current) Non-standing Member of Accounting Standards Committee, Korea Accounting Standards Board
- Current) member of Financial Supervisory Advisory Committee, Financial Supervisory Service
- Current) Diversity (D&I) Committee Chairperson/Vice President, Korean Accounting Association
- Former) Non-executive Judge, Tax Tribunal
- Former) National Tax Review Committee Member, National Tax Service
- Former) Corporate Review Committee Member, Korea Exchange

**3. Experience as an independent director of Shinhan Financial Group**

- (1) Term of office: March 26, 2020 - present
- (2) BOD meeting attendance record:
  - Attended 39 meetings out of a total of 39 BOD meetings (attendance rate: 100%)
  - Attended 20 meetings out of a total of 21 Independent Director & Audit Committee Member Recommendation Committee meetings (attendance rate: 95.2%)
  - Attended 35 meetings out of a total of 35 Audit Committee meetings (attendance rate: 100%)
  - Attended 5 meetings out of a total of 5 Remuneration Committee meetings (attendance rate: 100%)
  - Attended 14 meetings out of a total of 14 ESG Strategy Committee meetings (attendance rate: 100%)

**4. Nominator<sup>1)</sup>: Independent Director & Audit Committee Member Recommendation Committee**

(1) Candidate's profile	Choi Jae Boong(Chair): Current Professor of Sung Kyun Kwan University, College of Engineering Kim Jo Seol: Current Professor, Osaka Commercial University of Economics Park Ansoon: Current Chairperson, Taisei Trade Co., Ltd. Yoon Jaewon: Current Professor of Business Administration, Hongik University Huh Yong-hak: Current CEO of Hong Kong First Bridge Strategy Ltd.
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	The Audit Committee is not only a committee where accounting expertise is important, but also has requirements that at least one accounting and financial expert must participate as stipulated in the Commercial Act and the Corporate Governance Act. The candidate majored in accounting, is currently a professor teaching related courses at Hongik University, and holds a U.S. Certified Public Accountant license. She has sufficient knowledge in the accounting field. In addition, she has excellent experience and knowledge, including actively serving as a member of the Ministry of Economy and Finance's Tax Development Deliberation Committee and various tax and accounting-related academic societies and committees. This candidate has expertise suitable for performing Audit Committee duties. In addition, as the Chairperson of the Audit Committee for the past two years, the candidate actively communicated with external auditors to improve the transparency of financial reporting and ordered the strengthening of internal controls to protect financial consumers. Her ability as an Audit Committee member to monitor, supervise, and check the management has been sufficiently proven. As a woman, she has contributed to the advancement of the Group's internal control system and accounting system with her unique, gentle leadership style and strong sense of responsibility. She has also promoted sound and transparent management of the Company by proactively responding to various accounting issues. She is recommended as a candidate for independent director also serving as Audit Committee member this year.

**5. Relationship with the Company**

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

**6. Eligibility Screening**

Category for review	Satisfying the requirements	Reason for satisfaction
(1) Negative screening for eligibility		
A. Article 382-3 and Article 542-8 (2) of the Commercial Act	Satisfactory	No violation of laws
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
C. Article 6 (1) of the Act on Corporate Governance of Financial Companies	Satisfactory	No violation of laws
(2) Positive screening for eligibility		
A. Article 6 (3) (Specialization) of the Act on Corporate Governance of Financial Companies	Satisfactory	Expert in the areas of accounting and business management (US Certified Public Accountant, professor of management with major in accounting)
B. Article 23 (1) (ii) (Fair Judgment) of the Internal Code of Corporate Governance of the Company	Satisfactory	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has appropriate business relationship with the Company and Hongik University and has low possibility of having conflict of interest
C. Article 23 (1) (iii) (Integrity) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possessing high level of sense of ethics and responsibility
D. Article 23 (1) (iv) (Substantiality) of the Internal Code of Corporate Governance of the Company	Satisfactory	Possible to allocate sufficient time and effort for the activities of BOD and BOD subcommittee



E. Additional verification criteria of the committee (Diversity in the composition of the Board)	Satisfactory	Female, U.S. CPA, U.S. citizenship, professor experience, various academic activities, government agency advisory experience, etc.
F. Additional verification criteria of the committee (Compatibility with Shinhan Financial Group)	Satisfactory	High understanding of corporate culture, as a professor of business administration
G. Additional verification criteria of the committee (Effectiveness of management advice)	Satisfactory	Can provide effective management advising thanks to experience as a professor of business administration and government agency advisory activities

#### 7. Clarification of the applicable person for independent director candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

#### 8. Independent Director & Audit Committee Member Recommendation Committee resolution results

Approved by the consent of 10 persons out of 11 registered members

- Chairperson: Choi Jae Boong: Consent
- Member: Kwak Su Keun: Consent
- Member: Kim Jo Seol: Consent
- Member: Park Ansoon: Consent
- Member: Bae Hoon: Consent
- Member: Sung Jae-ho: Consent
- Member: Yoon Jaewon: Voting restricted (Under internal regulations, excluded from the number of members in office in cases where she is recommended as a candidate by himself)
- Member: Lee Yong-guk: Consent
- Member: Lee Yoon-jae: Consent
- Member: Jin Hyun-duk: Consent
- Member: Huh Yong-hak: Consent

Note 1) Proposing person in the case of initial election: Formerly Independent Director Recommendation Committee (anonymous voting) /  
Proposing person in the case of re-election: Independent Director and Audit Committee Member Recommendation Committee

## 7. Matters related to the recommendation of audit committee member candidates

### (1) Overview

At the 3rd meeting (February 28, 2023), the Independent Director & Audit Committee Member Recommendation Committee, considering the continuity of audit work and expertise in the accounting/finance field, recommended as candidate Director Kwak Su Keun, who was first elected as an independent director also serving as Audit Committee member for a two-year term at the 20th annual shareholders' meeting on March 25, 2021, for re-election as an Audit Committee member with a one-year term. Also, considering that the nature of the Audit Committee's work requires advanced accounting/legal expertise, the committee recommended as candidate Director Bae Hoon, who is active as a lawyer in Japan, holds a qualification as an assistant public accountant, and has a strong understanding of accounting and finance, for re-election as an Audit Committee member for a one-year term.



## ● Kwak Su Keun

### 1. Candidate's profile

- (1) Year of birth: 1953  
 (2) Education: Boseong High School - Business Administration, Seoul National University - Doctor of Business Administration, University of North Carolina, USA

### 2. Career Highlights

- Current) Honorary Professor of Accounting, Seoul National University, Business School
- Current) Chairperson, POSCO Corporate Citizenship Advisory Committee
- Current) Chairperson, Governance Advisory Committee, Korea Listed Companies Association
- Former) Professor, Seoul National University Business School / Dean, Business School / Dean, Graduate School of Business
- Former) Independent director and Audit Committee Chairperson, Lotte Holdings Co., Ltd.
- Former) Chair of Financial Supervisory Advisory Committee, Financial Supervisory Service
- Former) President, Korean Academic Society of Business Administration
- Former) Non-standing member, Securities and Futures Committee, Financial Services Commission

### 3. Experience as an Audit Committee member of Shinhan Financial Group

- (1) Term of office: March 25, 2021 - present  
 (2) Attendance record during the work period  
 - Attended 21 meetings out of a total of 22 Audit Committee meetings (Attendance rate: 95.5%)

### 4. Nominator : Yoon Jaewon (Member of the Independent Director & Audit Committee Member Recommendation Committee)

(1) Candidate's profile	Current) Professor of Business Administration, Hongik University
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	It was concluded that he has faithfully performed his duties as a member of the Audit Committee for the past two years based on his accounting expertise, and that his capabilities as an Audit Committee member supervising and checking the management have been proven and accumulated. For the purpose of maintaining professionalism and continuity in the work of the Audit Committee, he is recommended for re-election as a member of the Audit Committee.

### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

### 6. Eligibility Screening

Pursuant to Article 19 of the Corporate Governance Act, 2/3 or more of the audit committee members has to be composed with independent directors that he meets the qualification as an independent director.

### 7. Personal clarification of audit committee member candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

### 8. Independent Director & Audit Committee Member Recommendation Committee resolution results

When the final recommendation process for Audit Committee member candidates begin, all independent directors will be included. Approval with the consent of 10 members out of 11 registered members (Voting rights are restricted for Audit Committee candidates themselves)

## ● Bae Hoon

### 1. Candidate's profile

- (1) Year of birth: 1953  
 (2) Education: Faculty of Economics, Kyoto University, Japan - MBA, Kobe University, Japan - Ph.D. candidate, Graduate School of Law, Kyoto University, Japan

### 2. Career Highlights

- Current) Representative Attorney, Orbis Legal Profession Corporation (located in Japan, hereinafter the same experience)
- Former) Co-President/ Director, LAZAK (Lawyers Association of Zainichi Korea)
- Assistant certified public accountant/ Attorney, Japan

### 3. Experience as an Audit Committee member of Shinhan Financial Group

- (1) Term of office: March 23, 2022 - present  
 (2) Attendance record during the work period  
 - Attended 10 meetings out of a total of 10 Audit Committee meetings (Attendance rate: 100%)

### 4. Nominator : Yoon Jaewon (Member of the Independent Director & Audit Committee Member Recommendation Committee)

(1) Candidate's profile	Current) Professor of Business Administration, Hongik University
(2) Relationship with the candidate	Not applicable
(3) Reason for recommendation	The candidate has not only been working as a lawyer in Japan for a long time, but also has accounting/financial knowledge, including holding an assistant accounting qualification. The candidate has diverse experience and knowledge and is evaluated to have expertise suitable for performing Audit Committee duties. Considering that despite residing in Japan, he faithfully attended all Audit Committee meetings over the past year and demonstrated his capabilities as an Audit Committee member. He is recommended for re-election as a member of the Audit Committee.

### 5. Relationship with the Company

(1) Relationship with the Company or affiliated company	Not applicable
(2) Relationship with majority shareholder	Not applicable
(3) Relationship with officers	Not applicable

### 6. Eligibility Screening

Pursuant to Article 19 of the Corporate Governance Act, 2/3 or more of the Audit Committee members has to be composed with independent directors that he meets the qualification as an independent director.

### 7. Personal clarification of audit committee member candidate

(1) Relationship with the Company	Not applicable (Submission of confirmation statement)
(2) Satisfaction of qualification	Requirement satisfied (submission of resume, certificate of employment, etc.)
(3) Current concurrent position	No concurrent position

### 8. Independent Director & Audit Committee Member Recommendation Committee resolution results

When the final recommendation process for Audit Committee member candidates begin, all independent directors will be included. Approval with the consent of 10 members out of 11 registered members (Voting rights are restricted for Audit Committee candidates themselves)

## 8. Management of independent director candidate pool – Current status

### A. Management of independent director candidate pool – Overview

The first principle in searching for and managing the candidate pool is qualifications under the applicable laws and the Internal Code of Corporate Governance.

The committee manages the candidate pool by areas of expertise (finance, business management, economics, law, accounting, information technology, international business, and consumer protection) in principle, and checks negative screening for eligibility of the candidate pool, fair judgment conduct, integrity, and strong work ethics through the monitoring of public information, which can be obtained in compliance with personal information protection laws, and excludes candidates with problems from the candidate pool.

The second principle is to comply with the principle of diversity of the Board.

It selects certain expert with practical experience or knowledge in diverse fields and considers a number of diversity aspects to advance the competency of the BOD. For more details, the BOD considers the verification of Board Skill Matrix and independent directors subject for replacement to resolve the matters on BOD composition and the Independent Director & Audit Committee Member Recommendation Committee operates the procedure to recommend the new independent directors that meet the resolution of the BOD. The second temporary BOD held on February 5, 2020 complies with such principle to implement the collective reasonableness of the BOD composition and it establishes the qualification of the newly elected independent directors with the detailed indices with the subject of current independent directors with ① expertise (required expertise, detailed expertise, and competency), ② diversity (nationality /countries of main activities, gender, age, experience /background), and ③ analysis of initial recommendation channel.

The third principle is the management criteria for the candidate group that is established by the Independent Director Recommendation Committee.

The candidate group of independent directors is clearly defined for its meaning (Long list) and recommending route of candidate (Independent Director Recommendation Committee, Independent director Recommendation Committee member, shareholder recommendation, outside advisor recommendation), and ① reception and verification of candidate recommendation of independent director through the regular inquiry to third party advisors, ② reflection of special nature of corporate governance of Shinhan Financial Group, ③ maintenance of expertise, independence and stability of BOD, ④ management of candidate group in connection with the group management strategy, ⑤ preference of person having practical experience for each specialized field and female candidate for strengthening gender diversity, and ⑥ principle of election of independent director and qualification by establishing the 6 management criteria to apply in the management of candidate group.

In actual operation, regularly inquiries are made to an outside advisor for compliance with the management principle and discovery of the aforementioned candidate group for independent directors to have the recommendation of candidate group for independent directors in appropriate number, and for the facilitation of the shareholder recommendation system, the operation period is expanded and revised all through the year. In addition, the BOD discloses the criteria of election for the independent director of the Company to interested party by transparently disclosing through the company's homepage by establishing the internal criteria in relation to the independence and diversity of independent directors by reflecting in the deliberation criteria.

### B. Activities of managing the candidate pool

The Company is putting efforts so that those with diverse experience and knowledge, making them suitable as a financial company's directors, can be included in the pool of candidates for the Board members. Thus, management of the independent director candidate pool is being conducted to serve the objective of composing the Board so that it does not over-represent a specific skill sets or expertise.

The Internal Code of Corporate Governance enacted by the resolution of the 2nd special meeting of the Board (February 24, 2015) requires that the Independent Director & Audit Committee Member Recommendation Committee shall be a standing committee and that details of managing the independent director candidate pool shall be reported to the Board at least twice a year. To support the above, the Board Secretariat receives directions on the principles of managing the independent director candidate pool from the Independent Director & Audit Committee Member Recommendation Committee. The Board Secretariat then submits details about managing the independent director candidate pool to the Independent Director & Audit Committee Member Recommendation Committee at least twice a year, and the committee deliberates on these details.

The 2nd Independent Director Recommendation Committee meeting (February 12, 2015) formulated the following 4 principles of managing the independent director candidate pool.

- In regard to positive screening for eligibility of independent directors, manage the candidate pool by areas of expertise in principle. For the principles of fair judgment conduct, ethical responsibilities, and strong work ethics, exclude candidates with problems found in the processes used in monitoring, such as reference check, by the BOD Secretariat from the candidate pool.
- In regard to negative screening for eligibility of independent directors, continuously monitor the candidate pool through information which can be obtained in compliance with personal information protection laws.
- Avoid over-representation by specific channels of candidate recommendation and specific areas of the candidate's expertise to reflect the principle of diversity of the Board.
- Manage the candidate pool to reflect the characteristics of the Group's corporate governance.

In its 2nd meeting (January 31, 2018), Independent Director Recommendation Committee supplemented the aforesaid candidate management principles, thus establishing the following 4 criteria of independent director candidate management.

- Periodically have third party advisors recommend independent director candidates, include former and current independent directors of the holding company and the Group companies meeting "7 selection principles" in the candidate pool (state their original recommendation channel as "Independent Director Recommendation Committee"), and expand the candidate pool through other recommendation channels (e.g., shareholders' recommendation)
- In reflection of the unique nature of Shinhan Finance Group's corporate governance, include independent director candidates representing Korean national shareholders residing in Japan for succession to and development of the Group's founding philosophy, include BNP Paribas-recommended independent director candidates for compliance with the strategic alliance MOU, and manage independent director candidates standing for re-election for the Board's expertise, independence, and stability
- Continuously expand the pool of candidates with digital (IT) and global expertise in connection with the Group's management strategy, and in cases of changes in the strategy, search for candidates with relevant expertise
- Continuously monitor independent director candidates in consideration of the selection principles and qualifications for independent directors, and exclude candidates with problems found

Following this principle, the existing candidate group is reviewed from the perspective of initial selection, and through the resolution of the Independent Director & Audit Committee Member Recommendation Committee, as held on the same date, the independent candidate group for independent directors is newly composed with the recommendation of the third party advisors.

During 2019, the 5th Independent Director Recommendation Committee held on August 23 and the 7th Independent

Director Recommendation Committee held on December 19 additionally supplemented the principle of candidate group management to establish the following 6 management criteria for the candidate group for independent directors.

- The candidates of independent directors are recommended through the inquiry of regular third party advisors, and in addition, the verification is processed, and the facilitation for the recommendation channel for other independent directors, such as, shareholder recommendation system at the same time.
- The special features of the corporate governance of Shinhan Financial Group are reflected to understand the founding vision and differentiated growth path of the group and it includes the strong work ethics of independent directors to understand and share
- For maintaining expertise, independence and stability of the BOD, the independent director subject to outstanding re-election is included in the candidate group
- Continuous management of candidate group in connection with the group management strategy (example. Digital, global, capital market, etc.)
- The female candidates are expanded for strengthening the gender diversity while the persons holding practical experience for each specialized field is preferred for strengthening the s9 of BOD
- By considering the principle of independent director election and qualification, the candidate group for independent directors is continuously monitored and the candidate is excluded when detecting any abnormality.

In 2021, in the 6th meeting (November 18) and the 7th meeting (December 16) of the Independent Director & Audit Committee Member Recommendation Committee incorporated multiple 'female independent director candidates' with a variety of expertise into the candidate group, and organized the criteria for monitoring candidates out of the management criteria for independent director candidates, supplementing the criteria for excluding independent director candidates from the group and for managing a separate candidate group.

Pursuant to the above management criteria, the 9th Independent Director & Audit Committee Member Recommendation Committee held on December 19, 2023, finalized the candidate group for independent directors for a total of 164 persons through the verification of candidate group, management and operation of the shareholder recommendation system.

### C. Current status of candidate pool in 2023

#### (1) Date of resolution for the 1st independent director candidate pool (2023): 1st Independent Director & Audit Committee Member Recommendation Committee meeting (February 8, 2023)

Areas	Number of Candidates	Percentage	Remarks
Finance	20	14.2%	
Business management	20	14.2%	
Economics	19	13.5%	
Legal	14	9.9%	
Accounting	13	9.2%	
Information technology	31	22.0%	
International business	14	9.9%	
Consumer protection	10	7.1%	
<b>Total</b>	<b>141</b>	<b>100%</b>	

Note) Where the same person has expertise in multiple areas, only the representative (most notable) area shall be considered. (Hereinafter the same)

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director & Audit Committee Member Recommendation Committee	33	23.4%	
Third party advisors	106	75.2%	
Shareholders	2	1.4%	Shareholder recommendation system
<b>Total</b>	<b>141</b>	<b>100%</b>	

**(2) Date of resolution for the 2nd independent director candidate pool (2023): 5th Independent Director & Audit Committee Member Recommendation Committee meeting (May 11, 2023)**

Areas	Number of Candidates	Percentage	Remarks
Finance	21	14.7%	
Business management	20	14.0%	
Economics	21	14.7%	
Legal	13	9.1%	
Accounting	13	9.1%	
Information technology	32	22.3%	
International business	14	9.8%	
Consumer protection	9	6.3%	
<b>Total</b>	<b>143</b>	<b>100%</b>	

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director & Audit Committee Member Recommendation Committee	31	23.4%	
Third party advisors	110	75.2%	
Shareholders	2	1.4%	
<b>Total</b>	<b>143</b>	<b>100%</b>	

**(3) Date of resolution for the 3rd independent director candidate pool (2023): 6th Independent Director & Audit Committee Member Recommendation Committee meeting (August 10, 2023)**

Areas	Number of Candidates	Percentage	Remarks
Finance	27	18.0%	
Business management	20	13.3%	
Economics	21	14.0%	
Legal	13	8.7%	
Accounting	13	8.7%	
Information technology	33	22.0%	
International business	14	9.3%	
Consumer protection	9	6.0%	
<b>Total</b>	<b>150</b>	<b>100%</b>	

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director & Audit Committee Member Recommendation Committee	32	21.4%	
Third party advisors	116	77.3%	
Shareholders	2	1.3%	
<b>Total</b>	<b>150</b>	<b>100%</b>	

**(4) Date of resolution for the 4th independent director candidate pool (2023): 7th Independent Director & Audit Committee Member Recommendation Committee meeting (October 6, 2023)**

Areas	Number of Candidates	Percentage	Remarks
Finance	32	20.6%	
Business management	20	12.9%	
Economics	21	13.6%	
Legal	13	8.4%	
Accounting	13	8.4%	
Information technology	33	21.3%	
International business	14	9.0%	
Consumer protection	9	5.8%	
<b>Total</b>	<b>155</b>	<b>100%</b>	

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director & Audit Committee Member Recommendation Committee	32	20.6%	
Third party advisors	121	78.1%	
Shareholders	2	1.3%	
<b>Total</b>	<b>155</b>	<b>100%</b>	

(5) Date of resolution for the 5th independent director candidate pool (2023): 9th Independent Director & Audit Committee Member Recommendation Committee meeting (December 19, 2023)

Areas	Number of Candidates	Percentage	Remarks
Finance	41	25.0%	
Business management	20	12.2%	
Economics	21	12.8%	
Legal	13	7.9%	
Accounting	13	7.9%	
Information technology	33	20.1%	
International business	14	8.5%	
Consumer protection	9	5.6%	
<b>Total</b>	<b>164</b>	<b>100%</b>	

Recommendation Channel	Number of Candidates	Percentage	Remarks
Independent Director & Audit Committee Member Recommendation Committee	32	19.5%	
Third party advisors	130	79.3%	
Shareholders	2	1.2%	
<b>Total</b>	<b>164</b>	<b>100%</b>	



## D. During 2023, the contents that the independent director supporting department reported periodically related to the works involved in managing the candidate group to the Independent Director Recommendation Committee

### (1) Status of establishing the independent director supporting department

- Department name: BOD Secretariat
- Organization: Supporting department under BOD
- Composition: 1 head of BOD Secretariat, 2 team members

### (2) Work report on management of candidate group for independent directors and contents of support on the Independent Director Recommendation Committee

Date	Contents of Report and Support
Dec. 26, 2022 ~ 2023	- Process of evaluation of independent directors in 2022
Feb. 8, 2023	- Report of operation process of the Independent Director & Audit Committee Member Recommendation Committee in 2023 - Report of evaluation result of independent directors in 2022 - Report of review of compensation levels for independent directors of domestic financial holding companies and large corporations - Report of candidate group (long list) arrangement of 1st independent directors in 2023
Feb. 22, 2023	- Report on the qualifications and recommendation process for Audit Committee candidates (2023)
Feb. 28, 2023	- Report the results of candidate verification, and disclose recommendation of candidates for independent director and for independent director also serving as Audit Committee member
Mar. 23, 2023	- Support for corporate registration of independent directors
Mar. 25, 2023 ~ May 10	- Monitoring of the 2nd candidate group (long list) of independent directors in 2023 and search for additional candidate group (inquire to third party advisors)
May 11, 2023	- Report of role of the Independent Director & Audit Committee Member Recommendation Committee and its 2023 operation schedule - Report of arranging the 2nd candidate group (long list) in 2023
Aug. 10, 2023	- Report on the direction of improving the operation of the Independent Director & Audit Committee Member Recommendation Committee - Report of arranging the 3rd candidate group (long list) in 2023
Aug. 11, 2023 ~ Oct. 5	- Monitoring of the 4th candidate group (long list) of independent directors in 2023 and search for additional candidate group (inquire to third party advisors)
Oct. 6, 2023	- Report of operation of the Independent Director & Audit Committee Member Recommendation Committee's selection advisory group (draft) - Report of arranging the 4th candidate group (long list) in 2023
Nov. 9, 2023	- Report of establishment of principles for selecting independent director candidates in 2024 - Report of operation of the Independent Director & Audit Committee Member Recommendation Committee's selection advisory group
Nov. 10, 2023 ~ Dec. 18	- Monitoring of the 5th candidate group (long list) of independent directors in 2023 and search for additional candidate group (inquire to third party advisors)
Dec. 19, 2023	- Report of arranging the 5th candidate group (long list) in 2023

2023  
Annual Report on  
Corporate Governance &  
Remuneration System



## V. Activities and Remuneration of Independent Directors

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## V. Activities and Remuneration of Independent Directors

### 1. Maintenance of qualification of independent directors

The Company internalize all negative and positive screening for eligibility of the exemplar criteria implemented on December 24, 2014 other than the external law or regulation through the second special BOD resolution held on February 24, 2015, and it complies with the pertinent provisions on the Act on Corporate Governance of Financial Companies implemented on August. 1, 2016.

Maintenance of qualification for independent directors as determined in the external law or internal regulation for each independent director based on these criteria is shown as follows.

#### A. Independent director Lee Yoon-jae

##### (1) Negative screening for eligibility

Director Lee Yoon-jae satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

##### (2) Positive screening for eligibility

###### ① Expertise

Director Lee Yoon-jae is an expert of economics and finance as he worked on public affair in the pertinent fields of economics and finance for a long time including the Director General of Banking and Insurance Bureau and General Director of Economic Policy of the Ministry of Finance and Economy, and Presidential Advisor in Finance and Economy. He has outstanding understanding of works and knowledge through the financial business and excellent in analytical capability on the agenda and collection of information through broad network embracing both private and public sectors by presenting the balanced opinion in the BOD in a way of contributing to the management and advancement of the group. In addition, he has a long experience in the public policy field to have conspicuous ability of fairness in his works and has the sharp analytical skills based on expertise in finance and economics for the discussions and evaluation on various management fields to carry out the role of substantive supervisory role in a way of offering advises for sound management of the Company.

###### ② Fair judgment

Director Lee Yoon-jae fairly acts on behalf of all shareholders on the basis of economics and management related expertise from the IMM PE in a way of having the recommendation on the ground of having high expectation to carry out the duties of independent director with a sense of responsibility. In addition, since being elected as an independent director, he has not carried out any transactions or duties with a conflict of interest with the Company.

###### ③ Integrity

As a result of the internal reputation inquiry for the time of serving as high-ranking official, director Lee Yoon-jae has strong value on communication along with his outstanding personal traits, took on an important role as chairperson of the Board for 3 years consecutively and led the Board with a strong sense of responsibility, thus faithfully demonstrating his sense of ethics and responsibility.

###### ④ Strong work ethics

Director Lee Yoon-jae attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 401 hours per year to normally carry out the independent director works including the advance review of agenda. In addition to directly reviewing

agendas and attending meetings, he has actively participated not only in the discovery of pending issues requiring coordination and discussion from directors but also in the meetings with financial supervisory agencies and governance evaluation agencies. He has earned outstanding evaluation from the category of strong work ethic from the independent director evaluation.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

#### ⑤ Diversity of BOD composition

Director Lee Yoon-jae has long been a public servant who has the record of carrying out the national finance and economy policies and he has extensive experience as an independent director in various companies to carry out monitoring and supervisory activities of top management and role of management advisory.

#### ⑥ Suitability with Shinhan Financial Group

Director Lee Yoon-jae profoundly understands the importance of corporate culture based on his experience of carrying out the independent director position in various companies and has presented diverse opinions for succession and development of founding spirit of Shinhan Financial Group.

#### ⑦ Efficacy of management advisory

Director Lee Yoon-jae has rich experience as the government positions in economics and financial fields for a long time in addition to be an expert in management by serving as the CEO of KorEI, a management consulting company by carrying out the effective role of management advisory to the Company.

### (3) Summary

Review Category	Qualification	Reason for Satisfaction
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in economics, finance and business management, expert in accounting and finance under the Corporate Governance Act (high ranking officer in government agency in charge of finance and economics, professional manager)

Review Category	Qualification	Reason for Qualification
2. Positive screening for eligibility		
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and BOD subcommittee, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Possessing experience as executive in government agencies and private company
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	High level of understanding for corporate culture with rich experience as an professional manager and independent director
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Effectively carrying out management advisory by having the experience of independent director in various companies and experiences in economy and financial policies, management consulting, CEO of companies and so forth

## B. Independent director Sung Jaeho

### (1) Negative screening for eligibility

Director Sung Jaeho satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

### (2) Positive screening for eligibility

#### ① Expertise

Director Sung Jaeho is a professor majoring in international law and has extensive theory of legal field and practical experience, and has the high level of knowledge on the corporate governance in the financial business field, and on the basis of clear understanding on the role of the independent director, he has presented diverse opinions and legal interpretation on the management agenda of the group to contribute to the development of the group.

#### ② Fair judgment

Director Sung Jaeho had the transparent and objective work disposition to the highest in the independent position during his service period as an independent director of the Company, and after the election as the independent director, he considered the interests of all shareholders and financial consumers to carry out the duties fairly.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

#### ③ Integrity

Director Sung Jaeho is a professor of graduate school of law and served as a president of law related association, and based on these experiences, he has displayed the thorough ethical awareness and sense of responsibility by contributing to maintain the sound and reasonable corporate governance system of the Company based on the intermediary and balance on the basis of his experiences.

**④ Strong work ethics**

Director Sung Jaeho attended 4 out of 4 Audit Committee meetings held, attended 7 out of 7 Risk Management Committee meetings held, attended 8 out of 8 Remuneration Committee meetings held, attended 4 out of 4 CEO Recommendation Committee meetings held, attended 13 out of 14 Board meetings held, and attended 5 out of 6 Subsidiary's CEO Recommendation Committee meetings held. He has placed extensive time and effort by allocating 476 hours to fully perform his duties as an independent director including advance review.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

**⑤ Diversity of BOD composition**

Director Sung Jaeho is equipped with broad legal knowledge and experience and is the only expert in the legal field from all constituents of the BOD, and based on reasonable and balanced views, he has carried out the monitoring and supervisory activities for the top management and the role of management advisor.

**⑥ Suitability with Shinhan Financial Group**

Director Sung Jaeho possesses the experience of independent director for the Company and Shinhan Bank and profoundly understands the vision of Shinhan Financial Group, growth path and corporate culture and has presented diverse opinions for succession and development of founding spirit.

**⑦ Efficacy of management advisory**

Director Sung Jaeho is one of the leading scholars in Korea in the international law field that he has carried out the effective role of legal advisor in various global strategies of the group.

**(3) Summary**

Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company

Review Category	Qualification	Reason for Qualification
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in law (professor of law)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Possessing low age, career as law professor, various academic activities and experience in advisory member for government agencies
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	High level of understanding on corporate culture with rich experience as independent director for SFG subsidiary and independent director for other companies
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Available for effective management advisory by having the experiences in law professor and independent director

## C. Independent director Yoon Jaewon

### (1) Negative screening for eligibility

Director Yoon Jaewon satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, she also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

### (2) Positive screening for eligibility

#### ① Expertise

Director Yoon Jaewon is a professor of accounting at Hongik University's School of Business. She is a certified public accountant in the U.S. and a leading scholar in accounting and taxation in Korea. As well as her various academic activities, she is an active advisor to government agencies, and is credited with her theories and practice in the field of accounting. Based on her experience, she served as the chair of the Audit Committee, contributing to the growth and development of the Group by carrying out executive monitoring and supervisory roles as well as actively serving as an effective management advisor.

#### ② Fair judgment

During her tenure as an independent director of the Company, Director Yoon Jaewon executed her duties in an independent position as transparently and objectively as possible, and as an independent director, she performed her duties fairly considering the interests of all shareholders and financial consumers.



In addition, since Hongik University, where Yoon Jaewon is currently serving, has no transactions with the Company and Shinhan Financial Group's affiliates except for routine financial transactions, the possibility of a conflict of interest with the Company is low. Director Yoon Jaewon herself has never performed a transaction or performed any duties that had an interest in the Company since being appointed as an independent director.

**③ Integrity**

As chair of the Audit Committee, Director Yoon Jaewon has a sense of ethics and responsibility that fits her character and reputation, such as carrying out her duties with a strong sense of responsibility. She also received excellent reviews in the ethical responsibility section of her independent director evaluation.

**④ Strong work ethics**

Director Yoon Jaewon attended Independent Director & Audit Committee Member Recommendation Committee, Audit Committee, and ESG Strategy Committee meetings, attended all Board and subcommittee meetings, independent director sessions, Board workshops and education participation, and he placed extensive time and effort in the Board activities by allocating 464 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after she was elected as the independent director, she has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

**⑤ Diversity of BOD composition**

Director Yoon Jaewon is a female professor of business administration, and based on her experience in various academic activities and government agency advisory committees, she performed a management advisory role and monitored and supervised management activities from the perspective of an accounting expert. By expressing opinions on agenda items with a sharp perspective during Board discussions, she helped the Board to make rational decisions based on a broader view.

**⑥ Suitability with Shinhan Financial Group**

Director Yoon Jaewon is a professor of management with profoundly understands the importance of corporate culture and he presents various opinions for succession and development of founding spirit of Shinhan Financial Group.

**⑦ Efficacy of management advisory**

Director Yoon Jaewon is a professor of business management, and based on her experience in various academic activities and in government agency advisory committees, she performed a management advisory role and monitored and supervised management activities from the perspective of the only accounting expert among the Board members.

**(3) Summary**

Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law



Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in the areas of accounting and business management (US Certified Public Accountant, professor of management with major in accounting)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Female, younger age, U.S. CPA, U.S. citizenship, professor experience, various academic activities, government agency advisory experience, etc.
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	High understanding of corporate culture, as a professor of business administration
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Can provide effective management advising thanks to experience as a professor of business administration and government agency advisory activities

## D. Independent director Jin Hyun-duk

### (1) Negative screening for eligibility

Director Jin Hyun-duk satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

### (2) Positive screening for eligibility

#### ① Expertise

Director Jin Hyun-duk is a successful entrepreneur in the Korean-Japanese society, and is an expert in the field of management who keeps a balance between theories and practices related to management through his experience of managing a successful business and of teaching business management as a professor. Based on his extensive experience and knowledge in the field of management and his long-term business management experience, he generously provided varied

expertise such as practical knowledge and insight gained in the field of management, and academic management theory as a professor of business management.

#### ② Fair judgment

There is no problem with the independence of Director Jin Hyun-duk, since Corporations where Director Jin Hyun-duk worked as a full-time employee within the past two years have no business relationship with the Company or its subsidiaries. After being elected as an independent director, he performed his duties fairly, taking into account the interests of all shareholders and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

#### ③ Integrity

According to the internal reputation inquiry, Director Jin Hyun-duk is judged to have a sense of ethics and responsibility that fits his character and reputation, such as having a strong trust in the surroundings and an excellent reputation due to stable business management and active educational development contribution activities.

#### ④ Strong work ethics

Notwithstanding the issue of overseas residence, Director Jin Hyun-duk attended Independent Director and Audit Committee Member Recommendation Committee, and CEO Recommendation Committee meetings, attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 363 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

#### ⑤ Diversity of BOD composition

Director Jin Hyun-duk is a professional manager who has been involved in business activities in Japan for a long time, and is an expert in the field of management with a background as a professor of business management. In addition, he has participated in education projects over a long time, and based on his experience and insights in education, economics, and international exchange gained by serving as executive at various private organizations for mutual economic cooperation among Koreans in Japan, he faithfully performs a management advisory role and monitors and supervises management activities from various perspectives.

#### ⑥ Suitability with Shinhan Financial Group

Director Jin Hyun-duk deeply understands the Company's vision, growth path and corporate culture, and presents various opinions for the succession and development of the Company's founding spirit.

#### ⑦ Efficacy of management advisory

Director Jin Hyun-duk plays an effective management advisory role based on his long-term professional management experience and his management theory acquired as a business management professor.

### (3) Summary

Review Category	Qualification	Reason for Qualification
<b>1. Negative screening for eligibility</b>		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
<b>2. Positive screening for eligibility</b>		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in the areas of business management and international business (professional manager, professor of management, officer of overseas company)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate doesn't have a business relationship with the Company and where he/she works and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Recommended by shareholders, professor of business administration, and experience in general company management
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	High understanding of corporate culture as a professional manager
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Can provide effective management advising thanks to experiences as a professor of business administration and in general company management

## E. Independent director Kwak Su Keun

### (1) Negative screening for eligibility

Director Kwak Su Keun satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

### (2) Positive screening for eligibility

### ① Expertise

Director Kwak Su Keun has been an accounting professor in the Seoul National University Business School for more than 20 years and is one of Korea's leading scholars in accounting and finance. Also, with experience of working as an independent director and audit committee member in various industries, he has excellent insight on current management issues and also has experience participating as an advisor for supervisory policies of the financial supervisory authorities. In addition, as an opinion leader in the business world who is also actively carrying out ESG-related activities, he served as the Chairperson of the ESG Strategy Committee of the Company and provided professional advice for effective ESG strategies, thus contributing greatly to the Group's growth and development.

### ② Fair judgment

Director Kwak Su Keun was recommended by IMM PE (private equity fund) on the ground that he is expected to responsibly perform his duties as an independent director by representing the opinions of all shareholders fairly based on his expertise in economics and management. During his tenure as an independent director of the Company, he not only performed his duties as transparently and objectively as possible from an independent position but also performed his duties fairly in consideration of the interests of all shareholders and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

### ③ Integrity

Taking on a key role as the chairperson of the ESG Strategy Committee, Director Kwak Su Keun emphasized sound management and continuous social responsibility of Shinhan Financial Group, thus demonstrating activities based on a strong sense of ethics and responsibility.

### ④ Strong work ethics

Director Kwak Su Keun attended 14 out of 14 Audit Committee meetings, 4 out of 4 ESG Strategy Committee meetings, 6 out of 6 Remuneration Committee meetings, and 4 out of 4 Subsidiary's CEO Recommendation Committee meetings, attended 100% for BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 481 hours per year to normally carry out the independent director works including the advance review of agenda. In particular, based on his many years of experience as an Audit Committee member of other companies and his accounting expertise, he greatly contributed to improving the overall audit process of the Company.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

### ⑤ Diversity of BOD composition

Director Kwak Su Keun is a professor of business management majoring in accounting and based on his experience as a member of various academic societies and financial authorities' advisory committees, and as an independent director and audit committee member in various industries, faithfully performed monitoring and supervision of the management's business activities from the perspective of an accounting and management expert.

### ⑥ Suitability with Shinhan Financial Group

Director Kwak Su Keun is a professor of business management and has a deep understanding of the importance of corporate culture based on his experience as an independent director in various companies, and has presented various opinions for the succession and development of the founding spirit of Shinhan Financial Group.

### ⑦ Efficacy of management advisory

Based on his experiences as a professor of business management, member of academic societies and advisor to financial authorities, and as an independent director in various companies, Director Kwak Su Keun played an effective management advisory role and monitored and supervised the management's business activities.

**(3) Summary**

Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in the areas of accounting and business management (Professor of management with major in accounting)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has been no fact of concurrent position that the possibility for conflict of interest is low
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Recommended by shareholders, and has experiences as a professor of accounting, member of various academic societies, advisor to financial authorities, independent director in various companies, etc.
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Has a high understanding of corporate culture based on rich experiences as a professor of business administration, advisor on governance, and independent director in other companies
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Performs effective management advising based on experiences as a professor of accounting, advisor to financial authorities, and independent director in various companies

**F. Independent director Bae Hoon****(1) Negative screening for eligibility**

Director Bae Hoon satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the

Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

## **(2) Positive screening for eligibility**

### **① Expertise**

Director Bae Hoon works as an attorney at a Japanese law firm and is an expert in the field of law and accounting registered as an assistant certified public accountant in Japan. Based on his insights on corporate management issues that he has acquired while serving as a private-sector bridgehead for Korea-Japan economic relations over a long time, by providing legal advice to Korean companies in Japan and closely cooperating with Korean bar associations, he also provided insight at the Company's Board through comparison with corporate management issues in Japan and generously advised on major issues related to the Group's operation.

### **② Fair judgment**

There is no problem with Director Bae Hoon's independence as there is no business relationship between the corporation to which he has been a full-time employee in the past two years and "the Company and its subsidiaries," and after he was elected an independent director, he performed his duties fairly in consideration of the interests of all shareholders and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

### **③ Integrity**

According to reference check, it is deemed that Director Bae Hoon has a sense of ethics and responsibility worthy of his character and reputation, such as being trusted in the *Zainichi* community (community of Korean-national residents in Japan) and playing a major role in the Lawyers Association of Zainichi Korea based on his excellent expertise.

### **④ Strong work ethics**

Notwithstanding the issue of overseas residence, Director Bae Hoon attended Audit Committee, Subsidiary's CEO Recommendation Committee, and CEO Recommendation Committee meetings, attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 450 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

### **⑤ Diversity of BOD composition**

Director Bae Hoon is a legal and accounting expert who is well-versed in corporate-related laws in Korea and Japan, such as working for a long time as an attorney advising corporations in Japan and closely cooperating with Korean bar associations. He analyzes differences in the corporate management issues between Korea and Japan and faithfully performs the role of management advisor and the monitoring and supervision of the management from an objective perspective.

### **⑥ Suitability with Shinhan Financial Group**

Director Bae Hoon has a deep understanding of the importance of corporate culture based on his experience of advising corporations on legal matters and offers various opinions for the succession and development of the Company's founding spirit.

### **⑦ Efficacy of management advisory**

Based on his long experience of advising corporations on legal matters, Director Bae Hoon performs an effective advisory

role which is to provide practical and helpful advice for corporate management.

### (3) Summary

Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in law, accounting, and international business (Foreign attorney, foreign assistant certified public accountant)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has appropriate business relationship with the Company and Law Firm and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Recommended by shareholders; experience as an attorney and assistant certified public accountant in Japan
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Possessing a deep understanding of corporate culture, as a corporate lawyer.
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Capable of effective management advising, as a corporate lawyer with a master's degree in business administration

## G. Independent director Lee Yong-guk

### (1) Negative screening for eligibility

Director Lee Yong-guk satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.



## **(2) Positive screening for eligibility**

### **① Expertise**

Director Lee Yong-guk has worked for a long time as an attorney at Cleary Gottlieb Steen & Hamilton LLP (a large global law firm) and is a legal, financial, and global expert with experience of arranging securities issuance, M&A, and listing of large domestic companies. Through his expertise in those fields and his domestic and foreign capital market and legal networks, he provided in-depth perspective and insight regarding the Group's policy of strengthening its competitiveness in the M&A and capital market, thus greatly contributing to the rational discussion process of the Board.

### **② Fair judgment**

Director Lee Yong-guk was recommended by Affinity Equity Partners (strategic investor) on the ground that he was expected to responsibly perform his duties as an independent director by representing the opinions of all shareholders fairly based on legal and financial expertise. During his tenure as an independent director of the Company, he not only performed his duties as transparently and objectively as possible from an independent position but also performed his duties fairly in consideration of the interests of all shareholders and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

### **③ Integrity**

Director Lee Yong-guk contributed to maintaining the Company's sound and rational corporate governance from the standpoint of moderation and balance. In particular, he was shown to practice social responsibility through his public interest activities of providing free legal advice on international transactions to legally vulnerable small and medium-sized enterprises, thus demonstrating a strong sense of ethics and responsibility.

### **④ Strong work ethics**

Director Lee Yong-guk attended Risk Management Committee, ESG Strategy Committee, Independent Director and Audit Committee Member Recommendation Committee, and CEO Recommendation Committee meetings, attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 461 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

### **⑤ Diversity of BOD composition**

Director Lee Yong-guk, an attorney specializing in international and corporate finance and currently serving as an adjunct professor of law at the Seoul National University and Handong University, is knowledgeable in the field of law and finance, and faithfully played the role of management advisor and monitored and supervised the management with his rational judgment and sharp insights based on his experience of working at a large global law firm.

### **⑥ Suitability with Shinhan Financial Group**

Director Lee Yong-guk has deep understanding of the importance of corporate culture based on his rich experience of advising large listed companies on legal matters, and has offered various opinions for the succession and development of Shinhan Financial Group's founding spirit.

### **⑦ Efficacy of management advisory**

Director Lee Yong-guk, with his main expertise in providing legal advices related to international and corporate finance, performed an effective advisory role in strengthening the Group's competitiveness in the capital market/asset management sector.



**(3) Summary**

Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in law, financial, and international business (Attorney specializing in international/corporate finance, professor of law)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has appropriate business relationship with the Company and Seoul National University and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Recommended by shareholders, low age, foreign attorney, and has experience as professor of law
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Has high understanding of corporate culture thanks to rich experience of advising large domestic and foreign companies on legal matters
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Performs effective management advice due to rich experience of advising legal matters of international and corporate finance

**H. Independent director Choi Jae Boong****(1) Negative screening for eligibility**

Director Choi Jae Boong satisfies all qualifications set forth under laws and regulations, such as, qualification for independent director under the Commercial Act, qualification of independent director for listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving for independent director, non-standing director or non-standing auditor of any company other than this Company.

## **(2) Positive screening for eligibility**

### **① Expertise**

Director Choi Jae Boong has been a professor of mechanical engineering for a long time and actively participated in ICT-related industry-university cooperation activities and government-led innovation projects. He is an expert in the information technology (IT) field having expertise in all fields of the 4th Industrial Revolution such as wearables, Internet of Things, big data analysis, AI and smart factories. Currently, he is shown to be very interested in and continues his research activities on the digitization of finance, generously advising on the new perspective and the Group's direction throughout the digital transformation-related projects which the Group is emphatically pursuing.

### **② Fair judgment**

The candidate was recommended by EQT Private Capital Asia (strategic shareholder) on the ground that he is expected to responsibly perform his duties as an independent director in the process of discussing the Group's future growth at the Board by representing the opinions of all shareholders fairly based on his expertise in information technology (IT). During his tenure as an independent director of the Company, he not only performed his duties as transparently and objectively as possible from an independent position but also performed his duties fairly in consideration of the interests of all shareholders and financial consumers.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

### **③ Integrity**

Director Choi Jae Boong, as a shareholder-recommended independent director, has a sense of ethics and responsibility worthy of his reputation, by performing his duties based on a strong sense of responsibility. In the evaluation of independent directors, he received excellent results in the integrity section.

### **④ Strong work ethics**

Director Choi Jae Boong has attended 14 out of 14 Board meetings, 25 out of 25 Risk Management Committee meetings, 9 out of 9 Independent Director and Audit Committee Member Recommendation Committee meetings, and 3 out of 4 CEO Recommendation Committee meetings, attended 100% for independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 429 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

### **⑤ Diversity of BOD composition**

Director Choi Jae Boong served as a professor in the field of information technology (IT) for a long time, and based on his experience of partaking in ICT-related industry-university cooperation activities and government-led innovation projects, he faithfully played the role of management advisor and monitored and supervised the management as a Board member.

### **⑥ Suitability with Shinhan Financial Group**

Director Choi Jae Boong has a deep understanding of the importance of corporate culture based on his rich experience in industry-academic cooperation in the field of information technology (IT) and has experience as an independent director of other companies, and has presented various opinions for the succession and development of the founding spirit of Shinhan Financial Group.

### **⑦ Efficacy of management advisory**

Based on his rich experience in industry-university cooperation and experience as an independent director, Director Choi Jae Boong effectively played the role of management advisor and monitored and supervised management as a Board member.

## **(3) Summary**

Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in information technology (Professor of mechanical engineering in the information technology (IT) field)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has appropriate business relationship with the Company and Sungkyunkwan University and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Recommended by shareholders, low age, and has experience as a professor of law in the information technology (IT) field
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Has a good understanding of corporate culture due to rich experience in industry-academic cooperation in the information technology (IT) field and experience as an independent director of other companies
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Performs effective management advice due to rich experience in industry-academic cooperation and experience as an independent director

## I. Independent director Kim Jo Seol

### (1) Negative screening for eligibility

Director Kim Jo Seol satisfies all qualifications set forth under laws and regulations, such as qualification for independent director under the Commercial Act, qualification of independent director for a listed company under the Commercial Act, qualification of executive and independent director under the Corporate Governance Act and others. In addition, he also satisfies the negative screening for eligibility set forth by the Corporate Governance Act and internal regulation of the Company for not concurrently serving as an independent director, non-standing director or non-standing auditor of any company other than this Company.

## **(2) Positive screening for eligibility**

### **① Expertise**

Director Kim Jo Seol is a female economist who has been serving as an economics professor for a long time. She is known as an expert in the field of Northeast Asian economy, and she has extensive experience in various committees related to human rights and social security, carrying out activities related to human rights review and social security in various communities in Japan. She gave in-depth advice not only on the establishment and implementation of the Group's major business strategies but also on ESG strategies, which are gaining importance recently.

### **② Fair judgment**

As for Director Kim Jo Seol, there is no transactional relationship between the 'school corporation (educational organization) in which she has served as a full-time employee within the last two years' and 'the Company and its subsidiaries,' so there is no problem with the independence. After being elected as an independent director, she performed her duties fairly, taking into account the interests of both shareholders and financial consumers as a whole.

In addition, after his election as the independent director, there has been no fact of performing the duties or carrying out the trades related to the interest with the Company.

### **③ Integrity**

Director Kim Jo Seol, is highly respected in the Korean-ethnic community in Japan, and based on her strong sense of responsibility, she continues her educational activities and her human rights and social security-related activities, demonstrating her sense of ethics and responsibility. In her independent director evaluations, she received an excellent evaluation in the integrity category.

### **④ Strong work ethics**

Notwithstanding the issue of overseas residence, Director Kim Jo Seol attended ESG Strategy Committee, Remuneration Committee, and Independent Director and Audit Committee Member Recommendation Committee, attended 100% for BOD, committees in BOD, independent director sessions, BOD workshops and education participation and he placed extensive time and effort in the BOD activities by allocating 411 hours per year to normally carry out the independent director works including the advance review of agenda.

In addition, after he was elected as the independent director, he has not been concurrently served in another company that there is no content changed for the concurrent service before and after the election.

### **⑤ Diversity of BOD composition**

Director Kim Jo Seol has served as an economics professor for a long time and also faithfully performed a management advisory role and management monitoring/supervising activities based on her various activities related to human rights and social security. As a female independent director along with Director Yoon Jae-won, she made contributions such that the discussions at the Board and subcommittees meetings could become deeper and more sophisticated through delicate and gentle expression of opinions.

### **⑥ Suitability with Shinhan Financial Group**

Director Kim Jo Seol has a deep understanding of the Company's vision, growth path, and corporate culture. She also presents various opinions for the succession and development of the Company's founding spirit.

### **⑦ Efficacy of management advisory**

Director Kim Jo Seol serves as an effective management advisor based on her long-term experience as an economist.

## **(3) Summary**

Review Category	Qualification	Reason for Qualification
1. Negative screening for eligibility		
A. Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act (Disqualification of Independent directors of Stock Companies, Disqualification of Independent directors of Listed Companies)	Qualified	No violation of law
B. Article 5 (1) of the Act on Corporate Governance of Financial Companies and Article 7 (1) and (3) of its Decree (Disqualification of Officers in Financial Companies)	Qualified	No violation of law
C. Article 6 (1) and of the Act on Corporate Governance of Financial Companies and Article 8 (1) and (3) of its Decree (Disqualification of Independent directors in Financial Companies)	Qualified	No violation of law and no concurrent position in independent director, non-standing director, non-standing auditor of another company
D. Article 23, Paragraph 2 of the Internal Code of Corporate Governance	Qualified	No concurrent position in independent director, non-standing director, non-standing auditor of another company
2. Positive screening for eligibility		
A. Expertise (Article 6, Paragraph 3 of the Act on Corporate Governance of Financial Companies, Article 23, Paragraph 1, Subparagraph 1 of the Internal Code of Corporate Governance)	Qualified	Expert in economics and business management (Professor of economics at an overseas university, director of a global academic society)
B. Fair judgment (Article 23, Paragraph 1, Subparagraph 2 of the Internal Code of Corporate Governance)	Qualified	Fair performance of job for the interests of entire shareholders and financial consumers The candidate has appropriate business relationship with the Company and Seoul National University and has low possibility of having conflict of interest
C. Integrity (Article 23, Paragraph 1, Subparagraph 3 of the Internal Code of Corporate Governance)	Qualified	Possessing high level of sense of ethics and responsibility
D. Strong work ethics (Article 23, Paragraph 1, Subparagraph 4 of the Internal Code of Corporate Governance)	Qualified	For the activities in BOD and others, the candidate has allocated significant time and effort, meet the 16 on laws and regulations, no change for concurrent position after the election, and has duly proven its strong work ethics considering his attendance rate
E. Diversity (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Woman, economics professor, experience in various academic societies, etc.
F. Reasonableness (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	High level of understanding of corporate culture, with extensive experience in activities related to human rights and social security
G. Efficacy (Resolution No. 1 of the First Independent Director Recommendation Committee held on Jan 15, 2018)	Qualified	Has excellent knowledge as an economist, and has rich experience in academic conferences and advisory activities, and thus capable of conducting effective management advising.

## 2. Activities of independent directors

### A. Independent director Lee Yoon-jae

Director Lee Yoon-jae has attended all meetings of the Board, Remuneration Committee, Independent Director & Audit Committee Member Recommendation Committee, and CEO Recommendation Committee in 2023. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

Furthermore, as Chairperson of the Board, he collected and coordinated the different directors' views and then mediated so that the Board could come to the best conclusion through rich discussions. He devotedly fulfilled his duties as the Board Chairperson, such as expressing opinions on behalf of the Board through active participation in interviews with the Korea Institute of Corporate Governance and Sustainability and the meetings of Board chairmen organized by financial authorities. In addition, he has set an example by being active and faithful as an independent director in subcommittee activities, such as providing suggestions for improvement in relation to the management performance evaluation and compensation system at the Remuneration Committee and suggesting continuous inspection and feedback.

In addition, during 2023, he spent a total of 401 hours (including time spent for a prior explanation of agendas (Board, etc.), review of agendas and minutes, and Board workshop/directors' meetings/training; hereinafter the same) to review agenda items and attend meetings.

### B. Independent director Sung Jaeho

Director Sung Jaeho has attended 13 out of 14 Board meetings, 7 out of 7 Risk Management Committee meetings, 8 out of 8 Remuneration Committee meetings, 4 out of 4 CEO Recommendation Committee meetings, 1 out of 1 Independent Director and Audit Committee Member Recommendation Committee meeting, and 5 out of 6 Subsidiary's CEO Recommendation Committee meetings. (Attendance rate: 96%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

In addition, as a legal expert, Director Sung Jaeho responsibly conducted preliminary reviews to ensure that there were no legal problems in relation to various pending issues of the Board workshops and informal meetings as well as agendas of the Board and subcommittee meetings. On the other hand, as the Chairperson of the CEO Recommendation Committee, he actively carried out activities for the stability of the Group's management and governance, such as faithfully operating the vital process of recommending CEO candidates by coordinating the opinions of the committee members and leading the discussions. Moreover, he additionally took on the role of a member of the Remuneration Committee which lacked quorum after the resignation of Director Byeon Yang-ho in January 2023, contributing to the Remuneration Committee's in-depth

inspection of the management evaluation and remuneration system through specific and effective advice and suggestions.

Director Sung Jaeho has allocated a total of 476 hours for reviewing the agenda, attending meetings etc. during 2023.

### C. Independent director Yoon Jaewon

Director Yoon Jaewon has attended all Board, Audit Committee, ESG Strategy Committee, and Independent Director and Audit Committee Member Recommendation Committee meetings during 2023. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

In addition, as the Audit Committee Chairperson, she reported the Audit Committee's activities to the Board in a timely manner and proactively prepared improvement plans for the Group's compliance issues, thus monitoring and supervising the activities of the management and ensuring that internal control works effectively. She performed her duties as an independent director, actively participating in interviews with external organizations such as the Korea ESG Standards Board and expressing her opinions as the Chairperson of the Audit Committee and member of the ESG Strategy Committee.

Director Yoon Jaewon has allocated a total of 464 hours for reviewing the agenda, attending meetings etc. during 2023.

### D. Independent director Jin Hyun-duk

Director Jin Hyun-duk has attended all Board, Independent Director and Audit Committee Member Recommendation Committee and CEO Recommendation Committee meetings during 2023. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

Also, Director Jin Hyun-duk generously gave thoughtful advices on management issues for the Board based on his insight and experience as a professional manager. In addition, Director Jin Hyun-duk attended all Board and subcommittee meetings to participate in major decision-making despite residing in Japan, and in addition to his firm conviction and enthusiasm as an independent director, he demonstrated a passion and sense of responsibility as an independent director that cannot be measured simply by the activity hours.

Director Jin Hyun-duk has allocated a total of 363 hours for reviewing the agenda, attending meetings etc. during 2023.



### **E. Independent director Kwak Su Keun**

Director Kwak Su Keun has attended all Board, Audit Committee, ESG Strategy Committee, and Subsidiary's CEO Recommendation Committee meetings during 2023. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

In addition, as the ESG Strategy Committee Chairperson, Director Kwak Su Keun shared the latest ESG trends and generously provided advices and suggestions to refine the ESG strategy. He also faithfully performed his role of checking and monitoring the management through sharp analysis and recommendations based on accounting expertise in the Audit Committee and the Board.

Director Kwak Su Keun has allocated a total of 481 hours for reviewing the agenda, attending meetings etc. during 2023.

### **F. Independent director Bae Hoon**

Director Bae Hoon has attended all Board, Audit Committee, CEO Recommendation Committee, and Subsidiary's CEO Recommendation Committee meetings during 2023. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

Also, Director Bae Hoon contributed to strengthening the Group's internal control by providing advice on legal issues that may accompany major management issues based on the legal expertise he gained while providing legal advice as a lawyer during his extensive career. In addition, by attending all Board and subcommittee meetings to participate in major decision-making despite residing in Japan, he not only showed a firm belief and enthusiasm as an independent director but also a passion and sense of responsibility as an independent director that cannot be measured simply by activity hours.

Director Bae Hoon has allocated a total of 450 hours for reviewing the agenda, attending meetings etc. during 2023.

### **G. Independent director Lee Yong-guk**

Director Lee Yong-guk has attended all Board, Risk Management Committee, Independent Director and Audit Committee Member Recommendation Committee, and ESG Strategy Committee meetings during 2023. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the



Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

In addition, based on his expertise as an attorney who has provided legal advices on international and corporate finance matters at large global law firms for a long time, Director Lee Yong-guk provided various advice on major issues by applying cases involving global companies, thus actively playing his role as an independent director.

Director Lee Yong-guk has allocated a total of 461 hours for reviewing the agenda, attending meetings etc. during 2023.

#### H. Independent director Choi Jae Boong

Director Choi Jae Boong has attended 9 out of 15 Board meetings, 9 out of 9 Independent Director and Audit Committee Member Recommendation Committee meetings, 9 out of 9 Risk Management Committee meetings, and 3 out of 4 CEO Recommendation Committee meetings. (Attendance rate: 97%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

In particular, befitting his reputation as Korea's top-notch scholar with mastery of the 4th Industrial Revolution, Director Choi Jae Boong reviewed the Group's digital transformation strategy and overall business details and advised on future directions and supplementary points, thus providing excellent insights and directions for the Group's digital growth.

Director Choi Jae Boong has allocated a total of 429 hours for reviewing the agenda, attending meetings etc. during 2023.

#### I. Independent director Kim Jo Seol

Director Kim Jo Seol has attended all Board, Remuneration Committee, Independent Director and Audit Committee Member Recommendation Committee, and ESG Strategy Committee meetings during 2023. (Attendance rate: 100%)

In the Board meetings and workshops held during the year, he performed: review of the adequacy of the dividend level to be decided at the annual general meeting of shareholders in March 2023, review of the adequacy of the composition of the Board, checking of the operation plans of the subcommittees, review and recommendation of the scale and timing of quarterly dividend, and the impact of acquisition and retirement of treasury stock, discussion of the adequacy of the Group's management plan based on macroeconomic outlook, suggestion of communication methods for voting rights advisory organizations and major investors, discussion and suggestions of the Group's ESG management direction, review of the adequacy of the Group's self-normalization plan, discussion of reorganization plans and suggestions in connection with the Group's strategic direction, discussion on establishing the Group's management plan for 2024, and checking of the appropriateness of the appointment of Group executives, thus contributing to enabling the Board to fulfill its assigned roles and responsibilities.

In addition, despite residing in Japan, he participated in all Board and subcommittee meetings to contribute to major decision-making. He demonstrated not only his firm conviction and enthusiasm as an independent director but also a passion and sense of responsibility as an independent director that cannot be measured simply by his activity hours.

Director Kim Jo Seol has allocated a total of 411 hours for reviewing the agenda, attending meetings etc. during 2023.

### 3. Remuneration of independent directors

The company reformed the remuneration system for independent directors at the third temporary Board meeting held on March 24, 2016. For substantiating BOD activities with strong sense of obligation and responsibility worthy of the role of independent director, the base allowance was reduced by KRW 1 million per month from April 2016 and strengthened the remuneration system in connection with the activity records, such as participation in the Committee in BOD etc. In the third temporary Board meeting held on March 27, 2019, the resolution was made to increase the base allowance by KRW 0.5 million per month in consideration of Group scale growth, expansion of business portfolio and extended scope of work and responsibility of independent directors. At the 1st special meeting (February 5, 2021), in consideration of the high internal and external expectations for the role of independent directors and the continuous increase in the time and effort put by independent directors for Board activities and to enhance transparency in expenses, the Board discussed whether to abolish the attendance allowance (necessary expenses paid for attendance of meetings) and change the same to the monthly base pay of KRW 0.5 million.

The contents of remuneration for each independent director in 2023 are shown as follows.

(For reference, as of 2023, the basic salary is 4.0 million won per month. Regarding other allowances, the meeting allowance is 1 million won per Board meeting and 0.5 million won per subcommittee meeting, and the position allowance is 1 million won per month for the Board Chairperson and 0.5 million won per month for the subcommittee chairperson. In addition to the relevant compensation, necessary expenses (transportation and lodging for independent directors living overseas, etc.) are paid at actual cost. In the case of position allowances, only the highest amount is paid without duplicate payments when performing overlapping positions.)

#### A. Independent director Lee Yoon-jae

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 87.5 million	
Base payment	KRW 48million	
Bonus	-	
Other allowances	KRW 39.5 million	Meeting allowance and position allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	Twice	General examination (self, spouse)
Vehicle provision	None	
Office	None	
Other benefits	None	

**B. Independent director Sung Jaeho**

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 85.5 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 37.5 million	Meeting allowance and position allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	Twice	General examination (self, spouse)
Vehicle provision	None	
Office	None	
Other benefits	None	

**C. Independent director Yoon Jaewon**

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 86.5 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 38.5 million	Meeting allowance and position allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	Once	General examination
Vehicle provision	None	
Office	None	
Other benefits	None	

**D. Independent director Jin Hyun-duk**

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 72.5 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 24.5 million	Meeting allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

### E. Independent director Kwak Su Keun

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 88 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 40 million	Meeting allowance and position allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	Twice	General examination (self, spouse)
Vehicle provision	None	
Office	None	
Other benefits	None	

### F. Independent director Bae Hoon

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 80.5 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 32.5 million	Meeting allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

### G. Independent director Lee Yong-guk

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 85 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 37 million	Meeting allowance and position allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	Twice	General examination (self, spouse)
Vehicle provision	None	
Office	None	
Other benefits	None	

## H. Independent director Choi Jae Boong

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 87.5 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 39.5 million	Meeting allowance and position allowance (including settlement of position allowance unpaid due to error in the previous year)
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

## I. Independent director Kim Jo Seol

Items	Amount	Contents of calculation
1. Total amount of compensation	KRW 76 million	
Base payment	KRW 48 million	
Bonus	-	
Other allowances	KRW 28 million	Meeting allowance
2. Other benefits over compensation		
Work activities	None	
Health examination	None	
Vehicle provision	None	
Office	None	
Other benefits	None	

## 4. Education and training of independent directors

In order to enhance the expertise of independent directors, provide faithful information on the financial environment, and improve understanding of the business characteristics of the financial holding company and each subsidiary, the Company provided the following education and training.

Name of director	Lee Yoon-jae	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol
Date of election	Mar. 27, 2019	Mar. 27, 2019	Mar. 26, 2020	Mar. 26, 2020	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 24, 2022
2019-1 Date and contents of education and training	- Date and time: April 8, 2019 (3 hours, new independent director orientation) - Contents: 2019 business plan and finance planning, information on main matters related to independent directors, equity notice and fair notice training								
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)

Activities and Remuneration of Independent Directors

Name of director	Lee Yoon-jae	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol
Date of election	Mar. 27, 2019	Mar. 27, 2019	Mar. 26, 2020	Mar. 26, 2020	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 24, 2022
2019-2 Date and contents of education and training	- Date and time: May 14, 2019 (3 hours, independent seminar) - Contents: First year to introduce new external audit law, task of the Audit Committee and plan for role performance (Samjong KPMG)								
Attendance of independent director (reasons for absence)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2019-3 Date and contents of education and training	- Date and time: October 10, 2019 (2 hours, BOD workshop) - Contents: Prospect of Korean economy in 2020 Perspective from the Independent Investor and Shinhan Financial Group (Morgan Stanley, Managing director Seok Jun)								
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2019-4 Date and contents of education and training	- Date and time: October 11, 2019 (3 hours, BOD workshop) - Contents: Macro-environment and Q&A prospect for each business division (Shinhan Future Strategy Research Institute, Shinhan Financial Group Research Center)								
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2019-5 Date and contents of education and training	- Date and time: October 31, 2019 (1 hour, Audit Committee Member Recommendation Committee, internal education) - Contents: Evaluation of internal accounting management system and exemplary regulatory education (Accounting Firm of Jungin, Managing director Wi Seol-hyang)								
Attendance of independent director (reasons for absence)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2020-1 Date and contents of education and training	- Date and time: January 21, 2020 (1 hour, compliance training) - Contents: Anti-money laundering education for independent directors								
Attendance of independent director (reasons for absence)	Attended	Attended	(Not subject)	(Not subject)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2020-2 Date and contents of education and training	- Date and time: April 23, 2020 (3 hours, new independent director orientation) - Contents: 2020 business plan and finance planning, information on main matters related to independent directors, equity notice and fair notice training								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2020-3 Date and contents of education and training	- Date and time: May 20, 2020 (1 hour, audit team) - Contents: Internal accounting management system education for Audit Committee members								
Attendance of independent director (reasons for absence)	Attended	Attended	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2020-4 Date and contents of education and training	- Date and time: July 24, 2020 (3 hours, independent seminar) - Contents: 6th Samjong KPMG Audit Committee Institute (Samjong KPMG)								
Attendance of independent director (reasons for absence)	Attended	Attended	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2020-5 Date and contents of education and training	- Date and time: September 2, 2020 (4 hours, Corporate Social Responsibility Committee workshop) - Contents: Trends in Climate Change (TCFD) (UNEP FI Korea Representative Lee Dong-woong) Global ESG trends and response strategies with stakeholders (MORROW SODALI)								
Attendance of independent director (reasons for absence)	Attended	(Not subject)	(Not subject)	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)

Name of director	Lee Yoon-jae	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol
Date of election	Mar. 27, 2019	Mar. 27, 2019	Mar. 26, 2020	Mar. 26, 2020	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 24, 2022
2020-6 Date and contents of education and training	- Contents: Presentation on the economic outlook for 2021 (Director Kunhyuk Lee, Future Strategy Research Institute) Measures to improve stock price flow and valuation (Credit Suisse)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2020-7 Date and contents of education and training	- Date and time: November 12, 2020 (1 hours, ESG training) - Contents: Strategic utilization of sustainable management and ESG (Professor Jaehyuk Lee, Business School, Korea University)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2020-8 Date and contents of education and training	- Date and time: November 13, 2020 (1 hour, compliance training) - Contents: Anti-money laundering education (CEO Lee Chang-joo, Able Consulting)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)	(Before inauguration)
2021-1 Date and contents of education and training	- Date and time: April 20, 2021 (4 hours, new independent director orientation) - Contents: 2021 business plan and finance planning, information on main matters related to independent directors, equity notice and fair notice training								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	Attended	Attended	(Before inauguration)
2021-2 Date and contents of education and training	- Date and time: May 13, 2021 (1 hour, Seobon Accounting Firm, Internal accounting management system education) - Contents: Introduction and implications of the consolidated internal accounting system, the role of the Audit Committee, etc.								
Attendance of independent director (reasons for absence)	Attended	Attended	(Not subject)	Attended	Attended	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)
2021-3 Date and contents of education and training	- Date and time: May 14, 2021 (2 hour, directors'conference 1) - Contents: Discussion of improvement and expansion in the Board operation method, etc.								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)
2021-4 Date and contents of education and training	- Date and time: July 22, 2021 (3 hour, Samjong KPMG ACI Seminar) - Contents: A case study of Audit Committee activities through video drama								
Attendance of independent director (reasons for absence)	Attended	Attended	(Not subject)	Attended	Attended	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)
2021-5 Date and contents of education and training	- Date and time: August 12, 2021 (1 hour, Anjin Accounting Firm, IFRS education) - Contents: Understanding of IFRS 17 and impact of adoption thereof, etc.								
Attendance of independent director (reasons for absence)	Attended	Attended	(Not subject)	Attended	Attended	(Not subject)	(Not subject)	(Not subject)	(Before inauguration)
2021-6 Date and contents of education and training	- Date and time: August 13, 2021 (2 hour, directors'conference 2) - Contents: Discussion of sending letters to investors, etc.:								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)

Activities and Remuneration of Independent Directors

Name of director	Lee Yoon-jae	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol
Date of election	Mar. 27, 2019	Mar. 27, 2019	Mar. 26, 2020	Mar. 26, 2020	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 24, 2022
2021-7 Date and contents of education and training	- Date and time: October 5, 2021 (2 hour, directors'conference 3) - Contents: Review of the Group's digital strategy and discussion of the direction of its improvement, etc.								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)
2021-8 Date and contents of education and training	- Date and time: October 5, 2021 (9 hours, BOD workshop) - Contents: Discussion of the economic/financial market outlook and core management agenda for 2022								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)
2021-9 Date and contents of education and training	- Date and time: November 18, 2021 (1 hour, compliance training) - Contents: Current status of the domestic anti-money laundering system, and education on virtual assets (Lee Chang-joo, Able Consulting)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)
2021-10 Date and contents of education and training	- Date and time: November 18, 2021 (1 hours, education of the Risk Management Committee) - Contents: Measurement and management of financed emission for management of climate change risk								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Before inauguration)
2021-11 Date and contents of education and training	- Date and time: November 18, 2021 (2 hour, directors'conference 4) - Contents: Report of investor meeting results, discussion of reinforcement of ethical compliance management, etc.								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)
2021-12 Date and contents of education and training	- Date and time: December 9, 2021 (1 hours, education of the Risk Management Committee) - Contents: Understanding of Basel III liquidity risk								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Before inauguration)
2021-13 Date and contents of education and training	- Date and time: December 16, 2021 (2 hour, directors'conference 5) - Contents: Discussion of Shinhan Financial Group's operation improvement tasks and its digital-related issues								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Before inauguration)
2022-1 Date and contents of education and training	- Date and time: March 3, 2022 (2 hours, directors'conference 1) - Contents: Listening to market analysts' evaluation of Shinhan Financial Group								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	(Not subject)
2022-2 Date and contents of education and training	- Date and time: April 21, 2022 (3 hours, new independent director orientation) - Contents: Business plan and finance plan of 2022 Information on main matters related to independent director, equity disclosure and fair disclosure training								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended



Name of director	Lee Yoon-jae	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol
Date of election	Mar. 27, 2019	Mar. 27, 2019	Mar. 26, 2020	Mar. 26, 2020	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 24, 2022
2022-3 Date and contents of education and training	- Date and time: May 12, 2022 (1 hour, education of the Risk Management Committee) - Contents: ESG and climate risk-related status and the Group's response directions								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Not subject)
2022-4 Date and contents of education and training	- Date and time: May 13, 2022 (4 hours, 1st half of year, BOD workshop) - Contents: ESG management / From planning to execution / Cryptocurrency and the advent of digital asset era / Strategic directions of the Group's asset management								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2022-5 Date and contents of education and training	- Date and time: August 12, 2022 (1 hour, independent seminar) - Contents: Internal accounting management system training at EY Hanyoung (accounting firm)								
Attendance of independent director (reasons for absence)	(Not subject)	Attended	(Not subject)	Attended	Attended	Attended	(Not subject)	(Not subject)	(Not subject)
2022-6 Date and contents of education and training	- Date and time: Date and time: September 5, 2022 (2 hours, independent seminar) - Contents: SBJ Bank's customer/business status report and Japanese localization strategies								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2022-7 Date and contents of education and training	- Date and time: Date and time: September 22, 2022 (4 hours, independent seminar) - Contents: Samjong KPMG Audit Committee education program								
Attendance of independent director (reasons for absence)	(Not subject)	Absence	(Not subject)	Attended	Attended	Attended	(Not subject)	(Not subject)	(Not subject)
2022-8 Date and contents of education and training	- Date and time: October 6, 2022 (3 hours, BOD workshop for the second half) - Contents: 2023 economic and financial market prospects and management plans, financial plans, and risk management directions / Checking of digital transformation / Directions of capital market fostering / Checking of organic growth and portfolio direction / Q&A on finance and risk management								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2022-9 Date and contents of education and training	- Date and time: October 6, 2022 (1 hour, directors' conference 2) - Contents: Discussion of the Group's management issues								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2022-10 Date and contents of education and training	- Date and time: November 10, 2022 (1 hour, compliance training) - Contents: Anti-money laundering education (CEO Lee Chang-joo, Able Consulting)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2022-11 Date and contents of education and training	- Date and time: November 10, 2022 (1 hour, education of the Risk Management Committee) - Contents: Understanding operational risk management								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Not subject)

Activities and Remuneration of Independent Directors

Name of director	Lee Yoon-jae	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol
Date of election	Mar. 27, 2019	Mar. 27, 2019	Mar. 26, 2020	Mar. 26, 2020	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 24, 2022
2023-1 Date and contents of education and training	- Date and time: April 27, 2023 (1 hour, directors' conference 1) - Contents: Improving Board operations, collecting opinions on the 2023 Board workshop								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-2 Date and contents of education and training	- Date and time: May 11, 2023 (0.5 hour, compliance training) - Contents: Internal control training (Attorney Kim Si-mok, Yulchon Law Firm)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-3 Date and contents of education and training	- Date and time: May 11, 2023 (3 hour, BOD workshop 1) - Contents: Current status of Group's new business sectors, management direction of Group CEO								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-4 Date and contents of education and training	- Date and time: August 9, 2023 (1 hour, education of the Audit Committee) - Contents: Operation process of internal accounting management system and operation status of key audit targets								
Attendance of independent director (reasons for absence)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	Attended	(Not subject)	(Not subject)	(Not subject)
2023-5 Date and contents of education and training	- Date and time: August 10, 2023 (3.5 hour, BOD workshop 2) - Contents: Group DT Journey for sustainable management, measures to strengthen Group's internal control, Shinhan's competitiveness status and mid- to long-term tasks, follow-up of Group CEO's management direction								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-6 Date and contents of education and training	- Date and time: September 7, 2023 (3.3 hour, external education) - Contents: Business report of Shinhan Vietnam (banking, card, life insurance, investment securities, DS)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-7 Date and contents of education and training	- Date and time: September 7, 2023 (1 hour, directors' conference 2) - Contents: Examining topics to be discussed at the next Board meeting, Board workshop, etc.								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-8 Date and contents of education and training	- Date and time: October 6, 2023 (1 hour, education of the Risk Management Committee) - Contents: Climate risk scenario analysis and utilization								
Attendance of independent director (reasons for absence)	(Not subject)	Attended	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Not subject)
2023-9 Date and contents of education and training	- Date and time: October 6, 2023 (3.5 hour, BOD workshop 3) - Contents: Group's management plan for 2024								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Name of director	Lee Yoon-jae	Sung Jae-ho	Jin Hyun-duk	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Lee Yong-guk	Choi Jae Boong	Kim Jo Seol
Date of election	Mar. 27, 2019	Mar. 27, 2019	Mar. 26, 2020	Mar. 26, 2020	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 25, 2021	Mar. 24, 2022
2023-10 Date and contents of education and training	- Date and time: November 9, 2023 (1 hour, education of the Risk Management Committee) - Contents: Understanding of changes in capital ratio regulations								
Attendance of independent director (reasons for absence)	(Not subject)	Attended	(Not subject)	(Not subject)	(Not subject)	(Not subject)	Attended	Attended	(Not subject)
2023-11 Date and contents of education and training	- Date and time: November 9, 2023 (1 hour, directors' conference 3) - Contents: Governance Best Practice Development TF: Progress Report								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-12 Date and contents of education and training	- Date and time: November 9, 2023 (1 hour, compliance training) - Contents: Overview of anti-money laundering system, domestic AML/CFT regulatory trends, sanctions on domestic and foreign financial companies, etc. (Able Consulting Director Choi Dae-jin)								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
2023-13 Date and contents of education and training	- Date and time: December 19, 2023 (1 hour, directors' conference 4) - Contents: Discussion on future Board composition								
Attendance of independent director (reasons for absence)	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

## 5. Evaluation of independent directors

### A. Overview of evaluation

The Company's independent directors have a 2-year initial term of office and 1-year terms of office thereafter. Recommendations for independent director candidates for re-election reflect the result of annual independent director evaluations (Article 24, Paragraph 4 of the Internal Code of Corporate Governance, Article 10, Paragraphs 3 and 7 of the Independent Director & Audit Committee Member Recommendation Committee Regulation). Currently, the Board conducts internal evaluation based on the evaluation method resolved by the Board and contracts a third-party firm to handle evaluation to ensure fairness in the evaluation and anonymity of the evaluator. The 2nd special meeting of the Board of 2015 (February 24, 2015) revised various regulations related to corporate governance, thus laying the foundation for seeking a specialized independent institution's assessment of the criteria for internal evaluation of independent directors and introducing external evaluation of independent directors as specified in the Corporate Governance Code.

### B. Internal evaluation

#### (1) Overview

##### (A) Evaluator:

The Board conducts evaluation of independent directors' activities of the previous year early in the following year. With the introduction of an independent director recommendation advisory group starting in 2023, the Board moved evaluation timing to December of the current year so that the advisory group can refer to that when discussing recommendation and advisory opinions for independent directors up for re-election.

##### (B) Criteria of evaluation:

At the 2nd special meeting of the Board (March 24, 2010), the Board resolved the "Evaluation method for the independent

director system" thus establishing the internal evaluation system for independent directors for the first time.

The 4th special meeting of the Board (April 7, 2011) passed a resolution on the "matter of method of performance evaluation of independent directors," partially revising the evaluation method. The 2nd special meeting of the Board (February 24, 2015) passed the resolution, restructuring evaluation indicators into four items of expertise, fair judgment, integrity, and a strong work ethic—the positive screening for eligibilities for independent directors under the former Corporate Governance Code—and 12 sub-indicators thereof, thereby building a system serving the purpose of Corporate Governance Code. At the 11th special meeting (December 17, 2020), the Board passed a resolution on the 'matter of supplementing the evaluation criteria for independent directors' based on consulting by an external professional evaluation agency. The Board supplemented the evaluation indicators to practically evaluate the activities and efforts of independent directors by reflecting the expanded scope and level of independent directors' duties. At the 4th regular Board meeting (November 9, 2023), the evaluation criteria and period were changed to evaluate the activities of independent directors more objectively and improve the usability of evaluation results. The timing of evaluation was changed to between mid-November and December so that the newly introduced selection advisory group can use the same as a reference when recommending outside directors for re-election. And for objective evaluation, the portion of self-evaluation was abolished (30% → 0%) and that of peer evaluation was increased (60% → 90%). However, it has been decided that the change in evaluation weight will be applied from 2024.

The "2023 independent director evaluation" was conducted in November of 2023. To take into account the evaluation results in the case of independent directors standing for re-election, the results of the independent director evaluations were provided as reference material for the January 2024 meeting of the selection advisory group, and the advisory opinions and evaluation results of the selection advisory group were reported at the 1st Independent Director & Audit Committee Member Recommendation Committee meeting (February 8, 2024).

#### **(C) Procedure of evaluation:**

The evaluations of independent directors are conducted by survey through mail and online.

#### **(D) Device for enhancing objectivity in evaluation:**

To enhance objectivity and transparency of the evaluator, evaluation criteria, evaluation method, etc., the Board contracts a third-party firm to handle the entire process of independent director evaluation. The 2nd special meeting of the Board of 2015 (February 24, 2015) revised various regulations related to corporate governance, thus laying the foundation for seeking a specialized independent institution's assessment of the internal evaluation criteria for independent directors' performance.

## **(2) Result of internal evaluation**

### **(1) Overview**

The "2023 independent director evaluation" can be divided into self-evaluation (evaluation by the evaluatee), evaluation by the Board (evaluation by all independent directors other than the evaluatee), and evaluation by employees.

The evaluation results, as of the end of 2023, revealed all 9 independent directors were evaluated as meeting expectations, equivalent to an "excellent" job rating or higher. At the selection advisory group meeting (January 2024), all eight independent director candidates up for re-election as of the 23rd annual shareholders' meeting (March 2024) were judged to have excellent job performance capabilities, and opinions on re-election were delivered to the Independent Director & Audit Committee Member Recommendation Committee. All members were recommended for re-election by the committee (February 2024), excluding independent directors retiring at the end of their term.

The averages, across the evaluation items (expertise, fair judgment, integrity, and strong work ethics), also showed a level of effectiveness greater than expected of independent directors.

**(2) Evaluations of individual independent directors****- Lee Yoon-jae**

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Lee Yoon-jae not only has a deep understanding of the current issues facing the Company and its future direction but also makes wise judgments based on his extensive knowledge and deep understanding of the overall industry gained through a long period of financial-related public service experience and many years of experience as an independent director in various companies, thus contributing to the Company's development by providing effective opinions to the management. As Chairman of the Board, he did his best to ensure that meetings ran smoothly through his sense of responsibility and problem-solving skills. He contributed to making reasonable decisions by collecting the opinions of Board members, and earned trust from fellow directors due to his high sense of ethics and fairness. Based on sincerity, he shows a high level of interest and passion in his work, and takes the lead in improving management transparency by faithfully performing the role of appropriate checks and supervision of the management. He was evaluated as having fulfilled his responsibilities as an independent director.

**- Sung Jaeho**

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate a level of strength greater than expected of independent directors
- ③ Integrity: Demonstrate a level of strength greater than expected of independent directors
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Sung Jaeho is a professor majoring in international law, and based on his legal expertise, he reexamines major issues from a legal perspective and supplements them. He has a broad insight not only in his professional field but also in society as a whole, and has shared his knowledge and experiences with the Board and subcommittees. He has experience as an independent director at Shinhan Card, a major subsidiary of the Company, so he has a high understanding of the culture of Shinhan Financial Group. With a sense of duty and firm leadership regarding the roles and responsibilities of independent directors, he faithfully performed supervision of the management, thereby contributing to the development of the Group by enhancing management transparency. He strove to promote exchanges between independent directors with his excellent friendliness and communication skills, and has achieved smooth communication and collaboration through balanced work handling and careful consideration of working-level employees. He was also evaluated as having faithfully served as an independent director, devoting sufficient time and effort to advance review of key issues for the Board and subcommittees.

**- Yoon Jaewon**

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate a level of strength greater than expected of independent directors
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Yoon Jaewon is an expert in the field of accounting and taxation, and based on her professional knowledge and

practical experience, reviews the overall financial and internal accounting management system of the Group and derives areas for improvement. She contributed to the sound management and development of the Group by providing timely opinions and practical alternatives on accounting issues and pending issues facing the Company. In addition, Director Yoon Jaewon, as Chairperson of the Audit Committee, possesses professional capabilities appropriate for strengthening the role and responsibility of the Audit Committee. She provided direction for a leading internal control system and added depth to agenda discussions by actively expressing her opinions at the Board and subcommittees. She has strong knowledge and enthusiasm for ESG issues, especially diversity issues, learns and shares new ESG trends, and actively suggests opinions on the diversity, gender equality, and welfare of the Group's employees, leading the innovation and improvement of Shinhan culture, thus promoting sustainable development of the Group. Director Yoon Jaewon was evaluated as having faithfully fulfilled her responsibilities as an independent director by participating in all schedules of the Board and subcommittees to which she belongs this year and attending various educational programs.

**- Jin Hyun-duk**

- ① Expertise: Demonstrate a level of strength greater than expected of independent directors
- ② Fair judgment: Demonstrate a level of strength greater than expected of independent directors
- ③ Integrity: Demonstrate a level of strength greater than expected of independent directors
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Jin Hyun-duk, as a professional manager, understands the current status of the Company through financial analysis based on his knowledge and experience in the management and governance of various Japanese companies, verifies the Company's businesses and policies, and diligently provides advices for the sound management of the Company and Group. Based on his deep understanding of Shinhan's history and culture, he continuously provided direction to the management to realize the Group's values and vision. Despite residing in Japan, he participates in the Board and subcommittee schedules. He was evaluated as faithfully carrying out his duties as an independent director by actively expressing his opinions on all issues and actively leading discussions by presenting ideas from new perspectives.

**- Kwak Su Keun**

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate a level of strength greater than expected of independent directors
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Kwak Su Keun is Korea's most respected scholar in the field of accounting/management, and he carefully observes the major issues facing the Company based on his long-term experience and expertise in accounting, auditing, and internal control. He contributed to the sound management and development of the Group by providing constructive feedback on policy and strategic directions to the management. He fully utilized his expertise and experience in ESG to faithfully fulfill his role as Chairperson of the ESG Strategy Committee, and as an Audit Committee member, he presented feedback and improvements from various perspectives related to internal control, internal accounting management, and compliance. He led the revitalization of Board discussions by actively asking questions through thorough preparation, making hidden problems visible, and seeking solutions. Meanwhile, Director Kwak Su Keun actively interacted with fellow independent directors through his excellent friendliness and communication skills, contributing to the smooth and effective operation of the Board. He was also evaluated as having faithfully served as an independent director, attending all Board and subcommittee meetings, actively participating in overall education and training, and acting as a bridge between the Company and investors.

**- Bae Hoon**

- ① Expertise: Demonstrate top-level strength as independent director

- ② Fair judgment: Demonstrate a level of strength greater than expected of independent directors
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Bae Hoon is a Korean-national attorney residing in Japan specializing in advising corporations in connection with Korea-Japan relations and an assistant certified public accountant in Japan with a master's degree in business administration. Based on his expert knowledge in various fields, including corporate debt collection and rehabilitation, he shared detailed information on Japanese cases, laws, and norms regarding major issues and management risks facing the Company. With a sense of ethics and responsibility, he presented various data and opinions to strengthen internal control in order to prevent recurrence of fraud and scandals, and suggested the need for research on regulations and trends of advanced countries and on stronger governance. He promoted sound management and development of the Group. Despite residing in Japan, he participated in all Board and subcommittee meetings. He was evaluated as having faithfully performed his duties as an independent director, including actively making efforts to communicate and mingle with fellow independent directors.

#### - Lee Yong-guk

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Lee Yong-guk, working as an attorney specializing in the capital market at a large global law firm, is well-versed in the international finance, securities issuance and M&A fields. In all cases, he presented opinions based on reasonable and accurate judgment, and carefully interpreted global trends and changes in the financial environment to advise the Board. In addition, based on his sense of the field for the financial industry and capital market, he continuously understands and learns about major issues and changes in the domestic and overseas financial industry (ESG, digital transformation, regulatory trends, management risk factors, etc.), and based on this, he presented constructive and progressive alternatives to various issues, further revitalizing discussions in the Board. As Chairperson of the Risk Management Committee, Director Lee Yong-guk not only led the committee with his in-depth expertise and a high sense of ethics, but also reviewed the Board and subcommittee agenda and materials in advance from the perspective of shareholders and all stakeholders. He was evaluated as having faithfully performed his duties as an independent director, including faithfully participating in all Board and subcommittee meetings.

#### - Choi Jae Boong

- ① Expertise: Demonstrate top-level strength as independent director
- ② Fair judgment: Demonstrate top-level strength as independent director
- ③ Integrity: Demonstrate top-level strength as independent director
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Choi Jae Boong has sufficient experience and knowledge in IT-related fields as he has served as an engineering professor for a long time and actively participated in ICT-related industry-university cooperation activities. He demonstrated his passion to accelerate the Group's digital innovation by providing insight into the impact that rapid changes in the IT environment will have on the financial industry and supporting strategic preparation. By making full use of his professional knowledge and experience, he presented specific directions regarding the Group's digital transformation and strategy, shared with the Board and subcommittees timely opinions on customer expansion strategies for the MZ generation that reflect trends, and made suggestions to reflect digital elements in various businesses. In addition, he was evaluated as having greatly



contributed to revitalizing the Board by making efforts to communicate and interact with fellow independent directors.

**- Kim Jo Seol**

- ① Expertise: Demonstrate a level of strength greater than expected of independent directors
- ② Fair judgment: Demonstrate a level of strength greater than expected of independent directors
- ③ Integrity: Demonstrate a level of strength greater than expected of independent directors
- ④ Strong work ethics: Demonstrate top-level strength as independent director
- ⑤ Overall

Director Kim Jo Seol is a professor of economics and has excellent knowledge in the fields of macroeconomics and labor economics. In addition, he contributed to the sustainable development of the Group by presenting effective opinions and ideas on ESG management based on his expertise and experience in social welfare, consumer protection, and diversity promotion. He has a high sense of ethics and responsibility, has thoroughly reviewed major issues from the shareholder's perspective, and presented appropriate opinions on matters necessary for the Group's management. Despite residing in Japan, Director Kim Jo Seol has shown passion and sincerity by participating in both the Board and subcommittees, and was evaluated as consistently doing his best in performing his duties as an independent director, including listening to the opinions of his fellow directors with respect.

### **C. External evaluation**

Currently, the Company does not conduct external evaluation of independent directors.

At the 2nd special meeting of the Board of 2015 (February 24 of 2015), a provision for external evaluation was included in the Company's internal regulations, and the agenda "Determination of the method of independent director evaluation" was submitted there. At the meeting, the Board resolved to review whether to introduce "Outside advising or consulting on the criteria for internal evaluation of independent directors" and "External evaluation of independent directors" if they deem it necessary in the future.

## **6. Status of Subscription to Director & Officer Liability Insurance**

The Company has subscribed to D&O liability insurance on directors and officers, including independent directors of the Company and following 14 subsidiary companies.

(Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life Insurance, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan Asset Trust, Shinhan DS, Shinhan Fund Partners, Shinhan REITs, Shinhan AI, Shinhan Venture Investment)

The terms and conditions of the insurance contract are shown as follows.

### **A. Coverage of losses**

- (1) **Directors and Officers Liability:** Reimbursement of losses associated with the lawsuit by a shareholder or a third party (employee, consumer, competing company or others) due to a wrongful act of a director and officer. The wrongful act includes the cases of breach of duty, negligence, omission, false statement, act to cause inappropriate decision (the coverage is subject to differ depending on the general terms and conditions).
- (2) **Company reimbursement:** With respect to the above claims, the company compensates for the liability of the directors and officers in accordance with relevant laws or the articles of incorporation.



**B. Items that are not covered**

- (1) Any claim for damage compensation arising from an intentionally fraudulent act, neglect of obligation, or intentional violation of law of executive
- (2) Claim for damage compensation brought by majority shareholder or controlling shareholder
- (3) Claim for damage compensation against profit gained from share purchase by using inside information
- (4) Claim for damage compensation for an intentional act involving illegal activity
- (5) Claim for damage compensation from any act irrelevant to the work performance of an executive officer
- (6) Claim for damage compensation against an executive officer who acquired private profit or benefit by illegal activity
- (7) Claim for damage compensation for property damage or physical interference of other people
- (8) Penalty and punitive damage
- (9) Claim for damage compensation from the specialized work performance

**C. Insurance period:** April 2023 ~ March 2024

**D. Compensation limit:** Total compensation limit for Group: KRW 50 Billion

**E. Area of security:** Entire world including North America

However, reflecting the intention to ensure responsible decision-making by independent directors of the Company and its subsidiaries, the directors & officers liability insurance stipulates that the deductible is 20% up to a maximum of 100 million won. (In our case, as stated in Article 29 (6) of the Internal Code of Corporate Governance)

The above-referenced contents are maintained with the director and officer liability insurance by inserting special covenants to the insurance.

**[Specific Covenants]**

Newly established specific covenants following the Internal Code of Corporate Governance: For directors and officers of the insured companies, the deductible amount shall be 20% of the incurred claim within the amount up to KRW 100 million.

**7. Contents of activities for senior independent director and support department****A. Contents of senior independent director activities**

The Company elects the chair of the Board from the independent directors. Therefore, the chair of the Board (current chairperson: Lee Yoon-jae) represents the independent directors in that it does not elect any new independent directors separately.

**B. Contents of independent director and support department activities**

The Company is in charge of independent director-related works and it operates the Board of Directors Secretariat that supports the works required for performing the role and responsibility of the independent directors.

Under the jurisdiction of the Head of Board of Directors Secretariat, two responsible staff members carry out the following works in accordance with the roles specified under Article 32, Paragraphs 2 and 3 of the Internal Code of Corporate Governance.

- (1) Support of practical affairs for convening and proceeding BOD meetings, etc.
- (2) Record maintenance of meetings' materials and minutes, etc.
- (3) Support for establishment of annual operation plan of BOD, etc.
- (4) Support on report, provision and forwarding of management information, etc. of the Company and subsidiary companies regarding independent directors
- (5) Support on matters as required for the work of independent director
- (6) Development/introduction and practical affair support of director training program
- (7) Implementing training on duty performance of new senior director
- (8) Support on compliance with various laws and regulations of BOD and directors
- (9) Support on Article 30 BOD (including a Committee in BOD) of the Internal Code of Corporate Governance and of evaluation work on Article 8
- (10) Disposition of instruction for other BOD and others

In addition, some subcommittees are supported by relevant departments within the Company. They include the Audit Team (Audit Committee), Risk Management Team (Risk Management Committee), ESG Planning Team (ESG Strategy Committee), and Shinhan Leadership Center (Remuneration Committee, CEO Recommendation Committee, and Subsidiary's CEO Recommendation Committee).

## 8. Contents of contract between the Company and an institution where independent director belongs

The Company and subsidiary companies have no contents of entering into any separate contract except the regular transactions following the general terms and conditions for ordinary financial transactions and institutions for independent directors

## 9. Contents of contributions, etc.

Name of independent director	Non-profit organizations receiving donation		Financial company to donate	Contents of donation	
	Name of corporation, etc.	Relationship with independent director		Period	Amount
Yoon Jaewon	Hongik University (an educational foundation)	School where the director teaches (as a professor of business administration)	Shinhan Bank <sup>1)</sup>	Jan. 2021	KRW 1.4 billion
				Jan. 2022	KRW 1.4 billion
				Dec. 2022	KRW 32 million
				Jan. 2023	KRW 1.4 billion
	Korea Accounting Standards Institute	Affiliated organization (non-standing member)	Shinhan Financial Group <sup>2)</sup>	Jan. 2022	KRW 0.2 billion
Lee Yong-guk	Seoul National University Development Foundation	School where the director teaches (Clinical Professor, School of Law)	Shinhan Bank <sup>3)</sup>	Jun. 2022	KRW 5 million
	Seoul National University		Shinhan Bank <sup>4)</sup>	Dec. 2021	KRW 0.8 billion

Note 1) Contribution payment in accordance with the Hongik University Main Bank Agreement → As a donation for business purposes, it is not subject to disclosure.

- Agreement period of 10 years (Jan 2018 - Jan 2028), the total contribution of 15 billion Won (regular development fund 12 billion Won + Mallipo training center rent of 3 billion Won)
- Method of paying periodic development fund: 200 million Won in 2018 / 1.1 billion Won every year from 2019 to 2026 / 1 billion Won in 2027 / 2 billion Won upon special request (already paid: 1.43 billion Won in November 2018, 32 million Won in November, 2022)
- Mallipo Training Center rental fee of 300 million Won every year from 2018 to 2028: Ordinary rent level and is not subject to financial benefits

2) This is a donation to support the Korea Accounting Standards Institute's International Financial Reporting Standards Foundation (IFRS Foundation), and is paid to actively reflect the domestic corporate environment in IFRS and to support laying the foundation for the introduction of ISSB disclosure standards suitable for Korea. (Planned to donate a total of 800 million won over 4 years starting in 2023)

3) Donations paid by Shinhan Bank's Seoul National University branch to the Seoul National University's Ieum Scholarship Project that supports students from difficult families and have no experience of visiting overseas, through the branch donation system operated by Shinhan Bank's Social Contribution Department.

4) Payment of contributions pursuant to the new main bank agreement.

The Company has regularly paid donations or made contributions under the main bank agreement to non-profit corporations to which independent directors belong. It was confirmed that there was no change in the amount of donation and payment timing before and after the relevant independent directors' appointment as officers of the non-profit corporation and before and after their appointment as independent directors of the Company, and that the details of donations over the past two years reported to the Board showed no conflict of interest.

## 10. Contents of electing independent directors in the past 5 years

Name	Date of initial election	End of term	Period in office	Committee in charge	Title	Career
Sung Jaeho	March 27, 2019	General Meeting of Shareholders (March 2024)	57 months	<ul style="list-style-type: none"> <li>· Remuneration Committee</li> <li>· Risk Management Committee</li> <li>· CEO Recommendation Committee</li> <li>· Subsidiary's CEO Recommendation Committee</li> </ul>	<ul style="list-style-type: none"> <li>Chair of the Remuneration Committee</li> <li>Chair of the CEO Recommendation Committee</li> </ul>	<ul style="list-style-type: none"> <li>· Professor of Graduate School of Law at Sunggyungwan University (2009 - present)</li> <li>· Member, Public Fund Management Committee, Financial Services Commission (2021 - present)</li> </ul>
Lee Yoon-jae	March 27, 2019	General Meeting of Shareholders (March 2024)	57 months	<ul style="list-style-type: none"> <li>· Remuneration Committee</li> <li>· CEO Recommendation Committee</li> <li>· Subsidiary's CEO Recommendation Committee</li> </ul>	Chair of the Board	<ul style="list-style-type: none"> <li>· Head of Economic Policy Bureau, Ministry of Finance and Economy (1996 - 1998)</li> <li>· Secretary to the President on Finance and Economy (1998 - 1999)</li> <li>· CEO, KorEI (2001 - 2010)</li> </ul>
Yoon Jaewon	March 26, 2020	General Meeting of Shareholders (March 2024)	45 months	<ul style="list-style-type: none"> <li>· Independent Director &amp; Audit Committee Member Recommendation Committee</li> <li>· Audit Committee</li> <li>· ESG Strategy Committee</li> </ul>	Chair of the Audit Committee	<ul style="list-style-type: none"> <li>· Professor of Business Administration, Hongik University (2004 - present)</li> <li>· Vice president, Korean Academic Society of Taxation (2017 - present)</li> <li>· Non-standing member of Korea Accounting Standards Board (2023 - present)</li> </ul>
Jin Hyun-duk	March 26, 2020	General Meeting of Shareholders (March 2024)	45 months	<ul style="list-style-type: none"> <li>· CEO Recommendation Committee</li> </ul>	-	<ul style="list-style-type: none"> <li>· CEO of Phoedra Inc. (1986 - present)</li> <li>· Visiting Professor, Department of Engineering, Utsunomiya University Graduate School (2014 - present)</li> <li>· Visiting Professor, Faculty of Business Administration, Sakushin Gakuin University (2014 - present)</li> </ul>

Activities and Remuneration of Independent Directors

Name	Date of initial election	End of term	Period in office	Committee in charge	Title	Career
Kwak Su Keun	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· Audit Committee · ESG Strategy Committee · Subsidiary's CEO Recommendation Committee	Chair of the ESG Strategy Committee	· Professor Emeritus, Seoul National University Business School (2018 - present) · Chairperson, POSCO Corporate Citizenship Advisory Committee (2019 - present)
Bae Hoon	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· CEO Recommendation Committee · Audit Committee · Subsidiary's CEO Recommendation Committee	-	· Representative Attorney, Orbis Legal Profession Corporation (2003 - present) · Co-President & Director, LAZAK (Lawyers Association of Zainichi Korea) (2002-2012)
Lee Yong-guk	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· Risk Management Committee · CEO Recommendation Committee · ESG Strategy Committee	Chair of the Risk Management Committee	· Adjunct Professor, Seoul National University, School of Law (2023 - present) · Senior Lawyer, Cleary Gottlieb Steen & Hamilton LLP (2023 - present) · Cleary Gottlieb Steen & Hamilton LLP (Partner of New York & Hong Kong offices/ representative of Seoul office)
Choi Jae Boong	March 25, 2021	General Meeting of Shareholders (March 2024)	33 months	· Independent Director & Audit Committee Member Recommendation Committee · Risk Management Committee · CEO Recommendation Committee	Chair of the Independent Director & Audit Committee Member Recommendation Committee	· Professor, Sungkyunkwan University, College of Engineering (2009 - present) · Vice-Chancellor (Nature Science Campus) and Research & Business Foundation Director, Sungkyunkwan University (2023 - present)
Kim Jo Seol	March 24, 2022	General Meeting of Shareholders (March 2024)	21 months	· Independent Director & Audit Committee Member Recommendation Committee · ESG Strategy Committee	-	· Professor of Economics, Shinshu University (2001-2020) · Professor of Economics, Osaka Commercial University (2020 - present) · Executive Director and President of the Northeast Asian Society (2023 - present)
Park Ansoon (Retired)	March 23, 2017	General Meeting of Shareholders (March 2022)	72 months	-	-	· Chairman, Taisei Trade Co., Ltd. (2010 - present) · Chairman, the Korean Residents Union in Japan (2018 - present)
Huh Yong-hak (Retired)	March 27, 2019	General Meeting of Shareholders (March 2023)	48 months	-	-	· CIO of Private Markets and Direct Investment, HKMA (2008 - 2014) · CEO, First Bridge Strategy Ltd. (2015 - present)
Byeon Yang-ho (Resigned)	March 27, 2019	January 12, 2023 (Resigned)	45 months	-	-	· Commissioner of Korea Financial Intelligence Unit (2004 - 2005) · Advisor of VIG Partners (2016 - present)
Park Cheul (Retired)	March 25, 2015	March 25, 2021	72 months	-	-	· Senior Deputy Governor, Bank of Korea (2000 - 2003) · CEO, Leading Investment (2007 - 2013)
Yuki Hirakawa (Retired)	March 25, 2015	March 25, 2021	72 months	-	-	· CEO, Hirakawa Industry Development Co., Ltd. (1994-2012) · CEO, Level River Co., Ltd. (2014 - present)
Kim Hwa-nam (Retired)	March 22, 2018	March 26, 2020	24 months	-	-	· Chairman of Board of Directors, Jeju Girl's School Foundation (1995 - present) · CEO, Gimhae Corporation Co., Ltd. (1996 - present)
Philippe Avril (Retired)	March 25, 2015	March 26, 2020	60 months	-	-	· CEO of BNP Paribas Securities (Japan) Ltd. (2011 - 2019) · Director of BNP Paribas Securities (Japan) Ltd. (2019 - present)

Name	Date of initial election	End of term	Period in office	Committee in charge	Title	Career
Lee Manwoo (Retired)	March 26, 2014	March 26, 2020	72 months	-	-	<ul style="list-style-type: none"> <li>· Professor of Business Administration, Korea University (1988 - current)</li> <li>· Certified Public Accountant in Korea and the U.S.</li> <li>· Visiting commentator for KBS</li> </ul>
Lee Steven Sung-ryang (Retired)	March 24, 2016	March 27, 2019	36 months	-	-	<ul style="list-style-type: none"> <li>· Vice President, Korean Chamber of Commerce and Industry in Japan (1995)</li> <li>· CEO, Hirakawa Shoji Co., Ltd (1985 - present)</li> </ul>
Park Byoung dae (Retired)	March 22, 2018	March 26, 2019	12 months	-	-	<ul style="list-style-type: none"> <li>· Justice, the Supreme Court (2011 - 2017)</li> <li>· Minister, the National Court Administration (2014 - 2016)</li> <li>· Chair Professor, Sungkyunkwan University Law school (2017 - 2018)</li> </ul>
Joo Jaeseong (Retired)	March 23, 2017	December 26, 2018	19 months	-	-	<ul style="list-style-type: none"> <li>· Senior Advisor, law firm of Kim and Chang (2016 - 2018)</li> <li>· CEO, Woori Finance Research Institute Co., Ltd. (2013 - 2015)</li> </ul>
Lee Sang-kyung (Retired)	March 29, 2012	March 22, 2018	72 months	-	-	<ul style="list-style-type: none"> <li>· Chief Judge, Constitutional Court of Korea (2004 - 2005)</li> <li>· Attorney, DW Partners, Attorneys at Law (2009 - 2010)</li> <li>· Representative Attorney, Law Firm WONJON (2010 - 2014)</li> <li>· Attorney, Lee Sang-kyung Law Office (2014 - present)</li> </ul>
Lee Jung-il (Retired)	March 24, 2016	March 22, 2018	24 months	-	-	<ul style="list-style-type: none"> <li>· Vice President, Korean Chamber of Commerce and Industry in Japan (1995)</li> <li>· CEO, Hirakawa Shoji Co., Ltd (1985 - present)</li> </ul>
Lee Heun-ya (Retired)	March 24, 2016	March 22, 2018	24 months	-	-	<ul style="list-style-type: none"> <li>· Executive Director, Korean Chamber of Commerce and Industry in Japan (2014)</li> <li>· Former CEO, Marushin Co., Ltd.</li> </ul>

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## VI. Succession of CEO

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## VI. Succession of CEO

### 1. Internal regulations on succession of CEO

The Company's Board has enacted the Corporate Governance and CEO Recommendation Committee Regulation on August 25, 2011 to secure stability in CEO succession. The person selected as CEO must have integrity, the ability to realize "Shinhan Value," professional expertise, and the competence to run an organization. The CEO also shares the Company's vision and can endeavor for public interest and sound management.

At its meeting (February 26, 2015), the Board revised the Governance & CEO Recommendation Committee Regulation by reflecting the CEO succession plan of the "Best Practices for Governance of Financial Companies" (enforced on December 24, 2014), thus minimizing risk in the CEO succession process. At the Board meeting (February 5, 2021), the names of the Governance & CEO Recommendation Committee and the Governance & CEO Recommendation Committee Regulation were changed to the CEO Recommendation Committee and the CEO Recommendation Committee Regulation, respectively (Hereinafter, the name changes apply). The main provisions of the CEO Recommendation Committee Regulation deal with the qualifications of CEO, reasons and timing of commencement and end of the CEO succession process, procedure of candidate recommendation and CEO succession, selection method, qualification-checking, managing the pool of CEO candidates, and contingency CEO succession plan.

### 2. Recommendation of the CEO candidate and CEO succession process

#### A. Overview

In 2011, the Company developed the CEO succession program and established the CEO Recommendation Committee as a subcommittee to establish and manage the Group CEO succession plan at all times. The Company is striving to secure continuity of the Group's management through stable CEO succession and establish and operate transparent and sound governance.

When the term for the current CEO nears its end, the CEO Recommendation Committee commences the succession process by recommending the candidate for CEO to the Board after comprehensive review of the candidate pool. The committee completes the candidate recommendation at least 2 months before expiration of the term. The Board finalizes the candidate for CEO by deliberating and resolving the suitability of the recommended candidate. The candidate for CEO prepares for the succession for about 2 months until he/she is elected by a general meeting of shareholders as director. This process ensures continuity and stability in management of the Company.

#### (1) Qualifications of CEO

The CEO shall meet the qualifications for executives under Article 5 of the Corporate Governance Act and Article 7 of the Enforcement Decree thereof.

The Corporate Governance Act and the Enforcement Decree prevent "a minor, a person under adult guardianship, or a person under limited guardianship," "a person declared bankrupt but not yet reinstated," "a person in whose case 5 years have not yet passed since imprisonment without labor or heavier punishment to which he/she was sentenced was completely executed or was remitted," "a person who was sentenced to the suspension of imprisonment without labor or heavier punishment, and is still in the period of suspension," "a person in whose case 5 years have not yet passed since a fine or heavier punishment to which he/she was sentenced under this Act or any other finance-related statutes was completely executed or was remitted," "a person who serves or served as an executive or employee of a corporation or a financial company in which case 5 years have not yet passed since a revocation of permission or authorization for, or registration, etc. of business under a finance-related statute was taken against the former or a measure of timely correction or an administrative disposition under the Act on the Structural Improvement of the Financial Industry was taken against the latter," "a person in whose case the period

specified by the Presidential Decree not exceeding 5 years for each category of sanctions has not yet passed since a sanction was taken against him/her under the Corporate Governance Act or any finance-related statute for his/her conduct as an executive or an employee," and "a person specified by the Presidential Decree as likely to undermine public interest and sound management of the relevant financial company or undermine the credit order from becoming an executive." If such a person falls under the foregoing after becoming an executive, he/she is removed from the position.

Article 7 of the CEO Recommendation Committee Regulation requires that the CEO shall be less than 67 years old at the time of initial election and that a CEO who is 67 years of age or older and re-elected as CEO may not serve past the age of 70 so that excessive length of tenure for the CEO will be prevented. Article 9 of the same requires that one who possesses integrity, the ability to realize "Shinhan Value," professional expertise, and the competence to run an organization, shares the Company's vision, and can endeavor for public interest and sound management shall be recommended as candidate for CEO in a fair and transparent process.

## **(2) Selecting a pool of CEO candidates and how to manage the pool including qualification check**

Under Article 8 of the CEO Recommendation Committee Regulation, the CEO Recommendation Committee selects a pool of CEO candidates in consideration of their qualifications, statutory requirement, age requirement as candidate for CEO at the time of succession, etc., and reports to the Board at least once a year concerning the selection of the candidate pool and verification of their qualifications. For greater sustainable management, the Company has designated the CEOs of its major subsidiaries and trains them as candidates for the Group's future CEO. The Company may utilize independent recommendations by shareholders, stakeholders, third party advisors, etc. in the search for CEO candidates if necessary.

## **(3) Reasons and timing for commencement of CEO succession process**

Under Article 9 of the CEO Recommendation Committee Regulation, the CEO Recommendation Committee commences the succession process and then completes candidate recommendation at least 2 months before the new CEO's term of office begins for stability in CEO succession.

## **(4) Procedure of final candidate recommendation**

The CEO Recommendation Committee selects a pool of CEO candidates in consideration of their qualifications, statutory requirement, age requirement as candidate for CEO at the time of succession, etc., and deliberates on the pool based on considerations on the strategic role required of the Group's CEO at the time of succession. Under Article 9 of the CEO Recommendation Committee Regulation, the CEO Recommendation Committee recommends a CEO candidate who possesses ethics, the ability to realize "Shinhan Value," professional expertise, and the competence to run an organization, shares the Company's vision, and can endeavor for public interest and sound management in a fair and transparent process.

## **(5) CEO succession process**

When the CEO Recommendation Committee recommends the candidate for CEO by its resolution under Article 6 of the CEO Recommendation Committee Regulation, the Board finalizes the candidate for CEO by deliberating and resolving the suitability of the recommended candidate. When the finalized candidate is elected at the general meeting of shareholders as a director who is also the candidate for CEO and is appointed as CEO by the Board's subsequent resolution, the CEO succession process is completed.

## **(6) Training program for the candidates**

To reinforce sustainable management, the Company has selected the CEO candidates and trains them as its future CEO. It conducts various development programs for the candidates, covering items such as insights into the financial industry, decision-making from the Group's perspective, strategy implementation/drive, leadership and talent training, and internal and external influence/CEO



brand, upon approval by the CEO Recommendation Committee. The CEO Recommendation Committee periodically deliberates and evaluates the candidates' management performance and the result of the development programs, and then recommends the candidate for CEO based on the result of the evaluation.

## **B. Contingency succession plan**

In order to maintain the stability of the Group's governance, the Company is preparing for emergencies such as the absence of the CEO by including an emergency succession plan in its regulations and the Group CEO succession plan.

When the CEO cannot execute his/her duties any longer due to unexpected accidents, sudden health reasons, etc., Article 9 of the CEO Recommendation Committee Regulation requires that a candidate for CEO shall be recommended through the expedited succession process, which accelerates the procedures for the succession plan.

In that case, If the appointment is delayed due to force majeure, material disqualification, accident on the part of the expected successor, or other unavoidable circumstances, the Company shall disclose such circumstances, the interim CEO, and the Company's operation plan until the appointment, schedule for CEO appointment, etc., under Article 9 of the CEO Recommendation Committee Regulation.

In the event of the absence of the CEO, an acting CEO is appointed by resolution of the Board, and the CEO Recommendation Committee (a subcommittee) decides the succession procedure according to the situation of the emergency succession, and deliberates and recommends the candidate for the next Group CEO. The candidate thus recommended is elected as the new CEO according to resolutions of the Board and the general meeting of shareholders.

At its meeting on March 2021, the Board revised the relevant regulations and improved the process to minimize the operational gap in the absence of the CEO and to ensure that the emergency succession plan works effectively. The pool of acting CEO candidates in the event of an emergency has been expanded, and the order of appointment among them is set in advance according to the relevance to the holding company's main business and suitability for the job, enabling more rapid response in case of an emergency.

## **3. Description of candidate recommendation for and succession to CEO:**

Not applicable

## **4. Eligibility and qualifications for CEO:**

Not applicable

## **5. Management of the pool of CEO candidates - Current status**

### **A. Guidelines on the pool of CEO candidates**

Article 8 of the CEO Recommendation Committee Regulation requires that the CEO Recommendation Committee shall select a pool of CEO candidates in consideration of their qualifications, statutory requirement, age requirement as candidate for CEO at the time of succession, etc., and report to the Board at least once a year concerning the selection of the candidate pool and verification of their qualifications. Under the same provision, the CEO Recommendation Committee oversees the overall CEO succession process including selection and composition of the candidate pool, evaluation and qualification-

check of the candidate pool, and final candidate recommendation.

### B. Activities of managing the candidate pool

In order to establish a sustainable management system through stable CEO succession, the Company selects CEOs of its major subsidiaries as the candidates under the Group CEO succession plan and cultivates them as candidates for future Group CEO. The CEO Recommendation Committee selected 9 candidates including CEOs of major subsidiaries on February, 2023, and continues to train such candidates.

In order to establish continuity of its sustainable management through stability in the CEO succession, the Company has designated the CEOs of its major subsidiaries and trains them as candidates for the Group's future CEO. The CEO Recommendation Committee is in charge of managing the pool of CEO candidates, and the Committee periodically deliberates and evaluates management performance and development activities for each candidate. Also, under the CEO Recommendation Committee regulation (Article 9), the Company has in place a process by which it can secure a broad range of Group CEO candidates through recommendations by shareholders, stakeholders, or third parties (e.g., third party advisors) if necessary, and the Company's Shinhan Leadership Center is in charge of practical support related to management of the long list of candidates.

### C. Current status of the candidate pool

Classification	Number of candidates	Recommendation channel
Internal	9	At the 1st CEO Recommendation Committee meeting of 2023, 9 candidates were selected under the CEO succession plan.

## 6. Reviewing reasonableness of CEO succession plan

Under Article 8 of the CEO Recommendation Committee Regulation, the CEO Recommendation Committee establishes the CEO succession plan by deliberating on the reasonableness of the CEO's proposal for such a plan, and reports on the reasonableness of the CEO succession plan to the Board at least once a year.

In 2023, at the 4th CEO Recommendation Committee meeting, the adequacy of the Group CEO succession plan was deliberated and decided. The Committee reviewed whether the plan faithfully reflects internal/external regulations such as the Corporate Governance Act, the Regulation on Supervision of Corporate Governance of Financial Companies, the Company's internal norms on governance, etc., and checked whether the procedures set forth in the plan are properly operated throughout the year. Moreover, it checked whether candidates under the Group CEO succession plan meet the qualifications set forth in the plan. Based on the results thereof, the Committee concluded that the plan has been appropriately established in line with the purpose of continuity of management through stable CEO succession and the sustainable development of the Group and reported the matter to the Board.

## 7. Operation of support department for CEO succession – Current status

In the Company, Shinhan Leadership Center is in charge of supporting CEO succession.

Shinhan Leadership Center consists of the team head and 10 team members, and is in charge of training and managing management leaders (e.g., running the Group's management succession plan), compensating and evaluating executives' performance, establishing and executing the direction of the Group's HR policies, establishing and disseminating the direction of the Group's corporate culture, etc. Also, under Article 37 of Internal Code of Corporate Governance, it is in charge of

managing, evaluating, and verifying the long list of CEO candidates, supporting evaluation of CEO candidates, supporting, CEO succession) etc. In addition, it conducts practical measures related to CEO Recommendation Committee's annual reports to the Board under Article 8 of CEO Recommendation Committee Regulation regarding adequacy of the management succession plan and verification of the CEO candidates' qualifications.

<Operation of support department for CEO succession - Current status>

- Name of department: Shinhan Leadership Center

- Number of employees: 10

- Operation (activities)

Date	Operation (activities)	Remarks
Mar 28, 2023	Practical support for deliberating evaluation of the Group CEO succession candidates for 2022 Practical support for selecting the Group CEO succession candidates for 2023	1st CEO Recommendation Committee meeting
Mar 23, 2023	Practical support for election of the Chair of the CEO Recommendation Committee	2nd CEO Recommendation Committee meeting
May 10, 2023	Practical support for reporting performance evaluation of candidates under the Group CEO succession plan for 2022 Practical support for reviewing development plan for the Group CEO succession candidates for 2023	3rd CEO Recommendation Committee meeting
Jun 27, 2023	Practical support for checking and reports reasonableness of the Group CEO succession plan	4th CEO Recommendation Committee meeting

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## VII. Audit Committee

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## VII. Audit Committee

### 1. Roles

#### A. Overview

The Audit Committee deliberates and resolves accounting and operational audits and such matters as delegated by the Board. It supervises the directors' and executives' execution of duties so that they can make reasonable business judgments. (Article 3 of the Audit Committee Regulation)

Under the Articles of Incorporation and the Audit Committee Regulation, the Audit Committee consists of between 3 and 5 directors, with independent directors accounting for at least two-thirds of the members. When conducting an audit, they shall maintain objectivity independent from the Board and executive bodies including the management.

When its Chairperson deems it necessary, the Audit Committee may request the management and the relevant personnel to appear before the committee and give statements or to provide necessary materials. Audit Committee may also request a third party to appear before the committee and give opinions. It can also receive assistance from experts at the Company's expenses.

Article 52 of the Articles of Incorporation (Duties of the Audit Committee)

- The Audit Committee audits the Company's accounting and business.
- The Audit Committee may request the convening of a special general meeting of shareholders by submitting a document stating the agenda of the meeting and the reasons for convening to the Board.
- If necessary, the Audit Committee may request the convening of a Board meeting by submitting a document stating the agenda of the meeting and the reasons for convening to the person authorized to convene Board meetings. If the person thus authorized fails to convene a Board meeting promptly despite the request, the Audit Committee may convene the Board meeting.
- The Audit Committee may request reporting of business from a subsidiary when the Committee must perform its duties. In this case, if the subsidiary fails to report promptly or if it is necessary to confirm details of the subsidiary's report, the Audit Committee may investigate the subsidiary's business and properties.
- The Audit Committee selects external auditors of the Company.

#### B. Specific roles

The Audit Committee performs the following specific roles as outlined in Article 12, Paragraph 5 of the Internal Code of Corporate Governance and Article 10 of the Audit Committee Regulation.

##### (A) Supervision of directors' and the management's duties

###### ① Supervision of directors' duties

The Audit Committee present the audit team to implement an advance audit pursuant to the audit work regulations regarding the agenda of the meeting of shareholders and BOD and report to the Audit Committee on important matters.

Accordingly, with respect to the agenda of BOD the audit team executed an advance audit, and as a result of the advance audit, it reported to the Audit Committee that no noteworthy matters were detected.

###### ② Supervision of the management's execution of duties

The Audit Committee may request top management for work report, data submittal and the like on the work execution (Article 412 of the Commercial Act, Article 4 and Article 19 of the Audit Committee Regulation), and regarding the work

execution under laws and regulations and Articles of Incorporation, it may demand suspension of processing (Article 402 of the Commercial Act and Article 10 of the Audit Committee Regulation)

With respect to the major affairs of top management, such as, entering into contracts for require the enactment, revision or repeal of internal regulations or approval by the “head of the division” or higher, modification of contract contents, exclusive use of budget, waiver of credit, etc., the Audit Committee may cause the Audit Team to implement an advance audit in accordance with the audit regulations and report important matters to the Audit Committee.

Accordingly, in 2023, the Audit Team conducted preventive audits of a total of 203 major tasks of management, and periodically reports the results to the Audit Committee.

**(B) Approve and supervise appointment of external auditors**

In accordance with the Act on External Audit of Stock Companies and the Sarbanes Oxley Act (US), the Audit Committee has the right to select, and request dismissal of, an external auditor, the right to approve, in advance, contracts with an external auditor, etc. (Article 202 of the Sarbanes Oxley Act (US), Article 10 of the Audit Committee Regulation).

The Audit Committee comprehensively reviewed independence, audit quality, audit hours, and audit fees in 2022 and selected Samjeong Accounting Firm as the Company's external auditor for FY2023 ~ 2025.

The Audit Committee evaluates the results of the external auditor's audit activities every year (Article 10 of the Audit Committee Regulations), and at the 8th Audit Committee meeting, held on May 10, 2023, the Audit Committee checked compliance with matters related to audit quality and audit fees, such as audit manpower and audit hours, by Samil PricewaterhouseCoopers (external auditor for FY2022). The committee evaluated the external auditor's audit activities through an audit quality survey by the Company's and subsidiaries' internal audit departments and accounting teams. In addition, at its 15th meeting (December 26, 2023), the Audit Committee conducted an interim evaluation of the audit activities of Samjeong Accounting Firm (in progress with initial audit of financial statements for FY 2023), and delivered and communicated matters requiring improvement.

During 2023, the status for the audit work, US listing related audit work, and non-audit work contract between the Company and Samjeong Accounting Firm was shown as follows.

**① Audit affairs**

Contents	Annual remuneration (except VAT)
Review and audit of quarterly, semi-annual and annual financial statements	KRW 1,187 million
Audit of international accounting standards of consolidation for Shinhan Savings Bank	KRW 133 million
<b>Total</b>	<b>KRW 1,320 million</b>

**② Listing related audit work in the US (SEC 20-F Filing)**

Contents	Annual remuneration (except VAT)
Audit international accounting standards related to listing in the US and audit for internal control on financial reports	KRW 2,323 million

**③ Works of non-audit**

Contents	Annual remuneration (except VAT)
Issuance work of comfort letter	KRW 100 million

The Audit Committee is required to approve the audit and non-audit contracts with Samjeong Accounting Firm and its affiliated accounting firm, KPMG, to ensure independence as an external auditor. In the case of non-audit works between Group companies (including the Company) and the external auditor, prohibited in principle, approval is limited to the works that are deemed not to have issues with the external auditor's independence. Before the approval, the Audit Committee comprehensively reviews whether works subject to the contract comply with Article 201 of the Sarbanes Oxley Act (US), Article 21 (Restriction of Duties) of the Certified Public Accountant Act and Article 14 (Restriction of Duties) of the Enforcement Decree of the same Act, the potential damage to independence, need for the contract, and adequacy of the contract amount (fee).

The Audit Committee approved audit contract (19 cases) for the Company and its subsidiary companies during 2023 and non-audit contract (5 cases) to draft the confirming letter of the Company and its subsidiary companies, Shinhan Bank.

In order to check the Group's important accounting standards, the results of the audit/review of the financial statements of the Group every quarter (half year), misconduct regarding the performance of the management's duties, or material facts that violate laws or the Company's articles of incorporation ("Articles of Incorporation"), the Audit Committee receives direct reports from, and exchanges opinions with, the external auditor on important matters, and at the 10th (August 9, 2023) and 15th (December 26, 2023) Audit Committee meetings, a private session, excluding attendance of the management, was held with external auditors.

At the 8th Audit Committee meeting (May 10, 2023), Samjeong Accounting Firm reported on its audit plan for the fiscal year 2023 and the results of the review of financial statements for the 1st quarter of 2023, and at the 10th Audit Committee meeting (August 9, 2023), it reported on the results of the review of financial statements for the 1st half of 2023. At the 12th Audit Committee meeting (November 8, 2023), Samjeong Accounting Firm reported on the results of the review of financial statements for the 3rd quarter of 2023 and the internal accounting control for 2023, and at the 15th Audit Committee meeting (December 26, 2023), it reported on the results of the interim evaluation of the internal accounting control system for 2023.

### **(C) Matters on standing Audit Committee members**

As of the end of 2023, the Company does not operate a separate full-time auditor system. For efficient auditing, the Audit Committee appoints an executive, rank of managing director, as the head of internal audit to assist the Audit Committee in carrying out its work and report major results to the Audit Committee. (Article 13 of the Audit Committee Regulations)

### **(D) Review financial statements, etc.**

#### **① Review of financial statements of the Audit Committee**

The Audit Committee shall receive financial statements from the directors six weeks before the annual general meeting of shareholders, review them, prepare an audit report, and submit it to the CEO one week before the annual general meeting of shareholders (Article 447-4 of the Commercial Act, Article 10 of the Audit Committee Regulation).

The Audit Committee resolved the audit report of the 2022 fiscal year at the 4th Audit Committee on March 6, 2023.

#### 1. Outline of audit method

The Audit Committee confirms the contents of the financial statements by having the report of its review from the external auditors for each quarter.

The Audit Committee had the internal audit department inspect accounting books and related documents and review financial statements, consolidated financial statements and annexed statements for financial audit purposes, and when necessary, conduct audit by applying comparison, due diligence, witnessing, inquiry, and other appropriate audit procedures, and then the Audit Committee confirmed the results.

The Audit Committee received reports on, and reviewed, the change in major accounts and important accounting matters from the accounting departments and external auditors of the Company and its major subsidiaries, and checked the

external auditors' opinions and audit procedures.

In the event that it is acknowledged as required to attend the Board meeting and other important meetings for the work audit, the Audit Committee has reported on the works from directors and it has used appropriate methods by accessing the documents on important works and reviewed the contents thereof.

2. The statement of financial position/consolidated statement of financial position and the statement of comprehensive income, consolidated statement of comprehensive income appropriately indicate the Company's financial position and management performance in accordance with the laws and Articles of Incorporation.
3. The statement of retained earnings is prepared in accordance with the laws and Articles of Incorporation.
4. The business report appropriately indicates the Company's situation in accordance with the laws and Articles of Incorporation.

#### ② Audit of financial statements by the external auditors (Article 10, Articles 12, and Articles 17 of Audit Committee Regulation)

The Audit Committee supervises the performance of audit by external auditors and receives the external auditors' report on the results of quarterly (semi-annual) audit and review and the Company's important accounting policies reviewed by the external auditor.

Concerning the financial audit of financial statements for the fiscal year 2022, Samil PricewaterhouseCoopers reported the 2022 external audit results (Korean standard) at the 4th Audit Committee meeting (March 6, 2023), and the results of its PCAOB audit results (US standard) at the 6th Audit Committee meeting (April 20, 2023). Samil PricewaterhouseCoopers expressed external auditor's appropriate opinion (fair in terms of materiality under the K-IFRS (Korean International Financial Reporting Standards)).

#### (E) Evaluate operation of internal accounting system

The Audit Committee evaluates the operation status of the internal control on financial reports of the Company and Group to report it to the BOD for each fiscal year. (Article 8 of the Act on External Audit of Listed Companies, etc., and Article 10 and Article 15 of the Audit Committee Regulations).

At the 3rd Audit Committee meeting (February 28, 2023), regarding the evaluation of the operation status of the internal accounting control system for fiscal year 2022, the Audit Committee received reports from the CEO that "As of December 31, 2022, the Company's internal accounting control system, has been effectively designed and operated from the perspective of materiality."

After independently checking through the Audit Team whether the Company's internal accounting control system was appropriately operating, the Audit Committee reported to the Board on February 28, 2023 that as of December 31, 2022, the internal accounting control system is designed and operated effectively in terms of materiality, based on its design and operation conceptual system.

Samil PricewaterhouseCoopers, reported to the 3rd Audit Committee of February 28, 2023, that internal control on financial reports of the Company and Group has been evaluated as effectively designed and operated from the point of view of importance on the basis of K-SOX as of December 31, 2022.

#### (F) Establish and implement of audit plan

The Audit Committee decides on an annual audit plan and periodically reports to the Board the audit results conducted by the Audit Team. (Articles 10 and 15 of the Audit Committee Regulation)



At the 15th Audit Committee meeting (December 26, 2022), the committee decided on the annual audit plan for 2023, and received the Audit Team's report on audit activities for the 1st quarter on April 27, 2023, audit activities for the second quarter on August 9, audit activities for the third quarter on November 8, and audit activities for the fourth quarter on February 8, 2024. Additionally, the results of annual audit work are reported to the Board every year.

#### **(G) Review of the legality of the agenda and documents to be submitted to the general meeting of shareholders**

The Audit Committee shall state its opinion to the meeting of shareholders if the agenda and documents to be submitted by a director to the meeting of shareholders have any violation or matter conspicuously unjust in the laws and regulations or Articles of Incorporation (Article 413 of the Commercial Act and Article 10 of the Audit Committee Regulation).

At the 4th meeting of 2023 (March 6), the Audit Committee decided that the agenda of the 22nd general meeting of shareholders was not in violation of laws and the Articles of Incorporation or was unfair. At the 22nd general meeting of shareholders (March 23, 2023), the chair of the Audit Committee reported that the agenda of the 22nd general meeting of shareholders was not in violation of laws and the Articles of Incorporation or was unfair.

#### **(H) Consent to appointment/dismissal of the internal audit manager and evaluate his/her performance**

The Audit Committee enhances the independence of audit work performance through the consent to appointment of the internal audit manager and work outcome evaluation. (Article 10 of the Audit Committee Regulation)

At its 13th meeting of 2023 (December 7), the Audit Committee evaluated the performance of the internal audit manager for 2023, and at its 14th meeting of 2023 (December 19), decided to re-appoint the internal audit manager.

#### **(I) Review of reports by the Company and subsidiaries**

The Audit Committee receives reports from time to time on financial incidents, computer system disruptions, inspection results by supervisory authorities, and major accounting issues of the Company and its subsidiaries (Article 16 of the Audit Committee Regulation).

The Audit Committee received reports from the head of internal audit on financial incidents and computer system disruptions of subsidiaries such as Shinhan Bank and inspection results by the Financial Supervisory Service and reviewed them, and received reports from Shinhan Life Insurance on the current status of introducing the International Accounting Standards No. 1117 (insurance contracts) to be implemented in 2023 and the current status of preparing for the introduction of K-ICS external verification and reviewed them, and received reports from the accounting department on major pending issues such as accounting and actuarial of insurance contracts acquired through past business combinations and reviewed them.

#### **(J) Evaluate reasonableness of the internal control system's operations**

The Audit Committee may evaluate the appropriateness of internal control system operation of the Company once a year, and if there is any problem or matter to improve, an opinion may be submitted. (Article 10 of the Audit Committee Regulation)

The 8th Audit Committee on May 10, 2023 was equipped with the appropriate internal control system and organization, and as a result of evaluating the internal control system for the Company, it was evaluated as effectively operating the internal control system through the appropriate control means and communication. In addition, the Audit Committee reviewed the adequacy of the internal control system evaluation results for 9 subsidiaries with audit committees, and evaluated the establishment and operation status of the subsidiaries' internal control system as generally good.

#### **(K) Review reasonableness of formulation and implementation of disclosure policies**

The Audit Committee evaluates the establishment of the disclosure policy and appropriateness of execution of the policy once a year. (Article 10 of the Audit Committee Regulation)

The 6th Audit Committee on April 20, 2023 evaluated that there was no defect in any material issue, such as falsified disclosure, omission of disclosure or the like with the disclosure policy of the Company, including the establishment of the annual disclosure plan. It was appropriately established in accordance with the disclosure related regulations as a result of the review of appropriateness of establishment and execution of the disclosure policy of the Company.

#### **(L) Review of the adequacy of performance in anti-money laundering, etc.**

The Audit Committee conducts an independent audit once a year on the adequacy of the Company's performance in anti-money laundering, etc. and reports the results to the Board (Articles 10 and 15 of the Audit Committee Regulation).

The Audit Committee has the Audit Team independently inspect whether the Company's performance in anti-money laundering is adequate. The Audit Committee determined that the performance in anti-money laundering in 2022 was overall adequate, and reported the results of the anti-money laundering audit at the Board meeting (February 28, 2023).

#### **(M) Review reports from the compliance officer**

The compliance officer may check compliance with internal control standards and report the results to the Audit Committee, and the Audit Committee reviews the contents of report of the compliance officer. (Article 10 Article 16 of the Audit Committee Regulation)

The Audit Committee received reports from the compliance officer of the Group on the activity outcome for 2022 and the plans for 2023 to the 1st Audit Committee meeting on February 8, 2023, and the activity outcome of the 1st half of 2023 to the 9th Audit Committee meeting on July 27, 2023, and deliberated on them.

## **2. Composition**

### **A. Overview**

Under the Articles of Incorporation and the Audit Committee Regulation (Article 51 of the Articles of Incorporation, Article 7 of the Audit Committee Regulation), the Audit Committee consists of between 3 and 5 directors, with independent directors accounting for two thirds of the members, and at least 1 member shall be an accounting or financial expert as required by the applicable laws.

At the shareholders' meeting (March 23, 2023), Director Yoon Jaewon was re-recommended and elected as an independent director also serving as Audit Committee member for a one-year term (separate election), and Directors Kwak Su Keun and Bae Hoon were re-recommended and elected as independent directors with a one-year term, and were re-recommended and elected as members of the Audit Committee. At the 5th Audit Committee meeting (March 23, 2023), Director Yoon Jaewon was elected as Audit Committee Chairperson.

As at the end of 2023, the Audit Committee consisted of 3 independent directors including experts in accounting, finance and legal.

The Audit Committee member, Yoon Jaewon and Kwak Su Keun, is a Professor of Accounting and they are applicable to accounting or finance expert as follows pursuant to Article 16 of the Enforcement Decree of the Act on the Corporate Governance of Financial Companies.

<Requirements for accounting or financial experts>

1. A CPA who has at least 5 years' work experience in an area related to his/her license after he/she obtained the license
2. A person who possesses at least a master's degree in finance or accounting and who has at least 5 years' post-qualification experience as a researcher or an assistant professor or higher-ranking professor in finance or accounting in a research institute or a university

3. A person who has at least 5 years' work experience as an executive or at least 10 years' work experience as an executive or employee in an area related to finance or accounting in a stock-listed corporation
4. A person who has at least 5 years' work experience in an area related to finance or accounting or supervision of such work in the State, a local government, a public institution under the Act on the Management of Public Institutions, the Financial Supervisory Service under the Act on the Establishment, etc. of the Financial Services Commission, the Korea Exchange under the Financial Investment Services and Capital Markets Act, or an institution related to financial investment business under Article 9, Paragraph 17 of the aforementioned Act (excluding organizations related to financial investment under Article 9, Paragraph 17 Subparagraph 8 of the aforementioned Act)
5. A person who has at least 5 years' work experience in an area related to finance or accounting in an institution subject to the inspection under Article 38 of the Act on the Establishment, etc. of Financial Services Commission (including equivalent foreign financial institutions)
6. Other qualified persons specified and announced by the Financial Services Commission as equivalent to those specified in Subparagraphs 1 through 5.

## B. Members

<Before General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term	Remarks
Yoon Jaewon	Independent director	Chairperson	March 24, 2022	March 23, 2023	Accounting or financial expert (PhD Accounting)
Bae Hoon	Independent director	Member	March 24, 2022	March 23, 2023	Expert in law
Sung Jaeho	Independent director	Member	March 24, 2022	March 23, 2023	Expert in law
Kwak Su Keun	Independent director	Member	March 24, 2022	March 23, 2023	Accounting or financial expert (PhD Accounting)

<After General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term	Remarks
Yoon Jaewon	Independent director	Chairperson	March 23, 2023	Date of General Meeting of Shareholders in March 2024	Accounting or financial expert (PhD Accounting)
Bae Hoon	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024	Expert in law
Kwak Su Keun	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024	Accounting or financial expert (PhD Accounting)

## 3. Activities and Evaluations

### A. Overview

In 2023, a total of 15 Audit Committee meetings were held. It discussed a total of 69 agenda items, including 22 cases of resolution, 47 cases of deliberation etc., and the contents of Audit Committee activities are periodically reported to the BOD.

The Audit Committee directly instructed the Audit Team, a supporting organization, to conduct business audits of the Company and its subsidiaries and monitor the subsidiaries' audit activities. The Audit Committee based on the annual audit

plan, reviewed the Company's and its subsidiaries' business management and internal control, anti-money laundering, financial statements and business reporting, operation status of the internal accounting control system, and adequacy of disclosure policy establishment and execution. In addition, the Audit Committee received reports, and deliberated, on the Group compliance officer's work plans and performances, and the management's operation evaluation of the internal accounting control system.

In order to check the Company's important accounting standards, the results of audit/review of quarterly (semi-annual) financial statements, misconduct regarding the performance of the management's duties, or material facts that violate laws or the Articles of Incorporation, the Audit Committee receives direct reporting from, and exchanges opinions with, the external auditor on important matters (Article 10 of the Audit Committee Regulation). To hear sufficient opinions, the Audit Committee also holds private sessions with external auditors without the presence of the Company's management.

In addition, to review the adequacy of the financial audit, the Audit Committee checked with the accounting team heads of major subsidiaries and the relevant external auditors, in face-to-face meetings, regarding changes in the major accounts, external audit procedures, issues arising during the external audit process, internal transaction checking and elimination procedures for preparing consolidated financial statements, etc. In 2023, the Audit Committee received reports on major accounting policies and financial impacts related to IFRS17, the newly implemented major accounting standards.

In 2023, the Audit Committee requested advancement of preventive audit monitoring system, monitoring of the Group's internal transactions and strengthening of accounting-sector audit following introduction of the consolidated internal accounting management system, strengthening of the audit of new risk areas, establishment of a data-based audit system, independent audit of the IT sector, strengthening of internal control of frontline business departments, etc. Accordingly, based on the results of preventive audit monitoring, the Audit Team performs audit of high-risk areas, intensive inspection of internal control, monitoring of consolidated internal transactions, and intensive inspection of the accounting sector for small subsidiaries. The team recruited IT audit personnel and conducted an independent audit of the ICT and information security sectors. In addition, it strengthened communication between the Group's audit departments by establishing the Group's working-level council on accounting audit.

In 2024, requests were made for the establishment of a risk assessment system through collaboration between second- and third-line departments, inspection of internal control system to prevent accidents, consulting-oriented inspection activities for small subsidiaries, expansion of mid-term evaluation of external auditors of major subsidiaries, conducting of IT audits of subsidiaries, etc. The plan is to further strengthen communication between the Group's audit departments by establishing the Group's working-level council on IT audit to share audit techniques and cases in the IT sector.

## B. Meetings held

### (1) 1st meeting of the Audit Committee in 2023: February 8, 2023 (Wed)

[Date of notice: February 1, 2023 (Wed)]

Items	Activities of members				Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Sung Jaeho	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Sung Jaeho	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Report on major accounting standards implemented in 2023	No particular comments				
B. Report of activity contents in 2022 and work plan of 2023 for compliance officer for Group	No particular comments				
C. Reporting on 4Q 2022 audit activities	No particular comments				
D. Audit work-related report	No particular comments				

Items	Activities of members				Whether or not approved
3. Comments on reported matters					
E. Report of performance evaluation system for full-time Audit Committee members (standing audit member) in 2023	No particular comments				
F. Report of the results of the independence review by the next external auditor	No particular comments				
G. Report of status to hold the Audit Committee of subsidiary companies	No particular comments				
4. Resolutions					
A. Matter of approval for audit contract of the Company and its subsidiary companies, etc.	Concur	Concur	Concur	Concur	Approved
B. Matter of setting work performance goals for the internal audit manager in 2023	Concur	Concur	Concur	Concur	Approved

With respect to the matter of approval of audit contracts for the Company and its subsidiary companies, etc. (resolution agenda), the Audit Committee approved the Company's U.S. listing-based audit contract and the audit contracts between the Company's external auditor and its four subsidiaries, including Shinhan Fund Partners.

With respect to the matter of setting work performance goals for the internal audit manager for 2023 (resolution agenda), the Audit Committee set four goals: upgrading the monitoring system, strengthening internal control-centered auditing, enhancing Audit Committee support, and improving audit work efficiency and strengthening team member capabilities. Quantitative measurement indicators and qualitative expected achievement levels were specifically set for detailed implementation tasks for each goal. In addition, the committee tried to prevent accounting errors in advance by strengthening accounting audits, such as monitoring internal transactions at the end of the year, and establish common standards within the Group by examining the internal control role of front-line business departments, internally establishing a data-based audit system through audit data management.

With respect to major accounting standards to be implemented in 2023 (reported matter), the Audit Committee received Shinhan Life's report on major accounting policies, financial impacts, and management direction following the introduction of Korean International Financial Reporting Standard No. 1117 (Insurance Contracts).

With respect to reporting on the Group compliance officer activities for 2022 and work plans for 2023 (reported matter), the Audit Committee received the compliance officer's report on improving the effectiveness of the Group's internal control activities in 2022, strengthening support for consumer-protection internal control, upgrading anti-money laundering and legal support, and revising the Group's code of ethics for the ethical compliance culture RE:Boot, and as for 2023, received the compliance officer's report on the focus plans of strengthening the Group's three-line defense system and upgrading its operation, introducing an internal control and AML preemptive monitoring system, strengthening the holding company's internal control and systematically managing legal risks, spreading a culture of ethics and compliance, and strengthening the financial consumer protection system.

With respect to reporting on audit activities for the 4th quarter of 2022 (reported matter), the Audit Committee received reports on the performance of comprehensive audit of Shinhan Life, 7 sector audits including that on the operational adequacy of Shinhan Asset Trust's internal control system, conducted during the 4th quarter of 2022, as well as the results of 2 audits for which audit reports were completed during the quarter.

With respect to reporting on the 2023 performance evaluation criteria for full-time audit committee members of subsidiaries (reported matter), the Audit Committee received reports on and discussed detailed evaluation criteria for such members.

With respect to reporting on the results of the external auditor's independence review (reported matter), the Audit Committee

received the external auditor's reports on the results of the final independence review based on the U.S. PCAOB standards and then communicated with the latter.

With respect to reporting on the status of subsidiary audit committee meetings (reported matter), the Audit Committee received a report on the status of subsidiary audit committee meetings held from November 1, 2022 to January 31, 2023 and the contents of major accounting-related minutes.

**(2) 2nd meeting of the Audit Committee in 2023: February 23, 2023 (Thu)**

[Date of notice: February 16, 2023 (Thu)]

Items	Activities of members				Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Sung Jaeho	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Sung Jaeho	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Internal audit department's interim report on accounting audit for 2022	No particular comments				
B. Report of key audit matters by the external auditor in 2022	No particular comments				
C. Communication with external auditors	No particular comments				
4. Resolutions					
(No agenda to report)	Not applicable				

With respect to the internal audit department's interim report on accounting audit for 2022 (reported matter), the Audit Committee received a report on the progress related to the internal audit department's financial audit and end-of-term evaluation of the internal accounting management system.

With respect to reporting on key audit matters by the external auditor for 2022 (reporting matter), the Audit Committee received a report from Samil PricewaterhouseCoopers on the results of selecting key audit matters, such as valuation of bad debt allowance for loans measured at amortized cost, fair valuation of OTC derivatives (Shinhan Investment & Securities' self-assessment level 3), etc., and detailed audit procedures for key audit matters.

With respect to the communication with the external auditors as the report agenda, the Audit Committee confirmed contents of fluctuation in main accounts, procedure of external audit, issues in the process of external audit, procedure to confirm and remove the internal transaction for preparing the consolidated financial statements, and others for the subject of the accounting team manager of the applicable subsidiary companies and accountant in charge for each subsidiary companies of Samil PricewaterhouseCoopers in order to confirm the appropriateness of the financial statements of the Company and main subsidiary companies (Shinhan Bank, Shinhan Card, Shinhan Securities., Shinhan Life Insurance).

**(3) 3rd meeting of the Audit Committee in 2023: February 28, 2023 (Tue)**

[Date of notice: February 21, 2023 (Tue)]

Items	Activities of members				Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Sung Jaeho	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Sung Jaeho	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Management's report of the operation status of the internal accounting control system for 2022	No particular comments				
B. Report of changes in financial statements and notes	No particular comments				

Items	Activities of members				Whether or not approved
3. Comments on reported matters					
D. Report of audit result for fund laundering prevention work	No particular comments				
E. Report of audit result for fund laundering prevention work	No particular comments				
F. Report of the results of the external auditor's audit of the internal accounting control system for 2022	No particular comments				
4. Resolutions					
A. Evaluation of the operation status of internal accounting control system for 2022	Concur	Concur	Concur	Concur	Approved
B. Matter of evaluation opinion of operation status of the internal monitoring system	Concur	Concur	Concur	Concur	Approved
C. Matter of revision of Audit Committee Regulation	Concur	Concur	Concur	Concur	Approved
D. Evaluation of the operation status of internal accounting control system for 2022	Concur	Concur	Concur	Concur	Approved

With respect to the evaluation of the operation status of the internal accounting control system for 2022 (resolution agenda), the Audit Committee decided that as of the end of 2022 the Company's internal accounting control system was effectively designed and operated from the perspective of materiality based on the conceptual system for its design and operation (K-SOX).

With respect to the evaluation of the operation status of the internal monitoring system (resolution agenda), the Audit Committee decided that as of the end of 2022 the internal monitoring system including the Board, the Audit Committee, and the compliance officer was operating effectively, according to the operation status checks.

With respect to the matter of revision of the Audit Committee Regulation, the Audit Committee added, as a matter requiring its resolution, the request for management sanctions against the Company and its subsidiaries, in order to unify sanctioning based on the results of the audit of the subsidiaries.

With respect to the matter of approval of non-audit contracts for subsidiaries, etc., the Audit Committee approved a non-audit contract between Shinhan Bank and the Company's external auditor to write a comfort letter.

With respect to the management's report on the operation status of the internal accounting control system for 2022 (reported matter), the Audit Committee received the CEO's report that as of the end of 2022, the Company's internal accounting control system was effectively designed and operated from the perspective of materiality based on the conceptual system for its design and operation (K-SOX).

With respect to reporting on changes in financial statements and notes (reported matter), the Audit Committee received a report on the changes in the financial statements and notes after the Board approved them.

With respect to the performance of audit work (reported matter), the Audit Committee received reports on the performance of subsidiary sector audits in 8 areas, including 12 sector audits of the holding company, comprehensive audits of 3 subsidiaries including Shinhan Life, and the adequacy of internal control of complex stores.

With respect to reports on the results of the external auditor's audit of the internal accounting control system for 2022 (reported matter), the Audit Committee received Samil PricewaterhouseCoopers's report that according to the audit of the internal accounting control system for 2022, the internal accounting control system was effectively designed and operated



from the perspective of materiality based on the "conceptual system for the internal accounting control system's design and operation (K-SOX)."

**(4) 4th meeting of the Audit Committee in 2023: March 6, 2023 (Mon)**

[Date of notice: February 27, 2023 (Mon)]

Items	Activities of members				Whether or not approved
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	Sung Jaeho	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Report of result of financial statements audit of external auditor in 2022	No particular comments				
4. Resolutions					
A. Results of financial audit for the 22nd Term	Concur	Concur	Concur	Concur	Approved to revised proposal
B. Matter of audit result of the agenda presented for the 22nd general meeting of shareholders	Concur	Concur	Concur	Concur	Approved
C. Matter of performance evaluation criteria for subsidiary's full-time Audit Committee members (proposal) in 2023	Concur	Concur	Concur	Concur	Approved

With respect to the results of the financial audit for the 22nd Term (resolution agenda), the Audit Committee decided that according to the financial audit of the financial statements and business reports for the 22nd Term, there were no errors in violation of laws and the Articles of Incorporation or materially affecting assets, liabilities, and profit/loss. The committee changed some of the wording of the audit report and then approved it.

With respect to the statement of opinion (resolution agenda) on the agenda items of the 22nd annual general meeting of shareholders, the Audit Committee stated that the agenda items of the annual general meeting of shareholders did not violate the laws and the Articles of incorporation or were unreasonable.

With respect to the performance evaluation criteria (resolution agenda) of the subsidiaries' full-time auditors for 2023, the Audit Committee decided the performance evaluation criteria of the subsidiaries' full-time auditors for 2023.

With respect to the results of the external auditor's audit of the financial statements for 2022 (reported matter), the Audit Committee received Samil PricewaterhouseCoopers's report that according to the audit of the financial statements for 2022, the financial statements were fair representation from the perspective of materiality per K-IFRS.

**(5) 5th meeting of the Audit Committee in 2023: March 23, 2023 (Thu)**

[Date of notice: March 16, 2023 (Thu)]

Items	Activities of members			Whether or not approved
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of mutual voting for the chair of the Audit Committee and delegation of rights	Concur	Concur	Concur	Approved



Regarding the election of the Audit Committee chairperson and the delegation of authority (resolution agenda), the Audit Committee elected Member Yoon Jae-won as the chairperson. In accordance with Article 13 of the Audit Committee Regulation (Delegation of Authority, etc.), the Audit Committee decided to delegate authority to the chairperson Yoon Jae-won.

#### (6) 6th meeting of the Audit Committee in 2023: April 20, 2023 (Thu)

[Date of notice: April 13, 2023 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report, by the external auditor, of audit results based on PCAOB standards in 2022	No particular comments			
B. Review and report of establishment of notification policy and appropriateness of execution	No particular comments			
C. Report of status to hold the Audit Committee of subsidiary companies	No particular comments			
4. Resolutions				
A. Matter of approval for audit contract of the Company and its subsidiary companies, etc.	Concur	Concur	Concur	Approved

With respect to the matter of approval for audit contracts of the Company and its subsidiary companies, etc. (resolution agenda), the Audit Committee approved the audit contracts between Shinhan Bank Vietnam plus its four subsidiaries and the Company's external auditor.

With respect to reporting on the audit results based on PCAOB standards for 2022 (reported matter), the Audit Committee received Samil PricewaterhouseCoopers's report on the audit results (adequacy opinion) for the unlisted disclosing financial statements and the internal control over financial reporting.

With respect to reporting on the review of the adequacy of the establishment and execution of disclosure policy (reported matter), the Audit Committee received a report on the results of review of the adequacy of the disclosure policy establishing and disclosure executing procedures for 2022.

With respect to reporting on the status of subsidiary audit committee meetings (reported matter), the Audit Committee received a report on the status of subsidiary audit committee meetings held from February 1, 2023 to March 31, 2023 and the contents of major accounting-related minutes.

#### (7) 7th meeting of the Audit Committee in 2023: April 27, 2023 (Thu)

[Date of notice: April 20, 2023 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of plan for the operation of Internal Accounting Control System in 2023	No particular comments			
B. Reporting on 1Q 2023 audit activities	No particular comments			
4. Resolutions				
(No agenda to resolution)	Not applicable			

Regarding the report on the plan to operate internal accounting control system for 2023 (reporting agenda), the Audit Committee received reporting from the internal accounting manager on the schedule, scope, training plan, etc. related to operation of the internal accounting control system for 2023.

With respect to reporting on the audit activities (reported matter) for the 1st quarter of 2023, the Audit Committee received reports on the results of 7 audits - 6 sector audits (disclosure audits conducted during the first quarter of 2023, etc.) and the comprehensive audit of Shinhan Life for which an audit report was completed during the quarter.

**(8) 8th meeting of the Audit Committee in 2023: May 10, 2023 (Wed)**

[Date of notice: May 3, 2023 (Wed)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of audit work plan of external auditor in 2023	No particular comments			
B. Report of result of review of the financial statements of external auditor in the 1Q in 2023	No particular comments			
C. Report of evaluation of audit activities of external auditors in 2022	No particular comments			
D. Report of review of appropriateness of internal control on financial reports system	No particular comments			
E. Report on the role of the Audit Committee and the 2023 operating schedule	No particular comments			
4. Resolutions				
A. Matters of approval of non-audit contract for the Group & subsidiary companies, etc.	Concur	Concur	Concur	Approved

With respect to the matter of approval of audit and non-audit contracts for the Group and subsidiary companies, etc., the Audit Committee approved the non-audit contract between the Company and the external auditor for writing a comfort letter and the audit contract between Shinhan Bank of Cambodia and the Company's external auditor.

With respect to reporting on the external auditor's audit plan for 2023 (reported matter), the Audit Committee received Samjeong Accounting Firm's report on the independent auditor's audit plan, significant risks, and key audit matters for FY 2023 financial statements.

With respect to reporting on the results of the external auditor's financial statement review (reported matter) for the 1st quarter of 2023, the Audit Committee received Samjeong Accounting Firm's report on the provisions made by Shinhan Bank and Shinhan Card and the insurance contract accounting issues resulting from the introduction of IFRS17.

With respect to reporting on the evaluation on the external auditor's audit activities for 2022 (reported matter), the Audit Committee received reports on the results of the 2022 audit quality satisfaction assessment for Samil PricewaterhouseCoopers, the external auditor, and the results of review of the adequacy of audit fees, audit hours, and audit personnel.

With respect to reporting on the operational adequacy of the internal control system (reported matter), the Audit Committee received reports on the results of adequacy review of the Company's and its 9 subsidiaries' internal control system operation for 2022.

With respect to reporting on the role of the Audit Committee and its 2023 operating schedule (reported matter), the Audit Committee received reports on its main roles and the expected annual schedule for 2023.

**(9) 9th meeting of the Audit Committee in 2023: July 27, 2023 (Thu)**

[Date of notice: July 20, 2023 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report on application of new insurance standards based on Group consolidation	No particular comments			
B. Report of activity result of the compliance officer for Group in the 1st half of 2023	No particular comments			
4. Resolutions				
A. Matters of approval of non-audit contract for subsidiary companies, etc.	Concur	Concur	Concur	Approved

With respect to the matter of approval of non-audit contracts for subsidiary companies, etc. (resolution agenda), the Audit Committee approved the non-audit contract between Shinhan Bank and the Company's external auditor for writing a comfort letter.

With respect to reporting on the application of the new insurance standards based on Group consolidation (reported matter), the Audit Committee received a report on the results of applying the Group-consolidated accounting following the introduction of IFRS17.

With respect to reporting on the Group compliance officer's activities in the 1st half of 2023 (reported matter), the Audit Committee received the compliance officer's report for the first half of 2023 on checking operational adequacy of the Group companies' front-line self-monitoring systems, special inspection of the adequacy of internal control for elderly customers, inspection of the holding company's compliance with laws, activities of internal control inspection, Group's internal control activities for anti-money laundering, legal review, activities of compliance monitoring training, and the status of operation of the Group's whistle-blowing system.

**(10) 10th meeting of the Audit Committee in 2023: August 9, 2023 (Wed)**

[Date of notice: August 2, 2023 (Wed)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Audit work-related report	No particular comments			
B. Reporting on 2Q 2023 audit activities	No particular comments			
C. Report of status to hold the Audit Committee of subsidiary companies	No particular comments			
D. Regarding the report on the external auditor's review of financial statements in the 1st half of 2023	No particular comments			
4. Resolutions				
(No agenda to resolution)	Not applicable			

With respect to reporting on audit work (reported matter), the Audit Committee received reports on on-site measures taken by the Financial Supervisory Service for regular inspections, the results of regular inspections by the Financial Supervisory Service of Shinhan Bank, the status of IT systems related to the Group's audit work, and the results of review of the external auditor's plan to deploy personnel in 2023.

With respect to reporting on the audit activities for the 2nd quarter of 2023 (reported matter), the Audit Committee received a report on the adequacy assessment of the control system operation, Shinhan Capital sector audit, and Shinhan Venture Investment sector audit conducted during the 2nd quarter of 2023, as well as the results of 3 audits for which audit reports were completed during the quarter.

With respect to reporting on the status of subsidiary audit committee meetings (reported matter), the Audit Committee received a report on the status and major minutes of the subsidiary audit committee meetings held between April 1, 2023 and June 30, 2023.

With respect to the external auditor's reporting on the review of financial statements in the 1st half of 2023 (reported matter), the Audit Committee received Samjeong Accounting Firm's report on major accounting matters, including the application of Shinhan Bank's PD changes, the status of exposures and provisions related to real estate project financing (PF), and the application of the Supervisory Board's IFRS17 actuarial assumption guidelines.

**(11) 11th meeting of the Audit Committee in 2023: October 6, 2023 (Fri)**

[Date of notice: September 27, 2023 (Wed)]

Items	Activities of members			Whether or not approved
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of the external auditor's additional audit work plan	No particular comments			
B. Report on preparations for introducing K-ICS external verification	No particular comments			
C. Report on sector audit of the Group's self-normalization plan	No particular comments			
D. Report of the internal audit department's 2023 accounting audit plan	No particular comments			
4. Resolutions				
A. Approval and ratification of audit and non-audit contracts for subsidiaries, etc.	Concur	Concur	Concur	Approved

With respect to the matter of approval and ratification of audit and non-audit contracts for subsidiaries, etc., the Audit Committee approved audit contracts between Shinhan Canada Bank, Shinhan Investment & Securities Hong Kong Corporation, Shinhan Life (K-ICS audit) and the Company's external auditor, and the GIPS certified non-audit contract between Shinhan Asset Management and the Company's external auditor.

With respect to reporting on the external auditor's additional audit work plan (reported matter), the Audit Committee received reports on the Company's plan to add additional audit work related to re-performing accounting for past business combinations when IFRS 17 is introduced.

With respect to reporting on the preparations for introducing K-ICS external verification (reported matter), the Audit Committee received a report from Shinhan Life on preparations such as external verification in accordance with the new solvency system (K-ICS) to be implemented in 2023.

With respect to reporting on the audit of the Group's self-normalization plan (reported matter), the Audit Committee received a report on the results of the audit, including the self-normalization plan, governance, work process, and communication system.

With respect to the internal audit department's reporting on the 2023 accounting audit plan (reported matter), the Audit Committee received a report on the internal audit department's 2023 plan for financial audit and internal accounting management system evaluation.

## (12) 12th meeting of the Audit Committee in 2023: November 8, 2023 (Wed)

[Date of notice: November 11, 2023 (Wed)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of result of intermediary evaluation for internal accounting control system of top management in 2023	No particular comments			
B. Report on internal control status of major subsidiaries	No particular comments			
C. Audit work-related report	No particular comments			
D. Report of the results of audit activities for the 3rd quarter of 2023	No particular comments			
E. Report of review result of the financial statements of external auditors in 3Q of 2023	No particular comments			
F. Report of status to hold the Audit Committee of subsidiary companies	No particular comments			
4. Resolutions				
A. Matter of approval for audit and non-audit contract of subsidiary companies, etc.	Concur	Concur	Concur	Approved

With respect to the matter of approval for audit and non-audit contracts of subsidiaries, etc. (resolution agenda), the Audit Committee approved the audit contracts between Shinhan China Limited, Shinhan Bank Mexico, Shinhan Bank Manila Branch and the Company's external auditor, and the audit and non-audit contracts between Shinhan Asset Management and the Company's external auditor.

With respect to reporting on the results of the management's interim evaluation of the internal accounting control system for 2023 (reported matter), the Audit Committee received the internal accounting manager's report on the results of interim self-evaluation of the internal accounting control system for 2023.

With respect to reporting on the internal control status of major subsidiaries (reported matter), the Audit Committee received the Group compliance officer's report on the diagnosis of the internal control system of major subsidiaries and measures to strengthen internal control.

With respect to reporting on audit work (reported matter), the Audit Committee received a report on details such as the notification of appointing the external auditor for Shinhan Asset Management.

With respect to reporting on the audit activities (reported matter) for the 3rd quarter of 2023, the Audit Committee received reports on the Group's internal capital adequacy, financial product-related internal control, Jeju Bank sector audit, internal audit consultation system, Group's self-normalization plan, and Shinhan Card comprehensive audit conducted during the 3rd

quarter of 2023, and the results on audits whose audit reports were completed during the quarter.

With respect to reporting on the results of the external auditor's financial statement review for the 3rd quarter of 2023 (reported matter), the Audit Committee received Samjeong Accounting Firm's reporting on the status of audit procedures related to real estate project financing (PF) and the reflective review of credit LGD future economic outlook.

With respect to reporting on the status of subsidiary audit committee meetings (reported matter), the Audit Committee received a report on the status of subsidiary audit committee meetings held from July 1, 2023 to September 30, 2023, and the contents of major accounting-related minutes.

**(13) 13th meeting of the Audit Committee in 2023: December 7, 2023 (Thu)**

[Date of notice: November 30, 2023 (Thu)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Audit work-related report	No particular comments			
B. Internal audit department's report of the interim evaluation of the operation status of internal accounting control system	No particular comments			
4. Resolutions				
A. Matter of work outcome evaluation by the internal audit manager in 2023	Concur	Concur	Concur	Approved
B. Approval of budget for the internal audit department for 2024	Concur	Concur	Concur	Approved
C. Matter of approval for audit contract of the Company and its subsidiary companies, etc	Concur	Concur	Concur	Approved

With respect to the matter of work outcome evaluation by the internal audit manager in 2023 (resolution agenda), the Audit Committee resolved on the results of the performance evaluation for the internal audit manager for 2023.

With respect to the matter of approval of budget for the internal audit department for 2024 (resolution agenda), the Audit Committee approved the 2024 budget for the Audit Committee support organization.

With respect to the matter of approval for audit contract of the Company and its subsidiary companies, etc. (resolution agenda), the Audit Committee approved the Company's additional external audit contract for 2023 and Shinhan Life's external audit contract for collective investment assets.

With respect to reporting on audit work (reported matter), the Audit Committee received a report on the occurrence of computer failures in subsidiaries and plans to prevent recurrence.

With respect to the internal audit department's report of the interim evaluation of the operation status of internal accounting control system (reported matter), the Audit Committee received the internal audit department's report on the results of the interim evaluation of the operation status of the internal accounting control system for 2023.

**(14) 14th meeting of the Audit Committee in 2023: December 19, 2023 (Tue)**

[Date of notice: December 12, 2023 (Tue)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Consent to the appointment and dismissal of the head of internal audit	Concur	Concur	Concur	Approved

With respect to the consent to the appointment and dismissal of the head of internal audit (resolution agenda), the Audit Committee resolved to appoint a new internal audit manager.

### (15) 15th meeting of the Audit Committee in 2023: December 26, 2023 (Tue)

[Date of notice: December 19, 2023 (Tue)]

Items	Activities of members			Whether or not approved
	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
1. Name of director	Yoon Jaewon	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of the results of the interim evaluation of audit activities of external auditors in 2023	No particular comments			
B. Report of the results of the interim evaluation of the external auditor's audit of the internal accounting control for 2023	No particular comments			
4. Resolutions				
A. Matters of approval of non-audit contract for subsidiary companies, etc.	Concur	Concur	Concur	Approved
B. Matter of outcome evaluation of standing audit member of subsidiary companies in 2023	Concur	Concur	Concur	Approved
C. Approval of the audit plan for 2024	Concur	Concur	Concur	Approved

With respect to the matter of approval of non-audit contract for subsidiary companies, etc. (resolution agenda), the Audit Committee approved an audit contract between SBJ Bank and the Company's external auditor, and a non-audit contract between Shinhan Bank and the Company's external auditor to write a comfort letter.

With respect to performance evaluation of the subsidiaries' full-time auditors for 2023 (resolution agenda), the Audit Committee evaluated the performance of the subsidiaries' full-time auditors for 2023 in accordance with the performance evaluation system for the subsidiaries' management.

With respect to the approval of the audit plan for 2024 (resolution agenda), the Audit Committee approved the 2024 work plan.

With respect to reporting on the results of the interim evaluation of audit activities of external auditors in 2023 (reported matter), the Audit Committee received a report on the interim evaluation results of the external auditor's audit activities in 2023.

With respect to reporting on the external auditor's interim evaluation of the internal accounting control system (reported

matter), the Audit Committee received Samjeong Accounting Firm's report on interim evaluation results, such as the basis, purpose, scope, main tasks, etc. of the external auditor's audit of the internal accounting management system.

### C. Evaluation

Under Article 9 (Subcommittee) Paragraph 4 of the Company's Internal Code of Corporate Governance, the Audit Committee evaluates once a year the operation of the committee and the roles of the committee and uses the results as a reference for future committee operations. Specific matters related to evaluation are determined by the Board.

**(1) Purpose of evaluation:** For use as reference in supporting the Committee's operations

**(2) Evaluator:** Evaluation by all members

**(3) Criteria for evaluation:**

- ① Operation evaluation: Reasonableness of Committee meeting hours, reasonableness of agenda, reasonableness of frequency of Committee meetings, and whether the Company has provided sufficient information
- ② Role evaluation: Reasonableness of the Committee's performance related to the Committee's authorities specified in the Internal Code of Corporate Governance

**(4) Method (procedure) of evaluation:** Questionnaire survey with 5-point scale and evaluation by third-party evaluating firm for fairness of evaluation and anonymity of evaluator

As a result of the Audit Committee evaluation in 2023, the operation and role performance of the Audit Committee was confirmed as at appropriate level.

### 4. Audit support organization, etc.

The Corporate Governance Act stipulates that a department responsible for supporting the Audit Committee shall be established.

The Company stipulates the basis for the establishment of an internal audit department in its bylaws, has the head of internal audit take charge of the internal audit department in order to assist the Audit Committee, and recruits and maintains specialized audit personnel for smooth performance of audit. (Article 6 of the Audit Regulation)

The Audit Team consists of one internal audit manager, one team head and eight team members (as of the end of 2023), and the team members are composed of employees same as or above the manager level such as financial risk managers (FRMs) and certified public accountants (CPAs). The Audit Team conducts business audits on the Company and its subsidiaries and monitors audit activities of the subsidiaries by designating a person in charge of each subsidiary.

Pursuant to the annual audit plan that acquired the approval of the Audit Committee at the end of the previous year, the Audit Team implements the audit of the Company and its subsidiary companies and regularly reports the result to the Audit Committee, and annually reports to the Board the performance of audit, the evaluation results of the internal accounting control system's operation and the audit results of anti-money laundering.

Key details reported by the Audit Team to the Audit Committee are as follows.



Date	Reported to	Reporting and support
February 8, 2023	Audit Committee	Results of audit for the 4th quarter of 2022
February 23, 2023	Audit Committee	Internal audit department's financial audit interim report
February 28, 2023	Audit Committee, Board of Directors	Evaluation of the operation status of the internal accounting control system for 2022
February 28, 2023	Audit Committee	Evaluation opinion on the operation status of the internal monitoring system for 2022
February 28, 2023	Audit Committee, Board of Directors	Report on annual audit performance for 2022
February 28, 2023	Audit Committee, Board of Directors	Report of audit result for fund laundering prevention work
March 6, 2023	Audit Committee	Results of financial audit for the 22nd Term
April 20, 2023	Audit Committee	Report on the review of adequacy of the disclosure policy establishment and execution
April 27, 2023	Audit Committee	Reporting on 1Q 2023 audit activities
May 10, 2023	Audit Committee	Report of evaluation of audit activities of external auditors in 2022
May 10, 2023	Audit Committee	Report of review of appropriateness of internal control on financial reports system
August 9, 2023	Audit Committee	Reporting on 2Q 2023 audit activities
October 6, 2023	Audit Committee	Report on the sector audit of the Group's self-normalization plan
October 6, 2023	Audit Committee	Report of the internal audit department's 2023 accounting audit plan
November 8, 2023	Audit Committee	Report of the results of audit activities for the 3rd quarter of 2023
December 7, 2023	Audit Committee	Internal audit department's report of the interim evaluation of the operation status of internal accounting control system
December 26, 2023	Audit Committee	Report of the results of the interim evaluation of audit activities of external auditors in 2023

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## VIII. Risk Management Committee

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## VIII. Risk Management Committee

### 1. Roles

#### A. Overview

The Company's Risk Management Committee deliberates and resolves matters delegated by the Board. It has installed and comprehensively manages a system to properly manage risks. This system is capable of recognizing, measuring, monitoring, and controlling risks occurring from transactions of the Company and subsidiaries in a timely manner.

Under Article 3 of the Risk Management Committee Regulation, the Risk Management Committee consists of between 2 and 5 directors, with independent directors accounting for a majority of the members. As of 2023, the Risk Management Committee consists of 3 independent directors.

If the Chairperson deems it necessary under Article 8 of the Risk Management Committee Regulation, the committee may request the management and relevant personnel to appear before the committee and give statements or to provide necessary materials. The committee may also request a third party to appear before the committee and give opinions.

Under Article 10 of the Risk Management Committee Regulation, the Company has established and is running the Group Risk Management Council to discuss the Group's various risks and to implement policies formulated by the Risk Management Committee.

#### B. Specific roles

##### (1) Establish basic policies and strategies of risk management

The Risk Management Committee of the Company provides the basic policy on the risk management of the Company and subsidiary companies in accordance with Article 6 (1) (i) of the Risk Management Committee Regulation, and for the purpose of aiming for the sound development of Shinhan Financial Group, it provides the guideline on the philosophy and principle of Group risk, risk management organization and role, basic policy of Group risk management, risk limit management system and management.

The 7th Risk Management Committee of 2009, held on November 12, 2009 set forth the Group risk philosophy in "striving for the balance of risk and profit in performing the pertinent business with the ownership of the risk by all constituents of the organization for sustainable growth" and the constituents consider such point at all times when carrying out the works.

The principle of risk management means the standard to formulate policy, regulation, management system, decision making and others for realizing the risk philosophy of Group as follows.

- ① All sales activities shall be carried out in consideration of balance of risk and profit within the risk tendency established in advance.
- ② The Company presents the internal code of risk management, supervises the compliance and possesses the responsibility and authority on monitoring of the Group level.
- ③ The decision-making system related to the risk to enhance the involvement of the top management is operated.
- ④ The sales part and independent risk management organization are organized and operated.
- ⑤ The outcome management system to clearly consider the risk at the time of business decision making is operated.
- ⑥ It strives for preemptive and practical risk management functions.
- ⑦ It shares the careful view to prepare for the possibility of possible worsening situation at all times.

##### (2) Decide the level of risk that the Company and each subsidiary can bear

Following Article 6 (1) (ii) of the Risk Management Committee Regulation, the Risk Management Committee sets the minimal equity capital ratio for the Group and each subsidiary companies for managing the risk of Group to be an appropriate level

for its equity capital. The 9th Risk Management Committee of 2023, held on December 7, 2023 resolved minimum equity capital ratio of Group, Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life Insurance, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan Asset Trust, Shinhan EZ General Insurance.

In addition, in connection to the annual business plan, the risk limit of Group and total risk limit for each subsidiary companies are set, and the subsidiary companies establishes and operates the total risk limit for each subsidiary companies and limit for each risk type within the risk limit set by the Risk Management Committee of the holding company. The 9th Risk Management Committee of 2023 resolved the risk limit of Group, Shinhan Bank, Shinhan Card, Shinhan Securities, Shinhan Life Insurance, Shinhan Capital, Jeju Bank, Shinhan Savings Bank, and within the risk limit set forth by the Risk Management Committee of the Company for each applicable subsidiary companies, the limit for each type and total limit of risk for each company was set.

In order to manage the Group's by-country risk related to international lending and investment business, the Risk Management Committee, at its 4th meeting of 2015 (December 10), decided to operate a system to manage the Group-level by-country exposure limit: The exposure limit would be set from 2016, and setting and managing the limit would be delegated to the Group Risk Council, and the limits set and management thereof would be reported to the committee. The Group-level by-country exposure limit was set at the 2nd Group Risk Council meeting of 2023 (February 3) and reported at the 3rd committee meeting of 2023 (April 27).

### **(3) Approve the limits of reasonable investment or allowable loss**

Following Article 6 (1) (iii) of the Risk Management Committee Regulation, for the concentrated risk management of the Group level regarding the core management territory, setting the limit for Group exposure of the core management areas and its management are delegated to the Group Risk Council, and the contents of limit setting and management status are reported for each term. The 10th Group Risk Management Council of 2022, held on December 22, 2022 resolved the exposure limit of Group for the core management areas of 2023, and the applicable resolution contract was reported to the 1st Risk Management Committee of 2023 held on February 8, 2023. The approval for detailed appropriate investment limit and permitted loss limit for each subsidiary company is set by each subsidiary company as prearranged with the risk management team of the Company.

### **(4) Enact and revise Group Risk Management Regulation and the Group Risk Council Regulation**

Following Article 6 (1) (iv) of the Risk Management Committee Regulation, and for providing the basic policy of Shinhan Financial Group, the Group Risk Management Council Regulation was established (December 7, 2001) to manage, and if necessary revised. In addition, for the efficient performance of risk management works and risk management work support of the Risk Management Committee, the Group Risk Management Council is established and operated and it revises the Group Risk Management Council Regulation for setting forth the matters on composition and operation of the Group Risk Council. The 3rd Risk Management Committee of 2023 held on April 27, 2023 resolved the matter of revision of the Group Risk Management Regulation (proposed).

### **(5) Other matters recognized by the Board and Risk Management Committee as necessary**

It is reported for each quarter for the status of main indicators and management system for risk management of Group, status of exposure management of Group, status of risk management of overseas corporation etc. and the status of main risk changes connected to the subsidiary companies and others to be comprehensively recognized and monitored.

The Risk Management Committee deliberates on matters requiring resolution of the Board which also need risk review. In 2023, at its 4th meeting, the Committee deliberated on the enactment of the Group's Self-Normalization Plan Operating Regulation. And the Committee deliberated on the change in the issuance of Korean-currency redeemable contingent capital securities. At the 7th meeting in 2023, the Committee deliberated on the Group's self-normalization plan. In addition, at the 9th meeting in 2023, the Committee deliberated on the issuance of redeemable contingent capital securities.

## 2. Composition

### A. Overview

The Company's Risk Management Committee consisted of 2 to 5 directors (Article 3 of the Risk Management Committee Regulation), with a majority of the members being independent directors. In 2023, the committee consisted of 3 independent directors. Among them, Director Lee Yong-guk is a lawyer who has been providing legal advices for various domestic and foreign large-scale matters related to finance and capital markets (listing of financial companies on domestic and overseas exchanges, domestic bond issuance by foreign financial companies, M&A between financial companies, etc.) for 15 years. He is a legal and financial expert with specialized experience in finance. Director Sung Jaeho is an independent director with sufficient experience in checking and monitoring the management of financial companies (Nice Holdings, Shinhan Card, etc.) as an independent director thereof. Meanwhile, Director Choi Jae Boong is a digital/information technology expert and has experience working in various committees of government and public institutions and as independent director of large corporations, contributing greatly to the Risk Management Committee's ability to check various risk factors.

However, in accordance with the Financial Supervisory Service's recommendation during the regular inspection in April 2023 that there may be some lack of experience and expertise for more detailed inspection of the unique risks of financial companies, after 2024, the committee plans to recruit independent directors with expertise in unique risk areas in order to more faithfully carry out risk management activities.

### B. Members

<Before General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Huh Yong-hak	Independent director	Chairperson	March 25, 2021	March 23, 2023
Lee Yong-guk	Independent director	Member	March 25, 2021	March 23, 2023
Choi Jae Boong	Independent director	Member	March 25, 2021	March 23, 2023

<After General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Lee Yong-guk	Independent director	Chairperson	March 25, 2021	Date of General Meeting of Shareholders in March 2024
Sung Jae-ho	Independent director	Member	March 24, 2022	Date of General Meeting of Shareholders in March 2024
Choi Jae Boong	Independent director	Member	March 25, 2021	Date of General Meeting of Shareholders in March 2024

## 3. Activities and Evaluations

### A. Overview

The Risk Management Committee is convened once a quarter in accordance with Article 5 of the Risk Management Committee Regulation in principle, and the Chairperson may convene the Committee from time to time if necessary. In 2023, a total of 9 Risk Management Committee meetings were held, and the agenda presented was a total of 41 cases, and all Risk Management Committee members attended all meetings. The risk management team of the Company had a face-to-face preliminary explanation session for the members to understand the contents of the agenda to discuss in-depth and efficiently, and the contents of activities for the Risk Management Committee was reported to the Board.

At its 3rd meeting of 2023, the Risk Management Committee approved the Group's risk management regulation, and the results of the Group's integrated stress test and the resulting capital management plan and contingency plan.

At its 4th meeting of 2023, the Risk Management Committee deliberated on the revision of the Group's Self-Normalization Plan Operating Regulation, and the issuance of contingent capital securities.

At its 7th meeting of 2023, the Risk Management Committee reviewed and deliberated on the Group's recovery and resolution plan (proposed), and approved the results of the Group's integrated stress test and the resulting capital management plan and contingency plan.

At its 9th meeting of 2023, the Risk Management Committee deliberated on the issuance of redeemable contingent capital securities and set the minimum capital adequacy ratio for 2024, set the risk limit for 2024, and set the holding company's liquidity risk limit for 2024, etc.

In addition, each quarter the Risk Management Committee received reporting on and checked the management status of the Group's and each subsidiary's minimum capital adequacy ratio and risk limit for 2023, which had been resolved to set the level of risk that can be borne by the Group and each subsidiary at the 8th committee meeting of 2022 (December 8), and received reports on the details and management status of the Group's exposure limit in the core management areas and the Group's by-country exposure limit whose setting (amount) had been delegated to the Group Risk Council to manage the Group-level risk in the core management areas and the Group's by-country risk. Each quarter, the committee received reports on the status of bad debt costs against the expected loss of subsidiaries, resolutions and reports of the subsidiaries' risk management committees, the Group's key risk management indicators and management thereof, and status of the Group's exposure limit management. Further, prior to the approval of the Group's self-normalization plan by the Board, the Committee received reporting on the direction of establishing such plan, and received reports, and expressed various opinions, on the results of the Group's integrated stress test based on the Financial Supervisory Service's scenario, the results of the Group's Crisis Management Council, and the Group's internal capital adequacy evaluation.

## B. Meetings held

### (1) 1st meeting of the Risk Management Committee in 2023: February 8, 2023 (Wed)

[Date of notice: February 1, 2023 (Wed)]

Items	Activities of members			Remarks
	Huh Yong-hak	Lee Yong-guk	Choi Jae Boong	
1. Name of director	Huh Yong-hak	Lee Yong-guk	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of the Group's integrated stress test as of the end of December 2022	No particular comments			
B. Results of stress testing based on the Financial Supervisory Service's scenario	No particular comments			
C. Report of operation of the outcome evaluation indicators for risk adjustment in 2023 (Proposal)	No particular comments			
D. Report of setting the limit of Group exposure in core management areas in 2023	No particular comments			

Items	Activities of members	Remarks
3. Comments on reported matters		
E. Changes in the trigger requirements for trigger index in the Group's self-normalization plan	No particular comments	
F. Matter of periodic report of 4Q 2022	No particular comments	
G. Report of the results of the Group Crisis Management Committee meeting	No particular comments	
4. Resolutions		
(No agenda to resolution)	Not applicable	

At its 1st meeting of 2023, the Risk Management Committee received reporting on 7 items including the Group's integrated stress testing as of the end of December 2022.

Chairperson Huh Yong-hak presented his opinion that it is necessary to conduct a stress test that reflects the latest market and financial environment. Member Lee Yong-guk inquired about imposing limits for each industry in key management areas, and Member Choi Jae Boong presented his opinion regarding the need to expand the use of risk management through systematic management of data.

## (2) 2nd meeting of the Risk Management Committee in 2023: March 23, 2023 (Thu)

[Date of notice: March 16, 2023 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of criteria of the chair of the Risk Management Committee	Concur	Concur	Concur	Approved as presented

The 2nd Risk Management Committee in 2023 appointed Lee Yong-guk as the chair of the Risk Management Committee.

## (3) 3rd meeting of the Risk Management Committee in 2023: April 27, 2023 (Thu)

[Date of notice: April 20, 2023 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of results of by-country risk analysis and setting of the Group's by-country exposure limit in 2023	No particular comments			
B. Report of the results of the Group Crisis Management Committee meeting	No particular comments			

Items	Activities of members			Remarks
4. Resolutions				
A. Matter of revision of the Group Risk Management Regulation	Concur	Concur	Concur	Approved as presented
B. Group's integrated stress test and the resulting capital management plan and contingent plan	Concur	Concur	Concur	Approved as presented

At its 3rd meeting of 2023, the Risk Management Committee approved the results of the Matter of revision of the Group Risk Management Regulation, and the Group's integrated stress test and the resulting capital management plan and emergency procurement plan and received 2 reports.

Regarding the results of the Group's integrated stress test and the resulting capital management plan and contingent plan, Member Choi Jae Boong inquired about the risk management plan that reflects evolving AI technology, etc., and Chairperson Lee Yong-guk expressed his opinion on the stress test that considers the imposition of a countercyclical capital buffer and the introduction of a stress buffer capital system.

#### (4) 4th meeting of the Risk Management Committee in 2023: May 11, 2023 (Thu)

[Date of notice: May 4, 2023 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of results of by-country risk analysis and setting of the Group's by-country exposure limit in 2023	No particular comments			
B. Report of the results of the Group Crisis Management Committee meeting	No particular comments			
C. Role of the Risk Management Committee and 2023 operation schedule	No particular comments			
4. Resolutions				
A. Matter of revision of the Group's Self-Normalization Plan Operating Regulation	Concur	Concur	Concur	Deliberation completed
B. Matter of issuance of redeemable contingent capital securities	Concur	Concur	Concur	Deliberation completed

At its 4th meeting of 2023, the Risk Management Committee deliberated on the revision of the Group's Self-Normalization Plan Operating Regulation, and the issuance of contingent capital securities, which is subject to resolution of the Board, and received a report on 3 items.

Regarding the issuance of contingent capital securities, Member Sung Jaeho expressed his opinion on the need to maintain an appropriate level of liquidity. Regarding periodic reporting for the first quarter of 2023, Chairperson Lee Yong-guk inquired about the status of depreciation/sale to reduce the size of delinquent loans, and Member Choi Jae Boong inquired about the impact on Shinhan Investment & Securities due to the incident of SG Securities.

#### (5) 5th meeting of the Risk Management Committee in 2023: June 19, 2023 (Mon)

[Date of notice: June 12, 2023 (Mon)]



Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Implementation of mock training for the Group's self-normalization plan (draft)	No particular comments			
4. Resolutions				
(No agenda to resolution)	Not applicable			

At its 5th meeting of 2023, the Risk Management Committee received a report on the implementation of mock training for the Group's self-normalization plan (draft).

After the report on the results of the self-normalization plan mock training, Chairperson Lee Yong-guk expressed his opinion on what needs to be improved and asked about measures to provide financial support to Group companies.

#### (6) 6th meeting of the Risk Management Committee in 2023: July 27, 2023 (Thu)

[Date of notice: July 20, 2023 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report on the results and establishment direction of the 2023 Group Self-Normalization Plan Mock Training	No particular comments			
B. Changes in the trigger requirements for trigger index in the Group's self-normalization plan	No particular comments			
C. Report on the implementation of the Group's integrated stress test (as of the end of June 2023)	No particular comments			
D. Report of the results of setting the limit of credit exposure of individual enterprises and affiliated companies in 2023	No particular comments			
E. Changes to Shinhan Bank's internal ratings-based approach to credit risk	No particular comments			
F. Report on the periodic validation results of Group operational risk/loss data	No particular comments			
G. Matter of periodic report of 2Q, 2023	No particular comments			
H. Report of the results of the Group Crisis Management Committee meeting	No particular comments			
4. Resolutions				
(No agenda to resolution)	Not applicable			

At its 6th meeting of 2023, the Risk Management Committee received eight reports, including a report on the mock training

and establishment direction of the Group's self-normalization plan for 2023, etc.

In response to the report on the implementation of the Group's integrated stress test, Chairperson Lee Yong-guk expressed his opinion on response measures in case of a bank run situation, and Member Choi Jae Boong expressed his opinion regarding customer guidance and promotion on the results of the stress test from an ESG perspective. Regarding periodic reporting for the second quarter of 2023, Member Sung Jaeho asked about the status of responses to the increase in delinquency rates of credit card companies.

### (7) 7th meeting of the Risk Management Committee in 2023: October 6, 2023 (Fri)

[Date of notice: September 27, 2023 (Wed)]

Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report on the implementation of the project to improve the Group's operational risk management system	No particular comments			
B. Report on the results of approving changes to the Group credit risk internal ratings-based approach	No particular comments			
4. Resolutions				
A. Deliberation of the Group's self-normalization plan (draft) for 2023	Concur	Concur	Concur	Deliberation completed
B. Group's integrated stress test and the resulting capital management plan and contingent plan	Concur	Concur	Concur	Approved as presented

At its 7th meeting of 2023, the Risk Management Committee deliberated on the 2023 Group self-normalization plan (draft) resolution of the Board, and the committee decided on the capital management plan, and the recovery and resolution plan (draft) based on the results of the Group's integrated stress test and received two reports. The committee also conducted training for committee members under the theme of the climate risk scenario analysis and utilization.

Regarding the results of the Group's integrated stress test and the resulting capital management plan, and recovery and resolution plan, Member Sung Jaeho inquired about the effectiveness of emergency funding plans in actual stresses. Additionally, after inquiring about the status of household debt delinquency, Chairperson Lee Yong-guk expressed his opinion on the importance of soundness management. During the climate risk-related training, Chairperson Lee Yong-guk asked a question about how to calculate long-term BIS ratio estimates for each climate risk scenario.

### (8) 8th meeting of the Risk Management Committee in 2023: December 9, 2023 (Thu)

[Date of notice: November 2, 2023 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Direction of risk management strategy for Group in 2024	No particular comments			
B. Matter of periodic report of 3Q, 2023	No particular comments			
C. Report of the results of the Group Crisis Management Committee meeting	No particular comments			
4. Resolutions				
(No agenda to resolution)	Not applicable			

At its 8th meeting of 2023, the Risk Management Committee received three reports including one on the direction of the Group's risk management strategy for 2024. The committee conducted training for committee members under the theme of understanding changes in capital ratio regulations.

Regarding periodic reporting for the 3rd quarter of 2023, Member Sung Jaeho inquired about Shinhan Card's crisis stage and response status, and Chairperson Lee Yong-guk inquired about the status of ELS products based on Hong Kong H Index underlying assets. During a training session on changes in capital ratio regulation, Chairperson Lee Yong-guk inquired about the difference between the system of other countries and the stress buffer capital system expected to be introduced domestically.

### (9) 9th meeting of the Risk Management Committee in 2023: December 12, 2023 (Thu)

[Date of notice: November 30, 2023 (Thu)]

Items	Activities of members			Remarks
1. Name of director	Lee Yong-guk	Sung Jae-ho	Choi Jae Boong	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Report of evaluation on the internal capital adequacy for Group	No particular comments			
B. Report of result of periodic validation of integrated stress testing for global business	No particular comments			
C. Report of results of periodic validation for the Group's non-retail credit evaluation model and PD	No particular comments			
D. Report of result of regular reasonableness verification for calculation system of credit risk added-weight assets for Group	No particular comments			
4. Resolutions				
A. Matter of Issuance of redeemable contingent capital securities	Concur	Concur	Concur	Deliberation completed
B. Matter of setting the minimal equity capital ratio in 2024	Concur	Concur	Concur	Approved as presented
C. Matter of setting the risk limit in 2024	Concur	Concur	Concur	Approved as presented
D. Matter of setting the liquidity risk limit of holding company in 2024	Concur	Concur	Concur	Approved as presented

At its 9th meeting of 2023, the Risk Management Committee deliberated on the issuance of redeemable contingent capital securities, the committee made a total of 3 resolutions such as minimum capital adequacy ratio and risk limit for 2024, and received a report on 4 items.

Regarding the setting of risk limit for 2023, Chairperson Lee Yong-guk inquired about how to set strategic and reputational risk limits, and Member Choi Jae Boong expressed his opinion on the importance of reputation risk management. Regarding the matter of setting the holding company's liquidity risk limit for 2024, Chairperson Lee Yong-guk asked about the difference between the LCR regulatory ratio of the banking sector and the liquidity ratio of holding companies.

### **C. Evaluation**

Pursuant to Article 9 (Subcommittee) (4) of the Company's Internal Code of Corporate Governance, the Risk Management Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

Since the details of the evaluation shall be determined by the Board, the Company conducted and completed the assessment in December 2023 based on the resolution passed at the 8th special meeting (December 28 in 2016) and supplemented at the 11th special meeting (December 17, 2020) as below. For the purpose of evaluation, main subject, criteria and method, refer to the contents on this Annual Report II. Board of directors and 4. Evaluation of the Board and directors – A. Evaluation of the Board.

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## IX. ESG Strategy Committee

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## IX. ESG Strategy Committee (Formerly Corporate Social Responsibility Committee)

### 1. Roles

#### A. Overview

The Company has become the first Korean financial company to establish its ESG Strategy Committee (former Corporate Social Responsibility Committee) on March, 2015, in order to grow together with internal and external stakeholders, including customers, shareholders and community, and actively and systematically realize the Group's mission of "Compassionate Finance for the Future."

The ESG Strategy Committee deliberates and resolves matters delegated by the Board, and promotes sustainable management by integrating and managing the Company's ESG elements into its business strategy.

#### B. Specific roles

The ESG Strategy Committee's specific roles are set forth in Article 17, Paragraph 2 of the Internal Code of Corporate Governance and Article 6 of the ESG Strategy Committee Regulation.

##### (1) Establish sustainable management strategy

The ESG Strategy Committee discusses major issues related to "financial company ESG" (Environmental, Social, and Governance) and sustainable management, and establishes the sustainability management strategy to be implemented by the Group and sets the direction thereof.

##### (2) Establish, revise, and abolish standards/policies related to sustainable management

The Company has been establishing sustainable management policies such as eco-friendly management and corporate social responsibility, including response to climate change, and this Committee revises the existing regulations related to the sustainable management of Group or deliberates and resolves the establishment of new regulations.

##### (3) Others

A report is made to the ESG Strategy Committee on the status of implementation of sustainability management-related tasks, response to external evaluations, and publication of disclosure reports.

### 2. Composition

#### (1) Overview

The ESG Strategy Committee consists of 5 members (including the chairperson), and on March 23, 2023, four independent directors and one executive director were appointed as committee members.

#### (2) Members

<Before General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Kwak Su Keun	Independent director	Chairperson	March 24, 2022	March 23, 2023
Kim Jo Seol	Independent director	Member	March 24, 2022	March 23, 2023
Byeon Yang-ho	Independent director	Member	March 24, 2022	January 12, 2023 (resigned)
Yoon Jaewon	Independent director	Member	March 24, 2022	March 23, 2023
Cho Yong- byoung	Executive director	Member	March 24, 2022	March 23, 2023

<After General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Kwak Su Keun	Independent director	Chairperson	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Kim Jo Seol	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Yoon Jaewon	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Lee Yong-guk	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Jin Okdong	Executive director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024

### 3. Activities and Evaluations

#### A. Overview

In 2023, the ESG Strategy Committee was held a total of 4 times and all members were in attendance for 100%.

#### B. Meetings held

##### (1) 1st meeting of the ESG Strategy Committee in 2023: March 23, 2023 (Thu)

[Date of notice: March 16, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
	Kwak Su Keun	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Okdong	
1. Name of director	Kwak Su Keun	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Okdong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matters on election of the chair of the ESG Strategy Committee	Concur	Concur	Concur	Concur	Concur	Approved

The 1st ESG Strategy Committee of 2023 elected the member Kwak Su Keun as the chair of the ESG Strategy Committee in 2023.

##### (2) 2nd meeting of the ESG Strategy Committee in 2023: May 11, 2023 (Thu)

[Date of notice: May 4, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
	Kwak Su Keun	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Okdong	
1. Name of director	Kwak Su Keun	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Okdong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Plan for the ESG Strategy Committee	No particular comments					
B. ESG dashboard for 1Q 2023	No particular comments					

Items	Activities of directors					Whether or not approved
3. Comments on reported matters						
C. Status of key eco-friendly (E) projects in 2023	No particular comments					
D. Status of key social contribution (S) projects in 2023	No particular comments					
4. Resolutions						
A. Promotion of RE100 membership (draft)	Concur	Concur	Concur	Concur	Concur	Approved

In the 1st reported item of the 2nd ESG Strategy Committee meeting of 2023 (Plan for the ESG Strategy Committee), major agenda items to be addressed were organized based on the ESG Strategy Committee Regulation, and in line with this, the schedule for resolutions and reporting for 2023 was provided.

In the 2nd agenda ("ESG dashboard for 1Q 2023"), the Committee received reporting on the performance against quantitative targets and the plan.

In the 3rd agenda item (Status of key eco-friendly (E) projects in 2023), "Shinhan Digital RE100" (procuring and using renewable energy for the Group's data center power), "Save Shinhan" (employee energy saving campaign to reduce internal carbon emissions), "ESG Data Platform" (established in response to mandatory ESG disclosure), the reduction of financial emissions for the practical implementation of Net-Zero, and the plan to advance climate risk management were reported.

In the 4th agenda item (Status of key social contribution (S) projects in 2023), Group-level projects and holding company/subsidiary-level emergency support projects, collaboration projects with Shinhan Financial Hope Foundation/Shinhan Scholarship Foundation, and the plan to revitalize employee volunteer activities were reported.

"RE100 Membership Promotion" (resolution agenda) is aimed at reducing internal carbon emissions by expanding the use of renewable energy as part of the implementation of the Group's Zero Carbon Drive strategy. The committee resolved to join the global initiative "RE100" and set mid- to long-term goals.

### (3) 3rd meeting of the ESG Strategy Committee in 2023: August 10, 2023 (Thu)

[Date of notice: August 3, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
1. Name of director	Kwak Su Keun	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Okdong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. ESG dashboard for 2Q 2023	No particular comments					
B. Measures to respond to mandatory ESG disclosure	No particular comments					
C. Publishing the ESG report for 2023	No particular comments					
D. Results of 2022 ESG value index measurement	No particular comments					
4. Resolutions						
(No agenda to resolution)	Not applicable					



In the 1st reported item (ESG dashboard for 2Q 2023) of the 3rd ESG Strategy Committee meeting of 2023, the performance status compared to quantitative goals for key ESG indicators and the tasks to reduce carbon emissions were reported.

In the 2nd agenda item (Response to mandatory ESG disclosure), the committee reviewed Shinhan's status and roadmap in preparation for mandatory ESG disclosure, domestic and international trends, and key stakeholder requirements, and in order to minimize risks resulting from future disclosure violations, it decided to establish a preemptive response system and upgrade related systems.

In the 3rd agenda item (Publishing the ESG report for 2023), results of the publication were reported with focus on Shinhan's ESG disclosure highlights and differentiation points of the 2022 report. The 2023 report will be structured around issues of interest to stakeholders and quantitative data, and decided to advance the publication schedule for external communication.

In the 4th agenda item (2022 ESG value index measurement results), measurement results of ESG projects in 2022 were reported based on the ESG value index (Shinhan's social value quantification model). As the ESG projects grow quantitatively and qualitatively, the analysis will be more detailed in the future. The committee decided to improve the operating system to facilitate employee internalization.

#### (4) 4th meeting of the ESG Strategy Committee in 2023: November 9, 2023 (Thu)

[Date of notice: November 2, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
	Kwak Su Keun	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Okdong	
1. Name of director	Kwak Su Keun	Kim Jo Seol	Yoon Jaewon	Lee Yong-guk	Jin Okdong	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. ESG dashboard for 3Q 2023	No particular comments					
B. Key tasks and directions in E (Environmental) area in 2024	No particular comments					
C. Key tasks and directions in S (Social) area in 2024	No particular comments					
4. Resolutions						
(No agenda to resolution)	Not applicable					

In the 1st agenda item (ESG dashboard for 3Q 2023) of the 4th ESG Strategy Committee meeting of 2023, the committee received a report on the performance against quantitative targets, and reviewed the annual target achievement plan, etc.

In the 2nd agenda item (Key tasks and directions in E (Environmental) area for 2024), ESG policy response tasks (e.g., mandatory ESG disclosure and measurement standardization), the direction for upgrading financial emissions management, the energy strategy and employee campaign to manage internal emissions, and the measures to revitalize transitional finance and expand application of the green classification system to expand eco-friendly finance were reported.

In the 3rd agenda item (Key tasks and directions in S (Social) area for 2024), the committee focused on support for vulnerable groups, support for startups, and leadership by executives and employees, and decided to improve the business structure of Shinhan Financial Hope Foundation, which carries out the Group's social contribution projects to reduce the burden on the Group companies and improve efficiency.

### C. Evaluation

Under Article 9 (Subcommittee) Paragraph 4 of the Company's Internal Code of Corporate Governance, the ESG Strategy Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose of evaluation, main subject, criteria and method, refer to the contents on this Annual Report II. Board of directors and 4. Evaluation of the Board and directors - A. Evaluation of the Board.

According to the evaluation of the ESG Strategy Committee (2023), the committee's operation and role performance are extremely outstanding level (Grade 5). In the future, based on ESG governance, the Company will keep preventing risks, discovering opportunities, and creating new business models, and based on sincerity and the ability to execute, will pursue sustainable growth together with the stakeholders.

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## X. Subsidiary's CEO Recommendation Committee

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## X. Subsidiary's CEO Recommendation Committee (Formerly Subsidiary Management Committee)

### 1. Roles

The Company composes and operates the Subsidiary's CEO Recommendation Committee consisting of 3 to 5 directors (1/2 or more of the total members are independent directors) including the CEO as the director in order to deliberate on the qualifications of the subsidiary's CEO, matters related to management leadership evaluation, etc.

### 2. Composition

The Subsidiary's CEO Recommendation Committee consists of 5 members (including the chair). On March 23, 2023, the CEO and 4 independent directors were elected as members of the Subsidiary's CEO Recommendation Committee, and the CEO served as chairperson in accordance with Article 4 of the Subsidiary's CEO Recommendation Committee Regulation.

<Before General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Cho Yong-byoung	Executive director	Chairperson	March 24, 2022	March 23, 2023
Park Ansoon	Independent director	Member	March 24, 2022	March 23, 2023
Sung Jaeho	Independent director	Member	March 24, 2022	March 23, 2023
Lee Yoon-jae	Independent director	Member	March 24, 2022	March 23, 2023
Huh Yong-hak	Independent director	Member	March 24, 2022	March 23, 2023

<After General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term
Jin Okdong	Executive director	Chairperson	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Sung Jaeho	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Lee Yoon-jae	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Kwak Su Keun	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024
Bae Hoon	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024

### 3. Related to the management succession of CEO of the subsidiary companies

#### A. Internal code on the management succession of CEO of the subsidiary companies

The Company established the Subsidiary's CEO Recommendation Committee Regulation on May 10, 2004 for setting forth the matters of composition and operation of the Subsidiary's CEO Recommendation Committee (formerly Subsidiary Management Committee). Based on the foregoing, at its meeting on February 26, 2015, the Board revised the Subsidiary Management Committee Regulation to reflect the CEO succession plan of the Corporate Governance Code for Financial companies (enforced on December 24, 2014), thereby minimizing risks in the subsidiaries' CEO succession process. On May 21, 2020, in order to strengthen independence of the subsidiaries' boards of directors and support responsible management by the subsidiaries' CEOs, the Company revised the Subsidiary Management Committee Regulation so that the subsidiaries' boards of directors take charge of the selection criteria and deliberation functions regarding candidates for subsidiaries' executives other than CEOs which used to be the job of the Subsidiary Management Committee. On March 25, 2021, the Subsidiary Management Committee was incorporated as a subcommittee to further strengthen the committee's operational transparency. In March 2023, the Company renamed the Subsidiary Management Committee and the Subsidiary Management Committee Regulation to the Subsidiary's CEO Recommendation Committee and the Subsidiary's CEO Recommendation Committee

Regulation respectively. In order to be more faithful to its original function of recommending CEO candidates for the subsidiaries, deliberation/resolution items were reorganized. Key parts of the Subsidiary's CEO Recommendation Committee Regulation include the qualifications of subsidiaries' CEOs, the grounds and timing of the start and end of the CEO succession procedure, the procedure of candidate recommendation and CEO succession, the selection, qualification check and management of the candidates for subsidiaries' CEOs, emergency succession plan, etc.

## **B. Procedure of recommendation for CEO candidate of subsidiary company and management succession**

The Company prepared the CEO succession program of the subsidiary companies in 2011 for stable CEO succession and the CEO succession plan of the subsidiary companies is managed at all times to operate transparent and sound corporate governance. The Subsidiary's CEO Recommendation Committee establishes the CEO succession plan of the subsidiary companies and reports the appropriateness of the CEO succession plan at least once a year to the Board.

The Subsidiary's CEO Recommendation Committee considers qualifications for CEO, legal requirements and others to select the candidate pool for CEO of a subsidiary companies, and deliberates the candidate pool of the CEO of the subsidiary companies on the basis of consideration on the strategic role required as the CEO of each subsidiary company at the time of succession.

The CEO of the subsidiary company, a financial company, must satisfy the requirements on the qualification of the executive officers as set forth under Article 5 of the Act on the Corporate Governance of Financial Companies and Article 7 of the Enforcement Decree of the same Act. The same Act and its Enforcement Decree state that the following persons cannot be an executive officer: A minor, a person under adult guardianship, or a person under limited guardianship, a person declared bankrupt but not yet reinstated, a person in whose case five years have not passed yet since imprisonment without labor or heavier punishment to which he/she was sentenced was completely executed, a person who was sentenced to the suspension of imprisonment without labor or heavier punishment, and is still in the period of suspension, a person in whose case five years have not passed yet since a fine or heavier punishment to which he/she was sentenced under this Act or any other finance-related statute was completely executed, a Revocation of permission or authorization for, or registration, etc. of, business under a finance-related statute or measure of timely correction or administrative disposition of the Act on the Structural Improvement of the Financial Industry as a person who serves and served as an executive officer or an employee of a financial company in which case five years have not yet passed, a person in whose case the period specified by Presidential Decree not exceeding five years for each category of sanctions has not yet passed since a sanction was taken against him/her under any finance-related statute for his/her conduct as an executive officer or an employee following the Act or pertinent laws and regulations on finance, or a person specified by Presidential Decree, by whom public interest and sound management of the relevant financial company or credit order are likely to be undermined.

Furthermore, following Article 8 of the Subsidiary's CEO Recommendation Committee Regulation, the Subsidiary's CEO Recommendation Committee is equipped with sense of ethics, competency to realize Shinhan value, work expertise, competency of organizational management to share the vision of the Company, and it recommends the person who is capable of this effort for public benefit and sound management as the CEO candidate of the subsidiary companies.

The Subsidiary's CEO Recommendation Committee comprehensively deliberates the candidate pool to commence the succession procedure before the expiration of the term for the CEO of the subsidiary companies to complete the candidate recommendation. Management Recommendation Committee for subsidiary companies that is a financial company reviews the satisfaction of qualifications outlined in applicable laws and internal regulations regarding the CEO candidate recommended by the Subsidiary's CEO Recommendation Committee to recommend to the shareholders' meeting of the applicable subsidiary companies and the recommended CEO candidate is elected as the CEO through the resolutions of the shareholders' and Board meetings for the applicable subsidiary companies.

In addition, in order to strengthen the sustainable management system, the Company selects the candidate pool for CEO of the

subsidiary companies and develops them as the CEO candidates of the subsidiary companies in the future. Various elements of development program, such as insight on financial business, decision making for enterprise point of view, strategy execution/driving force, leadership, internal and external influence etc., are implemented by obtaining the approval of the Subsidiary's CEO Recommendation Committee, and the result of the management outcome and development activities of the candidate pool is regularly reviewed and evaluated, and in recommending the CEO of subsidiary companies, the result of the candidate pool evaluation is considered.

In the meantime, in the event that the CEO of subsidiary companies is unable to perform its duties, due to unexpected accident, sudden health issue or similar, the CEO of subsidiary companies is recommended through the accelerated succession process that quickens the procedure of the CEO succession plan in accordance with Article 8 of the Subsidiary's CEO Recommendation Committee Regulation. In addition, in the event that the election is delayed by having the unavoidable cause in natural disaster, material cause of disqualification to the person scheduled for election, or an accident, the cause and the person acting on behalf of CEO until the election and company operation plan, election schedule of CEO for the subsidiary companies are required to disclose.

### C. Status of management for CEO candidate of subsidiary company

The Subsidiary's CEO Recommendation Committee selects candidates for the subsidiaries' CEOs according to the subsidiary CEO succession plan, and reports to the Board at least once a year on the selection of candidates and verification of their qualifications in accordance with Article 7 of the Subsidiary's CEO Recommendation Committee Regulation. In order to establish a sustainable management system through stable CEO succession, the Company selects candidates (long list) for subsidiaries' CEOs and trains them as candidates for future subsidiary CEOs. At the 2nd meeting of 2023 (February 28), the Subsidiary's CEO Recommendation Committee selected a total of 38 candidates (long list) by expanding the scope of candidates (long list) to all executives at or above the vice president or vice bank president level in the subsidiaries to which the subsidiary CEO succession plan applies, or in the holding company as of the year end. The CEO of the relevant company, as the person in charge of development, conducted year-round activities of candidate development. The Company conducts activities to train such candidates throughout the year. Being in charge of managing the candidates for the CEO, the Subsidiary's CEO Recommendation Committee regularly operates the deliberation and evaluation procedures for management performance and development activities of the candidates (long list). In addition, in accordance with Article 3 of the Subsidiary's CEO Recommendation Committee Regulation, the committee may use recommendations from outside (shareholders, stakeholders and external advisory organizations, etc.) if necessary. Practical support for candidate management is provided by the Shinhan Leadership Center in the holding company.

<Status of candidate pool of CEO for subsidiary company>

Classification	Number of candidates	Recommendation channel
Internal	38 persons	In the Subsidiary's CEO Recommendation Committee on February 28, 2023, the candidate pool was selected in accordance with the CEO succession plan of the subsidiary companies

### D. Status of supporting department for succession of CEO of subsidiary company

The Company operates Shinhan Leadership Center to support the works related to the CEO succession of CEO for the subsidiary companies. Shinhan Leadership Center consists of a total of 10 persons for team manager and team members, and they carry out the affairs of development of management leader in operation of CEO succession plan, remuneration and evaluation of outcome by top management, establishment and execution of scheme for personnel policy of Group. Following Article 37 of the Internal Code of Corporate Governance, Shinhan Leadership Center is in charge of the affairs of management of CEO candidate pool, evaluation and verification, support of evaluation work of CEO candidate and other CEO succession support works.

In addition, following Article 7 of the Subsidiary's CEO Recommendation Committee Regulation, Shinhan Leadership Center

carries out the practical procedure to report to the Board with the contents of verification if the qualification for selecting the CEO candidate as well as the appropriateness of CEO succession plan by the Committee.

<Status of operation for the supporting department for succession work of CEO>

- Name of department: Shinhan Leadership Center
- Number of employees: 10 persons
- Contents of operation

Date	Contents of operation	Remarks
February 8, 2023	Support of practical affairs related to deliberation of CEO candidates of subsidiary companies succession of subsidiary companies.	The 1st Subsidiary's CEO Recommendation Committee
February 28, 2023	Practical support related to the evaluation of subsidiary CEOs' leadership (2022) Practical support related to the establishment of an evaluation system for subsidiary executives' leadership (2023) Support of practical affairs related to deliberation of criteria for candidate pool in CEO succession of subsidiary companies in 2023	The 2nd Subsidiary's CEO Recommendation Committee
May 11, 2023	Practical support related to the evaluation and deliberation of the subsidiary CEO succession candidates (long list) for 2022 Practical support for the report on changes in the subsidiary CEO leadership evaluation system (2023) Practical support for reporting on the Subsidiary's CEO Recommendation Committee improvement plan	The 3rd Subsidiary's CEO Recommendation Committee
November 9, 2023	Support of practical affairs related to appropriateness inspection of CEO succession plan of subsidiary companies and practical support for reporting to the Board Practical support for the report on changes in the subsidiary CEO leadership evaluation system (2023)	The 4th Subsidiary companies Management Committee
December 7, 2023	Practical support related to deliberation of the selection of candidates for succession to the CEO of a subsidiary Practical support related to deliberation of the selection of the candidates short list of the subsidiary CEO	The 5th Subsidiary companies Management Committee
December 19, 2023	Support of practical affairs related to deliberation of CEO candidates of subsidiary companies	The 6th Subsidiary companies Management Committee

## 4. Activities

### A. Overview

In 2023, a total of 6 Subsidiary's CEO Recommendation Committee meetings were held, and during that period, a total of 13 agenda items were discussed, including 9 resolution items and 4 reporting items. All 9 resolution items were approved. As for the "developing candidates group for subsidiary CEO succession," selected by the Subsidiary's CEO Recommendation Committee, 18 people dropped out of the group of 40 (end of 2022) due to retirement, etc. and 16 people were newly selected, with the new total being 38 as of the end of 2023.

As Shinhan Bank President Han Yong-gu submitted his resignation for personal reasons, the Subsidiary's CEO Recommendation Committee, at the 1st meeting (February 2023), initiated an emergency succession procedure and recommended Jung Sang Hyuk (current President of Shinhan Bank) as the candidate for the vacancy. In December 2023, at its 5th and 6th meetings, the committee recommended CEO candidates for a total of 9 companies including Shinhan

Securities, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan DS, Shinhan Fund Partners, Shinhan REITs Management, and Shinhan Venture Investment.

## B. Meetings held

### (1) 1st meeting of the Subsidiary's CEO Recommendation Committee in 2023: February 8, 2023 (Wed)

[Date of notice: February 6, 2023 (Mon)]

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Sung Jaeho	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Sung Jaeho	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	Not applicable					
(No agenda to report)						
4. Resolutions						
A. Matter of deliberation for CEO candidates of the subsidiary companies	Concur	Concur	Concur	Concur	Concur	Approved

At the 1st Subsidiary's CEO Recommendation Committee meeting of 2023, all 5 members were in attendance for a quorum. As Shinhan Bank President Han Yong-gu submitted his resignation for personal reasons, in order to minimize any management vacuum, an emergency succession procedure was immediately implemented, and Mr. Jung Sang Hyuk (current Shinhan Bank President) was recommended as the candidate.

### (2) 2nd meeting of the Subsidiary's CEO Recommendation Committee in 2023: March 28, 2023 (Tue)

[Date of notice: February 21, 2023 (Tue)]

Items	Activities of directors					Whether or not approved
	Cho Yong-byoung	Park Ansoon	Sung Jaeho	Lee Yoon-jae	Huh Yong-hak	
1. Name of director	Cho Yong-byoung	Park Ansoon	Sung Jaeho	Lee Yoon-jae	Huh Yong-hak	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters	Not applicable					
(No agenda to report)						
4. Resolutions						
A. Matter of leadership evaluation for the CEOs of subsidiaries for 2022	Concur	Concur	Concur	Concur	Concur	Approved
B. Matter of establishment of leadership evaluation system for the executives of subsidiaries for 2023	Concur	Concur	Concur	Concur	Concur	Approved
C. Matter of evaluation of the election of the candidate pool for management of the succession of subsidiary companies in 2023	Concur	Concur	Concur	Concur	Concur	Approved

At the 2nd Subsidiary's CEO Recommendation Committee meeting of 2023, all 5 members were in attendance for a quorum. The committee deliberated and resolved Agenda Item #1 (matter of leadership evaluation for the CEOs of subsidiaries for 2022), and Agenda Item #2 (matter of establishment of leadership evaluation system for the executives of subsidiaries for 2023), and Agenda Item #3 (Matter of evaluation of the election of the candidate pool for management of the succession of subsidiary companies in 2023). All 38 executives at or above the vice president or vice bank president level in the subsidiaries



to which the subsidiary CEO succession plan applies were selected as candidates (long list) for subsidiaries' CEO succession for 2023.

**(3) 3rd meeting of the Subsidiary's CEO Recommendation Committee in 2023: May 11, 2023 (Thu)**

[Date of notice: May 4, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
1. Name of director	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Absence	Attended	Attended	Attended	
3. Comments on reported matters						
A. Role of the Subsidiary's CEO Recommendation Committee and 2023 operation schedule	No particular comments					
B. Report on changes in the subsidiary CEO leadership evaluation system in 2023	No particular comments					
C. Practical support for reporting on the Subsidiary's CEO Recommendation Committee improvement plan	No particular comments					
4. Resolutions						
A. Matter of evaluation of the candidate pool for CEO succession of the subsidiary companies in 2022	Concur	(Absence)	Concur	Concur	Concur	Approved

At the 3rd Subsidiary's CEO Recommendation Committee meeting of 2023, 4 out of the 5 members in office were in attendance for a quorum. In Agenda No. 1, "Deliberation on the evaluation of subsidiaries' CEO succession candidates for 2022," the committee confirmed the evaluation result. Also reported were the Subsidiary's CEO Recommendation Committee's 2023 operation schedule, changes in the subsidiary CEO leadership evaluation system in 2023 with the perspective of stronger internal control, measures to improve operation of the Subsidiary's CEO Recommendation Committee, etc.

**(4) 4th meeting of the Subsidiary's CEO Recommendation Committee in 2023: November 9, 2023 (Thu)**

[Date of notice: November 2, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
1. Name of director	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
A. Report on changes in the subsidiary CEO leadership evaluation system (2023)	No particular comments					
4. Resolutions						
A. Matter of inspection of the appropriateness for CEO succession plan of the subsidiary companies	Concur	Concur	Concur	Concur	Concur	Approved

At the 4th Subsidiary's CEO Recommendation Committee meeting of 2023, all 5 members were in attendance for a quorum. As Agenda No. 1, "Adequacy of the CEO succession plan for subsidiaries" was submitted. The committee checked whether the CEO succession plan for subsidiaries faithfully reflected internal/external regulations such as the Corporate Governance Act, the Regulation on Supervision of Corporate Governance of Financial Companies, the Company's internal norms on

governance that reflect them, etc., and checked whether the procedures set forth in the subsidiary's CEO succession plan were properly operated throughout the year. In addition, the committee checked whether the candidates under the CEO succession plan for subsidiaries met the qualifications set forth in the CEO succession plan for subsidiaries. Based on the results thereof, the committee presented its opinion that the CEO succession plan for subsidiaries is appropriately established in line with the purpose of securing continuity of management through stable CEO succession and sustainable development of subsidiaries, which was reported at the 4th regular Board meeting of 2023 held on the same day. In addition, the committee reported changes in the subsidiary CEO leadership evaluation system in 2023, with the perspective of protecting financial consumers and strengthening internal controls.

**(5) 5th meeting of the Subsidiary's CEO Recommendation Committee in 2023: December 7, 2023 (Thu)**

[Date of notice: November 30, 2023 (Thu)]

Items	Activities of directors					Whether or not approved
	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
1. Name of director	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of selection of subsidiary CEO candidates (long list)	Concur	Concur	Concur	Concur	Concur	Approved
B. Matter of selection of subsidiary CEO candidates (short list)	Concur	Concur	Concur	Concur	Concur	Approved

At the 5th Subsidiary's CEO Recommendation Committee meeting of 2023, all 5 members were in attendance for a quorum. As for Agenda No. 1, "Selection of the long list of CEO candidates for subsidiaries," the committee deliberated on and finalized CEO candidates for 10 subsidiaries where the term of CEO was to expire between the end of 2023 and the end of March 2024. As for Agenda No. 2, "Selection of the short list of CEO candidates for subsidiaries," the committee selected a short list of CEO candidates from 9 companies out of 10 subsidiaries (except Shinhan AI, which was scheduled for liquidation) covered by Agenda No. 1.

**(6) 6th meeting of the Subsidiary's CEO Recommendation Committee in 2023: December 9, 2023 (Tue)**

[Date of notice: November 12, 2023 (Tue)]

Items	Activities of directors					Whether or not approved
	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
1. Name of director	Jin Okdong	Sung Jaeho	Lee Yoon-jae	Kwak Su Keun	Bae Hoon	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	Attended	
3. Comments on reported matters						
(No agenda to report)	Not applicable					
4. Resolutions						
A. Matter of deliberation for CEO candidates of the subsidiary companies	Concur	Concur	Concur	Concur	Concur	Approved

At the 6th Subsidiary's CEO Recommendation Committee meeting of 2023, all 5 members were in attendance for a quorum. As for Agenda No. 1, deliberation on the candidates for subsidiaries' CEOs, the Committee deliberated, based on the Group's common qualifications and the required strategic competencies by company according to the subsidiary CEO succession plan, on the short list of candidates, by company, selected at the 5th Subsidiary's CEO Recommendation Committee meeting in 2023, and recommended the final CEO candidate for each company. Recommendations were made to nine companies: Shinhan Securities, Shinhan Capital, Shinhan Asset Management, Jeju Bank, Shinhan Savings Bank, Shinhan DS, Shinhan Fund Partners, Shinhan REITs Management, and Shinhan Venture Investment.

### **C. Evaluation**

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Subsidiary's CEO Recommendation Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose of evaluation, main subject, criteria and method, refer to the contents on this Annual Report II. Board of directors and 4. Evaluation of the Board and directors - A. Evaluation of the Board.

As a result of the evaluation of the Subsidiary's CEO Recommendation Committee in 2023, the operation and role of the Committee is confirmed as at an excellent level.

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## XI. Group Executive Committee

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## XI. Group Executive Committee

### 1. Roles

The Company deliberated and stipulated for main issues of Group in accordance with Article 2 of the Operation Regulation of Group Executive Committee, and for supporting the decision making of CEO that represents Group with deliberation and stipulation of main issues and it established and operated Group Executive Committee.

The Group Executive Committee deliberates the following matters from the agenda subject to present to the BOD of the Company.

- (1) Matter of direction of Group's vision/strategy and establishment of management plan
- (2) Agenda required to adjust understanding or cooperation between subsidiary companies for strategic execution of Group
- (3) Agenda required for sharing and stipulation with subsidiary companies and others, including various management status for each subsidiary companies and others
- (4) Agenda related to the system jointly applied by subsidiary companies and others
- (5) Agenda related to the brand strategy of the Group level
- (6) Other agenda acknowledged are required by CEO

Matters reported to the Group Executive Committee are shown as follows.

- (1) Result of promotion and execution of main matters from various businesses of subsidiary companies
- (2) Trend of financial market
- (3) Other agenda acknowledged as necessary by CEO

### 2. Composition

The Group Executive Committee is composed of CEO and CEO of each subsidiary companies in accordance with Article 3 of the Operation Regulation of Group Executive Committee. In addition, any person acknowledged as required by the heads of main business divisions of the Group and top management of holding company, Group and Group Chief Risk Officer (CRO) may attend. The administrative affairs are handled by the head of the holding company's Strategic Planning Team or a department determined by the CEO and Chairman.

The chairperson of the meeting is CEO, and if CEO is vacated or absent, a member designated by CEO acts on behalf of such duties.

### 3. Operation procedure

The Group Executive Committee is held weekly in accordance with the convening by the chairperson and it may be adjusted, if necessary. Time, date and place of the meeting are designated by the Chairperson and the coordinator notifies the date, time and place of the meeting to each member and attendee in advance.

The CEOs of all subsidiaries of the Group (including members of the Group Executive Committee), through the secretary, may submit discussion/reports matters for the meeting, and the CEO may have the Group Risk Council present opinions at the meeting regarding the aforesaid discussion matters that he/she deems as requiring review of risk management.

#### **4. Activities**

A total of 8 Group Executive Committee meetings were held in 2023 to discuss key issues of the Group. Key issues include matters related to ESG plan for 2023, “Shinhan Culture RE:Boot” plan for 2023, measures to stimulate process innovation, One Data activation plan, CEO's management direction for 2023, report on SAQ TF result, financial management direction for the second half of the year, plans to achieve business performance in the second half of the year, key ESG progress, Group's app brand change, ESG committee, matters related to the Group's management plan for 2024, etc.

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## XII. Group Risk Management Council

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## XII. Group Risk Management Council

### 1. Roles

The Group Risk Management Council of the Company stipulates on matters related to the pertinent risk of Group for maintaining the risk policy and strategy consistently for the subsidiary companies and Group in accordance with Article 2 of the Group Risk Management Council Regulation and it resolves the matters required for the professional manager of policies set forth by the Risk Management Committee. The Risk Management Committee of the Company delegated the Group exposure limit and management to the Group Risk Management Council for the high risk territory in order to maintain the risk management of Group in the 4th Risk Management Committee of 2010 held on August 25, 2010, and the Group Risk Management Council set the Group exposure limit on high risk territory for each year and report the status of management to the Risk Management Committee. The 1st Group Risk Management Council of 2016 held on January 20, 2016 modified the name of the high risk territory to the core management territory. In addition, the 4th Risk Management Committee of 2015, held on December 10, 2015, delegated setting and management of exposure limit for each country related to international loan and investment works of Group to the Group Risk Management Council, and the Group Risk Management Council sets the Group exposure limit for each country is for each year and reports the management status.

The Group Risk Management Council resolves the following matters.

- (1) Matters on the setting of exposure limits such as countries, critical areas, individual companies and affiliates.
- (2) Matters on implementation of the Group's integrated crisis analysis.
- (3) Decision-making related to the Group's non-retail credit rating system, excluding those subject to approval under the Financial Supervisory Service's Internal Ratings-Based Approach.
- (4) Other matters deemed necessary by the chairperson.

The Group Risk Management Council deliberates the following matters.

- (1) Decide the level of risk that the Company and each subsidiary can bear
- (2) Result of the Group's integrated stress test, and the related capital management plan and funding plan
- (3) Matters on risk disclosure policy
- (4) Other matters deemed necessary by the chairperson.

The Group Risk Management Council stipulates the following matters.

- (1) Matter of operation of the risk measurement system of Group and subsidiary companies
- (2) Matters requiring the stipulation jointly regarding the risk management of the Group level
- (3) Matter of risk management related to fund support of the subsidiary companies
- (4) Matters requested by the Group Executive Committee as the matter determined as necessary for the review on risk management on Article 43 (3) pursuant to Article 43 (4) of the Internal Code of Corporate Governance
- (5) Other matters set forth by the Chairperson

### 2. Composition

In accordance with Article 3 of the Group Risk Council Regulation, the Group Risk Council consists of the Company's risk manager, subsidiaries' risk managers under the Corporate Governance Act, and the head of Shinhan Bank's corporate credit review division. The chair of the Group Risk Council is the Company's risk manager, and the chair may designate a subsidiary's executive in charge of the relevant matters, not the risk manager, attend the council meeting, depending on the agenda.

<Composition of the Group Risk Management Council of the Company>



Name	Group company	Title	Date of election for responsible person for risk management	End of term	Remarks
Bang Dong-kwon	Shinhan Financial Group	Responsible person for risk management	January 1, 2020	December 31, 2023	Chairperson
Bae Jong-hwa	Shinhan Bank	Responsible person for risk management	January 1, 2022	December 31, 2023	
So Myung-pil	Shinhan Bank	Head of Corporate Credit Review Division	January 1, 2022	December 31, 2023	Appointment date: Date of appointment as head of division
Song Joo-young	Shinhan Card	Responsible person for risk management	January 1, 2018	December 31, 2023	
Kim Beong-kook	Shinhan Securities	Responsible person for risk management	January 1, 2020	December 31, 2023	
Cho Hyung-yup	Shinhan Life	Responsible person for risk management	January 1, 2022	December 31, 2023	
Ham Deok-yong	Shinhan Capital	Responsible person for risk management	March 20, 2020	December 31, 2024	
Cho Yeong-sik	Shinhan Asset Management	Responsible person for risk management	January 1, 2022	January 31, 2024	
Jang Woo-cheon	Jeju Bank	Responsible person for risk management	January 1, 2019	December 31, 2022	
Kang Hyuk	Shinhan Savings Bank	Responsible person for risk management	March 28, 2019	May 27, 2025	
Choi Wan-cheol	Shinhan Asset Trust	Responsible person for risk management	January 1, 2023	December 31, 2024	
Go Young-deuk	Shinhan EZ General Insurance	Responsible person for risk management	September 1, 2023	August 31, 2025	

### 3. Operation procedure (Status of operation)

The Group Risk Management Council of the Company is held once each quarter following Article 4 of the Group Risk Management Council Regulation in principle, and when the Chairperson acknowledges as necessary, or upon request by a member, it is convened from time to time. The Council resolves with the attendance of majority members and resolves with majority of attending members. The resolution on matters delegated from the Risk Management Committee reports the contents to the Risk Management Committee and it is notified in electronic document to the subsidiaries' risk management department.

### 4. Activities

The Group Risk Management Council was held a total of 12 times in 2023, and it resolved the matters delegated by the Risk Management Committee, such as setting the exposure limit of Group in the core management areas and others and it stipulated the matters related to pertinent risks of Group.

At the 1st meeting of 2023 (February 2), the Group Risk Council approved a plan for the Group's integrated stress testing (proposed) as of the end of 2022 and received a report on the Financial Supervisory Service scenario-based stress test results and on the setting of risk-adjusted performance evaluation indicators for 2022. In addition, it received periodic reports for the 4th quarter of 2022.

At the 2nd meeting of 2023 (February 23), the Group Risk Council received a report on risk analysis results by country and resolved the setting of the Group's by-country exposure limit as delegated by the Risk Management Committee. In addition, it received reports on the top operational risks for each Group company for the 1st half of 2023, and the project to enhance the Group's ESG risk management system.

At the 3rd meeting of 2023 (April 21), the Group Risk Council reviewed the Group Risk Council Regulation, the results of the Group's integrated stress testing and the resulting capital management plan and contingency funding plan (matters requiring resolution of the Risk Management Committee).

At the 4th meeting of 2023 (May 4), the Group Risk Council decided on the change of Shinhan Card's internal ratings-based approach to credit risk, and discussed the revision of the Group's Self-Normalization Plan Operating Regulation. In addition, it received a report on the resulting approval of the self-normalization plan and improvement direction, and received periodic reports for the 1st quarter of 2023.

At the 5th meeting of 2023 (June 22), the Group Risk Council decided on the credit exposure limit for the affiliated and individual companies for 2023, adjustment of the Group exposure in key management areas for 2023 (draft), and change of Shinhan Bank's internal ratings-based approach to credit risk. In addition, it received a report on the inspection results of the Group companies' operational risk management, the plan of response to new regulation, and the project (draft) of improving the Group RWA management system.

At the 6th meeting of 2023 (July 26), the Group Risk Council approved a plan for the Group's integrated stress testing as of the end of June 2023, and received a report on the direction for establishing the Group's self-normalization plan for 2023 and the results of the mock training. In addition, it received a report on the periodic validation results of Group operational risk/loss data and received periodic reports for the 2nd quarter of 2023.

At the 7th meeting of 2023 (August 29), the Group Risk Council received a report on the top operational risks of each Group company for the 2nd half of 2023, the plan for a project to improve the Group's operational risk management system, and the results of approving changes in the Group credit risk internal ratings-based approach.

At the 8th meeting of 2023 (September 22), the Group Risk Council discussed the Group's self-normalization plan for 2023 which are subject to resolution of the Board.

At the 9th meeting of 2023 (October 5), the Group Risk Council reviewed the results of the Group's integrated stress testing and the resulting capital management plan and contingency funding plan (matters requiring resolution of the Risk Management Committee), and received reports on the inspection results of the 2023 risk limit adequacy.

At the 10th meeting of 2023 (November 7), the Group Risk Council received reporting on the direction of the 2023 Group risk strategy and the items of the periodic report for the 3rd quarter of 2023.

At the 11th meeting of 2023 (December 5), the Group Risk Council deliberated on the establishment of minimum capital adequacy ratio and risk limit for 2024, and received reports on the results of evaluation on the internal capital adequacy for Group. In addition, the Council received reporting on the results of the periodic conformity verification of the Group's integrated stress testing and the results of the periodic conformity verification of the Group's non-retail credit rating model and PD (probability of default) as performed by the Model Verification Team, and result of regular reasonableness verification for calculation system of credit risk added-weight assets for Group.

At the 12th meeting of 2023 (December 18), the Group Risk Council selected key management areas and set the Group's exposure limit for 2024 (matters delegated by the Risk Management Committee), and it resolved to introduce and manage exposure limits and Basel large exposures framework, and received reports on the plan to establish and operate the Group's customer asset risk management system.

<Contents of hosting the Group Risk Management Council meeting>

Sequence	Date	Meeting agenda	Whether or not approved
1st	February 2, 2023	[Resolution] Implementing the comprehensive stress testing of Group as of the end of 2022 (proposed)	Approved
		[Report] Report of results of stress testing based on the Financial Supervisory Service's scenario	
		[Report] Setting the performance evaluation indicators for risk adjustment in 2023 (proposed)	
		[Report] Matter of periodic report of 4Q 2022	
2nd	February 23, 2023	[Resolution] Report of results of by-country risk analysis and setting of the Group's by-country exposure limit in 2023 (proposed)	Approved
		[Report] Top operational risk for each Group company for the 1st half of 2023	
		[Report] Report on the implementation of the project to enhance the Group's ESG risk management system	
3rd	April 21, 2023	[Deliberation] Revision of the Group Risk Management Regulation	Deliberation completed
		[Deliberation] Result of integrated stress testing for Group and ensuing capital management plan and contingency funding plan	Deliberation completed
4th	May 4, 2023	[Resolution] Change of Shinhan Card's internal ratings-based approach to credit risk (proposed)	Approved
		[Consultation] Revision of the Group's Self-Normalization Plan Operating Regulation	Consultation completed
		[Report] Report of the results of approval of the self-normalization plan and improvement direction	
		[Report] Matter of periodic report of 1Q 2023	
5th	June 22, 2023	[Resolution] Setting the limit of credit exposure of individual enterprises and affiliated companies in 2023 (proposed)	Approved
		[Resolution] Selection of key management areas and setting of the Group's exposure limit for 2023 (proposed)	Approved
		[Resolution] Change of Shinhan Bank's internal ratings-based approach to credit risk (proposed)	Approved
		[Report] Report on the inspection results of Group companies' operational risk management and the plan of response to new regulation	
		[Report] Report on the project to improve the Group RWA management system	

Sequence	Date	Meeting agenda	Whether or not approved
6th	July 26, 2023	[Resolution] Implementation of a comprehensive stress test for the Group as of the end of June 2023 (draft)	Approved
		[Report] Report on the direction of establishing the Group's self-normalization plan and mock training results for 2023	
		[Report] Report on the periodic validation results of Group operational risk/loss data	
		[Report] Matter of periodic report of 2Q 2023	
7th	August 29, 2023	[Report] Top operational risk for each Group company for the 2nd half of 2023	
		[Report] Report on the project to improve the Group's operational risk management system	
		[Report] Report on the results of application of approval to modify the internal ratings-based approach of Group credit risk	
8th	September 22, 2023	[Consultation] The Group's Self-Normalization Plan for 2023 (proposed)	Consultation completed
9th	October 5, 2023	[Deliberation] Results of integrated stress testing for Group and ensuing capital management plan and contingency funding plan	Deliberation completed
		[Report] Report on the inspection results of risk limit adequacy in 2023	
10th	November 7, 2023	[Report] Direction of risk management strategy of Group in 2024	
		[Report] Matter of periodic report of 3Q 2023	
11th	December 5, 2023	[Deliberation] Matter of setting the minimum capital adequacy ratio in 2024	Deliberation completed
		[Deliberation] Matter of setting the risk limit in 2024	Deliberation completed
		[Report] Report of evaluation on the internal capital adequacy for Group	
		[Report] Report of result of periodic validation of integrated stress testing for global business	
		[Report] Report of results of periodic validation for the Group's non-retail credit evaluation model and PD	
		[Report] Report of result of regular reasonableness verification for calculation system of credit risk added-weight assets for Group	
12th	December 18, 2023	[Resolution] Selection of the Group's priority management areas and the setting of exposure limits for 2024 (draft)	Approved
		[Resolution] Introduction and management of Basel large exposures framework	Approved
		[Report] Establishment and operation of the Group's customer asset risk management system (draft)	

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## XIII. Recommendation of Supervisory Authority and Improvement Plan



### **XIII. Recommendation of Supervisory Authority and Improvement Plan**

On December 22, 2023, the Company was notified of the results from the Financial Supervisory Service's non-periodic inspection conducted between June 15, 2020 and July 29, 2020 (33 business days) and between January 19, 2021 and January 21, 2021 (3 business days). An administrative fine of KRW 50 million was imposed on the organization and three former executives were issued a warning (substantial) and a reprimand (substantial).

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## XIV. Other important matters related to governance

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## XIV. Other important matters related to governance

### 1. Details of internal control activities of the Board, etc.

In accordance with Article 11 of the Financial Company Governance Supervision Regulation and Article 7 of the Group Internal Control Regulation, the Company delegated to the compliance officer the task of inspecting the internal control system and its operation and making reports to the Board. The compliance officer regularly inspects the internal control system and its operation at least once a year and reports the results to the Board.

At the 1st special meeting of 2023 (February 8, 2023), the Board received the compliance officer's report on inspection results of the 2022 internal control system and its operation, as follows.

#### ① Matters related to internal control organization and roles and responsibilities

Chapter 2 "Internal Control Organization" (Articles 6 to 10) of the Group Internal Control Regulation clearly defines a specific internal control organization and its role, and the Company has an internal control organization substantially in place as specified in that Regulation.

#### ② Matters related to the compliance officer and compliance monitoring system

The compliance officer was appointed at the 11th temporary Board meeting of 2020 (December 17, 2020), which was reported to the Commissioner of the Financial Supervisory Service to comply with relevant procedures (re-appointed on November 20, 2022 and performing duties since January 1, 2023).

In addition, the compliance officer oversees the internal control system, provides related advice, and establishes and operates a compliance monitoring system necessary for designing and managing a compliance monitoring program.

#### ③ Matters related to internal control activities

Pursuant to Article 4 (Duties of the Group Compliance Officer) of the Group Compliance Monitoring Regulation, the compliance officer performs inspection activities for compliance with internal control standards, anti-money laundering work, and other internal control work for the holding company and subsidiaries, and makes improvements to any shortcomings according to the inspection results.

#### ④ Matters related to the operation of the internal control committee

The Corporate Governance Act requires that an internal control committee chaired by the CEO be established. This is reflected in Article 8 (Internal Control Committee) of the Group Internal Control Regulation, and the Internal Control Committee Regulation provides for detailed operational matters such as the role and composition of the committee.

#### ⑤ Matters related to ethics and compliance training activities

The Company has completely revised the Shinhan Financial Group Code of Ethics, a code of ethics that all executives and employees shall adhere to for the Group's sustainable growth. The Company conducted practical activities to improve the culture of ethical compliance, such as producing and distributing guides and videos to improve executives' and employees' practice and understanding. Various types of ethics and compliance training activities for all executives and employees, including training for new employees common to the Group, are being appropriately carried out.



## 2. Status of compliance staff

### A. Status of compliance staff (number of people)

(As of the end of 2023 / excluding compliance officers)

Classification	Compliance staff*	Re-hired employees, etc.	Other	Total
No.	9	0	0	9

\* Not including those below, among the personnel supervised by the compliance officer

- (1) Employees dedicated to anti-money laundering work
- (2) Employees dedicated to branch audit work
- (3) Employees dedicated to litigation work
- (4) Contract employees for a period not exceeding 2 years, employees subject to peak wage system, or employees rehired after retirement, among employees not falling under the above

### B. Compliance staff ratio

Classification	Relevant year	Remarks
Total number of employees	221	Excluding executives / including those in concurrent positions
Number of compliance staff	9	Excluding compliance officer
Re-employed employees, etc.	0	
Compliance staff ratio	4.07%	

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## [Annual Report on Remuneration System]

I. Remuneration Committee

II. Remuneration System

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## I. Remuneration Committee

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# I. Remuneration Committee

## 1. Overview

The basic operating principle of the Company's Remuneration Committee is that it shall execute its fiduciary duty toward the Company's remuneration policy and achieve harmony between the remuneration system for the executives, etc. and the Company's performance and risk structure so that a sound, performance-based corporate culture will be established.

The Remuneration Committee, a subcommittee under the Board, is governed by the Remuneration Committee Regulation, one of the Company's internal regulations. The committee has been run since May of 2004 when it was established under Article 48, Paragraph 1, Subparagraph 6 of the Articles of Incorporation and Article 17, Paragraph 1, Subparagraph 5 of the Board of Directors Regulation. The name of the Committee was modified from the existing 'Remuneration Committee' to the 'Remuneration Committee' by reflecting the contents of the Act on the Corporate Governance of Financial Companies in March 2017.

Under Article 3 of the Remuneration Committee Regulation, a Remuneration Committee member who is an independent director cannot serve over 2-years consecutively. However, exceptions may be made if there are unavoidable circumstances, such as inconsistencies in the time of term expiration or existence of a concern that it may significantly interfere with the composition of the committee when the term of office is restricted. As of the end of 2023, all committee members have served less than 2-years.

In connection with the obligation to preserve documents on the Remuneration Committee's activities, minutes that state the agenda, proceedings, results, objecting members, and the grounds of objection in the committee meetings are prepared and kept under Article 9 of the Remuneration Committee Regulation. Article 57 of the Internal Code of Corporate Governance requires that details about the establishment and operations of the Remuneration Committee and about activities by the risk management and compliance monitoring departments shall be documented and preserved.

## 2. Composition

### A. Overview

Under Articles 3 and 4 of the Remuneration Committee Regulation and Article 15 of the Internal Code of Corporate Governance, the Company's Remuneration Committee consists of between 3 and 5 directors. An independent director serves as the Chairperson and independent directors account for a majority of the members so that the committee can be run independently from the management.

As of the end of 2023, the Remuneration Committee consists of 4 members (Sung Jae-ho, Kwak Su Keun, Kim Jo Seol and Lee Yoon-jae), and all the members including Chair Sung Jae-ho were independent directors, thus meeting the independence requirement in the composition of the Remuneration Committee.

At least 1 Committee member shall have experience working for a financial company or in the areas of corporate finance or accounting, thus contributing to the committee's expertise. At least 1 Risk Management Committee member shall participate so that the aspect of the Company's risk management can sufficiently be reflected in the operations of the Remuneration Committee.

## B. Members

<Before General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term	Experience working for a financial company or in an area related to finance or accounting in a corporation	Whether a member of Risk Management Committee
Lee Yong-guk	Independent director	Chairperson	March 25, 2021	March 23, 2023		Yes
Bae Hoon	Independent director	Member	March 25, 2021	March 23, 2023	Yes	
Byeon Yang-ho	Independent director	Member	March 25, 2021	January 12, 2023 (Resigned)	Yes	Yes
Sung Jaeho	Independent director	Member	March 25, 2021	March 23, 2023		

<After General Meeting of Shareholders in March of 2023>

Name	Independence	Title	Date of election	End of term	Experience working for a financial company or in an area related to finance or accounting in a corporation	Whether a member of Risk Management Committee
Sung Jae-ho	Independent director	Chairperson	March 23, 2023	Date of General Meeting of Shareholders in March 2024		Yes
Kwak Su Keun	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024	Yes	
Kim Jo Seol	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024		
Lee Yoon-jae	Independent director	Member	March 23, 2023	Date of General Meeting of Shareholders in March 2024	Yes	

## 3. Rights and responsibility

### A. Overview

Pursuant to Article 8 of the Remuneration Committee Regulation, the Remuneration Committee of the Company may demand the executive officer and relevant employees attend the Committee to receive support on professional and independent decision making or request the necessary data, and it may have outside personnel to listen to its opinion in the Committee. In addition, it may request advice from professional outside institutions, if necessary.

However, the members shall not disclose to outside for information of experience on officer and employee of the Committee and the Company or use the information for the benefit of a third party during the time of employment or after resignation.

### B. Deliberation and resolution on matters regarding the determination and payment method of remuneration

The Remuneration Committee of the Company deliberated the matters on the decision of remuneration and payment method in the 1st Remuneration Committee of 2023. The committee also determined compensation including the basic and incentive compensation for the company's management and deliberated and resolved the compensation method.

### **C. Deliberation and resolution on matters regarding the preparation and disclosure of Annual Report on the experience payment**

The Remuneration Committee of the Company deliberated the matters on preparation and disclosure of the annual report on the experience payment in the 1st Remuneration Committee in 2023. It deliberated on contents of preparation and subject of preparing the annual report of remuneration system, and resolved that the Company shall disclose it on the websites of the Company and the Korea Federation of Banks twenty (20) days before the annual shareholders' meeting, and if the Company fails to disclose matters on performance compensation at such timing, it may additionally disclose the same by the 15th of the month following the month in which the date of the Remuneration Committee's performance compensation resolution belongs.

### **D. Deliberation and resolution of matters regarding design and operation of the remuneration system and evaluation of appropriateness of design and operation**

The Remuneration Committee of the Company deliberated and resolved performance evaluation system and experience system (proposed) of the top management of the Company in the 1st in 2022, evaluated the adequacy of the design and operation of the Company's executive remuneration system, management of remuneration-related risks, and establishment of a compliance monitoring system for the previous year, and confirmed that the Company's remuneration system properly complied with related external regulations such as the Corporate Governance Act.

### **E. Deliberation and resolution of matters regarding decision-making procedure on experience policy**

The decision-making process for the Company's remuneration policy operates in accordance with 'D. (1) Decision-making process,' and there was no change related to the remuneration policy decision-making process during 2023.

### **F. Constant inspection of remuneration system of financial company, relativity with financial status and risks, and compliance with the laws and regulations**

The Remuneration Committee of the Company confirmed if the experience system is related to the finance status and risk of the Company in the 1st and 2nd Remuneration Committee in 2023, and it checked on compliance of the Act on the Corporate Governance of Financial Companies regarding the remuneration related risk management and compliance audit system at the time of evaluating the appropriateness of design and operation of the remuneration system of the previous year as implemented in the 1st Remuneration Committee in 2023.

### **G. Independently implementing the annual experience evaluation from the top management in order to check if the remuneration system of the finance company complies with the laws and regulations.**

The Remuneration Committee of the Company implemented independently from the top management with the evaluation of appropriateness of design and operation of the remuneration system as set forth from the independent regulation in the 1st Remuneration Committee in 2023 and it has confirmed that the remuneration policy and operation of the Company has complied with the pertinent independent regulations, such as the Act on the Corporate Governance of Financial Companies.

### **H. Scope of application for the remuneration policy of the Remuneration Committee**

(1) Applying to executive officer and Financial investment managers

(2) Overseas: Not applicable

### **I. Determination of subject person of variable remuneration of executive officers and front office personnel**

The Company defined under Article 6 of the Remuneration Committee Regulation to determine the subject person requiring the deliberation and resolution for the committee from front office personnel from the Remuneration Committee, and the subject persons for variable remuneration at the 1st Remuneration Committee in 2023, were determined as follows.

Classification	No. of personnel (Dec. 31, 2023)	Title
Executive officers, etc.	13 persons	Chairman, deputy president, managing director, division manager
Financial investment managers	0 person	-

## 4. Contents of Remuneration Committee activities and evaluation

### A. Decision-making procedure

The Remuneration Committee of the Company requires the Chairperson to convene the Committee, and the applicable contents are notified to each member at least 7 days prior to the meeting. However, the convening procedure of all members may be skipped.

After the notice of meeting date, the presented agenda of the Remuneration Committee is sufficiently acknowledged through the procedure of the separate advance explanation to members of the Remuneration Committee, and the opinions of independent directors are gathered and reflected in the Committee agenda when making the advance explanation.

The resolution of the Committee is made with the majority consent of registered members and it restricts the exercise of voting right for any party having interests in the resolution of the Committee. Furthermore, participating in the meeting of the Committee by the telecommunication to send and forward the voice at the same time is permitted.

### B. Overview

The Remuneration Committee of the Company deliberates and resolves matters delegated by the Board and it manages the evaluation experience system to be soundly established and operated for top management and others of holding companies. The Remuneration Committee of 2023 held a total of 8 meetings and it processed the decision of performance evaluation and remuneration system for top management of the Company in 2023, deliberation of performance evaluation and remuneration (proposed) for top management of the Company in 2022, agenda on appropriateness evaluation of design and operation of the remuneration system in 2022, and others.

Furthermore, the Company processed the advance session on the main agenda to individual members each time the Remuneration Committee is held to enhance the sense of understanding of the Remuneration Committee agenda to listen to various opinions in the procedure.

### C. Meetings held

#### (1) 1st meeting of the Remuneration Committee in 2023: February 27, 2023 (Mon)

[Date of notice: February 21, 2023 (Tue)]

Items	Activities of members			Whether or not approved
1. Name of director	Lee Yong-guk	Bae Hoon	Sung Jaeho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
(No agenda to report)	Not applicable			
4. Resolutions				
A. Matter of evaluation of CEO strategic task for Group in 2022	Concur	Concur	Objection	Approved
B. Matter of establishment of performance evaluation system of the subsidiary companies in 2023	Concur	Concur	Concur	Approved
C. Matter of performance evaluation for subsidiaries in 2022	Concur	Concur	Concur	Approved
D. Matter of establishment of performance evaluation system for subsidiaries in 2023	Concur	Concur	Concur	Approved
E. Matter of establishment of remuneration system of top management of the Company in 2023	Concur	Concur	Concur	Approved
F. Matter of evaluation of appropriateness for design and operation of remuneration system in 2022	Concur	Concur	Concur	Approved
G. Matter of preparation and notification of the annual report of the remuneration system in 2022	Concur	Concur	Concur	Approved

The 1st Remuneration Committee meeting had all members in attendance for a quorum and passed resolutions on a total of 7 agenda items. The committee performed evaluation of the Group CEO's strategic tasks for 2022, and it deliberated and resolved the performance evaluation system and remuneration system for the management for 2023. Furthermore, the committee deliberated and approved the performance evaluation for subsidiaries (proposed) for 2022 and the performance evaluation system for subsidiaries for 2023. In addition, it evaluated adequacy of the remuneration system design and operation for 2022 to assess whether the Company's remuneration system properly complies with external laws and regulations such as the Corporate Governance Act.

## (2) 2nd meeting of the Remuneration Committee in 2023: March 13, 2023 (Mon)

[Date of notice: March 2, 2023 (Thu)]

Items	Activities of members			Whether or not approved
1. Name of director	Lee Yong-guk	Bae Hoon	Sung Jaeho	
2. Attendance status and reason if absent	Attended	Attended	Attended	
3. Comments on reported matters				
A. Review of changes to the performance evaluation and remuneration system for Company executives, etc.	In terms of clarity and effectiveness, continuous review of the plan to improve the executive performance remuneration system for better financial consumer protection is necessary.			
4. Resolutions				
A. Matter of performance evaluation and remuneration of top management of the Company in 2022	Concur	Concur	Concur	Approved



The 2nd Remuneration Committee had all members in attendance for the quorum and the committee deliberated on and decided the performance evaluation and remuneration (proposed) of the Company's management for 2022.

In addition, the review of changes to the performance evaluation and remuneration system for Company executives, etc. that strengthens responsibility of the holding Company executives, etc. in terms of financial consumer protection was reported.

### (3) 3rd meeting of the Remuneration Committee in 2023: March 23, 2023 (Thu)

[Date of notice: Omitted (Emergency meeting convened by unanimous consent of the members)]

Items	Activities of members				Whether or not approved
	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
1. Name of director	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
(No agenda to report)	Not applicable				
4. Resolutions					
A. Matter of appointment of the Chair of the Remuneration Committee	Concur	Concur	Concur	Concur	Approved

The 3rd Remuneration Committee was the first Remuneration Committee held after the annual shareholders' meeting that all new members attended to make the quorum, and director Sung Jae-ho was elected as the Chair of the Remuneration Committee.

### (4) 4th meeting of the Remuneration Committee in 2023: May 10, 2023 (Wed)

[Date of notice: May 3, 2023 (Wed)]

Items	Activities of members				Whether or not approved
	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
1. Name of director	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Overview of the Remuneration Committee operations	No particular comments				
B. Key issues of the Remuneration Committee for 2023	No particular comments				
C. Remuneration Committee operation plan for 2023	Conducted a review through external professional consulting on the measures to improve the executive performance remuneration system				
4. Resolutions					
(No agenda to resolution)	Not applicable				

The 4th Remuneration Committee had all members in attendance for the quorum, and a report was made on the overview of the Remuneration Committee operations and the key issues and operation plan of the Remuneration Committee for 2023. In addition, the committee researched domestic and international cases on overall executive performance remuneration systems through external professional consulting, and based on this, it discussed on the review of improvement measures.

### (5) 5th meeting of the Remuneration Committee in 2023: July 20, 2023 (Thu)

[Date of notice: July 20, 2023 (Thu)]

Items	Activities of members				Whether or not approved
1. Name of director	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
(No agenda to report)	Not applicable				
4. Resolutions					
A. Establishment of the performance evaluation and remuneration system for the new executives	Concur	Concur	Concur	Concur	Approved

The 5th Remuneration Committee had all members in attendance for the quorum, and it deliberated and resolved on the performance evaluation and remuneration system for the head of the Group's Consumer Protection Division, newly appointed on July 1, 2023.

#### (6) 6th meeting of the Remuneration Committee in 2023: October 17, 2023 (Tue)

[Date of notice: October 5, 2023 (Thu)]

Items	Activities of members				Whether or not approved
1. Name of director	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Review of the executive performance evaluation and compensation system (interim report)	In addition to measures to improve the performance remuneration system, it is necessary to review the operation of the Remuneration Committee.				
4. Resolutions					
(No agenda to resolution)	Not applicable				

The 6th Remuneration Committee had all members in attendance for the quorum, and a report was made on the cases and implications of performance remuneration systems for executives at home and abroad that were investigated through external professional consulting.

#### (7) 7th meeting of the Remuneration Committee in 2023: November 9, 2023 (Thu)

[Date of notice: November 2, 2023 (Thu)]

Items	Activities of members				Whether or not approved
1. Name of director	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
(No agenda to report)	Not applicable				
4. Resolutions					
A. Establishment of standards for the recovery of performance remuneration for executives, etc.	Concur	Concur	Concur	Concur	Approved

The 7th Remuneration Committee had all members in attendance for the quorum, and regarding a severe disciplinary action by financial supervisory agencies among the grounds for recovery of performance remuneration, it deliberated and resolved to establish principal standards of recovery, such as recovery targets and ratios for each type of sanction.

#### (8) 8th meeting of the Remuneration Committee in 2023: December 19, 2023 (Tue)

[Date of notice: December 12, 2023 (Tue)]

Items	Activities of members				Whether or not approved
1. Name of director	Sung Jae-ho	Kwak Su Keun	Kim Jo Seol	Lee Yoon-jae	
2. Attendance status and reason if absent	Attended	Attended	Attended	Attended	
3. Comments on reported matters					
A. Review of the executive performance evaluation and compensation system (report)	To ensure that the improvement measures derived can lead to real changes, a step-by-step implementation plan that takes into account consistency with existing systems, internal and external acceptability, etc. needs to be reviewed.				
4. Resolutions					
(No agenda to resolution)	Not applicable				

The 8th Remuneration Committee had all members in attendance for the quorum, and a report was made on the measures to improve the executive performance remuneration system that was derived through external professional consulting. The key points include focus on mid- to long-term performance, introduction of a performance remuneration system from the perspective of strengthening risk/internal control, sound operation of the Remuneration Committee from the perspective of balance between control and engagement, etc.

#### D. Evaluation

Under Article 8 (Evaluation of the Board's performance, etc.) of the Company's Internal Code of Corporate Governance, the Remuneration Committee evaluates reasonableness of the agenda for resolutions and reports, degree of managerial information provided, role of the Committee, etc. once a year in connection with its operations. It then refers to the evaluation results in its operations.

For the purpose of evaluation, main subject, criteria and method, refer to the contents on this Annual Report II. Board of directors and 4. Evaluation of the Board and directors - A. Evaluation of the Board.

Evaluation of the Remuneration Committee for 2023 shows that the Committee's level of operation and role execution was excellent.

2023  
Annual Report on  
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## II. Remuneration System

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## II. Remuneration System

### 1. Important matters

#### A. Measurement of performance, and linking between performance and remuneration

##### (1) Key Performance Indicators of the Company's executives

Financial performance indexes of the Company's CEO include Group KPI items including shareholder value related index (total shareholder return ratio), profitability index (ROE, ROA), soundness index (substandard and below loans ratio), risk-related index (RAROC), and efficiency index (total cost-income ratio).

As for non-financial performance indicators, we evaluate the performance of key strategic tasks based on the Group's strategic direction, which includes ensuring the number one growth rate in senior and young customer base, establishing a top-level foundation in the capital market/global domestic market, achieving "digital to value" through customer experience innovation, aiming to become Asia's leading ESG financial group, securing balanced human competitiveness, and practicing thorough and proactive risk management.

As for other executives of the Company, Group KPI items and the achievement rate of each executive's key strategic tasks are used as performance indicators. In addition, in the case of executives in charge of risk management, compliance monitoring, and audit that require independence in the execution of duties, we use performance indicators that are not linked to the Company's financial performance, to secure independence.

##### (2) Key performance indicators of subsidiaries

Group KPIs, subsidiary KPIs, and strategic tasks are performance indicators of subsidiaries.

##### (3) Linking between the results of company-wide and individual performance measurement and the remuneration for individuals

In the case of executives, the Company uses a remuneration system centered on performance remuneration, with the performance remuneration making up 50% or more of the total compensation, and the result of performance evaluation is reflected in the payment of performance remuneration.

Performance evaluation for annual performance remuneration payment consists of company-wide financial performance (results) and non-quantitative strategic tasks, and an individual's performance grade calculated through the evaluation is reflected in the rate of annual performance remuneration.

Performance evaluation for long-term performance remuneration consists of shareholder value-related indicators, profitability indicators, and soundness indicators, and the evaluation result is reflected in the rate of long-term performance remuneration.

#### B. Performance remuneration: Deferral, adjustment, and clawback, and the criteria of the payment

##### (1) Policy on immediate and deferred payment of performance remuneration

The Company's performance remuneration consists of annual and long-term performance remuneration, and the proportion of long-term performance remuneration out of the total performance remuneration is 50% or more for general executives and 60% or more for top management. Annual performance remuneration is paid as a lump sum in cash based on evaluation of the previous year's performance, and long-term performance remuneration is paid in deferral based on evaluation of performance for 4 years after the grant.

##### (2) Adjustment policy for deferred or paid remuneration

In the performance remuneration, the final quantity of shares for long-term performance remuneration is decided according

to the average performance for 4 years after the grant. The amount of its payment is decided according to the share price at the time of payment. Due to the structure of the Company's long-term performance remuneration, the total amount of long-term performance remuneration can be adjusted if losses occur or goals not met before the payment. The amount can also be automatically adjusted when a decrease in the Company's value leads to a decrease in the share price.

### **(3) Clawback Provision**

When an executive or employee resigns or retires due to his/her fault, causing material damage to the company or heavy disciplinary sanctions from a regulatory agency, the Company can recollect the performance remuneration, thus adjusting the remuneration.

### **(4) Payment confirmation criteria of deferred remuneration**

As mentioned above, the Company's long-term performance remuneration is granted in a certain number of shares as at the time of grant, and the number of shares varies according to evaluation of performance for 4 years. The final amount of payment is fixed according to the share price as at the end of the final operation period, showing that the amount of deferred number of shares and payment is fixed only when the final operation period ends.

## **C. Standards to determine the allocation between cash, stock and other remuneration**

### **(1) Standard and basis to determine the allocation of fixed remuneration amount and variable remuneration amount from the entire remuneration amount**

The fixed remuneration of the Company's executives consists of base salary and job allowance, and the variable remuneration whose amount is determined by performance evaluation consists of annual performance remuneration and long-term performance remuneration. The scale (amount) of variable remuneration is determined as a fixed multiple of the base salary by the resolution of the Remuneration Committee each year, and the multiple is different for each executive position.

### **(2) Payment type of performance remuneration (cash, stock, stock linked product, etc.)**

The annual performance remuneration from the performance remunerations of the officer and employee of the Company is paid in cash and the long-term performance remuneration operates on the basis of the Shinhan Financial Group stocks.

### **(3) Standard and basis to determine the allocation between cash, stock and others from the performance remuneration amount**

As mentioned earlier, the annual performance remuneration from the variable remunerations operates in cash and the long-term performance remuneration is operated based on the Shinhan Financial Group stocks, and the ratio of the long-term performance remuneration from the overall variable remuneration is maintained at 50% or more.

### **(4) Standard and basis to determine the allocation of immediate payment and deferred payment from the performance remuneration amount**

The ratio of the long-term performance remuneration paid in deferment from the outcome remuneration is 50% or more for ordinary executive officers and 60% or more for top management.

## **D. Independence of the performance remuneration system for executives in charge of risk management and compliance monitoring**

Performance evaluation for executives in charge of risk management, compliance monitoring, and audit is run in a way not linked to the Company's financial performance in order to prevent conflicts of interest, thus ensuring independence. Performance of such executives is evaluated and then compensation is determined based on the result.

## **E. Remuneration system for employees other than executives**

### **(1) Remuneration system to establish performance-based corporate culture**

For improvement of productivity, cooperation between labor and management, and sharing of the fruits of operation by enhancing employee ownership through greater ownership mentality among employees, the Company established the Employee Stock Ownership Association of Shinhan Financial Group on December 9, 2002, is operating ESOP, and based on the rate of achieving its performance indicators, pay management incentive each year in the mixture of cash and ESOP.

Each year, payment is made in cash in part and in shares based on the Group's KPI achievement rate. The Company contributed an amount of 787,351,037 won in 2019, acquiring 17,725 shares of ESOP and distributing the same to its employees.

A separate incentive system wherein the amount of remuneration varies based on individual employee's annual performance (goal achievement rate) each year is being run.

### **(2) Rationalizing the remuneration system**

In order to rationalize its remuneration system under the Remuneration Regulation, the Company has simplified the items of remuneration.

Under the Remuneration Regulation, the range of the Company's base salary shall vary by rank according to the value of job/roles, magnitude of responsibility, and performance capacity.

## **F. Contents of advisory of external expert**

The Company grants the authority to request for external advisory to members of the Remuneration Committee in accordance with Article 8 of the Remuneration Committee Regulation. In 2023, the Company conducted external consultation on measures to improve the executive performance remuneration system.

## **G. Contents of facilitating the remuneration related insurance**

Following Article 65 of the Internal Code of Corporate Governance, the executive officer and employee of the Company are not allowed to facilitate insurance related to personal risk avoidance strategy or remuneration that may damage the risk connectivity of the remuneration system.

## **H. Main modifications on remuneration system**

In accordance with the revision of the New York Stock Exchange (NYSE) listing standards, the Company has enacted the Regulation on Recovery of Performance Remuneration for NYSE-Listed Companies so that if financial statements which serve as the basis for the performance remuneration for executives, etc. are corrected, previously-paid performance remuneration shall be recovered. In addition, among the compensation items for executives, "activity allowance" has been renamed to "job allowance," taking into account the nature of such compensation (i.e., paid according to the nature and importance of the job performed).

## **2. Details of remuneration**

### **A. Total remuneration for executives and employees**

(Unit: Person, 100 million won)

Classification	Total remuneration for executives and employees (A) <sup>1)</sup>	EBT (earnings before taxes) (B) <sup>2)</sup>	Ratio (A/B)	Number of executives and employees (C)	Average remuneration for executives and employees (A/C)
Previous year (2022)	318	55,837	0.57%	206	1.54
Current year (2023)	322	63,493	0.51%	202	1.59

Note 1) This is based on earned income in the payment statement of earned income submitted to the tax office under Article 20 of the Income Tax Act as of the end of the corresponding year.

Note 2) State the amount corresponding to FY (t-1) on a consolidated basis for the Group (e.g., for the current year of 2023, state EBT (earnings before taxes) as of the end of 2022).

## B. Total remuneration and performance remuneration, by rank

(Unit: Person, 100 million won)

Classification		Executives			Employees		
		CEO	Independent/ non-executive director	Un-registered executive officer	Department head	Manager	Staff, etc.
Previous year (2022)	Total remuneration	9	9	45	40	187	28
	Performance remuneration	-	-	18	8	26	5
	Number of executives and employees	1	13	10	21	136	25
Current year (2023)	Total remuneration	7	7	51	42	196	19
	Performance remuneration	-	-	23	9	27	2
	Number of executives and employees	1	10	10	20	139	22

## 3. Detailed matters of remuneration of executive officer and Financial investment managers

\* Limited to the executive officer and Financial investment managers of the holding company (The details of the executive officer and Financial investment managers of subsidiary companies are included in the Annual Report of the subsidiary companies)

### A. Classification of remuneration (based on the amount of applicable year)



(Unit: Person, 100 million won)

Classification		Number of recipient <sup>1)</sup>	Base payment <sup>2)</sup>	Performance remuneration amount <sup>2)</sup>	
				Subject for deferred payment	
Previous year (2022)	Executive officers, etc.	13	40	61	33
	Financial investment managers	0	0	0	0
Current year (2023)	Executive officers, etc.	Scheduled for additional disclosure on or before April 15			
	Financial investment managers				

Note 1) Record for executive officers (executive officers and heads of division) and employees working as the Financial investment managers with 6 months or longer from the applicable year (hereinafter the same)

Note 2) It includes all monetary sources (allowances, actual expenses and others regardless of its category) paid as the remuneration and it is classified as 'performance-based remuneration' when paid in relation to the outcome as the 'base payment'

## B. Type of performance remuneration (based on the amount of the applicable year)

(Unit: 100 million won)

Classification			Performance remuneration amount			
			Cash	Shares <sup>1)</sup>	Stock-related instrument <sup>2)</sup>	Others <sup>3)</sup>
Previous year (2022)	Executive officers, etc.	61	28	33	0	0
	Financial investment managers	0	0	0	0	0
Current year (2023)	Executive officers, etc.	Scheduled for additional disclosure on or before April 15				
	Financial investment managers					

Note 1) It is evaluated and calculated by the market price (final price) as of the end of fiscal year, and if there is no market price, it is evaluated and calculated by a reasonable method (for example: amount calculated with the evaluation from two or more outside evaluation agencies) set forth by the Company

Note 2) Evaluated and calculated as applicable to stocks (Evaluated and calculated with the fair value as of the end of the year of occurrence)

Note 3) Monetary term for all types excluding the cash, stock, stock linked instrument and others, such as gift certificate, right to use condominium and others

\* For the case of the stock-related remuneration even for the type of final payment in cash, it is recorded as 'stock' or 'stock-linked instrument'

## C. Classification of deferred remuneration (based on the accumulated amount at the end of applicable year)

(Unit: 100 million won)

Classification		Deferred remuneration amount <sup>1)</sup>		
			Payment confirmed	Payment not confirmed
Previous year (2022)	Executive officers, etc.	92	0	92
	Financial investment managers	0	0	0
Current year (2023)	Executive officers, etc.	Scheduled for additional disclosure on or before April 15		
	Financial investment managers			

Note 1) Total deferred remuneration amount accumulated as of the end of the applicable year

\* In the event that the payment scale is finalized regardless of the payment from the accumulated deferred remuneration amount at the end of the specific year, it is classified and recorded as the 'payment confirmed', and if it is not finalized, it is recorded as 'payment not confirmed'. In the event that the deferred size is finalized by evaluating during 1/4Q of 2023 for the outcome remuneration amount for 2022, the deferred remuneration amount is included in the accumulated deferred remuneration as of the end of 2022 (hereinafter the same)

#### D. Classification of deferred remuneration type (based on the accumulated amount at the end of applicable year)

(Unit: 100 million won)

Classification		Performance remuneration amount <sup>1)</sup>				
			Cash	Shares	Stock-related instrument	Others
Previous year (2022)	Executive officers, etc.	92	0	92	0	0
	Financial investment managers	0	0	0	0	0
Current year (2023)	Executive officers, etc.	Scheduled for additional disclosure on or before April 15				
	Financial investment managers					

Note 1) Total deferred remuneration amount accumulated as of the end of the applicable year

#### E. Classification of remuneration of deferred remuneration amount (classify the criteria of accumulated amount of the applicable year for each year of occurrence)

(Unit: 100 million won)

Classification		Deferred remuneration <sup>1)</sup>					
			t term	t-1 term	t-2 term	t-3 term	Before
Previous year (2022)	Executive officers, etc.	92	33	31	15	13	0
	Financial investment managers	0	0	0	0	0	0
Current year (2023)	Executive officers, etc.	Scheduled for additional disclosure on or before April 15					
	Financial investment managers						

Note 1) The accumulated deferred remuneration amount at the end of the applicable year is classified for each year of occurrence to record [For example: The accumulated deferred remuneration amount as of the end of 2022 is classified for occurred portion for 2022 (t-1st term), 2021 (t-1st term) and 2020 (t-2nd term)]

## F. Adjustment of deferred remuneration

(Unit: 100 million won)

Classification		Adjusted amount of deferred remuneration <sup>1)</sup>			Amount exposed to direct and indirect adjustment <sup>4)</sup>
			Direct adjustment <sup>2)</sup>	Indirect adjustment <sup>3)</sup>	
Previous year (2022)	Executive officers, etc.	0	0	0	0
	Financial investment managers	0	0	0	0
Current year (2023)	Executive officers, etc.	Scheduled for additional disclosure on or before April 15			
	Financial investment managers				

Note 1) From the accumulated deferred remuneration amount (settlement based) at the time of the end of the previous year of the applicable year, it is the amount reduced in accordance with the direct (decrease, return and others) and indirect (stock price change and others) adjustment.

However, the outcome evaluation and others are reflected to reduce the deferred remuneration, but due to the stock price changes, it is recorded on the same category even for the case where the actual deferred remuneration amount is increased.

Note 2) Record the part reduced in accordance with the direct (decrease, return and others) adjustment of the deferred remuneration

Note 3) Record the decreased part in accordance with the indirect adjustment (stock price change and others) for the deferred remuneration

Note 4) The deferred remuneration amount exposed to potential direct and indirect adjustment (based on accumulated amount at the end of applicable year)

## G. Severance pay

(Unit: 100 million won)

Classification		Number of recipients	Amount of severance pay <sup>1)</sup>	Highest amount for a person
Previous year (2022)	Executive officers, etc.	0	0	0
	Financial investment managers	0	0	0
Current year (2023)	Executive officers, etc.	Scheduled for additional disclosure on or before April 15		
	Financial investment managers			

Note 1) Excluding the severance pay under the Labor Standards Act

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Remuneration System



**[Attachment]**

Qualification review report of independent director candidates

## Qualification review report of independent director candidates

Name	Comprehensive opinion
Kwak Su Keun	Qualified
Bae Hoon	Qualified
Sung Jaeho	Qualified
Yoon Jaewon	Qualified
Lee Yong-guk	Qualified
Lee Yoon-jae	Qualified
Jin Hyun-duk	Qualified
Choi Jae Boong	Qualified

This Committee confirms the qualifications of the independent director candidate.

February 28, 2023

### Shinhan Financial Group

Independent Director and Audit Committee Member Recommendation Committee

Chairperson **Choi Jae Boong** (Signature) 

Member **Kwak Su Keun** (Signature) 

Member **Kim Jo Seol** (Signature) 

Member **Park Ansoon** (Signature) 


Member **Bae Hoon** (Signature) 

Member **Sung Jaeho** (Signature) 

Member **Yoon Jaewon** (Signature) 

Member **Lee Yong-guk** (Signature) 

Member **Lee Yoon-jae** (Signature) 

Member **Jin Hyun-duk** (Signature) 

Member **Huh Yong-hak** (Signature) 

## Review report on independent director candidates standing for re-election

Name	Comprehensive opinion
Kwak Su Keun	Qualified
Bae Hoon	Qualified
Sung Jaeho	Qualified
Yoon Jaewon	Qualified
Lee Yong-guk	Qualified
Lee Yoon-jae	Qualified
Jin Hyun-duk	Qualified
Choi Jae Boong	Qualified

This Committee confirms the qualifications of the independent director candidates standing for re-election.

February 3, 2023

### **Shinhan Financial Group**

Independent Director and Audit Committee Member Recommendation Committee

Chairperson **Choi Jae Boong** (Signature)



## Assessment outcome by candidate

Candidate	Kwak Su Keun	Company	Honorary Professor of Accounting, Seoul National University Business School
<b>* Compliance with the laws, regulations and codes of qualification for independent director</b>			
Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation		Not applicable	
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company		Not applicable	
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company		Not applicable	
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company		Not applicable	
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility		Qualified	
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors		Not applicable	
<b>* Main category of qualification for independent director</b>			
Relationship between company and candidate		Applicability	Remarks
Relationship with the Company or affiliated company		Not applicable	No particular issue
Relationship with majority shareholder		Not applicable	No particular issue
Relationship with officers		Not applicable	No particular issue
Negative screening for eligibility (Main information)		Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital		Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person		Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies		Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)		Not applicable	No particular issue
Positive screening for eligibility	Qualification	Remarks	
Expertise	Qualified	Expert in the areas of accounting and business management (Professor of business administration with accounting major)	
Fair judgment, Integrity, Strong work ethics	Qualified		
Diversity, Reasonableness, Efficacy	Qualified		
<b>Evaluation result of independent director standing for re-election</b>	Outstanding competency of independent director for work performance (expected level or higher on the duties)		

Candidate	Bae Hoon	Company	Representative Attorney, Orbis Legal Profession Corporation
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**\* Compliance with the laws, regulations and codes of qualification for independent director**

Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation	Not applicable
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company	Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive officer of a financial company	Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company	Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility	Qualified
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors	Not applicable

**\* Main category of qualification for independent director**

Relationship between company and candidate	Applicability	Remarks
Relationship with the Company or affiliated company	Not applicable	No particular issue
Relationship with majority shareholder	Not applicable	No particular issue
Relationship with officers	Not applicable	No particular issue

Negative screening for eligibility (Main information)	Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital	Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person	Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies	Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)	Not applicable	No particular issue

Positive screening for eligibility	Qualification	Remarks
Expertise	Qualified	Expert in the areas of legal, accounting, and international business (Foreign attorney, foreign certified public accountant)
Fair judgment, Integrity, Strong work ethics	Qualified	
Diversity, Reasonableness, Efficacy	Qualified	

<b>Evaluation result of independent director standing for re-election</b>	Outstanding competency of independent director for work performance (expected level or higher on the duties)
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Candidate	Sung Jaeho	Company	Professor, Sungkyunkwan University Law School
<b>* Compliance with the laws, regulations and codes of qualification for independent director</b>			
Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation		Not applicable	
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company		Not applicable	
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company		Not applicable	
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company		Not applicable	
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility		Qualified	
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors		Not applicable	
<b>* Main category of qualification for independent director</b>			
Relationship between company and candidate		Applicability	Remarks
Relationship with the Company or affiliated company		Not applicable	No particular issue
Relationship with majority shareholder		Not applicable	No particular issue
Relationship with officers		Not applicable	No particular issue
Negative screening for eligibility (Main information)		Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital		Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person		Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies		Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)		Not applicable	No particular issue
Positive screening for eligibility	Qualification	Remarks	
Expertise	Qualified	Expert in the areas of legal, and international business (Professor, majoring in international law )	
Fair judgment, Integrity, Strong work ethics	Qualified		
Diversity, Reasonableness, Efficacy	Qualified		
<b>Evaluation result of independent director standing for re-election</b>	Outstanding competency of independent director for work performance (expected level or higher on the duties)		

Candidate	Yoon Jaewon	Company	Professor of Business Administration, Hongik University
<b>* Compliance with the laws, regulations and codes of qualification for independent director</b>			
Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation		Not applicable	
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company		Not applicable	
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company		Not applicable	
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company		Not applicable	
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility		Qualified	
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors		Not applicable	
<b>* Main category of qualification for independent director</b>			
Relationship between company and candidate		Applicability	Remarks
Relationship with the Company or affiliated company		Not applicable	No particular issue
Relationship with majority shareholder		Not applicable	No particular issue
Relationship with officers		Not applicable	No particular issue
Negative screening for eligibility (Main information)		Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital		Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person		Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies		Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)		Not applicable	No particular issue
Positive screening for eligibility	Qualification	Remarks	
Expertise	Qualified	Expert in the areas of accounting and business management (US Certified Public Accountant, professor of management with major in accounting)	
Fair judgment, Integrity, Strong work ethics	Qualified		
Diversity, Reasonableness, Efficacy	Qualified		
<b>Evaluation result of independent director standing for re-election</b>	Outstanding competency of independent director for work performance (expected level or higher on the duties)		

Candidate	Lee Yong-guk	Company	Clinical Professor, Seoul National University, School of Law
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**\* Compliance with the laws, regulations and codes of qualification for independent director**

Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation	Not applicable
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company	Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company	Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company	Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility	Qualified
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors	Not applicable

**\* Main category of qualification for independent director**

Relationship between company and candidate	Applicability	Remarks
Relationship with the Company or affiliated company	Not applicable	No particular issue
Relationship with majority shareholder	Not applicable	No particular issue
Relationship with officers	Not applicable	No particular issue

Negative screening for eligibility (Main information)	Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital	Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person	Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies	Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)	Not applicable	No particular issue

Positive screening for eligibility	Qualification	Remarks
Expertise	Qualified	Expert in the areas of legal, finance, and international business (Attorney specializing in finance, professor of law)
Fair judgment, Integrity, Strong work ethics	Qualified	
Diversity, Reasonableness, Efficacy	Qualified	

<b>Evaluation result of independent director standing for re-election</b>	Outstanding competency of independent director for work performance (expected level or higher on the duties)
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Candidate	Lee Yoon-jae	Company	Former) Secretary to the President for Financial & Economic Affairs
<b>* Compliance with the laws, regulations and codes of qualification for independent director</b>			
Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation		Not applicable	
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company		Not applicable	
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive office of a financial company		Not applicable	
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company		Not applicable	
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility		Qualified	
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors		Not applicable	
<b>* Main category of qualification for independent director</b>			
Relationship between company and candidate		Applicability	Remarks
Relationship with the Company or affiliated company		Not applicable	No particular issue
Relationship with majority shareholder		Not applicable	No particular issue
Relationship with officers		Not applicable	No particular issue
Negative screening for eligibility (Main information)		Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital		Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person		Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies		Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)		Not applicable	No particular issue
Positive screening for eligibility	Qualification	Remarks	
Expertise	Qualified	Expert in the areas of economics, finance, and business management (Possessing experiences in government agency in charge of finance and economics, professional manager)	
Fair judgment, Integrity, Strong work ethics	Qualified		
Diversity, Reasonableness, Efficacy	Qualified		
<b>Evaluation result of independent director standing for re-election</b>		Outstanding competency of independent director for work performance (expected level or higher on the duties)	

Candidate	Jin Hyun-duk	Company	CEO of Phoedra Inc.
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**\* Compliance with the laws, regulations and codes of qualification for independent director**

Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation	Not applicable
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company	Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive officer of a financial company	Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company	Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility	Qualified
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors	Not applicable

**\* Main category of qualification for independent director**

Relationship between company and candidate	Applicability	Remarks
Relationship with the Company or affiliated company	Not applicable	No particular issue
Relationship with majority shareholder	Not applicable	No particular issue
Relationship with officers	Not applicable	No particular issue

Negative screening for eligibility (Main information)	Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital	Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person	Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies	Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)	Not applicable	No particular issue

Positive screening for eligibility	Qualification	Remarks
Expertise	Qualified	Expert in the areas of business management and international business (professional manager of overseas company, Professor of Management)
Fair judgment, Integrity, Strong work ethics	Qualified	
Diversity, Reasonableness, Efficacy	Qualified	

<b>Evaluation result of independent director standing for re-election</b>	Outstanding competency of independent director for work performance (expected level or higher on the duties)
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Candidate	Choi Jae Boong	Company	Professor, Sung Kyun Kwan University, College of Engineering
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**\* Compliance with the laws, regulations and codes of qualification for independent director**

Article 382(3) of the Commercial Act- Requirement of disqualification for independent director of a corporation	Not applicable
Article 542-8(2) of the Commercial Act- Requirement of disqualification for independent director of a listed company	Not applicable
Article 5(1), (2) of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for executive officer of a financial company	Not applicable
Article 6 of the Act on Corporate Governance of Financial Companies- Requirement of disqualification for independent director of a financial holding company	Not applicable
Article 23(1) of the Internal Code of Corporate Governance- Positive screening for eligibility	Qualified
Article 26(4) of the Internal Code of Corporate Governance - Term limit for independent directors	Not applicable

**\* Main category of qualification for independent director**

Relationship between company and candidate	Applicability	Remarks
Relationship with the Company or affiliated company	Not applicable	No particular issue
Relationship with majority shareholder	Not applicable	No particular issue
Relationship with officers	Not applicable	No particular issue

Negative screening for eligibility (Main information)	Applicability	Remarks
Loan transaction exceeding 10% of the corporate capital	Not applicable	No particular issue
Advisory transaction and service transaction between the company and applicable person	Not applicable	No particular issue
Concurrent position of director, executive officer and auditor of two or more other companies	Not applicable	No particular issue
Concurrent position of independent director, non-standing auditor, and non-standing auditor for other companies (excluding subsidiary companies)	Not applicable	No particular issue

Positive screening for eligibility	Qualification	Remarks
Expertise	Qualified	Expert in the area of information technology (Professor of mechanical engineering in the information technology (IT) field)
Fair judgment, Integrity, Strong work ethics	Qualified	
Diversity, Reasonableness, Efficacy	Qualified	

<b>Evaluation result of independent director standing for re-election</b>	Outstanding competency of independent director for work performance (expected level or higher on the duties)
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