

BNK Financial Group

ESG Policy Book

Board Independence and Diversity Policy

TOUCH  *Your Heart,* BNL

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Board Independence and Diversity Policy

1. Objective

- BNK Financial Group recognizes the importance of ensuring that the Board of Directors, as the highest decision-making and supervisory body, pursues sustainable management and makes rational decisions that enhance the rights and interests of stakeholders such as shareholders, customers, and local communities. Therefore, this policy aims to compose the board with directors who possess a high level of independence, as well as diverse backgrounds, experiences, and abilities.

2. Application Scope

- This policy applies to BNK Financial Group.

3. Basic Principles

3.1 Independence of Outside Directors

- BNK Financial Group ensures that the Board of Directors operates efficiently with independent decision-making authority by appointing a majority of its directors as outside directors. In addition, outside directors must adhere independence requirements in compliance with financial regulations such as 'Commercial Act' and the 'Act on Corporate Governance of Financial Companies'. The criteria for maintaining the independence of outside directors are as follows.

1. An outside director must not be a full-time employee or non-executive director of the Company or its subsidiaries, nor have been a full-time employee or non-executive director of the Company or its subsidiaries within the last three years.
2. An outside director must not have employment relations with the Company's external auditor.
3. An outside director must not be an advisor or consultant of the Company or its management.
4. An outside director must not be an employee of a corporation for which the total sum of transactions with the Company within the last three business years equals or exceeds 10% of the Company's total assets or operating revenue.
5. An outside director must not be an employee of a corporation that has concluded a single contract with the Company during the recent business years for a value that equals or exceeds 10% of the Company's total sales.
6. An outside director must not have any conflicts of interest regarding matters decided by the Board of Directors.

3.2 Diversity of the Board of Directors

- BNK Financial Group operates its Board of Directors with directors who possess expertise in various fields to broadly incorporate the perspectives of stakeholders such as shareholders and financial consumers.
1. Gender: We do not discriminate based on gender, and all directors of the holding company are not composed of a single gender.
 2. Career: While considering the characteristics of the financial industry, we avoid bias towards specific backgrounds and origins.
 3. Age: We consider candidates of harmonized age, in order to flexibly respond to changes in the business environment and to enhance the efficiency of the board.
 4. Others: We do not discriminate based on race, religion, ethnicity, or cultural background, and respect diversity.

3.3 Expertise of the Board of Directors

- The Financial Group ensures the efficient operation of the Board of Directors by comprising it with directors who have expertise in various fields such as finance, economy, management, law, finance/accounting, information technology, and consumer protection. BNK Financial Group utilizes various channels for nominating director candidates to reflect the opinions of a wide range of stakeholders and to compose the Board with directors who possess independence, diversity, and expertise.

4. Others

4.1 Reference

- The 'Commercial Act'
- Related laws, including the 'Act on Corporate Governance of Financial Companies'

4.2 Enactment and Revision History

- June 27, 2024. Policy enacted and implemented

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