


Governance

Value-up for Increasing Corporate Value_1


Our Mid-to-long Term Shareholder Return and Friendly Policy

Hanmi Pharm aims to achieve an average shareholder return rate¹⁾ of 25% from 2025 to 2027, not only by investing in the future but also by improving shareholder returns. To reach this goal, we plan to expand our shareholder return policy by taking various measures, such as increasing dividends, introducing interim dividends, and repurchasing and retiring treasury shares. In addition, we will increase shareholder communication by hosting IR events with C-suite participation and by introducing the “Hanmi Pharm Facility Visit Day.” We are also committed to enhancing shareholder value by improving our internal systems, including the introduction of measures designed to increase dividend predictability and the adoption of a professional management system.




Increase Dividends

- ▶ **Increase** dividends per share **by 200%** by 2027 (compared to 2023).
- ▶ Establish a minimum dividend payout ratio to ensure dividend stability. **(10% or more)**
- ▶ Actively implement **interim dividends** if there is room for additional dividends.




Increase Communication with Shareholders

- ▶ Host IR events in which C-level participate in order to **enhance expertise and transparency.**
- ▶ Introduce a **“Hanmi Pharmaceutical Facility Visit Day”** for investors.
- ▶ **Eliminate information gaps** by promptly disclosing important information.



Acquire and Retire Treasury Stocks

- ▶ **Acquire treasury stocks** considering the target shareholder return rate.
- ▶ **Gradually retire** held or repurchased **treasury shares.**
- ▶ **Improve stock-to-earnings ratio** through efficient management.



Build a Systematic Environment

- ▶ Introduce a system that **“first determines the amount of dividends and then designates the dividend base date”** to increase dividend predictability.
- ▶ Introduce a **“professional management system”** to lay the foundations for an advanced management environment.
- ▶ Introduce a **stock-based compensation system** for employees that is linked to performance appraisals.

1) Shareholder return rate = (Total dividend amount + treasury stock acquisition and retired amount) / Unconsolidated net income for the period

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Value-up for Increasing Corporate Value_2

Announced Plans to Improve Key Governance Indicators to Establish a Healthy Governance Structure

In February 2025, Hanmi Pharm announced a plan to improve key governance indicators in a drive to establish a healthier governance structure. The improvement plan outlines our 2023 implementation status and future enhancement goals in response to the Korea Exchange's best practice compliance requirements for corporate governance. We are committed to faithfully implementing the plan to improve key governance indicators and will continue striving to establish a sound governance structure.

Classification	Key indicator	Compliance in 2023	Improvement goal
Shareholders	Announcement of convocation 4 weeks prior to general shareholders' meeting.		
	Implementation of electronic voting.	●	●
	Holding of a general shareholders' meeting other than on concentrated dates.		●
	Provision of predictability regarding cash dividends.		●
	Notification to shareholders of dividend policy and implementation plan at least once a year.		●
	Adoption of a concentrated voting system.		
BOD	Establishment and implementation of a CEO succession policy.		
	Establishment and implementation of internal controls such as risk management.	●	●
	Whether the chairman of the board of directors is an external director.		●
	Establishment of a policy to prevent the appointment of executives who are responsible for damaging corporate value or infringing shareholder rights.	●	●
	Not all board members should be of the same gender.	●	●
Audit organization	Establishment of an independent internal audit department (internal audit support organization).	●	●
	Availability of an accounting or financial expert in the internal audit organization.	●	●
	Holding of a meeting with external auditors by the internal audit organization at least once per quarter without the presence of management.	●	●
	Availability of procedures that enable the internal audit organization to access important management-related information.	●	●
Compliance rate with key indicators of governance structure		53.3% (complied with 8 indicators/total 15 indicators)	Compliance rate of 80% or more

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Shareholders

General Meeting of Shareholders

Hanmi Pharm is striving to make attendance at the general meeting of shareholders more convenient and to ensure that shareholders can exercise their voting rights. To strengthen shareholders' rights and facilitate the exercise of their voting rights, we introduced an electronic voting system at the general meeting of shareholders held on December 12, 2019. In addition, we send out notifications of the convocation for each general meeting of shareholders, together with the agenda, according to the deadline set forth in the company's Articles of Association and post them on the electronic disclosure system of the Korea Stock Exchange. Furthermore, we make an effort to avoid dates that are favored by many companies to hold general meetings in order to ensure that more shareholders are able to attend our meetings.

Classification	Meeting date	Items of agenda	Contents of resolution
Annual shareholders' meeting	Mar. 27, 2024	No. 1: Approval of the 14th financial statements.	Proceeded as reporting matters by board approval
		No. 2: Appointment of a new director (executive director Seo Jin-seok).	Approved with no amendments
		No. 3: Approval of the director's compensation limit.	Approved with no amendments
Extraordinary general meeting of shareholders	Jun. 18, 2024	No. 1: Appointment of a director.	
		No. 1- 1: Appointment of executive director Lim Jong-yoon.	Approved with no amendments.
		No. 1- 2: Appointment of executive director Lim Jong-hoon.	Approved with no amendments
		No. 1- 3: Appointment of non-executive director Shin Dong-guk.	Approved with no amendments
		No. 1- 4: Appointment of external director Nam Byeong-ho.	Approved with no amendments
Extraordinary general meeting of shareholders	Dec. 19, 2024	No. 1: Dismissal of two directors.	
		No. 1- 1: Dismissal of executive director Park Jae-hyeon.	Rejected
		No. 1- 2: Dismissal of non-executive director Shin Dong-guk.	Rejected
		No. 2: Appointment of two directors.	
		No. 2- 1: Appointment of executive director Park Jun-seok.	Automatically dismissed following rejection of Agenda No. 1
		No. 2- 2: Appointment of executive director Jang Young-gil.	Automatically dismissed following rejection of Agenda No. 1

Information Disclosure and Communication with Shareholders

 Our 2025 corporate value-up plan

To facilitate communication with shareholders, Hanmi Pharm conducts regular corporate briefing sessions as well as fair disclosure of operating (tentative) performance at the end of each quarter. We also disclose details related to the presentations on performance on our company website and our electronic disclosure system, and we are working hard to enhance the information available to foreign investors by operating an English-language company website. In addition, we host meetings with various domestic and overseas investors in the form of regular IR activities such as corporate presentation conferences hosted by domestic and foreign securities firms, domestic and foreign NDRs (Non-Deal Roadshow), conference calls, and investor meetings, and actively engage in IR activities by holding meetings at which top management and investors talk directly with each other if necessary. In addition, we announced the 2025 Hanmi Pharm corporate value-up plan in February 2025 in order to inform shareholders about the predictability of our future business operations.

Target	Classification	No. of participation times in 2024
Domestic & overseas institutional investors and analysts	Visiting meetings	56
	Conference calls	84
	Participation in IR events by securities firms	16
	Corporate briefing sessions	1
Minority shareholders	Online Q&A	286

Governance

Board of Directors

Hanmi Pharm's board of directors serves as the highest permanent decision-making body, deliberating on matters prescribed by laws or the articles of incorporation, matters delegated by the general meeting of shareholders, fundamental company management policies, and key business execution issues. Additionally, the board supervises the execution of duties by its directors. According to Article 13 of the Board Regulations, if a director's assigned duties risk violating any laws or articles of incorporation, the director in question may be requested to submit the related documents, undergo investigations, and provide explanations. Furthermore, under Article 10 of the Board Regulations, directors with special interests in resolutions are prohibited from exercising their voting rights. Our board of directors holds regular quarterly board meetings and extraordinary meetings as needed for resolutions requiring board approval. As of March 31, 2025, the board is composed of ten members, including four executive directors, two other non-executive directors, and four external directors. To prevent conflicts of interest and efficiently operate the board of directors while reflecting the characteristics of the pharmaceutical industry, the chairman of the board of directors is appointed through a resolution of the board of directors. Currently, CEO Park Jae-hyun Park serves as both CEO and chairman of the board of directors following a resolution of the board of directors. Further details of the board's specific roles are outlined in Chapter 5 of the Articles of Incorporation and the Board Regulations.

Composition of Hanmi Pharm's BOD

As of Mar. 31, 2025

Classification	Name	Position	Duties	Major academic/career experience	Term Ends
Executive directors	Park Jae-hyun (chairman)	CEO	Overall management of Hanmi Pharm	· Ph.D., Graduate School of Pharmacy, Sungkyunkwan University. · Executive Director, Hanmi Pharm.	Mar. 29, 2026
	Lim Jong-hoon	President	Group support	· Graduated from Bentley University, Department of Business Administration. · Vice-president, Hanmi Pharmaceutical Co., Ltd. · Current) CEO of Hanmi Fine Chemical.	Jun. 18, 2027
	Park Myeong-hui	Executive director	Domestic business headquarters	· B.S., Department of Pharmacy, Duksung Women's University. · MBA, Graduate School of Korea University. · Supervisor of Marketing & Management, Pfizer Korea.	Mar. 29, 2026
	Choi In-young	Executive director	R&D Center	· Doctor of Life Sciences, Graduate School of Sungkyunkwan University. · Current) Director of the Hanmi Pharm R&D Center. · Managing director of Hanmi Pharmaceutical Biopharmaceuticals.	Mar. 26, 2028
Other non-executive directors	Shin Dong-guk	Other non-executive director	Other non-executive director	· Current) CEO of Hanyang Precision. · CEO of Gahyun Co., Ltd. · CEO of Hanyang S&C.	Jun. 18, 2027
	Kim Jae-gyo	Other non-executive director	Other non-executive director	· Current) Vice-president and chief executive officer of Hanmi Science Co., Ltd. · Vice-president and head of the IND headquarters, Meritz Securities. · Executive director and head of the Pharmaceutical Division, Yuhan Corporation. · Executive director and head of the Global Strategy Division, Yuhan Corporation. · Executive director and head of the Strategy Planning Division, Yuhan Corporation.	Mar. 26, 2028
External directors	Yoon Yeong-gak	Director	Audit committee member	· Ph.D., Graduate School of Law, Duke University. · Chairman, KTB Private Equity. · Chairman, Pavilion Investment. · Current) CEO & Chairman, Pavilion Asset Management.	Mar. 29, 2026
	Kim Tae-yoon	Director	Audit committee member	· Ph.D., Policy Studies, Harvard University. · Chairman, Korea Society of Regulatory Studies. · Member, Regulatory Reform Committee. · Current) Professor, Department of Public Administration, College of Policy Science, Hanyang University.	Mar. 29, 2026
	Yoon Do-heum	Director	External director	· Ph.D., Graduate School of Medicine, Yonsei University; · Hospital Director, Severance Hospital; · Vice-chairman, Korean Hospital Association; · Vice President for Medical Affairs & Director of Medical Center, Yonsei University; · Current) Vice President for Medical Affairs, CHA University; Director of Medical Center, Sung Kwang Medical Foundation.	Mar. 29, 2026
	Lee Young-gu	Director	Audit committee member	· Current) Representative attorney of DR & AJU Law Group LLC; · Current) Arbitration member of Seoul Bankruptcy Court. · Attorney at SHIN & KIM LLC; · Chief Judge, Seoul High Court.	Mar. 26, 2028

Composition of the BOD based on Expertise/Diversity

Guidelines for Board Diversity

Guidelines on the Independence of Non-executive Directors

The non-executive directors of Hanmi Pharm's BOD are experts in the pharmaceutical industry and personnel with rich experience and expertise in accounting who can support the R&D management by reflecting the nature of the pharmaceutical industry. In addition, we promote diversity with the appointment of 1 female director (1 executive director) to the BOD.

BOD Expertise and Board Skills Matrix

Classification		Executive director				Other non-executive director		External director			
		Park Jae-hyun	Lim Jong-hoon	Park Myeong-hui	Choi In-young	Shin Dong-guk	Kim Jae-gyo	Yoon Yeong-gak	Kim Tae-yoon	Yoon Do-heum	Lee Young-gu
Expertise	Leadership	●	●	●	●	●	●	●	●	●	●
	Industry	●	●	●	●		●			●	
	Law & Policy							●	●		●
	Finance & Accounting						●	●	●		●
	Management	●	●			●	●	●	●	●	●
	Global competence	●	●	●	●		●	●	●	●	
Diversity	Risk management	●	●	●	●	●	●	●	●	●	●
	Gender	Male	Male	Female	Male	Male	Male	Male	Male	Male	Male
	Age ¹⁾	56	47	55	53	74	57	71	63	68	66

As of Dec. 31, 2024.

Governance

Appointment and Compensation of our BOD

Hanmi Pharm directors are appointed transparently and fairly based on their ability to contribute to the growth of the company. Our directors must have had no records of transactions with the company for the past three years. We appoint directors from among a pool of candidates recommended by the board of directors, pursuant to approval at a regular general meeting of shareholders. Before holding a general meeting of shareholders, we disclose the details via the electronic disclosure system, including the names of those who have nominated candidates, their relationship with the largest shareholder, and transactions with the company. In addition, directors are remunerated within the limit of director's remuneration approved by the general meeting of shareholders according to commercial law and our articles of association. The limit to the amount of remuneration approved by the general meeting of shareholders in 2024 was KRW 5 billion, while the total amount of remuneration actually paid out was KRW 1.71 billion. We evaluate non-executive directors by comprehensively considering their attendance rate at meetings of the board of directors and committees, and their independence and expertise, and we comprehensively evaluate top management based on their operation of company business, performance, and management innovations once each year.

Director's Compensation in 2024

Classification	Unit	Total	Executive directors	External directors (excluding the audit committee)	Audit Committee members
No. of executives	persons	10	5	2	3
Total remuneration	KRW 1 M	1,711	1,493	74	144
Average remuneration per person	KRW 1 M	171	415	49	48

* Total remuneration: Wage + bonus (Excludes the remuneration of executives who resigned during the current year.)
* Average remuneration per person: Sum of the average monthly remuneration per person in 2024 (basic salary, bonus).

Status of Training for External Directors in 2024

Training provider	Attended non-executive directors	Main contents of training
Samil PricewaterhouseCoopers online training - Audit Committee School	3 people	Samil PricewaterhouseCoopers online training. - Key financial statement accounting issues focused on by the FSS. - ESG disclosure/regulation trends and response directions.
Korea Listed Companies Association (online training)		Korea Listed Companies Association (online training) - Internal accounting management system for the audit committee.

Support Organization for External Directors

Department	No. of employees	Position (years of service)	Main activities
Fund Group	6 people	1 group leader, 5 team members (average of 7 years)	Support for performance of the duties of the board of directors and the Audit Committee.
Compliance Group	12 people	1 executive director, 1 group leader, 2 part leaders, 8 team members (average of 8 years and 5 months)	Operation and audit on internal accounting management, and duties related to compliance.

Key Resolutions by the BOD in 2024

In 2024, a total of ten board meetings were held to reach a resolution for the closing report and the operating conditions of the internal accounting management system of the Audit Committee.

Round	Meeting date	Key contents
01	Feb. 02, 2024	- 2023 annual financial report - Management review report based on the anti-bribery management systems (ISO 37001)
02	Mar. 11, 2024	- Report on the operation status of the internal accounting management system to the CEO - Report on the evaluation of the operation status of the internal accounting management system to the Audit Committee - Convening the 14th regular shareholders' meeting and deciding on the purpose of the meeting - cash dividend
03	Mar. 22, 2024	- Approval of the 14th financial statements
04	Apr. 30, 2024	- 2024 first quarter financial report
05	May. 08, 2024	- Resolution on setting the base date of the extraordinary general meeting of shareholders and convening the meeting
06	Jul. 30, 2024	- 2024 second quarter financial report - Hanmi Pharm carbon emission status and reduction plan - Approval of quarterly dividends - Appointment of a compliance support person and a self-compliance manage
07	Sep. 02, 2024	- Appointment of Beijing Hanmi Pharm representative and registered director - Appointment of the CEO of Hanmi Pharm
08	Oct. 23, 2024	- Convening a temporary shareholders' meeting and setting the base
09	Oct. 31, 2024	- 2024 third quarter financial report - Environmental safety and health performance and plans
10	Dec. 16, 2024	- Determining the dividend base date

Governance

Audit Committee

The Audit Committee is composed of external directors who are responsible for supervising and supporting management to maximize the company's corporate value through checks and balances. The Audit Committee holds regular quarterly meetings in accordance with the operating regulations in addition to holding ad hoc meetings whenever the need arises. In 2024, audit committee meetings were held on five occasions to discuss issues related to Hanmi Pharm's financial statements and internal accounting management status, as well as other management risks that may have a significant impact on Hanmi Pharm's management activities.

Composition of Our Audit Committee

As of Mar. 31, 2025

Type	Name	Information related to accounting and finance experts		
		Applicable	Expert type	Related career highlights
External director	Kim Tae-yoon (chairman)	○	Degree holder in accounting and finance (procurement, cost, profit policy)	- Director of the Business Evaluation Bureau at the National Assembly Budget Office. - Member of the National Fiscal Management Planning Committee. - Evaluation committee member, Fund Management Evaluation Group, Ministry of Planning and Budget. - External director and member of the audit committee of CJ CheilJedang.
	Yoon Yeong-gak	○	Degree holder in accounting and finance	- Accountant at Arthur Young & Co. in the U.S. (1982 to 1985). - CEO and chairman of Samjeong KPMG Group, chairman of the board (2001 to 2011).
	Lee Young-gu	-	Experience of financial institutions, government, securities-related organizations, etc.	- Chief judge, Seoul District Court (Bankruptcy Division) (2002 to 2005). - Member of the Rehabilitation and Bankruptcy Committee at the Supreme Court (2013 to 2016).

Status of Training for the Audit Committee in 2024

Training provider	Attended Audit Committee members	Main contents of training
Samil PricewaterhouseCoopers online training - Audit Committee School	3 people	Samil PricewaterhouseCoopers online training - Key financial statement accounting issues focused on by the FSS. - ESG disclosure/regulation trends and response directions.
Online training by the Korea Listed Companies Association		Online training by the Korea Listed Companies Association - Internal accounting management system for the audit committee.

Audit Committee Support Organization

Department	No. of employees	Position (years of service)	Main activities
Compliance Team	12 people	1 executive director, 1 group leader, 2 part leaders, 8 team members (average of 8 years and 5 months)	Operation and audit on internal accounting management, and duties related to compliance.

Key Resolutions by the Audit Committee in 2024

Round	Meeting date	Key contents
01	Feb. 02, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC). - Review and confirmation of the 2023 financial statements. - Compliance activities for Q4 2023 and plans for Q1 2024. - Operation of Hanmi Pharm's internal accounting management. - Guide on training for the Audit Committee.
02	Mar. 11, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC). - Review of the 2023 Business Report (major performance). - Report on internal accounting management matters. - Prior consent for the non-audit work performed by the auditors.
03	Apr. 30, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC). - Review and confirmation of the financial statements for Q1 2024. - Compliance activities for Q1 2024 (CP, audit) and plans for Q2 2024. - Report on the internal accounting management system. - Operating schedule of the Audit Committee (annual reporting schedule, guide on training for the Audit Committee 2024). - Prior consent for non-audit work performed by the auditors.
04	Jul. 30, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC). - Review and confirmation of financial statements for Q2 2024, appointment of a compliance support member and a self-compliance manager (draft). - Compliance activities for Q2 2024 (CP, audit) and plans for Q3 2024. - Report on the internal accounting management system, guidance on training for the Audit Committee (Guide to Samil PricewaterhouseCoopers' online training in 2024). - Beijing Hanmi Pharm's auditing plan and progress.
05	Oct. 31, 2024	- Face-to-face meeting between the external auditors and the audit committee (Deloitte Anjin LLC). - Review and confirmation of the financial statements for Q3, 2024. - Compliance activities for Q3, 2024 (CP, audit) and plans for Q4, 2024. - Report on the internal accounting management system. - Guide on training for the Audit Committee (Guide on Samil PricewaterhouseCoopers' online training in 2024). - Consent for non-audit business services.

Future Plans

Hanmi Pharm plans to enhance and modernize our corporate governance to improve our corporate value by strengthening expertise within the board of directors. As part of these efforts, we will establish and operate an ESG Committee and an External Director Nomination Committee.

Governance

Protection of Shareholder’s Rights by Expanding Shareholder-friendly Policies

Hanmi Group is strengthening the rights of our shareholders by continuously expanding our shareholder-friendly policies. In addition, Hanmi Group publishes our annual corporate governance report to disclose our corporate governance information transparently as a representative Korean pharmaceutical company.

Composition of Shareholders



Type	Unit	2022	2023	2024
Total no. of shares issued		12,317,971	12,562,158	12,810,991
Hanmi Science	Stock	5,100,079	5,202,080	5,306,121
National Pension Service		1,210,170	1,220,431	1,353,748
Individuals, institutions, foreigners, small shareholders, etc.		5,899,115	6,019,184	6,020,345
Treasury stock		108,607	120,463	130,777

Status of Stocks Held by Management

As of December 2024, a total of three executives (board of directors) owned treasury stock.

Type	Name	Number of shares owned (shares)
Executive director	Park Jae-hyun	580
External director	Kim Tae-yoon	408
Other non-executive director	Shin Dong-guk	988,597

Shareholder Return

Hanmi Pharm, based on our continuous growth and solid financial performance, was able to implement an interim dividend of KRW 250 per share in the second quarter of the 2024 fiscal year, before increasing the final dividend to KRW 1,000 per share. This reflects our strong commitment to the sustainable generation of profits and our shareholder return policies. Moving forward, we will continue to enhance shareholder value by increasing the per-share dividends and distributing interim dividends.

Cash Dividend Status

Fiscal year	Stock dividend (KRW)	Total dividend (KRW million)	Cash dividend yield (%)	Cash dividend payout ratio (% , consolidated)
2022	500	6,105	0.2	7.4
2023	500	6,221	0.2	4.3
2024	1,250 ¹⁾	15,850	0.5	13.1

1) Interim dividend in Q2 2024: KRW 3,170 million (KRW 250 per share) + Year-end dividend: KRW 12,680 million (KRW 1,000 per share)

Status of Increase of Bonus Issue of Capital Stock

Business year	Month of closing	Type of stock	Allotment base date	No. of new shares (shares)	No. of shares allotted per share held (shares)
2022	12	Ordinary shares	2022.01.01	239,689	0.02
2023	12	Ordinary shares	2023.01.01	244,187	0.02
2024	12	Ordinary shares	2024.01.01	248,833	0.02