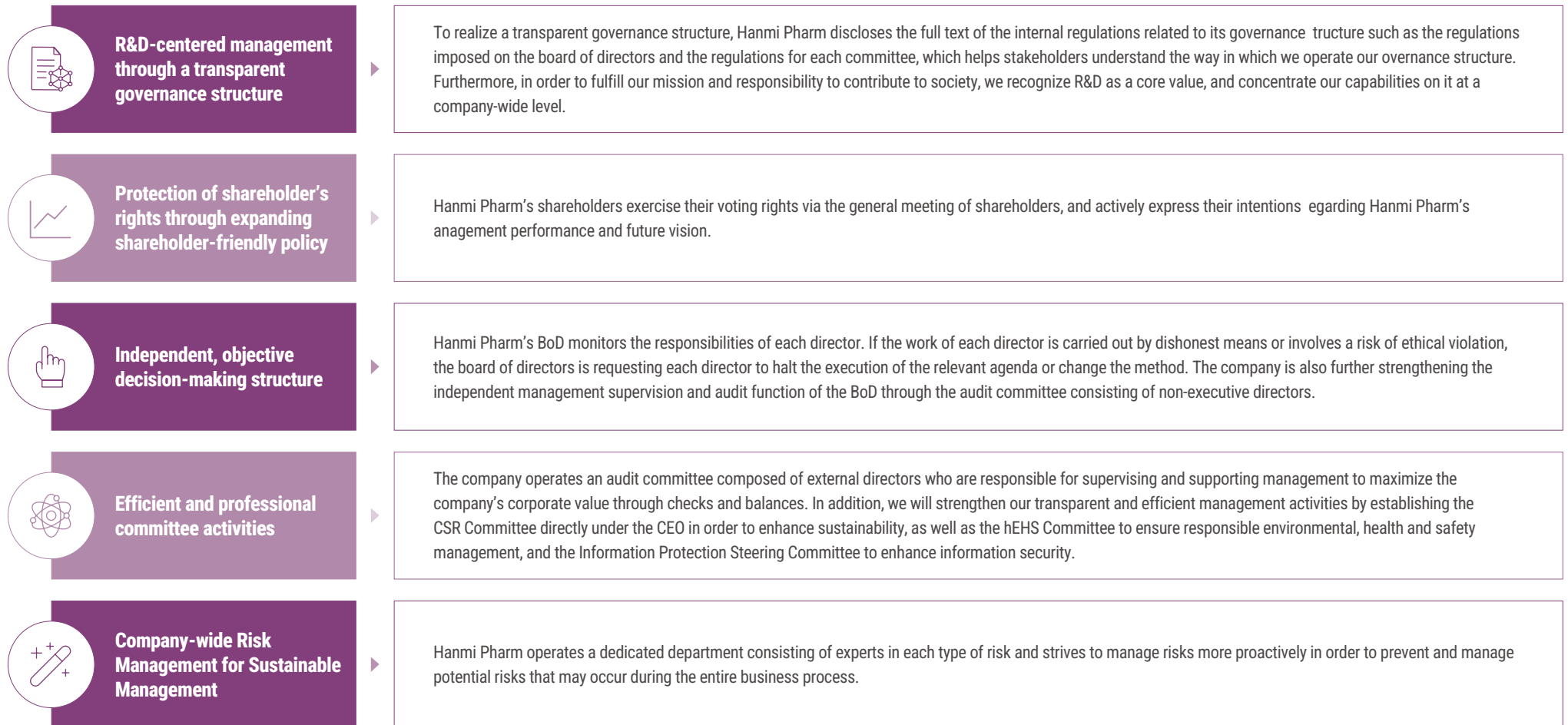


Hanmi Pharm has established its governance structure with the aim of continuously developing new and innovative drugs for the global market. As such, a far more stable profit-investment model is required for the development of such drugs than in any other industrial sectors due to the complexity of the development process and the need for continuous investment. Hanmi Pharm makes the heaviest investment in R&D in the domestic pharmaceutical industry through a governance structure designed to achieve a consensus among its diverse stakeholders. In addition to this, Hanmi Pharm will take a leap forward to become Korea's top global pharmaceutical corporation based on a reasonable governance structure that can attract long-term investments within a solid profit model. Moreover, we are striving to secure transparency, integrity, and independence in order to enhance our shareholders' value and protect their rights, and to equip ourselves with a governance structure that reflects both our sustainable management and our organizational culture.

Governance Structure for Sustainable Management and Growth



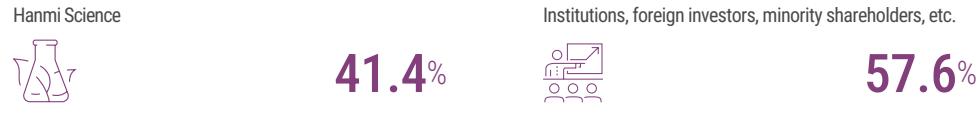
- OUR COMPANY +
- SPECIAL TOPIC +
- ESG MANAGEMENT +
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Protection of Shareholder’s Rights by Expanding Shareholder-friendly Policies

The Hanmi Pharm group is strengthening the rights of its shareholders by continuously expanding its shareholderfriendly policies. In addition, Hanmi Pharm publishes its annual corporate governance report to disclose its corporate governance information transparently as a representative Korean pharmaceutical company.

Overview of Shareholders



As of Dec. 31, 2023

Classification	Unit	2021	2022	2023
Total No. of Issued Shares		12,078,282	12,317,971	12,562,158
Hanmi Science	Shares	5,000,078	5,100,079	5,202,080
Others		6,984,372	7,109,285	7,239,615
Treasury stocks		93,832	108,60	120,463

Overview of Top Management’s Shareholdings

Just one member of the top management (executive director) owned shares in Hanmi Pharm as of December 2023

Classification	Name	No. of shares owned
Top management’s ownership of shares (executive director)	Park Jae-hyun	569

Information Disclosure and Communication with Shareholders

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.

Classification	2023 (cases)	
Domestic & overseas institutional investors and analysts	Visiting meetings	60
	Conference calls	88
	Participation in securities firm IR event	16
	Corporate briefing session	1
Minority shareholders	Wired response	205

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 Dec. 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 efforts to avoid dates where general meetings of shareholders are concentrated in order to ensure that more shareholders are able to attend the meetings.

Shareholder Returns

Hanmi Pharmaceuticals, since its inception as a spin-off from Hanmi Science in 2010, has offered a bonus issue for the past 14 years. Hanmi Science, the holding company, has also offered bonus issues for the past 20 years from 2004 until the present year, which is the longest streak in the pharmaceutical industry since 2000. We expect to review the establishment of a mid- and long-term dividend policy to enhance shareholder values in the near future.

Cash Dividend Status

Business year	Stock dividend (KRW)	Total dividend (KRW 1 mil.)	Market dividend rate (%)	Cash dividend	
				Dividend payout ratio (%)	
				Consolidated	Nonconsolidated
2021	500	5,992	0.2	8.9	24.5
2022	500	6,105	0.2	7.4	12.1
2023	500	6,221	0.15	3.8	5.7

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(shares)	Allotment ratio(%)
2021	12	Common shares	Jan. 1, 2021	235,253	0.02	2%
2022	12	Common shares	Jan. 1, 2022	244,187	0.02	2%
2023	12	Common shares	Jan. 1, 2023	248,833	0.02	2%

Independent, Objective Decision-making Structure

Composition of Board of Directors

Hanmi Pharm's board of directors (BoD), as the company's highest standing decision-making body, votes for matters set forth in the laws and regulations and its Articles of Association, matters delegated from the general meeting of shareholders, and important matters regarding the basic policies and execution of management decisions, and supervises the directors' execution of their duties. If there are concerns that any of the directors might violate the law and regulations or the Articles of Association when performing their duties, the BoD can demand submission of the relevant materials and request an investigation and explanation by granting rights to supervise the job execution of the director(s) concerned according to the BoD regulations (Article 13) in order for the BoD to execute its duties effectively. Furthermore, it is prescribed that a director who has a conflict of interest in any item of the agenda cannot exercise his or her voting rights according to the BoD regulations (Article 10). Hanmi Pharm's BoD is classified into regular board meetings held every quarter and ordinary board meetings that may be convened from time to time whenever a matter requires a resolution of the BoD.

As of Dec. 31, 2023, Hanmi Pharm's BoD is composed of four non-executive directors (accounting for the majority of the seven BoD members), and the chairman of the BoD is appointed pursuant to a resolution of the BoD in order to ensure efficient operation of the BoD, prevent conflicts of interest, and reflect the characteristics of the pharmaceutical industry. The detailed roles of the BoD are set forth in Chapter 5 of the Articles of Association and the BoD regulations.

As of Dec. 31, 2023

Classification	Name	Gender	Position	Responsibilities	Career history	End of term
Executive directors	Park Jae-hyun	Male	CEO	Director of Domestic Business HQ; New Product Development HQ; Manufacturing HQ	Ph.D., Graduate School of Pharmacy, Sungkyunkwan University; Executive Director, Hanmi Pharm Co., Ltd.	Mar. 29, 2026
	Lim Jong-yoon	Male	President	Future Strategy	Graduated from Boston College; Chairman, Beijing Hanmi Pharm	Mar. 26, 2024
	Park Myeong-hui	Female	Executive Director	Head of Domestic Business HQ	Graduated from the Department of Pharmacy at Duksung Women's University; Master's in Business Administration (MBA) from the Graduate School of Korea University; Supervisor of Marketing & Management, Pfizer Korea	Mar. 29, 2026
Non-executive director	Hwang Seon-hye	Female	Non-executive director	Audit Committee	President, Sookmyung Women's University; Chairman, Korea National Ballet Company Director; Director, Korean Council for University Education; Present) Honorary Professor, Dept. of English Language & Literature, Sookmyung Women's University	Mar. 24, 2025
	Yoon Yeong-gak	Male	Non-executive director	Audit Committee	Ph.D., Graduate School of Law, Duke University; Chairman, KTB Private Equity; Chairman, Pavilion Investment; Present) CEO & Chairman, Pavilion Asset Management	Mar. 29, 2026
	Kim Tae-yoon	Male	Non-executive director	Chairman, Audit Committee	Ph.D., Policy Studies, Harvard University; Chairman, Korea Society of Regulatory Studies; Member, Regulatory Reform Committee; Present) Professor, Department of Public Administration, College of Policy Science, Hanyang University	Mar. 29, 2026
	Yoon Do-heum	Male	Non-executive director	Non-executive 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; Present) Vice President for Medical Affairs, CHA University; Director of Medical Center, Sung Kwang Medical Foundation	Mar. 29, 2026

Composition of the BoD based on Expertise/Diversity

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 by appointing 2 female directors (1 executive director, 1 non-executive director) to the board of directors.

Board of Director's Diversity Guidelines

Guidelines on the Independence of Non-Executive Directors

BoD Expertise and Board Skills Matrix

Classification	Executive directors			Non-executive directors			
	Park Jae-hyun	Lim Jongyoon	Park Myeonghui	Hwang Seon-hye	Yoon Yeonggak	Kim Taeyoon	Yoon Doheum
Expertise	Leadership	●	●	●	●	●	●
	Industry	●	●	●			●
	Law & Policy					●	●
	Finance & Accounting					●	●
	Management	●	●	●	●	●	●
	Global Competence	●	●	●	●	●	●
	Risk Management	●	●	●	●	●	●
Diversity	Gender	Male	Male	Female	Female	Male	Male
	Age ¹⁾	55	51	54	69	70	62

1) As of Dec. 31, 2023.

OUR COMPANY	+
SPECIAL TOPIC	+
ESG MANAGEMENT	+
ENVIRONMENT	+
SOCIAL	+
GOVERNANCE	-

► Governance Structure

Risk Management
Ethical, Compliance Management

ESG FACT BOOK	+
APPENDIX	+
ESG POLICIES	+

Appointment and Remuneration of Directors

Hanmi Pharm directors are appointed transparently and fairly based on their ability to contribute to the growth of the company. A Hanmi Pharm director must have 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 by the 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 Hanmi Pharm's articles of association. The limit to the amount of remuneration approved by the general meeting of shareholders in 2023 was KRW 5 billion, while the total amount of remuneration actually paid out was KRW 1.83 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.

Average Remuneration of Directors

Classification	Unit	Executive directors	Non-executive directors (excluding the audit committee)	Audit Committee members	Total
No. of executives	persons	3	1	3	7
Total remuneration	KRW 1 million	1,125	36	121	1,282
Average remuneration per person	KRW 1 million	375	36	40	183

※ 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 2023 (basic salary, bonus).

Training of External Directors

Trainer	No. of Nonexecutive Directors in Attendance	Major details
Samil PwC (Online Training for Audit Committee School)	4 persons	Orientation training & supplementary training - Summarization of the core of the Audit Committee's best practices. - Checkpoints of the internal accounting management system. - Impact of ESG on financial statements, etc.

External Director Support Organizations

Department name	Number of Employees	Position (Length of service)	Major details
Compliance Team	11 persons	1 managing director, 2 team leaders, 8 team members (10 years 3 months on average)	Operation & audit of internal accounting function, Compliance-related duties.
Fund Group	6 persons	1 group leader, 5 team members (9 years 7 months on average)	Supporting the BoD and Audit Committee's work.

Major Decisions by the BoD

In 2023, a total of eight 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. The attendance rate of nonexecutive directors was 100%.

Major Resolutions of the BoD in 2023

No.	Date	Major details
01	Feb. 8, 2023	- Report on 2022 closing. - Report on appointment of an external auditor. - Report on the management review of the Anti-Bribery Management System (ISO 37001). - Appointment (change) of a voluntary compliance manager. - Appointment (change) of a compliance officer.
02	Mar. 9, 2023	- Report on the operating conditions of the internal accounting management system by the CEO. - Report on the evaluation of the operating conditions of the internal accounting management system by the Audit Committee. - Convening of the 13th regular general meeting of shareholders and setting of the agenda. - Cash dividends.
03	Mar. 23, 2023	- Approval of the 13th financial statement
04	Mar. 29, 2023	- Revision of the BoD regulations. - Appointment of the chairman of the BoD. - Appointment of the CEO.
05	Apr. 26, 2023	- Report on 2023 1st quarter closing
06	Jul. 28, 2023	- Report on 2023 2nd quarter closing. - Current status of ESG management.
07	Nov. 1, 2023	- Report on 2023 3rd quarter closing. - Major details of the Health & Safety Management plan.
08	Dec. 14, 2023	- Transfer of reserve funds to capital. - Decision on the dividend record date.

Efficient and Professional Committee Activities

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 2023, 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 Audit Committee

As of Dec. 31, 2023

Classification	Name	Accounting & finance expert related		
		Relevance(Y/N)	Expert type	Related career history
Non-executive director	Kim Tae-yoon	0	Holder of a Degree in Accounting & Finance	- Director of the Program Evaluation Department, National Assembly Budget Office - Member, National Fiscal Management Plan Committee - Member, Evaluation Committee, Fund Management Evaluation Team, Ministry of Planning and Budget - Member of the non-executive director & audit committee, CJ CheilJedang
Non-executive director	Hwang Seon-hye	-	-	-
Non-executive director	Yoon Yeong-gak	0	Holder of a Degree in Accounting & Finance	- Accountant, US ARTHUR YOUNG & CO.(1982- 1985) - CEO & Chairman of Samjeong KPMG Group, Chairman of the Board of Directors (2001- 2011)

Audit Committee Support Organizations

Department name	No. of Employees	Position (Length of service)	Major activities
Compliance Team	11 persons	1 managing director, 2 team leaders, 8 team members (10 years 3 months on average)	Operation & audit of internal accounting function, Compliance-related duties.
Fund Group	6 persons	1 group leader, 5 team members (9 years 7 months on average)	Supporting the BoD and Audit Committee's work

Operational Overview of the Audit Committee in 2023

Date	Resolutions Passed on Items of Agenda
Feb. 8, 2023	- Face-to-face meeting between the Audit Committee and the external auditor (EY Hanyoung partner Jeong Yong-soo, accountant Kim Hye-ri). - Review and verification of the 2022 financial statements. - 2022 4th Quarter details of compliance activities and plans for 2023 1st Quarter. - Appointment of Hanmi Pharm's compliance officer and a voluntary compliance manager. - Operation of the internal accounting management system.
Mar. 9, 2023	- Report of the operational status of the internal accounting management system by the CEO. - Evaluation of the operational status of the internal accounting management system by the Audit Committee. - Approval of non-audit services by an accounting firm.
Apr. 26, 2023	- Face-to-face meeting between the Audit committee and the external auditor (Anjin LLC). - Appointment of the chairman of the Audit committee. - Review and verification of the 2023 1st Quarter financial statements. - 2023 1st Quarter details of compliance activities (CP, audit) and plans for 2023 2nd Quarter. - Report of the annual operation plan of Hanmi Pharm's internal accounting management in 2023. - Schedule for operation of the Audit committee (annual reporting schedule, information on Audit Committee training in 2023).
Jul. 28, 2023	- Face-to-face meeting between the Audit committee and the external auditor (Anjin LLC). - Review and verification of the 2023 half-year financial statements. - 2023 2nd Quarter details of compliance activities (CP, audit) and plans for the 2nd half of the year. - Report of the operation plan of Hanmi Pharm's internal accounting management. - Audit Committee training guidance. - Consent to non-audit work by Anjin LLC (prior consent to corporate tax adjustment and advisory work)
Nov. 1, 2023	- Face-to-face meeting between the Audit committee and the external auditor (Anjin LLC). - Review and verification of the 2023 3rd Quarter financial statements. - 2023 3rd Quarter details of compliance (CP, audit) activities and plans for 2023 4th Quarter. - Operation of Hanmi Pharm's internal accounting management. - Audit Committee training guidance.

2023 Training of Audit Committee

Trainer	No. of AC members in attendance	Major training details
Samil PwC (Online Training for Audit Committee School)	3 persons	- Major accounting issues examined for each key matter to audit. - Check point for preventing fraud. - ESG disclosure system: IFRS S1, S2, etc.
Online training by the Korea Listed Companies Association (KLCA).		- Internal accounting management system for the Audit Committee.

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