

(English Translation of a Korean Original)

# **Articles of Association**

**Hyundai Foreign School**

## **Chapter 1. General Provisions**

### **Article 1 (Purpose)**

This entity aims to provide pre-school, primary and middle school education for the children of foreigners residing in the Republic of Korea as well as Korean children who meet eligibility requirement. (Revision: 26 January 2021)

### **Article 2 (Designation)**

The entity is a non-profit organization and is called Hyundai Foreign School.

### **Article 3 (Schools run by the entity)**

The entity runs the following bodies with the purpose of achieving the goal under Article 1.

1. Hyundai Foreign School Early Years Center
2. Hyundai Foreign School Primary School
3. Hyundai Foreign School Middle School

### **Article 4 (Address)**

The entity's address is 3<sup>rd</sup> Floor, Hanmaeum Center, 30 Badeurae 1-Gil, Dong-gu, Ulsan Metropolitan City. (Revision: 26 January 2021)

### **Article 5 (Change of this Articles of Association)**

The change of the content of the Articles of Association requires an approval of the two thirds of the Members of the Board.

## **Chapter 2. Assets and Accounting**

### **2-1 Assets**

#### **Article 6 (Division of Assets)**

- a. Assets of the entity is divided into basic properties and ordinary properties. The basic properties are divided into those for educational purposes and those for profitable purposes and managed accordingly.
- b. The basic properties are divided into 1) those managed as part of a separate register and 2) those determined to be basic properties by the decision of the Board and the reserve fund as provided under Article 9.
- c. The ordinary properties are those excluding what is prescribed under the preceding paragraph b.

### **Article 7 (Management of Properties)**

- a. Those who intend to sell, assign, exchange, alter the purpose of or provide as guarantee any of the basic properties as prescribed under paragraph b of Article 6, shall obtain approval from relevant government authorities after obtaining authorization from the Board.
- b. Matters pertaining to the management and operation of the basic and ordinary properties are determined by the Board, except those prescribed by the laws and those set forth in the Articles of Association.

### **Article 8 (Expenses and maintenance cost)**

The expenses for the entity are generated by the profits accrued from the basic properties as well as incomes from for-profit projects and other incomes.

## **2-2 Accounting**

### **Article 9 (Execution of budgets)**

- a. The Executive Board Member draws up the school budget, discuss it with the school management committee, submits it to the Board for its deliberation and approval and executes it upon the latter's approval.

### **Article 10. (Use of income)**

All proceeds from the operation of the school must be used for the benefit of the public interest and not for any exclusive group of people. (Revision: 22 April 2021)

### **Article 11. (Publication of the amount of contribution and the result of its use)**

- a. The school shall publicize the total amount of contribution that it has received in a given year together with the result of its use both on the school website and the National Tax Service's homepage within four months of the conclusion of the fiscal year. (Revision: 22 April 2021)
- b. The school shall publicize its financial statements on the school website and the National Tax Service's homepage within four months of the conclusion of the fiscal year. (Revision: 22 April 2021)

### **Article 12 (Disposal of the balance)**

The balance upon execution of the budget is accrued each fiscal year except for the amount to be used for paying back debt and those to be rolled over to the following year. This accrued amount will be the basic property.

### **Article 13 (Fiscal year)**

The entity's fiscal year runs from 1 January to the last day of the pertinent year.

## **Chapter 3. Bodies**

### **3-1 Officials**

#### **Article 14 (Members of the Board and its number)**

The entity has following number of Board Members:

One Chairman of the Board and five Members

#### **Article 15 (Term of office of a Member of the Board)**

The terms of office of the Board Members are as follows:

1. Upon appointment as the Principal, he/she automatically becomes of a Member of the Board and the person's term of office is equal to the duration of his contract with the entity.
2. The term of office of the Executive Board Member is four years and he/she may be in office for another four years upon resolution by the Board.
3. The respective heads of Hyundai Heavy Industries (HHI)' General Affairs Department and Financial Analysis Department automatically becomes members of the Board, upon their appointment to their positions at HHI. (Revision: 26 January 2021)

#### **Article 16 (Procedure of selecting the Members of the Board)**

- a. A Member of the Board is selected by the Board.
- b. Dismissal of a Member of the Board is done by the resolution of the Board.
- c. If a vacancy occurs in the Board, the position shall be filled within two months.
- d. A new Member of the Board shall be designated two months before the term of office of a pertinent Member of the Board expires.

#### **Article 17 (Limitation of the number of the Members of the Board)**

- a. A Member of the Board shall reside in the Republic of Korea and agree to the purpose of this entity as set forth under Article 1. More than half of the Board Members shall be Korean nationals.
- b. Those who may be defined as relatives under Article 777 of the Civil Law shall not exceed a third of the Members of the Board.
- c. In the case where any person falling under the following category is selected as a Member

of the Board, an approval of two thirds of the Members of the Board is required.

1. In the case where five years have passed since the relevant government authorities has ratified the cancellation of his/her assumption of office a Member of the Board
2. In the case where five years have passed since the person was dismissed as a teacher of a privately run school
3. In the case where three years have passed since the person was dismissed from the principal position of a school by the relevant authorities

**Article 18 (Procedure of selecting the Chairman of the Board and his term of office, etc.)**

- a. The Chairman of the Board is elected from among the Members of the Board.
- b. The term of office of the Chairman of the Board is equal to that of his/her service as a Member of the Board.

**Article 19 (Responsibilities of the Chairman and Members of the Board)**

- a. The Chairman of the Board represents the entity and oversees its affairs.
- b. A Member of the Board participates in the Board meetings and deliberates the affairs of the entity and deals with the matters delegated by the Board or the Chairman of the Board.
- c. The Chairman of the Board may designate the Executive Board Member from among the Members of the Board.

**Article 20 (Designation of the Acting Chairman of the Board)**

- a. In the case where the Chairman of the Board cannot carry out his responsibilities temporarily, the Executive Board Member shall conduct his business on his behalf.
- b. In the case where the position of the Chairman of the Board becomes vacant, a Member of the Board designated by other Members of the Board shall carry out the responsibilities of the Chairman of the Board.
- c. A Member of the Board who has been designated as acting Chairman of the Board shall commence the procedure of selecting the Chairman of the Board without delay.

**Article 21 (Executive Board Member)**

The Executive Board Member shall carry out the following responsibilities:

1. He/she oversees the overall operation of the school including academical, administrative, finance and human resources aspects, provided, however, that he/she may delegate responsibility in academic matters to Principal. (Revision: 26 January 2021)

2. The Executive Board Member reports the recruitment, employment and dismissal of the Principal, teachers and admin staff to the Board and execute its decision.
3. The Executive Board Member reports to the Board twice a year on the entity's management, finance and accounting status.

### **3-2 Board**

#### **Article 22 (Composition of the Board and its function)**

- a. The Board shall be comprised of the Members of the Board.
- b. The Board shall deliberate and make decisions on the following:
  1. The budget of the school as well as its financing and acquisition of assets and management
  2. Change of the Articles of Association
  3. Merge of this entity with another entity or its dissolution
  4. Selection and dismissal of an official
  5. Appointment and dismissal of the Principal and teachers
  6. Important matters in the operation of the school
  7. Matters pertaining to the responsibilities of the Board as per other laws or the Articles of Association

#### **Article 23 (Convening of the Board meetings and quorum for making decisions)**

- a. The Board convenes its meeting with the presence of a majority of its members.
- b. Unless specifically provided otherwise under the Articles of Association, the Board makes a decision based on a majority vote, provided, however, that if the Board Members are evenly split on any issue, no decision shall be made.

#### **Article 24 (Denying of voting rights at the Board meeting)**

The Chairman of the Board or a Member of the Board cannot exercise his voting rights in the following cases:

1. If the Board deliberates on his/her own designation or dismissal
2. If he/she faces conflict of interest in a matter involving financial matters or acquisition of assets

#### **Article 25 (Calling of the Board meeting)**

- a. The Chairman of Board or the Acting Chairman of the Board in his absence may call the meeting and preside over it.

- b. In the case where the Chairman of the Board or the Acting Chairman of the Board intends to call a board meeting, he shall inform the Members of the Board thereof together with the purpose of the meeting 7 days prior to the date of the intended meeting. However, in the case where all the Members of the Board are already convened and call for the Board meeting, such procedure shall not be followed.
- c. If all the Members of the Board present at the meeting agree to make a motion to cast a vote on an item which have not on the meeting agenda, they may do so.

#### **Article 25-2 (Keeping minutes)**

The Board shall draw up the meeting minutes and send them to all the Members of the Board within five days after conclusion of a meeting.

#### **Article 26 (Exceptions for convening the Board meetings)**

- a. In the case where more than half of the Members of the Board call for a meeting with a clear purpose, the Chairman of the Board shall convene the meeting within seven days, to ensure that a meeting can be held within 20 days from the date when such a request is first made.
- b. In the case where the person who has the power to call for a meeting is absent or avoids calling for a meeting and thus delaying the convening of a meeting by more than seven days, the Board can convene a meeting if a majority of the Members of the Board agree to hold a meeting.

### **Chapter 4. Dissolution**

#### **Article 27 (Dissolution)**

Dissolution of this entity requires a vote of more than two thirds of the Members of the Board, followed by an approval from the relevant government authorities.

#### **Article 28 (The right to property)**

The properties that remain after dissolution of this entity upon completion of the procedure to notify the Minister of Education shall belong to the government, local government, other school foundations or other parties who run educational business, except in the case of a merger with other organizations or insolvency. (Revised: 22 April 2021)

## **Article 29 (Liquidator)**

In the case where this entity is dissolved, a liquidator shall be appointed from among the Members of the Board, for whom an approval of the Minister of Education is required.

## **Chapter 5. Staff**

### **5-1 Teaching staff**

#### **Article 30 (Recruitment, appointment, dismissal and treatment)**

All the matters including the Principal, teachers and TAs are governed by the Teaching Service Contracts between them and the school, pursuant to Article 62 Special provisions for foreign schools of the Private Schools Act and Article 60-2 Provisions for foreign schools of the Primary and Middle School Act.

### **5-2 Admin staff**

#### **Article 31 (Qualifications)**

- a. Those who fall under the following criteria are not eligible for employment at the entity.
  1. A person who is incompetent to manage his/her own property
  2. A person who has been declared bankrupt but has not yet been reinstated
  3. In the case where five years have not yet passed since a person served a sentence more severe than incarceration or since a court ruled that the person shall not serve the sentence
  4. In the case where two years have not yet passed since a period of suspension for the person was completed
  5. In the case where a person is still in the middle of delayed sentence after a court ruling of delayed sentence.
  6. A person who has been declared disqualified by a court decision or other laws
  7. In the case where five years have not passed since the entity terminated a contract with a person or in the case where three years have not passed since the entity dismissed the person
- b. The entity shall not place any limitation in terms of educational qualifications in recruiting new staff. However, when recruiting a staff member who will work in managing position or technical position, a person holding a qualification or a license suitable for the position can be given priority in the entity's hiring decision.
- c. If an admin staff member currently employed finds himself/herself falling under the criteria



set forth under paragraph a., he/she will leave this entity.

### **Article 32 (Employment)**

- a. In order to newly recruit, promote, transfer, demote, grant leave, relieve of duty, reinstate or dismiss an admin staff member, the person who has such power at the entity shall do so by following the open procedure of public recruitment or objective appraisal.
- b. In order to recruit an admin staff member pursuant to paragraph a, the entity shall put in place separate personnel guidelines on the subjects, method and procedure for tests.
- c. The Chairman of the Board makes a decision to employ an admin staff member at the recommendation from the Executive Committee Member.

### **Article 33 (Service, pay, guarantee of status, retirement age and disciplinary measures)**

With regard to the service, pay, guarantee of status, retirement age and disciplinary measures towards admin staff, the entity shall put in place separate guidelines after obtaining approval thereupon from the Board, pursuant to Article 62 Special provisions for foreign schools of the Private Schools Act and Article 60-2 Provisions for foreign schools of the Primary and Middle School Act.

## **Chapter 6. Organization**

### **6-1 Entity**

#### **Article 34 (Office organization of the entity)**

- a. To manage its affairs, the entity shall create an admin office, where a manager shall be appointed.
- b. The admin office shall create job descriptions for the staff of the admin office by separate rules.

### **6-2 Hyundai Foreign School**

#### **Article 35 (Principal, etc.)**

- a. Hyundai Foreign School shall have one Principal and one Deputy Principal.
- b. The Principal shall oversee the academic affairs of the school, directing the teaching staff to provide education for the students as the representative of the school.
- c. The Deputy Principal shall assist the Principal and act as his/her deputy in the absence of

the Principal.

d. The teaching staff teach the students under the direction of the Principal.

### **6-3 Limitation on the number of the admin staff**

#### **Article 36 (Limitation on the number of the admin staff)**

The limitation on the number of the admin staff at this entity is as shown on attachment 1.

## **Chapter 7. Supplementary provisions**

### **Article 37 (Bylaws)**

The Board may create separate bylaws for those matters necessary for the implementation of the Articles of Association, if it determines so.

### **Article 38 (Founding Members of the Board)**

The following is the list of the founding Members of the Board.

Position	Name	Date of Birth	Address
Chairman	Jonghee Lee	18 Oct 1963	9-5 Mipo Apt. Dong-gu, Ulsan
Member	Paul ES Kim	3 Oct 1964	103-504 Bongsu-ro 250, Dong-gu, Ulsan
Member	Chulheon Kim	12 Mar 1969	103-1406 Bongsu-ro 450, Dong-gu, Ulsan
Member	Hyukjin Chang	11 Jan 1972	109-201 Jungye-ro, Nowon-gu, Seoul
Member	Tony Blacklock	19 Feb 1962	233 obu-dong, Dong-gu, Ulsan

- Supplementary provisions -

- a. (Effective date) These Articles of Association go into effect as of 23 November 2016.
- b. (Effective date) These revised Articles of Association go into effect as of 26 January 2021.
- c. (Effective date) These revised Articles of Association go into effect as of 22 April 2021.

(Attachment 1)

Limitation on the Number of HFS Admin Staff Members		
<b>Total</b>		<b>6</b>
Staff with Educational Special	Total	4
- Manager		1
- Admin Staff		3
Operation Management	Total	2
- Staff for Facility Management		2