

FILA Holdings Corp.
Corporate Governance Report
FY2021



The corporate has prepared this report in accordance with Article 24-2 of the Enforcement Rules of KOSPI Market Disclosure Regulation of Korea Exchange in order to provide investors with further information to help them better understand FILA Holdings Corporation's corporate governance structure. The information in this report is based on the corporate governance status as of December 31, 2021, and changes that occurred as of the reporting date are separately stated. Corporate governance activities disclosed in this report are those occurring from January 1, 2021 to the submission date of this report.

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I . Overview

- ▶ Company name: FILA Holdings Corp.
- ▶ Report supervisor: Hyeon Joo Kim (Strategic Planning Team)
Deputy supervisor: Min Jae Kim (Strategic Planning Team)
02-1577-3472 / ir@fila.com
- ▶ Report cut-off date: December 31, 2021

▶ Company overview

Company Overview			
The major shareholder and the related parties	Piemonte Co., Ltd. and 2 others	Shareholding % of the major shareholder	21.62% ¹⁾
		Portion of shares owned by minority shareholders	63.09% ¹⁾
Industry	Non-finance	Main products	Footwear, Apparel
Affiliated to Corporate Group (Under the Fair Trade Act)	Non-applicable	Applicable to Act on the management of public institutions	Non-applicable
Name of Corporate Group	-		
Financial information highlights (KRW 100M)			
	FY2021	FY2020	FY2019
Consolidated revenue	37,940	31,288	34,504
Consolidated operating profit	4,929	3,411	4,707
Consolidated profit from continuing operations	3,378	1,977	3,381
Consolidated net profit	3,378	1,977	3,381
Consolidated total assets	42,889	37,584	37,702
Standalone total assets	7,744	6,626	8,148

1) As of the end of December 2021

II. Corporate Governance

1. Corporate Governance Policy

FILA Holdings Corp. ensures management transparency, soundness and stability to protect the rights and interests of its shareholders and elevate shareholder value while building governance which reflects our organizational culture such as leading customer value, focusing on our strength and reinforcing FILA's core capabilities.

Our Board of Directors, as the highest standing decision-making body, has the authority to appoint and/or dismiss the company CEO. Presently, the Board consists of three executive directors, one non-executive director, and three independent directors.

We pursue the independence, diversity and competency of the Board. We ensure the Board members represent a broad spectrum of backgrounds, interests and professions. We reinforce the expertise of our Board with directors who are specifically appointed for their expertise in the financial, retail and environmental sectors. We established a stable governance structure under the system of checks and balances. It is also structured to delegate decision-making to the Board and the execution of business matters to management respectively, while requiring management to report to the Board on the status of operations. We guarantee the tenure of our directors during their office term to facilitate the growth of their expertise and help them to more effectively serve as a counterbalance to management.

At the annual general shareholders' meeting ("AGM") held in March 2022, Keun-Chang Yoon, an executive director and the current President and CEO of FILA Holdings Corp., and Suk Kim, the former CEO of Samsung Securities, were reappointed as an independent director while Hak-Woo Lee, the current Head of FILA Korea Digital Business Division, was appointed as a non-executive director.

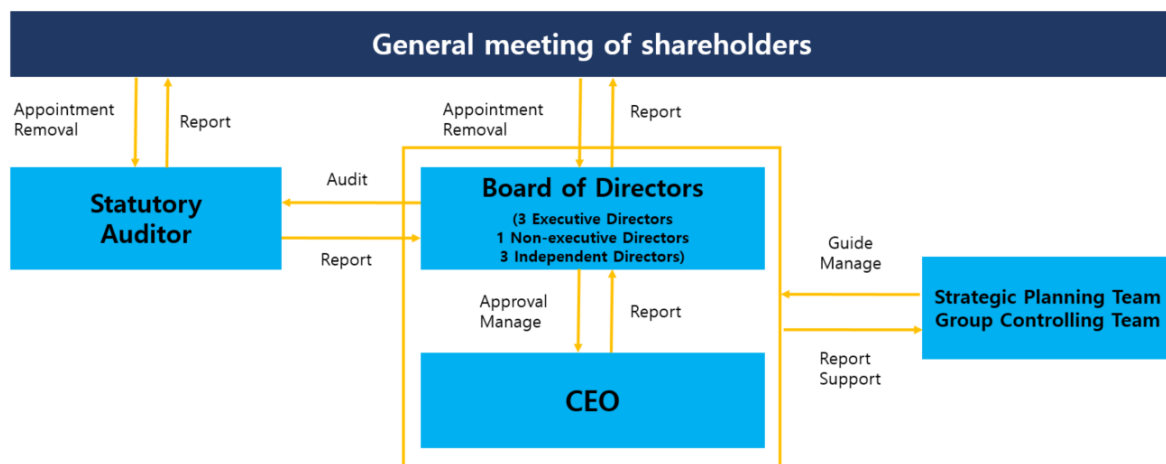
On February 15, 2021, the Board approved the '**FILA Group Global Code of Conduct**' and the '**FILA Group Global Human Rights Policy**' as the foundation of the company's business operations. The Code of Conduct stipulates the requirements that all stakeholders of FILA Group, including employees of all affiliates conducting FILA's brand business (FILA Group hereinafter) and business partners, should abide by in engaging in business relating to FILA Group. The Code also sets forth the management guidelines that we uphold in the areas of human rights, sustainable management, governance, and ethical management. 'Section III. The Ethical Business Operations' of the Code specifies provisions on '1. Compliance with Laws and Regulations', '2. Anti-Bribery and Anti-Corruption', and '3. Antitrust and Competition' to ensure that all stakeholders of FILA Group fully comply with applicable laws and regulations. Meanwhile, the FILA Group Global Human Rights Policy serves as a standard for human rights for FILA Group and all its stakeholders. This Policy, which draws upon the UN Universal Declaration of Human Rights, embodies our commitment to become a sustainable company by fulfilling our social responsibility to respect human rights along our entire value chain. The Policy will also enable us to prevent potential risks relevant with ethical and human rights and elevate the value of our brand and company.

On June 16, 2021, the Board approved the '**FILA Holdings Corp. Corporate Governance Charter**' to lay the groundwork for sustainable management. The Charter specifies the fact that shareholders are the owners of the company, and that all employees and the Board should work to promote the rights and interests of wide-ranging stakeholders both inside and outside the company. We will ensure that the 'FILA Group Global Code of Conduct', the 'FILA Group Global Human Rights Policy', and the FILA

Holdings Corp. Corporate Governance Charter all work to guide our stakeholders towards best practices that they adhere to with an aim to improve the rights and interests of shareholders, employees and other varying stakeholders.

In order to improve the transparency of our governance for stakeholders, we publicly disclose the Board composition and its operational status on our website and DART(Data Analysis, Retrieval and Transfer System, the electronic disclosure platform in Korea equivalent to the SEC of the U. S.) Through English disclosure and fair disclosure on the company's future business outlook, domestic and overseas investors have better access to the company's current and future operation environment.

▷ Board structure¹⁾



1) Based on the annual report of FY2021

▷ Summary of the corporate governance structure

Org.	Member	Chairman	Responsibility
Board of Directors	3 Executive Directors 1 Non-executive Director 3 Independent Directors	Yoon-Soo Yoon (Executive Director)	Items regulated by the law or the articles of incorporations Assigned by the general meetings of shareholders Items regulated by the Board of Directors Provision Resolution of the important agenda based on standard and execution of the business administration and the monitoring of the management

2. Shareholders

(Key Principle 1) Shareholder's Rights

Shareholders should receive sufficient and necessary information in a timely manner prior to exercising their rights, and should be able to exercise their rights through appropriate procedures.

(Sub-Principle 1-①)

The corporate should provide sufficient information including the date, venue, and agenda for the general meetings of shareholders well in advance of the meeting.

A. Information related to the general meetings of shareholders

(i) The general meetings of shareholders from the start of the previous year of the disclosure period

▷ (Table 1-①-1) History of the general meetings of shareholders

	The 32 nd AGM	The 31 st AGM	The 30 th AGM
Date of resolution on convocation	Feb 14, 2022	Feb 15, 2021	Feb 14, 2020
Date of convocation notice	Feb 25, 2022	Feb 26, 2021	Mar 12, 2020
Date of the general meeting of shareholders	Mar 29, 2022	Mar 30, 2021	Mar 27, 2020
Days between Convocation notice and AGM	32 days	32 days	15 days
Location of the general meeting of shareholders	1077, Cheonho-daero, Gangdong-gu, Seoul, Republic of Korea Convention Hall, East Central Tower	1077, Cheonho-daero, Gangdong-gu, Seoul, Republic of Korea Convention Hall, East Central Tower	1077, Cheonho-daero, Gangdong-gu, Seoul, Republic of Korea Convention Hall, East Central Tower
Notice method	Convocation notice mail, Electronic disclosure system of Financial Supervisory service(FSS) and Korean Exchange(KRX)	Convocation notice mail, Electronic disclosure system of Financial Supervisory service(FSS) and Korean Exchange(KRX)	Convocation notice mail, Electronic disclosure system of Financial Supervisory service(FSS) and Korean Exchange(KRX)
Notice method for non-Korean shareholders	Posted on the company's own website and disclosed in English on KRX	Posted on the company's own website and disclosed in English on KRX	Posted on the company's own website
Details	Presence of		
	6 out of 6	7 out of 7	7 out of 7

	Board members			
	Presence of Statutory Auditor	1 out of 1	1 out of 1	1 out of 1
	Shareholder remarks	1) Speakers: individual shareholders 2) Comments: Agreement on the agenda, questions and advices on the business	1) Speakers: individual shareholders 2) Comments: Agreement on the agenda, questions and advices on the business	1) Speakers: individual shareholders 2) Comments: Agreement on the agenda, questions and advices on the business

B. Provision of the information on the general meetings of shareholders

The company publicly disclosed sufficient information on the AGM held this year such as date, venue and agendas, 32 days before the AGM to help shareholders prepare and be sufficiently informed. When inquiries are made that fall outside the scope of the given content, we provide shareholders with accurate data by phone or other means, and will work to ensure that such meetings are held in compliance with legally mandated periods as well as the timelines presented by the best practices of corporate governance.

(Sub-Principle 1-②)

The corporate should allow shareholders to fully participate in the general meetings of shareholders and offer their suggestions.

A. Resolution of votes at the general meetings of shareholders

(i) Whether the general meetings of shareholders were held on the most concentrated date

▷ (Table 1-②-1) History of voting methods at the general meetings of shareholders

Classification	The 32 nd AGM	The 31 st AGM	The 30 th AGM
The most concentrated date AGM	Mar 25, 2022 Mar 30, 2022 Mar 31, 2022	Mar 26, 2021 Mar 30, 2021 Mar 31, 2021	Mar 13, 2020 Mar 20, 2020 Mar 26, 2020 Mar 27, 2020
Date of FILA Holdings' AGM	Mar. 29, 2022	Mar 30, 2021	Mar 27, 2020
Avoided the most concentration date	Yes	No	No
Vote-by-mail	No	No	No
Electronic voting	Yes	Yes	No

Proxy solicitation	Yes	Yes	Yes
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(ii) Introduction of vote-by-mail, electronic voting and proxy solicitation

While we do not currently offer a vote-by-mail option, we have adopted an electronic voting system at the 31st AGM (FY2021) to protect the investor rights and facilitate shareholder engagement. Furthermore, we promote proxy solicitation to encourage participation from shareholders who could not otherwise physically attend such meetings.

(iii) Details of the general meetings of shareholders from the start of the previous year of the disclosure period

▷ (Table 1-②-2) History of results of the voting from the general meetings of shareholders

Classification		The 31 st AGM			Mar 30, 2021	
Agenda	Type of resolution	Details	Result	Shares with voting rights (①)	Total votes of ① (A)	Shares for (B) (Ratio, %)
						Shares against or abstained (C) (Ratio, %)
Agenda 1	Ordinary	Approval of FY2020 Consolidated Financial Statements (including the statement of appropriation of retained earnings) (Jan. 1, 2020 ~ Dec. 31, 2020)	Approved	60,095,839	43,639,983	40,831,756
						(93.6%)
						2,808,227
						(6.4%)
Agenda 2	Ordinary	Appointment of Directors				
Agenda 2-1	Ordinary	Appointment of Executive Director (Myoung-Jin Yun)	Approved	60,095,839	43,639,983	42,991,286
						(98.5%)
						648,697
						(1.5%)
Agenda 2-2	Ordinary	Appointment of Non-executive Director (Seung-Wook Chung)	Approved	60,095,839	43,639,983	41,948,184
						(96.1%)
						1,691,799
						(3.9%)
Agenda	Ordinary	Appointment of	Approved	60,095,839	43,639,983	43,347,472

2-3		Independent Director (Hae-Sung Kim)				(99.3%)
						292,511 (0.7%)
Agenda 2-4	Ordinary	Appointment of Independent Director (Young-Mi Yun)	Approved	60,095,839	43,639,983	43,548,698 (99.8%)
						91,285 (0.2%)
Agenda 3	Ordinary	Appointment of Statutory Auditor (Young Sun Yoon)	Approved	44,452,626	27,996,770	26,020,510 (92.9%)
						1,976,260 (7.1%)
Agenda 4	Ordinary	Approval of Remuneration limit for Directors	Approved	60,095,839	43,639,983	37,426,240 (85.8%)
						6,231,743 (14.2%)
Agenda 5	Ordinary	Approval of Remuneration limit for Statutory Auditor	Approved	60,095,839	43,639,983	43,578,672 (99.9%)
						61,311 (0.1%)

1) Total votes (A): Shares for (B) + shares against or abstained(C)

2) Shares voted for ratio (%): (B/A) * 100

3) Shares voted against or abstained ratio (%): (C/A) * 100

Classification		The 32 nd AGM			Mar 29, 2022	
Agenda	Type of resolution	Details	Result	Shares with voting rights (①)	Total votes of ① (A)	Shares for (B) (Ratio, %)
						Shares against or abstained (C) (Ratio, %)
Agenda 1	Ordinary	Approval of FY2020 Consolidated Financial Statements (including the statement of appropriation of retained earnings) (Jan. 1, 2020 ~ Dec. 31, 2020)	Approved	60,095,839	39,164,568	35,646,282 (91.0%)
						3,518,286
						(9.0%)

Agenda 2	Ordinary	Appointment of Directors				
Agenda 2-1	Ordinary	Appointment of Executive Director (Keun-Chang Yoon)	Approved	60,095,839	39,164,568	38,477,449 (98.2%)
						687,119 (1.8%)
Agenda 2-2	Ordinary	Appointment of Non-executive Director (Hak-Woo Lee)	Approved	60,095,839	39,164,568	37,942,460 (96.9%)
						1,222,108 (3.1%)
Agenda 2-3	Ordinary	Appointment of Independent Director (Suk Kim)	Approved	60,095,839	39,164,568	33,477,020 (85.5%)
						5,687,548 (14.5%)
Agenda 3	Ordinary	Approval of Remuneration limit for Directors	Approved	60,095,839	39,164,568	38,963,808 (99.5%)
						200,760 (0.5%)
Agenda 4	Ordinary	Approval of Remuneration limit for Statutory Auditor	Approved	60,095,839	39,164,568	38,980,664 (99.5%)
						183,904 (0.5%)

1) Total votes (A): Shares for (B) + shares against or abstained(C)

2) Shares voted for ratio (%): (B/A) * 100

3) Shares voted against or abstained ratio (%): (C/A) * 100

B. Participation at the general meetings of shareholders

In order to improve the convenience of shareholders in exercising their voting rights, the company voluntarily participated in the voluntary AGM distribution program and held this year's AGM on March 29, 2022 to avoid the concentrated dates. As determined by the Board, we introduced an electronic voting system to protect the shareholders' rights and encourage shareholders to proactively exercise their voting rights. The company implemented and operated the electronic voting program two weeks prior to the AGM (Mar. 10, 2022 ~ Mar. 28, 2022). We will continue to explore ways to hold AGMs in a manner that helps shareholders more easily access so that we fully reflect their feedback in the decision-making process.

(Sub-Principle 1-③)

The corporate should enable shareholders to easily propose an agenda to the general meetings of shareholders and allow questions and explanations to be freely asked and called upon on the agenda suggested by shareholders at the general meetings of shareholders.

A. Shareholder's proposal rights

(i) Information of shareholder's proposal rights and its process

We specify the details of the shareholder proposal, such as proposal procedures, on our website. As specified in Article 363-2 of the Commercial Act, the shareholders who hold no less than 3% of the total number of issued and outstanding shares excluding nonvoting shares, or the shareholders who have continued to hold stocks equivalent to no less than 1% of the total number of issued and outstanding shares, except for non-voting shares, for more than six months prior to the AGM, may make a proposal in written or with an electronic document, for certain matters be raised as agenda at the AGM at least six weeks prior to the date of the meeting. As shareholder proposals are made in the future, we plan to include them in the agenda of the meeting, as long as they agree with applicable laws or the Articles of Incorporation, or do not fall under the provisions set in Article 12 on Rejection of Shareholders' Proposals of the Enforcement Decree of the Commercial Act.

(ii) Internal policy relevant to shareholder's proposal rights and its process

The corporate Strategic Planning Team is responsible for collecting and reviewing shareholders' proposals. When shareholders make a proposal, the key details of their proposal are included in the convocation notice for the AGM or they are provided with an opportunity to explain his/her proposal at the shareholders' meeting. No shareholder proposals have been submitted during the reporting period and we did not individually inform shareholders of relevant internal standards or procedures. We will review any such proposals that are made in the future, and provide shareholders with information in written or with an electronic document.

(iii) Shareholder proposal and resolution of the agenda during the disclosure period

Since the reporting period spanning January 1, 2020 to the date this report was submitted, there were no public letters submitted or agenda items proposed as part of the activities to exercise shareholders' proposal rights or fulfill the responsibility of the institutional investor's trustee. To view the agenda proposed by the Board for the AGM and the ratio of votes for or against for each agenda item, please refer to the above Sub-Principle 1-②.

(iv) Submission of public letters and a responsibility of the institutional investor's trustee during the disclosure period

During the reporting period spanning January 1, 2021 to the date this report was submitted, no public letters have been submitted as part of the activities to exercise shareholders' proposal rights or fulfill the responsibility of the institutional investor's trustee, and there is no relevant progress illustrated in this report.

B. Exercise of shareholder's proposal right

As stated above, our internal standards and regulations for shareholders' proposal rights are made available on the corporate website, and we will remain attentive to feedback from varying stakeholders and integrate it into our decision-making process.

(Sub-Principle 1-④)

The corporate should prepare the long-term shareholder return policy and future plan including dividend and inform it to shareholders.

A. Shareholder return policy

(i) Shareholder return policy and relevant plans

The company's Articles of Incorporation specify that the company's profits can be distributed in monetary means or stocks. When a decision is made at the Board or at the AGM for dividend payment, buyback or the retirement of shares, it is disclosed through the Financial Supervisory Service's electronic disclosure system "KIND" or the Korea Exchange's electronic disclosure system "DART".

We announced our shareholder return plan through the fair disclosure made on 'Matters Related to Ad Hoc Public Disclosure Obligation' on February 24, 2022. Under this plan, the company plans to return up to KRW 600 billion in total to the shareholders for the next five years from 2022 to 2026 and aim to achieve up to 50% of the shareholder return ratio compared to consolidated net income attributable to controlling shareholders by the end of the five year plan in 2026. We plan to gradually increase our payout ratio, which corresponds to the total dividends compared to the consolidated net income attributable to controlling shareholders, and will consider special dividend or share repurchase if needed. The above-mentioned shareholder return policy is made available on our corporate website both in Korean and English for our shareholders to freely refer to. If the corporate shareholder return policy is ever amended, we will actively inform such amendments on a timely manner through public disclosures.

Ever since the company was listed on the Korea Stock Exchange in 2010, the company has paid annual dividends for 11 consecutive years, and made a cash dividend of KRW 1,000 per share in the fiscal year 2021, which translates into approximately 26% of the net income attributable to controlling shareholders. Going forward, we will continuously update our current shareholder return policy, including plans on dividends and buyback, in consideration of our sustained growth and business performance. We will remain committed to constructively adding to shareholder value while bolstering our corporate capabilities.

(ii) Provision of the information relevant to shareholder return policy

Please refer the item '(i) Shareholder return policy and relevant plans'.

B. Information of shareholder return policy

Please refer the item '(i) Shareholder return policy and relevant plans'.

(Sub-Principle 1-⑤)

Shareholders right to be granted with proper level of shareholder return including dividend in accordance with the related policy and the plan should be respected.

A. Shareholder return payment

(i) Dividends paid in previous three years

▷ (Table 1-⑤-1) History of dividends paid in previous three years

Fiscal Year	Settlement month	Share type	Share dividend	Cash dividend				
				Dividend per share (KRW)	Total dividends (KRW 100M)	Dividend yield ²⁾ (%)	Payout ratio ³⁾ (%)	
							Consolidated	Separate
2021	December	Common	-	1,000	601	2.85	17.79	66.11
2020	December	Common	-	185	111	0.42	5.62	-
2019	December	Common	-	219	133	0.41	3.94	12.32

1) Total amount paid in each fiscal year

2) Dividend yield = ratio of dividend per share to the arithmetic average of the closing price in the period of one week following up to two trading days prior to closing date of the shareholder's registry

3) Payout ratio = total dividends / consolidated or separate net income

As of January 2, 2020, FILA Holdings Corp. became a pure holding company in terms of functionality through vertically demerging FILA Korea as a pure operating subsidiary in Korea. In 2020, FILA Holdings Corp. recorded a net loss of KRW 47.5 billion on a separate financial basis and did not separately state the dividend payout ratio as the ratio based on the separate basis was calculated as negative.

We disclose the company's historical payout ratio based on net income attributable to controlling shareholders in the annual report. The company's payout ratio for the past three years based on this principle is 4.99% in 2019, 8.00% in 2020, and 25.55% in 2021.

(ii) Unequal dividend, quarterly dividend and interim dividend in previous three years

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

B. Respect of shareholder's right to appropriate level of shareholder return

As stipulated in A. Shareholder return policy, we established and announced our shareholder return policy in February 2022, and have made annual dividend payments for 11 consecutive years since 2010 to respect the rights of shareholders to receive an appropriate level of shareholder returns including dividend. Decisions on shareholder return, including dividends as well as share buyback and share cancellation, are made at the Board and the AGM. We aim to improve our shareholder return policy

through in-depth reviews conducted on sustainable growth, investment plans and internal/external business conditions going forward.

(Key Principle 2) Fair Treatment of Shareholders

Shareholder should hold fair voting rights according to the type and number of shares owned, and the corporate should equip an adequate system to provide fair information to shareholders.

(Sub-Principle 2-①)

The corporate should create an environment where infringement on the voting rights of shareholders does not take place, and provide sufficient corporate information to the shareholders at the right time, in a fair manner.

A. Issued shares and categories of shares**(i) Issued shares**

▷ (Table 2-①-1) Issued shares

Share type		Number of authorized shares ¹⁾	Number of issued shares ²⁾	Issuance ratio ³⁾	Note
Common		200,000,000	60,752,222	30.38%	-
Classified	-	-	-	-	-

1) Number of authorized shares as of the submission date of the report (number of shares stipulated in the Articles of Incorporation)

2) Total number of issued shares – total number of shares decreased (reduction of capital, profit redemption) as of the submission date of the report

3) Number of issued shares/Number of authorized shares*100(rounded up from three decimal places)

※ The number of issued shares is reflecting the decrease of 362,848 shares from 61,115,070 shares caused by share cancellation in February 2020.

(ii) Classified shares

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

B. Voting rights

Currently, every shareholder is given one voting right per a common share and each is able to exercise their rights as such. As stipulated in the Commercial Act and applicable laws and regulations, we will continuously commit to protecting the rights of minor shareholders to uphold the fundamental rights of all shareholders.

C. Communication with shareholders

(i) Investor Relations events

To keep our domestic and overseas investors informed on the latest business updates, the company proactively connects through regular conference calls and/or investor meetings at least seven times a week and hosts quarterly earnings calls every year in February, May, August and November. We also participate in the conferences hosted by banks as part of our IR activities.

Our IR event schedules are made available through the ‘Organization of Investor Relations Event’ disclosure submitted to the Korea Exchange’s electronic disclosure system. In addition to IR events, our management team joins a separate Q&A session held after the AGM to address the questions from the minority shareholders who attended the AGM in person. Our IR representatives collect feedback from minor shareholders over the phone and through the IR e-mail and proactively responds to such feedback on a daily basis.

▷ (Table 2-①-2) History of major IR activities including conference calls and dialogues with shareholders from the start of a fiscal year

Date	Participants	Form	Contents
Apr 05, 2021 / Apr 09, 2021	Domestic institutional investors	NDR	Explanation and Q&A on the business performance and outlook for quarter and fiscal year
May 14, 2021	Domestic/overseas analysts	Conference with CFO	
May 25, 2021	Overseas institutional investors	Conference	
Jun 01, 2021	Overseas institutional investors	Conference	
Jun 09, 2021	Overseas institutional investors	NDR	
Jun 23, 2021	Overseas institutional investors	NDR	
Aug 13, 2021	Domestic/overseas analysts	Conference with CFO	
Aug 17, 2021	Overseas institutional investors	NDR	
Aug 18, 2021	Overseas institutional investors	Conference	
Aug 19, 2021 ~ Aug 20, 2021	Overseas institutional investors	Conference	
Sep 02, 2021	Overseas institutional investors	Corporate Day	
Sep 09, 2021	Domestic/overseas institutional investors	Conference	
Nov 12, 2021	Domestic/overseas analysts	Conference with CFO	
Nov 17, 2021	Domestic/overseas institutional investors	Conference	
Dec 02, 2021	Domestic institutional investors	Corporate Day	

Dec 09, 2021	Domestic institutional investors	Conference	
Feb 24, 2022	Domestic/overseas institutional investors and analysts	Conference with CEO, CFO	
Mar 04, 2022	Overseas institutional investors	Conference	
Mar 21, 2022	Domestic/overseas analysts	Conference with CFO	
Apr 01, 2022	Domestic institutional investors	NDR	
May 13, 2022	Domestic/overseas analysts	Conference	
May 16, 2022	Domestic/overseas analysts	Conference	

(ii) Information of IR contact

IR contact information is available on our website, including the phone number and the e-mail address of the IR department to fully address any inquiries our investors and stakeholders may have. The following website also serves to disclose our quarterly IR materials.

(Korean) Webpage link <http://www.filaholdings.com/kr/invest/finance.asp>
<http://www.filaholdings.com/kr/contact/index.asp>

(iii) English disclosure

As of the date of submission of this report, overseas shareholders accounted for nearly 38% of total shareholder base. In order to provide timely information for overseas investors, the company operates the corporate website in English, and discloses the phone number and the e-mail address of our IR department.

(English) Webpage link <http://www.filaholdings.com/en/invest/finance.asp>
<http://www.filaholdings.com/en/contact/index.asp>

To maximize information accessibility for overseas investors, we continue to make English disclosures available as follows.

▷ (Table 2-①-3) History of English disclosures

Date	Title of disclosure
Feb 19, 2021	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)
Feb 19, 2021	Decision on Cash Dividends and Dividends in Kind
Feb 19, 2021	Decision on Calling Shareholders' Meeting

Mar 03, 2021	Reporting reasons for holding general shareholders' meeting on the most concentrated date
Apr 02, 2021	Organization of Investor Relations Event
Apr 05, 2021	Outcome of Annual Shareholders' Meeting
May 14, 2021	Organization of Investor Relations Event
May 14, 2021	Organization of Investor Relations Event
May 17, 2021	Details of Sustainability Report, etc. (Voluntary Disclosure)
May 17, 2021	Decision on Disposal of Shares or Investment Certificates of Other Corporations (Material Business Matters of Subsidiary Corporate)
May 20, 2021	[Updated] Decision on Disposal of Shares or Investment Certificates of Other Corporations (Material Business Matters of Subsidiary Corporate)
May 24, 2021	Organization of Investor Relations Event
May 28, 2021	Organization of Investor Relations Event
Jun 08, 2021	Organization of Investor Relations Event
Jun 16, 2021	Decision on Paid-In Capital Increase (Material Business Matters of Subsidiary Corporate)
Jun 16, 2021	Decision on Acquisition of Shares or Investment Certificates of Other Corporations
Jul 08, 2021	Decision on Paid-In Capital Increase (Material Business Matters of Subsidiary Corporate)
Aug 13, 2021	Organization of Investor Relations Event
Aug 17, 2021	Organization of Investor Relations Event
Sep 02, 2021	Organization of Investor Relations Event
Sep 08, 2021	Organization of Investor Relations Event
Nov 12, 2021	Organization of Investor Relations Event
Nov 16, 2021	Organization of Investor Relations Event
Dec 01, 2021	Organization of Investor Relations Event
Dec 08, 2021	Organization of Investor Relations Event
Feb 15, 2022	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)
Feb 15, 2022	Decision on Cash Dividends and Dividends in Kind

Feb 15, 2022	Decision on Calling Shareholders' Meeting
Feb 24, 2022	Organization of Investor Relations Event
Feb 24, 2022	Future Business or Management Plans (Fair Disclosure)
Feb 24, 2022	Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure)
Mar 02, 2022	Organization of Investor Relations Event
Mar 17, 2022	Organization of Investor Relations Event
Mar 21, 2022	Forecast for Business Performance according to Consolidated Financial Statements (Fair Disclosure)
Mar 25, 2022	Submission of Audit Report
Mar 29, 2022	Outcome of Annual Shareholders' Meeting
Mar 31, 2022	Organization of Investor Relations Event
May 12, 2022	Organization of Investor Relations Event
May 12, 2022	Organization of Investor Relations Event
May 13, 2022	Details of Sustainability Report, etc. (Voluntary Disclosure)

(iv) Fair disclosure

We make fair disclosures to prevent information asymmetry for our investors. Please refer to the table below for the details.

▷ (Table 2-①-4) History of fair disclosures

Date of disclosure	Title of disclosure	Contents
Feb 24, 2022	Future Business or Management Plans (Fair Disclosure)	The announcement of FILA 5-year strategic plan 'WINNING TOGETHER'
Feb 24, 2022	Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure)	Announcement of shareholder return plan for the next five years
Mar 21, 2022	Forecast for Business Performance according to Consolidated Financial Statements (Fair Disclosure)	Outlook for FY2022

(v) Unfaithful disclosure cases and effort to prevent recurrence and improve

During the disclosure period, we have not been nominated as an unfaithful disclosure company, and we will faithfully fulfill our obligation for fair disclosure going forward.

D. In-time disclosure for shareholders

We adhere to the established deadlines in fulfilling our disclosure obligations to ensure shareholders can access the necessary information in a timely and fair manner. We continue to expand the scope of our English disclosures so that overseas investors are offered the same level of access to the information as our domestic investors.

(Sub-Principle 2-②)

The corporate should establish and operate a system in place to protect shareholders from unfair internal transactions and self-dealing of other shareholders including controlling shareholders.

A. Internal control system for related party and self-dealing transaction

(i) Internal control system for related party and self-dealing transactions

We are establishing internal controls to prevent related party and self-dealing transactions made by management or controlling shareholders for personal interests. We stringently abide by the Commercial Act and applicable laws and regulations, and regularly update our Articles of Incorporation and 'Board of Directors Provision, if needed. Paragraph 1, Clause 4 and Article 10 of the 'BoD Provision' amended in August 2021 stipulates that the approval of transactions between director(s) and the company is subject to the decision made by the Board.

(ii) Comprehensive resolution of the Board of Directors on related party transactions with affiliates, etc. or self-dealing transactions with executives or controlling shareholders

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

(iii) Transactions with stakeholders (Interested persons including controlling shareholders)

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

(Sub-Principle 2-③)

The corporate should devise measures to protect shareholders such as collecting opinions from minor shareholders and protecting rights of opposing shareholders, in terms of changes in the corporate's ownership structure or major business, such as merger, business transfer, division, comprehensive exchange and transfer of shares.

A. Policy to protect shareholders such as collecting opinions from minor shareholders and protecting rights of opposing shareholder, in terms of changes in the corporate's ownership structure or major business, such as mergers, business transfers, division or comprehensive exchange and transfer of shares

In the event of any significant change in our ownership structure or of major business events such as mergers, business transfers, division or comprehensive exchange and transfer of shares, we will collect feedback from minor shareholders and protect the rights of opposing shareholders. We specify the e-mail address of our IR contact on our corporate website and ensure it is easily accessible, to assist us in proactively gathering the feedback of minor shareholders and opposing shareholders. While we do not have relevant internal regulations or policies disclosed on our website, we duly abide by the regulations to protect the rights of shareholders as stated in the Commercial Act and other applicable laws and regulations.

The Corporate Governance Charter of FILA Holdings Corp. uploaded on our corporate website specifies shareholders' rights and fair treatment, and the FILA Group Global Code of Conduct stipulates our responsibility for ethical management for all stakeholders, including shareholders. This ensures that we implement management accountability to protect shareholders and maximize their interest.

While we do not presently accept a vote-by-mail system, we have embraced electronic voting since the 31st AGM held in March 2021 to protect the rights of investors and facilitate shareholder engagement. We also encourage shareholders, who are not able to attend the meeting in person, to exercise their voting rights as much as possible through a proxy solicitation system.

Looking ahead, we will actively introduce regulations designed to reinforce the rights and interests of minor shareholders and any additional or supplemented systems to this end. In so doing, we will align our internal processes to collect and respond to the opinions of minor shareholders.

B. Case of changes in the corporate's ownership structure or major business, such as merger, business transfer, division or comprehensive exchange and transfer of shares and corporate's effort to protect the rights of minor shareholders and opposing shareholders during the disclosure period

During the disclosure period, there have been no major events such as mergers or business transfers that significantly change the corporate governance structure or major business. As of now, we have no specific plans for such.

We established FILA 5-year Strategic Plan 'WINNING TOGETHER', and shared with shareholders

through the disclosure made on 'Future Business or Management Plans(Fair Disclosure)' and on corporate website on February 24, 2022, along with a conference call to address the questions raised by domestic and overseas analysts in relation to this strategic framework. In the event of such significant change in our strategic direction or course of action, we will reach out to our stakeholders through various means, including disclosures and conference calls.

3. Board of Directors

(Key Principle 3) Role of the Board of Directors

The Board of Directors should establish business goals and strategies for the interests of the corporate and shareholders and should supervise management effectively.

(Sub-Principle 3-①)

The Board of Directors should perform the role of decision making and supervisory functions effectively.

A. Policy and relevant support of the company to support the role of the Board of Directors

(i) Matters to be resolved by the Board of Directors

The Board, as our highest decision-making body, makes decisions on major corporate issues. The Board meets when issues arise that require a resolution as well as on a regular quarterly basis. Article 10 of the Board of Directors Provision sets out the matters to be resolved by the Board as follows.

1. Matters regarding to the general meetings of shareholders

- (1) Calling the general meetings of shareholders
- (1)-2 Allowance of the exercise of voting rights by electronic means
- (2) Approval of business report
- (3) Approval of financial statements
- (4) Change of Articles of Incorporation
- (5) Decrease in capital
- (6) The dissolution, merger, merger after division, continuation of the company
- (7) Transferring of all or part of the business of the company and getting transferred of all or part of the business of the other company
- (8) A lease or management delegation for all of the business, all contracts or relevant contracts of profit and loss with others
- (9) Appointment and dismissal of directors, auditors
- (10) Issuance of shares below par
- (11) Release liability to the company
- (12) Decision on cash, stock dividends or dividends in kind

- (13) Granting stock options
- (14) Remuneration of directors and auditors
- (15) Approval of transactions with the largest shareholder of the company (including the related parties) and related parties and reporting to the general meetings of shareholders
- (16) Decrease in capitalization of reserves
- (17) Other proposals to be submitted to the general meetings of shareholders

2. Matters regarding business management

- (1) Business planning and budget management
- (2) Appointment and dismissal of CEO
- (3) Appointment and dismissal of chairman, presidents, executive vice presidents, vice presidents and senior vice presidents
- (4) Decision on co-CEOs
- (5) Establishment, operation and abolition of committees within the board
- (6) Appointment and dismissal of committees within the board
- (7) Re-resolutions of matters resolved at the committees
- (8) Important matters regarding labor union policy
- (9) Enactment and repeal of important regulations and provisions
- (10) Pre-installation or abolishment of branches, factories, offices
- (11) Decision on simplified merger, simplified merger after division, small-scale merger and small merger after division
- (12) Report of merger or consolidation
- (13) Matters regarding other important business executions

3. Matters regarding Financials

- (1) Matters regarding investments
- (2) Signing of important contracts
- (3) Acquisition and disposal of important property
- (4) Disposition of deficit
- (5) Opening and closing of important facilities
- (6) Issuance of new shares

- (7) Subscription to bonds
- (8) Capitalization of reserves
- (9) Issuance of convertible bonds
- (10) Issuance of bonds with warrants
- (11) Large amounts of funding and guarantee activities
- (12) Establishment of mortgages and pledges on important property
- (13) Acquisition and disposal of treasury shares
- (14) Retirement of shares
- (15) Investment in new facilities, expansion of facilities, or establishment of factories of not less than 10% of consolidated total equity
- (16) Acquisition or disposal of property, plant and equipment of not less than 5% of consolidated total assets
- (17) Acquisition or disposal of stocks and investment securities of not less than 5% of consolidated total equity
- (18) Provision of collateral of not less than 5% of consolidated total equity
- (19) Enactment and amendment of the internal accounting control system

4. Matters regarding directors

- (1) Approval of transactions between directors and the company
- (2) Approval of the director's competition
- (3) Approval of the director's certain action that may cause the conflict of interest

5. Others

- (1) Cancellation of granted stock options
- (2) Other matters stipulated in laws, regulations, or the Articles of Incorporation, matters delegated by the shareholders' meeting, and matters deemed necessary by CEO
- (3) The matters to be reported to the board of directors are as follows.
 - 1. Results of the matters delegated to the committee within the board
 - 2. Matters acknowledged by the auditor that a director is likely to commit or acts in violation of any statutes or the Articles of Incorporation
 - 3. Other important matters regarding business executions
 - 4. Operation of the internal accounting control system and the report on the evaluation of the

internal accounting control system

(ii) Matters to be resolved by the Board of Directors other than those mandated by relevant laws

Our Board of Directors Provision stipulates matters to be resolved by the Board primarily in accordance with the Commercial Act, the Capital Markets Act, and disclosure regulations. In addition to matters mandated by relevant laws, matters considered material to business conduct and the rights and interests of shareholders are deliberated and decided by the Board. For instance, the Board reviewed and approved the 'FILA Group Global Code of Conduct' and the 'FILA Group Global Human Rights Policy' on February 15, 2021 while proposing the agenda item of reporting ESG operations/ risks management updates and approving the 'FILA 5-year strategic plan' on February 14, 2022.

(iii) Matters to be delegated to the sub-committees or the CEO from the authority of the Board

Article 3 of Board of Directors Provision' clearly states that the CEO may delegate his/her business decision on the duties not specified in Board of Directors Provision. While Article 12 of Board of Directors Provision states that the authority of the Board could be delegated to its sub-committees, aside from provisions falling under each subparagraph of Paragraph 2, Clause 2 and Article 393-2 of the Commercial Act, we do not presently operate any sub-committees under the Board, and thus Article 12 does not apply.

B. Effectiveness of performance of the Board of Directors

As stated above, the company faithfully operates Board-oriented management. Any and all significant corporate decisions are made through the Board, and it is mandatory that for all critical management issues be reported. As such, the Board duly fulfills its function in overseeing the management of the company.

(Sub-Principle 3-②)

The Board of Directors should establish and implement a policy on the succession of the CEO (including an emergency appointment policy) and continue to improve the policy.

A. Succession Policy for the CEO

We have established and are implementing an internal CEO succession plan. The internal Personnel Committee, pursuant to Article 4 (Deliberation matters) of its regulations, proceeds with the succession process under the supervision of the CEO if needed. The committee shall initiate the procedure at least five to six months prior to the expiration date of the CEO's term of office for a smooth and stable transition. The committee discusses major guidelines for HR management and development, engages in deliberations that include interviews in consideration of the strategic roles expected to the CEO, selects

candidates and provides the list of candidates to the Board. When searching for potential candidates, the committee may receive recommendations from its shareholders, stakeholders or third-party advisory entities to determine whether candidates for the CEO comply with the company's values of compliance and responsible management stated in the Code of Conduct.

This is followed by the candidate assessments made by the Board. Pursuant to Article 389 of the Commercial Act and Article 37 of the Articles of Incorporation, our executives – presidents, executive vice presidents, vice presidents and senior vice presidents as well as the CEO, are appointed through the resolution of the Board. As specified in Clause 2, Article 4 of our Corporate Governance Charter, the Board shall verify the qualifications of candidates to ensure that the candidates fully understand the roles given to directors, including but not limited to long-term corporate value improvement, and contribute to the pursuit of the company's vision and goals.

The key evaluation factors in appointing the CEO are exceptional leadership, market insight, industry and market knowledge, and expertise-based experience. If a candidate is not an executive director due to the recommendation by external parties, then he/she must be first appointed as an executive director at the AGM in accordance with our Articles of Incorporation before being appointed as the CEO at the Board.

In the event of CEO's absence or incapacitation, the succession procedure initiates to act on behalf of the CEO in the order of the president, executive vice president, senior vice president, vice president, and then finally to one of the directors pursuant to Article 39 of our Articles of Incorporation. Our internal regulations ensure that the decision-making process of the Personnel Committee and the Board should not be delayed in the event of CEO's absence or incapacitation to minimize the operational disruption due to the absence of management.

Prior to appointing top management each year, the company categorizes the executives into two categories; the first being for candidates with proven expertise immediately available for a given executive position, and second being for those who require three to five years of additional incubation to serve as executives. When deemed necessary, we assist such candidates in building capacity with tailor-made internal/external training (special management lectures for executives, special lectures on liberal arts). While 2021 proved a challenging time to provide external training due to COVID-19 and the tightening social distancing regulations, our CEO engaged in one-on-one interviews and coaching with executive candidates in an effort to manage their capabilities and qualifications of the candidates and support their development. We select and manage competent candidates across wide-ranging business areas both inside and outside the company to swiftly respond to the rapidly-shifting business landscape and prepare for any unexpected emergencies such as the absence of the CEO.

While we have not yet documented a succession plan, we will continue to update our internal process related to the succession of key management to achieve sustainable and sound governance.

(Sub-Principle 3-③)

The Board of Directors should establish and implement a policy on internal control systems (including risk management, compliance management, internal accounting control system management, disclosure information management).

A. Internal control systems

(i) Risk management

Throughout the entire business operations, we are keenly aware of the importance of risk management and respond to and manage risks accordingly. We manage financial risks with our statutory auditor playing a central role through compliance management, internal accounting control and disclosure data management. In January 2020, the company amended its internal accounting control regulations. Once a year, the CEO and the internal accounting manager report the status of our internal accounting control system to the statutory auditor, who then evaluates the system and reports to the Board. The CEO and the statutory auditor report to shareholders with an internal accounting report at the AGM to facilitate their access to relevant information.

In case of non-financial risks, we designated an internal function to respond to non-financial risks. Environmental and safety risks are managed by the Strategic Planning Team of FILA Holdings Corp., the Corporate Ethics Division of FILA Korea, and other relevant departments. We have introduced NAVEX Global whistleblowing services, an overseas whistleblowing solutions provider, since 2021 to ensure the independence of our internal control management procedures. This increased access to service by supporting four different languages and across four countries: in Korea and the US where we directly operate, and in China and Vietnam where our business partners are based. In the event that whistleblowing reports are submitted in relation to ethics or compliance, the Corporate Compliance Division of FILA Korea takes the lead in the investigation, identification and resolution process.

(ii) Compliance, internal accounting management, disclosure information management

We establish and operate our Compliance Guidelines, Internal Accounting Control Regulations, and Policy on the management of the disclosure information. In February 2021, we established the FILA Group Global Code of Conduct as FILA Group's official code of conduct and we announced and circulated the Code globally within the group, as well as all business partners. The Code of Conduct is made available on our website. We ensure that we make timely and accurate disclosures in conformity with our Policy on the management of the disclosure information.

▷ Major agenda of Global Code of Conduct

- Human rights
- Ethical business operation
- Responsible business operations and sourcing of goods
- Asset & data protection

- Reporting concerns and potential violations

We are committed to establishing a Compliance Officer system to oversee compliance with the company's legal obligations and to disseminate this system to all employees. Until March 2022, Chang Ho Kwon, Head of the Corporate Ethics Division, had been responsible for compliance operations. However, due to internal organization structure change, this position is currently left absent as of the date of submission of this report. We will promptly bolster our internal management measures to ensure that no instances of non-compliance occur, and appoint additional relevant staff to prevent any gaps in our compliance management while the Compliance Officer position is vacant.

▷ Major agenda of compliance management

- Appointment/dismissal of the Compliance Officer, authority and obligations of the Compliance Officer
- Compliance operations (legal risk assessment, operation of compliance instruction and training programs, and compliance reviews performed by the Compliance Officer)
- Effectiveness assessment (effectiveness assessment standards and procedures, follow-up measures)

▷ Major agenda of internal accounting control system management

- General principles of processing accounting information
- Identification, measurement, classification, documentation and reporting of accounting information
- Quality/accuracy assurance, restatement and internal verification of accounting information
- Management and operation of the internal accounting control system (segregation of duties, accountability, internal accounting managers and audit)
- Assessment and reporting of the internal accounting control system (operational status review performed by the CEO, reporting standards and procedures, audit operational status assessment, reporting standards and procedures, assessment result disclosures)
- Disciplinary actions for the violation of regulations, etc.

▷ Disclosure supporting department

Title	Number of staff	Classification	Responsibility
Strategic Planning team	9	2 Senior Managers 1 Manager 3 Assistant Managers 3 Associates	Support the duty of the Board of Directors for the resolution from the Board meeting Operate and manage the duty related to disclosure

1) As of the report submission date

▷ Major agenda of disclosure information management

- Fundamental autonomy and responsibilities of the disclosure control function (CEO, disclosure manager, disclosure department and business department)

- Disclosure control activities and operations (regular disclosure, ad hoc disclosure, fair disclosure, inquired disclosure, voluntary disclosure, issuance disclosure, and reports on material facts)
- Information and communication
- Disclosure risk assessment and management
- Monitoring
- Prohibition of unfair trade practices of the employees (transactions made by the employees of specific securities, management of material nonpublic information, material nonpublic information of its affiliates, return of short-swing profits)
- Other disclosure control system (press release, market rumors, etc.)

(Key Principle 4) Composition of the Board of Directors

The Board of Directors should be constituted to enable efficient decision making and oversight management. Directors should be appointed in a transparent manner to reflect the opinions of shareholders.

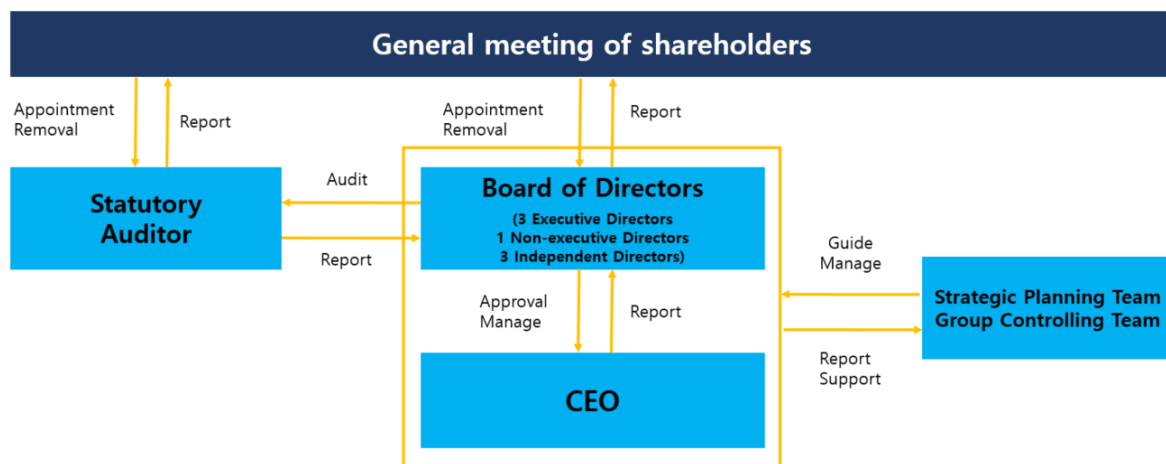
(Sub-Principle 4-①)

The Board of Directors should be constituted to enable effective and thorough discussions and decision making, and should have a sufficient number of Independent Directors to be able to work independently from management and controlling shareholders.

A. Composition of the Board of Directors

(i) Board structure

▷ (Table 4-①-1) Current organization structure of the board of directors as of the report submission date



(ii) Composition of the Board of Directors

According to Article 33 of the Articles of Incorporation, the corporate Board of Directors shall consist of no less than three but not more than seven directors, and independent directors shall at least account for 1/4 of the total number of directors. The reason to define the minimum threshold number of director as three is to reflect the minimum number of directors on the Board under Clause 1 Article 383 of the Commercial Act, and the maximum number of seven was established to improve the efficiency of operating meetings and making decisions. As of the date of this report submission, our Board is composed of a total of seven directors (three executive, one non-executive, and three independent directors).

▷ (Table 4-①-2) Composition of the Board of Directors

Classification	Name	Gender (Age)	Position	Date of Appointment ¹⁾	Due date of term expiration	Expertise	Career
Executive Director	Yoon-Soo Yoon	Male (76)	Chairman	Mar 21, 2011	Mar 26, 2023	Chairman of the Board (Business)	<ul style="list-style-type: none"> - (Present) Chairman of the Board, FILA Holdings Corp. - (Present) Chairman of the Board of Directors, Acushnet Holdings Corp. - Honorary degree on Business Administration, Sangmyung University - Hankuk University of Foreign Language
Executive Director	Keun-Chang Yoon	Male (47)	CEO	Mar 25, 2016	Mar 28, 2025	Administration of FILA Holdings (Business)	<ul style="list-style-type: none"> - (Present) President and CEO, FILA Holdings Corp. - CEO, FILA Korea - Chief Financial Officer, FILA USA - MBA, University of Rochester - KAIST - University of California Davis
Executive Director	Myoung-Jin Yun	Male (51)	Managing Director	Mar 30, 2021	Mar 29, 2024	Global Planning of FILA Holdings (Operation)	<ul style="list-style-type: none"> - (Present) Managing director, Global Planning Office of FILA Holdings Corp - Management Planning Team, CEWIT Korea - Strategic Planning Team, Woongjin Poly Silicon - Civil and Environmental Engineering, University of California(Master's) - the Department of Environmental Engineering, Korea University(Bachelor's)
Non-executive Director	Hak-Woo Lee	Male (47)	Managing Director	Mar 29, 2022	Mar 28, 2025	Digital Business Of FILA Korea (Operation)	<ul style="list-style-type: none"> - (Present) General Manager of Digital Business, FILA Korea - Business Manager of E-BIZ, FILA Korea - MBA, Digital Business, Hanyang University (Master's) - Hanyang University
Independent Director	Suk Kim	Male (68)	Independent Director	Mar 27, 2019	Mar 28, 2025	Independent Director of	<ul style="list-style-type: none"> - CEO and President, Samsung Securities - CEO and President, Samsung Asset

			or			FILA Holdings (Finance)	Management - Vice President, Samsung Card - Director, Samsung Group - Seoul National University
Independent Director	Hae-Sung Kim	Male (63)	Independent Director	Mar 30, 2021	Mar 29, 2024	Independent Director of FILA Holdings (Retail)	- (Present) Advisor, E-Mart - Vice President, E-Mart - President, Shinsegae Group Strategy - CEO, Shinsegae International - Director, Foreign Business Department of Shinsegae International - International Trade, Sungkyunkwan University (Bachelor's)
Independent Director	Young-Mi Yun	Female (58)	Independent Director	Mar 30, 2021	Mar 29, 2024	Independent Director of FILA Holdings (Ecosystem)	- (Present) Committee Member, Committee for Green Seoul Citizen - (Present) Committee Member, Committee of Consumer Policy of Seoul - (Present) Committee Member, Committee of Social Contribution of Korean Teachers Credit Union(KTCU) - (Present) Committee member, Committee of ESG provision, Korea Credit Guarantee Fund(KODIT)

1) The first appointment date

(iii) Committee organization of the Board of Directors

While there is no committee established within the Board as of the date of this report submission, we will proactively consider the establishment of such committees reflecting our proper business environment for a better governance structure.

(iv) Independent Directors

As of the date of this report submission, there are a total of three independent directors, accounting for nearly 43% of the Board. In March 2022, Keun-Chang Yoon, an executive director, and Suk Kim, an independent director, were reappointed while Hak-Woo Lee was appointed as a non-executive director at the AGM. To ensure fairness and transparency in the independent director appointment process, we carefully examine the qualifications of candidates for their expertise, professional integrity, ethical responsibility, and commitment in addition to the qualifications required by the Commercial Act.

(v) Separation of CEO and Chairman of the Board

At FILA Holdings Corp, the CEO and the Board Chair are two separate and distinct roles. At the time this report was submitted, the Board was chaired by the executive director Yoon-Soo Yoon, and the executive director Keun-Chang Yoon serves the role as the President and CEO of FILA Holdings Corp.

B. Independence and efficiency of the Board of Directors

Currently, the roles of the CEO and the Chairman of the Board are separated to assure the independence of the Board from management and controlling shareholders. The proportion of independent directors within the Board is approximately 43%, which is above the 25% threshold set by the Commercial Act which governs the specific proportion of independent directors within the Board. This supports the independence of the Board with a sufficient number of independent directors. Also, we place no limitations on the grounds of gender or the level of expertise to ensure that the Board deliberates on pending management issues from multi-faceted and comprehensive viewpoints.

(Sub-Principle 4-②)

The Board of Directors should be composed of experts in various fields whose experience and sense of responsibility enable significant contributions to the business operation of the corporate.

A. Status of the Board of Directors

(i) Policy for securing expertise, accountability and diversity of the Board of Directors

While our Board is currently composed of directors with diverse backgrounds in terms of gender, expertise and other various factors, we have not yet established a corporate policy or specific operational status to this end. We will fully consider developing relevant policies in line with our internal business environment. For specifics on the members of our Board, please refer to the Sub-Principle 4-①.

(ii) History of appointments and changes of the Directors during the disclosure period

▷ (Table 4-②-1) History of appointments and changes of the Directors

Classification	Name	Date of appointment	Expiration term of office	Date of status change	Reason for change	Current status
Executive Director	Jeong-Mi Kim	Mar 27, 2020	Mar 26, 2023	Jan 04, 2021	Resignation	-
Independent Director	Yeong-Jae Cho	Mar 28, 2014	Mar 29, 2021	Mar 30, 2021	Term expiration	-
Independent Director	Joon-Ho Kang	Mar 29, 2013	Mar 29, 2021	Mar 30, 2021	Term expiration	-
Executive Director	Myoung-Jin Yun	Mar 30, 2021	Mar 29, 2024	Mar 30, 2021	Appointment	Incumbent

Non-executive Director	Seung-Wook Chung	Mar 30, 2021	Mar 29, 2024	Mar 30, 2021	Appointment	-
Independent Director	Hae-Sung Kim	Mar 30, 2021	Mar 29, 2024	Mar 30, 2021	Appointment	Incumbent
Independent Director	Young-Mi Yun	Mar 30, 2021	Mar 29, 2024	Mar 30, 2021	Appointment	Incumbent
Non-executive Director	Seung-Wook Chung	Mar 30, 2021	Mar 29, 2024	Jan 24, 2022	Resignation	-
Non-executive Director	Hak-Woo Lee	Mar 29, 2022	Mar 28, 2025	Mar 29, 2022	Appointment	Incumbent
Executive Director	Keun-Chang Yoon	Mar 25, 2016	Mar 28, 2025	Mar 29, 2022	Reappointment	Incumbent
Independent Director	Suk Kim	Mar 27, 2019	Mar 28, 2025	Mar 29, 2022	Reappointment	Incumbent

B. Expertise, accountability and diversity of the Board of Directors

To better ensure that its roles and responsibilities are fulfilled, our Board is composed of directors known for their exceptional expertise in business administration, finance, ESG and other business areas. We also appointed a female director to ensure gender diversity within the Board. Composed of directors with wide-ranging backgrounds and expertise, our Board flexibly responds to shifting business conditions and oversees management with accountability.

(Sub-Principle 4-③)

The corporate should ensure fairness and independence during the recommendation and election of a member of the Board of Directors.

A. Director Candidate Committee

FILA Holdings' separate total assets were less than KRW 2 trillion in FY2021, and we are not obliged to establish an independent director nomination committee. Still yet, we will proactively consider introducing such a committee in line with our internal business operation environment. Currently, the Board nominates director candidates and the AGM serves to appoint them. The Board duly fulfills its role as an independent director nomination committee through carefully examining the qualifications of candidates based on their expertise, professional integrity, ethical responsibility and commitment as well as those stipulated by the Commercial Act.

B. Provision of information on Director Candidates

(i) Time provided to the shareholders for the review of the candidates

The company provides the details of the candidates and the transactions they have made with the company for a sufficient period of time through public disclosure when appointing a director. At the 32nd AGM held in March 2022, the convocation notice was disclosed 32 days prior to the meeting, which was even earlier than the two-week prior notice period required by Article 363 of the Commercial Act, to provide sufficient time for shareholders with information on the agenda of the meeting.

▷ (Table 4-③-1) History of elections and changes of the Board of Directors

Provision date	General meeting date	Candidates		Contents of provision	Note
		Classification	Name		
Feb 25, 2022 (32 days before AGM)	Mar 29, 2022	Executive Director	Keun-Chang Yoon	1. Detailed information on the candidate and expertise 2. Grounds for recommendation 3. Confirmation of the independence and specific interest 4. Confirmation of the non-disqualification	-
		Non-executive Director	Hak-Woo Lee	1. Detailed information on the candidate and expertise 2. Grounds for recommendation 3. Confirmation of the independence and specific interest 4. Confirmation of the non-disqualification	-
		Independent Director	Suk Kim	1. Detailed information on the candidate and expertise 2. Grounds for recommendation 3. Confirmation of the independence and specific interest 4. Confirmation of the non-disqualification	-
Feb 26, 2021 (32 days before AGM)	Mar 30, 2021	Executive Director	Myoung-Jin Yun	1. Detailed information on the candidate and expertise 2. Grounds for recommendation 3. Confirmation of the independence and specific interest 4. Confirmation of the non-disqualification	-
		Non-executive Director	Seung-Wook Chung	1. Detailed information on the candidate and expertise 2. Grounds for recommendation 3. Confirmation of the independence and specific interest 4. Confirmation of the non-disqualification	-

		Independent Director	Hae-Sung Kim	1. Detailed information on the candidate and expertise 2. Grounds for recommendation 3. Confirmation of the independence and specific interest 4. Confirmation of the non-disqualification	-
		Independent Director	Young-Mi Yun	1. Detailed information on the candidate and expertise 2. Grounds for recommendation 3. Confirmation of the independence and specific interest 4. Confirmation of the non-disqualification	-

(ii) Provision of information of the Board of Directors for the reappointment

In the case of reappointing director candidates, we provide shareholders with sufficient information on their history of Board activities (agenda items, attendance) through the general meetings of shareholder convocation notice. In issuing the convocation notice for the 32nd AGM, we informed shareholders of the Board activities undertaken by Keun-Chang Yoon and Suk Kim, of whom one was an executive director candidate and the other an independent director candidate.

C. Cumulative voting system

Article 34 of our Articles of Incorporation does not practice cumulative voting. Going forward, we will carefully reflect on how to best incorporate policies designed to reflect the opinions of minor shareholders in line with our internal business operation environment.

D. Confirmation of fairness and independence on the election

As stated above, we share information related to the AGM in advance through the electronic disclosure system and mail, and endeavor to ensure fairness and independence in the director appointment process. We will review possible procedural improvements related to director nominations and appointments to confirm they are fair and independent.

(Sub-Principle 4-④)

The corporate should exclude any members who have damaged who have damaged corporate value or violate shareholder right as a member of the Board of Directors.

A. List of the directors and officers

▷ (Table 4-④-1) List of the Directors(including unregistered director)

Name	Gender	Position	Registration	Employment type	Role
Yoon-Soo Yoon	Male	Chairman	Registered	Full-time	Chairman
Keun-Chang Yoon	Male	President/CEO	Registered	Full-time	Global FILA Operation
Myoung-Jin Yun	Male	Executive Director	Registered	Full-time	Global Planning
Hak-Woo Lee	Male	Non-Executive Director	Registered	Full-time	Digital Business of FILA Korea
Suk Kim	Male	Independent Director	Registered	Part-time	Independent Director
Hae-Sung Kim	Male	Independent Director	Registered	Part-time	Independent Director
Young-Mi Yun	Female	Independent Director	Registered	Part-time	Independent Director
Young Sun Yoon	Male	Statutory Auditor	Registered	Full-time	Statutory Auditor
Ho Yeon Lee	Male	Managing Director	Unregistered	Full-time	Global FILA CFO

B. Policy to prevent the appointment of people who are responsible for harm to corporate value and shareholder's interest

We have established and stipulated stringent ethical standards for all our employees and have developed a process to prevent the appointment of executives who are liable for any harm done to corporate value or shareholder's rights and interests.

We have presented and stipulated the FILA Group Global Code of Conduct to guide employees at FILA Holdings and its affiliates to conduct business transparently and behave in an ethically responsible way. Section III. The Ethical Business Operation specifies compliance with laws and regulations as well as anti-bribery and anti-corruption principles to require FILA Group employees and its business partners to abide by rigorous ethical standards. This Section cites anti-corruption laws and regulations implemented in all countries and regions where we operate to ensure that employees are held liable when involved in corruptive practices and to emphasize the utmost importance of aligning employee actions with the interest of the company. Through the Code of Conduct, we underscore the value of abiding by national laws and regulations as well as those of local communities, respecting the principle of market

competition, and engaging in fair competition.

Article 5 of our Corporate Governance Charter specifies that the Board should appoint directors for their substantial contribution to business conduct, and Article 6 of the Charter also stipulates the definition of independent decisions made by independent directors, as well as the roles of independent directors and considerations to be made in appointing independent directors.

To prevent appointing executives who could become liable for harming corporate value or shareholder rights and interests, our Board comprehensively assesses the qualifications of candidates by taking into account the requirements presented by the Commercial Act, the FILA Group Global Code of Conduct and the Corporate Governance Charter. Our Board does its utmost to thoroughly discuss, verify and nominate the most qualified candidates to be chosen at the AGM.

C. Status on members of the Board of Directors relevant to the embezzlement, malpractice or unfair transactions in accordance with Capital Markets Act

Suk Kim, an independent director reappointed through the AGM held on March 29, 2022, previously served as the CEO & President of Samsung Securities (Feb. 2012 ~ Dec. 2014), the CEO & President of Samsung & Asset Management, and the Sales Director of Samsung Card. The Financial Services Commission, in regard to the actions it took in response to the audit performed on Samsung Securities' dividend error (Jul. 26, 2018), reasoned that the company failed to fulfill its obligation to establish internal control standards and risk management contingency plans pursuant to the law governing the governance of financial institutions as well as its duty of care to ensure the safe handling of electronic financial transactions. As a result of this, disciplinary measures were taken to dismiss two of its three former CEOs, and suspended the other CEO for one month. The incumbent CEO received a three-month suspension, and Mr. Kim was barred from working as an executive at any financial institution for five years after his resignation from Samsung Securities.

However, the incident occurred four years after Mr. Kim resigned from Samsung Securities, and Mr. Kim was not working at the securities firm at the time of its occurrence. We also believed that the case of Mr. Kim did not provide grounds for disqualification of his nomination as an independent director, as the company was not a financial institution and thus was not subject to the employment restrictions imposed by the Commission during the nomination process. In the process of confirming independent director qualifications and checking the verifications made by the Board to examine the independence and qualification of independent directors, no reason was identified to disqualify Mr. Kim for any potential harm he could pose to the rights and interests of our shareholders. As such, we proposed the agenda item to appoint Mr. Kim as an independent director candidate at the 29th AGM held in March 2019, and Mr. Kim was appointed as an independent director with a three-year tenure at the meeting. Furthermore, Mr. Kim was reappointed as an independent director with a three-year tenure at the 32nd AGM held in 2022, contributing his expertise in the financial aspects to the Board to date. In selecting director candidates, we will abide by the same high standards we demand of all our employees to organize a Board with members who are independent and professional and represent the rights of shareholders.

D. Adoption of Executive Officer System

While we do not formally have an Executive Officer System in place, we pursue efficiency with our Board and the CEO to comprehensively perform decision-making, oversight, and execution.

(Key Principle 5) Responsibilities of Independent Directors

Independent Directors should be able to participate in decision making of important business operation and support the management as a member of the Board of Directors.

(Sub-Principle 5-①)

Independent Directors should not have material interest with corporate, and corporate should confirm the relation of interest with candidates.

A. Interest between Independent Directors and the corporate

(i) Past employment record between Independent Directors and the corporate

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

(ii) Past transaction record between Independent Directors and the corporate

As this is not applicable to us during the applicable three years, we did not report any details of it in this report.

(iii) Past transaction record between the firm in which Independent Directors are employed and the corporate

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

(iv) Process and internal confirmation of the corporate

Independent directors are appointed at the AGM following reviews performed on candidates under the transparent procedures led by the Board. As to the qualifications of independent directors, we follow the provisions presented in Article 382 and Article 542-8 of the Commercial Act. We carefully examine the legally-defined qualifications of independent directors to submit the independent director qualification document and the independent director eligibility document to the Korea Stock Exchange, and thoroughly verify candidates for any possible conflict of interests, including their equity ownership in other companies, current equity ownership in FILA Holdings Corp. and its affiliates, and previous employment at FILA Holdings Corp. and its affiliates, to establish a transparent and independent Board. This process enables us to rigorously review whether independent directors have any significant interests in the company and to propose candidates to the AGM who are able to contribute to maximizing our corporate value and shareholder rights and interests.

As of the date of this report submission, the independent directors Suk Kim, Hae-Sung Kim, and Young-Mi Yun have not worked for or entered into transactions with FILA Holdings Corp. or its affiliates other than in the capacity as serving as independent directors, and they satisfy all the qualifications stipulated in applicable laws and regulations.

B. Term of Independent Directors

As of the date this report was submitted, no independent director has served more than six years. To guarantee the independence of directors, we have stated in the Board of Directors Provision that independent directors can only serve up to six years including their second term.

C. Process of the corporate to secure the independence of candidates

As of the date this report was submitted, the independent directors Suk Kim, Hae-Sung Kim, and Young-Mi Yun have not worked at or entered into transactions with FILA Holdings Corp. or its affiliates aside from their roles as independent directors, and satisfy all qualifications required in applicable laws and regulations, including Clause 3, Article 382 and Clause 2, Article 542-8 of the Commercial Act. In addition to such qualifications stipulated in the Commercial Act, we also engage in thorough reviews in the independent director appointment process to ensure they contribute to maximizing our corporate value and shareholder rights and interests.

As of the date this report was submitted, the company has not established any sub-committees in relation to the appointment and operation of independent directors, such as an independent director nomination committee. The company's management, however, is carefully considering and examining the necessity and possibility of operating such bodies. We will continue to perform reviews in this regard to ensure that the appointment and operation of independent directors contributes not only for growth of the company, but also to promote the rights and interests of shareholders.

(Sub-Principle 5-②)

Independent Directors should contribute sufficient time and effort to faithfully carry out own duties.

A. Duties on Independent Directors

(i) Corporate standard for the concurrent position of Independent Directors

Pursuant to Paragraph 7, Clause 2, Article 542-8 of the Commercial Act, a person determined by the Presidential Decree, who has difficulties faithfully performing his/her duty as an independent director or who may have an influence on the management of the listed company cannot be appointed as an independent director. Paragraph 3, Clause 5, Article 34 of the Enforcement Decree of the Commercial Act outlines the disqualifying factors for independent directors as a 'person who currently works for at least two companies in addition to the listed company as a director, officer, or auditor'. At FILA Holdings Corp., we fully abide by these provisions.

Our Board of Directors Provision also stipulates provisions on director's prohibition of competitive transaction. And the director must get the approval by the Board on one's competitive transaction

activities. As such, we comply with standards governing independent directors' serving at companies other than FILA Holdings Corp. in conformity with the Commercial Act and other applicable laws as well as our internal regulations. Independent directors at FILA Holdings Corp., a listed company, are obligated to serve as a director at only one additional company other than FILA Holdings Corp., and all of our independent directors are complying with all applicable regulations and laws as of the date this report was submitted.

(ii) Status of concurrent position of Independent Directors

▷ (Table 5-②-1) Status of concurrent position of Independent Directors

Name (Audit committee) ¹⁾	Appointment date	Expiration date	Current position	Concurrent positions			
				Organization ²⁾	Role	Period	Listed
Young-Mi Yun	Mar 30, 2021	Mar 29, 2024	Independent Director of FILA Holdings Corp.	Committee of Citizens' Green Seoul	Committee Member	2019~ Present	No
				Committee of Consumer Policy of Seoul	Committee Member	2019~ Present	No
				Committee of Social Contribution of Korean Teachers' Credit Union(KTCU)	Committee Member	2019~ Present	No
				ESG Committee of Korea Credit Guarantee Fund(KODIT)	Committee Member	2022~ Present	No

1) Describe if applicable

2) Organizations include non-profit corporates, incorporated foundation etc.

B. Confirmation of sufficient performance of Independent Directors

We internally review independent directors for their integrity, accountability and independence. As of the date this report was submitted, none of our independent directors were serving as an independent director at any other company but at FILA Holdings Corp., and all our independent directors faithfully perform their duties as a member of the Board. They are provided with materials from our internal supporting function to fully grasp the details of our current business operations, and wide-ranging reviews and discussions are being conducted based on the high attendance rate of the Board meetings.

(Sub-Principle 5-③)

The corporate should provide sufficient information and required resources to the execution of duties of Independent Directors.

A. Provision and support on independent directors

(i) Status of provision and support on Independent Directors

To ensure that our independent directors fulfill their duties required by the Board and their work scope, the company provides them with materials on each Board agenda in advance through support of the Strategic Planning Team (composed of nine employees in total as of the date this report was submitted) to help the independent directors to fully acquaint themselves to the agenda and present their opinions candidly. If and when necessary, responsible staff provide any additional information that independent directors may need to clarify the given materials.

We also conduct training for independent directors to help them enhance their understanding of the company, thereby providing them with information on our current issues we are managing and create greater value in Board operations. The following provides an overview of the training we provided to independent directors during the disclosure period.

▷ **Status of education on Independent Directors**

Date	Participants	Contents
Mar 30, 2021	Suk Kim, Hae-Sung Kim, Young-Mi Yun	- Education on industry trends
May 12, 2021	Suk Kim, Hae-Sung Kim, Young-Mi Yun	- Education on industry trends - Operational updates on Q1
Aug 11, 2021	Suk Kim, Hae-Sung Kim, Young-Mi Yun	- Education on industry trends - Operational updates on Q2
Nov 10, 2021	Suk Kim, Hae-Sung Kim, Young-Mi Yun	- Education on industry trends - Operational updates on Q3
Mar 29, 2022	Suk Kim, Hae-Sung Kim, Young-Mi Yun	- Education on industry trends - Updates on the 5-year strategic plan
May 12, 2022	Suk Kim, Hae-Sung Kim, Young-Mi Yun	- Education on industry trends - Operational updates on Q1

(ii) Department in charge of supporting Independent Directors

The Strategic Planning Team (composed of nine employees as of the submission date of this report) supports independent directors regarding any matters relevant with the Board. When independent directors request information concerning agenda of the Board meeting, this team provides such information and supplementary material by any means including in person, e-mail or phone.

(iii) Periodical, temporary meeting consisting only of Independent Directors

There was no meeting held consisting only of Independent Directors.

B. Confirmation of sufficient support on duties of Independent Directors

We operate the Strategic Planning Team and other relevant departments to fully assist independent directors in executing their duties and responsibilities. We conduct annual training programs and offer additional materials when necessary to provide the best possible support in ensuring that independent directors can perform their duties without any difficulties.

(Key Principle 6) Evaluation of Independent Directors

Activities of Independent Directors should be evaluated fairly, and the evaluation results should be reflected in remuneration and reappointment decisions to encourage active participation.

(Sub-Principle 6-①)

Independent Directors should be evaluated based on their individual performance, and the evaluation should be reflected in reappointment decisions.

A. Evaluation of Independent Directors

(i) Evaluation of Independent Directors

While we do not conduct separate assessments on the activities of independent directors, the Strategic Planning Team reports the candidates to the Board and evaluates the qualifications of the candidates by considering the reasons for disqualification of independence under the Commercial Act as well as job expertise, ethics and fiduciary duties when a candidate is first elected or re-elected. The Board internally assesses candidates for their qualifications, and an agenda item is proposed for their approval at the AGM.

(ii) Evaluation method

We evaluate independence of the directors to ensure they meet the qualifications as candidates in conformity with Clause 3, Article 382 and Clause 2, Article 542-8 of the Commercial Act. We will ensure that we appoint directors who represent the rights and interests of shareholders while maintaining their independence. We will also proactively consider the possibility of appropriately stipulating specific internal evaluations on the activities of independent directors in line with our internal business operation environment.

(Sub-Principle 6-②)

Remuneration of Independent Directors should be determined at an appropriate level, considering the result of evaluation and the responsibility and risks on the duties.

A. Remuneration of Independent Directors

(i) Background and standard of the remuneration which may include stock option

We do not align the compensation of the independent directors and their performance assessment results because we believe determining independent directors' compensation based on their assessment

results could undermine their independence from management. At FILA Holdings Corp., the compensation of independent directors is determined with comprehensive consideration of their contribution and market practices. The compensation of independent directors is paid within the range of the compensation limit of the directors set by the resolution of AGM every year.

(ii) Stock options and relevant information

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

B. Confirmation of sufficient remuneration on Independent Directors

Our executive directors and independent directors are paid within the range of the compensation limit approved at the AGM each year, and the compensation data is publicly disclosed.

The compensation of independent directors is determined in reflection of their attendance, activities and contributions to the Board. The performance of independent directors is assessed by comprehensively considering the criteria for judgment such as responsibility, risks, and independence of job performance. As we believe that linking the assessment of the independent director with the compensation may undermine their independence from the management, we do not align the assessment of the independent director with compensation. If the company needs to amend its current compensation structure, the Board will conduct detailed reviews and sufficient deliberations prior to the amendment.

(Key Principle 7) Operation of the Board of Directors

The Board of Directors should be operated in an efficient and reasonable manner for the interest of the corporate and shareholders.

(Sub-Principle 7-①)

The Board meeting should be held on a regular basis, and it should establish the resolution on the operation which describes rights, responsibilities and process of the Board of Directors.

A. Operation of the Board meeting

(i) Resolutions on the Board meeting (Article or Board resolutions)

Our Board convenes regular and extra meetings in accordance with the Board of Directors Provision: regular meetings are held in March, May, August and November, and extra meetings are held on an as-needed basis. Board meetings are convened by the Chair of the Board. In convening meetings, the date is predetermined and all directors and auditors are notified of the meeting at least two days in advance through facsimile, telegram, registered mail or other electronic means (computer communications, e-mails, etc.).

In addition, if a director is unable to attend the scheduled meeting in person, the Board may allow all or some of the directors to take part in the adoption of decisions without physically attending by means of remote communication that enable all directors' simultaneous transmission and receipt of sounds in accordance with Clause 2, Article 42 (Methods of making decisions at the Board) of the Articles of Incorporation. In such cases, the directors who remotely participate are deemed present at the meeting.

The minutes are prepared for the deliberations made at the Board. The minutes document the agenda, progress, results, opposing directors and the details of their objections, and are signed or sealed by attending directors and auditors.

(ii) History of the Board meeting

Please refer the '(Table 7-①-1) History of the Board meeting from the start of a business year' below. It lists the Board meeting held from the starting date of the disclosure period to the submission date of the report.

(iii) Details on calling the Board meeting with confirmed schedule

Please refer the '(Table 7-①-1) History of the Board meeting from the start of a business year' below.

▷ (Table 7-①-1) History of the Board meeting from the start of a business year

No.	Agenda		Result	Regular/ Extra	Date	Notice	Attend.
	Classification	Agenda					
1	Report	(1) Report on operational status evaluation of internal accounting control system	Reported	Regular	Feb 15, 2021	Feb 09, 2021	5/5
	Report	(2) Report on operation result of compliance policy	Reported				
	Report	(3) Report on ESG business and risk	Reported				
	Resolution	(4) Approval on preliminary financial results of FY 2020	Approved				
	Resolution	(5) Decision on cash dividend of FY 2020	Approved				
	Resolution	(6) Decision on calling General Shareholders' Meeting of FY 2020	Approved				
	Resolution	(7) Recommendations of candidates for director	Approved				
	Resolution	(8) Recommendations of candidates for Non-executive Director	Approved				
	Resolution	(9) Recommendations of candidates for Independent Director	Approved				
	Resolution	(10) Recommendations of candidates for statutory auditor	Approved				
	Resolution	(11) Approval on the introduction of the electronic voting system at the General Shareholders' Meeting	Approved				
	Resolution	(12) Approval on the enactment and amendment of major regulations of FILA Group	Approved				
2	Resolution	(1) Approval on the settlement agreement between FILA Holdings and FILA Korea	Approved	Extra	Feb 25, 2021	Feb 23, 2021	5/5
3	Report	(1) Report on audited financial statements of FY2020	Reported	Extra	Mar 19, 2021	Mar 12, 2021	5/5
	Report	(2) Report on operational status evaluation of internal accounting control system	Reported				
	Resolution	(3) Approval on the agreement to extend the loan contract between affiliates	Approved				
4	Resolution	(1) Approval on Issuance of commercial paper by FILA Holdings	Approved	Extra	Apr 23, 2021	Apr 19, 2021	7/7
5	Report	(1) Report on Q1 2021 business results	Reported	Regular	May 12, 2021	May 04, 2021	7/7
6	Resolution	(1) Approval on the issuance of corporate bonds by FILA Holdings	Approved	Extra	Jun 16, 2021	Jun 09, 2021	7/7
	Resolution	(2) Approval on cash investment in	Approved				

		Magnus Holdings					
	Resolution	(3) Approval on the establishment of the Corporate Governance Charter of FILA Holdings	Approved				
7	Resolution	(1) Approval on the issuance of commercial paper by FILA Holdings	Approved	Extra	Jul 08, 2021	Jul 01, 2021	7/7
	Resolution	(2) Approval on cash investment to Magnus Holdings	Approved				
	Resolution	(3) Approval on the execution of new foreign currency loans for FILA Holdings	Approved				
8	Report	(1) Report on Q2 2021 business results	Reported	Regular	Aug 11, 2021	Aug 04, 2021	6/7
	Resolution	(2) Approval on revision of board of directors operation regulations	Approved				
9	Resolution	(1) Approval on new revolving credit facility for FILA Holdings	Approved	Extra	Oct 05, 2021	Sep 28, 2021	7/7
10	Resolution	(1) Approval on equity investment in a real estate investment company	Rejected	Extra	Oct 13, 2021	Oct 08, 2021	7/7
	Resolution	(1-1) Review on the prohibition of misappropriation of company opportunities and assets (Article 397 (2) of the Commercial Code)	Approved				
	Resolution	(2) Approval on the relocation plan of headquarters and lease commitment	Approved				
11	Report	(1) Report on Q3 2021 business results	Reported	Regular	Nov 10, 2021	Nov 03, 2021	7/7
12	Resolution	(1) Approval on the extension of term loan for FILA Holdings	Approved	Extra	Dec 22, 2021	Dec 16, 2021	7/7
13	Resolution	(1) Resolution on the annual financial plan for FY 2022	Approved	Extra	Jan 06, 2022	Dec 27, 2021	7/7
14	Report	(1) Report on operational status evaluation of internal accounting control system	Reported	Regular	Feb 14, 2022	Feb 08, 2022	6/6
	Report	(2) Report on operation result of compliance policy	Reported				
	Report	(3) Report on ESG business and risk	Reported				
	Resolution	(4) Approval on preliminary financial results of FY 2021	Approved				
	Resolution	(5) Decision on cash dividend of FY 2021	Approved				
	Resolution	(6) Decision on calling General Shareholders' Meeting of FY 2021	Approved				
	Resolution	(7) Recommendations of candidates for director	Approved				

	Resolution	(8) Recommendations of candidates for Non-executive Director	Approved				
	Resolution	(9) Recommendations of candidates for Independent Director	Approved				
	Resolution	(10) Approval on the introduction of the electronic voting system at the General Shareholders' Meeting	Approved				
	Resolution	(11) Approval on the FILA 5-years plan	Approved				
15	Report	(1) Report on audited financial statements of FY2021	Reported	Extra	Mar 21, 2022	Mar 14, 2022	6/6
	Report	(2) Report on operational status evaluation of internal accounting control system	Reported				
	Resolution	(3) Approval on the agreement to change the loan contract between affiliates	Approved				
	Resolution	(4) Approval on the new term loan agreement for FILA Holdings	Approved				
16	Resolution	(1) Approval on new revolving credit facility for FILA Holdings	Approved	Extra	Apr 20, 2022	Apr 15, 2022	7/7
17	Report	(1) Report on Q1 2022 business results	Reported	Regular	May 12, 2022	May 04, 2022	7/7
	Report	(2) Report on publication of the ESG report of FY 2021	Reported				

B. Plans on the regular Board meeting

Our 'the Board of Directors Provision' specifies that regular Board meetings are held in March, May, August and November. Pursuant to these regulations, the Board convened four regular meetings during these months in 2021, and held eight extra meetings as deemed necessary, bringing the total number of Board meetings to 12 in 2021. The Strategic Planning Team has an internal policy to deliver and dispatch the necessary material for the operation of the Board seven days prior to the meeting, five days earlier than the two-day notice period specified in the Board of Directors Provision. In so doing, the company provides each director with sufficient time to review the agenda and actively caters to any request made by respective directors for additional data.

We abide by the laws and regulations related to the Board operations as well as 'the Board of Directors Provision'. If we need to amend or apply regulatory changes, we will perform careful reviews and make necessary changes accordingly.

(Sub-Principle 7-②)

The Board of Directors should prepare detailed minutes of every board meetings and disclose

the attendance and voting records of each Director.

A. Record of the Board meeting minute

Pursuant to Article 391-3 of the Commercial Act, Article 43 of the Articles of Incorporation and Article 15 of the Board of Directors Provision, the company creates the meeting minute of the Board meeting including the agenda of the meeting, progress, results, refusals and the opposed agenda. It is required to get a seal of approval or autograph on the Board meeting minute. There is no recorded material for the Board meeting.

B. History of the attendance of the Board of Directors for the recent three years

▷ (Table 7-②-1) History of the attendance of the Board of Directors

Class.	No	1	2	3	4	5	6	7	8	9
	Date	Feb 15, 2021	Feb 25, 2021	Mar 19, 2021	Apr 23, 2021	May 12, 2021	Jun 16, 2021	Jul 08, 2021	Aug 11, 2021	Oct 05, 2021
Executive Director	Yoon-Soo Yoon	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
	Keun-Chang Yoon	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
	Myoun-g-Jin Yun	-	-	-	Attend	Attend	Attend	Attend	Attend	Attend
Non-executive Director	Seung-Wook Chung	-	-	-	Attend	Attend	Attend	Attend	Attend	Attend
	Hak-Woo Lee	-	-	-	-	-	-	-	-	-
Independent Director	Young-Jae Cho	Attend	Attend	Attend	-	-	-	-	-	-
	Joonho Kang	Attend	Attend	Attend	-	-	-	-	-	-
	Suk Kim	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Absent	Attend
	Hae-Sung Kim	-	-	-	Attend	Attend	Attend	Attend	Attend	Attend
	Young-Mi Yun	-	-	-	Attend	Attend	Attend	Attend	Attend	Attend

Class.	No	10	11	12	1	2	3	4	5
	Date	Oct 13, 2021	Nov 10, 2021	Dec 22, 2021	Jan 06, 2022	Feb 14, 2022	Mar 21, 2022	Apr 20, 2022	May 12, 2022
Executive Director	Yoon-Soo Yoon	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
	Keun-Chang Yoon	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
	Myoung-Jin Yun	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
Non-executive Director	Seung-Wook Chung	Attend	Attend	Attend	Attend	-	-	-	-
	Hak-Woo Lee	-	-	-	-	-	-	Attend	Attend
Independent Director	Young-Jae Cho	-	-	-	-	-	-	-	-
	Joonho Kang	-	-	-	-	-	-	-	-
	Suk Kim	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
	Hae-Sung Kim	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
	Young-Mi Yun	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend

Class	No	Note
	Date	
Executive Director	Yoon-Soo Yoon	-
	Keun-Chang Yoon	-
	Myoung-Jin Yun	Appointed on Mar 30, 2021
Non-executive Director	Seung-Wook Chung	Appointed on Mar 30, 2021 Resigned on Jan 24, 2022
	Hak-Woo Lee	Appointed on Mar 29, 2022
Independent Director	Young-Jae Cho	Term expired on Mar 27, 2021
	Joonho Kang	Term expired on Mar 27, 2021
	Suk Kim	-
	Hae-Sung Kim	Appointed on Mar 30, 2021
	Young-Mi Yun	Appointed on Mar 30, 2021

▷ (Table 7-②-2) Attendance and approval rate of each Directors in the recent three years

Name	Class	Term of service	Attendance ¹⁾ (%)	Approval ¹⁾ (%)
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			Average	Recent Three years			Average	Recent Three years		
				2021	2020	2021		2021	2020	2019
Yoon-Soo Yoon	Executive Director	Mar 2011 ~ Present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Keun-Chang Yoon		Mar 2016 ~ Present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Myoung-Jin Yun		Mar 2021 ~ Present	100.0	100.0	-	-	100.0	100.0	-	-
Seung-Wook Chung		May 2012 ~ Sep 2020	100.0	-	100.0	100.0	100.0	-	100.0	100.0
Seung-Wook Chung	Non-executive Director	Mar 2021 ~ Jan 2022	100.0	100.0	-	-	100.0	100.0	-	-
Hak-Woo Lee		Mar 2022 ~ Present	-	-	-	-	-	-	-	-
Young-Jae Cho	Independent Director	Mar 2014 ~ Mar 2021	96.7	100.0	93.8	100.0	100.0	100.0	100.0	100.0
Joonho Kang		Mar 2013 ~ Mar 2021	93.3	100.0	100.0	81.8	100.0	100.0	100.0	100.0
Suk Kim		Mar 2019 ~Present	91.7	91.7	93.8	87.5	100.0	100.0	100.0	100.0
Hae-Sung Kim		Mar 2021 ~Present	100.0	100.0	-	-	100.0	100.0	-	-
Young-Mi Yun		Mar 2021 ~Present	100.0	100.0	-	-	92.3	92.3	-	-

1) Attendance rate and approval rate is based on the Board meeting which was held during the term of each Directors

(Key Principle 8) Board Committees

The Board of Directors should establish committees that carries out special functions and roles for the efficient operation.

(Sub-Principle 8-①)

The majority of the committee should be composed of Independent Directors, while the audit committee and the compensation committee should be composed entirely of Independent Directors.

A. Establishment of the committee of the Board of Directors

Pursuant to Article 542-8 and Article 542-11 of the Commercial Act, we are not obliged to establish Board committees. To establish efficient and transparent governance, however, we will proactively consider the possibility of creating such committees by taking into account our internal business operation environment.

B. Board committees composed of majority of Independent Directors

Please refer the item 'A. Establishment of the committee of the Board of Directors' above.

(Sub-Principle 8-②)

The composition, operation, and authority of every committees should be regulated in accordance to relevant laws and regulations, and the committee should report every resolution to the Board of Directors.

A. Composition, operation and authority of committee

Pursuant to Article 542-8 and Article 542-11 of the Commercial Act, we are not obliged to establish Board committees. But the article 47 of the company's Articles of Incorporation stipulates that the Board may make decisions regarding the establishment of the committees as well as their authorities and operations. As such committees have not been established, we do not stipulate nor report any such details. To promote the rights and interests of our shareholders and improve our corporate governance, we will rigorously consider the possibility of establishing committees under the Board when the need arises.

B. Reports of the resolution of committees to the Board of Directors

Please refer the item 'A. Composition, operation and authority of committee' above.

C. History of meetings and attendance of each committee

Please refer the item 'A. Composition, operation and authority of committee' above.

4. Audit System

(Key Principle 9) Internal Audit System

Internal audit system should perform audit task independently from the management and controlling shareholders and major activities of internal audit system should be disclosed.

(Sub-Principle 9-①)

Internal audit system should maintain the independence and expertise.

A. Structure of the internal audit system

(i) Structure of the internal audit system and inclusion of accounting/finance experts

FILA Holdings Corp. s' separate total asset was less than KRW 2 trillion in FY2021 and we are not obliged to establish an audit committee pursuant to the Commercial Act and related laws and regulations. As such, we have not established nor operated an audit committee, and one statutory auditor (Young Sun Yoon) appointed through the AGM is performing his role as a statutory auditor.

In conformity with Article 3 (Duty) and Article 4 (Authority) of the Auditor's Duty, the company's statutory auditor is required to oversee the work of directors and management to ensure their business decisions are reasonable. Article 7 (Principles of Independence and Objectivity) of the Provision also stipulates that the auditor should perform his/her work independently aside from the Board, executives, and other departments while maintaining one's objectivity. Article 51-3 of our Articles of Incorporation allows the auditor to request the convening of a special meeting of shareholders through a written submission to the Board outlining the needs and purpose of the meeting and its proposed agenda. Auditors can also request subsidiaries to report their business operations when deemed necessary for executing his/her given duties.

▷ (Table 9-①-1) Composition of statutory auditor

Details			Experience and qualifications	Note
Position	Class.	Name		
Statutory Auditor	Statutory Auditor	Young Sun Yoon	<ul style="list-style-type: none"> - (Present) Advisor of Lee&Ko - National Tax Service - Officer, Senior Secretary to the President for Economic affairs, the Office of the President - Tax Judge, Tax Tribunal of Korea - Head of Tax and Customs Office, the Ministry of Economy and Finance - The 24th Commissioner of Korea Customs Service - Ph.D. in Accounting and Taxation, Gachon University - Master's in Public Policy, University of Wisconsin - The 23rd National Public Officer Exam 	-

(ii) Policy to secure independency and expertise of the internal audit system

In accordance with the Articles of Incorporation, the Board of Directors Provision and Article 23 of the Auditor's Duty, the auditor is able to attend Board meetings to independently oversee the work of directors and to request relevant functions to submit supplementary material as well as documents relating to our overall operations. When deemed necessary, the auditor can also be briefed on the company's business operations and access management information through the appropriate channels, and we offer the auditor assistance provided by a supporting function in performing such tasks.

When appointing the company's statutory auditor, the Board verified that the candidate was an independent person who had no business relationship or interest with the company, and at the same time, he/she had the expertise to faithfully carry out the company's audit work. While the company's statutory auditor, Young Sun Yoon, is currently serving as an advisor to the law firm, Lee & Ko, he attended all of the Board meetings during his term, which testifies to his steadfast commitment, and is faithfully executing his work as a statutory auditor. We will ensure the independence of his activities as the auditor in compliance with our internal regulations and applicable laws and regulations and assist him in earnestly performing his given work.

B. Operation of the internal audit system.

(i) Roles and regulations over the internal audit system

We perform internal audits through the statutory auditor. The company's Articles of Incorporation and the Auditor's Duty Provisions state the operation, authority and responsibility of the auditor. When it is deemed necessary to establish and operate a separate internal audit function, we will proactively consider establishing such a function and will support management transparency through this function. .

(ii) Provision of education and support from external expert

The company provides the necessary training and/or external expert advisory support for the auditor to perform his/her work.

The following outlines the list of training we provided to the auditor during the reporting period of this report.

Date	Subject	Type	Contents
Mar 30, 2021	Corporate	In-person	- Education on industry trends
May 12, 2021	Corporate	In-person	- Education on industry trends - Operational updates on Q1
Aug 11, 2021	Corporate	In-person	- Education on industry trends - Operational updates on Q2
Nov 10, 2021	Corporate	In-person	- Education on industry trends - Operational updates on Q3
Mar 29, 2022	Corporate	In-person	- Education on industry trends - Updates on the 5-year strategic plan

(iii) Supports and procedures of investigation for fraudulent acts by the management

We ensure that our auditor duly fulfills his/her role and duties as guaranteed in the Commercial Act and applicable laws and regulations. The auditor may engage in further research or investigate regarding any issues of the directors or internal corporate issues identified in the course of his/her work at any given time as stipulated in Clause 2, Article 412 of the Commercial Act. In such cases, the company supports the necessary information and expenses.

(iv) Supporting organization for the internal audit system

The company supports its statutory auditor on overall business conduct including financial statements and the Board through the Group Controlling Team (composed of 10 members as of the date the report was submitted).

Department	Member ¹⁾	Position(Term)	Activities
Group Controlling Team	10	3 Senior Managers 1 Manager 3 Assistant Managers, 3 Associates (Average 4 years)	Support on overall audit process including financial statements and the Board meeting

1) As of the report submission date

(v) Accessibility of the internal audit system

A statutory auditor is able to promptly access the essential documents required to execute his/her duties and obtain any necessary clarification from the company pursuant to the Auditor's Duty Provisions to facilitate an effective audit process. We abide by the procedures established to disallow any refusal to submit documents or provide explanations without legitimate grounds. We ensure that our auditor is able to access information that the company owns as well as issues that may significantly affect business operations.

C. Remuneration of auditor

(i) Remuneration policy

Considering the importance and responsibilities of the statutory auditor's performance, the compensation of the statutory auditor is determined in accordance with the Executive Remuneration Regulations and the Executive Retirement Payment Regulations, and the compensation limit is approved at the AGM every year. When the auditor asks for support to execute his/her duties, the company provides support in shouldering the necessary expenses and providing required staff.

D. Plan on the establishment of the audit committee

FILA Holdings Corp. s' separate total asset was less than KRW 2 trillion in FY2021 and we are not obliged to establish an audit committee pursuant to the Commercial Act and related laws and regulations. When deemed necessary for business operations, we will proactively consider establishing and operating an audit committee in the years ahead.

E. Independence and expertise of internal audit system

Our Personnel Committee and the Board fully demonstrated the independence and expertise of Young Sun Yoon in the process of appointing him as a statutory auditor of the company and proposed the agenda to the AGM for his election, which was approved at the meeting. We guarantee the independence and expertise of the activities undertaken by the statutory auditor.

As of the reporting period of this report, we have not established nor operated a separate audit function such as an independent internal audit team or an audit committee, aside from performing audit work. If and when it is deemed necessary for our business operations, we will proactively consider establishing and operating such functions.

(Sub-Principle 9-②)

Internal audit system should perform audit activities including the regular meeting faithfully and disclose their activities transparently.

A. History of regular meeting of the internal audit system

(i) History of regular meeting of the internal audit system from the starting date of the disclosure period to the submission date of the report

Our statutory auditor is briefed on the audits performed by external auditors and engages in consultations without the attendance of management on a quarterly basis. The scope of reporting and consultations includes key audit matters, annual audit plans and their major implementation procedures, internal control-related matters, and the independence of external auditors. The statutory auditor may direct an audit supporting function to conduct special audits as needed as a result of reports and consultations.

For each business year, assessments were made based on reports of the internal accounting control system submitted by the CEO and the internal accounting manager on our internal accounting control system. These assessments were for its effective design and operation to prevent and identify any errors or inappropriate practices that could possibly create distortions to our financial statements with an aim to prepare and disclose trustworthy financial statements. Assessments were also conducted on whether the internal accounting control system substantially contributes to preparing and disclosing credible accounting information.

We examine whether the operation report of the internal accounting control system is falsely stated/marked or omitted, and whether the correction plan in the internal accounting control system operation report can substantially contribute to the improvement of the company's internal accounting control system.

In 2021, we appointed Samjong KPMG Accounting Corporation as our external auditor. In its audit report submitted on March 21, 2022, Samjong KPMG expressed its unqualified opinion based on its audits conducted on our internal accounting control system for the year 2021.

The following outlines the attendance of the auditor in Board meetings between the beginning of the disclosure period and the date the submission of this report.

No.	Date	Attendance	Agenda		Result
			Type	Contents	
1	Feb 15, 2021	Attended	Report	(1) Report on operational status evaluation of internal accounting control system	Reported
			Report	(2) Report on operation result of compliance policy	Reported
			Report	(3) Report on ESG business and risk	Reported
			Resolution	(4) Approval on preliminary financial results of FY 2020	Approved
			Resolution	(5) Decision on cash dividend of FY 2020	Approved
			Resolution	(6) Decision on calling General Shareholders' Meeting of FY 2020	Approved
			Resolution	(7) Recommendations of candidates for director	Approved
			Resolution	(8) Recommendations of candidates for Non-executive Director	Approved
			Resolution	(9) Recommendations of candidates for Independent Director	Approved
			Resolution	(10) Recommendations of candidates for statutory auditor	Approved
			Resolution	(11) Approval on the introduction of the electronic voting system at the General Shareholders' Meeting	Approved
			Resolution	(12) Approval on the enactment and amendment of major regulations of FILA Group	Approved
2	Feb 25, 2021	Attended	Resolution	(1) Approval on the settlement agreement between FILA Holdings and FILA Korea	Approved
3	Mar 19, 2021	Attended	Report	(1) Report on audited financial statements of FY2020	Reported
			Report	(2) Report on operational status evaluation of internal accounting control system	Reported
			Resolution	(3) Approval on the agreement to extend the loan contract between affiliates	Approved
4	Apr 23, 2021	Attended	Resolution	(1) Approval on Issuance of commercial paper by FILA Holdings	Approved
5	May 12, 2021	Attended	Report	(1) Report on Q1 2021 business results	Reported
6	Jun 16,	Attended	Resolution	(1) Approval on the issuance of corporate bonds by FILA Holdings	Approved

	2021		Resolution	(2) Approval on cash investment in Magnus Holdings	Approved
			Resolution	(3) Approval on the establishment of the Corporate Governance Charter of FILA Holdings	Approved
7	Jul 08, 2021	Attended	Resolution	(1) Approval on the issuance of commercial paper by FILA Holdings	Approved
			Resolution	(2) Approval on cash investment to Magnus Holdings	Approved
			Resolution	(3) Approval on the execution of new foreign currency loans for FILA Holdings	Approved
8	Aug 11, 2021	Attended	Report	(1) Report on Q2 2021 business results	Reported
			Resolution	(2) Approval on revision of board of directors operation regulations	Approved
9	Oct 05, 2021	Attended	Resolution	(1) Approval on new revolving credit facility for FILA Holdings	Approved
10	Oct 13, 2021	Attended	Resolution	(1) Approval on equity investment in a real estate investment company	Rejected
			Resolution	(1-1) Review on the prohibition of misappropriation of company opportunities and assets (Article 397 (2) of the Commercial Code)	Approved
			Resolution	(2) Approval on the relocation plan of headquarters and lease commitment	Approved
11	Nov 10, 2021	Attended	Report	(1) Report on Q3 2021 business results	Reported
12	Dec 22, 2021	Attended	Resolution	(1) Approval on the extension of term loan for FILA Holdings	Approved
1	Jan 06, 2022	Attended	Resolution	(1) Resolution on the annual financial plan for FY 2022	Approved
2	Feb 14, 2022	Attended	Report	(1) Report on operational status evaluation of internal accounting control system	Reported
			Report	(2) Report on operation result of compliance policy	Reported
			Report	(3) Report on ESG business and risk	Reported
			Resolution	(4) Approval on preliminary financial results of FY 2021	Approved
			Resolution	(5) Decision on cash dividend of FY 2021	Approved
			Resolution	(6) Decision on calling General Shareholders' Meeting of FY 2021	Approved
			Resolution	(7) Recommendations of candidates for director	Approved
			Resolution	(8) Recommendations of candidates for Non-executive Director	Approved
			Resolution	(9) Recommendations of candidates for Independent Director	Approved
			Resolution	(10) Approval on the introduction of the electronic voting system at the General Shareholders' Meeting	Approved
			Resolution	(11) Approval on the FILA 5-years plan	Approved
3	Mar 21, 2022	Attended	Report	(1) Report on audited financial statements of FY2021	Reported

	2022		Report	(2) Report on operational status evaluation of internal accounting control system	Reported
			Resolution	(3) Approval on the agreement to change the loan contract between affiliates	Approved
			Resolution	(4) Approval on the new term loan agreement for FILA Holdings	Approved
4	Apr 20, 2022	Attended	Report	(1) Approval on new revolving credit facility for FILA Holdings	Reported
5	May 12, 2022	Attended	Report	(1) Report on Q1 2022 business results	Reported
			Report	(2) Report on publication of the ESG report of FY 2021	Reported

(ii) History of the audit committee meeting and attendance of each Directors

As this is not applicable to us during this disclosure period, we did not report any details of it in this report.

(iii) Internal policy on the record of audit process

The Auditor's Duty specifies that the auditor shall attend Board meetings and other important meetings to express his/her opinions and perform one's duties as an auditor. When an auditor conducts an audit of a specific document at the auditor's own discretion, the auditor should document the procedures and the results before signing and manage such documents accordingly. The Auditor's Duty also stipulates that the auditor shall make their statements at the AGM in the event that applicable laws and regulations or the Articles of Incorporation are violated or in the case that significantly unfair practices have occurred in the company.

B. Trustworthy of internal audit system

We guarantee the independence and expertise of the activities undertaken by our auditor. We also examined the details and procedures of the audits performed by the company's statutory auditor for the fiscal year 2021 through our external auditor Samjong KPMG Accounting Corporation. Samjong KPMG reviewed our internal accounting control system operational status report and presented their opinion that no issues were identified that could possibly lead to the conclusion that the report was not prepared in accordance with the provisions set out in the best practices of internal accounting control system from the materiality perspective.

Meanwhile, as of the year subject to disclosure of this report, the company doesn't establish nor operate separate audit functions or independent audit support functions such as an internal audit organization or an audit committee, aside from performing audit work. We are proactively considering the necessity for such bodies, and will ensure that if and when such bodies are needed, they will be established and operated.

(Key Principle 10) External Auditor

External auditor should perform audits independently from the corporate, management and controlling shareholders to gain trust from shareholders and its users with financial information of the corporate.

(Sub-Principle 10-①)

Internal audit system should prepare a policy to secure the independence and expertise of external auditor during its appointment process.

A. Appointment of external auditor

(i) Standards and procedure of appointing external auditor

FILA Holdings Corp. is a listed public company and we abide by Article 10 (Appointment of auditors) of the Act on External Audit of Stock Companies.

The company may appoint an external auditor through the auditor appointment committee in consideration of the auditor's expertise, credibility, independence and global network when financial authorities do not designate or specify its auditor. As such, we have appointed Samjong KPMG Accounting Corporation as our external auditor for the fiscal year 2021.

(ii) Establishment of the auditor appointment committee

An auditor appointment committee consisting of three members (independent director Suk Kim, independent director Young-Jae Cho, statutory auditor Young Sun Yoon) was established to appoint an external auditor for the fiscal year 2021. Suk Kim, who served as the chairman of the committee and is an independent director with financial expertise, reviewed the results of the evaluation of the external auditor with the attendance of all three members, and approved the appointment of Samjong KPMG Accounting Corporation as a company's external auditor.

* (Feb 16, 2021) Held the auditor appointment committee / (Mar 30, 2021) Term of the Independent Director Young-Jae Cho expired

(iii) Number of meetings held and items discussed regarding the appointment of external auditor

The most recent date of the auditor appointment committee was February 16, 2021. The meeting was held in person to appoint the external auditor for the fiscal year 2021 and discussions were made on the external auditor's audit hours, compensation, and the number of headcount for audit performance as well as the adequacy and independence of audit plans and the results of the assessments.

The external auditor committed to performing 5,340 hours of audit work in 2021, and its actual audit engagement was a total of 5,034 hours for the year.

(iv) Evaluation after the audit is finished

Following the completion of external audits, we conduct follow-up assessments based on the audit checklist to ensure that the external auditor faithfully executed its audit plans. Such assessments comprehensively consider the quality of audits, our relationship with the auditor, audit procedure, the quality of communication, etc.

(v) Provision of non-audit services by external auditor and its affiliates

Non-audit services provided by the external auditor and its details are disclosed through quarterly reports and we have not engaged any non-audit services with Hyundai Accounting Corporation in 2020, an external auditor for the fiscal year 2020.

The company engaged a tax advisory service with Samjong KPMG Accounting Corporation on August 17, 2021, which has been our external auditor since 2021. Under this contract, Samjong KPMG provides us with tax advice from August 17, 2021 to December 31, 2021 for KRW 30 million.

Following this contract, we entered into a new tax advisory service contract with Samjong KPMG on February 22, 2022, under which Samjong KPMG provides us tax advice from February 22, 2022 to August 31, 2022 for KRW 130 million.

B. Policy to ensure the independence and expertise on the appointment of external auditor

Based on the external auditor checklist, we assess the external auditor for its audit quality. During the process of appointing an external auditor, we organize the auditor appointment committee which is attended by our independent directors and third-party advisories, and engage in rigorous evaluations in accordance with objectivity, independence and expertise pursuant to the External Audit Act and applicable laws and regulations to appoint an external auditor.

(Sub-Principle 10-②)

Internal audit system should communicate regularly with external auditor in its every stage of external audit.

A. Communication between internal audit system and external auditor

(i) Quarterly discussion between internal audit system and external auditor without the participation of the management

Our statutory auditor is briefed by the external auditor following audits (reviews) at least four times a year without the attendance of management, and engages in Q&A sessions on key issues. We will proactively consider the possibility of establishing and introducing a structured process in this regard in line with our internal business operation environment.

(ii) Major subject of discussion between internal audit system and external auditor

Our statutory auditor and Samjong KPMG Accounting Corporation as the external auditor held a total of five meetings in a written format from the start of the reporting period of this report to the date the report was submitted. Discussions were made on significant audit findings that were critical to our overall business operations, key audit matters, significant shortcomings of internal controls, and the independence of the auditor. The Group Controlling Team which supports the auditor's work regularly communicated with Samjong KPMG on behalf of the statutory auditor to ensure that our statutory auditor and the external auditor performed their given work exactly as planned. Going forward, the company will actively strive to improve its efforts to promote more efficient communications between the statutory auditor and the external auditor and improve relevant procedures.

No.	Date	Participants	Class	Contents
1	Mar 31, 2021	Director, Statutory auditor	Written	Material findings from audit process Key audit matter Material deficiencies on internal control Independence of auditor, etc.
2	Jun 30, 2021	Director, Statutory auditor	Written	Material findings from audit process Key audit matter Material deficiencies on internal control Independence of auditor, etc.
3	Jun 30, 2021	Director, Statutory auditor	Written	Material findings from audit process Key audit matter Material deficiencies on internal control Independence of auditor, etc.
4	Mar 15, 2022	Director, Statutory auditor	Written	Material findings from audit process Key audit matter Material deficiencies on internal control Independence of auditor, etc.
5	May 12, 2022	Director, Statutory auditor	Written	Material findings from audit process Key audit matter Material deficiencies on internal control Independence of auditor, etc.

(iii) Roles and responsibilities of internal audit system during the reporting process of external auditor when the important matter was suspected

While we have not stipulated applicable procedures and relevant details, we will proactively consider adopting such matters in line with our internal conditions in the future.

(iv) Submission of the pre-audit financial statements to the external auditors

Please find our internal regulations associated with the corporate governance disclosures made herein attached below.

Date	Contents	External auditor	Submission before the general meeting
Feb 09, 2021	Pre-audit separate financial statements for FY2020	Hyundai Accounting Corporation	Yes
Feb 15, 2021	Pre-audit consolidated financial statements for FY2020	Hyundai Accounting Corporation	Yes
Feb 08, 2022	Pre-audit separate financial statements for FY2021	Samjong KPMG	Yes
Feb 14, 2022	Pre-audit consolidated financial statements for FY2021	Samjong KPMG	Yes

B. Plans on the communication between internal audit system and external auditor

Please refer the item 'A. Communication between internal audit system and external auditor' above.

5. Others

We attached the internal articles related with this corporate governance report below.

[Attachment] Relevant regulations

Attachment 1. Articles of Incorporation

Attachment 2. The Board of Directors Provision

Attachment 3. FILA Group Global Code of Conduct

Attachment 4. FILA Group Global Human Rights Policy

Attachment 5. FILA Holdings Corp. Corporate Governance Charter

Attachment 6. Policy on the management of the disclosure information

APPENDIX
Compliance with corporate governance key indicators

Classification	Key indicators	Compliant		Detailed explanations	Compliant in last year		Notes
		O	X		O	X	
Share holders	① Convocation notice 4 weeks prior to the general meetings of shareholders*	O		Disclosed convocation notice 4 weeks prior to the general meeting of shareholders for FY2021	O		-
	② Electronic voting*	O		Adopted for the general shareholder's meeting	O		-
	③ Avoidance of the date of general meetings of shareholders in the most concentrated date*	O		Avoided the most concentrated date in the general meeting of shareholders for FY2021		X	-
	④ Notice of dividend policy and plans to shareholders more than once in a year**	O		Disclosed dividend policy and plans on the website and electronic disclosure system	O		-
The Board of Directors	⑤ Establishment and operation of the succession plan and emergency appointment policy	O		Managed candidates to minimize the risk of absence of the management Described the policy of deputy in the article of incorporation Operated 1 on 1 education between the CEO and candidates	O		-
	⑥ Establishment and operation of internal control policy		X	Prepared Code of Conduct, compliance, internal accounting control system and disclosure information management Do not have written-form policy on the risk management		X	-
	⑦ Separation of the chairman of the Board of Directors and the CEO	O		The chairman of the Board of Directors is separated with the CEO	O		-
	⑧ Adoption of cumulative voting system		X	Excluded cumulative voting system from article of incorporation		X	-
	⑨ Policy to prevent the appointment of the Director who has a responsible for harm to the corporate value and the shareholder's interest		X	Established 'FILA Group Global Code of Conduct' and the process to prevent the appointment of the Director who could ruin the shareholder's interest Have a plan to periodic evaluation of the Board of Directors		X	-
Audit	⑩ Non-existence of an Independent Director who served more than six years	O		Every Independent Director served less than six years	O		-
	⑪ Education for the internal audit system more than once in	O		Provided quarterly education for the statutory	O		-

system	a year**			auditor			
	⑫ Establishment of an internal audit system(supporting department)		X	Supported the internal audit process by global controlling team, internal organization Non-existence of independent internal audit department		X	-
	⑬ Existence of an expert on the accounting/finance in the internal audit system	O		Statutory auditor is the expertise on the accounting/finance	O		-
	⑭ Meeting between the internal audit system and the external auditor without the participation of the management more than once in a quarter		X	Held 5 meetings between the statutory auditor and the external auditor via written-form from the starting date of disclosure to the submission date of the report	O		-
	⑮ Procedure that allows access of the internal audit system to the important business matters	O		Statutory auditor could require and access to the important business matters based on the policy on the role of the statutory auditor	O		-

Based on the details on the submission date and the disclosure period

Items with “**” is based on the latest annual general meeting of shareholders

Items with “***” is based on the appliance of the article during the disclosure period