

# BoD Regulations

August 24, 2022



## **Chapter 1 General Provisions**

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

The purpose of these Regulations is to provide for matters concerning the composition and operation of the Board of Directors at SKC Co., Ltd. (the "Company" hereinafter).

### **Article 2 (Applicability)**

Unless stipulated otherwise in legislations or the Articles of Incorporation, the Board of Directors shall be governed by these Regulations.

### **Article 3 (Function)**

The Board of Directors shall deliberate/decide on matters specified in legislations or the Articles of Incorporation and other material matters concerning business operations, and oversee the execution of duties by the directors.

### **Article 4 (Composition)**

- ① The Board of Directors shall be staffed with all directors.
- ② The Board of Directors shall have the following committees in it:
  1. Audit Committee
  2. Outside Director Candidate Nomination Committee
  3. Specialized Committees
    - A. Related Party Transactions Committee
    - B. ESG Committee
    - C. HR Committee (including the function of the outside director candidate nomination committee)
- ③ Where deemed necessary for efficient decision-making process, the Board of Directors may resolve to organize committees in it.

- ④ Details for the composition, authority, operation, etc. of each of the aforementioned committees shall be governed by the regulations and operational guidelines of each committee.
- ⑤ The committees shall report on their activities to the Board of Directors in each quarter.
- ⑥ The committees may resolve to refer matters deliberated by them to the Board of Directors as resolution or reporting items.

#### **Article 4-2 (Fulfillment of Management Philosophy)**

- ① The Board of Directors shall develop methods to specifically implement the management philosophy of the Company and continuously upgrade such methods.
- ② The Board of Directors shall ensure that the management philosophy of the Company informs and underpins the business activities of the Company so that the corporate culture of SK may be sustained and advanced.
- ③ The Board of Directors shall endeavor to foster the value of SK brand when using the brand.
- ④ Where required for sustaining and advancing the value of SK brand and corporate culture, the Board of Directors shall develop and implement strategies for mutual cooperation with other companies using SK brand and corporate culture.

#### **Article 4-3 (Outside Directors Council)**

- ① The Board of Directors shall organize and operate the Outside Directors Council attended by all outside directors to improve their management supervision and support functions.
- ② The Outside Directors Council shall meet once a month in principle or from time to time as necessary.
- ③ The Outside Directors Council shall be presided over by the Head Commissioner of the Board of Directors who is an outside director, or the senior outside director (as defined in Article 7, Paragraph 1).

## **Chapter 2 BoD Meeting**

### **Article 5 (Quorum)**

The quorum of the Board of Directors shall be fulfilled by the attendance of a majority of directors.

### **Article 6 (Classification)**

- ① Meetings of the Board of Directors shall be classified into an ordinary meeting of the Board of Directors and an extraordinary meeting the Board of Directors.
- ② The ordinary meeting of the Board of Directors shall be convened once a month in principle.
- ③ The extraordinary meeting of the Board of Directors shall be convened from time to time when:
  1. An agenda referred to by a director and deemed urgent by the person with convocation authority;
  2. The meeting is requested to be convened by at least 1/3 of all directors in writing (Appendix 1); or
  3. It is deemed necessary by the person with convocation authority.

### **Article 7 (Head Commissioner)**

- ① The Head Commissioner the Board of Directors shall be appointed among the directors in the Board of Directors.
- ② The person to act on behalf of the Head Commissioner in his/her absence shall be determined by the Board of Directors.

### **Article 7-2 (Senior Outside Director)**

- ④ Where necessary for the Board of Directors, a director who will represent outside directors (the "senior outside director" hereinafter) may be appointed among the outside directors independently by the outside directors.
- ① The term of the senior outside director's office shall be equal to the term of the director's office of the senior outside director.
- ② The Head Commissioner of the Board of Directors who is an outside director or the senior outside director shall preside over the outside directors council on behalf of the outside directors and gather/forward their opinion to the Board of Directors or management leadership.
- ③ The Company shall extend necessary support to the Head Commissioner of the Board of Directors who is an outside director or the senior outside director as they perform duties in Paragraph 3.

#### **Article 8 (Person with Convocation Authority)**

- ① The Board of Directors shall be convened by the Head Commissioner or the person authorized under the Articles of Incorporation.
- ② When the Head Commissioner is absent, the convocation authority shall be exercised based on seniority specified in the Board of Directors.

#### **Article 9 (Call for Convocation)**

- ① Each director may call for convocation of the Board of Directors.
- ② A written request for convocation filed by at least 1/3 of all directors (Appendix 1) may not be rejected or withheld by the person with convocation authority.
- ③ A call or request for convocation of the Board of Directors shall be filed no later than 10 days prior to the scheduled meeting date in principle, unless greater urgency is specified.

#### **Article 10 (Notice of Convocation)**

- ① A notice of convocation of the Board of Directors (Appendix II) shall be served to each director by written correspondence, electronic mail or orally no later than one week prior to the scheduled meeting date, and the period may be reduced where greater urgency is specified.

- ② The convocation procedure under Paragraph 1 may be skipped upon unanimous agreement by all directors.

### **Article 11 (Referral of Agenda)**

- ① When an agenda needs to be referred to the Board of Directors under these Regulations, applicable director shall notify it to the secretary of the Board of Directors no later than 30 days prior to the scheduled date, and the period may be reduced as discussed with the secretary of the Board of Directors where greater urgency is specified.
- ② The executive responsible for performing duties shall obtain an approval of an agenda to be referred to the Board of Directors under these Regulations in accordance with approval regulations and notify it to the secretary of the Board of Directors no later than 30 days before the meeting.
- ③ A notice serving an agenda under Paragraphs 1 or 2 shall expressly state the intent of referral and relevant details.
- ④ After the agenda is notified according to Paragraphs 1 or 2, the Director or Executive who requested the referral shall send to the Board of Directors Secretary the following documents: key descriptions of the agenda no later than 14 days prior to the meeting; and, documented agenda no later than 3 working days prior to the meeting. The Board of Directors Secretary shall distribute the documents to the Commissioners accordingly.
- ⑤ When notified of the agenda under Paragraphs 1 or 2, the intent of referral and relevant details, the Board of Directors shall review legal implications and agenda text, and refer the agenda to the Board of Directors.

### **Article 12 (Agenda Presentation)**

The agenda referred to the Board of Directors shall be presented by the director or the executive responsible for performing duties in principle, or the head of applicable department, etc. where necessary.

### **Article 13 (Attendance of Stakeholder and 3<sup>rd</sup> Party Advice)**

- ① When deemed necessary, each director may invite a stakeholder to present his/her opinion.
- ② Each director may seek advice from a 3<sup>rd</sup> party expert at the Company's expense upon resolution of the Board of Directors or the Committee.

### **Article 3 Resolution**

#### **Article 14 (Method of Resolution)**

the Board of Directors shall resolve with the attendance of a majority of directors and the consenting votes of a majority of the directors present, unless required otherwise in applicable legislations.

#### **Article 15 (Restriction of Voting Right)**

A director who has a conflict of interest with a resolution of the Board of Directors shall not cast a vote on applicable agenda.

### **Chapter 4 Duties**

#### **Article 16 (Items Subject to Resolution of the Board of Directors)**

The Board of Directors shall deliberate/resolve on:

- ① Items concerning management:
  1. Convocation of the shareholders' meeting and adoption of referral agenda
  2. Reference date of the register of shareholders
  3. Proposal by shareholder and its possible referral to the shareholders' meeting
  4. Establishment and operation of a committee, appointment/dismissal of a commissioner (excluding a commissioner of the Audit Committee)

5. Re-resolution on a resolution by each committee (excluding the Audit Committee)
6. Appointment and dismissal of the Head of Commissioner of the Board of Directors
7. Appointment or dismissal of the Representative Director or a joint Representative Director
8. Roles/responsibilities of the joint Representative Director
9. Position and roles/responsibilities of a director
10. Approval of remuneration payable to an inside director
11. Transactions set forth in Article 398 (Transactions between Directors, etc. and the Company) of the Commercial Act
12. Transactions set forth in Article 542-9 (Transactions with Stakeholders such as Major Shareholder, etc.) of the Commercial Act
13. Transactions set forth in Article 26 (BoD Resolution and Public Disclosure of Large-Scale Internal Transactions) of the Monopoly Regulation and Fair Trade Act
14. Approval under Article 397 (Non-Competition) of the Commercial Act and exercise of right to intervene in un-approved competing transaction
15. Approval under Article 397-2 (Prohibition of Misappropriation of the Company's Opportunities and Assets) of the Commercial Act
16. Appointment and dismissal of fair trade compliance manager
17. Appointment and dismissal of compliance supporter
18. Enactment and amendment of compliance control standards
19. Enactment and amendment of governance charter
20. Enactment, amendment, and nullification of the Board of Directors Regulations and regulations of committees under the Board of Directors
21. Appointment and dismissal of manager
22. Opening, relocation, and closing of branches and business sites
23. Designation of transfer agent



24. Subscription to executive liability insurance and introduction of relief package for executives' liability
25. Granting and cancellation of stock options
26. Development and adaptation of corporate management system to implement the management philosophy set forth in Article 4-2 hereof
27. Annual health and safety plan of the Company

② Items concerning investment

1. Investment in new facility, facility expansion or addition of separate plant valued at 1.5% of the equity capital of the Company
2. Investment in equities of another legal entity or disposition of such equities valued at 1.5% of the equity capital of the Company
3. Acquisition of asset valued at 1.5% or more of the equity capital of the Company
4. Assignment of business valued at 1.5% of the equity capital of the Company
5. 20% or greater fluctuation of the amount approved by the Board of Directors under Sub-paragraphs 1 through 4, provided, however, that even if the fluctuation is less than 20%, approval by the Board of Directors is still required if it is equal to 1.5% or more of the equity capital of the Company

③ Items concerning finance

1. Approval of financial statements and business report
2. Interim dividend
3. Asset revaluation
4. Transfer of reserve to capital
5. Issuance of new shares
6. Dividend rate and duration of special-class shares

7. Issuance of new shares to an entity other than shareholders under Article 9, Paragraph 2 of the Articles of Incorporation
8. Handling of forfeited or fractional shares
9. Acquisition, disposition, retirement of treasury stock or conclusion or termination of trust contract for such purpose
10. Issuance of corporate bonds (including delegation of authority to the Representative Director to determine the amount, class of corporate bond and to issue it in a period not exceeding one year)
11. Issuance of convertible bonds and bonds with warrant
12. Giving of amount equal to 1.5% or more of the equity capital of the Company
13. Pledging of asset or disposition of asset valued at 1.5% or more of the equity capital of the Company
14. Domestic/international borrowing agreement equal to 1.5% or more of the equity capital of the Company (excluding short-term borrowing with maturity of one year or shorter) or loan to a 3rd party or repayment guarantee for a 3rd party in amount equal to 1.5% of the equity capital of the Company (including letter of comfort with guarantee obligations, cash deficiency support)
15. Damage claim for non-payment for shares
16. Enactment, amendment, or nullification of internal accounting management regulations

④ Others

1. Other matters stipulated in legislations or the Articles of Incorporation
2. Matters specifically delegated by the shareholders' meeting
3. Material matters deemed necessary by the Representative Director
4. Donation of 1 billion won or more, provided, however, that emergency relief for natural disasters such as typhoon, flood, fire, earthquake, etc. or

donation under the Social Welfare Community Chest Act may be executed in advance and reported subsequently

### **Article 16-2 (Items Reported to the Board of Directors)**

- ① The Representative Director shall be authorized to and responsible for reporting the following to the Board of Directors as prescribed by the Board of Directors:
  1. Mid-to-long-term strategy of the Company (including Financial Story, ESG promotion strategy)
  2. Development and assessment of annual business plan of the Company
  3. Provision of information or report on quarterly business performance of the Company
  4. Matters stipulated in legislations and the Articles of Incorporation
  5. Other matters deemed necessary by the Representative Director or material matters that a director requests the Board of Directors to report on
- ② The Representative Director or the internal accounting manager delegated by the Representative Director shall report on the operational status of internal accounting management system to the Board of Directors and the Audit Committee once a year, and the Audit Committee shall assess and report on the operational status of internal accounting management system to the Board of Directors once a year.
- ③ The fair trade compliance manager shall report on the operational performance and plan of the fair trade compliance program to the Board of Directors.
- ④ The compliance supporter shall check compliance with compliance control standards and report it to the Board of Directors.

### **Article 17 (Duties of the Representative Director)**

The Representative Director shall be authorized to and responsible for the following as stipulated by the Board of Directors:

1. Decision and execution of matters not specified under Article 16 to the extent of delegation/authorization under these Regulations
2. Implementation and execution of decisions made by the Board of Directors
3. Decision and execution of matters other than those requiring a resolution of the Board of Directors
4. Sequential re-delegation of authorities to directors and executives responsible for performing duties

**Article 18 (Ex-post Approval)**

- ① The Representative Director shall execute a matter when it requires a resolution of the Board of Directors, but there is not enough time to convoke the Board of Directors, provided, however, that the Board of Directors shall be convoked immediately after such execution for the Representative Director to explain applicable reason and obtain ex-post approval.
- ② Without obtaining an approval under Paragraph 1, such execution shall lose internal validity.

**Article 18 - 2 (Assessment of the Activities of the Board of Directors)**

- ① The Board of Directors shall assess its own activities every year.
- ② The Company may engage a 3<sup>rd</sup> party expert to assess the activities of the Board of Directors. In this case, the Company shall submit assessment results to the Board of Directors.

**Chapter 5 Supplementary Rules**

**Article 19 (Operational Administration)**

- ① To administer its operations, the Board of Directors shall have a secretariat. An executive in charge in the competent department shall be the secretary general

of the BoD secretariat.

- ② The secretary general of the BoD secretariat shall be the secretary of the Board of Directors and the secretary general of the BoD secretariat may appoint a member of the secretariat staff to be an assistant secretary to act on behalf of the secretary of the Board of Directors.

#### **Article 20 (Meeting Minutes)**

The secretary of the Board of Directors shall draft meeting minutes (Appendix III) concerning agenda, proceedings, results, objecting members and reason for objection and keep the meeting minutes in head office after having it affixed with seal impression or signed off by the Head Commissioner and the attending directors.

**Addendum (Apr. 1, 1986)**

Article 1 ① These Regulations shall go into effect on Apr. 1, 1986.

**Addenda (Sep. 1, 1996)**

Article 1 These Regulations shall go into effect on Sep. 1, 1996.

Article 2 The signature under Article 20 hereof shall take effect on Oct. 1, 1996.

**Addendum (May 6, 1999)**

Article 1 The 3rd amendment to these Regulations shall go into effect on May 6, 1999.

**Addendum (Apr. 2, 2001)**

Article 1 The 4th amendment to these Regulations shall go into effect on Apr. 2, 2001.

**Addendum (Nov. 1, 2004)**

Article 1 The 5th amendment to these Regulations shall go into effect on Nov. 1, 2004.

**Addendum (Aug. 30, 2005)**

Article 1 The 6th amendment to these Regulations shall go into effect on Aug. 30, 2005.

**Addendum (Jun. 29, 2007)**

Article 1 The 7th amendment to these Regulations shall go into effect on Jun. 29, 2007.

**Addendum (Apr. 18, 2008)**

Article 1 The 8th amendment to these Regulations shall go into effect on Apr. 18, 2008.

**Addendum (Mar. 23, 2012)**

Article 1 The 4th amendment to these Regulations shall go into effect on Mar. 23, 2012, provided, however, that the amended provisions in Article 11, Paragraph 1, Article 12, Article 14, Paragraph 1, Article 16, Paragraph 2, Sub-paragraphs 3, 5, 6, 8, 9 and 10, Article 16 Paragraph 3 Sub-paragraph 2, 13, and 17, Article 17, Paragraph 4, and Article 18, Paragraph 1 shall go into effect on Apr. 15, 2012.

**Addendum (Mar. 22, 2013)**

Article 1 The 10th amendment to these Regulations shall go into effect on Mar. 22, 2013.

**Addendum (Mar. 20, 2015)**

Article 1 The 11th amendment to these Regulations shall go into effect on Mar. 20, 2015.

**Addendum (Aug. 16, 2016)**

Article 1 The 12th amendment to these Regulations shall go into effect on Aug. 16, 2016.

**Addendum (Feb. 24, 2017)**

Article 1 The 13th amendment to these Regulations shall go into effect on Feb. 24, 2017.

**Addendum (Mar. 24, 2017)**

Article 1 The 14th amendment to these Regulations shall go into effect on Mar. 24, 2017.

**Addendum (Mar. 22, 2018)**

Article 1 The 15th amendment to these Regulations shall go into effect on Mar. 22, 2018.

**Addendum (Jul. 23, 2018)**

Article 1 The 16th amendment to these Regulations shall go into effect on Jul. 23, 2018.

**Addendum (Apr. 29, 2020)**

Article 1 The 17th amendment to these Regulations shall go into effect on Apr. 29, 2020,

provided, however, that the amended provision in Article 16, Paragraph 1, Sub-paragraph 27 shall take effect on Jan. 1, 2021.

**Addendum (Mar. 30, 2021)**

Article 1 The 18th amendment to these Regulations shall go into effect on Mar. 30, 2021.

**Addenda (May 26, 2022)**

Article 1 The 19th amendment to these Regulations shall go into effect on May 26, 2022.

Article 2 Transactions approved by the Board of Directors under Article 16, Paragraph, Sub-paragraph 13 before these Regulations go into effect and after the enforcement of Article 16 of the amended Monopoly Regulation and Fair Trade Act (referring to the wholly amended Act as Act No. 17799 on Dec. 29, 2020. This is referred to as the "Amended Act" hereinafter) shall be deemed to be large-scale internal transactions under Article 26 of the Amended Act.

**Addendum (Aug. 24, 2022)**

Article 1 The 20th amendment to these Regulations shall go into effect on Aug. 24, 2022.



## Request for Convocation of the Board of Directors

1. Desired convocation date :  
( M M / D D / Y r / H r / M n )
  
2. Meeting venue:
  
3. Referred agenda(s) and reason(s)
  - A. Title:
  
  
  - B. Description:
  
  
  - C. Referred agenda : Enclosed herein

20 . . . .

|           |          |                   |
|-----------|----------|-------------------|
| Requester | Director | (Seal impression) |
|           | Director | (Seal impression) |
|           | Director | (Seal impression) |

**To the Head Commissioner of the Board of Directors**

<Appendix II >

**Notice of Convocation of the th (Ordinary/Extraordinary) the Board of Directors Meeting**

**Notice of Convocation of the Board of Directors Meeting**

1. Meeting date: ( M M / D D / Y r / H r / M n )

2. Meeting venue:

3. Referred agenda(s)

A.

B.

4. Reporting item(s)

20 . . . .

Head Commissioner of the Board of Directors Name (Seal impression)

Director

<Appendix III>

**Minutes of the th (Ordinary/Extraordinary) the Board of Directors Meeting**

1. Meeting date: ( M M / D D / Y r / H r / M n )
2. Meeting venue:
3. Directors present: persons out of all directors (persons)

The Head Commissioner called the meeting to order at 00 hour 00 minute and began to deliberate on the agenda(s).

Agenda No.1:

Agenda No. 2:

The Head Commissioner deliberated on the aforementioned agenda(s) as enclosed herein and wrapped up the meeting at 00 hour 00 minute.

To clarify the proceedings and conclusions of the meeting, this meeting minutes is drafted and affixed with seal impression or signed off by each director present.

20 . . . .

Head Commissioner of the Board of Directors,

SKC Co, Ltd.

(Seal impression)

Director (Seal impression)

Director (Seal impression)