

# **Regulations of the Board of Directors**

**October 25, 2022**



## **Preamble**

The ultimate purpose of business management is the happiness of the members of SK Inc. (hereinafter referred to as the “Company” or “SK”).

The Board of Directors shall conduct business upon the foundation of the management philosophy, reflected in the Preamble to the Articles of Incorporation, for the SK members, who are the main agents of management activities, to pursue sustainable happiness by fostering ‘stakeholder happiness’ along with ‘member happiness’.

### **[Implementation of the Management Philosophy]**

The Board of Directors shall develop implementation strategies for the concrete realization of the management philosophy of the Company and continuously disseminate and develop such strategies.

The Board of Directors shall conduct business based on the management philosophy of the Company and shall maintain and develop the unique corporate culture of SK Group by implementing the same.

The Board of Directors shall establish and implement the brand ownership and management plan in order to maintain and develop the value of the SK brand.

If necessary for maintenance and development of the brand value and corporate culture of SK, the Board of Directors shall establish and implement a mutual cooperation plan with other companies that share the SK brand and corporate culture.

## **CHAPTER 1. GENERAL PROVISIONS**

### **Article 1 [Purpose]**

The purpose of these regulations is to set forth the matters necessary for composition and operation of the Board of Directors of the Company.

### **Article 2 [Scope of Application]**

Matters related to the Board of Directors shall be governed by the regulations set forth herein, except for those matters prescribed by the relevant laws and regulations or the Articles of Incorporation.

### **Article 3 [Authority]**

- ① The Board of Directors shall adopt resolution on matters prescribed by relevant laws and regulations or the Articles of Incorporation, matters delegated by the general shareholders’ meeting, the basic policies of Company management, and other important matters in connection with the execution of business.
- ② The Board of Directors shall supervise the director’s execution of his/her duties.

## **CHAPTER 2. COMPOSITION**

**Article 4 [Composition]**

- ① The Board of Directors shall be comprised of all directors elected at the general shareholders' meeting, including the representative director(s).
- ② The Company shall establish the following committees under the Board of Directors:
  1. Audit Committee pursuant to Article 542-11 of the Commercial Code;
  2. Nomination and Compensation Committee (includes the Committee's role in recommending candidates for outside directors pursuant to Article 542-18(4) of the Commercial Act);
  3. Governance Committee; and
  4. ESG Committee.
- ③ Detailed matters, including those relating to composition, authority and management of each of the above committees set forth in Paragraph 2, shall be subject to the regulation and management guidelines of each committee.

**Article 5 [Chairperson]**

- ① The chairperson of the Board of Directors shall be determined by the Board of Directors and shall preside as chairperson at all of the Board of Directors meetings. The term of the chairperson shall be until the end of the first ordinary general shareholders' meeting following its appointment.
- ② If the chairperson is unable to serve as the chairperson, the person in the order listed below shall preside as chairperson:
  1. Chairperson of the Governance Committee;
  2. Chairperson of the Audit Committee;
  3. Chairperson of the ESG Committee;
  4. Chairperson of the Nomination and Compensation Committee;
  5. Representative director(s) (if more than one, in the order of seniority); or
  6. Any director who does not fall under subparagraphs 1 through 5 above (if more than one, in the order of seniority)

**Article 6 [Secretariat Organization and the Secretary]**

- ① The secretariat organization of the Board of Directors shall be referred to as the [Secretariat of the Board of Directors], while the secretary shall be referred to as the [Secretary of the Board of Directors].
- ② The secretariat organization and the secretary shall assist the chairperson and administer the affairs of the Board of Directors under the chairperson's direction.

**CHAPTER 3. MEETING**

**Article 7 [Meeting Type]**

- ① The meeting of the Board of Directors shall consist of general meeting of the Board of Directors

and special meeting of the Board of Directors.

- ② In principle, the general meeting of the Board of Directors shall be held once every month, and the special meeting of the Board of Directors may be held at any time as necessary.

#### **Article 8 [Meeting Place, etc.]**

- ① The Board of Directors meeting shall be held at the head office of the Company or at any other location designated by the person who has the authority to convene the Board of Directors meeting.
- ② The Board of Directors may permit all or some of the directors to participate in the resolution process of the Board of Directors by means of communication that allow simultaneous audio transmission in lieu of attending such a meeting in person and such directors shall be deemed to have attended the Board of Directors meeting in person. The same shall apply to the committee meetings.

#### **Article 9 [Person with the Power to Convene a Board of Directors Meeting]**

- ① The Board of Directors meeting shall be convened by the chairperson of the Board of Directors or the representative director.
- ② Each director may request to convene the Board of Directors meeting by disclosing the agenda and the grounds thereof to the chairperson or the representative director. If the chairperson or the representative director refuses to convene the meeting without justifiable cause, the director who made the request may convene a Board of Directors meeting.

#### **Article 10 [Notice of Convocation]**

- ① The notice to convene the Board of Directors meeting, which shall include the date, time, place and agenda of the meeting, shall be given to each director by the secretary of the Board of Directors at the instruction of the chairperson, the representative director or the director designated by the chairperson, together with any information and materials necessary for deliberation by the Board of Directors, at least seven (7) days prior to the date set for such meeting; provided, however, that in case of emergency, the notice may be given by the date immediately preceding the date set for such meeting.
- ② The notice set forth in Paragraph 1 above may be made to each director in writing, by electronic document or orally.
- ③ The Board of Directors may adopt resolutions only on the agenda referred to in Paragraph 1 above.
- ④ Upon unanimous written consent of all directors, the Board of Directors meeting may be held without undertaking the procedure set forth in Paragraph 1 above.

#### **Article 11 [Submission of Agenda]**

- ① The agenda for the Board of Directors meeting and the grounds therefor (including the 'necessary information and materials' stated in Article 10(1) above) shall be prepared by each director and submitted to the secretary of the Board of Directors at least ten (10) days prior to the date set for such a meeting; provided, however, that in case of emergency, the relevant director may reduce such period through consultation with the secretary of the Board of Directors.

- ② Upon receipt of the agenda mentioned in Paragraph 1 above, the secretary shall review the legal issues and draft and refer them to the Board of Directors meeting.

## CHAPTER 4. THE BOARD OF DIRECTORS AND DIRECTORS

### Article 12 [Matters Subject to Resolution of the Board of Directors]

- ① The Board of Directors shall deliberate on and resolve matters relating to the General Shareholders' Meeting, the Board of Directors, governance, etc. specified in each of the subparagraphs below.
1. Convening of the general shareholders' meeting and adoption of agenda to be submitted thereto;
  2. Designation of the record date for shareholders;
  3. Deliberation of shareholders' proposals and determination of whether to submit the same to the general shareholders' meeting;
  4. Appointment and dismissal of the representative director, a single representative director or joint representative directors;
  5. In case the representative director is absent or unable to serve as the representative director, determination of the order of directors to preside at the general shareholders' meeting;
  6. Decision to postpone or resume the Board of Directors meeting;
  7. Matters related to composition, establishment and operation of the Audit Committee, Nomination and Compensation Committee and other committees, and appointment and dismissal of the chairperson and members of each committee (excluding the Audit Committee); <Amended, March 29, 2022>
  8. Separate resolution on resolutions adopted by each committee (excluding the Audit Committee), if necessary;
  9. Matters related to the outside director system;
  10. Appointment or dismissal of manager;
  11. Appointment of the transfer agent;
  12. Participation in shareholders' derivative lawsuit;
  13. Establishment, relocation or abolishment of branch offices;
  14. Amendment to the Articles of Incorporation;
  15. Establishment, amendment or abolishment of the Corporate Governance Charter, the regulations of the Board of Directors, and the regulations of each committees; and
  16. Establishment and revision of business management system for implementation of the management philosophy which is reflected in the Preamble to these regulations.
  17. Assessment and determination of continuance in office of the representative director <Newly Inserted, October 25, 2022>
- ② The Board of Directors shall deliberate on and resolve matters relating to investment, planning and management specified in each of the subparagraphs below.

1. Incorporation, merger, division, dissolution, listing of stocks and KOSDAQ listing of a company in which the Company owns more than 50% interest in the total issued and outstanding shares, where the amount of investment is equivalent to 1% or more of the Company's equity capital;
  2. Investment or disposal of equity interest in another company at a value of 1% or more of the Company's equity capital;
  3. Acquisition of assets at a value of 1% or more of the Company's equity capital;
  4. Investment in new facilities or facility expansion at a value of 1% or more of the Company's equity capital; <Amended, March 29, 2022>
  5. Matters related to merger or division, etc. of the Company;
  6. Dissolution or continuation of the Company;
  7. Business acquisition or transfer exceeding 1% of the Company's equity capital; provided, however, that the resolution of each of the following matters shall be adopted by two-thirds votes of the directors present at the meeting:
    - A. Acquisition or transfer of business with asset value of 10% or more of the total assets of the Company during the most recent fiscal year;
    - B. Acquisition or transfer of business with turnover of 10% or more of the turnover of the Company during the most recent fiscal year;
    - C. Acquisition of business with liabilities equivalent to 10% or more of the total liabilities of the Company during the most recent fiscal year;
  8. Establishment and assessment of annual management plan (including KPI). <Newly Inserted, March 29, 2022>
- ③ The Board of Directors shall deliberate on and resolve matters relating to accounting and financial management specified in each of the subparagraphs below.
1. Approval of financial statements (including the consolidated financial statements), business reports and other documents indicating the financial status and management performance of the Company as prescribed in the Enforcement Decree of the Commercial Code;
  2. Interim dividend, stock dividend;
  3. Capitalization of reserves;
  4. Issuance of new shares;
  5. Matters related to issuance of new shares to any person(s) other than the shareholders pursuant to the Articles of Incorporation;
  6. Handling of forfeited shares or fractional shares;
  7. Capital reduction;
  8. Stock split or consolidation;
  9. Purchase or disposal of treasury stocks, or execution or termination of a trust agreement, etc. for such purpose;
  10. Comprehensive swap or transfer of shares;

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11. Issuance of bonds (which may be delegated by the Board of Directors to the representative director(s) by designating the amount and type of bonds to be issued within a period not exceeding one year);
  12. Decision to issue special bonds such as convertible bond, bond with warrant, participating bond or exchangeable bond;
  13. Gift or donation in excess of KRW 1 billion; provided, however, that provision of emergency relief due to natural disasters including typhoon, flood, fire and earthquake, or donation under the “Community Chest of Korea Act” may be disbursed first by the representative director and reported ex post to the Board of Directors ;
  14. Provision as security or disposal of major assets (i.e., assets with book value or appraisal value in excess of KRW 30 billion) of the Company; provided, however, that disposal of equity interests shall be subject to Article 12, Paragraph 2, Subparagraph 2 and Article 14, Paragraph 1, Subparagraph 6;
  15. Domestic or overseas loan agreement exceeding KRW 30 billion (excluding short-term loans with loan term of up to one year), and guarantee of indebtedness exceeding KRW 30 billion for another person;
  16. Retirement of shares up to the amount of dividend limitation; and
  17. Establishment and amendment of internal accounting management regulation.
- ④ The Board of Directors shall deliberate on and resolve matters relating to personnel and organization management specified in each of the subparagraphs below.
1. Grant or cancellation of grant of stock option;
  2. Approval of the Board of Directors under Article 398 (Transactions between Directors, etc. and Company) of the Commercial Act;
  3. Approval of director’s engagement in competitive business or exercise of right of intervention in unapproved competitive business;
  4. Approval of the Board of Directors under Article 397-2 (Prohibition of Appropriation of Company's Opportunities and Assets);
  5. Determination of individual director’s remuneration amount; <Amended, March 29, 2022>
  6. Enrollment in directors’ and officers’ liability insurance, and introduction of other relief measures against directors’ and officers’ liabilities;
  7. Submission of agenda on dismissal of director(s);
  8. Appointment or dismissal of fair trade voluntary compliance manager;
  9. Appointment and dismissal of compliance officer and establishment or amendment of compliance guidelines under Article 542-13 (Compliance Guidelines and Compliance Officers) of the Commercial Act;
  10. Establishment or amendment of officer management regulations; and
  11. Establishment of the Company’s safety and health plan as prescribed by relevant laws including the Occupational Safety and Health Act.
- ⑤ The Board of Directors shall deliberate on and resolve other major managerial matters specified in each of the subparagraphs below.

1. Matters requiring resolution of the Board of Directors under Article 26 (Resolutions of Board of Directors on Large-Scale Internal Trading and Disclosure) of the Monopoly Regulation and Fair Trade Act;
2. Matters requiring approval of the Board of Directors under Article 542-9 (Transactions with Interested Persons Including Major Shareholders) of the Commercial Act; and
3. Other matters prescribed in the relevant laws and regulations, matters specially delegated by the general shareholders' meeting, and important matters deemed necessary by the representative director(s).

### **Article 13 [Delegation of Matters subject to Resolution]**

- ① The Board of Directors may delegate some of the matters subject to resolution by the Board of Directors in this Chapter to each committee, to the extent not violating the relevant laws and regulations and the Articles of Incorporation.
- ② The Board of Directors shall delegate the matters subject to resolution stipulated in Article 12, Paragraph 5, Subparagraph 1 in accordance with Paragraph 1 above.

### **Article 14 [Matters to be Reported]**

- ① The representative director(s) shall report each of the following matters to the Board of Directors:
  1. Mid- to long-term strategy;
  2. <Deleted, March 29, 2022>
  3. Quarterly business performance;
  4. Periodic personnel change for officers and reshuffling of organization;
  5. In case of division of duties among the representative directors, matters related to such division of duties;
  6. Investment or disposal of equity shares in another company, purchase of assets, investment in new facilities, and facility expansion exceeding KRW 30 billion; <Amended, March 29, 2022>
  7. In case the Board of Directors has delegated issuance of bonds to the representative director(s), the result of execution thereof; and
  8. Other matters deemed necessary by the representative director(s).
- ② The representative director(s) or the internal accounting manager authorized by the representative director(s) shall report on the status of implementation of the internal accounting management system once a year to the Board of Directors and the Audit Committee, and the Audit Committee shall assess the same and report the result thereof once a year to the Board of Directors.
- ③ The fair trade voluntary compliance manager shall report the operation performance and plan of the fair trade voluntary compliance program once every half-year to the Board of Directors.
- ④ The compliance officer shall examine compliance with the compliance regulations and report the result thereof once a year to the Board of Directors.

### **Article 15 [Representative Director]**

- ① Any matters not expressly prescribed in Article 12 shall be decided and implemented by the



representative director(s) under the authority delegated and granted under these regulations.

- ② The representative director(s) shall have the authority and responsibilities regarding the following matters:
  1. To attain, implement and execute the matters resolved by the Board of Directors;
  2. To decide and execute various matters, other than those subject to resolution of the Board of Directors;
  3. To take measures with regard to overall business performance of the Company, to sign or to affix seal impression for execution of agreements, and to enter into agreements on behalf of the Company; and
  4. To re-delegate sequential authority to officers and employees.
- ③ If more than one representative director is appointed and the division of duties among the representative directors is necessary, such division of duties shall be reported to the Board of Directors. Provided, however, that notwithstanding such division of duties, each representative director shall have the right to decide and implement their individual duties through consultation among the representative directors, if necessary.
- ④ The Chairperson & CEO will be responsible for maintaining and developing the SK Group (for the purpose of these regulations, SK Group refers to a group of companies comprised of companies that have agreed to share the management philosophy based on the SK Management System according to their individual needs and judgment and to mutually cooperate with their business activities) founded on the SKMS (SK Management System), and undertake each of the following roles, to the extent as necessary for implementing such responsibilities:
  1. Externally, the role of representative of the members of the SK Group for the purpose of communicating with interested persons; and
  2. Internally, the role of a supporter providing advice, management consulting, etc. at the request of companies within the SK Group; provided, however, that such companies shall autonomously decide whether or not to reflect such advice based on the responsibilities and judgment of each company's board of director or representative director(s).

#### **Article 16 [Duties of Directors]**

- ① The directors shall, under the principle of good faith in accordance with the relevant laws and regulations and the Articles of Incorporation, exercise duty of care in the performance of their duties.
- ② The directors may perform their duties in reliance of the notice, request for approval, report, various accounting data, etc. prepared or submitted by the relevant officer/employee of the Company in connection with Paragraph 1 above; reports submitted by relevant outside professionals including accountants, appraisers, lawyers, etc.; and the opinion of various specialized committees within the Company.
- ③ The directors may not, without the prior approval of the Board of Directors, engage in any transaction which falls under the business categories of the Company for his/her own account or for the account of any third party. In the event any director engages in any transaction which falls under the business categories of the Company for his/her own account or for the account of any third party in breach of the above, the Board of Directors may deem such transaction to have been engaged for the account of the Company if it had been engaged for the account of the director, or demand the director to assign any proceeds generated therefrom if it had been engaged for the account of a third party.

- ④ The directors may not become a general partner or a director of another company engaged in the same type of business without the prior approval of the Board of Directors, and if any director is appointed as a general partner or director of another company engaged in the same type of business, the Board of Directors may demand the relevant director to resign from the office of general partner or director of another company.
- ⑤ The directors shall not transact with the Company for his/her own account or for the account of any third party, without the prior approval of the Board of Directors.
- ⑥ The directors shall manage any confidential information of the Company obtained during the performance of their duties with the best care, both while in office and after leaving the Company, and shall not use the confidential information of the Company to seek their own interest or that of any third party.
- ⑦ The directors shall maintain dignity so as not to tarnish the reputation or prestige of the Company, regardless of whether or not it is related to their duties.
- ⑧ The directors shall not, without the prior approval of the Board of Directors, use any business opportunity which they have learned during the performance of their duties or which takes advantage of the Company's information, or any business opportunity closely related with any project carried out or to be carried out by the Company, for their own interest or that of any third party.
- ⑨ In case any director fails to perform his/her duties stipulated in this Article, the Company may claim indemnification against such a director or dismiss such a director.

## **CHAPTER 5. DELIBERATION AND RESOLUTION OF THE BOARD OF DIRECTORS**

### **Article 17 [Right to Request Submission of Data, etc.]**

- ① If necessary for deliberation of agenda, the Board of Directors may require officers or employees who are not members of the Board of Directors, or outside personnel to attend the meeting and/or to provide explanation or opinion on an agenda.
- ② The Board of Directors may, if necessary, seek expert advice, etc. at the expense of the Company by the resolution of the Board of Directors.

### **Article 18 [Adoption of Resolution]**

- ① The quorum for the Board of Directors meeting shall be a majority of all directors in office.
- ② All resolutions of the Board of Directors shall be adopted by a majority of the directors present at the meeting; provided, however, that resolution of the Board of Directors on any matters falling under Article 12, Paragraph 4, Subparagraph 2 and Article 12, Paragraph 4, Subparagraph 4 of these regulations shall be adopted by two-thirds of all directors in office.

### **Article 19 [Meeting Minutes, etc.]**

- ① With respect to the proceedings of the Board of Directors meetings and each committee, the summary of proceedings, resolutions adopted at the meeting, names of the directors who have voted against such resolutions, and the reason for the objections thereto shall be recorded in the minutes, on which the chairperson who has presided at the Board of Directors meeting or each

committee, and all directors and members present at the meeting shall sign their names or affix their seal impressions.

- ② The agenda submitted to the Board of Directors meeting and the minutes thereof shall be retained by the secretary of the Board of Directors.

## **CHAPTER 6. EVALUATION OF THE BOARD OF DIRECTORS**

### **Article 20 [Evaluation of the Board of Directors' Activities]**

- ① The Board of Directors shall conduct a self-assessment of the Board of Directors' activities on an annual basis.
- ② The Company may make a request to an external agency, etc. to conduct an evaluation of the Board of Directors' activities, and the results of such evaluation must be submitted to the Board of Directors.

#### **Addendum (January 1, 1996)**

These regulations shall enter into force on January 1, 1996.

#### **Addendum (April 1, 1997)**

These regulations shall enter into force on April 1, 1997 upon approval at the Board of Directors' meeting.

#### **Addendum (February 26, 1999)**

These regulations shall enter into force on February 26, 1999 upon approval at the Board of Directors' meeting.

#### **Addendum (March 14, 2000)**

These regulations shall enter into force on March 14, 2000 upon approval at the Board of Directors' meeting.

#### **Addendum (April 7, 2000)**

These regulations shall enter into force on April 7, 2000 upon approval at the Board of Directors' meeting.

#### **Addendum (April 30, 2004)**

These regulations shall enter into force on April 30, 2004 upon approval at the Board of Directors' meeting.

#### **Addendum (August 25, 2005)**

These regulations shall enter into force on August 25, 2005 upon approval at the Board of Directors' meeting.

**Addendum (February 22, 2007)**

These regulations shall enter into force on February 22, 2007 upon approval at the Board of Directors' meeting.

**Addendum (March 25, 2008)**

These regulations shall enter into force on March 25, 2008 upon approval at the Board of Directors' meeting.

**Addendum (July 21, 2010)**

- ① These regulations shall enter into force on July 21, 2010 upon approval at the Board of Directors' meeting.
- ② The KOSPI Market Disclosure Regulation shall apply with respect to the criteria for equity capital and total assets referred to in Articles 9 and 10.
  1. Equity capital = total assets– total debts (amount of increase/decrease in capital stock and capital surplus during the period from the end of the latest fiscal year to the date of occurrence of the cause for reporting or disclosure)
  2. Total assets = total amount of assets at the end of the preceding fiscal year

**Addendum (March 23, 2012)**

- ① These regulations shall enter into force on March 23, 2012 upon approval at the Board of Directors meeting.
- ② The amendment to Articles 4, 10, 11, 13 and 15 shall enter into force on April 15, 2012.

**Addendum (August 3, 2015)**

These regulations shall enter into force on August 3, 2015 upon approval at the Board of Directors meeting.

**Addendum (February 25, 2016)**

- ① These regulations shall enter into force on February 25, 2016 upon approval at the Board of Directors meeting.
- ② The amounts indicated in the separate financial statements of the Company shall apply with respect to the equity capital and total assets referred to in these regulations.

**Addendum (February 27, 2017)**

These regulations shall enter into force on February 27, 2017 upon approval at the Board of Directors meeting.

**Addendum (March 27, 2019)**



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These regulations shall enter into force on March 27, 2019 upon approval at the Board of Directors meeting.

**Addendum (March 25, 2020)**

- ① These regulations shall enter into force on March 25, 2020 upon approval at the Board of Directors meeting.
- ② Notwithstanding the preceding clause, Article 11, Subparagraph 10 shall enter into force on January 1, 2021.

**Addendum (October 27, 2020)**

These regulations shall enter into force on October 27, 2020 upon approval at the Board of Directors meeting.

**Addendum (March 30, 2021)**

These regulations shall enter into force on April 1, 2021 upon approval at the Board of Directors meeting.

**Addendum (March 29, 2022)**

These regulations shall enter into force on March 29, 2022 upon approval at the Board of Directors meeting.

**Addendum (October 25, 2022)**

These regulations shall enter into force on October 25, 2022 upon approval at the Board of Directors meeting.