

**Regulations of the
Board of Directors**

March 25, 2020



Preamble

The ultimate purpose of SK Holdings Co., Ltd.'s business management is the happiness of SK Holdings Co., Ltd.'s (hereinafter referred to as the "Company" or "SK") People.

The Board of Directors shall conduct business based on the following management philosophy for SK People, being the core of management activities, to pursue sustainable happiness by fostering stakeholder happiness along with member happiness which is reflected in the Preamble to the Articles of Incorporation.

[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 management of the Board of Directors of the Company.

Article 2 [Composition]

- ① The Board of Directors shall be comprised of all directors elected at the general shareholders' meeting, including the representative director.
- ② The Company shall establish the following committees under the Board of Directors:
 1. Audit Committee;
 2. Committee for Independent Director Recommendation; and
 3. Specialized Committee.

(1) Governance Committee

- ③ Detailed matters, including those relating to composition, authority and management of each of the above committees, shall be subject to the regulation and management guideline of each committee.
- ④ The Board of Directors shall have a secretary and an assistant secretary to handle the affairs of the Board of Directors and the committees.

Article 3 [Chairperson]

- ① The chairperson of the Board of Directors meeting 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 expire at the end of the first general shareholders meeting held after such chairperson is appointed.
- ② If the chairperson is absent or 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 Committee for Outside Director candidate Recommendation
 - 4. Representative director (if more than one, in the order of seniority)
 - 5. Any director who does not fall under subsections 1 thru 4 above (if more than one, in the order of seniority)

**CHAPTER 2. CONVENING OF THE MEETING
OF THE BOARD OF DIRECTORS**

Article 4 [Meeting Place, etc.]

- ① The Board of Directors meeting may be held where the head office of the Company is located 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 shall 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; such directors shall be deemed to have attended the Board of Directors meeting in person. The same shall apply to the committee meetings.

Article 5 [Convening of Meeting]

- ① The Board of Directors meeting shall be convened by the chairperson of the Board of Directors or representative director, if deemed necessary or

reasonable by the chairperson or representative director, or if one or more directors have requested for convening of the meeting based on justifiable grounds.

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

Article 6 [Notice of Convening Meeting]

- ① The notice of convening the Board of Directors meeting, including the date, time and place of the meeting, and the list of agenda to be dealt with at the meeting, shall be given to each director by the secretary of the Board of Directors at the instruction of the chairperson, 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 five (5) days prior to the date set for such a meeting; provided, however, that in case of emergency, the notice may be given until the day immediately preceding the date set for such a meeting.
- ② The above notice 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 The Board of Directors meeting may be held without the procedure set forth in Paragraph 1 above, upon unanimous written consent of all directors, whether before or after the meeting.

Article 7 [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 6, Paragraph 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 shorten such a 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 refer them to the Board of Directors meeting, following review of the legal issues and the wording.

CHAPTER 3. MATTERS SUBJECT TO RESOLUTION OF THE BOARD OF DIRECTORS

Article 8 [Matters related to the General Shareholders' Meeting, the Board of Directors, Governance Structure, etc.]

1. Convening and adoption of agenda to be submitted to the general shareholders' meeting;
2. Closing of the shareholders registry and designation of the record date;
3. Deliberation of shareholders' proposals and determination of whether to submit the same to the general shareholders' meeting;
4. Election 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 Board of Directors meeting and the general shareholders' meeting;
6. Decision to postpone or continue the Board of Directors meeting;
7. Matters related to composition, establishment and management of the Audit Committee, Committee for Independent Director Recommendation and other committees, and appointment and discharge of members of each committee (excluding the Audit Committee);
8. Separate resolution on resolutions adopted by each committee (excluding Audit Committee), if necessary;
9. Matters related to the outside director system;
10. Appointment or discharge 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 and abolishment of these regulations of the Board of Directors;
16. Decision to seek expert cooperation for directors; and
17. Establishment and revision of business management system for implementation of the management philosophy which is reflected in the Preamble to these regulations.

Article 9 [Matters related to Investment and Planning Management]

1. Incorporation, merger, split-up, dissolution, listing of stock certificates 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 1.5% or more of the Company's equity capital;
2. Investment and disposal of equity ratio in another company at a value of 1.5% or more of the Company's equity capital;
3. Acquisition of assets at a value of 1.5% or more of the Company's equity

- capital;
4. Investment in new facilities, facility expansion or construction of a separate factory at a value of 1.5% or more of the Company's equity capital;
 5. Matters related to merger, split-up, etc. of the Company;
 6. Dissolution or continuation of the Company;
 7. Business transfer exceeding 1.5% 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. Transfer of business with asset value of 10% or more of the total assets of the Company during the latest fiscal year;
 - B. Transfer of business with turnover of 10% or more of the turnover of the Company during the latest fiscal year;
 - C. Transfer of business with liabilities equivalent to 10% or more of the total liabilities of the Company during the latest fiscal year;
 - D. Transfer of entire business; and
 - E. Execution, amendment or termination of any agreement entailing lease of the entire business, delegation of management, or sharing of entire business loss/profit with another person, or any agreement equivalent thereto.

Article 10 [Matters related to Accounting and Financial Management]

1. Approval of financial statements (including consolidated financial statements), business reports and other documents prescribed in the Enforcement Decree of the Commercial Act indicating the financial status and management performance of the Company;
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;
11. Issuance of bonds (which may be delegated to the representative director 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 and 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 and reported subsequently;
 14. Provision as security or disposal of major assets of the Company; provided, however, that the major assets of the Company shall refer to those assets with book value or appraisal value in excess of KRW 30 billion;
 15. Domestic/overseas loan agreement exceeding KRW 30 billion (excluding short-term loans for the term of up to one year), and guarantee for liabilities of another person exceeding KRW 30 billion;
 16. Retirement of shares up to the limit for dividends; and
 17. Establishment and amendment of internal accounting management regulation.

Article 11 [Matters related to Personnel and Organization Management]

1. Granting and cancellation 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 competing transactions, and exercise of right of intervention in unapproved competing transactions;
4. Approval of the Board of Directors under Article 397-2 (Prohibition of Appropriation of Company's Opportunities and Assets);
5. Purchase of officers' liability insurance, and introduction of other relief against officers' liabilities;
6. Submission of agenda on discharge of director(s);
7. Appointment or discharge of fair trade voluntary compliance manager;
8. Appointment and discharge of compliance officer, establishment and amendment of compliance guidelines under Article 542-13 (Compliance Guidelines and Compliance Officers) of the Commercial Act; and
9. Establishment and amendment of officer management regulation.
10. Establishment of safety and health plan in relation to the Company as prescribed by relevant laws including the Occupational Safety and Health Act.

Article 12 [Other Major Managerial Matters]

1. Matters requiring resolution of the Board of Directors under Article 11-2

- (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.

Article 13 [Delegation of Matters subject to Resolution and Matters to be Reported]

- 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 Any matters not expressly prescribed in this Chapter shall be decided and implemented by the representative director under the authority delegated and granted under these regulations.
- ③ The representative director shall have the authority and responsibilities regarding each of the following matters as prescribed by the Board of Directors:
 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;
 4. To re-delegate sequential authority to officers/employees;
 5. To report the following matters to the Board of Directors;
 - A. Annual management plan;
 - B. Quarterly business performance;
 - C. Regular personnel change for officers and reshuffling of organization;
 - D. Investment in another company, disposal of equity shares, purchase of assets, investment on new facilities exceeding KRW 30 billion, and quarterly performance on facility expansion;
 - E. In case the Board of Directors has delegated issuance of bonds to the representative director, the result of execution thereof; and
 - F. Other matters deemed necessary by the representative director.
- ④ The representative director or the internal accounting manager authorized by the representative director shall report 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.

- ⑤ The fair trade voluntary compliance manager shall report the implementation result and plan of the fair trade voluntary compliance program once every half-year to the Board of Directors.
- ⑥ The compliance officer shall check compliance with the compliance regulations and report the result thereof once a year to the Board of Directors.

CHAPTER 4. DELIBERATION AND RESOLUTION OF THE BOARD OF DIRECTORS

Article 14 [Attendance by Related Persons]

If necessary for deliberation of agenda, the Board of Directors may require officers/employees who are not members of the Board of Directors, or outsiders to attend the meeting and to provide explanation or opinion on an agendum.

Article 15 [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 11, Subparagraph 2 (Transactions between Directors, etc. and Company) and Article 11, Subparagraph 4 (Prohibition of Appropriation of Company's Opportunities and Assets) of these regulations shall be adopted by two-thirds of all directors in office.

Article 16 [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 secretary shall prepare a duplicate of the minutes in Paragraph 1 above and send it immediately to the officer who has submitted such agendum or any officer who is related to the relevant duties.
- ③ The agenda submitted to the Board of Directors meeting and the minutes thereof shall be kept by the secretary of the Board of Directors.

CHAPTER 5. DIRECTORS

Article 17 [Duties of Directors]

- ① The directors shall perform their duties with the duty of care of a good manager under the good faith principle in accordance with the relevant laws and regulations and the Articles of Incorporation.
- 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 In case any director fails to perform his/her duties in this Article 17, the Company may claim indemnification against such a director or discharge such a director.
- ⑨ 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.

Addenda

Established on January 1, 1996

Partial amendment on April 1, 1997

Partial amendment on February 26, 1999

Complete amendment on March 14, 2000 in relation to ISO certification

Partial amendment on April 7, 2000 reflecting the result of preliminary review for ISO certification

Partial amendment on April 30, 2004

Amendment on August 25, 2005 in relation to introduction of the Board of Directors-centered management

Partial amendment on February 22, 2007

Partial amendment on March 25, 2008

Complete amendment on 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 when the cause for reporting or disclosure occurred)
 2. Total assets = total amount of assets at the end of the latest fiscal year

Partial amendment on 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.

Complete amendment on August 3, 2015

- ① These regulations shall enter into force on August 3, 2015 upon approval at the Board of Directors meeting.

Partial amendment on 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.

Partial amendment on February 27, 2017

- ① These regulations shall enter into force on February 27, 2017 upon approval at the Board of Directors meeting.

Partial amendment on March 27, 2019

- ① These regulations shall enter into force on March 27, 2019 upon approval at the Board of Directors meeting.

Partial amendment on 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 section 10 shall enter into force on January 1, 2021.