

# Regulations of the Board of Directors

Mar. 29, 2023



# Regulations of the Board of Directors

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**SK networks**

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# Regulations of the Board of Directors

## **Article 1. Purpose**

The purpose of the Regulations is to set forth requirements concerning the composition and operation of the Board of Directors (hereinafter “the BoD”) of SK networks (hereinafter “the Company”).

## **Article 2. Scope of Application**

All matters concerning the BoD shall follow the Regulations unless otherwise stipulated in the relevant laws and regulations or Articles of Incorporation.

## **Article 3. Authority**

- ① The BoD shall deliberate and resolve matters stipulated in the in the relevant laws and regulations or Articles of Incorporation, matters entrusted by the general meeting of shareholders and important matters concerning the Company’s basic management policies and business operation.
- ② The BoD shall supervise the directors’ execution of business.

## **Article 3-2. Execution of Management Philosophy**

- ① The BoD shall develop methods to realize the Company’s management philosophy and continue to develop them further.
- ② The BoD shall ensure that SK’s corporate culture is maintained and developed by making the Company’s management philosophy the basis of its business activities and putting it into practice.
- ③ The BoD shall make efforts to enhance SK’s brand value in the use of SK’s brand.
- ④ The BoD shall establish and implement mutual cooperative arrangements with other companies that use SK’s brand and corporate culture if required for the maintenance and development of SK’s brand value and corporate culture.

## **Article 4. Composition**

- ① The BoD shall be entirely composed of directors.
- ② The BoD Chair shall be appointed by the BoD whose term of office shall be his/her tenure of office.
- ③ If the BoD Chair becomes unable to perform his/her duties due to unavoidable circumstances, the Representative Director shall perform the duties on the behalf of the Chair. If the Representative Director becomes unable to perform his/her duties due to unavoidable circumstances, arrangements determined by the BoD shall be followed.

### **Article 5. Convocation of the Board of Directors Meetings**

- ① The BoD meetings shall be held monthly in principle and meetings can be arranged at any time as deemed necessary.
- ② The BoD meetings shall be convened by the Chair or the Representative Director.
- ③ Each director or the Audit Committee may as the Chair or the Representative Director to convene a meeting by presenting the agenda and reasons for convocation. In the event that the Chair or the Representative does not convene a meeting upon the convocation request without reasonable cause, the director who requested the convocation or the Audit Committee can convene the BoD meeting.

### **Article 6. Convocation Procedure**

- ① BoD meeting agenda and reasons for the proposal shall be drafted by each director or relevant executives of the responsible departments and submitted to the BoD Secretary at least ten days before the BoD meeting. However, the directors or relevant executives of the responsible departments reach an agreement with the BoD Secretary to shorten the aforementioned period in the event of an emergency.
- ② The BoD Secretary shall report submitted agenda to the BoD Chair or the Representative, and shall receive instructions from the BoD Chair or the Representative Director to send a notification to all the directors in writing, via e-mail or verbally about the date/time, venue and submitted agenda at least five days before the BoD meeting. However, the aforementioned period can be shortened in the event of an emergency.
- ③ The convocation procedure described in Article 6.② can be omitted to hold a BoD meeting upon unanimous agreement of all the directors.

### **Article 7. Resolution Methods**

- ① The BoD resolutions shall be made with the presence of the majority of the directors and the consent of the majority of those present at the meeting, unless otherwise stipulated in the relevant laws and regulations.
- ② Any director who is an interested party to matters subject to the BoD resolution shall not be allowed to exercise his/her voting right.
- ③ The director who cannot exercise his/her voting right according to Article 7.② above shall not be counted as an effective vote for the relevant agenda.
- ④ Exercise of proxy voting right is not allowed to directors.
- ⑤ The BoD may allow all or some of the directors to participate in the BoD's resolution process via remote communications through which all the directors can send and receive their voices

at the same time. In this case, the directors who participated via the remote communications shall be deemed to have attended the meeting in person.

#### **Article 8. Audit Committee**

- ① The Company shall organize an audit committee as prescribed in the relevant laws and regulations and Articles of Incorporation.
- ② The Audit Committee's operation procedure for convocation, resolutions, etc. shall follow the Audit Committee Regulations.

#### **Article 9. Committees under the BoD**

- ① The BoD can organize various committees including the Audit Committee described in Article 8 and Outside Director Candidate Nomination Committee.
- ② Each committee organized according to Article 9.① above shall be composed of directors, among whom outside directors shall account for the majority of the total members.
- ③ Each committee organized according to Article 9.① shall follow the provisions stipulated in each committee's regulations regarding its composition, authority as well as operation procedures for convocation and resolutions. However, matters that are not specified in each committee's regulations shall follow the relevant provisions in this BoD Regulations.

#### **Article 10. Steering Committee** (Deleted on Mar. 13)

#### **Article 11. Agenda**

- ① The BoD shall determine or approve the following matters:
  1. Convocation of the General Meeting of Shareholders
  2. Matters that require an approval of and/or reporting to the General Meeting of Shareholders.
    - A. Approval of financial statements (including consolidated financial statements)
    - B. Amendment of the Articles of Incorporation
    - C. The Company's dissolution and merger
    - D. Capital reduction
    - E. Business report approval
    - F. Deliberation of suggestions made by shareholders to whether or not submit to the General Meeting of Shareholders
    - G. Other suggestions that shall be submitted to the General Meeting of Shareholders
  3. Matters concerning business management
    - A. Appointment or dismissal of the Representative Director
    - B. Approval of the management plan (including budgets)
    - C. Organization, relocation and closing of a branch, appointment or dismissal of

- managers and changes to the locations stationed by managers.
- D. Establishment or abolishment of committees (excluding the Audit Committee) under the BoD and appointment or dismissal of committee commissioners
  - E. Enactment, establishment or abolition of regulations for the committees under the BoD
  - F. Enactment, establishment and abolition of the internal accounting control regulations
  - G. Amendment or abolition of BoD Regulations
  - H. Any investment in an amount equivalent to 1.5% of the Company's equity capital at the end of the previous fiscal year or withdrawal of existing business (based on the previous year's sales)
  - I. Provision of surety or collateral in the amount equivalent to or exceeding 1.5% of the Company's equity capital at the end of the previous fiscal year
  - J. Fixed asset acquisition or disposition in an amount equivalent to or exceeding 1.5% of the Company's equity capital at the end of the previous fiscal year (Based on the acquisition value. A case is included when the disposition value is equivalent to or exceeds 1.5% of the Company's equity capital at the end of the previous fiscal year even if the acquisition value is below 1.5% of the Company's equity capital at the end of the previous fiscal year.)
  - K. Contribution to another corporate or disposition of contributed shares in an amount equivalent to or exceeding 1.5% of the Company's equity capital at the end of the previous fiscal year (Based on the acquisition value. A case is included when the disposition value is equivalent to or exceeds 1.5% of the Company's equity capital at the end of the previous fiscal year even if the acquisition value is below 1.5% of the Company's equity capital at the end of the previous fiscal year.) However, acquisition of marketable securities for investment concerning the application of funds shall be excluded.
  - L. Provision of funds, marketable securities, assets, products, services, etc. or transactions made with or for specially interested person that require BoD's resolution as stipulated in the Monopoly Regulation and Fair Trade Act (including any modification to material facts)
  - M. Filing of or participation in the litigation of a shareholder derivative lawsuit
  - N. A change in the amount of investment, surety, collateral, acquisition, disposition, or contribution originally approved by the BoD as per the foregoing H to K in the range of 20% or above.
  - O. Transactions with the largest shareholder (including the specially interested person) and specially interested person that require BoD's approval as stipulated in the relevant laws and regulations including the Commercial Act.
  - P. Development and modification of action plans to realize the management philosophy stipulated in Article 3-2.① of this Regulations.
  - Q. Any donation of one billion Korean won or above. However, donations made for emergency relief due to natural disasters including typhoon, flood, fire and

earthquake or according to the Community Chest of Korea Act can be executed first and reported later.

R. Enactment, establishment and abolition of the Corporate Governance Charter

S. Deliberation result over consecutive election of the Representative Director

T. Deliberation result over referral of candidates for the Representative Director

4. Matters concerning finance

A. Issuance of new stocks

B. of private loans

C. Any loan in the amount exceeding 5

5. Matters concerning directors

A. Assignment or removal of directors' duties

B. Approval of transactions between directors or persons specified in Article 398 of the Commercial Act and the Company

C. Approval of a director's use of the Company's business opportunities as stated in Article 397-2 of the Commercial Act.

6. Matters that are subject to BoD resolutions according to the Articles of Incorporation

7. Other matters that are stipulated in the relevant laws and regulations to be specifically subject to BoD resolutions or approvals

8. Matters that are deemed required by the BoD Chair, Representative Director or three or more directors

② (Deleted on Mar. 13, 2009)

③ Directors (relevant executives if responsible executives are assigned for relevant duties)

shall report each of the following to the BoD:

1. The Company's quarterly and semiannual business results (including financial statements and consolidated financial statements)

2. Quarterly results of deliberation made by the committees under the BoD

3. Reporting on operational practices of the Internal accounting control system and on the evaluation of operational practices of the Internal accounting control system

4. Reporting on achievements and plans regarding the autonomous compliance program

5. Other matters that are stipulated in the relevant laws and regulations to be specifically subject to BoD reporting.

6. Matters that are deemed required by the BoD Chair, Representative Director or three or more directors

7. Execution items set forth in the proviso in Article 11 Paragraph 1 Sub-paragraph 3 Items.

④ Specific conditions for the foregoing items 1 to 3 can be determined by the relevant company regulations



## **Article 12. Delegation**

- ① The BoD shall delegate its authority to determine and execute matters that are subject to BoD's resolution except for the matters stipulated by the relevant laws and regulations, Articles of Incorporation or this Regulations.
- ② The Representative Director may, within the range of authority delegated by the BoD, delegate the foregoing matters to responsible executives who shall be entrusted to perform the duties or act on behalf of the Representative Director.
- ③ If the Representative Director becomes unable to perform his/her duties due to unavoidable circumstances, the director designated by the Representative Director shall perform the duties on his/her behalf. In case no director is designated by the Representative Director, arrangements shall be determined by the BoD.

## **Article 13 (Right to Require Submission of Materials, etc.)**

- ① Where necessary in connection with deliberation of an agenda, the Board of Directors may request an executive or employee who is not a member of the Board of Directors, or a 3rd party, etc. to attend a meeting of the Board of Directors, submit relevant materials, present opinion, etc.
- ② Where necessary, the Board of Directors may seek advice from experts, etc. at the expense of the Company.

## **Article 14. Ex Post Facto Approval (Deleted on Mar. 13, 2009)**

## **Article 15. Assessment of the Board of Directors**

- ① The Board of Directors will assess its activities each year.
- ② To ensure objectivity and fairness, the Board of Directors may engage a 3rd party organization, etc. to assess its activities.
- ① Specific details of assessment of the Board of Directors such as items subject to assessment and authorized assessor, etc. will be provided for by the Board of Directors.

## **Article 16. Meeting Minutes and Maintenance**

- ① Meeting minutes can be created and stored for BoD meetings and meetings of the committees under the BoD, respectively.
- ② The Secretary shall record meeting agenda, proceedings, outcomes, dissenters and their reasons in the meeting minutes. All the directors who attended the meetings shall seal or sign the minutes.
- ③ The Secretary shall keep the meeting minutes under permanent storage.

## **Article 17. Secretariat and Secretary of the Board of Directors**

- ① The BoD shall have BoD Secretariat to carry out administrative works for the BoD.
- ② The BoD Secretariat shall be under the BoD Chair's command and supervision, and provides assistance to each director.
- ③ The BoD Secretariat shall be composed of one secretary-general and Secretariat staff, and the Representative Director shall appoint the secretary-general and Secretariat staff based on the job assignment regulations.
- ④ The secretary-general shall assume the role of BoD Secretary and he/she shall designate one of the Secretariat staff as a Secretary assistant to fulfill the duties on behalf of the Secretary.
- ⑤ The BoD Secretarial can ask all the organizations in the Company for cooperation for duties in relation to the BoD and committees under the BoD (excluding the Audit Committee), and the organization which was asked to provide cooperation shall readily provide assistance accordingly.

## **Addendum**

1. The Regulations is entered into force as of Jan. 01, 1977.
2. The Regulations is amended and executed on Sep. 01, 1977.
3. The Regulations is entered into force as of May 01, 1979.
4. The Regulations is amended and executed on Feb. 28, 1985.
5. The Regulations is amended and executed on Feb. 28, 1997.
6. The Regulations is amended and executed on Mar. 17, 2000.
7. The Regulations is amended and executed on Jan. 29, 2001.
8. The Regulations is amended and executed on Mar. 10, 2004.
9. The Regulations is amended and executed on Feb. 22, 2005.
10. The Regulations is amended and executed on Apr. 04, 2005.
11. The Regulations is amended and executed on Jul. 31, 2007.
12. The Regulations is amended and executed on Apr. 25, 2008.
13. The Regulations is amended and executed on Mar. 13, 2009.
14. The Regulations is amended and executed on Mar. 23, 2012. However, amendments to Article 5, Article 7.5, Article 11.①.2, Article 11.①.5 and Article 11.③.1 shall be entered into force as of Apr. 15, 2012
15. The Regulations is amended and executed on Sep. 29, 2014.
16. The Regulations is amended and executed on Mar. 24, 2017.
17. The Regulations is amended and executed on Mar. 29, 2021.
18. The Regulations is amended and executed on Mar. 29, 2022.
19. The Regulations is amended and executed on Mar. 29, 2023.