

Strategy·ESG Committee Regulations

July. 9, 2024



Strategy-ESG Committee Regulations

Category code	
Responsible Dept.	Strategy Team of Strategy Planning Division, Business Support HQ
Amendment History	Established on May 04, 2021
	1st amendment on Mar. 29, 2022
	2nd amendment on Mar. 29, 2023
	3rd amendment on Mar. 27, 2024
	4th amendment on Jul. 7, 2024

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Strategy-ESG Committee Regulations

Article 1. Purpose

- ① The purpose of the Regulations is to stipulate requirements for efficient composition and operation of the Strategy-ESG Committee (Strategy-Environmental, Social and Governance Committee, hereinafter “the Committee”).
- ② Matters related to the composition and operation of the Committee that are not specified in the Articles of Incorporation or the Regulations of the Board of Directors (hereinafter “the BoD Regulations”) shall follow the Regulations.

Article 2. Functions

As a pre-deliberation body for key issues that require the Company’s decision, the Committee shall review and analyze strategies and major matters related to Environment, Social Value and Corporate Governance so as to facilitate the Company’s long-term sustainable growth.

Article 3. Composition

- ① The Committee shall be composed of all outside directors and one or more director who is not an outside director.
- ② The term of office for the Committee Commissioners (hereinafter “the Commissioners”) shall be their tenure of office.

Article 4. Chair

- ① The Committee Chair (hereinafter “the Chair”) shall be elected by the Committee from one of the Commissioners, and the Chair shall represent the Committee and lead the Committee meetings.
- ② The Chair shall report the outcomes of the Committee’s pre-deliberations or discussions according to the Regulations.
- ③ If the Chair becomes unable to perform his/her duties due to unavoidable circumstances, a member shall be designated by the Committee to perform the duties on behalf of the Chair. However, the meeting for the appointment of the acting Chair shall be led by a senior commissioner.

Article 5. Convocation

- ① The Committee meetings shall be convened by the Chair.
- ② Each Commissioner may ask the Chair to convene a committee meeting by informing the Chair of the agenda and reasons for convocation.
- ③ When convening a committee meeting, all commissioners shall be informed of

the date/time, venue and submitted agenda in writing, via e-mail or verbally at least 2 days in advance. However, the aforementioned period can be shortened in the event of an emergency.

- ④ The convocation procedure described in Article 5.③ can be omitted to hold a committee meeting upon unanimous agreement of all the Commissioners.

Article 6. Resolution Methods

- ① The Committee resolutions shall be made with the presence of the majority of the Commissioners and the consent of the majority of those present at the meeting.
- ② The Committee may allow all or some of the Commissioners to participate in the resolution process via remote communications through which all the Commissioners can send and receive their voices at the same time. In this case, the Commissioners who participated via the remote communications shall be deemed to have attended the meeting in person.

Article 7. Items for Pre-deliberation

- ① The Committee shall review the following strategies and matters related to the Company's business plan before submitting its report on them to the BoD.
 - 1. The Company's mid- to long-term strategies
 - 2. The Company's business plans
 - 3. (Deleted on Mar. 29, 2023)
- ② The Committee shall review the following investments and matters related to business planning before submitting its report on them to the BoD.
 - 1. 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)
 - 2. 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.)
 - 3. 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.

4. Dissolution or merger of the Company
- ③ The Committee shall review the following matters related to accounting and financial management before submitting its report on them to the BoD.
 1. Issuance of new stocks
 2. Issuance of private loans
 3. Capital decrease
 4. 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.
 5. Any loan in the amount exceeding 1.5% of the Company's equity capital at the end of the previous fiscal year (excluding short-term loans for less than a year).
- ④ The Committee shall review the following matters related to internal transaction before submitting its report on them to the BoD.
 1. 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).
 2. 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.
- ⑤ The Committee may review any business matters that have a significant impact on the Company's strategy, evaluation, etc. among other matters before submitting its report on them to the BoD.

Article 8. Discussions

The Committee may discuss the following matters.

1. Key business strategies of the Company and its descendant companies.
2. The Company's business driving strategies by industry
3. The Company's activities aimed at promoting social value
4. Other matters related to the Company's business that have a significant impact on its strategy, evaluation, etc.

Article 9. Request Right for Data Submission, etc.

- ① The Committee may request the relevant executives, employees and outsiders to attend the meetings, submit relevant data and/or state their opinions when required for carrying out its duties.

- ② Where necessary, the Committee may seek advice from experts, etc. at the expense of the Company.

Article 10. Administrative Organization

- ① The secretarial organization of the Committee will be the Strategic Team in charge of Strategy Planning and the secretary will be the person in charge of Strategy Planning.
- ② The administrative organization shall be under the Committee Chair's command and supervision to provide assistance to the Commissioners and process the Committee's business in general according to the Chair's instructions.
- ③ The administrative organization may ask for cooperation from the SV leading team in Sustainability Management Division, if necessary, so that the Committee can efficiently carry out its duties.

Article 11. Meeting Minutes

- ① The administrative organization shall create minutes of the Committee meetings and keep them.
- ② The Secretary shall record meeting agenda, proceedings, outcomes, dissenters and their reasons in the meeting minutes. All the Commissioners who attended the meetings shall seal or sign the minutes.

Article 12. Amendments to the Regulations

The Regulations may be amended pursuant to the BoD's resolution.

Addendum

1. The Regulations shall enter into force as of May 04, 2021.
2. The Regulations shall enter into force as of Mar 29, 2022.
3. The Regulations shall enter into force as of Mar 29, 2023.
4. The Regulations shall enter into force as of Mar 27, 2024.
5. The Regulations shall enter into force as of Jul 9, 2024.