

# Articles of Incorporation

**Version 43.0**



*ECO Hub  
332, Pangyo-ro, Bundang-gu, Seongnam-si,  
Gyeonggi-do, Republic of Korea*

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# Articles of Incorporation

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February 26, 1974	2 <sup>nd</sup> Amendment	Version 3.0
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February 28, 1978	8 <sup>th</sup> Amendment	Version 9.0
February 29, 1980	9 <sup>th</sup> Amendment	Version 10.0
February 28, 1985	10 <sup>th</sup> Amendment	Version 11.0
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March 14, 2008	33 <sup>rd</sup> Amendment	Version 34.0
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## PREAMBLE

The ultimate purpose of business management shall be the happiness of Company members.

As key players within business management, the members shall pursue sustainable happiness by cultivating the happiness of members and stakeholders. For this purpose, the Company shall establish its management philosophy as follows and implement its business management based thereon.

The Company, which is the foundation from which its members can grow a culture of happiness, shall continue to pursue sustainable growth and stability. To this end, the members shall simultaneously pursue the happiness of the members and that of the stakeholders.

The value that the Company creates toward the happiness of its stakeholders is social value. By creating social value, the Company will increase its economic value and build a trusted relationship with its stakeholders.

The Company shall gain the trust of its customers through consistent and successful delivery of shared values and then, ultimately, harmonious growth together.

The Company shall build a fair and competitive business ecosystem together with business partners and lead mutual development through a virtuous circle of cooperation based on this ecosystem.

The Company shall raise its corporate value by continuously creating shareholder value.



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The Company shall grow together with society through a range of social value such as environmental protection, job creation, quality of life improvement, and contributions to local communities.

All members shall strive to achieve harmony and balance that align with the happiness of the stakeholders. At the same time, the members shall consider both the present and future to achieve sustainable, long-term happiness of its stakeholders (amended on March 27, 2020).





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## CHAPTER 1 GENERAL PROVISIONS

### Article 1. Corporate Name

The name of the Company shall be “SK discovery Jusik Hoesa” (hereinafter referred to as the “Company”) in Korean, which shall be written in English as “SK discovery Co., Ltd.” (amended on December 1, 2017).

### Article 1-2. Corporate Governance Charter

The Company must continue to strive to establish transparent and sound corporate governance. For this purpose, the Company shall constitute a Corporate Governance Charter encompassing its willingness and measures to advance corporate governance and implement the charter (newly established on March 31, 2021).

### Article 2. Objective

The objective of the Company shall be to engage in the following business activities (amended on December 1, 2017):

1. Business of a holding company by acquiring and owning the stocks and shares of the subsidiary companies to engage in controlling, providing guidance for the management of, reorganizing and cultivating the various businesses of such subsidiary companies;
2. Funding and business support for subsidiaries, etc.;
3. Financing for funding subsidiaries, etc.;
4. Business support for joint development and sales of products or services, and joint operation of facilities and IT systems with subsidiaries, etc.;
5. Developing IT systems, providing facilities for subsidiaries, etc., and related consulting businesses;
6. Management and supervision of intellectual property rights, including but not limited to, brand and trademark rights, and licensing business;
7. Market research, management consulting, and consulting business;



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8. Research and technology development and technology information provision business;
9. Advertising businesses including agency business for domestic and foreign advertising and production and sales of advertisements;
10. Sales and related service business of intangible assets, including but not limited to, knowledge and information owned by the Company;
11. Real estate sales and rental business;
12. Operation of and investment in medical institutions (newly established on November 1, 2006); and
13. All other businesses relating to, or are incidental to, above business area.

### **Article 3. Location of Head Office and Branch Offices**

- ① The Company shall have its head office in Seongnam-si, Gyeonggi-do, Republic of Korea (amended on March 18, 2011).
- ② The Company may establish, transfer or close branches in accordance with resolutions of the Board of Directors.

### **Article 4. Method of Public Notice**

Public notices of the Company shall be made through the Company's website (<http://www.skdiscovery.com>); provided, however, that in case of network failure or other unavoidable circumstances that does not permit notice through the Company's website, public notice shall be made through the *Maeil Business Newspaper*, a Korean daily newspaper with general circulation in Seoul, Republic of Korea (amended on December 1, 2017).

## **CHAPTER 2. SHARES AND BONDS**

### **Article 5. Total Number of Authorized Shares to be Issued**

The total number of shares to be issued by the Company shall be fifty million (50,000,000) shares (amended on December 1, 2017).



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## Article 6. Par Value of a Share

The par value of a share issued by the Company shall be five thousand (5,000) KRW per share.

## Article 7. Classes of Shares

The classes of shares to be issued by the Company shall be common shares and different classes of shares, both in registered form (amended on March 28, 2019).

### Article 7-2. Electronic Registration of Rights to be Indicated on Shares and Subscription Right Certificates, etc.

- ① In lieu of issuing share and subscription right certificates, the Company shall electronically register rights to be indicated on shares and subscription right certificates in an electronic registry's electronic register; provided, however, that the Company may not electronically register such rights to be indicated on shares and subscription right certificates that are not required to be electronically registered under the applicable laws (newly established on March 28, 2019).
- ② Share certificates shall be issued by the Company in eight denominations of one (1), five (5), ten (10), fifty (50), one hundred (100), five hundred (500), one thousand (1,000), and ten thousand (10,000) shares.

### Article 7-3. Number and Characteristics of Preferred Shares

- ① The registered preferred shares to be issued by the Company shall be of non-participating, non-cumulative, indefinite period and non-voting right, and the total number of such shares shall be ten million (10,000,000) shares.
- ② For preferred shares without voting rights, the Company shall pay 1% more dividend per annum of its par value than dividends for common shares.
- ③ In case of dividends on preferred shares under Paragraph 2 above, dividends may not be paid on preferred shares if no dividends are paid on common shares.



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- ④ In case of capital increase with or without consideration, preferred shares of the same type and characteristics are allocated; provided, however, the Board of Directors may determine to issue only one type of common shares in case of capital increase with or without consideration, and in this case, the common shares shall be allocated to the preferred shares.
- ⑤ If a resolution not to pay dividends on preferred shares is adopted, then the preferred shares shall be deemed to have voting rights from the time of the General Meeting of Shareholders following the General Meeting of Shareholders, at which such resolution not to pay dividends on preferred shares is adopted to the time of the end of the General Meeting of Shareholders, at which a resolution to pay dividends on such preferred shares is adopted.

## Article 8. Preemptive Right

- ① Shareholders shall have preemptive rights to subscribe for the new shares that may be issued by the Company, in proportion to their respective shareholdings.
- ② Notwithstanding the provision of Paragraph 1 above, the new shares may be issued to any third person(s) other than the Company's existing shareholders under the following cases:
  1. When the Company issues new shares to members of the Employee Stock Ownership Association, pursuant to the relevant laws and regulations, such as the Commercial Act;
  2. When the Company issues new shares in accordance with the issuance of stock depository receipt (DR), pursuant to the relevant laws and regulations, such as the Commercial Act;
  3. When the Company issues new shares through public offering by a resolution of the Board of Directors, pursuant to the relevant laws and regulations, such as the Commercial Act;
  4. When the Company issues new shares as a result of the exercise of stock options, pursuant to the relevant laws and regulations, such as the Commercial Act;
  5. When the Company issues new shares to a foreign joint venture for certain business purpose;



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6. When the Company issues new shares to financial institutions or investors, domestic and overseas, for emergency financing;
  7. When the Company issues new shares to one of its business partners in order to acquire a certain technology;
  8. When the Company issues new shares to its officers or employees for certain business purpose; and
  9. When the Company issues new shares due to the exercise of employee stock options in accordance with Article 39 of the Framework Act on Labor Welfare (newly established on March 18, 2016).
- ③ Notwithstanding the provision of Paragraph 1 and 2 above, the new shares may be issued to any third person(s) other than the Company's existing shareholders by a resolution of the Board of Directors under the following cases: to meet holding company requirements or regulations under the Monopoly Regulation and Fair Trade Act; to implement the business of a holding company under the said Act; and to receive an in-kind investment of the Company's issued shares from a subsidiary or other company's shareholders (newly established on December 1, 2017).
  - ④ Shares that occur when a shareholder waives or forfeits his/her preemptive rights to subscribe for new shares or fractional shares that occur in the course of allocating new shares will be dealt with as determined by a resolution of the Board of Directors.
  - ⑤ In case of issuance of new shares to any third person(s) other than the Company's existing shareholders pursuant to Paragraphs 2 and 3, the matters stipulated in Article 416, Subparagraphs 1, 2, 2-2, 3, and 4 of the Commercial Act must be notified or announced to shareholders at least two weeks prior to the payment due date. However, in accordance with Article 165-9 of the Financial Investment Services and Capital Markets Act, a report on major issues may be disclosed to the Financial Services Commission and the Korea Exchange in lieu of notification and public notice (amended on December 1, 2017).



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## Article 8-2. Issuance of Shares at the Current Value

- ① The Company may issue all or part of the new shares at their current value, in which case the price of new shares shall be determined by a resolution of the Board of Directors.
- ② In case of Paragraph 1 above, notwithstanding the provisions of Article 8, the Board of Directors may offer new shares publicly issued or have the subscribers take over at current value in accordance with the provisions of relevant laws and regulations, such as the Commercial Act.

## Article 8-3. Dividend Dates on New Shares

New shares that were issued for dividend payments or issued as a result of capital increase with or without consideration shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year when the shares thereof were issued.

## Article 8-4. Capital Increase by Public Offering, etc.

- ① The Company may issue new shares by public offering through the resolution of the Board of Directors to the extent not exceeding 25/100 of the total number of issued and outstanding shares, in accordance with Article 165-6 of the Financial Investment Services and Capital Markets Act.
- ② In case of issuance of new shares pursuant to Article 8, Paragraph 2, Subparagraph 6 or 8, the Company may issue new shares through the resolution of the Board of Directors to the extent not exceeding 25/100 of the total number of issued and outstanding shares.
- ③ In case of issuance of new shares pursuant to Paragraph 1 and 2 above, the Company may determine the type, the total number, and the price of shares to be issued through the resolution of the Board of Directors.

## Article 8-5. Stock Options

- ① The Company may grant the stock options up to the extent not exceeding 20/100 of the total number of issued and outstanding shares as permitted by relevant laws and regulations



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to its officers and employees who have contributed to or have the ability to contribute to the establishment, management, overseas sales or technological innovation of the Company, and those who with qualifications prescribed by relevant laws and regulations pursuant to stock options under Article 542-3 of the Commercial Act by a special resolution of the General Meeting of Shareholders. Notwithstanding the foregoing, the Company may grant stock options by a resolution of the Board of Directors, to the extent of not exceeding 10/100 of the total number of issued and outstanding shares and up to the limit as permitted by relevant laws and regulations (amended on December 1, 2017).

- ② (deleted on March 11, 2005)
- ③ The shares to be delivered upon exercise of stock options shall be common shares and different classes of shares in registered form (amended on March 31, 2021).
- ④ The stock options may be exercised by the date set at the General Meeting of Shareholders or by the Board of Directors within a period of seven (7) years commencing from the date when the relevant officer or employee is entitled to exercise such stock options.
- ⑤ Officers and employees who are granted stock options are entitled to exercise the stock options only if they have been in office in the Company or employed by the Company at least for two (2) years from the date of the resolution mentioned in Paragraph 1 above; provided, however, that, if the said grantee dies or resigns due to a reason not attributable to such person(s) from the Company within two (2) years from the date of the resolution mentioned in Paragraph 1 above, the stock options may be exercised within the period originally set for exercising the same.
- ⑥ The payment of dividends on the new shares issued by the exercise of stock options shall be in accordance with the provision of Article 8-3.
- ⑦ In the following cases, the Board of Directors may adopt a resolution to cancel stock options that were previously granted:
  1. In case stock option grantees retire or resign voluntarily from the Company;
  2. In case stock option grantees purposely or accidentally cause serious damage(s) to the Company;



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3. In case the Company has filed for bankruptcy or liquidation, making stock options not exercisable; or

4. When any of the “reasons for cancellation” stipulated in the Stock Option Grant Contract arises.

## Article 8-6. Cancellation of Shares

The Company may cancel the Company's shares as stipulated by relevant laws and regulations.

## Article 8-7. Employee Stock Purchase Plan

- ① The Company may grant the employee stock purchase plan, in accordance with the Framework Act on Labor Welfare, up to the limit permitted by relevant laws and regulations to its employees by a special resolution of the General Meeting of Shareholders or by a resolution of the Board of Directors.
- ② The shares to be issued or transferred upon exercise of employee stock purchase plan shall be common shares in registered form.
- ③ In the following cases, the Board of Directors may adopt a resolution to cancel employee stock purchase plan that were previously granted:
  1. When the Company is unable to respond to the exercise of an employee stock purchase plan due to bankruptcy or dissolution of the Company;
  2. When a member of the Employee Stock Ownership Association who is granted an employee stock purchase plan causes serious damage to the Company intentionally or negligently; or
  3. When any other reasons for cancellation as stipulated in the agreement for granting the employee stock purchase plan occur.
- ④ The payment of dividends on the new shares issued by the exercise of employee stock purchase plan shall be in accordance with the provision of Article 8-3 (newly established on March 18, 2016).





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## Article 9. Payment of Share Price

The subscriber who does not pay the share price by the due date forfeits his/her right and the Company may claim compensation for damages caused by the non-payment based on a resolution of the Board of Directors.

## Article 10. Transfer Agent

- ① The Company shall designate a transfer agent by a resolution of the Board of Directors and entrust the transfer service of the Company and keep the shareholder register of the Company at the transfer agent's office.
- ② The transfer service in the Paragraph above 1 refers to the business of each of the following Subparagraphs:
  1. To record and maintain the shareholder register and accompanying books;
  2. To transfer shares, register or cancel the right of pledge, and register or cancel the property in trust;
  3. To issue share certificates;
  4. To register shares electronically (newly established on March 28, 2018); and
  5. To manage other share related affairs.
- ③ Procedures in dealing with the matters mentioned in Paragraph 2 above shall be in accordance with the relevant regulations on the transfer of shares by the transfer agent.
- ④ The provisions of the Paragraph 3 above shall apply mutatis mutandis to the issuance of bonds.

## Article 11. Reporting of Name, Address and Seal or Signature of Shareholders, etc.

- ① Shareholders or those who have registered the right of pledge and designated agent shall report to the transfer agent mentioned in Article 10 their names, addresses, and seals/specimen signatures; provided, however, that the foregoing shall not apply with respect to the shares that are electronically registered pursuant to Article 7-2 (amended on March 28, 2019).



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- ② All shareholders and those who have registered the right of pledge residing overseas shall designate and report to the transfer agent his/her provisional address and agent to which and to whom notices may be given by the Company within the Republic of Korea, and the same shall apply with any change(s); provided, however; that the foregoing shall not apply with respect to the shares that are electronically registered pursuant to Article 7-2 (amended on March 28, 2019).
- ③ The legal agent shall report and submit a document proving his/her authority of representation, and the same shall apply with any change(s).
- ④ The Company shall not be held responsible for any damage caused by negligence in reporting in each of the preceding Paragraphs.

## **Article 12. Closing of the Shareholders Register and Record Date**

- ① Shareholders registered on the shareholders register as of December 31 of each year shall be deemed by the Company to be the shareholders who may exercise their rights at the corresponding settlement period's General Meeting of Shareholders.
- ② The Company may, by a resolution of the Board of Directors, set a record date for convening an Extraordinary General Meeting of Shareholders or any other cause to finalize the shareholders or those with the right of pledge, who may exercise their rights (amended on March 27, 2020).

## **Article 13. Issuance of Corporate Bonds**

The Company may issue bonds upon a resolution of the Board of Directors; provided, however, that the Board of Directors may determine the amount and type of bonds and delegate to the Representative Director to issue such bonds within such period not exceeding one (1) year.



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## Article 13-2. Issuance of Convertible Bonds

- ① The Company may issue convertible bonds to any person(s) other than the Company's shareholders to the extent that their aggregate par value of the bonds shall not exceed two hundred billion (200,000,000,000) KRW.
- ② As for the convertible bonds referred to in Paragraph 1 above, the Board of Directors may also issue such bonds on condition that only a part thereof be granted the right to convert to capital shares.
- ③ Upon conversion, from the aggregate par value of convertible bonds referred to in Paragraph 1 above, common shares may be issued up to one hundred fifty billion (150,000,000,000) KRW and preferred shares may be issued up to fifty billion (50,000,000,000) KRW, and the conversion price, which shall not be less than the par value of each share, shall be determined by a resolution of the Board of Directors at the time of issuance of the convertible bonds.
- ④ For Paragraph 1 above, the period during which conversion rights may be exercised shall commence on the issuance date of the relevant convertible bonds and end on the date immediately preceding the redemption date thereof; provided, however, that the Board of Directors may adjust the conversion right period within the above period by a resolution.
- ⑤ With respect to the distribution of dividends or interest on the shares issued upon conversion of the convertible bonds described in Paragraph 1, the convertible bonds shall be deemed to have been converted into shares at the end of the fiscal year immediately preceding the fiscal year in which the relevant conversion rights are exercised.

## Article 14. Issuance of Bonds with Warrants

- ① The Company may issue bonds with warrants to any person(s) other than the Company's shareholders to the extent that their aggregate par value of the bonds shall not exceed one hundred billion (100,000,000,000) KRW.
- ② As for the bonds with warrants referred to in Paragraph 1 above, the aggregate value of new shares which may be subscribed for by the holders of the bonds with warrants shall be



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determined by the Board of Directors; provided, however, that the amount of such new shares shall not exceed the aggregate par value of the bonds with warrants.

- ③ Upon exercising the warrants, from the aggregate par amount of bonds with warrants, common shares may be issued up to eighty billion (80,000,000,000) KRW and preferred shares may be issued up to twenty billion (20,000,000,000) KRW, and the issue price, which shall not be less than the par value of each share, shall be determined by a resolution of the Board of Directors at the time of issuance of the bonds with warrants.
- ④ For Paragraph 1 above, the period during which the warrants may be exercised shall commence on the issuance date of the relevant bonds with warrants and end on the date immediately preceding the redemption date thereof. However, the Board of Directors may adjust the exercise period within the above period by a resolution.
- ⑤ With respect to the distribution of dividends or interest of shareholders who exercise the warrants described in Paragraph 1, shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year in which the subscription price therefor are fully paid.

## **Article 14-2. Electronic Registration of Rights to be Indicated on Bonds and Subscription Warrants**

In lieu of issuing bond certificates and subscription warrants, the Company shall electronically register rights to be indicated on bonds and subscription warrants in an electronic registry's electronic register; provided, however, that the Company may not electronically register such rights to be indicated on bonds and subscription warrants that are not required to be electronically registered under the relevant laws and regulations (newly established on March 28, 2019).

## CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS

### Article 15. Convocation of General Meeting of Shareholders

- ① General Meetings of the Shareholders of the Company shall be of two types: Ordinary and Extraordinary.
- ② Ordinary General Meeting of Shareholders shall be convened within three (3) months after the end of each fiscal year.
- ③ Extraordinary General Meetings of Shareholders shall be convened at any time, if deemed necessary, as stipulated by a resolution of the Board of Directors and relevant laws and regulations.
- ④ In convening a General Meeting of Shareholders, a written or digital notice thereof setting forth the time, date, place, and agenda of the Meeting, shall be sent to each shareholder at least two (2) weeks prior to the date of the Meeting. In lieu of written or digital notice of convening General Meeting of Shareholders to shareholders holding not more than one (1) percent of the total number of shares with voting rights issued and outstanding shall be replaced by public notices given respectively at least twice in the *Maeil Business Newspaper* and the *Kukminilbo* published in Seoul, two (2) weeks prior to the Meeting, or by public notices via electronic disclosure system at the Financial Supervisory Service or the Korea Exchange. The public notices of a Meeting shall include the statement that a General Meeting will be held and the agenda of the Meeting (amended on December 1, 2017).
- ⑤ General Meetings of Shareholders shall be held at the place where the head office of the Company is located or in Seoul.



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## Article 16. Person Authorized to Convene General Meeting of Shareholders

- ① Except as otherwise provided by the relevant laws and regulations, General Meetings of Shareholders shall be convened by the Representative Director in accordance with a resolution of the Board of Directors.
- ② In the absence or vacancy of the Representative Director, the provision of Article 26, Paragraph 3 shall apply mutatis mutandis.

## Article 17. Chairperson of General Meeting of Shareholders

- ① The Chairperson of the General Meeting of Shareholders shall be the Representative Director.
- ② If the Representative Director is absent or unable to serve as the Chairperson, another director shall serve as the Chairperson in the order previously resolved by the Board of Directors (amended on March 11, 2005).

## Article 17-2. Chairperson's Authority to Maintain Order

- ① The Chairperson of the General Meeting of Shareholders may order any person who intentionally speaks or behaves obstructively or who disturbs the proceedings of the Meeting to stop or retract a speech or to leave the place of Meeting.
- ② The Chairperson of the General Meeting of Shareholders may restrict time and number of speeches by a shareholder, if deemed necessary for the purpose of smooth proceeding of the Meeting.

## Article 18. Voting Rights of Shareholders

Each shareholder shall have one (1) vote for per share registered by his/her own name; provided, however, that shares whose voting rights are restricted by relevant laws and regulations do not have voting rights.



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## Article 19. Method of Adopting Resolutions

- ① All resolutions of the General Meetings of Shareholders, except as otherwise provided by the relevant laws and regulations, shall be adopted by affirmative votes of the majority of the voting rights of shareholders present and such majority also represents at least one-fourth (1/4) of the total number of issued and outstanding shares.
- ② (deleted on March 11, 2005).

## Article 20. Exercise of Voting Rights by Proxy

Shareholders may exercise their voting rights by proxy. The proxy must present documents evidencing his/her power of representation prior to the opening of the General Meeting of Shareholders.

## Article 21. Minutes of General Meeting of Shareholders

The proceedings and the results of the General Meeting of Shareholders shall be recorded in minutes, which shall be kept in the head office and branches of the Company after the Chairperson and all directors present at the Meeting have signed their names or affixed seal impressions of their names on the minutes.

## CHAPTER 4. DIRECTORS AND THE BOARD OF DIRECTORS

### Article 22. Number of Directors and Method of Appointment

- ① The Company shall have not more than ten (10) directors, all of whom shall be appointed at the General Meeting of Shareholders (amended on March 10, 2006).
- ② In case a director is appointed at the General Meeting of Shareholders, notwithstanding the provisions of Article 382-2 of the Commercial Act, each shareholder has one (1) voting right per share.



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- ③ The director shall be appointed by affirmative votes of the majority of the voting rights of shareholders present and such majority also represents at least one-fourth (1/4) of the total number of issued and outstanding shares.
- ④ A certain number of directors shall consist of outside directors; the number, requirements, and other details that need to be considered in managing outside directors shall be decided by a resolution of the Board of Directors along with relevant laws and regulations.

## **Article 23. Term of Office**

The term of office of directors shall be three (3) years; provided, however, that such term of office shall be extended until the close of the annual General Meeting of Shareholders convened in respect of the last period for the settlement of accounts comprised in their term of office if their term of office expires after the end of the said last period for the settlement of accounts but before the close of the said Meeting.

## **Article 24. Appointment of Directors in Case of Vacancy**

- ① In the event that the number of directors as stipulated in Article 383, Paragraph 1 of the Commercial Act or the number of outside directors as stipulated in Article 542-8, Paragraph 1 of the Commercial Act, falls under due to reasons such as resignation or death during the term of office of a director, the successor to the director is appointed by vacancy at the first General Meeting of Shareholders convened after such cause occurs (amended on December 1, 2017).
- ② The term of the successor director appointed by vacancy pursuant to Paragraph 1 above shall be the remaining term of the predecessor director (newly established on December 1, 2017).

## **Article 25. Appointment of the Representative Director**

The Company shall appoint a Representative Director among its directors by a resolution of the Board of Directors (amended on March 11, 2005).





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## Article 26. Duties of Directors

- ① A director shall perform his/her duties by authorities and responsibilities granted by the Commercial Act, related laws and regulations and the Articles of Incorporation (newly established on March 11, 2005).
- ② The Representative Director shall represent the Company and shall manage all affairs of the Company by authorities granted by the Board of Directors (newly established on March 11, 2005).
- ③ In the event that the Representative Director is absent, a director who was previously designated by the Representative Director shall serve as the Representative Director (amended on March 11, 2005).

## Article 27. Board of Directors

- ① The Board of Directors of the Company shall consist of directors and resolve all important matters relating to the execution of business.
- ② The Board of Directors shall have a general meeting of the Board of Directors and a special meeting of the Board of Directors, and general meetings shall be convened at least once a quarter, and special meetings at any time if necessary (newly established on March 10, 2006).

## Article 28. Chairperson of the Board of Directors

Chairperson of the Board of Directors shall be determined by the Board of Directors (amended on March 24, 2017).

## Article 29. Convocation of the Board of Directors' Meeting

- ① The Board of Directors shall convene a meeting by the Chairperson of the Board of Directors giving notice to each director seven (7) days prior to the meeting, but the notice period may be shortened in case of urgency (amended on March 31, 2021).



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- ② Notwithstanding Paragraph 2 above, the meeting of the Board of Directors may be convened at any time with a unanimous agreement of all directors.

## **Article 30. Method of Resolutions of the Board of Directors**

- ① A quorum for holding a meeting of the Board of Directors shall be a majority of all directors in office and all resolutions of the Board of Directors shall be adopted by the affirmative votes of a majority of directors present at the meeting. However, resolutions of the Board of Directors on matters falling under Articles 397-2 and 398 of the Commercial Act shall be adopted by a two-thirds (2/3) majority of the directors.
- ② The Board of Directors shall allow all or some directors to participate in the resolution process of the Board of Directors through the means of communication that allows simultaneous audio transmission, in lieu of attending such a meeting in person; such directors shall be deemed to have attended the meeting of the Board of Directors.

## **Article 31. Minutes of the Board of Directors' Meeting**

- ① The agenda for all Board of Directors' meeting shall be recorded in the minutes.
- ② The minutes shall include the agenda, the substance of the proceedings of the Board and the result thereof, name(s) of director(s) who raise(s) an objection to the Board resolution and the reason therefor. Names and seals of the directors present shall be affixed or signed by such persons in the minutes.

## **Article 32. Compensations**

- ① Remuneration for the directors shall be determined by a resolution of the General Meeting of Shareholders.
- ② Retirement allowances for directors shall be handled in accordance with the Regulation on Remuneration Allowance for Officers as adopted by a resolution of the General Meeting of Shareholders (amended on March 18, 2016).



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## Article 32-2. Committees

- ① The Company shall establish the following committees under the Board of Directors:
  1. Audit Committee;
  2. Outside Director Candidate Recommendation Committee;
  3. Management Committee (newly established on March 11, 2005); and
  4. Other committee as deemed necessary by the Board of Directors.
- ② Details concerning the composition, authority, and operation of each of such committees shall be determined by resolutions of the Board of Directors.
- ③ Articles 27, 29, 30 and 31 hereof shall apply mutatis mutandis with respect to the committee.

## Article 32-3. Management Committee

- ① Management Committee may be established pursuant to Article 32-2 by resolution of the Board of Directors.
- ② Management Committee shall perform duties as determined by the regulations and resolutions of the Board of Directors and shall review and determine matters delegated by the Board of Directors at any time.
- ③ Details concerning the composition, operation, etc. of the Management Committee shall be determined by the Board of Directors (newly established on March 11, 2005).

## Article 32-4. Outside Director Candidate Recommendation Committee

- ① Outside Director Candidate Recommendation Committee may be established pursuant to Article 32-2 by resolution of the Board of Directors.
- ② Details concerning the composition and operation, etc. of the Outside Director Candidate Recommendation Committee shall be determined by the Board of Directors (newly established on March 11, 2005).

**Article 33. (deleted on March 11, 2005)**

## CHAPTER 5. AUDIT COMMITTEE

**Article 34. Audit Committee**

- ① The Company shall establish an Audit Committee as set forth in Article 32-2, Paragraph 1 in lieu of the Auditor (amended on March 11, 2005).
- ② The Audit Committee shall be composed of at least three (3) directors.
- ③ Members of the Audit Committee shall be appointed in accordance with the relevant laws and regulations, such as the Commercial Act.
- ④ The Audit Committee shall, by its resolution, appoint a person representing the Audit Committee. In this case, it may be determined that several members jointly represent the Committee.
- ⑤ (deleted on March 11, 2005)
- ⑥ (deleted on March 11, 2005)
- ⑦ (deleted on March 11, 2005)

**Article 35. Duties of Audit Committee**

- ① The Audit Committee shall audit the Company's accounting and general operations.
- ② The Audit Committee may request the Board of Directors to convene Extraordinary General Meetings of Shareholders by submitting a written request stating the business to be dealt with at the proposed meeting and the reason for convening such a meeting.
- ③ The Audit Committee may request the Company's subsidiary(s) to make a report on its (their) operations, if the Audit Committee deems it necessary to perform its duties. In such a case, if the subsidiary(s) fails to immediately make such a report as requested or the Audit Committee deems it necessary to verify the content of the report made by the subsidiary(s), the Audit Committee shall have the right to inspect that subsidiary's operations and status of assets.



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- ④ In addition to the matters in Paragraphs 1 through 3 above, the Audit Committee shall deal with the matters delegated by the Board of Directors and matters stipulated in related laws and regulations.
- ⑤ (deleted on March 11, 2005)
- ⑥ The Audit Committee may request a director (a person who is authorized to convene the meeting of the Board of Directors, the same shall apply hereinafter) to convene the Board of Directors' Meeting by submitting a written request stating the business to be dealt with at the proposed meeting and the reason for convening such a meeting.
- ⑦ If the director fails promptly to convene the meeting of the Board of Directors upon the request set forth in Paragraph 6 above, the Audit Committee who made the request may convene the Board of Directors' Meeting with the permission of the court.

## **Article 36. Minutes of Audit**

The Audit Committee shall prepare minutes of audit with respect to the audit conducted by it. The minutes shall include the method of audit and the results thereof and shall be signed and sealed by, or shall bear the signatures of, the Audit Committee members who have conducted such audit.

## **CHAPTER 6. ACCOUNTING**

### **Article 37. Fiscal Year**

The fiscal year of the Company shall commence on January 1 and end on December 31 of each year.

### **Article 38. Preparation and Maintenance of Financial Statements, etc.**

- ① After completing year-end closing of all accounts for each fiscal year, the Representative Director of the Company shall prepare and submit to the Audit Committee for audit the following documents and their supplementary schedules together with a business report, six

(6) weeks prior to the date set for the Ordinary General Meeting of Shareholders convened for the fiscal year to which such documents are related, and shall submit the aforementioned documents and the business report to the Ordinary General Meeting of Shareholders:

1. Balance Sheet;
2. Income Statement;
3. Other documents which display the Company's financial status and management performance, as designated by the Enforcement Decree of the Commercial Act; and
4. If the Company is required to prepare consolidated financial statements under the Enforcement Decree of the Commercial Act, such consolidated financial statements shall be prepared in addition to the financial statements under Subparagraphs 1 through 3 above.

- ② The Audit Committee shall submit to the Representative Director the audit report by one (1) week prior to the Ordinary General Meeting of Shareholders.
- ③ The Company shall keep the documents referred to in Paragraph 1, together with the business report and audit report at the head office for five (5) years from one (1) week prior to the date of the Ordinary General Meeting of Shareholders, and their certified copies at branches for three (3) years.

### **Article 39. Calculation of Profit and Its Disposal**

The Company shall calculate net profit by subtracting total expenses from total revenues of each fiscal year, then add up the surplus carried forward from the previous year, and dispose of the earned surplus according to the following methods:

1. Earned surplus reserve under the Commercial Act;
2. Other statutory reserve;
3. Dividends;
4. Discretionary reserve;
5. Other disposition of earned surplus; and



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6. Earned surplus carried over to the next fiscal year.

## Article 40. Payment of Dividends

- ① Dividends shall be paid to the shareholders or pledgees who are registered in the shareholder register as of the end of each fiscal year.
- ② Dividends may be paid in cash, shares and/or other properties; provided, however, that paying dividends in shares shall not exceed an amount equivalent to half (1/2) of the total amount of dividends.
- ③ In case of paying dividends in shares, the classes and types of new shares may be determined by the resolution of the General Meeting of Shareholders, if the Company has issued different classes and types of shares.
- ④ If there is no claim for the payment of dividends for five (5) years from the date when the allotment starts, the right to claim dividends shall be deemed to be waived and the dividend with respect to which the statute of limitation has expired shall be deemed to be the earning of the Company. However, interest is not added to unpaid dividends.

## CHAPTER 7. MISCELLANEOUS

### Article 41. Adoption of Regulations, etc.

The Company may, if necessary, adopt and enforce necessary regulations for business operation and management by resolutions of the Board of Directors or methods determined by the Board of Directors.

### Article 42. Matters other than Regulations

Matters not specifically provided for herein shall be governed in conformity with the resolutions of the General Meeting of Shareholders, the relevant provisions of the Commercial Act and other relevant laws and regulations.



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## **Article 43. Promoters**

The name and address of the promoters at the time of establishment of the Company are as attached.

## **Article 44. Total Number of Shares to Be Issued at the Time of Incorporation**

The Company shall issue 112,000 shares at the time of incorporation.





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## **Addendum**

### **Article 1. Date of Enforcement**

This amended Articles of Incorporation shall be effective on and after December 1, 2017, the date of division.

## **Addendum**

### **Article 1. Date of Enforcement**

This amended Articles of Incorporation shall be effective on and after March 28, 2019, upon approval at the General Meeting of Shareholders; provided, however, that Articles 7, 7-2, 10, 11, and 14-2 as amended herein, shall be effective on and after the enforcement date of the Act on Electronic Registration of Stock, Bonds, Etc.

## **Addendum**

### **Article 1. Date of Enforcement**

This amended Articles of Incorporation shall be effective on and after March 27, 2020, upon approval at the General Meeting of Shareholders.

## **Addendum**

### **Article 1. Date of Enforcement**

This amended Articles of Incorporation shall be effective on and after March 31, 2021, upon approval at the General Meeting of Shareholders.



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## Attachment

For the establishment of the above company, the Articles of Incorporation have been prepared and all the promoters have affixed their names and seals herein below.

July 1, 1969

## Promoters

600, Jeongja-dong, Jangan-gu, Suwon-si, Gyeonggi-do, Republic of Korea

Sunkyong Chemical Fiber Co., Ltd.

Representative Director Choi Jong-kun

1, Umeda, Kita-ku, Osaka, Japan

Jein Co., Ltd.

Representative Director Otama Yasujo

7, Pyeong-dong, Gwonseon-gu, Suwon-si, Gyeonggi-do, Republic of Korea

Choi Jong-kun

49-54, Nogosan-dong, Mapo-gu, Seoul, Republic of Korea

Choi Jong-hyun

33-20, Myeongnyun-dong 1(il)-ga, Jongno-gu, Seoul, Republic of Korea

Choi Moo-hyun

8-6, Jung-dong, Paldal-gu, Suwon-si, Gyeonggi-do, Republic of Korea

Choi Jong-tae



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35-3, Maesanno 2(i)-ga, Paldal-gu, Suwon-si, Gyeonggi-do, Republic of Korea

Choi Jong-gwan