

# Regulations of the Nomination and Compensation Committee

Version 1.0



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Title

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Document #: SK discovery -Basic regulations

Version #: 1.0

Issue Date: June 25, 2021

## Adoption and Amendment History

June 25, 2021	Adoption	Version 1.0



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## CHAPTER 1. GENERAL PROVISIONS

### Article 1. Objective

The objective of these regulations shall be to set forth the matters necessary for efficient operation of the “Nomination and Compensation Committee” (hereinafter referred to as the “Committee”) in accordance with the Articles of Incorporation and the Regulations of the Board of Directors of “SK discovery Co., Ltd.” (hereinafter referred to as the “Company”).

### Article 2. Scope of Application

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

### Article 3. Authority

The Committee shall review matters related to the evaluation and retention of the Representative Director, the adequacy of remuneration for inside directors, etc., and receive reports from the Company on the results of evaluation and remuneration of key officers.

## CHAPTER 2. COMPOSITION

### Article 4. Composition

- ① Appointment of the Committee Member (hereinafter referred to as the “Member”) shall be appointed by the Board of Directors.
- ② The appointment and dismissal of the Members shall be determined by a resolution of the Board of Directors.
- ③ The term of the Members shall be the term of the directors in office, however, the term of such Members may be adjusted by a resolution of the Board of Directors.
- ④ The Committee shall be comprised of more than three (3) directors, and the majority of the



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Members shall be composed of outside directors.

## Article 5. Chairperson

- ① Chairperson of the Committee shall be appointed by the Committee, and the Chairperson shall be selected among outside directors.
- ② Chairperson shall represent the Committee and preside as the Chairperson at all the Committee meetings.
- ③ If the Chairperson is unable to serve as the Chairperson, another Member designated by the Committee shall perform duties of the Chairperson.

## CHAPTER 3. MEETING

### Article 6. Person Authorized to Convene the Meeting of the Committee

- ① The meeting of the Committee shall be convened by the Chairperson of the Committee; provided, however, that in the absence of the Chairperson, any other Member will serve as an acting Chairperson in the order stipulated in Article 5, Paragraph 3 above.
- ② Each Member may request the Chairperson to convene a meeting of the Committee, stating the agenda to be dealt with at the proposed meeting and the reason for convening such a meeting. If the Chairperson fails to convene the meeting of the Committee without a justifiable cause, the Member who made the request may convene the Committee's meeting.

### Article 7. Convocation Procedure

- ① When convening the meeting of the Committee, the date of the meeting will be decided and notified to every Member no later than seven (7) days prior to the scheduled date of the meeting.
- ② When all Members of the Committee unanimously agree, the Committee may convene the meeting of the Committee at any time without undergoing the convocation procedures



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prescribed in Paragraph 1 above.

## Article 8. Method of Resolution

- ① The quorum for the Committee meeting shall be a majority of all Members in office. All resolutions of the Committee shall be adopted by a majority of the Members present at the meeting.
- ② The Committee shall allow all or some Members to participate in the resolution process of the Committee through the means of communication that allows simultaneous video or audio transmission, in lieu of attending such a meeting in person; such Members shall be deemed to have attended the meeting of the Committee.

## Article 9. Matters to Be Reviewed

1. Evaluation of the Representative Director and the retention of his/her position based on the evaluation results;
2. Proposal of dismissal and/or appointment of the Representative Director;
3. Recommendation of candidates for the Representative Director; and
4. Adequacy of the remuneration of each inside director.

## Article 10. Matters to Be Reported

1. Results of evaluation and remuneration of key officers; and
2. Other matters deemed necessary to report to the Committee by the Company, concerning the personnel management of officers.

## Article 11. Relationship with the Board of Directors

Board of Directors shall refer to the review results of the Committee but shall not be bound by such results and opinions of the Committee.

## Article 12. Evaluation of the Representative Director, Etc.



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- ① The Committee shall conduct a performance evaluation of the Representative Director for the relevant fiscal year no later than 30 days from the end of each fiscal year during his/her term of office.
- ② The Committee shall review the adequacy of the retention of such Representative Director based on the results of the performance evaluation in Paragraph 1.
- ③ The Committee shall report the results of the performance evaluation under Paragraph 1, and the review results of the adequacy of the retention under Paragraph 2 to the Board of Directors and notify the Company.
- ④ The Committee may request the Company to submit data and offer opinions in the process of reviewing the performance evaluation and the adequacy of retention under the provisions of Paragraphs 1 and 2, and the Company shall comply therewith.

## **Article 13. Proposal of Dismissal or Appointment of the Representative Director, Etc.**

- ① If the Committee determines that the retention of the Representative Director is not appropriate as a result of the review on the performance evaluation and the adequacy of retention under Article 12, Paragraph 1 and 2, the Committee shall propose the dismissal of the Representative Director and/or the appointment of a new Representative Director to the Board of Directors by the end of the relevant fiscal year.
- ② The Chairperson shall request the Chairperson of the Board of Directors or the Representative Director to convene the Board of Directors to proceed with the dismissal of the relevant Representative Director and/or the appointment of a new Representative Director. If the Chairperson of the Board of Directors or the Representative Director rejects the request of the Chairperson to convene the meeting of the Board of Directors without justifiable reasons, the Chairperson shall convene the meeting of the Board of Directors himself/herself.

## **Article 14. Management and Recommendation of Candidates for Representative Director, Etc.**

- ① The Company shall constantly manage and keep up to date with candidates for the



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Representative Director.

- ② When requested by the Committee, the Company shall select appropriate candidates for the Representative Director among Representative Director candidates that are constantly managed and maintained and provide the list thereof (hereinafter referred to as the “Candidate List”).
- ③ The Committee shall request the Company to provide the Candidate List if it is necessary to recommend candidates for the Representative Director.
- ④ The Committee shall recommend a final candidate for the Representative Director to the Board of Directors after reviewing candidates from the Candidate List provided in accordance with Paragraph 3. In this case, the Committee may recommend a person not included in the Candidate List as a new Representative Director candidate.
- ⑤ The Committee may request the Company to submit data and offer opinions in the process of recommending a Representative Director candidate pursuant to the provisions of Paragraphs 3 and 4, and the Company shall comply therewith.

## **Article 15. Review of Remuneration for Inside Directors**

- ① The Committee shall review the annual remuneration of each inside director through the adequacy evaluation of the remuneration of each inside director and report the result to the Board of Directors.
- ② The Committee may request the Company to submit data and offer opinions in the process of reviewing the remuneration under Paragraph 1, and the Company shall comply therewith.

## **Article 16. Report of the Results of Evaluation and Remuneration of Key Officers**

- ① The Company shall report to the Committee on the results of evaluation and remuneration of key officers at least once a year.
- ② In this case, a key officer refers to an officer who has a significant impact on the Company's performance or corporate value creation, and the specific criteria for selecting such officers





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shall be assessed and determined by the Company.

## Article 17. Listening to Opinions of Concerned Parties

- ① The Committee, if necessary, may require relevant officers and employees of the Company to attend the meeting of the Committee and request the statements of opinion.
- ② The Committee, if necessary, may seek advice from external experts, etc. at the expense of the Company.

## Article 18. Meeting Minutes

- ① The proceedings and discussions of the Committee shall be documented in the minutes of meeting.
- ② The minutes of meeting shall include the agenda, the substance of the proceedings of the Committee and the result thereof, name(s) of Member(s) who raise(s) an objection to the Committee resolution and the reason therefor. Names and seals of the Members present shall be affixed or signed by such persons in the minutes.

## CHAPTER 4. MISCELLANEOUS

### Article 19. Secretariat

- ① The secretariat of the Committee shall be the Corporate Culture Office.
- ② The secretariat shall assist the Chairperson and administer the affairs of the Committee under the Chairperson's instructions.

### Article 20. Amendment and Deletion of the Regulations

The amendment or deletion of these Regulations is determined by a resolution of the Board of Directors.



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## Addendum

### Article 1. Date of Enforcement

This Regulations of the Committee shall be effective on and after June 25, 2021.