

# Corporate Governance Charter

## **【Preamble】**

SK Square Co., Ltd. (hereinafter “the Company”) shall strive to grow further to establish itself as a stable, continuously developing, and long-lasting enterprise. Through this, the Company shall create value for its customers, employees, and partners and shareholders, playing a pivotal role in social and economic development of the nation and contributing to the happiness of humankind.

The Company shall be committed to getting itself better and delivering more by generating values for shareholders in a sustained manner. In addition, it works not only to contribute to the national economic development, but also to create happiness for its stakeholders, growing together with society by generating social value for its members.

To achieve these goals, the Company sets forth Corporate Governance Charter as follows to uphold it as the overarching principle of management, and aims to establish, maintain and develop a sound and transparent corporate governance based on the Charter.

## **1. Shareholders**

By virtue of ownership of the Company, shareholders shall have the intrinsic rights as protected by the relevant laws and regulations, and be treated equally in accordance with the principle of the equal treatment of shareholders.

### **1.1 Shareholders' rights**

① Shareholders are entitled to the rights, stipulated in the Commercial Act and other relevant laws and regulations including, but not limited to, participation in the Company's profit distribution, attending and casting a vote at the general meeting of shareholders, and having access to the necessary information to exercise their rights.

② Major affairs that can bring significant impact to the Company management and the shareholders' rights such as mergers, split-offs, revisions to the articles of association or others shall be decided following the lawful and appropriate procedures such as the general meeting of shareholders, designed to guarantee and protect the shareholder's rights.

③ The Company shall provide shareholders with any necessary information about the date, place, and agenda of the general meeting of shareholders in advance. Shareholders may propose

agendas at the general meeting of shareholders pursuant to the Commercial Act, etc. At the general meeting of shareholders, shareholders can ask questions about the agenda and ask for an explanation.

## **1.2 Equitable treatment of shareholders**

- ① Shareholders shall have one voting right for each common stock, and in accordance with the standards set by the Commercial Act and other relevant laws, the Company shall treat shareholders fairly so that their essential rights are not infringed.
- ② Pursuant to relevant laws and regulations, the Company shall provide all the necessary information to shareholders timely, sufficiently and equally.
- ③ To protect shareholders from unlawful insider trading or self-dealing, the Company shall have an appropriate internal control mechanism firmly in place and disclose all the necessary transaction information in accordance with a lawful procedure.

## **1.3 Shareholders' responsibilities**

- ① Shareholders shall actively exercise their voting rights for the development of the Company.
- ② Controlling shareholders shall exercise their voting rights in a lawful and legitimate manner, and act in the interests of the Company and all shareholders.

## **2. Board of Directors**

The Board of Directors (the "Board") shall decide on important business affairs of the Company, supervise decisions of the management and the directorship, and performs its responsibilities for the interest of all stakeholders including the Company and shareholders, as pursuant to relevant laws and the articles of association.

### **2.1 Roles of the Board**

- ① The Board shall have comprehensive rights on the management of the Company, and perform management decision-making and supervision functions as stipulated by relevant laws, the

articles of association, the Regulations of the Board of Directors, etc.

② Except for important issues stipulated by relevant laws, the articles of association and the Regulations of the Board of Directors, the Board may delegate its power to CEO or committees under its control.

③ For structured risk management from the perspective of long-term corporate value, the Board shall oversee the overall risk management of the Company.

## **2.2 Composition of the Board and appointment of directors**

① The Board shall be of a size that allows for effective discussion and efficient decision-making, and independent directors shall consist of a majority of the Board to provide independent and effective supervision for the management.

② Only those with expertise and competency beneficial to the business management of the Company are appointed as directors.

③ Persons responsible for undermining the corporate value or shareholder rights and interests shall not be appointed as directors.

④ In order to ensure independence in the appointment of directors and to reflect the opinions of a majority of shareholders other than a few controlling shareholders, the Company shall adopt the cumulative voting system for appointment of directors.

## **2.3 Independent directors**

① In order to participate in the decision-making on important management policies of the Company as members of the Board and to supervise and support the management, independent directors shall be persons who can make decisions independently of the executives and controlling shareholders.

② To focus on their roles and responsibilities, independent directors shall not hold concurrent offices to an excessive extent.

③ For fair recommendations of candidates for independent directors, the Company shall operate the Independent Director Recommendation Committee. In this case, a majority of the committee members shall be independent directors.

④ The Company shall provide independent directors with sufficient information necessary for the performance of their tasks, e.g., reporting on the agenda to be submitted to the Board through a brief session before the Board meeting, etc.

⑤ Independent directors may request the Company to provide information necessary for the performance of their tasks, and if necessary, receive support from the executives, employees or external experts in accordance with the set procedures.

## **2.4 Operation of the Board**

① In principle, the Board shall hold regular Board meetings, but may hold ad-hoc Board meetings if necessary. The powers, responsibilities, and operating procedures of the Board shall be governed by the Regulations of the Board of Directors.

② The Board shall produce minutes per meetings which include the agenda, summary of progress, results, objecting directors and their reason for objection are recorded.

③ The Board shall disclose details of activities such as individual directors' participation at Board meetings including their attendance rates, votes on the agendas, and others.

## **2.5 Committees**

① In order to enhance the expertise and efficiency of performance of its duties, the Board shall establish and operate committees under the Board such as the Audit Committee, Independent Director Recommendation Committee, Governance Committee, Compensation Committee, ESG Committee, etc.

② In principle, independent directors shall account for a majority of the members of the Board's committees, but the Audit Committee shall consist of independent directors only.

③ Decisions made by the committees on issues delegated by the Board have the same effect as the Board decisions, and issues with regard to organization and operation of the committees shall be defined in the written policies.

## **2.6 Directors' duties and responsibilities**

- ① As custodians in good faith, Directors shall be strongly committed to a duty of care and a duty of loyalty when performing their tasks, and pursue the best outcomes for the Company and shareholders.
- ② Directors shall not disclose the corporate information obtained during the performance of their duties to outside or use it for their own or a third party's interests.
- ③ Directors violating relevant laws or the articles of association or neglecting their duties shall be accountable for damage or loss to the Company or third parties pursuant to relevant laws and regulations.
- ④ If a director has performed his/her tasks in the interests of the Company after a sufficient review based on the legitimate information in accordance with legitimate process, his/her decisions shall be respected.
- ⑤ In order to attract competent talents and secure effective damage compensation, the Company may purchase an indemnity liability insurance policy for directors at its expense.

## **2.7 Evaluation and remuneration**

- ① The management is assessed based on their business decisions and activities for fair evaluation, and the results shall be reflected in their salary accordingly.
- ② The remuneration of directors shall be paid within the scope approved by the general meeting of shareholders.
- ③ The Company shall disclose key executives' remuneration, payment criteria thereof, etc. pursuant to relevant laws and regulations.

## **3. Auditing Organizations**

The auditing organizations shall secure their independence from management and controlling shareholders, and audit tasks shall be led by professionals with expertise.

### **3.1 Audit Committee**

- ① The Audit Committee shall consist of independent directors only, including at least one person

with expert knowledge and insight regarding audit tasks.

② The Audit Committee shall faithfully perform the tasks stipulated by relevant laws and the articles of association, such as accounting audit, inspections on the legitimacy of works carried out by directors and executives, etc.

③ The Audit Committee shall report on the evaluation of its independence and on its main activities to the general meeting of shareholders, and the CEO shall disclose them in the business report.

④ The Audit Committee shall have full access to all information necessary for audit work, and may seek advice from external experts if necessary.

### **3.2 External auditors**

① External auditors shall fairly perform audit work independently of the Company, the management, and controlling shareholders.

② External auditors shall attend the general meeting of shareholders to answer to questions of shareholders on the audit report.

③ External auditors shall report to the Audit Committee major matters identified during external audit activities.

④ External auditors shall consider the outlook of the Company as a going concern as required by relevant laws such as the Act on External Audit of Stock Companies, etc.

## **4. Stakeholders**

① The Company shall be committed to its social responsibilities to various stakeholders such as its customers, employees, shareholders, partner companies, communities, etc.

② The Company shall protect the rights of its stakeholders under relevant laws and regulations or contracts, and abide by laws and regulations including the Labor Standards Act to keep and improve its labor conditions.

③ The Company shall facilitate the establishment of a fair market order by complying with Fair Trade Laws, and promote a balanced development of the national economy.

④ The Company shall provide its stakeholders with information necessary to protect their rights within the scope required by relevant laws and regulations. Stakeholders shall be guaranteed access to relevant information.

## **5. Compliance with fair market rules**

### **5.1 Disclosure**

① The Company discloses all the information that can have a major impact on shareholders and stakeholders promptly and accurately, through its business reports, semi-annual reports and quarterly reports, and other regular disclosure channels.

② The Company gives equal access to the information by disclosing the same information to all users concurrently to ensure a fair opportunity.

③ The Company shall include forward-looking data such as forecasts on the future business performance and financial status in its disclosure.

④ The Company shall designate disclosure officers, and an internal data sharing system shall be in place so that its crucial business information can promptly be delivered to the disclosure officers.

### **5.2 Transaction of management rights**

① Activities that can cause changes to the corporate management rights such as acquisitions, mergers, split-off, business transfer, etc. shall be done through transparent and fair procedures.

② The Company shall not sacrifice the interest of the Company or shareholders in the process of defending its management rights for the sake of certain shareholders or the management.

③ The Company shall grant the stock option right to a shareholder based on the fair equivalent value as dictated in the laws and regulations, in the event the shareholder is against a major structural changes such as merger, business transfer, etc. and wants to exercise the right.