

Management Council Regulation

Article 1 (Purpose)

The purpose of this regulation is to establish the efficient operation standards of SK Square Co., Ltd. (hereinafter referred to as the “company”) labor-management council based on trust between labor and management. It also aims to contribute to the development of the company and the improvement of the social and economic status of workers by establishing fair labor-management relations and promoting the common interests of labor and management.

Article 2 (Name)

The name of the labor-management council is SK Square Co., Ltd. Management Council (hereinafter referred to as the “council”).

Article 3 (Obligation of good faith)

Worker and employer shall faithfully engage in the operation of the council based on mutual trust.

Article 4 (Composition of council)

① Composition

A council shall be composed of the same numbers of members representing workers (hereinafter referred to as “workers’ members”) and members representing employers (hereinafter referred to as “employers’ members”), and each number of members shall be not less than 3 and not more than 10 persons.

② Election of workers’ members

1. The workers’ members shall be elected among candidates who have obtained a majority of votes by direct, secret, and secret ballot by workers. If priority is required, the majority of votes in favor are ordered, and when the number of votes is the same, the long-term employee of SK is determined as the elected candidate.
2. Notwithstanding subparagraph 1, if there is a labor union organized by a majority or workers, the representative of the labor union and the person commissioned by the labor union shall be considered.
3. A workers’ member who intends to run for office shall be recommended by at least 10 workers in the company.
4. Among those who have not been elected as a workers’ member under subparagraphs 1 or 2, a list of runners-up in the order of the majority of votes is prepared and kept, and vacancies among workers’ members can be filled according to their rank in the list without a by-election.

③ Appointment of employers’ members

The employers' members shall be a representative of the business or workplace concerned and persons commissioned by such representative.

④ Term of office of members

1. The term of office of a member shall be three years and he/she may be reelected or recommissioned.
2. The term of office of a member elected or commissioned to fill the vacancy of a member shall be the remaining term of the relevant predecessor.
3. A member shall continue to perform his/her duties until his/her successor is elected or commissioned, even when the term of his/her office has expired.

⑤ Chairperson

1. A council shall have a chairperson, and the chairperson shall be elected from mutual vote from among members. Provided, if it is deemed necessary, each one from workers' members and employers' members may be co-chairpersons.
2. The chairperson shall represent the relevant council and exercise overall control of its affairs.

⑥ Secretary

1. Both workers and employers shall appoint one secretary respectively to be in charge of clerical work, such as recording the results of meetings.
2. The secretary is appointed from among the members.

⑦ Status of members

1. Members shall be non-standing and non-paid basis.
2. Any employer shall not take an unfavorable disposition against any workers' member in connection with the performance of duty as a member of a council.
3. Hours for which a member attends a council and hours are directly related thereto shall be regarded as hours devoted to work.

Article 5. (Operation of council)

① Holding a meetings

1. The meeting of the council shall have regular and temporary meetings.
2. Regular meetings shall be held every three months (quarterly).
3. In principle, a temporary meeting is held when the representative from labor or management requests the convening of the meeting by specifying the purpose of the meeting in writing.

② Convocation of meetings

1. The chairperson shall convene and preside over meetings of a council.
2. The chairperson shall notify each member of the date, time, place, agenda, etc. of a meeting 7 days before the opening of the meeting.

③ Quorum

A meeting shall open with the attendance of respective majorities of workers' members and employers' members, and the consent of at least 2/3 of the members present.

④ Opening of meetings

A meeting of a council shall be open to the public. Provided, it may not be open to the public upon a resolution of the council.

⑤ Duty of confidentiality

Members of a council shall not divulge any confidential matter which they come to know at a meeting of the council. Provided, the scope of confidentiality is determined by the council.

⑥ Keeping of minutes

1. A council shall draw up and keep minutes recording matters falling under any of the following subparagraphs.
 1. Date, time and place of each meeting
 2. Members present at each meeting
 3. Contents of consultation, and matters decided at each meeting
 4. Other matters discussed
2. Minutes referred to in paragraph 1 shall be kept for three years from the date they are drawn up.

Article 6 (Functions of Council)

① Matters for consultation

Matters requiring consultation by a council shall be as any of the following subparagraphs.

1. Improvement of productivity and distribution of results achieved
2. Recruitment, placement, education and training of workers
3. Settlement of workers' grievances
4. Safety, health and improvement of other working environment, and promotion of workers' health
5. Improvement of personnel and labor management systems
6. General rules of employment adjustment, such as manpower transposition, retraining and dismissal due to managerial or technological reasons

7. Administration of working hours and recess hours
8. Improvement of systems for payment mode, system, structure, etc. of remuneration
9. Introduction of new machinery and technologies, or improvement of work processes
10. Establishment or amendment of work rules
11. Employee stock ownership plan and other assistance to increase workers' property
12. Matters on remuneration to relevant worker for an employee invention, etc.
13. Improvement of workers' welfare
14. Installation of surveillance equipment for workers within a workplace
15. Protection of motherhood for women workers and matters to help combine work and home life
16. Prevention of sexual harassment on the job under subparagraph 2 of Article 2 of the Equal Employment Opportunity and Work-Family Balance Assistance Act and sexual harassment by clients, etc.
17. Prevention of workplace harassment under Article 76-2 of the Labor Standards Act
18. Other matters regarding cooperation between labor and management

② Matters for resolution

With respect to matters falling under any one of the following subparagraphs, an employer shall undergo a resolution by the council.

1. Establishment of a basic plan for education and training and ability development of workers
2. Establishment and management of welfare facilities
3. Establishment of an in-house employee welfare fund
4. Matters which are not resolved by the grievance settlement committee
5. Establishment of various labor-management joint committees

③ Matters for reports

1. An employer shall report or explain in good faith matters falling under any one of the following subparagraphs at the regular meeting.
 1. Matters concerning overall management plans and actual results
 2. Matters concerning quarterly production plans and actual results
 3. Matters concerning manpower plans
 4. Economic and financial conditions of enterprise
2. Workers' members may report or explain workers' demands.
3. In cases where an employer fails to report or explain matters under subparagraph 1,

workers' members may require the employer to submit material falling under any subparagraph of the same paragraph, and the employer shall comply with such requirement in good faith.

④ Public notice of matters resolved

A council shall, without delay, publicly notify workers of matters resolved by it through in-house broadcasting, in-house newsletter, posting, or other appropriate methods.

⑤ Implementation of matters resolved

Workers and employers shall implement in good faith and comply with the matters resolved by a council.

⑥ Voluntary arbitration

1. In the cases falling under any one of the following subparagraphs, a council may settle disputes by having an arbitration body within the council to be established by agreement between workers' members and employers' members, or refer such dispute to a labor relations commission or other third party for arbitration.

1. Where a council fails to pass a resolution with regard to matters for resolution referred to in Article 6 ②

2. Where there is any disagreement on interpretation or implementation methods, etc. for matters resolved by the council

2. When an arbitration award is rendered as referred to in paragraph 1, it shall be deemed to have undergone a resolution by a council, and workers and employers shall comply with such award.

Article 7 (Grievance settlement)

① Grievance settlement committee member

Company shall have a grievance settlement committee member to hear and handle workers' grievances.

② Composition of grievance settlement committee, etc.

1. The grievance settlement committee members shall be held concurrently by a member of the management council.

2. The term of the office of the grievance settlement committee shall apply mutatis mutandis to the term of office of the management council members.

③ Grievance settlement procedure

1. Upon hearing from a worker about grievances, a grievance settlement committee shall notify the worker concerned of the contents of any measure taken and other results of handling within then days from the date of hearing.

2. Any matters shall, if deemed difficult for a grievance settlement committee to deal with,

be referred to a council for settlement through consultation.

④ Status and handling of grievance committee

1. A member shall be non-standing and non-paid basis.
2. Any employer shall not take an unfavorable disposition against any workers' member in connection with the performance of duty as a member of a grievance committee.
3. Hours for which required for grievance settlement, such as consultation and investigation, shall be regarded as hours devoted to work.

⑤ Keeping a register

A grievance settlement committee member shall draw up and keep a register for one year.

Addenda

Article 1 (Enforcement date) This regulation is effective from the date of registration of establishment of this company.

Article 2 (Revision of regulations) Matters concerning the opening and closing of this regulation are made by the resolution of the management council.