

Regulations of the Audit Committee

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 “Audit Committee” (hereinafter referred to as the “Committee”) in accordance with the Articles of Incorporation and the Regulations of the Board of Directors of “SK bioscience 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 the Regulations of the Board of Directors.

Article 3. Authority

- ① The Committee shall audit the accounts and corporate affairs of the Company.
- ② The Committee may at any time request a director to report on business or investigate the Company's property.
- ③ In addition to Paragraphs 1 and 2, the Committee shall deal with matters stipulated in related laws and regulations, or the Articles of Incorporation and matters delegated by the Board of Directors.

CHAPTER 2. COMPOSITION

Article 4. Composition

- ① Appointment and dismissal of the Committee Member (hereinafter referred to as the “Member”) shall be decided by the General Meeting of Shareholders.

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- ② The Committee shall be comprised of more than three (3) directors and at least one (1) of the Committee Members shall be an expert in accounting or finance in accordance with the Commercial Act.
- ③ At least two-thirds (2/3) of the Members shall be composed of outside directors, and Members who are not outside directors shall meet the requirements of Article 542-10, Paragraph 2 of the Commercial Act.
- ④ The term of office of the Committee Member shall be finished when the term of the Member's directorship expires.
- ⑤ If the number of outside directors as stipulated in Paragraphs 2 and 3 above falls under due to reasons such as resignation or death during the term of office of a director, the vacancy shall be filled to meet the composition requirement of the Committee at the first General Meeting of Shareholders convened after such cause occurs.

Article 5. Chairperson

- ① The Chairperson of the Committee shall be appointed by a resolution of the Committee pursuant to Article 8, Paragraph 1, and the Chairperson shall be selected among outside directors.
- ② The 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

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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 at any time without undergoing the procedures prescribed in Paragraph 1 above.
- ③ The Committee may decide to postpone or continue the meeting of the Committee. In this case, the convocation procedure may be omitted.

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. In this case, 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 audio transmission, in lieu of attending such a meeting in person; such Members shall be deemed to have attended the meeting of the Committee.
- ① Appointment or change or dismissal of independent auditor (hereinafter referred to as auditor) shall be adopted by a majority of the Members present at the meeting when more than two-thirds (2/3) of all Members in office attend the meeting.
- ② Only the Chairperson and Members of the Committee shall have voting rights; provided,

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however, that each director who is not a Member of the Committee shall not have a voting right but may attend the Committee meeting and state their opinions if necessary.

- ③ Any Committee Member who has a special interest in the agenda of the Committee shall not exercise his/her voting rights for the resolution of the Committee. The number of votes that cannot be exercised shall not be included in the number of votes attending Committee Members.

Article 9. Agenda

Matters to be referred to the Committee are as follows:

1. Matters concerning the General Meeting of Shareholders:
 - A. Request for convening of Extraordinary General Meeting of Shareholders; and
 - B. Statement of agenda and documents of the General Meeting of Shareholders.
2. Matters concerning directors and the Board of Directors:
 - A. Duty of reporting to the Board of Directors;
 - B. Preparation and submission of audit reports;
 - C. Request for injunction against illegal acts of directors;
 - D. Request for business reporting to directors;
 - E. Matters delegated by the Board of Directors.
3. Matters concerning audit:
 - A. Investigation of business and property;
 - B. Investigation of subsidiaries;
 - C. Receipt of reports from directors;
 - D. Representation in lawsuits between directors and the Company;
 - E. Decision on whether to file a lawsuit upon request from minority shareholders against a director;
 - F. Approval for appointment, change or dismissal of auditor;
 - G. Receipt of reports from auditor on directors' fraudulent acts in performing their

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duties or on their violation of laws or the Articles of Incorporation;

- H. Receipt of reports from the auditor on the Company's violation of the accounting guidelines, etc.; and
- I. Approval for adoption and amendment of internal accounting management regulations (drawing up and managing the reasons for adoption and amendment in documents (including electronic documents)).

Article 9-2. Operation of Internal Accounting Management System, Etc.

- ① The Representative Director shall report the operation status of the internal accounting management system to the Committee every fiscal year as stipulated by relevant laws; provided, however, that if the Representative Director deems it necessary, the internal accounting manager may report it.
- ② In the case of the delegation of reporting to the internal accounting manager pursuant to the proviso to Paragraph 1, the reason therefor shall be submitted in writing to the Committee before such reporting.
- ③ The Committee shall hold a face-to-face meeting to evaluate the operation status of the internal accounting management system, and shall prepare and manage the results in a document (hereinafter referred to as the "Evaluation Report of the Internal Accounting Management System").
- ④ The Committee shall present the Evaluation Report of the Internal Accounting Management System to the Board of Directors in person at least one (1) week before the annual General Meeting of Shareholders.

Article 9-3. Appointment of Auditor

- ① The Committee shall prepare evaluation guidelines and procedures necessary for the appointment of an auditor.
- ② The Committee shall hold a face-to-face meeting for the appointment of an auditor and

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document the evaluation results, etc.

- ③ When appointing an auditor, the Committee shall document matters related to the audit fee, audit time, and audit personnel, and shall confirm the compliance of audit reports submitted by the auditor.
- ④ In addition to Paragraphs 1 through 3, the Committee shall appoint an auditor in compliance with relevant laws and in case of appointment of auditor in accordance with the relevant laws, the relevant laws shall prevail over other regulations.

Article 10. Listening to Opinions of Concerned Parties

- ① The Committee, if necessary, may require relevant officers and employees of the Company or the auditor 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 11. Obligation for Notice

- ① The Committee shall notify each director of the resolution within three (3) days from the date when the resolution is made.
- ② Directors who have received the notice in Paragraph 1 above and directors present at the Committee meeting may request the convening of a meeting of the Board of Directors.
- ③ The matters that the Committee deems necessary to refer to the Board of Directors as important matters of the Company among the matters submitted to the Committee may be referred to a meeting of the Board of Directors; provided, however, that to clarify the Audit Committee's resolution cannot be resolved again by the Board of Directors.

Article 12. Meeting Minute

- ① The proceedings and discussions of the Committee shall be documented in the minutes of meeting.

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- 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 13. Securing Independence

The Committee shall review matters that may affect the independence of independent auditor, including major matters concerning the relationship between the auditor and the Company, and may present appropriate opinions to the Board of Directors to secure the independence of the independent auditor.

Article 14. Exchange of Opinions

The Committee shall maintain a close cooperative relationship with the auditor and strive to achieve the audit purpose by utilizing the auditor's audit plan, procedures, and results.

Article 15. Establishment of Department in Charge, Etc.

- ① The Committee may establish and operate a department in charge of assisting the Committee or utilize the Company's internal audit department to efficiently perform duties.
- ② The Committee may establish separate guidelines for other necessary matters, such as the establishment and operation of a department in charge, the appointment of specialists, operating expenses, etc.

Article 16. Preparation of Audit Minutes

- ① The Committee shall prepare an audit minute for each audit.
- ② The audit minute shall include the method to conduct the audit and results thereof, and the

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member who has conducted such audit shall affix his/her seal or signature thereon.

Article 17. 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 October 29, 2020.