

Regulations of the Board of Directors

Version 2.0



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Title

Regulations of the Board of Directors


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	Title	
	Regulations of the Board of Directors	
Document #: SK bioscience -Basic regulations	Version #: 2.0	Issue Date: October 29, 2020

CONTENTS

CHAPTER 1. GENERAL PROVISIONS.....	5
Article 1. Objective	5
Article 2. Scope of Application.....	5
Article 3. Composition and Authority.....	5
Article 3-2. Authority of Outside Director.....	5
Article 3-3. Implementation of the Management Philosophy	5
CHAPTER 2. MEETING.....	6
Article 4. Quorum	6
Article 5. Board of Directors.....	6
Article 6. Chairperson	6
Article 7. Convocation	7
Article 8. Request for Convocation.....	7
Article 9. Notice of Convocation	7
Article 10. Report from the Audit Committee	8
CHAPTER 3. DUTIES	8
Article 11. Agenda	8
Article 11-2. Approval of Internal Transactions, Etc.....	11
Article 11-3. Committees under the Board of Directors	12
Article 12. Authority to Supervise the Execution of Duties for Directors.....	12
Article 13. Delegation of Matters	13
Article 14. Matters to be Reported.....	13
Article 14-2. Attendance of Related Persons	13
Article 15. Ex Post Facto Approval	14
CHAPTER 4. RESOLUTION.....	14
Article 16. Method of Resolution.....	14

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

Article 17. Voting Rights 14

Article 18. Restriction of Voting Rights 15


CHAPTER 5. MISCELLANEOUS 15

Article 19. Meeting Minutes 15

Article 20. Preservation, Viewing and Issuance of Minutes, Etc..... 15

Article 21. Secretary..... 16

ADDENDUM 17

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

CHAPTER 1. GENERAL PROVISIONS

Article 1. Objective

The objective of these regulations shall be to set forth the matters necessary for composition and operation of the Board of Directors of “SK bioscience Co., Ltd.” (hereafter “Company”).

Article 2. Scope of Application

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

Article 3. Composition and Authority


- ① The Board of Directors shall be comprised of all directors.
- ② The Board of Directors shall adopt resolution on matters prescribed by relevant laws or the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, the basic policies of Company management, and other important matters in connection with the execution of business.
- ③ The Board of Directors shall supervise the director’s execution of his/her duties.

Article 3-2. Authority of Outside Director

- ① As a director, an outside director shall have the due diligence with good faith for the overall business of the company.
- ② Outside directors may request the provision of management information or explanations from the Representative Director and executive officers of the Company.

Article 3-3. Implementation of the Management Philosophy

- ① The Board of Directors shall develop implementation strategies for the concrete realization of the management philosophy of the Company and continuously disseminate and develop

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

such strategies.

- ② The Board of Directors shall conduct business based on the management philosophy of the Company and shall maintain and develop the unique corporate culture of SK by implementing the same.
- ③ The Board of Directors shall endeavor to enhance the brand value in the use of the SK brand.
- ④ If necessary for maintenance and development of the brand value and corporate culture of SK, the Board of Directors shall establish and implement a mutual cooperation plan with other companies that share the SK brand and corporate culture.

CHAPTER 2. MEETING


Article 4. Quorum

The meeting of the Board of Directors shall be validly constituted when a majority of the current directors are present.

Article 5. Board of Directors

- ① The meeting of the Board of Directors shall consist of a general meeting of the Board of Directors and a special meeting of the Board of Directors.
- ② In principle, the general meeting of the Board of Directors shall be convened at least once every quarter.
- ③ The special meeting of the Board of Directors shall be convened at any time in the following cases:
 1. When there is a request for a convocation under Article 8, Paragraph 2; and
 2. When there is a case that the Chairperson deems it necessary.

Article 6. Chairperson

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

- ① The Chairperson of the Board of Directors shall be appointed by the Board of Directors and shall preside as Chairperson at all Board of Directors meetings.
- ② If the Chairperson is unable to serve as the Chairperson, another director appointed by the Chairperson or a resolution of the Board of Directors (if and only if no such director is appointed by the Chairperson) shall perform duties of the Chairperson.

Article 7. Convocation


The meeting of the Board of Directors shall be convened by the Chairperson of the Board of Directors.

Article 8. Request for Convocation

- ① Each director may request to convene the meeting of the Board of Directors.
- ② If there is a written request of at least one-third (1/3) of the total number of directors excluding the person with the power to convene the meeting of the Board of Directors, the person with the authority to convene the meeting of the Board of Directors may not refuse or withhold it.
- ③ In principle, the request to convene the meeting of the Board of Directors must be made two (2) weeks before the date of the meeting of the Board of Directors; provided, however, that the case of emergency shall be exception.

Article 9. Notice of Convocation

- ① The notice to convene the meeting of the Board of Directors shall be given to each director by sending the written notice of convocation of the meeting of the Board of Directors or via telephone, fax, e-mail, etc. at least five (5) days prior to the date set for such meeting; provided, however, that in case of emergency, the notice may be given by the date immediately preceding the date set for such meeting.
- ② Upon unanimous written consent of all directors, the Board of Directors meeting may be

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

held without undertaking the procedure set forth in Paragraph 1 above.

Article 10. Report from the Audit Committee


When a member of the Audit Committee recognizes that a director has acted in violation of laws or the Articles of Incorporation or is likely to commit such act, he/she shall report it to the Board of Directors.

CHAPTER 3. DUTIES


Article 11. Agenda

Matters to be referred to the Board of Directors are as follows:


1. Matters concerning the General Meeting of Shareholders:
 - A. Convocation of a General Meeting of Shareholders;
 - B. Approval of financial statements and business reports;
 - C. Amendment of the Articles of Incorporation;
 - D. Appointment and dismissal of directors;
 - E. Appointment and dismissal of Audit Committee members;
 - F. Determination of the limit of remuneration for directors;
 - G. Decrease in capital;
 - H. Comprehensive share exchange and transfer, dissolution, merger, division, merger through division, and continuation of the Company;
 - I. Transfer, acquisition, and lease of businesses as follows:
 - (1) Transfer of the whole or a substantial part of the business of the Company;
 - (2) Conclusion, alteration or rescission of a contract for lease of the whole business, entrusting the operations thereof, or for sharing with another person the entire profits and losses from the business or of a similar contract;
 - (3) Acquisition of the whole of business of another company by the Company; and

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

- (4) Acquisition of any part of business of another company which significantly affects the business of the Company.
- J. Issuance of shares at price below par;
 - K. Consolidation of shares; and
 - L. Other agenda to be referred to the General Meeting of Shareholders.
2. Matters concerning the management of the Company:
- A. Appointment or dismissal of managers;
 - B. Establishment, relocation or abolishment of branch offices;
 - C. Resolution of shareholder register and record date;
 - D. Adoption, amendment or abolishment of the Regulations of the Board of Directors, and the regulations of each committee under the Board of Directors;
 - E. Adoption, amendment or abolishment of the regulations of internal accounting management;
 - F. Investment in new facilities, facility expansion, and research and development at a value of 2% or more of the Company's equity capital at the end of the previous fiscal year;
 - G. Establishment and revision of business management system for implementation of the management philosophy which is reflected in the Article 3-3 of these regulations;
 - H. Any donation of one (1) billion KRW or above; provided, however, that donations made for emergency relief due to natural disasters including typhoon, flood, fire and earthquake or according to the Community Chest of Korea Act can be executed first and reported later;
 - I. Establishment of the Company's safety and health plan approved by the Board of Directors as prescribed in the Occupational Safety and Health Act; and
 - J. Resolutions and changes to other key agenda concerning the management of the Company.
3. Matters concerning finance:

	Title	
	<h2>Regulations of the Board of Directors</h2>	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

- A. Issuance of new shares;
 - B. Capitalization of reserves;
 - C. Issuance of bonds;
 - D. Designation and change of the transfer agent;
 - E. Issuance of convertible bonds and bonds with warrants;
 - F. Responsibility for the liabilities, acquisitions, and disposal of assets at a value of 2% or more of the Company's equity capital at the end of the previous fiscal year as the following cases:
 - (1) Taking new loans with a maturity of longer than one (1) year;
 - (2) Provision of security and guarantee of indebtedness;
 - (3) Financing and leasing to other corporations; and
 - (4) Acquisition and disposal of assets.
4. Matters concerning the personnel and organization management of the Company:
- A. Appointment of the Representative Director;
 - B. In case the Representative Director is absent or unable to serve as the Representative Director, determination of the director to preside at the General Meeting of Shareholders and the meeting of the Board of Directors;
 - C. Appointment of the Chair of the Board of Directors;
 - D. Approval of director's engagement in competitive business;
 - E. Approval of transactions between directors, etc. and the Company as stipulated in Article 398 of the Commercial Act;
 - F. Grant or cancellation of stock option and employee stock purchase plan;
 - G. Enrollment in officers' liability insurance, and introduction of other relief measures against officers' liabilities;
 - H. Approval for use of Company's business opportunities, etc. as stipulated in Article 397-2 of the Commercial Act;
 - I. Matters related to composition, establishment, and operation of each committee


	Title	
	<h2>Regulations of the Board of Directors</h2>	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

under the Board of Directors, and appointment and dismissal of members of each committee excluding Audit Committee; and

- J. Appointment and dismissal of compliance officer and establishment or amendment of compliance guidelines.
- 5. Other matters prescribed in the relevant laws or the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, and important matters deemed necessary by the Representative Director(s).

Article 11-2. Approval of Internal Transactions, Etc.

- ① The Board of Directors shall deliberate on and approve managerial matters specified in each of the subparagraphs below:
 - 1. Any of the following in excess of the scale of 5/100 of the greater of the capital or total capital, or over five (5) billion KRW, which shall be requiring approval of the Board of Directors as prescribed in the Monopoly Regulation and Fair Trade Act:
 - A. Provision or transaction of funds, securities, or assets to or for any specially related persons; and
 - B. Provision or transaction of goods or services to or for an affiliated company or its subsidiary in which the same person has invested 20% or more alone or in combination with relatives of the same person based on the total amount of quarterly transactions.
 - 2. Transactions with the largest shareholder and specially related persons of the Company, which shall be requiring approval of the Board of Directors as prescribed in the Commercial Act.
- ② For the purposes of Paragraph 1, a resolution passed at the committee (limited to the committee that is comprised of at least three (3) outside directors, as defined in Article 9, Paragraph 3 of the Financial Investment Services and Capital Markets Act, and the number of outside directors is at least two-thirds (2/3) of all members of the committee) established

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

pursuant to Article 393-2 of the Commercial Act shall be deemed a resolution passed at a meeting of the Board of Directors.

Article 11-3. Committees under the Board of Directors


- ① The Board of Directors may establish all types of committees under the Board of Directors in accordance with the Articles of Incorporation for a quick and efficient decision making:
 1. Audit Committee;
 2. Outside Director Candidate Recommendation Committee;
 3. Management Committee; and
 4. Other committees, if necessary, established by the resolution of the Board of Directors.

- ② The Board of Directors may delegate its authority to such committees except for the following:
 1. Proposal of matters requiring approval of the General Meeting of Shareholders;
 2. Appointment and dismissal of the Representative Director;
 3. Establishment of committee and appointment and dismissal of such committee;
 and
 4. Other matters prescribed by the Articles of Incorporation.

- ③ Details regarding the composition, authority, operation, etc. of the committees within the Board of Directors shall follow the regulations and operating guidelines of each committee.

Article 12. Authority to Supervise the Execution of Duties for Directors

- ① As each director performs the responsible duties, the Board of Directors may request the submission, investigation, or explanation of the relevant materials of the director, if the Board of Directors acknowledge that such director has violated the laws or the Articles of Incorporation, handled the tasks in a substantially unlawful manner, or there is a risk of such handling.

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

- ② In case of Paragraph 1, the Board of Directors may request the suspension or change of performance of the relevant duty.

Article 13. Delegation of Matters

The decision on the following matters is delegated to the Representative Director:

1. Matters related to all the Company affairs except for those stipulated in laws or the Articles of Incorporation and other than specified in Article 11;
2. Matters delegated with the decision to the Representative Director by the resolution of the Board of Directors; and
3. Details of the implementation of matters resolved by the Board of Directors.


Article 14. Matters to be Reported

The following matters shall be reported to the Board of Directors:

1. Execution process of resolutions and approvals of the Board of Directors and their results;
2. Activities of the committees under the Board of Directors;
3. Annual business plan and revisions;
4. Important business matters of each department;
5. Operational status of internal accounting management system;
6. Result of inspection on compliance with compliance guidelines; and
7. Other matters deemed necessary by the Board of Directors.

Article 14-2. Attendance of Related Persons

The Committee, if necessary, may require relevant officers and employees of the Company or third party to attend the meeting of the Committee and request the submission of relevant materials or statements of opinion.

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

Article 15. Ex Post Facto Approval

- ① Matters requiring the resolution of the Board of Directors may be implemented without a resolution of the Board of Directors if the Representative Director deems it urgently necessary; provided, however, that the Representative Director must immediately convene the meeting of the Board of Directors and report the progress and results and obtain approval.
- ② If the approval of the Paragraph 1 above is not obtained, the internal measures lose their effect from then on.


CHAPTER 4. RESOLUTION

Article 16. Method of Resolution

- ① The quorum for the Board of Directors meeting shall be a majority of all directors in office. All resolutions of the Board of Directors shall be adopted by a majority of the directors present at the meeting; provided, however, that resolution on any matters falling under Article 11, Subparagraph 4, E, and H of these regulations shall be adopted by two-thirds (2/3) of all directors in office.
- 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 17. Voting Rights

- ① Each director shall have one (1) voting right.
- ② The voting right of a director shall not be exercised by a proxy.

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

Article 18. Restriction of Voting Rights

- ① Any director who is an interested party to matters subject to the resolution of the Board of Directors shall not exercise his/her voting right.
- ② The director who is not allowed to exercise his/her voting right in accordance with Paragraph 1 above shall not be counted as an effective vote for the relevant agenda.


CHAPTER 5. MISCELLANEOUS

Article 19. Meeting Minutes

The agenda for all Board of Directors meetings shall be recorded in the minutes. 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 20. Preservation, Viewing and Issuance of Minutes, Etc.

- ① Minutes of the meeting of the Board of Directors and its agendas, etc. shall be preserved in the secretariat.
- ② The secretariat shall be in charge of viewing and issuing the minutes of the Board of Directors.
- ③ Shareholders may request for access or a duplicate of the minutes of the meeting of the Board of Directors during business hours.
- ④ The Company may reject a request in Paragraph 3 above for a reason. In this case, the shareholder may access or make a duplicate of the minutes of the meeting of the Board of Directors upon obtaining approval from the court.

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

Article 21. Secretary

- ① The Board of Directors shall have secretary to administer the affairs for the Board of Directors.
- ② The secretary, under the direction and supervision of the Chairperson, oversees the affairs related to all procedures of convening the meeting of the Board of Directors, such as notice of the convocation of the meeting of the Board of Directors, and the affairs of the secretariat related to the minutes of the Board of Directors.

	Title	
	Regulations of the Board of Directors	
	Document #: SK bioscience -Basic regulations	Issue Date: October 29, 2020
	Version #: 2.0	

Addendum

Article 1. Date of Enforcement

This Regulations of the Board of Directors shall be effective on and after December 11, 2018.

Addendum

Article 1. Date of Enforcement

This amended Regulations of the Board of Directors shall be effective on and after October 29, 2020.

Article 2. Standards for Equity Capital

The standard for equity capital used in these regulations shall be as stipulated in the disclosure regulations of the securities market.