

# Articles of Incorporation

**Version 6.0**



*310, Pangyo-ro, Bundang-gu, Seongnam-si,  
Gyeonggi-do, Republic of Korea*

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# Articles of Incorporation

Document #: SK bioscience -Basic regulations

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## PREAMBLE

The ultimate purpose of business management shall be the happiness of Company members. As key players within business management, the members shall pursue sustainable happiness by the happiness of members and stakeholders. For this purpose, the Company shall establish its management philosophy as follows and implement its business management based thereon.

The Company, which is the foundation from which its members can grow a culture of happiness, shall continue to pursue sustainable growth and stability. To this end, the members shall simultaneously pursue the happiness of the members and that of the stakeholders.

The value that the Company creates toward the happiness of its stakeholders is social value. By creating social value, the Company will increase its economic value and build a trusted relationship with its stakeholders.

The Company shall gain the trust of its customers through consistent and successful delivery of shared values and then, ultimately, harmonious growth together.

The Company shall build a fair and competitive business ecosystem together with business partners and lead mutual development through a virtuous circle of cooperation based on this ecosystem.

The Company shall raise its corporate value by continuously creating shareholder value.

The Company shall grow together with society through a range of social value such as environmental protection, job creation, quality of life improvement, and contributions to local communities.



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All members shall strive to achieve harmony and balance that align with the happiness of the stakeholders. At the same time, the members shall consider both the present and future to achieve sustainable, long-term happiness of its stakeholders (amended on March 27, 2020).



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## CHAPTER 1 GENERAL PROVISIONS

### Article 1. Corporate Name

The name of the Company shall be “SK bioscience Jusik Hoesa” in Korean, which shall be written in English as “SK bioscience Co., Ltd.” (abbreviated as “SKBS”) (hereinafter referred to as the “Company”) (amended on October 29, 2020).

### Article 2. Objective

The objective of the Company shall be to engage in the following business activities:

1. Research, development, manufacturing, processing, commercialization, distribution, import/export and sales business of vaccine pharmaceuticals, etc.;
2. Research, development, manufacturing, processing, commercialization, distribution, import/export and sales of biological pharmaceuticals, etc.;
3. Research, development, manufacturing, processing, commercialization, distribution, import/export and sales of genetically engineered pharmaceuticals, etc.;
4. Research, development, manufacturing, processing, commercialization, distribution, import/export and sales of biopharmaceuticals, etc.;
5. Distribution and wholesale business of finished pharmaceuticals and raw material medicines;
6. Manufacturing and sales of sanitary products, medical equipment, and medical devices;
7. Research and development of biotechnology and biopharmaceuticals;
8. Joint research and development, contract development and manufacturing, and service business with other domestic and foreign institutions;
9. Contract research, development and manufacturing business;
10. Real estate rental business;
11. E-commerce business, service business through the Internet;
12. Leasing of intellectual property rights such as trademarks and patents related to each of the foregoing subparagraphs;





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13. Design, engineering, construction and operation of facilities necessary for the implementation of the businesses, product manufacturing and research of each of the foregoing subparagraphs (amended March 25, 2019);
14. Manufacture, purchase, sale and import/export of machinery and equipment related to each of the foregoing subparagraphs (newly established on March 25, 2019);
15. Technical service business related to each of the foregoing subparagraphs (newly established on March 25, 2019); and
16. Any business and investment related to, necessary for, or concomitant of each of the foregoing subparagraphs.

### **Article 3. Location of Head Office and Branch Offices**

The Company shall have its head office in Seongnam-si, Gyeonggi-do, Republic of Korea. The Company may establish branches, sales offices, and subsidiaries at home and abroad, as the business necessity arises in accordance with resolutions of the Board of Directors pursuant to this Articles of Incorporation.

### **Article 4. Method of Public Notice**

Public notices of the Company shall be made through the Company's website (<http://www.skbioscience.co.kr>); provided, however, that in case of network failure or other unavoidable circumstances that does not permit notice through the Company's website, public notice shall be made through the *Maeil Business Newspaper*, a Korean daily newspaper with general circulation in Seoul, Republic of Korea.

## **CHAPTER 2. SHARES AND BONDS**



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## Article 5. Total Number of Authorized Shares to be Issued

The total number of shares to be issued (hereinafter referred to as the "Authorized Shares") by the Company shall be three hundred million (300,000,000) shares (amended on October 29, 2020).

## Article 6. Par Value of a Share

The par value of a share issued by the Company shall be five hundred (500) KRW per share.

## Article 7. Total Number of Shares to be Issued at the Time of Incorporation

The total number of shares to be issued by the Company at the time of Incorporation shall be two million (2,000,000) shares.

## Article 8. Classes of Shares

- ① The classes of shares to be issued by the Company shall be common shares and different classes of shares, both in registered form.
- ② The different classes of shares to be issued by the Company shall be preferred shares for dividends, preferred shares without voting rights, redeemable shares, convertible shares, or mixed shares of partial or whole classes of the foregoing (newly established on October 29, 2020).

### Article 8-2. Number and Characteristics of Preferred Shares without Voting Rights

- ① The Company may issue preferred stocks without voting rights (hereinafter referred to as "Preferred Shares"), and the total number of such shares shall be less than 1/4 of the total number of issued and outstanding shares.
- ② For Preferred Shares, the Company shall pay dividends in cash earlier than dividends for common shares, at the rate which shall be based on the par value, as determined by the Board of Directors at the time of issuance thereof.



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- ③ Whether participating or non-participating, cumulative or non-cumulative for Preferred Shares shall be determined by the Board of Directors at the time of issuance.
- ④ Dividends may not be paid on Preferred Shares if no dividends are paid on common shares.
- ⑤ In case of capital increase with or without consideration, Preferred Shares of the same type and characteristics are allocated; provided, however, the Board of Directors may determine to issue only one type of common shares due to capital increase with or without consideration, and in this case, the common shares shall be allocated to the Preferred Shares.
- ⑥ If a resolution not to pay dividends on Preferred Shares is adopted, then the Preferred Shares shall be deemed to have voting rights from the time of the General Meeting of Shareholders following the General Meeting of Shareholders, at which such resolution not to pay dividends on Preferred Shares is adopted to the time of the end of the General Meeting of Shareholders, at which a resolution to pay dividends on such Preferred Shares is adopted.
- ⑦ Whether for the duration of Preferred Shares shall be determined by a resolution of the Board of Directors at the time of issuance. In the case of determining the duration of Preferred Shares, it shall be determined by a resolution of the Board of Directors at the time of issuance within the range of one (1) to ten (10) years from the issuance date, and shall be converted to common shares at the end of this period. However, if the predetermined dividend were not completed during the period above, the period shall be extended until the predetermined dividend is completed. In this case, the provisions of Article 9, Paragraph 8 shall apply mutatis mutandis to the dividends of common shares issued through conversion (newly established on October 29, 2020).

## Article 8-3. Redeemable Shares

- ① In case of issuance of Preferred Shares pursuant to Article 8-2, the Company may issue the Preferred Shares as redeemable shares on condition that they shall be redeemed for profit in accordance with the Company's choice by a resolution of the Board of Directors.

- ② Redeemable shares may be redeemed for the Company's profits in accordance with the Company's choice under each of the following subparagraphs:
1. The redemption price of the redeemable shares shall be calculated by the sum of the issue price and the premium, and the premium amount shall be determined at the time of issuance by a resolution of the Board of Directors in consideration of the dividend rate, market conditions and other circumstances related to such issuance; provided, however, that in case of adjustment of the redemption price, the intent of the Board of Directors to adjust the redemption price, causes for adjustment, adjustment date and method must be determined by the Board of Directors;
  2. The redemption period shall be determined by the Board of Directors within the period from the day immediately following the close of an ordinary General Meeting of Shareholders for the fiscal year to which the issuance date belongs to the day for which one (1) month has passed after the close of an ordinary General Meeting of Shareholders for the fiscal year to which the tenth (10<sup>th</sup>) anniversary of the issuance date belongs, as determined by the Board of Directors; provided, however, that the redemption period may be extended in the event of any of the following until full resolution thereof, even though the redemption period has expired:
    - A. When the redemption is not made within the redemption period due to insufficient profits of the Company; or
    - B. When the holders of the redeemable shares do not receive dividends entitled to them.
  3. The Company may redeem all redeemable shares on a lump sum basis or in installments; provided, however, that in case of a redemption in installments, redeemable shares may be determined by the Company by lot or on a prorated basis, and any fractional shares arising from such proration shall not be redeemed;
  4. The Company shall notify the acquisition of redeemable shares to shareholders of such shares and right holders stated in the shareholders register at least two (2) weeks prior to the date of acquisition; and



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5. The Company may redeem Preferred Shares subject to redemption with securities other than cash (excluding other classes of shares) or other assets (newly established on October 29, 2020).

## Article 8-4. Convertible Shares

- ① In case of issuance of Preferred Shares pursuant to Article 8-2, the Company may issue the Preferred Shares as convertible shares on condition that they shall be convertible into common shares in accordance with the Company's choice by a resolution of the Board of Directors.
- ② Convertible shares may be converted in accordance with the Company's choice at the request of shareholders under each of the following subparagraphs:
  1. The issue price of any new shares to be issued by conversion shall be the issue price of such shares before conversion;
  2. The conversion price shall be determined by a resolution of the Board of Directors at the time of issuance; provided, however, that in case of adjustment of the conversion price, the intent of the Board of Directors to adjust the conversion price, causes for adjustment, adjustment date and method must be determined by the Board of Directors;
  3. The conversion period shall be determined by a resolution of the Board of Directors with the scope of no less than one (1) year but within ten (10) years from the issue date;
  4. Shares to be issued by a conversion shall be common shares;
  5. In case of conversion by the Company, the causes for conversion shall be determined by a resolution of the Board of Directors at the time of issuance;
  6. In case the specified dividend is not paid by the expiration date of the conversion period pursuant to Subparagraph 3 above, the conversion period shall be extended until full resolution of predetermined dividend; and
  7. The provisions of Article 9, Paragraph 8 shall apply mutatis mutandis to the dividends of shares issued through conversion.



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- ③ When issuance of convertible shares, the Company may issue the convertible shares as redeemable shares as stipulated in Article 8-3 by a resolution of the Board of Directors (newly established on October 29, 2020).

## **Article 8-5. Electronic Registration of Rights to be Indicated on Shares and Subscription Right Certificates**

In lieu of issuing share and subscription right certificates, the Company shall electronically register rights to be indicated on shares and subscription right certificates in an electronic registry's electronic register; provided, however, that the Company may not electronically register such rights on bonds except for listed bonds for which electronic registration is mandatory by relevant laws (newly established on October 29, 2020 and amended on March 31, 2021).

## **Article 9. Preemptive Right**

- ① The Company shall issue new shares by a resolution of the Board of Directors within the scope of Authorized Shares.
- ② Shareholders shall have preemptive rights to subscribe for the new shares that may be issued by the Company, in proportion to their respective shareholdings.
- ③ Notwithstanding the provision of Paragraph 2 above, the new shares may be issued under the following cases (newly established on October 29, 2020):
1. To the extent not exceeding 25/100 of the total number of issued and outstanding shares, by granting the preemptive rights to subscribe for the new shares to specific persons (including the Company's existing shareholders), if necessary to achieve the Company's business goals, such as introduction of new technologies, and improvement of financial structure, etc.;
  2. To the extent not exceeding 25/100 of the total number of issued and outstanding shares, by granting the preemptive rights to subscribe for the new shares to the public (including



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the Company's existing shareholders), and allocating new shares to such persons who have subscribed accordingly;

3. By granting the preemptive rights to members of the Employees Share Ownership Association of the Company or by issuing shares upon exercise of employee stock purchase plan pursuant to the relevant laws; or

4. By issuing shares upon exercise of stock options pursuant to the laws.

④ If the shares are issued pursuant to the Paragraph 3, Subparagraph 2 above, the Company shall issue the new shares as follows by a resolution of the Board of Directors (newly established on October 29, 2020):

1. By offering new shares to the public, without setting any criterion for eligibility to subscribe;

2. By offering new shares to members of the Employees Share Ownership Association pursuant to the relevant laws, and by granting right to subscribe the shares not subscribed by the members of the Employees Share Ownership Association to the public;

3. By granting the preemptive rights to subscribe for the new shares to the Company's existing shareholders, and by granting the rights to subscribe for the new shares to the public if there are unsubscribed shares; or

4. By granting the rights to subscribe for the new shares to certain types of persons pursuant to reasonable criteria prescribed by the relevant laws, including a forecast of demand by an investment trader or an investment broker as an underwriter or an agent.

⑤ If new shares are issued under the Paragraph 3, Subparagraph 1 to 4 above, the Company shall notify the existing shareholders, or give public notice of, the information as required under the Article 416, Subparagraph 1, 2, 2-2, 3, and 4 of the Commercial Act two (2) weeks prior to the payment date; provided, however, that, public disclosure of a material fact report with the Financial Services Commission and the Korea Exchange pursuant to Article 165-9 of the Financial Investment Services and Capital Markets Act may be made in lieu of the notification and public notice above (newly established on October 29, 2020).



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- ⑥ In case where a shareholder waives or forfeits his/her preemptive rights to subscribe for new shares or fractional shares occur in the course of allocating new shares, the terms of their disposition shall be determined by a resolution of the Board of Directors.
- ⑦ In case where the Company allocates new shares under the Paragraph 2 above, the Company shall electronically register rights to be indicated on subscription right certificates in an electronic register pursuant to the Article 8-3 above (newly established on October 29, 2020).
- ⑧ In case where the Company issues new shares as a result of capital increase with or without consideration or for dividend payments, the dividend date for new shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year when the shares thereof were issued.

## Article 9-2. Stock Options

- ① The Company may grant the stock options to its officers and employees up to the extent not exceeding 10/100 of the total number of issued and outstanding shares by a special resolution of the General Meeting of Shareholders.
- ② The stock options granted by a resolution of the General Meeting of Shareholders may be linked to the performance of the Company measured by targeted managerial results or market indices.
- ③ Those who are eligible for a stock option shall be the Company's officers and employees who contribute to or are capable of contributing to the Company's incorporation, management, overseas sales or technological innovation, etc.
- ④ The shares to be delivered as a result of the exercise of stock options hereunder (or, if the difference between the share price at which such stock options are exercised and the market value of the relevant share is paid in cash or treasury share, the shares on the basis of which such difference is calculated) shall be common shares or different class of share, both of which shall be in registered form (amended on October 29, 2020).





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- ⑤ The number of stock options granted to one (1) officer or employee shall not exceed 10/100 of the total number of issued and outstanding shares.
- ⑥ The per-share price at which stock options are exercised shall not be lower than either of the following subparagraphs. The same shall also apply to the case where the exercise price is adjusted after the stock option is granted:
  1. If the new shares are to be issued and delivered, the higher of the following prices:
    - A. The fair market value of the relevant shares as of the date on which the stock option is granted; or
    - B. The par value of the shares.
  2. If the treasury shares are delivered, the fair market value of the relevant shares as of the date on which the stock option is granted.
- ⑦ The stock option may be exercised until the date determined by a resolution of the General Meeting of Shareholders or the Board of Directors, for seven (7) years from the date that such option may be first exercised.
- ⑧ A person who is granted a stock option is entitled to exercise the stock option only if such person has been in office in the Company or employed by the Company at least for two (2) years from the date of the resolution mentioned in Paragraph 1 above.
- ⑨ The provisions of Article 9, Paragraph 8 above shall apply mutatis mutandis to dividends of new shares issued by the exercise of stock options (amended on October 29, 2020).
- ⑩ The Company may cancel a grant of stock option by a resolution of the Board of Directors if any of the following occurs:
  1. When an officer or employee who has been granted stock options voluntarily retires or resigns from the Company;
  2. When an officer or employee who has been granted stock options has caused material damages to the Company by willful acts or negligence;
  3. When the Company is unable to respond to the exercise of stock options due to the Company's bankruptcy, dissolution, or otherwise; or

4. When any other reasons for cancellation as stipulated in the agreement for granting the stock option occur.

### **Article 9-3. Employee Stock Purchase Plan**

- ① The Company may grant an employee stock purchase plan, in accordance with Article 39 of the Framework Act on Labor Welfare, to the members of the Employee Stock Ownership Association up to 20/100 of the total number of issued and outstanding shares by a special resolution of a General Meeting of Shareholders; provided, however, that within the extent of 10/100 of the total number of issued and outstanding shares, an employee stock purchase plan may be granted by a resolution of the Board of Directors.
- ② The shares to be delivered upon exercise of employee stock purchase plan shall be common shares in registered form.
- ③ In accordance with Article 41 of the Framework Act on Labor Welfare, when the Employee Stock Ownership Association or members thereof exercise an employee stock purchase plan, the total number of shares including shares to be acquired shall not exceed 20/100 of the total number of issued and outstanding shares.
- ④ The exercise price of an employee stock purchase plan shall be 70/100 or more of the evaluation price as stipulated in Article 14 of the Enforcement Rule of the Framework Act on Labor Welfare; provided, however, that in the case of issuing and delivering shares, if the exercise price is lower than the par value of the share in the present year, such par value shall be the exercise price.
- ⑤ A person who is granted an employee stock purchase plan may exercise such right for a period between six months and two years from the date of the resolution in Paragraph 1; provided, however, that such right may be exercised for a certain exercise period in or after such period set by a resolution of Paragraph 1.
- ⑥ A person who is granted an employee stock purchase plan shall not transfer such right to another person and maintain his/her qualifications as a member of the Employee Stock Ownership Association until exercising such option; provided, however, that if a person



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who is granted an employee stock purchase plan is granted dies, the heir may exercise the employee stock purchase plan during the exercise period.

- ⑦ The provisions of Article 9, Paragraph 8 above shall apply mutatis mutandis to dividends of new shares issued by the exercise of an employee stock purchase plan (amended on October 29, 2020).
- ⑧ In the following cases, the Board of Directors may adopt a resolution to cancel employee stock purchase plan that were previously granted:
  1. When the Company is unable to respond to the exercise of an employee stock purchase plan due to bankruptcy or dissolution of the Company;
  2. When a member of the Employee Stock Ownership Association who is granted an employee stock purchase plan causes serious damage to the Company intentionally or negligently; or
  3. When any other reasons for cancellation as stipulated in the agreement for granting the employee stock purchase plan occur.

## Article 10. Shareholders Register

- ① In cases where the Company is notified of the particulars of shareholders from the electronic registry, the Company shall prepare and display the shareholders register with the notified matters and the year and date of notification (amended on March 31, 2021).
- ② The Company may request the electronic registry to prepare the particulars of shareholders, if necessary, such as a change in the current status of shareholders (including specially related persons, etc.) with a stake of 5% or more (amended on March 31, 2021).
- ③ The Company shall prepare a shareholders register in electronic form (amended on March 31, 2021).

## Article 11. Transfer Agent

- ① The Company shall designate a transfer agent.



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- ② The transfer agent, its office, and the scope of services to be provided by such transfer agent shall be determined by a resolution of the Board of Directors.
- ③ The Company shall place shareholder register and a copy thereof at the office of the transfer agent, and shall delegate electronic registration of the Company's shares, management of the shareholder register, and other share related affairs to the transfer agent (amended October 29, 2020).
- ④ Procedures in dealing with the matters mentioned in Paragraph 3 above shall be in accordance with the relevant regulations on the transfer of shares by the transfer agent (newly established on March 31, 2021).

## Article 12. Record Date

- ① Shareholders registered on the shareholders register as of December 31 of each year shall be deemed by the Company to be the shareholders who may exercise their rights at the corresponding settlement period's General Meeting of Shareholders.
- ② For convening an Extraordinary General Meeting of Shareholders or other necessary causes, the Company may finalize the shareholders on the shareholders register on the date determined by a resolution of the Board of Directors as the shareholders to exercise their rights. The Company must notify this determination at least two (2) weeks prior to the date of the closing of the shareholders register (amended on October 29, 2020).

## Article 13. Issuance of Corporate Bonds

- ① The Company may issue bonds upon a resolution of the Board of Directors.
- ② The Board of Directors may determine the amount and type of bonds and delegate to the Representative Director to issue such bonds within such period not exceeding one (1) year.



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## Article 14. Issuance of Convertible Bonds

- ① The Company may issue convertible bonds to any person(s) other than the Company's shareholders by a resolution of the Board of Directors under the following cases (newly established on October 29, 2020).
1. To the extent not exceeding five hundred billion (500,000,000,000) KRW of the aggregate par value of bonds, if necessary to achieve the Company's business goals, such as introduction of new technologies, and improvement of financial structure, and by granting subscription rights for the new bonds to specified persons (including the Company's existing shareholders) in cases not set forth in Article 9, Paragraph 2 above;  
or
  2. To the extent not exceeding five hundred billion (500,000,000,000) KRW of the aggregate par value of bonds, by granting subscription rights for the new bonds to the public (including the Company's existing shareholders) in cases not set forth in Article 9, Paragraph 2 above, and allocating new bonds to such persons who have subscribed accordingly.
- ② In cases where convertible bonds are allocated by the manner prescribed in Paragraph 1, Subparagraph 2 above, the new bonds shall be allocated by a resolution of the Board of Directors in accordance with one of the following cases (newly established on October 29, 2020):
1. By offering new bonds to the public, without setting any criterion for eligibility to subscribe;
  2. By granting the subscription rights for the new bonds to the Company's existing shareholders, and by granting the rights to subscribe for the new bonds to the public if there are unsubscribed bonds; or
  3. By granting the rights to subscribe for the new bonds to certain types of persons pursuant to reasonable criteria prescribed by the relevant laws, including a forecast of demand by an investment trader or an investment broker as an underwriter or an agent.

- ③ As for the convertible bonds referred to in Paragraph 1 above, the Board of Directors may also issue such bonds on condition that only a part thereof be granted the right to convert to capital shares.
- ④ The shares to be issued as a result of conversion of such bonds shall be class of shares determined by a resolution of the Board of Directors, and the conversion price, which shall not be less than the par value of each share shall be determined by a resolution of the Board of Directors at the time of issuance of the convertible bonds (newly established on October 29, 2020).
- ⑤ The period during which conversion rights may be exercised shall commence on the issuance date of the relevant convertible bonds and end on the date immediately preceding the redemption date thereof; provided, however, that the Board of Directors may adjust the conversion right period within the above period by a resolution.
- ⑥ With respect to the dividends or interest on the shares issued upon conversion of the convertible bonds described in Paragraph 1, the convertible bonds shall be deemed to have been converted into shares at the end of the fiscal year immediately preceding the fiscal year in which the relevant conversion rights are exercised.

## **Article 14-2. Issuance of Bonds with Warrants**

- ① The Company may issue bonds with warrants to any person(s) other than the Company's shareholders by a resolution of the Board of Directors under the following cases (newly established on October 29, 2020).
  1. To the extent not exceeding five hundred billion (500,000,000,000) KRW of the aggregate par value of bonds, if necessary to achieve the Company's business goals, such as introduction of new technologies, and improvement of financial structure, and by granting subscription rights for the new bonds with warrants to specified persons (including the Company's existing shareholders) in cases not set forth in Article 9, Paragraph 2 above; or

2. To the extent not exceeding five hundred billion (500,000,000,000) KRW of the aggregate par value of bonds, by granting subscription rights for the new bonds with warrants to the public (including the Company's existing shareholders) in cases not set forth in Article 9, Paragraph 2 above, and allocating new bonds to such persons who have subscribed accordingly.
- ② In cases where bonds with warrants are allocated by the manner prescribed in Paragraph 1, Subparagraph 2 above, the new bonds shall be allocated by a resolution of the Board of Directors in accordance with one of the following cases (newly established on October 29, 2020):
1. By offering new bonds to the public, without setting any criterion for eligibility to subscribe;
  2. By granting the subscription rights for the new bonds with warrants to the Company's existing shareholders, and by granting the rights to subscribe for the new bonds to the public if there are unsubscribed bonds; or
  3. By granting the rights to subscribe for the new bonds with warrants to certain types of persons pursuant to reasonable criteria prescribed by the relevant laws, including a forecast of demand by an investment trader or an investment broker as an underwriter or an agent.
- ③ The aggregate value of new shares which may be subscribed for by the holders of the bonds with warrants shall be determined by the Board of Directors; provided, however, that the amount of such new shares shall not exceed the aggregate par value of the bonds with warrants.
- ④ The shares to be issued as a result of exercise of bonds with warrants shall be class of shares determined by a resolution of the Board of Directors at the time of issuance, and the issuance price, which shall not be less than the par value of each share, shall be determined by a resolution of the Board of Directors at the time of issuance (newly established on October 29, 2020).



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- ⑤ The period during which the warrants may be exercised shall commence on the issuance date of the relevant bonds with warrants and end on the date immediately preceding the redemption date thereof; provided, however, that the Board of Directors may adjust the exercise period within the above period by a resolution.
- ⑥ With respect to the dividends or interest of shareholders who exercise the bonds with warrants described in Paragraph 1, shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year in which the subscription price therefor are fully paid.

## **Article 14-3. Electronic Registration of Rights to be Indicated on Bonds and Subscription Warrants**

In lieu of issuing bond certificates and subscription warrants, the Company shall electronically register rights to be indicated on bonds and subscription warrants in an electronic registry's electronic register; provided, however, that the Company may not electronically register such rights to be indicated on bonds and subscription warrants that are not required to be electronically registered under the relevant laws and regulations.

## **Article 14-4. Applicable Provisions Concerning Issuance of Bonds**

The provisions of Articles 11 hereof shall apply mutatis mutandis to the issuance of bonds (newly established on October 29, 2020).

## **CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS**

### **Article 15. Types and Holding of General Meetings of the Shareholders**

- ① General Meetings of the Shareholders of the Company shall be of two types: Ordinary and Extraordinary.
- ② Ordinary General Meeting of Shareholders shall be held within three (3) months from the record date prescribed in Article 12, Paragraph 1 above.





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- ③ Extraordinary General Meetings of Shareholders shall be held at any time, if deemed necessary by the Board of Directors.

## Article 16. Convocation of General Meeting of Shareholders

- ① Except as otherwise provided by the relevant laws and regulations, the General Meetings of Shareholders shall be convened by the Representative Director in accordance with a resolution of the Board of Directors; provided, however, that in the absence or vacancy of the Representative Director, the provision of Article 17 shall apply mutatis mutandis. Unless otherwise determined by the Board of Directors, the place of a General Meeting of Shareholders shall be the head office of the Company.
- ② In convening a General Meeting of Shareholders, a written or digital notice thereof setting forth the time, date, place, and agenda of the Meeting, shall be sent to each shareholder at least two (2) weeks prior to the date of the Meeting.
- ③ In lieu of notice of convocation prescribed in Paragraph 1 above, the notice of convening a General Meeting of Shareholders to shareholders holding not more than one (1) percent of the total number of shares with voting rights issued and outstanding shall be replaced by public notices given respectively at least twice in the *Maeil Business Newspaper* and the *Kukminilbo* published in Seoul, two (2) weeks prior to the Meeting, or by public notices via electronic disclosure system at the Financial Supervisory Service or the Korea Exchange. The public notices of a Meeting shall include the statement that a General Meeting will be held and the agenda of the Meeting (newly established on October 29, 2020).

## Article 17. Chairperson

Chairperson of the General Meeting of Shareholders shall be the Representative Director. If the Representative Director is absent or unable to serve as the Chairperson, another director shall serve as Chairperson in the order previously resolved by the Board of Directors.



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## Article 18. Chairperson's Authority to Maintain Order

- ① Chairperson of the General Meeting of Shareholders may order any person who intentionally speaks or behaves obstructively or who disturbs the proceedings of the Meeting to stop or retract a speech or to leave the place of Meeting.
- ② Chairperson of the General Meeting of Shareholders may restrict time and number of speeches by a shareholder, if deemed necessary for the purpose of smooth proceeding of the Meeting.

## Article 19. Method of Adopting Resolutions

- ① All resolutions of the General Meetings of Shareholders, except as otherwise provided by the relevant laws and regulations, shall be adopted by affirmative votes of the majority of the voting rights of shareholders present and at least one-fourth (1/4) of the total number of issued and outstanding shares.
- ② Any shareholder who is an interested party to matters subject to the resolution of the General Meetings of Shareholders shall not exercise his/her voting right.

## Article 20. Voting Rights

- ① Each shareholder shall have one (1) vote for per share registered by his/her own name; provided, however, that shares whose voting rights are restricted by relevant laws and regulations do not have voting rights.
- ② Shareholders may exercise their voting rights by proxy. The proxy must present documents evidencing his/her power of representation to the Company at each General Meeting of Shareholders in which he/she acts as a proxy.

## Article 20-2. Split Exercise of Voting Rights

- ① When a shareholder who has two or more votes intends to split their voting rights to exercise, he/she shall notify the Company in written document of its intention and reasons three (3) days prior to the Meeting date.



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- ② The Company may reject the shareholder's split exercise of voting rights. However, the foregoing shall not apply in case the shareholder has acquired a trust of shares or keeps shares for others (newly established on October 29, 2020).

## **Article 21. Minutes of General Meeting of Shareholders**

The proceedings and the results of the General Meeting of Shareholders shall be recorded in minutes, which shall be kept in the head office and branches of the Company after the Chairperson and all directors present at the Meeting have signed their names or affixed seal impressions of their names on the minutes.

## **CHAPTER 4. DIRECTORS AND THE BOARD OF DIRECTORS**

### **Article 22. Number of Directors**

- ① The Company shall have at least three (3) but not more than ten (10) directors, and the number of outside directors shall be more than a quarter (1/4) of the total number of directors (amended on October 29, 2020).
- ② If there is a vacancy in the number of outside directors due to resignation or death of an outside director or a similar cause, outside directors shall be elected at the first General Meeting of Shareholders convened after the occurrence of such cause to fill such a vacancy that the number of the existing outside directors in office is not less than the number of outside directors prescribed in Paragraph 1 above (newly established on October 29, 2020).

### **Article 23. Appointment of Directors and Representative Director**

- ① Directors shall be appointed at the General Meeting of Shareholders. Any vacancy in the office of a director shall be filled by an election at the General Meeting of Shareholders (amended on October 29, 2020).

- ② The director shall be appointed by affirmative votes of the majority of the voting rights of shareholders present and such majority also represents at least one-fourth (1/4) of the total number of issued and outstanding shares (newly established on October 29, 2020).
- ③ When electing two or more directors at the General Meeting of Shareholders, the Company shall not apply cumulative voting as stipulated in Article 382-2 of the Commercial Act.
- ④ The Company shall appoint a Representative Director among its directors by a resolution of the Board of Directors (newly established on October 29, 2020).

## **Article 23-2. Recommendation of Outside Director Candidate**

- ① Outside Director Candidate Recommendation Committee shall recommend outside director candidates from those who meet the qualifications stipulated in the relevant laws and regulations such as the Commercial Act.
- ② Details regarding the recommendation and qualification of outside director candidates shall be determined by the Outside Director Candidate Recommendation Committee (newly established on October 29, 2020).

## **Article 24. Term of Office of Directors**

- ① The term of office of a director shall expire at the end of the third (3<sup>rd</sup>) Ordinary General Meeting of Shareholders held subsequent to such directorship's commencement.
- ② If a director falls under one of the following cases, his/her position is deemed to be vacant (newly established on October 29, 2020):
  1. When dead;
  2. When adjudicated insolvent;
  3. When incompetence or limited incompetence is declared; or
  4. When sentenced to a punishment heavier than imprisonment without prison labor.
- ③ Any vacancy in the office of a director shall be filled by a resolution of an Extraordinary General Meeting of Shareholders. However, if the number of directors required by these Articles of Incorporation or applicable laws are met and there is no difficulty in the



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administration of business, an appointment may be withheld temporarily or postponed until the next following Ordinary General Meeting of Shareholders (newly established on October 29, 2020).

- ④ The terms of office of a director appointed to fill a vacancy or increase the number of directors shall commence on the date of taking office (newly established on October 29, 2020).
- ⑤ A director may be dismissed at any time by a special resolution of the General Meeting of Shareholders (amended on October 29, 2020).

## Article 25. Duties of Directors

- ① The Representative Director shall represent the Company and shall manage all affairs of the Company.
- ② A director shall assist the Representative Director and perform his/her duties as determined by the Board of Directors. In the absence of the Representative Director, a director who was previously designated by the Representative Director or a director designated by the Board of Directors shall serve as Representative Director.
- ③ If a director becomes aware of any fact that is likely to cause substantial losses to the Company, he/she must immediately notify the Audit Committee (amended on October 29, 2020).

## Article 26. Committees

- ① The Company shall establish the following committees under the Board of Directors:
  - 1. Outside Director Candidate Recommendation Committee;
  - 2. Audit Committee;
  - 3. Internal Transaction Committee; and
  - 4. Other committee as deemed necessary by the Board of Directors.
- ② Details concerning the composition, authority, and operation of each of such committees shall be determined by resolutions of the Board of Directors.

- ③ Articles 27, 28 and 29 hereof shall apply mutatis mutandis with respect to the committee (newly established on October 29, 2020).

## **Article 27. Composition and Convocation of the Board of Directors' Meeting**

- ① The Board of Directors of the Company shall consist of directors. The Board of Directors shall resolve all the important matters for the execution of business of the Company and other important matters stipulated by relevant laws and this Articles of Incorporation.
- ② Chairperson of the Board of Directors shall be determined among its directors by a resolution of the Board of Directors (newly established on October 29, 2020).
- ③ The Chairperson shall convene a meeting of the Board of Directors; provided, however, that this shall not be the case when there is any other director designated by the Board of Directors (amended on October 29, 2020).
- ④ The director who convenes a meeting of the Board of Directors shall give a notice to each director five (5) days prior to the meeting.
- ⑤ Notwithstanding Paragraph 4 above, the meeting of the Board of Directors may be convened without convocation procedures with a unanimous agreement of all directors.

## **Article 28. Method of Resolutions of the Board of Directors**

- ① A quorum for the Board of Directors shall be a majority of all directors in office and all resolutions of the Board of Directors shall be adopted by the affirmative votes of a majority of directors present at the meeting. However, resolutions of the Board of Directors on matters falling under Articles 397-2 (Prohibition of Appropriation of Company's Opportunities and Assets) and 398 (Transactions between Directors, etc. and Company) of the Commercial Act shall be adopted by a two-thirds (2/3) majority of the directors.
- 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.



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- ③ Directors who have special interest in the matters to be resolved at the meeting of the Board of Directors shall not exercise their votes at such meetings.

## **Article 29. Minutes of the Board of Directors' Meeting**

- ① All agenda of the Board of Directors' meeting shall be recorded in the minutes, which must be kept at the head office.
- ② 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 (amended on October 29, 2020).

## **Article 30. Compensation**

- ③ Remuneration for the directors shall be determined by a resolution of the General Meeting of Shareholders (amended on October 29, 2020).
- ① Retirement allowances for directors shall be handled in accordance with the Regulation on Remuneration Allowance for Officers as adopted by a resolution of the General Meeting of Shareholders.

## **Article 31. Composition of the Audit Committee**

- ① The Company shall establish an Audit Committee as set forth in Article 26 above in lieu of the Auditor.
- ② The Audit Committee shall be comprised of at least three (3) directors.
- ③ At least two-thirds (2/3) or more of the members of the Audit Committee shall be the outside directors and the Audit Committee members who are not outside directors shall be duly qualified under the Article 542-10, Paragraph 2 of the Commercial Act.
- ④ If the aggregate of the voting shares held by a shareholder exceeds 3/100 of the total number of issued and outstanding voting shares, such shareholder shall not be allowed to

exercise his/her votes with respect to the shares in excess of the above limit, in the appointment of the Audit Committee member who is an outside director.

- ⑤ If the aggregate of the voting shares held by the largest shareholder, his/her specially related persons, the persons who hold the shares on the account of such largest shareholder and his/her specially related persons, and the persons who have entrusted their voting rights to such largest shareholder and his/her specially related persons, exceeds 3/100 of the total number of issued and outstanding voting shares, such shareholder shall not be allowed to exercise his votes with respect to the shares in excess of the above limit, in the appointment and dismissal of the Audit Committee member who is not an outside director; provided, however, that in case where voting rights can be exercised electronically in accordance with Article 368-4, Paragraph 1 of the Commercial Act, the appointment of an auditor may be resolved with a majority of the voting rights of shareholders present at the General Meeting of Shareholders (amended on March 31, 2021).
- ⑥ The Company shall appoint members of the Audit Committee from among directors appointed at the General Meeting of Shareholders. However, in this case, one of the Audit Committee members shall be separately appointed from other directors, as a director of the Audit Committee by the resolution of the General Meeting of Shareholders (newly established on March 31, 2021).
- ⑦ The Audit Committee shall, by its resolution, appoint a person representing the Audit Committee. The Chairperson of the Committee shall be an outside director.
- ⑧ If there is a vacancy in the number of outside directors due to resignation or death of an outside director or a similar cause, outside directors shall be elected at the first General Meeting of Shareholders convened after the occurrence of such cause to fill such a vacancy that the number of the existing outside directors in office is not less than the number of outside directors prescribed in this Article hereof (newly established on October 29, 2020).

## **Article 31-2. Duties of Audit Committee**

- ① The Audit Committee shall audit the Company's accounting and general operations.





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- ② The Audit Committee, if necessary, may request a director (a person who is authorized to convene the meeting of the Board of Directors, the same shall apply hereinafter) to convene the meeting of the Board of Directors by submitting a written request stating the agenda to be dealt with at the proposed meeting and the reason for convening such a meeting.
- ③ If the director fails promptly to convene the meeting of the Board of Directors upon the request set forth in Paragraph 2 above, the Audit Committee who made the request may convene the Board of Directors' Meeting.
- ④ The Audit Committee may request the Board of Directors to convene an Extraordinary General Meetings of Shareholders by submitting a written request stating the business to be dealt with at the proposed meeting and the reason for convening such a meeting.
- ⑤ The Audit Committee may request the Company's subsidiary(s) to make a report on its (their) operations, if the Audit Committee deems it necessary to perform its duties. In such a case, if the subsidiary(s) fails to immediately make such a report as requested or the Audit Committee deems it necessary to verify the content of the report made by the subsidiary(s), the Audit Committee shall have the right to inspect that subsidiary's operations and status of assets.
- ⑥ The Audit Committee shall appoint the Company's independent auditor.
- ⑦ In addition to the matters in Paragraphs 1 through 6 above, the Audit Committee shall deal with the matters delegated by the Board of Directors.
- ⑧ The Board of Directors shall not overturn resolution approved by the Audit Committee.
- ⑨ The Audit Committee may seek advice from external experts at the expense of the Company (newly established on October 29, 2020).

## **Article 31-3. Minutes of Audit**

The Audit Committee shall prepare minutes of audit with respect to the audit conducted by it. The minutes shall include the method of audit and the results thereof and shall be signed and sealed by the Audit Committee members who have conducted such audit (newly established on October 29, 2020).

## CHAPTER 5. ACCOUNTING

### Article 32. Fiscal Year

- ① The fiscal year of the Company shall commence on January 1 and end on December 31 of each year.
- ② The first fiscal year of the Company shall be from the date of the registration of establishment of the Company to December 31 of such year.

### Article 33. Financial Statements

- ① The Representative Director of the Company shall prepare and submit to the Audit Committee for audit the following documents and their supplementary schedules together with a business report, six (6) weeks prior to the date set for the Ordinary General Meeting of Shareholders convened for the fiscal year to which such documents are related, and shall submit the aforementioned documents and the business report to the Ordinary General Meeting of Shareholders (amended on October 29, 2020) :
  1. Balance Sheet;
  2. Income Statement; and
  3. Other documents which display the Company's financial status and management performance, as designated by the Enforcement Decree of the Commercial Act.
- ② If the Company is required to prepare consolidated financial statements under the Enforcement Decree of the Commercial Act, the consolidated financial statements shall be included in each document in Paragraph 1 above.
- ③ The Audit Committee shall submit to the Representative Director the audit report by one (1) week prior to the Ordinary General Meeting of Shareholders (amended on October 29, 2020).
- ④ The Representative Director shall keep the copies of the documents referred to in Paragraph 1, together with the business report and audit report at the head office for five (5) years



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from one (1) week prior to the date of the Ordinary General Meeting of Shareholders (amended on March 25, 2019).

- ⑤ Representative Director shall submit each document in Paragraph 1 to the Ordinary General Meeting of Shareholders for their approval, and the Representative Director shall submit the business report for reporting of its content to the Ordinary General Meeting of Shareholders.
- ⑥ Upon obtaining approval from the Ordinary General Meeting of Shareholders for each document in Paragraph 1, the Representative Director shall place a public notice of the balance sheet and the opinion by the independent auditor, without delay (amended on October 29, 2020).

## **Article 33-2. Appointment of Independent Auditor**

The Company shall appoint an independent auditor determined by the Audit Committee as stipulated in the relevant laws and regulations and shall report the fact to the Ordinary General Meeting of Shareholders convened during the fiscal year in which such appointment is made, or shall notify or announce it to the shareholders as stipulated in the relevant laws and regulations (amended on October 29, 2020).

## **Article 34. Disposal of Profit**

The Company shall dispose of the earned surplus according to the following methods:

1. Compensation of cumulative deficit;
2. Earned surplus reserve;
3. Other statutory reserve;
4. Dividends;
5. Discretionary reserve; and
6. Other disposition of earned surplus.



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## Article 35. Payment of Dividends

- ① Dividends may be paid in cash, shares and/or other properties
- ② Dividends in Paragraph 1 above shall be paid to the shareholders or pledgees who are registered in the shareholder register as of the record date specified in Article 12, Paragraph 1 (amended on March 31, 2021).
- ③ Dividends shall be paid within one (1) month from the date of approval of the Ordinary General Meeting of Shareholders, unless otherwise decided by the Ordinary General Meeting of Shareholders at which such dividends are resolved.
- ④ If there is no claim for the payment of dividends for five (5) years from the date of resolution of the Ordinary General Meeting of Shareholders, the right to claim dividends shall be deemed to be waived and the dividend with respect to which the statute of limitation has expired shall be deemed to be the earning of the Company. However, no interest shall accrue on any unpaid dividend.

## CHAPTER 6. MISCELLANEOUS

### Article 36. Adoption of Regulations

The directors may adopt other necessary regulations for business operation and management.

### Article 37. Safety and Health Plan

The Company shall establish a plan for the Company's safety and health every year as stipulated in relevant laws such as the Occupational Safety and Health Act (newly established on October 29, 2020).

### Article 38. Matters other than Regulations

Matters not specifically provided for herein shall be governed in conformity with the resolutions of the Board of Directors or the General Meeting of Shareholders or the relevant provisions of the Commercial Act and other relevant laws and regulations.



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## Addendum

### Article 1. Date of Enforcement

This Articles of Incorporation shall be effective on and after July 1, 2018.

### Article 2. Company Establishment by Division

The Company shall be established as a result of the division from SK chemicals Co., Ltd. (hereinafter referred to as “the Company Divided”), and the asset and its value transferred to the Company due to the said division shall be described in the division plan of the Company Divided that was approved at the General Meeting of Shareholders of SK chemicals Co. Ltd. on June 15, 2018.

### Article 3. Signature or Seal of the Articles of Incorporation

These Articles of Incorporation shall be drawn up to establish the Company, and the Representative Director of SK chemicals Co. Ltd. before division shall affix his signature or seal thereon.

## Addendum

### Article 1. Date of Enforcement

This amended Articles of Incorporation shall be effective on and after November 13, 2018.

## Addendum

### Article 1. Date of Enforcement

This amended Articles of Incorporation shall be effective on and after March 25, 2019; provided, however, that Articles 14-4 as amended herein, shall come into effect on and after the enforcement date of the Act on Electronic Registration of Stocks, Bonds, Etc.

## Addendum



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## **Article 1. Date of Enforcement**

This amended Articles of Incorporation shall be effective on and after March 24, 2020.

## **Addendum**

### **Article 1. Date of Enforcement**

This amended Articles of Incorporation shall be effective on and after October 29, 2020; provided, however, that Article 16, Paragraph 3 as amended herein, shall come into effect on and after the date the Company is listed on the stock market established by the Korea Exchange.

## **Addendum**

### **Article 1. Date of Enforcement**

This amended Articles of Incorporation shall be effective on and after March 31, 2021.