


Regulations of the Internal Transaction Committee

Version 2.0




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Gyeonggi-do, Republic of Korea*

	Title		
	Regulations of the Internal Transaction Committee		
	Document #: SK bioscience -Basic regulations	Version #: 2.0	Issue Date: February 16, 2022


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CONTENTS

CHAPTER 1. GENERAL PROVISIONS.....	4
Article 1. Objective	4
Article 2. Scope of Application.....	4
Article 3. Authority	4
CHAPTER 2. COMPOSITION	4
Article 4. Composition.....	4
Article 5. Chairperson	5
CHAPTER 3. MEETING.....	5
Article 6. Person Authorized to Convene the Meeting of the Committee	5
Article 7. Convocation Procedure	6
Article 8. Method of Resolution.....	6
Article 9. Agenda	7
Article 10. Matters to be Reported.....	7
Article 11. Listening to Opinions of Concerned Parties	7
Article 12. Relationship with the Board of Directors	8
Article 13. Meeting Minutes	8
CHAPTER 4. MISCELLANEOUS	8
Article 14. Secretariat.....	8
Article 15. Amendment and Deletion of the Regulations.....	8
ADDENDUM	9

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	Document #: SK bioscience -Basic regulations	Issue Date: February 16, 2022
	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 “Internal Transaction Committee” (hereinafter referred to as the “Committee”), established within the Board of Directors, which monitors to ensure fairness and appropriateness in transactions with specially related persons of SK biosciences 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 review the matters stipulated in Article 9 of these Regulations.
- ② The Committee shall deal with matters stipulated in related laws and regulations, 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 Board of Directors.
- ② The Committee shall be comprised of more than three (3) directors. Outside directors shall consist of at least three (3) Members and no less than two-thirds (2/3) of the total number of Members.

	Title	
	Regulations of the Internal Transaction Committee	
	Document #: SK bioscience -Basic regulations	Issue Date: February 16, 2022
	Version #: 2.0	

- ③ The term of office of the Committee Member shall be finished when the term of the Member's directorship expires.
- ④ If the number of outside directors as stipulated in Paragraph 2 above falls under due to reasons such as resignation or death during the term of office of a director, the Board of Directors shall appoint a candidate who is not a Member of the Committee but also an outside director. If there aren't any qualified candidates, 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 Chairperson of the Committee shall be appointed by a resolution of the Committee pursuant to Article 8, Paragraph 1 below.
- ② Chairperson shall represent the Committee and preside as the Chairperson at all the Committee meetings.
- ③ Chairperson shall preside over the Committee activities and may organize the work of each Member for the efficient operation of the Committee.
- ④ Chairperson shall, if necessary, report to the Board of Directors on the summary of the Committee activities.
- ⑤ 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 an acting Chairperson in the order stipulated in Article 5, Paragraph 5 above.

	Title	
	Regulations of the Internal Transaction Committee	
	Document #: SK bioscience -Basic regulations	Issue Date: February 16, 2022
	Version #: 2.0	


- 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 five (5) days prior to the scheduled date of the meeting.
- ② When all Members of the Committee unanimously agree, the Committee may convene the meeting of the Committee at any time without undergoing the convocation 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. 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.
- ② Only the Chairperson and Members of the Committee shall have voting rights; provided, 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 resolutions of the Committee

	Title	
	Regulations of the Internal Transaction Committee	
	Document #: SK bioscience -Basic regulations	Issue Date: February 16, 2022
	Version #: 2.0	

may state his/her opinion but shall not exercise his/her voting rights for the resolution of the Committee.

- ④ The number of votes that cannot be exercised in accordance with Paragraph 3 above shall not be included in the number of votes attending Committee Members.

Article 9. Agenda

- ① The Committee shall review transactions between specially related persons that are subject to approval by the Board of Directors in the relevant laws and regulations, such as the Monopoly Regulation and Fair Trade Act and the Commercial Act.
- ② If necessary for the review of the matters stipulated in Paragraph 1 above, the Committee may request the Company to submit and report relevant materials such as the descriptions of the relevant business, the method of contracting, the criteria for the selection of counterparties, and the detailed terms and conditions of the transaction.


Article 10. Matters to be Reported

Matters to be reported to the Committee are as follows:

1. The progress and result of the transaction approved by the Board of Directors, a transaction stipulated in Article 9, Paragraph 1; and
2. Other matters related to transactions between specially related persons, which the Company deems necessary to report to the Committee.

Article 11. Listening to Opinions of Concerned Parties

- ① 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 statements of opinion.
- ② The Committee, if necessary, may seek advice from external experts, etc. at the expense of the Company.

	Title	
	Regulations of the Internal Transaction Committee	
	Document #: SK bioscience -Basic regulations	Issue Date: February 16, 2022
	Version #: 2.0	

Article 12. Relationship with the Board of Directors

Board of Directors shall refer to the review results of the Committee but shall not be bound by such results and opinions of the Committee.

Article 13. Meeting Minutes

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

- ① The secretariat of the Board of Directors shall administer the affairs of the Committee.
- ② The secretariat shall assist the Chairperson and administer the affairs of the Committee under the Chairperson’s instructions.

Article 15. Amendment and Deletion of the Regulations

Amendment and deletion of these regulations shall be determined by the resolution of the Board of Directors.

	Title	
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	Version #: 2.0	

Addendum

Article 1. Date of Enforcement

This Regulations of the Committee shall be effective on and after October 29, 2020.

Addendum

Article 1. Date of Enforcement

This amended Regulations of the Committee shall be effective on and after February 16, 2022.