

# HR Committee Regulations

Mar. 26, 2025



**HR Committee Regulations**

<b>Category Code</b>	
<b>Responsible Dept.</b>	HR Team of Corporate Culture Office, Business Support HQ
<b>Amendment History</b>	Established on May 04, 2021
	1st amendment on Mar. 29, 2022
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## **HR Committee Regulations**

### **Article 1. Purpose**

- ① The purpose of the Regulations is to set forth requirements for efficient composition and operation of the HR Committee (hereinafter “the Committee”) as stipulated in the relevant laws and regulations, Articles of Incorporation and BoD Regulations.
- ② Matters related to the composition and operation of the Committee that are not specified in the relevant laws and regulations, Articles of Incorporation or BoD Regulations shall follow the Regulations.

### **Article 2. Functions**

The Committee shall recommend outside directors to be appointed by the General Meeting of Shareholders, evaluate the Representative Director and decide whether or not to have him/her remain in office, and deliberate matters concerning the adequacy of the internal directors’ remuneration.

### **Article 3. Composition**

- ① The Committee shall be composed of three or more directors, and the majority of its members shall be outside directors.
- ② The term of office for the Committee Commissioners (hereinafter “the Commissioners”) shall be their tenure of office.

### **Article 4. Chair**

- ① The Committee Chair shall be (hereinafter “the Chair”) shall be elected by the Committee from one of the Commissioners, and the Chair shall represent the Committee and lead the Committee meetings.
- ② The Chair shall report the outcomes of the Committee’s resolutions or deliberations according to the Regulations.
- ③ If the Chair becomes unable to perform his/her duties due to unavoidable circumstances, a member shall be designated by the Committee to perform the duties on behalf of the Chair. However, the meeting for the appointment of the acting Chair shall be led by a senior commissioner.

### **Article 5. Convocation**

- ① The Committee meetings shall be convened by the Chair.

- ② Each Commissioner may ask the Chair to convene a committee meeting by informing the Chair of the agenda and reasons for convocation.
- ③ When convening a committee meeting, all commissioners shall be informed of the date/time, venue and submitted agenda in writing, via e-mail or verbally at least 2 days in advance. However, the aforementioned period can be shortened in the event of an emergency.
- ④ The convocation procedure described in Article 5.③ can be omitted to hold a committee meeting upon unanimous agreement of all the Commissioners.

## **Article 6. Resolution Methods**

- ① The Committee resolutions shall be made with the presence of the majority of the Commissioners and the consent of the majority of those present at the meeting.
- ② Any Commissioner who is an interested party to the agenda submitted to the Committee shall neither be allowed to exercise his/her voting right nor participate in the deliberation process.
- ③ The directors who cannot exercise his/her voting right according to Article 6.② above shall not be counted as an effective vote for the relevant agenda.
- ④ The Committee may allow all or some of the Commissioners to participate in the Committee's resolution process via remote communications through which all the Commissioners can send and receive their voices at the same time. In this case, the Commissioners who participated via the remote communications shall be deemed to have attended the meeting in person.

## **Article 7. Matters for Consideration and Deliberation**

- ① The Committee shall deliberate and resolve each of the following matters:
  - 1. Recommendation of outside directors candidates
- ② The Committee shall deliberate each of the following matters:
  - 1. KPI development, assessment and compensation for the Representative Director
  - 2. Reappointment of the Representative Director
  - 3. Proposal of the Representative Director's dismissal and/or appointment
  - 4. Management of candidate pool for Representative Director and recommendation of Representative Director candidates
  - 5. Annual remuneration limit for directors
  - 6. Stock option endowment or cancellation for directors
  - 7. Retention of the Chief Executive Officer

## **Article 8. Management of the Outside Director Candidate Group, etc.**

- ① The Secretary shall always keep the list of outside director candidates updated through continued management.
- ② Upon request from the Committee, the Secretary shall select adequate outside director candidates among the updated list of outside director candidates under continued management, and provide the list (hereinafter “the outside director candidate list”) to the Committee.

## **Article 9. Recommendation of Outside Director Candidates**

- ① The Committee shall ask the Secretary for the list of outside director candidates if outside director candidate recommendation is required. In this case, the Committee may add outside director candidates reviewed by the Committee to the above-mentioned list through Committee resolution.
- ② The Committee shall finalize the list of the initial outside director candidates through documentation review and reference check on the listed outside director candidates.
- ③ The Committee shall recommend the final outside director candidates to the General Meeting of Shareholders through a required procedure including interviews with the outside director candidates on the initial list.
- ④ The Committee may request the Company to submit relevant materials or present opinions in the process for outside director candidate recommendation according to the forgoing ① through ③, and the Company shall comply with such request.
- ⑤ The Committee may recommend candidates for independent directors. in lieu of Paragraphs ① through ③, by taking into consideration the Board's evaluation results regarding the reappointment of independent directors whose initial term is expiring.

## **Article 10. Evaluation of the Representative Director, etc.**

- ① The Committee will assess the business performance of the Representative Director during his/her term of office in applicable fiscal year on the basis of KPI performance, etc. and deliberate compensation within 60 days following the end of each fiscal year.
- ② The Committee shall conduct a comprehensive annual evaluation of the Chief Executive Officer, taking into account the performance assessment conducted pursuant to Paragraph ①, as well as leadership, organizational culture, and other relevant factors. Based on this evaluation, the Committee shall deliberate on the CEO's retention no later

than 30 days prior to the end of each fiscal year.

③ The Committee shall conduct a comprehensive assessment of the CEO, taking into account the performance assessment conducted pursuant to Paragraph ①, as well as leadership, organizational culture, and other relevant factors. Based on this evaluation, the Committee shall deliberate on the CEO's retention no later than 30 days prior to the end of the fiscal year immediately preceding the expiration of the CEO's term.

④ Upon completing its deliberation on the performance evaluation under Paragraph ①, the retention decision under Paragraph ②, and the reappointment decision under Paragraph ③, the Committee shall report the results to the Board at its first meeting thereafter and shall notify the Company accordingly.

⑤ In the course of deliberating the performance evaluation, retention, and reappointment pursuant to Paragraphs ①, ②, and ③, the Committee may request the Company to submit relevant materials and provide its opinions, and the Company shall comply with such requests.

#### **Article 11. Proposal of the Representative Director's Dismissal and/or Appointment, etc.**

① In case it is judged impossible to have the Representative remain in office according to the deliberation stated in Article 10.②, the Committee shall carry out the procedures specified in Article 12.③ and 12.④ by the end of the fiscal year which includes the BoD report date stated in Article 10.③. The Committee shall then propose the dismissal of the current Representative Director and/or appointment of a new one to the BoD.

② The Chair shall ask the BoD Chair or the Representative Director to convene a BoD meeting for the dismissal of the current Representative Director and/or appointment of a new one. In the event that the BoD Chair or the Representative does not convene a meeting upon the convocation request without reasonable cause, the Chair can convene the BoD meeting.

#### **Article 12. Management of the Representative Director Candidate Group, Candidate**

**Recommendation, etc.**

- ① The Secretary shall always keep the list of Representative Director candidates updated through continued management.
- ② Upon request from the Committee, the Secretary shall select adequate Representative Director candidates among the updated list of Representative Director candidates under continued management, and provide the list (hereinafter “the Representative Director candidate list”) to the Committee.
- ③ The Committee shall ask the Secretary for the list of Representative Director candidates if Representative Director candidate recommendation is required.
- ④ The Committee shall review and evaluate the candidates in the list of Representative Director candidates and recommend the final Representative Directors candidates to the BoD.
- ⑤ The Committee may request the Company to submit relevant materials or present opinions in the process for outside director candidate recommendation according to the forgoing ③ and ④, and the Company shall comply with such request.

**Article 13. Deliberation of Directors’ Remuneration**

- ① The Committee shall deliberate the directors’ annual remuneration cap and annual remuneration of individual directors through an adequacy evaluation on the directors’ annual remuneration cap and annual remuneration of individual directors. The Committee shall report the results to the BoD accordingly.
- ② The Committee may ask the Company to submit relevant materials and present opinions in the course of deliberation according to the foregoing ①, and the Company shall accept such request.
- ③ Director’s compensation in Paragraph 1 will not include severance payment and retirement consolation bonus.

**Article 14. Request Right for Data Submission, etc.**

- ① The Committee may request the relevant executives, employees and outsiders to attend the meetings, submit relevant data and/or state their opinions when required for carrying out its duties.
- ② Where necessary, the Committee may seek advice from experts, etc. at the expense of the Company.



## **Article 15. Administrative Organization**

- ① The secretarial organization of the Committee will be the Corporate Culture Division HR Team in charge of HR and the secretary will be the person in charge of Corporate Culture Division.
- ② The administrative organization shall be under the Committee Chair's command and supervision to provide assistance to the Commissioners and process the Committee's business in general according to the Chair's instructions.

## **Article 16. Meeting Minutes**

- ① The administrative organization shall create minutes of the Committee meetings and keep them.
- ② The Secretary shall record meeting agenda, proceedings, outcomes, dissenters and their reasons in the meeting minutes. All the Commissioners who attended the meetings shall seal or sign the minutes.

## **Article 17. Amendments**

The Regulations may be amended pursuant to the BoD's resolution.

## **Addendum**

- 1. The Regulations shall enter into force as of May 04, 2021.
- 2. The Regulations shall enter into force as of Mar 29, 2022.
- 3. The Regulations shall enter into force as of Mar 29, 2023.
- 4. The Regulations shall enter into force as of Mar 27, 2024.
- 5. The Regulations shall enter into force as of Mar 26, 2025.