


Articles of Incorporation

Version 4.0



*SK Chemicals Building, 310
Pangyo-ro, Bundang-gu,
Seongnam-si, Gyeonggi-do*

	Title	
	Articles of Incorporation	
	Document #: SK Chemicals -Basic Regulations	Version #: 3.0 Issue Date: March 25, 2020

Establishment/Amendment History

December 1, 2017	Establishment	Version 1.0
March 25, 2019	Amendment	Version 2.0
March 25, 2020	Amendment	Version 3.0
March 31, 2021	Amendment	Version 4.0




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PREAMBLE

The ultimate goal of management activities is the happiness of members. Members, the main agents of management activities, shall continuously pursue happiness by nurturing “stakeholders’ happiness” along with “members’ happiness.” To this end, the Company will establish and implement the Management Philosophy as the basis of management activities as follows.

As the ground and foundation for its members to continuously pursue happiness, the Company shall continue to sustain and prosper by maintaining stability and growth. Members shall also seek their happiness as well as that of stakeholders at the same time.


All values created for the happiness of stakeholders are social values. The Company shall increase economic value through social value creation and build up trust with stakeholders.

The Company shall gain trust from its customers by providing various values and consistently bringing satisfaction, ultimately prospering together with such customers. The Company shall create a fair and competitive ecosystem together with its business partners, and lead mutual development through virtuous cycle cooperation based on this.

The Company shall raise corporate value by continuously creating shareholder value. The Company shall grow together with society by fulfilling various roles such as environmental protection, job creation, quality of life improvement, and contribution to the local community that society needs.

All members shall make an effort to find a balance between the happiness of stakeholders and consider this in both the present and the future to remain sustainable over the long-term.

<Amended on March 25, 2020>

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CHAPTER I GENERAL PROVISIONS


Article 1 (Corporate Name)

The name of this company shall be “에스케이케미칼 주식회사,” in Korean, and written as SK Chemicals Co., Ltd. (the “Company”) in English.


Article 2 (Objectives)

The Company may engage in the following businesses activities:

1. Manufacture, processing, sale and import/export of synthetic resins and related products;
2. Manufacture, processing, sale and import/export of carbon fiber, composite materials and related products;
3. Manufacture, processing, sale and import/export of inorganic materials and related products;
4. Manufacture, processing, sale and import/export of pesticides and related products;
5. Manufacture, processing, sale and import/export of daily necessities, such as various surfactants and synthetic detergents, and related products;
6. Manufacture, processing, sale and import/export of information and electronic materials and related products;
7. Manufacture, processing, sale and import/export of fine chemical products;
8. Manufacture, processing, sale and import/export of food, food additives, ginseng products and related products;
9. Manufacture, processing, sale, import/export and sales by subdivision of pharmaceuticals, quasi-drugs, veterinary drugs, cosmetics, medical supplies, medical devices, and hygiene products, and health care-related business;
10. Manufacture, processing, sale and import/export of raw materials for polyester fiber and regenerated fiber (acetate fiber, etc.) and related chemical products;

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11. Manufacture, processing, sale and import/export of polyester fibers and related products;
12. Manufacture, processing, sale and import/export of regenerated fibers (acetate fibers, etc.) and related products;
13. Manufacture, processing, sale, dyeing and import/export of woven and knitted fabrics and clothing and related products;
14. Manufacture, processing, sale and import/export of building materials and related products;
15. Venture capital or business support for start-ups;
16. E-commerce and service provider through the Internet;
17. Real estate sales and leasing services;
18. Professional construction, building and civil engineering;
19. Environmental measurement service and environmental management service;
20. Environmental pollution prevention facility;
21. Manufacture, processing, sale and import/export of high-purity organic solvents, and retail business of ethanol;
22. Manufacture, cultivation, storage, processing, sale and import/export of biodiesel and other petroleum alternative fuels, raw materials thereof, mixtures, by-products and production plant equipment;
23. Purification, processing, sales and import/export of by-products (toxic substances, methanol, etc.) generated in the manufacturing process of the products of each of the foregoing subparagraphs, and sale of utilities (nitrogen, air pressure, steam, etc.);
24. Manufacture, sale and import/export of machinery and equipment related to the businesses of each of the foregoing subparagraphs;
25. Technical services related to the businesses of each of the foregoing subparagraphs;

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26. Investments in the chemical fiber industry and chemical industry, and investments deemed necessary for the management of the businesses falling under each of the foregoing subparagraphs;
27. Provision and sale of information technology (IT) services, including analysis, design, development, integration, education and operation of IT system;
28. Manufacture, processing and sales of health supplements;
29. Businesses related to operation and investment of medical institutions;
30. Businesses related to manufacture, processing, sales and import/export of automobile parts and related products;
31. Leasing of intellectual property rights such as trademarks and patents related to each of the foregoing subparagraphs;
32. Construction and operation of facilities necessary for the implementation of the businesses, product manufacturing and research of each of the foregoing subparagraphs; and/or
33. Any business and investment related to, necessary for, or concomitant of each of the foregoing subparagraphs.

Article 3 (Location of Head Office and Branches)

- ① The Company shall have its head office in Seongnam-si, Gyeonggi-do, Korea.
- ② The Company may establish branches, subbranches, offices, and local corporations at home and abroad by a resolution of the board of directors (BOD) where necessary for conducting business.

Article 4 (Method of Public Notice)

Public notices by the Company shall be given on the website thereof (<http://www.skchemicals.com>). However, if a notice shall not be posted on the website due to system failure or other unavoidable circumstances, it shall be placed on "Maeil Business News Korea", a daily newspaper published in Seoul.

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CHAPTER II SHARES AND BONDS

Article 5 (Total Number of Shares to Be Issued)

The total number of shares to be issued by the Company shall be 50,000,000 shares.

Article 6 (Par Value of a Share)

The par value of one share issued by the Company shall be KRW 5,000 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 13,038,522 shares.

Article 8 (Types of Shares and Share Certificates)

The shares to be issued by the Company shall be common shares or different class of shares (Jong Ryu Ju Sik in Korean), both of which shall be in registered form.
<Amended on March 25, 2019>


Article 8-2 (Electronic Registration of Rights to Be Indicated on Shares and Preemptive Right Certificates)

- ① Instead of issuing share certificates and preemptive right certificates, the Company shall electronically register the rights to be indicated on such certificates in an electronic registration account book of an electronic registration institution. However, the rights to be indicated on share and preemptive right certificates that are not subject to electronic registration under the relevant laws and regulations may not be electronically registered.
- ② Share certificates shall be issued in eight (8) denominations of one (1), five (5), ten (10), fifty (50), one hundred (100), five hundred (500), one thousand (1,000) and ten thousand (10,000) shares.

<Newly inserted on March 25, 2019>

Article 9 (Number and Characteristics of Preferred Shares with Non-Voting Rights)

- ① Registered preferred shares to be issued by the Company shall be non-


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participating, non-cumulative and perpetual shares without non-voting rights (hereafter “preferred shares” in this Article), and the total number thereof shall be 10 million shares.

- ② For preferred shares, one percent more dividends based on the par value shall be paid in cash than common shares annually.
- ③ Dividends on preferred shares under Paragraph (2) may not be paid if no dividends are paid on common shares.
- ④ In the case of capital increase, whether for consideration or not, preferred shares with the same type and characteristics shall be allocated. However, the BOD may decide to issue only one type of common shares for capital increase with or without consideration. And in this case, the common share shall be allocated to preferred share.
- ⑤ If any dividends on preferred shares shall not be paid from the profits of the fiscal year concerned, the holders of such preferred shares shall be deemed to have voting rights, from the next general meeting of the general meeting where the resolution not to pay the prescribed dividends for such preferred shares is made until the end of the general meeting where the resolution to pay to such preferred dividends is made.


Article 10 (Issuance and Allocation of Shares)

- ① The Company shall issue new shares by a resolution of the BOD and in any of the following methods.
 1. A method of giving shareholders an opportunity to subscribe for new shares in order to allocate such shares according to the number of shares they own;
 2. A method of giving an opportunity to subscribe for new shares in order to allocate new shares to persons other than shareholders in a method other than those in Subparagraph 1, if it is necessary to achieve the Company's business goals, such as the introduction of new technologies and improvement of financial structure, up to 25/100 of the total number of issued shares; or
 3. A method of giving an opportunity to subscribe for new shares to a large number of unspecified persons (including shareholders of the Company) in a method other than those in Subparagraph 1, and allocating new shares to such persons who have subscribed accordingly (up to 25/100 of the total number of issued shares).
- ② In the case of allocating new shares in the method specified in Paragraph (1) 3, such shares shall be allocated in any of the following methods by a

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resolution of the BOD.

1. A method of allocating new shares to a number of unspecified people without classifying the type of persons to be given an opportunity to subscribe for new shares;
 2. A method of allocating new shares to members of the employee stock ownership association in accordance with relevant laws and giving an opportunity to subscribe for new shares, including shares that have not been subscribed, to a number of unspecified people;
 3. A method of preferentially giving an opportunity to subscribe for new shares to shareholders, and then providing an opportunity to receive new shares to a number of unspecified people if there are unsubscribed shares; or
 4. A method in which an investment trader or investment broker provides an opportunity to subscribe for new shares to a specific type of persons in accordance with reasonable standards, such as demand forecast that such trader or broker has prepared as subscriber or brokers, as stipulated in relevant laws.
- ③ In the case of allocating new shares in accordance with Paragraph (1) 2 and 3, the matters stipulated in Subparagraphs 1, 2, 2-2, 3, and 4 of Article 416 of the Commercial Act shall be notified to shareholders or published by at least two weeks prior to the due date of payment. However, in accordance with Article 165-9 of Financial Investment Services and Capital Markets Act, such notification and publication may be replaced by disclosing a report on major issues to the Financial Services Commission and the Exchange.
- ④ In the case of issuing new shares in any of the methods of Paragraph (1), the type and number of shares to be issued and the issue price, etc. shall be determined by a resolution of the BOD.
- ⑤ When allocating new shares, if some of new shares have not been subscribed or their subscription price has not been paid by the due date, the Company shall determine the method of disposal thereof by a resolution of the BOD in accordance with relevant laws, such as the adequacy of the issue price.
- ⑥ The Company shall determine the method of dealing with fractional shares occurred at the time of allocation of new shares by a resolution of the BOD.
- ⑦ When allocating new shares in accordance with Paragraph (1) 1, the Company shall issue a preemptive right certificate to the shareholders.

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Article 11 (Stock Option)

- ① The Company may grant stock options up to the limit as permitted by relevant laws and regulations to its executives and employees (including executives and employees of affiliated companies as stipulated in Article 30 of the Enforcement Decree of the Commercial Act; hereafter the same shall apply in this Article) within the extent of 20/100 of the total number of issued shares by a special resolution of a general meeting of shareholders. However, up to the limit as permitted by relevant laws and regulations within the extent of 10/100 of the total number of issued shares, the stock options may be granted to persons other than the directors of the Company by a resolution of the BOD. If stock options are granted by a resolution of the BOD, the Company shall obtain approval at the first general meeting of shareholders convened after such grant.
- ② A stock option granted by a general meeting of shareholders or a resolution of the BOD may be of a performance type linked to business performance targets or market indices.
- ③ The person to be granted stock options shall be a person who contributes or can contribute to the establishment, management, overseas business, or technological innovation of the Company.
- ④ The shares to be delivered upon exercise of a stock option (If a difference of exercise price of the option and market value is delivered in cash or treasury stock, it refers to shares that are the basis for calculating such difference) shall be common shares or different class of share, both of which shall be in registered form. <Amended on March 31, 2021>
- ⑤ The number of stock options granted to one executive or employee shall not exceed 10/100 of the total number of issued shares.
- ⑥ The exercise price per share of the option shall not be less than the value of each 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. In the case of newly issuing and delivering shares, the higher of the following prices:
 - A. The real value of the share as of the grant date of the stock option
 - B. The par value of the share in the present year
 2. In the case of transfer of treasury share, the real value of the share as of the grant date of the stock option
- ⑦ The stock option may be exercised for a period as determined by a general


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meeting of shareholders or the BOD within seven years from the date that such option can be first exercised.

- ⑧ Any person who is granted a stock option may exercise his/her stock option only after serving for at least two years from the date of the resolution under Paragraph (1). However, if such person who is granted the stock option dies or, resigns or retires for reasons not attributable to himself/herself within two years from the date of the resolution under Paragraph (1), such stock option may be exercised during the exercise period.
- ⑨ The provisions of Article 13 shall apply mutatis mutandis to dividends of profits on new shares issued by the exercise of stock options.
- ⑩ Stock options may be canceled by a resolution of the BOD if any of the following occurs.
 1. When an executive or employee who is granted stock options voluntarily retires or resign from the Company;
 2. When an executive or employee who is granted stock options causes serious damage to the Company intentionally or negligently;
 3. When the Company is unable to respond to the exercise of stock options due to bankruptcy or dissolution of the Company; or
 4. When any other reasons for cancellation as stipulated in the agreement for granting the stock option occur.

Article 12 (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 shares by a special resolution of a general meeting of shareholders. However, within the extent of 10/100 of the total number of issued shares, an employee stock purchase plan may be granted by a resolution of the BOD.
- ② The shares to be delivered upon exercise of an 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 shares.
- ④ The exercise price of an employee stock purchase plan shall be 70/100 or more of the evaluation price stipulated in Article 14 of the Enforcement

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Regulations of the Framework Act on Labor Welfare. However, 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). However, 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. However, if a person who is granted an employee stock purchase plan is granted dies, the heir may exercise the stock option during the exercise period.
- ⑦ The provisions of Article 13 shall apply mutatis mutandis to dividends of profits on new shares issued by the exercise of an employee stock purchase plan.
- ⑧ An employee stock purchase plan may be revoked by a resolution of the BOD in any of the following cases:
 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 13 (Record Date of Dividend Payout for New Shares)

When the Company issues new shares for capital increase with or without consideration, or share dividend, for the purpose of the distribution of dividends thereon, such new shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year in which the new shares are issued.

Article 14 (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 BOD.
- ③ The Company shall place shareholders' register and a copy thereof kept at the office of the Transfer Agent, and shall delegate electronic registration of the Company's stock, management of the shareholders' register, transfer of stock, registration or cancellation of pledge, registration or cancellation of the property in trust, issuance of share certificates, receipt of reports, and other stock-related affairs to the transfer agent. <Amended March 25, 2019>
- ④ The procedure of dealing with such matters under Paragraph (3) shall be subject to the regulation concerning the Securities Title Transfer by Transfer Agent, Etc.

Article 15 (Report of Name, Address and Seal or Signature of Shareholders, Etc.)

- ① Shareholders, registered pledgees and their representatives shall report their name, address, seal or signature, etc. to the transfer agent under Article 14. However, this Paragraph does not apply to shares electronically registered in accordance with the main sentence of Article 8-2 (1). <Amended on March 25, 2019>
- ② Shareholders and registered pledgees residing abroad shall designate and report a place to receive notification and an agent in the Republic of Korea. However, this Paragraph does not apply to shares electronically registered in accordance with the main sentence of Article 8-2 (1).
<Amended on March 25, 2019>
- ③ A legal representative shall report and submit a document to prove his/her right of representation.
- ④ The same shall apply to the changes in Paragraphs 1 through 3.
- ⑤ The Company shall not be held responsible for any damage caused by negligence in reporting in each of the preceding paragraphs.

Article 16 (Closing of Shareholders' Register and Record Date)

- ① (Deleted on March 25, 2020)

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- ② The Company shall deem the shareholders whose names appear in the shareholders' register on December 31 of each year to be entitled to exercise their rights as shareholders at the regular general meeting of shareholders for such period.
- ③ If necessary to convene an extraordinary general shareholders' meeting or otherwise, the Company may deem the shareholders whose names appear in the shareholders' register on the date determined by a resolution of the BOD to be entitled to exercise such rights as shareholders. The Company shall issue a public notice thereof at least two weeks prior to such meeting. <Amended on March 25, 2020>

Article 17 (Issuance of Bonds)

- ① The Company may issue bonds upon a resolution of the BOD.
- ② The BOD may determine the amount and the type of bonds and then delegate to the representative director of the Company to issue such bonds within one year.

Article 18 (Issuance of Convertible Bonds)

- ① The Company may issue convertible bonds to persons other than its shareholders to the extent that the aggregate par value of the bonds shall not exceed KRW 200 billion.
- ② The convertible bonds referred to in the foregoing Paragraph may be issued with a condition to provide conversion rights to some of the bonds by a resolution of the BOD.
- ③ For shares issued upon conversion, of the aggregate par value of convertible bonds in Paragraph (1), KRW 150 billion shall be common shares and KRW 50 billion shall be preferred shares, and the conversion price thereof shall not be less than the par value of shares and be determined by a resolution of the BOD at the time of issuance of such convertible bonds.
- ④ In the case of Paragraph (1), the period during which conversion rights may be exercised shall be from the issuance date of the relevant convertible bonds to the date immediately preceding the redemption date. However, the BOD may adjust such period within the above period by a resolution.


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- ⑤ With respect to the distribution of dividends or interest on the shares issued upon conversion of the convertible bonds described in Paragraph (1), such 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 19 (Issuance of Bonds with Warrants)

- ① The Company may issue bonds with warrants to persons other than its shareholders of the Company to the extent that the aggregate par value of the bonds shall not exceed KRW 100 billion.
- ② In the case of the preceding Paragraph, the amount that can be claimed for the purchase of new shares shall be determined by the BOD within the extent not exceeding the aggregate par value of the bonds with warrants.
- ③ For shares issued upon exercising the warrant, of the aggregate par value of the bonds in Paragraph (1), KRW 80 billion shall be common shares and KRW 20 billion shall be preferred shares, and the conversion price thereof shall not be less than the par value of shares and be determined by a resolution of the BOD at the time of issuance of such bonds.
- ④ In the case of Paragraph (1), the period during which the warrant may be exercised shall be from the issuance date of the relevant bonds to the date immediately preceding the redemption date. However, the BOD may adjust the exercise period of such warrant within the above period by a resolution.
- ⑤ The shares issued upon exercising the warrant of the bonds with warrants described in Paragraph (1) shall be deemed, for the purpose of the distribution of dividends or interest thereon, to have been issued at the end of the fiscal year immediately preceding the fiscal year in which the subscription price therefor is fully paid.

Article 19-2 (Electronic Registration of Rights to Be Indicated on Bond Certificates and Subscription Warrants)

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Instead of issuing bond certificates and subscription warrants, the Company shall electronically register the rights to be indicated in such certificates in an electronic registration account book of an electronic registration institution.

However, the rights to be indicated on bond certificates and subscription warrants that are not subject to electronic registration under the relevant laws and regulations may not be electronically registered.

<Newly inserted on March 25, 2019>

CHAPTER III GENERAL MEETING OF SHAREHOLDERS

Article 20 (Convening Timing)


- ① General Meetings of the Shareholders of the Company shall be of two types: Regular and Extraordinary.
- ② A regular general meeting of shareholders shall be convened within three months after the end of each fiscal year and an extraordinary general meeting of shareholders shall be convened at any time if necessary.

Article 21 (Person with Authority to Convene)

- ① A general meeting of shareholders is convened by the representative director in accordance with the resolution of the BOD, except as otherwise provided in laws and regulations.
- ② In the absence or vacancy of the representative director, the provisions of Article 35 (3) shall apply mutatis mutandis.

Article 22 (Notice of Convening and Publication)

- ① In convening a general meeting of shareholders, the date, place, and purpose thereof shall be notified in writing or electronically to shareholders two weeks prior to the date of such meeting.
- ② The notice of convening for shareholders who hold not more than 1/100 of the total number of shares with voting rights issued may be substituted with the publication of notice of its intention to convene such general meeting of shareholders and the agenda thereof in "Maeil Business News Korea" and

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“Kookmin Ilbo,” which are published in Seoul, at least twice each, or in the electronic disclosure system operated by the Financial Supervisory Service or the Korea Exchange, two weeks prior to such meeting.

③ General meetings of shareholders shall be held at the head office or a place in Seoul.

Article 23 (Chairperson)

- ① A general meeting of shareholders shall be chaired by the representative director.
- ② In the absence or vacancy of the representative director, the provisions of Article 35 (3) shall apply mutatis mutandis.

Article 24 (Chairperson’s Authority to Maintain Order)

- ① The chairperson of a general meeting of shareholders may order any person who intentionally speaks or behaves obstructively or who disturbs the proceedings of the meeting to stop a speech or to leave the place of meeting
- ② The chairperson of a general meeting of shareholders restricts the time and number of speeches by a shareholder as deemed necessary for the purpose of smooth proceeding.


Article 25 (Shareholder's Voting Right)

Shareholders shall have one vote per share. However, shares of which voting rights are restricted by laws and regulations are not entitled to vote.

Article 26 (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 writing of its intention and reasons three days prior to the meeting date.
- 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.

Article 27 (Exercise of Voting Rights by Proxy)

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- ① Shareholders may exercise their voting rights by proxy.
- ② The proxy under Paragraph (1) shall submit written documents (power of attorney) evidencing his/her authority to act as proxy prior to the opening of a general meeting of shareholders.

Article 28 (Method of Resolution of general meeting of shareholders)

All resolutions of general meetings of shareholders, except as otherwise provided by laws and regulations, shall be adopted by affirmative votes of the majority of the voting rights of shareholders present, which shall not be less than a quarter of the total number of shares issued.

Article 29 (Minutes of general meeting of shareholders)

The proceedings and results of a general meeting of shareholders shall be recorded in minutes. And the chairperson and directors present shall affix their seals or signature thereon, and keep them at the head office and branches of the Company.


CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS

Article 30 (Number of Directors)

- ① The Company shall have no more than 10 directors.
- ② The Company shall appoint some of the directors as independent directors. The number, requirements, and other specific matters necessary for operation of independent directors shall be subject to the relevant laws and regulations, and matters determined by the BOD.

Article 31 (Appointment of Directors)

- ① Directors shall be appointed at a general meeting of shareholders.
- ② The appointment of directors shall be made by a majority of the voting rights of the shareholders present, which shall not be less than a quarter of the total number of shares issued.
- ③ In case two or more Directors are appointed, the cumulative vote stipulated

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in Article 382-2 of the Commercial Act shall not apply.

Article 32 (Term of Directors)

The term of office of directors shall be three years. However, if the term of office expires before the end of the regular general meeting of shareholders in respect of the settlement period after the end of the final settlement period, such term of office shall be extended until the close of the general meeting.

Article 33 (Appointment of Directors in Case of Vacancy)

- ① Any vacancy occurs in the number of directors prescribed in Article 383 (1) of the Commercial Act or in the number of independent directors prescribed in Article 542-8 (1) of the Commercial Act due to reasons such as resignation or death during the term of office of a director, the successor director shall be appointed at the first general meeting of shareholders convened after such reasons occurs.
- ② The term of office of the successor director appointed for vacancy pursuant to the preceding Paragraph shall be the remaining term of the predecessor.

Article 34 (Appointment of Representative Director)


The Company shall appoint the representative director among the directors by a resolution of the BOD.

Article 35 (Duties of Directors)

- ① The representative director shall represent the Company and exercise the authority granted by the BOD.
- ② Directors shall assist the representative director and perform duties according to the authority and responsibilities granted by the Commercial Act, other laws and the Articles of Incorporation.
- ③ In the absence of the representative director, a director designated by such representative director in advance shall act on his/her behalf.

Article 36 (Composition and Convening of the Board of Directors)

- ① The BOD shall be composed of directors and make major decisions on important matters of the Company's businesses.

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- ② The chairperson of the BOD shall be determined by the BOD.
- ③ The board meeting shall consist of a regular board meeting and a temporary board meeting. A regular board meeting shall be convened at least once a quarter, and a temporary board meeting shall be convened whenever necessary.
- ④ The chairperson of the BOD shall convene a board meeting by giving notice to each director at least five days prior to the date of such meeting. However, the convening procedure may be dispensed with upon the consent of all directors.


Article 37 (Method of Resolution of the Board of Directors)

- ① Resolutions of the BOD shall be adopted by the presence of a majority of the directors in office and by the affirmative vote of a majority of the directors present. However, resolutions by the BOD on matters falling under Articles 397-2 and 398 of the Commercial Act shall be adopted by the affirmative vote of at least two-thirds of the directors present.
- ② The BOD may allow all directors or a part thereof to participate in resolutions by the BOD through the means of communication transmitting and receiving voices simultaneously, in lieu of attending such a meeting in person. In this case, such directors shall be deemed to have attended such a meeting in person.
- ③ A person who has special interests in a resolution by the BOD shall not exercise his/her vote upon such resolution.

Article 38 (Minutes of the Board of Directors)

- ① At all meetings of the BOD, minutes shall be taken.
- ② The agenda, proceedings and results of a meeting, and the persons who oppose and the reason therefor shall be recorded in the minutes. A director present shall affix his/her seals or signature thereon.

Article 39 (Committees)

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- ① The Company may have the following committees within the BOD.
 1. Audit Committee;
 2. Independent Director Candidate Recommendation Committee;
 3. Management Committee; and/or
 4. Committees established by a resolution of the BOD as necessary.
- ② Details regarding the composition, authority, operation, etc. of each committee shall be determined by a resolution of the BOD.
- ③ The provisions of Articles 36, 37 and 38 shall apply mutatis mutandis to any committee.

Article 40 (Management Committee)

- ① A Management Committee may be established by a resolution of the BOD pursuant to the provisions of Article 39.
- ② The Management Committee shall carry out its duties in accordance with the regulations and resolutions of the BOD, and deliberate on and resolve other matters delegated by the BOD from time to time.
- ③ Details regarding the composition, operation, etc. of the Management Committee shall be determined by the BOD.

Article 41 (Committee for Recommendation of Independent Director)

- ① An Independent Director Candidate Recommendation Committee may be established by a resolution of the BOD pursuant to the provisions of Article 39.
- ② The Independent Director Candidate Recommendation Committee shall recommend independent director candidates among those who meet the qualifications stipulated in the relevant laws and regulations, such as the Commercial Act.
- ③ Details regarding the composition, operation, etc. of the Independent Director Candidate Recommendation Committee shall be determined by the BOD.

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Article 42 (Remuneration and Severance Allowance of Directors)

- ① The remuneration of directors shall be determined by a resolution of a general meeting of shareholders.
- ② Retirement allowance for directors shall be paid in accordance with the Retirement Allowance Regulations that have been duly approved by a resolution of a general meeting of shareholders.


CHAPTER V AUDIT COMMITTEE

Article 43 (Audit Committee)

- ① In lieu of auditor, the Company shall establish an Audit Committee pursuant to Article 39.
- ② The Audit Committee shall be composed of three or more directors.
- ③ Audit Committee members shall be appointed in accordance with the relevant laws and regulations, such as the Commercial Act.
- ④ The Audit Committee shall appoint a member as the representative of the Audit Committee by a resolution. In this case, several members may be determined to jointly represent the committee.

Article 44 (Duties, Etc. of Audit Committee)

- ① The Audit Committee shall audit the accounts and corporate affairs of the Company.
- ② If necessary, the Audit Committee may request the convening of a board meeting by submitting the purpose of such meeting and the reason for convening in writing to the director (Referring to the person who has the authority to convene such meetings if any. The same shall apply hereinafter.);
- ③ Notwithstanding the request in Paragraph (2), if the director fails to convene

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a board meeting immediately, the Audit Committee may convene a board meeting with the permission of the court.

- ④ The Audit Committee may request the convening of an extraordinary general meeting by submitting a document stating the purpose of the meeting and the reason for convening in writing to the BOD.
- ⑤ When it is necessary to perform its duties, the Audit Committee may request a business report from an affiliated company of the Company. In this case, when such affiliated company fails to report immediately, or when it is necessary to confirm the details of the report, the Audit Committee may investigate the affiliated company's businesses and property.
- ⑥ The Audit Committee shall appoint an independent auditor of the Company.
<Amended on March 25, 2019>
- ⑦ In addition to Paragraphs (1) through (6), the Audit Committee shall deal with matters delegated by the BOD or stipulated in related laws and regulations.

Article 45 (Audit Report)

The Audit Committee shall prepare an audit report regarding an audit. The method to conduct the audit and the results thereof shall be written in the audit report, and the member of the Audit Committee who has conducted such audit shall affix his/her seal or signature thereon.


CHAPTER VI ACCOUNTING

Article 46 (Fiscal Year)

The fiscal year of the Company shall commence on January 1 and end on December 31 of each year. However, 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 47 (Preparation and Maintenance of Financial Statements, Etc.)

- ① After settling all accounts for each settlement period, the representative director of the Company shall prepare the following documents, supplementary documents thereto and the business report for obtaining the audit of the Audit Committee at least six weeks prior to the date of a regular general meeting of shareholders, and shall submit the documents

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in each of the following subparagraphs and business reports to the regular general meeting of shareholders.

1. Balance Sheet;
 2. Income Statement; and
 3. Other documents showing the financial conditions and business performance of the Company as stipulated by the Enforcement Decree of the Commercial Act.
- ② If the Company is subject to the preparation of consolidated financial statements prescribed by the Enforcement Decree of the Commercial Act, the consolidated financial statements shall be included in each document in Paragraph (1).
- ③ The Audit Committee shall submit an audit report to the representative director at least one week prior to the date of a regular general meeting of shareholders.
- ④ The representative director shall keep the documents in paragraph (1) and the audit report at the head office for five years, and their certified copy at each branch for three years, from one week prior to the date of the regular general meeting of shareholders.
- ⑤ Upon obtaining approval from a 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.


Article 48 (Appointment of Independent Auditor)

The Company shall appoint an independent auditor as stipulated in the relevant laws and regulations, and shall report the fact to the regular general meeting 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 March 25, 2019>

Article 49 (Disposition of Profits)

The Company shall dispose the income derived from subtracting the total loss cost from the total revenue of each fiscal year and then adding a balance carried forward from the last fiscal year thereto in any of the following methods:

1. Earned surplus reserve;

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2. Other statutory reserves;
3. Dividends;
4. Discretionary reserves;
5. Other appropriated retained; or
6. Earned surplus carried forward to next fiscal year.

Article 50 (Payment of Dividends)

- ① Dividends of profits may be paid in cash, shares and other property. However, dividends in shares shall not exceed an amount equivalent to 1/2 of the total amount of dividends of profits.
- ② Dividends in Paragraph (1) shall be paid to the shareholders or registered pledgees whose names appear in the shareholders' register as of the end of each settlement period.
- ③ In the case of dividends in shares, the classes and types of new shares may be determined by a resolution of a general meeting of shareholders if the Company has issued different classes and types of shares.


Article 51 (Extinctive Prescription of Right to Claim Dividends)

- ① The extinctive prescription of claim to dividends shall become complete if not exercised for a period of five years.
- ② Dividends resulting from the completion of the prescription in Paragraph (1) shall belong to the Company.
- ③ No interest shall accrue on any unpaid dividend.

CHAPTER VII MISCELLANEOUS

Article 52 (Enactment of Regulations, Etc.)

If necessary, the Company may enact and implement regulations necessary for businesses and management by a resolution of the BOD or in a method determined by the BOD.

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Article 53 (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 inserted on March 25, 2019>

Article 54 (Matters Other Than Regulations)

Matters not stipulated in these Articles of Incorporation shall be subject to a resolution of a general meeting of shareholders, the Commercial Act and other laws and regulations.

Addendum

Article 1 (Enforcement Date)

These Articles of Incorporation shall be effective from the date of establishment of the Company.


Article 2 (Company Establishment by Spin-Off)

The Company shall be established as a result of the spin-off from SK Chemicals Co., Ltd. (hereinafter referred to as "the company spun-off"), and the asset and its value transferred to the Company due to the said spin-off shall be described in the spin-off plan of the company spun-off that was approved at a general meeting of shareholders on October 27, 2017.

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 the company spun-off shall affix his signature or seal thereon.

Article 4 (Special Cases Concerning Term of Directors)

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Notwithstanding the provisions of Article 32, if the director appointed first after the establishment of the Company had been serving as a director of the company spun-off, the remaining term thereof shall be applied.

Addendum <Amended on March 25, 2019>

These Articles of Incorporation shall be effective from March 25, 2019, as approved by a general meeting of shareholders. However, the amendments to Articles 8, 8-2, 14, 15 and 19-2 shall come into effect from the effective date of the Act on Electronic Registration of Stocks, Bonds, Etc.

Addendum <Amended on March 25, 2020>

These Articles of Incorporation shall be effective from March 25, 2020. However, the amendments to Article 53 shall come into effect from January 1, 2021.

Addendum <Amended on March 31, 2021>

These Articles of Incorporation shall be effective from March 31, 2021.