

0108. Anti-Corruption Legal Compliance Regulations

Established on October 15, 2021

Amended on December 1, 2021

Amended on July 4, 2022

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

SK Materials Co., Ltd. (hereinafter referred to as the “Company”) hereby establishes these regulations to conduct businesses in an ethical and legitimate manner in compliance with domestic and foreign anti-corruption laws and to promote the wholesome and sustainable development of the Company.

Article 2 (Fundamental Principles)

(1) Members of the Company must comply with all Korean anti-corruption laws, including the Criminal Act, the Act on the Aggravated Punishment of Specific Crimes, the Act on Combating Bribery of Foreign Public Officials in International Business Transactions, and the Improper Solicitation and Graft Act, and all overseas anti-corruption law, including the Foreign Corrupt Practices Act (hereinafter referred to as the “FCPA”), the UK Bribery Act 2010, the OECD Anti-Bribery Convention, and anti-corruption-related laws of countries where the Company conducts businesses (hereinafter referred to as the “Anti-Corruption Laws and Regulations”).

(2) The Company may set guidelines to ensure compliance with these regulations (hereinafter referred to as the “Detailed Guidelines”), and members must comply with the Detailed Guidelines.

(3) Members must ensure that all individuals and organizations doing business with the Company understand and comply with these regulations in relation to the business with the Company.

Article 3 (Applicability)

(1) These regulations apply to all members of the Company and its subsidiaries regardless of their place of work.

(2) Notwithstanding the prohibition herein, exceptions may be applied if permitted by the laws of the applicable country, and where it is necessary to determine whether such exceptions indeed apply, members must consult with the Ethical Management Division in advance.

(3) Each country may set its own detailed guideline for compliance with these regulations in line with local laws and circumstances.

Article 4 (Definitions)

(1) The terms used in these regulations are defined as follows:

1. The term “public officials, etc.” means any of the following public officials, public affairs workers, and the spouse and immediate family members of public officials.

- Public officials of the central or local government, and persons who are recognized as public officials in terms of their qualification, appointment, education and training, service, remuneration, the guarantee of status, etc. according to other laws and regulations

(Public officials engaged in government legislative, administrative, and judicial affairs, whether appointed or elected)

- Candidates for public office

- Political party employees

- Employees of state-owned enterprises

- (Corporate employees for which the government has control over the overall operation in practice)
- Employees of public organizations or public institutions established to perform public affairs
 - Persons who engage in the work of international organizations for public services (e.g. IMF)
 - Official agents or consultants of the government
 - Employees of non-governmental organizations (NGOs)
 - Representatives and employees of media outlets
 - Employees of other public service-related organizations or persons consigned to carry out public duties
2. The term the “other party to the transaction” means individuals, corporations, and other organizations that provide products and services to the Company, and the term includes intermediaries/proxies (agents, brokers, consultants, etc.), business partners (joint ventures, etc.), and subcontractors (partners for purchase, production, sales, design, support, etc.).
3. The term “private persons performing public duties” means those who fall under any of the following:
- A member, who is not a public servant, of any committee established under the Act on the Establishment and Management of Councils, Commissions and Committees under Administrative Agencies, or any other statute;
 - An individual to which authority has been delegated or entrusted by a public institution under statutes;
 - An individual dispatched from the private sector to a public institution in order to perform public duties;
 - An individual, a juridical person, or an organization that conducts deliberation or assessment in relation to public duties in accordance with statutes.
4. The term “improper business interests” means all interests obtained by unjustifiable means contrary to the laws and regulations or social norms.
- Here, interests include securing any of the following or receiving a favorable disposition:
- Acquisition or maintenance of contracts;
 - Confidential information on bids, sales opportunities, or competitor's business activities;
 - License approval;
 - Customs duties, taxes, and fines imposed;
 - Administrative or civil litigation
5. The term “money, goods, etc.” means any of the following:
- Any and all monetary interests, including money, securities, real estate, articles, complimentary accommodations, memberships to clubs and facilities, admission tickets for venues and performances, discount coupons, invitation tickets, entertainment tickets, or licenses and permissions to use real estate;
 - Offering entertainment, including food and beverages, alcoholic beverages, or golf; or accommodations, including transportation or lodging;
 - Canceling debts, offering jobs, or granting rights and interests;
 - Other tangible or intangible monetary interests.
6. The term “provide, offer, or promise” includes not only providing money, goods, etc. but also a promise or offer not performed in practice as well as a simple promise or offer. In this case, it includes providing, offering, or promising tangible and intangible interests to a third party even though it was known that all or part of the money, goods, etc. paid to the third party would be delivered to the public officials, etc.
- (2) Terms not defined herein will be subject to the definitions contained in the anti-corruption laws of each country, and, if necessary, they may be defined by the Ethical Management Division.

CHAPTER II MATTERS TO BE COMPLIED WITH

Article 5 (General)

(1) Prohibition in principle

Members must not provide or offer or promise to provide money, goods, etc. directly or through a third party to domestic and foreign public officials or private persons performing public duties for improper business interests outside the scope permitted by law, and must not accept, demand, or promise to accept improper money, goods, etc. in relation to their duties.

(2) Prohibition of improper solicitation

While performing duties, members must not demand public officials or private persons performing public

duties to perform duties in violation of the laws and regulations or request them to invoke power outside their authority. In addition, if members are requested by others to perform their duties in violation of the laws and regulations or invoke power outside their authority, such request must be immediately rejected, and duties must not be processed according to a such request under any circumstances.

Article 6 (Gifts and Entertainment)

(1) General prohibition

1. Members are prohibited from providing the following gifts and entertainment to public officials for improper business interests:

- Gifts and entertainment prohibited by law (e.g., narcotics, etc.);
- Gifts and entertainment that are luxurious and extravagant, or could be embarrassing if disclosed;
- Cash or other cash-equivalent gifts and entertainment beyond what would be usually acceptable ;
- Excessive loans or loans irrelevant to the business or business-related information/rights (e.g., bidding, licensing, etc.)
- Other gifts and entertainment prohibited under the Improper Solicitation and Graft Act and other corruption-related laws (including foreign corruption-related laws)

(2) Acceptable gifts and entertainment

1. Members may provide the following gifts and entertainment in good faith at a reasonable level allowed by local laws and customs:

- Meals and entertainment
- Costs to cover actual expenses, such as lecture fees and travel expenses
- Local customary gifts such as money for congratulations and condolences/wreaths (e.g.: Gifts worth less than 50,000 won or money for congratulations and condolences less than 100,000 won (including wreaths))
- Gifts of an occasional nature (e.g. medals, etc.)
- Promotional gifts provided to unspecified people such as calendars and diaries.

2. Even if the gift and entertainment fall under the above category, it is prohibited under the following circumstances:

- If it is continuously/repeatedly provided to a specific person;
- If there exists a critical issue of direct interest.

(3) If a member intends to provide gifts, entertainment, or money for congratulations and condolences to public officials or public affairs workers related to their work, and it is unclear whether it falls under Paragraph (2) of this Article, he/she must consult with the Ethics Management Division in advance to determine whether such provision would constitute a violation.

Article 7 (Travel and Business Trip)

(1) General prohibition

1. Members must not provide the following to public officials, etc. under any circumstances in relation to travel (business trip) for improper business interests:

- Cash for travel-related daily allowance and travel expenses;
- Travel and travel expenses regardless of the purpose of the business trip;
- Luxurious and extravagant travel.

(2) Permitted travel (business trip)

1. The travel (business trip) may be provided for a reasonable cost only if it is directly related to the business purpose or the conclusion or fulfillment of a contract.

- If the contract requires the other party to the transaction to take part in education or training supervised by the Company or a third party;
- If it is necessary to attend a meeting for technologies, driving, projects, etc.;
- If it is necessary to conduct due diligence at a company to win a project.

2. Travel (business trip) expenses for transportation, accommodation, and meals must be paid directly to service providers (hotels, travel agencies, etc.).

Article 8 (External Contribution)

(1) General prohibition

Members must not provide an external contribution to the following organizations for improper business interests:

- Political organizations;
- Organizations directly related to licensing

(2) Permitted provision

External contributions are allowed if they are provided to charities in good faith.

Article 9 (Political Contribution)

The Company must not provide any political contributions, including contributions to candidates for public office or members of the National Assembly.

Article 10 (Facilitation Payments)

(1) The term “facilitation payment” means a small amount paid to lower-level public officials to expedite or facilitate routine government procedures.

- (2) Members must not pay facilitation payments for any reason.

Article 11 (Conflict of Interest)

(1) The term “conflict of interest” means a circumstance in which the personal interest of a member conflicts with that of the Company during the course of business, including the following circumstances:

1. A member owns a significant stake in the other party to the transaction;
2. A member acts as a key executive such as a director or is related to a key executive of the other party to the transaction;
3. Any other circumstances in which there are concerns as to direct or indirect disadvantages or another improper impact on the Company due to matters related to the personal interest of a member during the course of business;

(2) Members must endeavor to avoid conflicts of interest, and if a conflict of interest is inevitable, they must, as a matter of principle, be excluded from a related business. In this case, members must report the conflict of interest to the HR department or the Ethical Management Division and then follow the Company's decision.

(3) Even in cases where there is a risk of affecting the fair performance of business due to blood ties, academic ties, or other special relationships with public officials of government agencies that oversee the licensing, investigation, etc., or if fairness may be questioned, Paragraph 2 will dictate.

CHAPTER III MERGER AND ACQUISITION

Article 12 (Merger and Acquisition)

(1) By acquiring another company, the Company may be required to assume its past legal responsibilities, and in recognition that it may be held liable for acts continued after the acquisition in violation of the Anti-Corruption Laws and Regulations, the Company must conduct compliance due diligence to find and address legal risk factors before acquiring another company.

(2) The Company must make sure that its internal control and compliance programs such as compliance training for members, inspection and monitoring programs, and compliance due diligence of a third party take root in the acquired company in the early stage.

(3) Company members must provide full cooperation to take necessary measures for mergers and

acquisitions.

CHAPTER VI COMPLIANCE CONTROL

Article 13 (Approval and Records Management)

All matters to which these regulations are applicable must follow the set cost execution and approval procedures in the Company, while Company members must reflect various transactions and when and where the money is spent in the ledger in a detailed and accurate manner and keep receipts and other proofs attached. In addition, Company members must draft accounting and financial reports in a fair and appropriate manner in accordance with applicable laws and regulations and must not record false or forged information for any purpose or omit information that must be recorded.

Article 14 (Reporting, Etc.)

- (1) If a Company member discovers a violation or potential violation of these regulations and anti-corruption laws, he or she must immediately notify thereof to the relevant department. In addition, a Company member who has been requested to provide money or valuables from public officials, etc. must immediately report to the Ethics Management Division.
- (2) If a Company member or his/her spouse constitutes a public official or a private person performing public duties, and is related to the Company business, he/she must immediately report any change to his or her position such as acquisition or loss thereof to the Ethics Management Division.

Addendum (Dec. 1, 2021)

Article 1 (Enforcement Date) These Regulations shall enter into force on December 1, 2021.

Article 2 (Application) Upon the enforcement of these regulations, the previous regulations on compliance with the Improper Solicitation and Graft Act will be abolished and replaced with these regulations.