

Fair Trade Compliance Program Operational Regulations



1. Purpose

The purpose of this regulation is to set the obligations of executives and employees to comply with the Fair Trade Compliance Program of SK Materials Co., Ltd. and its subsidiaries, the scope of duties of the fair trade compliance manager, and detailed work execution procedures.

2. Scope of Application

This regulation applies to all employees of the company and all business activities related to fair trade.

3. CEO

The CEO publicly expresses his/her will and policy for fair trade compliance and actively supports human and material matters necessary for the efficient performance of fair trade compliance managers in order for all executives and employees to actively practice fair trade compliance.

4. Fair Trade Compliance Manager

4.1 Appointment and Dismissal

- 1) The fair trade compliance manager is appointed and dismissed by the Board of Directors (BOD).
- 2) The company shall notify all executives and employees of the appointment and dismissal of the fair trade compliance manager in writing, electronic documents, posting on the website, etc.

4.2 Duties

The fair trade compliance manager shall oversee the operation of the Fair Trade Compliance Program and perform the following duties:

- 1) Establish an implementation plan for the Fair Trade Compliance Program and supervise the execution process
- 2) Report the operation plan and performance of the Fair Trade Compliance Program
- 3) Play a role as an official communication channel with competition authorities such as the Fair Trade Commission

5. Responsibilities of Executives and Employees

5.1 Compliance with Fair Trade

Employees shall recognize that fair trade and fair competition are the obligations they have as market members under the market economy system, and shall engage in business activities fairly and transparently so that all business activities are socially and ethically acceptable.

5.2 Prohibition of Unfair Joint Action

The company and its executives and employees shall not engage in unfair joint actions with other business operators, such as determining or promoting the price of goods or services through explicit or implied agreements with them, and shall not form or join an organization or association for the purpose of unfair joint action.

5.3 Prohibition of Unfair Trade Practices

- 1) Executives and employees shall not refuse a transaction to an existing business partner or a party who wants a new transaction without any justifiable reason, or discriminate against the price or transaction conditions between business partners.
- 2) Do not force business partners to purchase the company's products by unfairly taking advantage of their trading position, force them to provide profits, force sales targets, or give disadvantages.
- 3) Do not engage in unfair practices such as supplying goods or services to a specific business operator at a price significantly lower than the supply price without justifiable reasons in order to exclude a competitor from the market.
- 4) Do not provide unlawful profits or use hierarchies to attract customers from competitors.
- 5) Do not transact under conditions that unreasonably bind the counterparty to the transaction (exclusive conditional transaction, limiting transaction area or counterparty), and do not interfere with the business activities of other business operators by using technology improperly or by interfering with the transfer of business partners.
- 6) Do not support affiliates by unfairly transacting funds, assets, and manpower on terms significantly more favorable than the normal price.

6. Operation of Fair Trade Compliance Program

6.1 Production/distribution/supplementation of the Compliance Handbook

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The fair trade compliance manager shall produce/distribute/supplement the compliance handbook, a detailed guideline for voluntary compliance with the Fair Trade Act.

6.2 Operation of Training Programs

The fair trade compliance manager shall conduct regular training for executives and employees at least once a year, and separate trainings may be provided from time to time for executives and employees in areas with a high possibility of violating the Fair Trade Act.

6.3 Conducting and Reporting Regular Inspections on the Status of Compliance and Evaluation of Activity Status

- 1) The fair trade compliance manager shall conduct regular self-inspections for the effective execution of the Fair Trade Compliance Program. Inspections can be carried out from time to time if necessary.
- 2) The inspection plan will include selected areas with a high probability of violation of the law every year, and be reported to the CEO before being implemented.
- 3) The fair trade compliance manager shall report the results of the inspection (including improvement measures) to the CEO and the BOD at least once a year.

6.4 Sanctions against Employees Who Violate the Fair Trade Act

- 1) The fair trade compliance manager may take the following actions depending on the degree of violation in respect of acts that damage or threaten company's reputation due to violations of the Fair Trade Act.
 - Request for correction: A correction may be requested to the employee concerned if it is determined that there is a high possibility of a violation of the law as a result of the self-inspection.
 - Caution, warning, re-training: Caution, warning or re-training measures can be taken in case of non-compliance with the request for correction, or in cases where the company's reputation has been damaged by violating the Fair Trade Act, but the degree of violation is weak and it is not a repeated violation of the law.
- 2) In case it is judged that the company has suffered serious loss of reputation and money due to habitual violations or violations of the law, apart from the sanctions under the preceding paragraph, the compliance manager shall request the HR committee for deliberation related to the personnel measures of the employees and the HR committee shall set the disciplinary level corresponding to the degree of violation and informs the compliance manager of the result of the disciplinary action.

6.5 Operation of Internal Reporting System for Unfair Trade Practices

- 1) All employees of the company may report matters that violate or are likely to violate relevant laws or the company's policies, regulations, procedures and guidelines to the fair trade compliance manager or the fair trade support department (legal team, ethical management team, etc.).
- 2) Investigations into the reports about employees are conducted by the fair trade support department under the responsibility of the fair trade compliance manager. The fair trade compliance manager shall report the results of the investigation to the CEO and, if necessary, report important matters of the investigation results to the BOD in accordance with 6.3 of this regulation.
- 3) The fair trade compliance manager shall strictly manage the personal information of the executives and employees who made the report pursuant to the above clause so that they are not disclosed or leaked to a third party, and no personnel disadvantage shall be given to the relevant employee due to the report.

6.6 Rewards

The fair trade compliance manager may report to the CEO and give rewards to departments or executives and employees who have been evaluated to have practiced the Fair Trade Compliance Program exemplary or to have prevented violations of related laws in advance. For the efficient and smooth operation of the reward system, details can be established and operated as separate guidelines.

7. Others

7.1 Disclosure of Operational Status

7.2 The fair trade compliance manager may voluntarily disclose the operating status of the Fair Trade Compliance Program to the stock exchange if necessary, including at least the following:

- 1) CEO's will and policy for compliance
- 2) Introduction of the compliance program
- 3) Status of compliance manager and fair trade support department

7.3 Operational Guidelines

The fair trade compliance manager may establish and operate separate operating guidelines for details for the efficient and smooth operation of this regulation.

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