


Ethics Regulations

Version 7.0



*ECO Hub
332, Pangyo-ro, Bundang-gu, Seongnam-si,
Gyeonggi-do, Republic of Korea*

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	<h1>Ethics Regulations</h1>	
	Document #: SK D&D -Basic regulations	Version #: 7.0 Issue Date: June 9, 2021.

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CHAPTER 1. CODE OF ETHICS

As key drivers of business management, all officers and employees at the SK D&D Co., Ltd. (hereinafter referred to as the “Company”) shall aim to become a world-class company with a commitment to the practice of SKMS (SK Management System) and the pursuit of SUPEX*. By properly recognizing the rapidly changing business environment and participating in business activities with an unbiased approach, we shall secure mutual trust and transparency in our management. Accordingly, we shall establish our Code of Ethics as the standard for rational thinking and appropriate behavior, and pledge to abide by them.

First: For Customers

I shall always respect customer opinions and understand their needs from the customers’ point of view. I will earn their trust by providing world-class products that put the customer first.


Second: For Business Partners

I shall provide equal opportunities to all qualified business partners in accordance with the principle of free competition, while creating transparency in trade by observing fair trade policies. I also shall pursue mutual growth by leveraging technology and our management.

Third: For the Company

As a manager within the Company, I shall fulfill my responsibilities and mission for sustainable growth by implementing transparent and fair management activities with professionalism, while creating a healthy corporate environment.

Fourth: For the Nation and Society

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As a member of the Company, I shall contribute to the development of the nation and society by establishing the appropriate moral and ethical values and abiding by the national economic order and social norms.

* A short term for Super Excellent Level, or the highest level to be achieved by human capability

CHAPTER 2. GENEREL ETHICS


Article 1. Basic Ethical Principles

All officers and employees shall perform their duties with honesty and fairness in principle and in accordance with the general spirit of the Code of Ethics. They will also determine specific judgment and behavioral standards for practice as follows.

Article 2. Responsibilities and Obligations for Customers and Consumers

- ① We shall always listen to the opinions of customers and consumers and shall not disseminate false facts or provide false information to customers and consumers.
- ② We shall strive to develop technology and improve quality in order to provide the highest quality products and services to customers and consumers.
- ③ We shall protect the rights and safety of customers and consumers by producing and providing products that meet the safety and needs of customers and consumers.
- ④ We shall not use of the property of customers and consumers without the prior approval of customers and consumers, or divulge information that is confidential to customers and consumers.
- ⑤ We shall treat customers and consumers with respect and kindness as we are representatives of the Company.


Article 3. Fair Trade

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- ① We shall not receive or request any economic benefits, such as money, from stakeholders of the Company.
- ② We shall reject any external pressure when performing tasks, such as registration and selection of business partners, and manage and evaluate them fairly and objectively. We also shall conduct business with partners in a public place that is not misleading.
- ③ We shall cultivate business partners as our true partners by leveraging technology and our management.
- ④ We shall not use our superior position to determine unfair subcontracting payments, compulsory sale of goods, etc., or other acts that disadvantage the business partners in the performance of the business.
- ⑤ We shall not unfairly use the confidential information and technology of business partners that are learned during the transaction without the prior explicit approval of the partners.
- ⑥ We shall respect the free market economic order and create a fair-trading environment under good faith with competitors.
- ⑦ We shall communicate only ethical and transparent information of products and services to customers and consumers.

Article 4. Responsibilities and Obligations for the Company

- ① All officers and employees shall perform their duties on the basis of legality and efficiency in order to maximize the profits of the Company. We shall comply with the relevant laws and regulations of the region in the event of international commerce, and secure a competitive advantage in a fair manner.
- ② We shall not create or disseminate rumors to promote a climate of distrust in the Company or undermine a healthy organizational culture.
- ③ We shall not arbitrarily divulge the Company's secret information acquired during the performance of business, and embezzle or misappropriate the Company's property.

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- ④ We shall not cause property loss for the Company due to false reporting or negligence of reporting, or mislead the judgment and decision-making of superiors and relevant departments.
- ⑤ We shall not accept or deliver money or valuables, entertainment, hospitality, etc. to each other. The superiors at work shall not order or compel their subordinates to conduct any wrongful or fraudulent acts, and the subordinates shall refuse to do so.
- ⑥ All officers and employees shall comply with the Company regulations, policies, and instructions, and strive to maintain the honor of the Company and the dignity of the individual by building a sound workplace culture.

Article 5. Responsibilities and Obligations for the Nation and Society


- ① We shall not engage in acts that harm the national economy.
- ② We shall reject any social irregularities that goes against public sentiment.
- ③ We shall accurately understand and actively practice the Company's environmental management system in order to preserve a clean environment.

CHAPTER 3. COMPLIANCE WITH THE CODE OF ETHICS IN THE PERFORMANCE OF DUTIES


Article 6. Definition of Terms

The meanings of the terms used in these regulations are as follows:

- 1. The term “money, goods, etc.” refers to any of the following items:
 - A. Any and all financial 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;

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- B. Offering entertainment, including food and beverages, alcoholic beverages, or golf; or accommodations, including transportation or lodging; and
 - C. Other tangible or intangible financial benefits, such as cancelling debts, offering jobs, or granting rights and interests.
2. The term “public authority” refers to any of the following institutions or organizations:
- A. The National Assembly, courts, the Constitutional Court, the National Election Commission, the Board of Audit and Inspection, the National Human Rights Commission, central administrative agencies (including institutions affiliated with the office of the President and the office of the Prime Minister) and institutions affiliated therewith, and local governments;
 - B. Organizations related to public service as set forth in Article 3-2 of the Public Service Ethics Act;
 - C. Institutions set forth in Article 4 of the Act on the Management of Public Institutions;
 - D. Schools of each level established under the Elementary and Secondary Education Act, the Higher Education Act, the Early Childhood Education Act, or any other statute, and educational foundations established under the Private School Act; and
 - E. Press organizations defined by Article 2, Subparagraph 12 of the Act on Press Arbitration and Remedies, etc. for Damage Caused by Press Reports.
3. The term “public official” refers to any of the following public servants or persons engaging in public duties:
- A. Public officials specified by the State Public Officials Act or the Local Public Officials Act and persons recognized by other Acts as public officials in their qualification, appointment, educational training, service, remuneration, guarantee of status, etc.;
 - B. Heads of organizations related to public service and institutions described in Subparagraphs 1, Items B and C, and executive officers and employees thereof;

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- C. Heads and faculty members of schools of each level described in Subparagraph 1, Item D, and executive officers and employees of educational foundations described in Subparagraph 1, Item D; and
 - D. Representatives, executive officers, and employees of the press organizations described in Subparagraph 1, Item E.
4. The term “foreign public officials” refers to persons engaged in legislative, administrative, or judicial affairs of foreign governments (including members of the Congress or Parliament), employees of international organizations, and persons who perform public affairs in foreign countries, including public corporations and public institutions.
 5. The term “stakeholders” refers to all natural persons, juridical person, and other organizations inside and outside the Company, except for Subparagraphs 2 and 3 above, whose rights and interests are affected by the actions or decisions of officers and employees related to their work.
 6. The term “informant” refers to all officers and employees who are obliged to report in relation to the receipt of money, valuables, entertainment, hospitality, and convenience.
 7. The term “report date” refers to within three (3) working days at the main place of business from date on which the informant received or recognized money, valuables, etc.
 8. The term “general case in view of social norms” refers to cases where money, valuables, etc. are provided voluntarily with good cause within a reasonable range, and they are recognized that there is no chance to be considered of a bribe.
 9. The term “duties” refers to all direct and indirect duties that are to be performed continuously and repeatedly while in the position of an officer or employee.

Article 7. Competent Authority

The competent authority of these regulations shall be the department in charge of audit.

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Article 8. Receipt of Money, Valuables, Etc.


- ① Officers and employees shall politely reject any money or valuables provided by a stakeholder in connection with business and shall not accept them under any circumstances.
- ② Notwithstanding Paragraph 1, exceptions shall be made in any of the following cases:
 - 1. In case of receiving money or gifts of congratulation or condolence in reasonable value, according to prevailing social norms;
 - 2. In case of socially acceptable business lunches with business partners to facilitate the successful execution of a job. However, if it is deemed that there is a risk of deterioration into the nature of entertainment and hospitality, it must be restrained or avoided immediately; and
 - 3. In case of receiving accommodation, meals, and transportation provided to all attendees by participating in an official event.

Article 9. Repayment and Guarantee for Debt and Joint Investment

- ① Proxy settlement or repayment of credit card payments, credit payments or loans, etc. made by a stakeholder in connection with business shall be regarded as the receipt of money.
- ② Receipt of equity in property or loan guarantees provided by a stakeholder in connection with business and the act of joint investment in movable property, real estate, securities, goodwill, membership, etc. with a stakeholder shall be regarded as same as in the preceding paragraph.

Article 10. Borrowing of Movable Property and Real Estate

- ① Borrowing money or purchasing movable property or real estate at a price lower than the normal price from a stakeholder in connection with business shall be deemed to have received the money.
- ② Renting assets or receiving collateral for personal convenience or profit from a stakeholder in connection with business shall not be conducted.

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Article 11. Guarantee for the Future

Guarantees for employment, recommendation for employment or job, and contract signing by a stakeholder in connection with business shall not be accepted.

Article 12. Transactions with Officers, Employees, Family Members, Etc.

- ① Relevant paragraph shall apply to acts of receiving and delivering money, valuables, entertainment, or hospitality between officers and employees.
- ② Any act of giving and receiving through family members, relatives or acquaintances shall be regarded as the act of the person himself/herself.

Article 13. International Business Transaction

- ① Officers and employees shall not promise, offer, or express his/her intent to offer a bribe to a foreign public official in relation to any international business transaction. However, exceptions shall be made in any of the following cases:
 - 1. Where such payment is permitted or required pursuant to the statutes and regulations of the country to which a foreign public official or the like belongs; and
 - 2. Where a small amount of money or other profit is promised, given, or expressed intention to be provided for the purpose of facilitating fair performance of duties to foreign public officials, etc. engaged in routine or repetitive duties.
- ② When a contract is concluded by selecting an overseas joint venture partner or agent, the Company shall document the prohibition on bribery to foreign public officials, etc., and the obligation to comply with relevant laws and regulations.

Article 14. Special Regulations on Public Officials, Etc.—Prohibition of Improper Solicitation



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- ① Officers and employees shall not make any improper solicitation to any of the following public officials, etc., who perform their duties in person or through a third party:
1. Soliciting to process, in violation of statutes, such tasks as authorization, permission, license, patent, approval, inspection, qualification, test, certification, or verification, for which statutes (including Ordinances and Rules; hereinafter the same shall apply) prescribe requirements and which should be processed upon application by a duty-related party;
 2. Soliciting to mitigate or remit administrative dispositions or punishments such as cancellation of authorization or permission, and imposition of taxes, charges, administrative fines, penalty surcharges, charges for compelling compliance, penalties, or disciplinary actions, in violation of statutes;
 3. Soliciting to intervene or exert influence in the appointment, promotion, assignment or reassignment, or any other personnel matter with respect to any public official, etc., in violation of statutes;
 4. Soliciting to select or reject a person, in violation of statutes, for a position which intervenes in the decision-making of a public institution, such as a member of various deliberation, decision-making, and arbitration committees, and a member of a committee for a test or screening administered by a public institution;
 5. Soliciting to select or reject a specific individual, organization, or juridical person, in violation of statutes, in any award, prize, or selection of outstanding institutions or persons, administered by a public institution;
 6. Soliciting to disclose, in violation of statutes, duty-related confidential information on tender, auction, development, examination, patent, military affairs, taxation, etc.;
 7. Soliciting to select or reject a specific individual, organization, or juridical person as a party to a contract, in violation of statutes governing contracts;
 8. Soliciting to intervene or exert influence so that subsidies, incentives, contributions, investments, grants, funds, etc., are assigned to, provided to, invested in, deposited in,

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lent to, contributed to, or financed to a specific individual, organization, or juridical person, in violation of statutes;

9. Soliciting to allow a specific individual, organization, or juridical person to buy, exchange, use, benefit from, or possess goods and services that are produced, supplied, or managed by public institutions, at prices different from what is prescribed by statutes, or against normal transaction practices;
10. Soliciting to process or manipulate affairs of schools of each level, such as admission, grades, or performance tests, in violation of statutes;
11. Soliciting to process affairs related to military service, such as physical examination for military service, assignment to a military unit, or appointment to a position, in violation of statutes;
12. Soliciting to conduct various assessments or judgements implemented by public institutions, or manipulate the results thereof, in violation of statutes;
13. Soliciting to make a specific individual, organization, or juridical person subject to or exempt from administrative guidance, enforcement activities, audit, or investigation; to manipulate the outcome thereof; or to ignore any illegality, in violation of statutes;
14. Soliciting to process investigation of a case, trial, adjudication, decision, mediation, arbitration, reconciliation, or other equivalent affairs, in violation of statutes; and
15. Soliciting a public official, etc. to act beyond the limits of his/her position and authority granted by statutes, or to take any action for which he/she lacks legitimate authority, regarding any and all affairs that may be the subject matter of improper solicitation as prescribed by Subparagraphs 1 through 14.


- ② Notwithstanding Paragraph 1, this Act shall not apply to any of the following cases:
1. Where demanding particular action such as relief or settlement of infringement on rights in accordance with the procedures or methods prescribed by the Petition Act, the Civil Petitions Treatment Act, the Administrative Procedures Act, the National Assembly Act, or other statutes or standards (including regulations, rules, and standards of the public

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- institutions set forth in Article 6, Subparagraphs 2, Item B through E; hereinafter the same shall apply); or suggesting or proposing adoption, amendment, or rescission of any statute, or standards relevant thereto;
2. Where publicly demanding a public official, etc. to take a particular action;
 3. Where an elected public official, political party, civil society organization, etc., conveys a third party's complaints and grievances for the public interest; make suggestions or proposals regarding adoption, amendment, or rescission of any statute or standard; or make suggestions or proposals regarding improvement of policies, projects, systems, or the administration thereof;
 4. Where requesting or demanding a public institution to complete a certain duty within a statutory deadline, or asking confirmation or inquiring about the progress or outcome thereof;
 5. Where requesting or demanding confirmation or certification for duties or legal relations;
 6. Where demanding explanation or interpretation of statutes, systems, procedures, etc., related to duties, in the form of inquiry or consultation; and
 7. Any other conduct recognized to be consistent with societal rules and norms.

Article 15. Special Regulations on Public Officials, Etc.—Prohibition of Receipt of Money, Goods, Etc.

- ① Officers and employees shall not provide or promise to provide or express their intent to provide any money, goods, etc. exceeding KRW one (1) million at a time or KRW three (3) million in a fiscal year to the same public officials, etc., regardless of any connection to his/her duties and regardless of any pretext such as donation, sponsorship, gift, etc.
- ② Officers and employees shall not, in connection with his/her duties, provide or promise to provide or express their intent to provide any money, goods, etc. not exceeding the amount prescribed by Paragraph 1 to the public officials, etc., regardless of whether the money, goods, etc. are given as part of any quid pro quo.

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- ③ An honorarium for an outside lecture, etc. described in Article 16, or any of the following shall not constitute money, goods, etc., the receipt of which is prohibited by Paragraph 1 or 2:
1. Money, goods, etc. the value of which is within the limits specified by Exhibit 2, in the form of food and beverages, congratulatory or condolence money, gifts, etc. offered for purposes of facilitating performance of duties, social relationships, rituals, or aid;
 2. Money, goods, etc. offered from a legitimate source of right such as payment of debts (excluding donation) incurred in a private transaction;
 3. Money, goods, etc. provided by relatives (relatives defined in Article 777 of the Civil Act) of a public official, etc.;
 4. Money, goods, etc. provided by employees' mutual aid societies, clubs, alumni associations, hometown associations, friendship clubs, religious groups, social organizations, etc., related to a public official, etc. to their members in accordance with the rules prescribed by respective organizations; and money, goods, etc. offered by those who have long-term and continuous relationships with a public official, etc., such as a member of the aforementioned groups, to the public official, etc. who is in need due to a disease, disaster, etc.;
 5. Money, goods, etc., provided uniformly in a normally accepted range by an organizer of an official event related to the duties of a public official, etc. to all participants thereof, in the form of transportation, accommodation, food and beverages, etc.;
 6. Souvenirs, promotional goods, etc. to be distributed to multiple unspecified persons, or awards or prizes given in a contest, a raffle, or a lottery; and
 7. Money, goods, etc. permitted by other statutes, standards, or societal rules and norms.
- ④ Officers and employees shall not provide or promise to provide or express their intent to provide any money, goods, etc. that public officials, etc. are prohibited from accepting in connection with their duties (hereinafter referred to as "Prohibited Money, Goods, Etc.") under Paragraph 1 or 2 to spouses of public officials, etc.


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Article 16. Special Regulations on Public Officials, Etc.—Restriction on the Acceptance of Honoraria for Outside Lectures, Etc.

Officers and employees shall not provide money exceeding the limits specified by Exhibit 2 as an honorarium for a lecture, presentation, or contribution related to his/her duties or requested based on de facto influence arising from his/her position or responsibilities (hereinafter referred to as "outside lecture, etc.") at a training course, promotional event, forum, seminar, public hearing, or any other meeting.

Article 17. Special Regulations on Public Officials, Etc.—Restriction on Actions Related to Public Duties by Private Persons Performing Public Duties

- ① Articles 14 through 16 shall apply mutatis mutandis to the performance of public duties by any of the following persons (hereinafter referred to as “Private Person Performing Public Duties”):
 1. A member, who is not a public official, of any committee established under the Act on the Establishment and Management of Councils, Commissions and Committees under Administrative Agencies, or any other statute;
 2. A juridical person or an organization, an organization thereof, or an individual to which authority has been delegated or entrusted by a public institution under statutes;
 3. An individual dispatched from the private sector to a public institution in order to perform public duties; and
 4. An individual, a juridical person, or an organization that conducts deliberation or assessment in relation to public duties in accordance with statutes.
- ② Where Articles 14 through 16 apply mutatis mutandis to Private Person Performing Public Duties under Paragraph 1, "public official, etc." shall be construed as "Private Person Performing Public Duties"; and "head of a/the relevant institution" shall be construed as "person who falls into any of the following categories":

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1. A member of a committee described in Paragraph 1, Subparagraph 1: The head of the public institution where the committee is established;
2. A juridical person or an organization, an organization thereof, or an individual described in Paragraph 1, Subparagraph 2: The head of the supervisory institution or public institution that delegates or entrusts the authority;
3. An individual described in Paragraph 1, Subparagraph 3: The head of the public institution where the individual is dispatched; and
4. An individual, a juridical person, or an organization described in Paragraph 1, Subparagraph 4: The head of the public institution for which the said public duties are performed.


Article 18. Prohibition of Violation of Fair Trade Related Laws, Etc.

- ① Officers and employees shall not violate the Fair Trade Related Laws (hereinafter referred to as the "Fair Trade Related Laws") under the jurisdiction of the Fair Trade Commission.
- ② Officers and employees may subject to disciplinary action for violating the Fair Trade Related Laws in case of the preceding paragraph, regardless of an external punishment.
- ③ Officers and employees shall not cause the Company to be criminally punishment for violating the Fair Trade Related Laws.

CHAPTER 4. REPORTING AND HANDLING ETHICAL ISSUES

Article 19. Reporting Cases

Officers and employees must prepare and report the ethical issues using a form (Attachment Form 1) within the reporting date in case of an unavoidable acceptance of money or valuables, etc. from a stakeholder in connection with the business in violation of this Regulations, regardless of whether money or valuables, etc. are returned or not.


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Article 20. Operation Procedure of Ethics Consultation and Reporting

The Company shall stipulate separate bylaws to provide details necessary for receiving consultation/report, protecting the identity/safety of the consultation seeker/informant and those who cooperated with the investigation, and conducting a fair investigation/deliberation and follow-up measures in accordance with the Code of Ethics and the Code of Ethics Practice Guidelines.

Article 21. Prohibition of Violation of Handling Ethical Issues.

- ① Receipt of money or valuables, etc.
 - A. In case of receiving money unavoidably from a financial stakeholder, officers, and employees shall report it accordance with the report form and execute the remittance to the provider or the Representative Director of the provider's company by the name of the informant.
 - B. Gift
 - i. In case of a non-corruptible returnable gift, the informant shall report it accordance with the report form and return it to the provider or the Representative Director of the provider's company by his/her name.
 - ii. In case of a gift that cannot be returned due to corruption, deterioration, and damage by the passage of time or due to unknown recipient, or unavoidably accepted because it may be rude to refuse, a gift shall be handled in accordance with instructions by the head of the department who received the report through report form.
 - iii. In case of a gift that cannot be used due to corruption, the informant shall dispose of it and must report the reason specified in the report form.
 - iv. In case of a gift that is difficult to determine whether it falls within the range of Article 8 or not, the informant shall report it to the head of the relevant department

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via report form, handles it in accordance with instructions by the head of the department, and then inform the result to the department in charge of ethical management (amended on February 20, 2015).

C. Acceptance of entertainment, hospitality, and convenience

- i. The informant must pay a fair price immediately upon receipt of entertainment, hospitality, and convenience, and report the case within the reporting date.
- ii. If a large number of attendees are present, the highest rank officer or employee among the attendees must report the case.
- iii. For other handling methods, the Subparagraphs 1 or 2 shall apply mutatis mutandis.

② Others


The same shall apply mutatis mutandis to handling issues such as debt repayment/guarantee, joint investment, borrowing of movable property/real estate and future guarantee.

Article 22. Making a Pledge

All officers and employees shall familiarize themselves with our Ethics Regulations and make a pledge to practice these Regulations every year following a form (Attachment Form 2).

Article 23. Penalty Provisions

If these Regulations are violated, disciplinary actions shall be taken in accordance with to the detailed disciplinary procedure and sentencing criteria (Exhibit 4) and other reward and punishment regulations.

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Addendum

Article 1. Date of Enforcement

These Ethics Regulations shall be effective on and after September 2011.

- The department in charge shall adopt and operate a separate Code of Ethics Practice Guidelines for detailed action items so that all officers and employees may practice it.
- If a case is not stipulated in the Code of Ethics and Code of Ethics Practice Guidelines, or if there is a dispute over interpretation of a case in relation to the Company's ethical management, it shall follow the interpretation of the RM Team at the request of the competent department.
- The Code of Ethics, the basis of ethical management practice, shall takes precedence over other regulations within the Company unless otherwise stipulated in other regulations.

Addendum

Article 1. Date of Enforcement

The amended Ethics Regulations shall be effective on and after February 20, 2015.

Addendum

Article 1. Date of Enforcement

The amended Ethics Regulations shall be effective on and after October 12, 2016.


Addendum

Article 1. Date of Enforcement

The amended Ethics Regulations shall be effective on and after June 22, 2017.

Addendum

Article 1. Date of Enforcement

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The amended Ethics Regulations shall be effective on and after April 9, 2020.

Addendum

Article 1. Date of Enforcement

The amended Ethics Regulations shall be effective on and after December 29, 2020.

Addendum

Article 1. Date of Enforcement

The amended Ethics Regulations shall be effective on and after June 23, 2021.


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Exhibit 1. (Deleted on June 22, 2017)



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Exhibit 2. The value range of food and beverages, monetary gifts of congratulation or condolence, gifts, etc. (in relation to Articles 8 and 15)

Category	Value Range
1. Food and beverages: Meals, refreshments, alcoholic beverages, beverages, and any other equivalents shared by providers and public officials	KRW 30,000
2. Monetary gifts of congratulation or condolence: Various grants such as congratulatory or condolence money as well as wreaths and flowers in lieu of grants, and other equivalents	KRW 100,000
3. Gifts: Any goods or securities except for money, food, and beverages in accordance with Subparagraph 1, or any other equivalents	KRW 50,000

Note

- A. Each value range of the food and beverages at Subparagraph 1, the monetary gifts of congratulation or condolence at Subparagraph 2 and the gifts at Subparagraph 3 shall be sum of all those corresponding to the category column of each subparagraph.
- B. When the food and beverages at Subparagraph 1 and the gifts at Subparagraph 3 are received together, the value shall be summed up. In this case, the value range shall be KRW 50,000, but shall not exceed the value range of Subparagraph 1 or Subparagraph 3, respectively.
- C. When the food and beverages at Subparagraph 1 and the monetary gifts of congratulation or condolence at Subparagraph 2 are received together, and the monetary gifts of congratulation or condolence at Subparagraph 2 and the gifts at Subparagraph 3 are received together, the value shall be summed up respectively. In this case, the value range shall be KRW 100,000, but shall not exceed the value range in accordance with the provisions of Subparagraphs 1 through 3, respectively.
- D. When the food and beverages at Subparagraph 1, the monetary gifts of congratulation or condolence at Subparagraph 2 and the gifts at Subparagraph 3 are received together, the

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value shall be summed up. In this case, the value range shall be KRW 100,000, but shall not exceed the value range in accordance with the provisions of Subparagraphs 1 through 3, respectively.


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Exhibit 3. Upper limit of honoraria for outside lecture, etc. (related to Article 16)

1. Upper limit of honoraria for each public official grade, etc.

A. Public officials, etc. in accordance with the Article 6, Subparagraph 2, Item A

Category	Minister or higher	Deputy minister	Grade 4 or higher	Grade 5 or lower
Upper limit	KRW 500,000	KRW 400,000	KRW 300,000	KRW 200,000

B. Public officials, etc. in accordance with the Article 6, Subparagraph 2, Item B


Category	Head of the organization	Officer	Other employees
Upper limit	KRW 400,000	KRW 300,000	KRW 200,000

C. Public officials, etc. in accordance with the Article 6, Subparagraph 2, Items C and D (if it also applies to public officials, etc. in accordance with the Article 6, Subparagraph 2, Item A or B, it shall be subject to Item A or B): KRW 1 million

D. Notwithstanding the provisions of Items A through C, the upper limit of honoraria for outside lecture, etc. paid by international organizations, foreign governments, foreign universities, foreign research institutes, foreign academic organizations, and other equivalent foreign institutions shall be subject to the payment standard of the person who pays the honoraria.

2. Application Criteria

A. The position grade in the table of Subparagraph 1, Item A of the public officials, etc., in accordance with the Subparagraph 1, Item A shall be pursuant to the laws and regulations related to the appointment of the officials, such as the Decree on The Appointment of Public Officials and the Decree on Appointment of Local Public Officials that apply to the relevant public officials. However, for public officials whose grades according to the table of Subparagraph 1, Item A are not clearly defined in the appointment related laws and regulations, etc., the grades shall be in accordance with the remuneration laws and regulations such as the Public Officials Remuneration

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- Regulations, the Local Public Officials Remuneration Regulations, the Regulations on Allowances for Public Officials, and the Regulations on Allowances for Local Public Officials, etc., or laws and regulations on official travel expenses such as Regulations on Travel Expenses for Public Officials, which apply to the relevant public officials.
- B. For public officials, etc. whose grades according to the table of Subparagraph 1, Item A are not clearly defined notwithstanding the Item A above, the Anti-Corruption and Civil Rights Commission shall determine and publicly announce the grades by comprehensively considering the laws and regulations related to appointments, remuneration, travel expenses, which apply to the relevant public officials.
- C. The upper limit of Subparagraph 1, Items A through C above shall be the upper limit for one (1) hour for a lecture, etc., and one (1) case for a contribution.
- D. The total honoraria shall not exceed an amount equal to 150/100 of the upper limit of one (1) hour, regardless of the time of the lecture, even if the public officials, etc. in accordance with the Subparagraph 1, Items A and B give more than one (1) hour lecture.
- E. The upper limit of Subparagraph 1, Items A through C shall include any honoraria provided to public officials in connection with outside lectures, etc., regardless of the titles such as lecture fees, manuscript fees, and performance fees.
- F. Notwithstanding the Item E above, in case public officials, etc. have not been paid for the travel expenses including fees for transportation, accommodation, meal, etc. by the institution he/she belongs to, the expenses for transportation, accommodation and meals provided at the actual cost level within the travel expenses regulations applicable to each public institution, such as the Regulations on Travel Expenses for Public Officials, shall not be included for the honoraria of Subparagraph 1.


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Exhibit 4. Disciplinary procedures and sentencing criteria

I. Disciplinary Procedures

1. Recommendation

- A. The next higher position of the employee to be disciplinary action or the officer/the department head in charge of the personnel management (where "the department head in charge" means the project leader in charge and the same shall apply hereafter) and the Ethics Committee or the officer/the department head in charge of audit shall make a disciplinary recommendation.
- B. The person who recommended the disciplinary action shall explain the reasons in the disciplinary recommendation document, attach documentary evidence if any, and send it to the secretary of the Personnel Committee.

2. Meeting and Decision

- A. The secretary of the Personnel Committee, who receives the disciplinary recommendation, shall report the matter to the Representative Director within three (3) days of receipt, and notify the chairperson and members designated by the Representative Director.
- B. A meeting shall be established with the quorum of at least two-thirds (2/3) of the members.
- C. Committee members shall have equal voting rights, and resolutions of the Committee shall be adopted by at least two-thirds (2/3) of the members present at the meeting.
- D. Disciplinary matters shall be deliberated and determined in accordance with the disciplinary management regulations. For a disciplinary action, the level of expected behavior according to his/her position/duty, whether to cooperate with the investigation, interests, intentionality, work practices, etc. shall be considered.
- E. When the officer/the department head in charge of audit recommends disciplinary action, the audit result shall be reported to the Personnel Committee.



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- F. The Personnel Committee may listen to the statement of the person subject to disciplinary action at his/her request or ex officio.
 - G. Committee members shall not exercise their voting rights on matters related to themselves; provided, however, that they may state an opinion.
 - H. Committee secretary shall notify the person subject to disciplinary action of the disciplinary decision.
3. Determination of Disciplinary Action
- A. The Company, in principle, shall impose severe disciplinary action over suspension for whom pursue personal gain, such as embezzlement and bribery, and apply guidelines at II. Sentencing Criteria.
 - B. The Company shall impose disciplinary action for other cases in accordance with II. Sentencing Criteria.
 - C. The Company, in principle, shall impose one-level lower disciplinary action against the supervisor compared to the employee who conducted unacceptable or improper behaviors. The Company may consider whether or not the supervisor performed responsible management over the employee and shall impose same disciplinary action against the supervisor in case he/she did not make any efforts despite prior knowledge of the issues.
4. Aggravating and Mitigating Factors in Discipline Cases
- A. Aggravating Case
Disciplinary action may be aggravated according to the number of times the employee is punished. However, if two years have elapsed from the time of receiving the disciplinary action, it shall not be regarded as an aggravating factor.
 - B. Mitigating Case
Even if the reason for the disciplinary action is applicable, the disciplinary action may be mitigated or exempted in case the degree of violation is insignificant and the employee subject to the disciplinary action shows sincere repentance, or he/she

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reported the matter, or he/she is recognized that there is room for consideration of the merits while in office.

5. Approval

The head of the personnel department shall review the resolutions of the Personnel Committee and obtain the approval of the Representative Director.

6. Appeal

A. The employee subject to the disciplinary action or approval authority who disagrees with the Personnel Committee's disciplinary action decision may request an appeal hearing to the Personnel Committee.

B. In the event of an appeal, the Personnel Committee shall submit the Chairperson's comments and minutes of the meeting to the Appeal Committee.

7. Notification and Recording

The head of the personnel department shall notify the employee subject to the disciplinary action and the next higher position of the employee about reward or disciplinary action outcome. He/she shall reflect it in the personnel management by recording and maintaining the records and notify the Company groupware of the disciplinary outcomes at least once per year to prevent recurrence.



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	Recommendation	Investigation	Decision	Approval	Implementation/ Notification
The department in charge	Recommend disciplinary action				
The department in charge of audit	Recommend disciplinary action	Report investigation outcome			
The department in charge of personnel management	Recommend disciplinary action	Report investigation outcome	Personnel Committee	Report the disciplinary decisions and get approval by the Representative Director	Notify the disciplinary actions Written notice is required for dismissal
The employee subject to the disciplinary action			Disciplinary hearing (Upon request by the employee subject to the disciplinary action or ex officio by the chairperson)	Appeal (Upon request by the employee subject to the disciplinary action or ex officio by the approval authority)	

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II. Sentencing Criteria

1. Misconducts for Personal Interests

Type	Description (Case)	Disciplinary action principle
Embezzlement	Thefts of the Company property such as company funds - Private use of the Company expenses (Corporate credit card) - Inventory misappropriation, etc.	At least suspension
Receipt of money or valuables	Receipt of money or goods by abuse of position/authority - Payment of entertainment expenses from business partners, or golf entertainment at a cost of any return - Receipt of money for maintaining the supplier contract, etc.	
Personal gains	Acquisition of other personal gains by abuse of position/authority - Unjust project contract for an immediate family run corporation - Unjust hiring or purchase from relatives, etc.	

2. Misconducts for Other than Personal Interests

Type	Description (Case)	Disciplinary action principle
Loss of the Company assets	- Direct or indirect loss due to negligence in management or violation of rules and regulations - A bad debt, double payment of transaction price - Disgrace to the Company, leak of confidential information, opportunity cost, distortion of resource allocation, etc.	At least reprimand
Violation of the Fair Trade Related Laws (under the jurisdiction of the Fair Trade Commission)	- A person involved in the misconduct in case the Company is subject to criminal punishment for violating the Fair Trade Related Laws - Violators of Fair Trade Related Laws - A person who has been caught violating the Fair Trade Related Laws through internal inspection	
Violation of	- In case of violation of all internal regulations and	


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simple rules and regulations	guidelines - Negligence, violation of work guidelines, violation of Code of Ethics, etc.	
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3. Aggravation and Mitigation

Disciplinary action may be aggravated or mitigated by comprehensively considering the duration, repeatability, intentionality, contribution, and loss of the misconduct.

Aggravating Factors	Mitigating Factors
<ul style="list-style-type: none"> - Long-term, habitual, recurrence - Non-cooperation in investigation - Hide or reduce events - Punishment on multiple events 	<ul style="list-style-type: none"> - Efforts to reduce the risk (establishing a control system) - Cooperation in investigation, voluntary report - Whether the loss is recovered or not - Contribution to the Company

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Attachment Form 1

Report for Receipt of Money, Valuables, Etc.

1. Informant


Department	Position	Staff No.	Name of Employee

2. Report Content

Category	Detail
Date and place of receipt	Date: Place:
Type, quantity, value	Type: Quantity: Value:
Personal information of the provider	Name: Company/organization: Relation to the informant:
Summary of the incident (Description of the situation)	
Informant's opinions on disposition	
Confirmation of manager's instruction	Date signed: Signature of the manager:
Confirmation of disposition measures	Date signed: Signature of the manager:

Date of receipt:
Signature of the receiver:

※ The report shall be submitted to the Company after confirming the report contents and the confirmation of the manager.

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Attachment Form 2

Pledge of Ethical Management Practice

For Officers and Employees

Recognizing that the transparency of corporate management and clean corporate image in the 21st Globalization era are an important source of survival and competitiveness of the Company, I shall proactively address the purpose of implementing the Code of Ethics in accordance with the Company's ethical management and understand the ethical practice guidelines of each of the following subparagraphs. I shall faithfully comply with these, and if I ever violate these, I shall pledge to bear any disadvantage, including civil and criminal responsibilities as well as disciplinary action in accordance with the Company's rules and regulations, and to compensate the Company for damages suffered by the Company as a result of this without delay.

1. I shall not, in principle, engage in any misconduct of receiving money, valuables, etc. from stakeholders of the Company, the provision of money, valuables, etc. to public officials in accordance with the Improper Solicitation And Graft Act, the improper solicitation to public officials in accordance with the Improper Solicitation And Graft Act, the misconduct of receiving and borrowing valuable assets, the repayment or guarantee of debts, and the receipt of guarantees for the future, etc., and shall handle them in accordance with the prescribed reporting procedures when they occur.
2. I shall not, regardless of the purpose, engage in any misconduct of joint investment with stakeholders of the Company, the acquisition of joint property, or misconduct of monetary loan.
3. I shall not use the Company's property illegally, such as embezzlement and misappropriation of the Company funds, the leakage of the Company equipment, or the other misappropriation of the Company's property. In the event of unauthorized use of the



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Company's property, I shall be subject to severe punishment in accordance with all civil and criminal laws as well as relevant rules and regulations of the Company.

4. I shall perform my duties with sincerity. And I shall not neglect my responsibilities in work, management, and supervision, and exceed my authority.
5. I shall not utilize the information or knowledge obtained by my position or duties in the Company to benefit my personal gains.

.....
Name of Signatory

.....
Department/Position

.....
Resident Registration No.

.....
Date Signed

.....
Signature

To SK D&D Co., Ltd.