

# Corporate Governance Report

## 2022



In accordance with Article 24-2 of the KOSPI Market Disclosure Regulation, SK hynix has completed this report on its corporate governance status to assist investors' understanding. The corporate governance status disclosed in this report is as of December 31, 2022, with any changes occurring between the aforementioned date and the date of submission\* indicated accordingly. Moreover, corporate governance activities disclosed in this report are those occurring from January 1, 2022, to December 31, 2022, unless otherwise required by the guidelines.

\* This English language version is a translation of the original report in Korean that was disclosed on May 31, 2023. The date of submission refers to the original report in Korean.

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# I

## Overview

- ▶ Company Name: SK hynix Inc.
- ▶ Date of Report: December 31, 2022

### ▶ Company Overview

Largest Shareholder, etc.	SK square and 9 persons with special interests	Ownership of Largest Shareholder, etc. <sup>1)</sup>	20.07%
		Ownership of Minor Shareholders <sup>2)</sup>	64.80%
Industry (Finance/Non-finance)	Non-finance	Primary Products	Memory Semiconductor products such as DRAM, NAND, MCP (Multi-Chip Package), etc., and Non-memory Semiconductor products such as CIS (CMOS Image Sensor), Foundry, etc.
Conglomerate as per Monopoly Regulation & Fair Trade Act (Yes/No)	Yes	Subject to Act on the Management of Public Institutions (Yes/No)	No
Conglomerate	SK		

Summary Financial Statements (Unit: KRW Billion)			
	2022	2021	2020
Consolidated Revenue	44,621.6	42,997.7	31,900.4
Consolidated Operating Income	6,809.4	12,410.3	5,012.6

<b>Consolidated Continuing Operations Operating Income</b>	6,809.4	12,410.3	5,012.6
<b>Consolidated Net Income</b>	2,241.7	9,616.2	4,758.9
<b>Total Consolidated Assets</b>	103,871.5	96,346.5 <sup>3)</sup>	71,173.9
<b>Total Non-Consolidated Assets</b>	91,800.2	84,972.5	64,071.0

1) As of the end of December 2022

2) Minor shareholders holding less than 1% shares, as of the end of December 2022

3) Initial accounting for business combinations was not completed by the end of December 31, 2021, and provisional amounts were reported in the consolidated financial statements for the year ended December 31, 2021. During the year ended December 31, 2022, the provisional amount recognized at the acquisition date was adjusted retrospectively based on the newly obtained information about facts and circumstances that existed as of the acquisition date.

## II

## Corporate Governance

### 1. Corporate Governance Policy

#### A. Corporate Governance Principles and Policies

SK hynix (the "Company") believes that transparent and sound governance serves as a basis for reasonable and responsible business activities and wins the trust of all stakeholders. The Company also believes that it forms the foundation for a sustainable enterprise that generates both economic and social value over the long-term.

As such, the Company has established and seeks to maintain a sound governance structure to not only ensure continued stability and prosperity of its operations but also generate value for its customers, employees, and shareholders, serving as a crucial driver of social and economic growth and contributing to the wellbeing of broader humanity.

The Board of Directors (the "Board") of SK hynix, the Company's highest decision-making body, sets the Company's key business objectives and basic policies while monitoring execution by top management. For the effective performance of its duties, the majority of the Company's Board is comprised of Independent Directors with diverse backgrounds and areas of expertise. Such Independent Directors use their professional knowledge to review the procedural and actual legitimacy of various business activities including management decisions, thereby playing a crucial role in ensuring the soundness of the Company's operations.

#### B. Corporate Governance Characteristics

##### (1) Independent Board Composition

As of the date of submission, the Company's Board is currently comprised of ten Directors (two

Executive Directors, seven Independent Directors, and one Non-Executive Director with Independent Directors comprising more than a majority (70%) of the Board. All Independent Directors are independent in that they have no special relationship with company management, and without the approval of the Board, no Independent Director can effectuate for his own account or for the account of a third person any transaction which falls within the same line of business as the Company or become a general partner or a Director of any other company whose business purposes are the same as those of the Company, in order to prevent conflict of interests under the Commercial Act and the Board Regulations. The Company strives to ensure that its Board is led by Independent Directors whose independence and expertise have been vetted, that the Board effectively monitors and keeps management's executive rights in check, and that balance is thus maintained in the Company's operations. Meanwhile, the Company has separated the Representative Director (CEO) and Board Chair positions and by appointing an Independent Director as the Board Chair, has further strengthened the Board's independence and its oversight and check and balance over management.

## **(2) Enhancement of the Board's Expertise**

The Company's Board includes Directors with diverse backgrounds and areas of expertise, which raises the Board's professionalism and allows it to perform effective checks on management. To ensure fair representation of various stakeholders, Directors are appointed among professionals experienced in a wide range of fields, from business, financial management, accounting, banking and finance, legal, semiconductor technology, social policy, and media, without disproportionate concentration on a particular background.

The Audit Committee is composed of four Independent Directors, including three experts with experience in finance, accounting, or financial management. The Sustainability Committee is operated to enhance shareholder value through ESG while considering a broader perspective that accounts for the Company's social value creation activities and the viewpoints and demands of various stakeholders.

The Company also offers detailed orientation courses for newly appointed Independent

Directors to build their understanding of the Company and the broader semiconductor industry, with an aim to enhance the professionalism and competitiveness of the Board as a whole. In addition, regular workshops and seminars on ICT industry trends, semiconductor insights, ESG, and other various topics are held to continuously engage Directors to contemplate and discuss current issues and management strategies pertaining to the Company.

In particular, the Company strives to strengthen the competency of the Audit Committee by providing various forms of internal and external training on auditing, including those provided by external experts.

### **(3) Operation of the Council of Independent Directors**

The Company operates a council of Independent Directors consisting only of Independent Directors. At the council meeting, Independent Directors review the agenda for the Board meeting in advance and discuss items to actively express their opinions, thereby ensuring greater independence and rationality in the Board's decision-making process, which leads to a greater substance in the Board's operations.

### **(4) Enhanced Management Oversight through operation of diverse committees**

The Company is striving to enable the Board to perform its supervision and checks and balances over management in its capacity as the top decision-making body and as part of that the Company operates expert committees.

The Sustainability Committee was established in 2018 to review the strategies and results in achieving the Company's sustainable management philosophy. The Compensation Committee, which was established in 2020, was charged with expanded functions in 2021 to include HR deliberations in addition to the remuneration of Directors and management. Moreover, in 2021, the Investment Strategy Committee, which was established in 2020, was expanded and reorganized into the Strategy Committee for an in-depth and expert review of important management plans, strategies, and investments.

## C. Corporate Governance Status (Summary)

Internal organization	Composition (Independent Directors /Total number of Directors)	Board Chair /Head of Committee	Key roles
Board of Directors	7/10	Ha Yung Ku (Independent Director)	<ul style="list-style-type: none"> <li>Resolutions on matters prescribed by laws and regulations and articles of incorporation, as well as issues deemed crucial for Company operations</li> <li>Oversight of Directors' and management's execution</li> </ul>
Audit Committee	4/4	Yoon Tae Hwa (Independent Director)	<ul style="list-style-type: none"> <li>Inspect company's accounting and operations, appoint independent auditors, and approve large-scale internal transactions upon delegation of authority by the Board</li> </ul>
Independent Director Nomination Committee	3/3	Ha Yung Ku (Independent Director)	<ul style="list-style-type: none"> <li>Recommend Independent Director candidates per related laws and regulations, articles of incorporation, and Board regulations</li> </ul>
Sustainability Committee	3/4	Song Ho Keun (Independent Director)	<ul style="list-style-type: none"> <li>Review company's compliance system and related activities, including anti-trust, anti-corruption, SHE (Safety, Health, Environment), subcontractors, and others</li> <li>Review strategy for and outcomes of sustainable management and social value creation</li> <li>Review major ESG current issues and responses</li> </ul>
Compensation Committee	7/8	Song Ho Keun (Independent Director)	<ul style="list-style-type: none"> <li>Review the ceiling amount of remuneration for Directors, the evaluation of and remuneration of Representative Director, and examine Executive Director candidates</li> </ul>
Strategy Committee	3/4	Ha Yung Ku (Independent Director)	<ul style="list-style-type: none"> <li>Review important strategic alliance investments</li> <li>Consider medium and long-term strategies and Company's To-Be Model</li> </ul>

\* As of the date of submission



## 2. Shareholders

### (Key Principle 1) Shareholders' Rights

- Shareholders should receive sufficient and necessary information in a timely manner prior to exercising their rights, and should be able to exercise their rights through appropriate procedures.

(Sub-Principle 1-①) Corporate should provide sufficient information, including the date, venue, and agenda for the general meeting of shareholders, well in advance of the meeting.

### A. Convocation of General Meeting of Shareholders

The following is a summary of shareholder meetings held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission:

Classification	75th AGM (FY2022)	74th AGM (FY2021)	73rd AGM (FY2020)
Date of resolution on convocation	2023.2.23 <sup>2)</sup>	2022.2.24 <sup>2)</sup>	2021.2.24 <sup>3)</sup>
Date of convocation notice	2023.2.23 <sup>1)</sup>	2022.2.24	2021.2.24
AGM date	2023.3.29	2022.3.30	2021.3.30
Term between convocation notice & AGM	D-34 days	D-34 days	D-34 days
Venue	SUPEX Hall within SUPEX Center at the Company's Head Office in Icheon, Gyeonggi-do		
Details of AGM AGM Notice method	Convocation notice mailed to shareholders with 1% or higher stake, Convocation notice on company website, Electronic disclosure system of Financial Supervisory Service (FSS) and Korea Exchange (KRX)		
Notice method for foreign shareholders	AGM details provided on IR English website, Disclosure in English on Korea Exchange (KRX)		

Details	Attendance of the Board members	Attended by 3 of 9 Board Directors	Attended by 3 of 9 Board Directors	Attended by 2 of 9 Board Directors
	Attendance of the Audit Committee member/head	Attended by 1 of 4 Board Directors (Attended by Committee Head)	Attended by 1 of 4 Board Directors (Attended by Committee Head)	Attended by 1 of 4 Board Directors (Attended by Committee Head)
	Shareholder remarks	Agenda approved and seconded by a majority of shareholders		

1) Disclosure revision made for some items on March 8, 2023

2) The Board resolution had taken place the day before the date of convocation disclosure

3) Disclosure revision made for some items on March 4, 2021

## B. Disclosure of General Meeting of Shareholders Information

In principle, the Company provides shareholders with sufficient information such as the date, time, venue, and agenda for the General Meeting of Shareholders (the "GM") 3 weeks prior to the GM date. Thus, shareholders can sufficiently review all agenda items before exercising their voting rights and voice their opinions at the GM.

In particular, the Company has disclosed the Audit Report with the independent auditors' opinion in Korean and English 3 weeks prior to the convocation notice, which is significantly earlier than the deadline for submission under the Commercial Act, so that shareholders have sufficient time to review the relevant information regarding the agenda item on approval of the financial statements. However, as the 1<sup>st</sup> closing of the acquisition of Intel's entire NAND business, excluding the Optane business, was completed on December 30, 2021, it took longer than usual to finalize our consolidated financial statements. Thus, the Company disclosed the 75th Audit Report for FY2022 on March 10, 2023, which was 19 days prior to the Annual General Meeting of Shareholders (the "AGM").

(Sub-Principle 1-②) Corporate should allow shareholders to fully participate in the general meeting of shareholders and offer their suggestions.

The Company has introduced the electronic voting system and solicited proxy voting, thereby encouraging shareholders to participate as much as possible at the GM and express their opinions.

## A. Resolution of Votes at Shareholder Meetings

The following is a summary regarding voting methods at the GMs held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the to the date of report submission:

Classification	75th AGM (FY2022)	74th AGM (FY2021)	73rd AGM (FY2020)
AGM concentration dates	2023.3.24, 2023.3.30, 2023.3.31	2022.3.25, 2022.3.30, 2022.3.31	2021.3.26, 2021.3.30, 2021.3.31
The Company's AGM date	2023.3.29	2022.3.30	2021.3.30
Avoided concentration dates	Yes	No	No
Use of written voting	No	No	No
Use of electronic voting system	Yes	Yes	Yes
Proxy solicitation	Yes	Yes	Yes

The following is regarding the details and results of shares voted for and against each agenda item at the GMs held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission.

At the Company's 75th AGM for FY2022 held on March 29, 2023, eight agenda items were approved as originally submitted, with the results of shares voted for and against each agenda item detailed as follows:

Regular	The 75th Annual General Meeting	2023.3.29
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Agenda item	Type of resolution	Agenda details	Result	Shares with voting rights	Shares voted (A) <sup>1)</sup>	Shares voted for (B, %) <sup>2)</sup>
						Shares voted against including abstain (C, %) <sup>3)</sup>
1	Ordinary	Approval of financial statements for 75th FY (Jan 1 ~ Dec 31, 2022) [Annual cash dividend: KRW 300 per share]	Approved	687,651,040	546,507,042	497,983,844 (91.1%)
						48,523,198 (8.9%)
2-1	Ordinary	Appointment of Independent Director (Candidate Han Ae Ra)	Approved	687,651,040	546,507,042	539,954,142 (98.8%)
						6,552,900 (1.2%)
2-2	Ordinary	Appointment of Independent Director (Candidate Kim Zeong Won)	Approved	687,651,040	546,507,042	490,348,031 (89.7%)
						56,159,011 (10.3%)
2-3	Ordinary	Appointment of Independent Director (Candidate Jeong Deog Kyoon)	Approved	687,651,040	546,507,042	492,786,852 (90.2%)
						53,720,190 (9.8%)
3-1	Ordinary	Appointment of Audit Committee member (Candidate Han Ae Ra)	Approved	687,651,040	389,264,828	382,704,736 (98.3%)
						6,560,092 (1.7%)
3-2	Ordinary	Appointment of Audit Committee member (Candidate Kim Zeong Won)	Approved	687,651,040	389,264,828	334,907,613 (86.0%)
						54,357,215 (14.0%)
4	Ordinary	Appointment of Non-Executive Director (Candidate Park Sung Ha)	Approved	687,651,040	546,507,042	539,132,889 (98.7%)
						7,374,153 (1.3%)

5	Ordinary	Approval of the Ceiling Remuneration for Directors	Approved	687,651,040	546,507,042	458,787,113 (83.9%)
						87,719,929 (16.1%)

1) Shares voted (A) = Shares voted for (B) + Shares voted against including abstain (C)

2) Shares voted for ratio (%) = (B/A) × 100

3) Shares voted against (including abstain) ratio (%) = (C/A) × 100

At the Company's 74th AGM for FY2021 held on March 30, 2022, nine agenda items were approved as originally submitted, with the results of shares voted for and against each agenda item detailed as follows:

Regular	The 74th Annual General Meeting	2022.3.30
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Agenda item	Type of resolution	Agenda details	Result	Shares with voting rights	Shares voted (A) <sup>1)</sup>	Shares voted for (B, %) <sup>2)</sup>
						Shares voted against including abstain (C, %) <sup>3)</sup>
1	Ordinary	Approval of financial statements for 74th FY (Jan 1 ~ Dec 31, 2021) [Annual cash dividend: KRW 1,540 per share]	Approved	687,620,673	546,736,703	493,888,001 (90.3%)
						52,848,702 (9.7%)
2	Special	Approval of amendments to the Articles of Incorporation	Approved	687,620,673	546,736,703	544,396,279 (99.6%)
						2,340,424 (0.4%)
3	Special	Approval of the Granting of Stock Options	Approved	687,619,223	546,736,703	516,742,618 (94.5%)
						29,994,085 (5.5%)
4	Ordinary	Approval of Stock Options Granted	Approved	687,600,714	546,736,703	516,741,405 (94.5%)

						29,995,298 (5.5%)
5-1	Ordinary	Appointment of Executive Director (Candidate Kwak Noh Jung)	Approved	687,620,673	546,736,703	537,585,442 (98.3%)
						9,151,261 (1.7%)
5-2	Ordinary	Appointment of Executive Director (Candidate Noh Jong Won)	Approved	687,620,673	546,736,703	537,878,349 (98.4%)
						8,858,354 (1.6%)
6	Ordinary	Appointment of Independent Director (Candidate Ha Yung Ku)	Approved	687,620,673	546,736,703	491,857,397 (90.0%)
						54,879,306 (10.0%)
7	Ordinary	Appointment of Audit Committee member (Candidate Ha Yung Ku)	Approved	516,976,712	376,092,742	321,661,731 (85.5%)
						54,431,011 (14.5%)
8	Ordinary	Approval of the Ceiling Remuneration for Directors	Approved	687,620,673	546,736,703	448,536,561 (82.0%)
						98,200,142 (18.0%)

1) Shares voted (A) = Shares voted for (B) + Shares voted against including abstain (C)

2) Shares voted for ratio (%) = (B/A) × 100

3) Shares voted against (including abstain) ratio (%) = (C/A) × 100

## B. Shareholder Participation and Resolution of Votes at General Meetings

### (1) Date of General Meeting of Shareholders

The Company agrees with the goal of avoiding peak clustered days when scheduling AGMs in order to increase shareholder participation and voice at the meetings. The Company sought to

avoid the peak days when scheduling its AGM for the past three years, but choosing a peak day was inevitable in order to reflect the time required for the Company's Audited Financial Statements with the independent auditor's opinion, provide sufficient time for review and voting by shareholders, and prevent coinciding with the dates for other pre-scheduled internal and external major business activities and events, and the AGM's of other SK Group affiliates. Over the past three years, the 73<sup>rd</sup> AGM and the 74<sup>th</sup> AGM were held on concentration dates, but the 75<sup>th</sup> AGM was held on a date that was not a concentration date.

## **(2) Introduction of Electronic Voting System and Solicited Proxy Voting**

For shareholders to exercise their voting rights freely and conveniently and to conduct an efficient GM, the Company adopted the electronic voting system instead of voting by post through a Board resolution on January 22, 2019. The electronic voting system was first introduced at the 71st AGM held on March 22, 2019, and has been in operation for five consecutive years as of the 75th AGM (March 29, 2023).

Since the 72nd AGM held on March 20, 2020, to prevent the contagion and spread of COVID-19, the Company strongly recommended shareholders use the electronic voting system, which allows voters to exercise their voting rights as much as possible without being physically present at the AGM location. Moreover, since the 73rd AGM held on March 30, 2021, an online AGM was held concurrently to prevent COVID-19 and provide opportunities for shareholders to participate. Pre-registered shareholders could view the AGM in real-time through a live online session and were also provided with the opportunity to voice their opinion by submitting questions in advance.

Separately, the Company solicits all shareholders to vote by proxy at GMs, which is done in accordance with related laws and regulations and other lawful procedures.

A total of 546,507,042 shares were present at the 75th AGM, of which 466,413,011 shares, equivalent to 85% of the total shares present, were voted through proxy voting or solicited proxy voting, and 80,106,431 shares, the remaining 15%, were voted through the electronic

voting system or physical attendance at the meeting.

(Sub-Principle 1-③) Corporate should enable shareholders to easily propose an agenda to the general meeting of shareholders, and allow questions and explanations to be freely asked and called upon on the agenda suggested by shareholders at the general meeting.

## **A. Matters related to Shareholder Proposals**

In accordance with Article 363-2 of the Commercial Act, the Company's shareholders may exercise their right to propose agenda by post or electronically until six weeks prior to the AGM date of the previous fiscal year. Unless the contents of a shareholder proposal violate laws and regulations, the Articles of Incorporation, or constitute a cause for rejection of a shareholder proposal in accordance with Article 12 of the Enforcement Decree of the Commercial Act, the Board must expressly state the said proposal in the notice of AGM as an agenda item for the meeting.

However, the Company has not received any shareholder proposals over the period commencing from the start of the year immediately preceding the period subject to disclosure until the date of report submission. The Company has also not received any public letters as part of institutional investors' responsible investment activities. Accordingly, details pertaining to the dealings of shareholder proposals and public letters are omitted.

## **B. Exercise of Shareholder Proposals**

The Company, through its Corporate Governance Charter disclosed on its website, informs shareholders of their "right to propose agenda items for general meetings." The Company allows shareholders to submit proposals, when necessary, in written or electronic form by operating online inquiry channels, providing the IR department contact information and the Company's postal address on the Company website. Thus, it makes it easier for shareholders to exercise their right to shareholder proposals.



Meanwhile, at the AGM, shareholders can freely inquire about and demand explanations on agenda items put forth or proposed by other shareholders, and the Company seeks to answer each and every question that may arise to its best effort.

(Sub-principle 1-④) Corporate should inform shareholders of its mid to long-term shareholder return policy including its dividend policy and future plan.

## **A. Dividend (Shareholder Return) policy**

The Company deliberated on a new shareholder return policy for FY2022-FY2024 that improves predictability of the dividend amount while also reflecting the earnings fluctuations of industry cycles in memory semiconductors that comprise a majority of the Company's revenue. The 2022-2024 shareholder return policy was disclosed on January 28, 2022, upon Board resolution and is also disclosed on the Company website.

The main contents of the 2022-2024 shareholder return policy are as follows:

- 1) 50% of Free Cash Flow (FCF) generated during the 3 years will be used as source for shareholder return.
- 2) Raise Fixed Dividend amount by 20%; Annual Cash Dividend calculation method is maintained, with Fixed Cash Dividend+5% of Annual Free Cash Flow paid as Additional Dividend. Fixed Cash Dividend is raised from KRW 1,000 to KRW 1,200. When Annual Free Cash Flow is minus, Fixed Divdident will be paid only.
- 3) Fixed Dividend will be paid in equal parts quarterly, while Additional Dividend will be paid with the 4th quarter dividend when annual earnings are fixed.

## **B. Disclosure of Dividend (Shareholder Return) policy**

The Company informs shareholders of its shareholder return policy and results through various methods, including fair disclosures, the Company website, and domestic and overseas IR

briefing sessions. In order to secure predictability of the dividend amount while also reflecting earning fluctuations, the Company has established the 2022-2024 shareholder return policy, which was disclosed on January 28, 2022, upon Board resolution and has also been disclosed on the Company website.

Also, the shareholder return policy was explained to investors, and related materials were provided at the 2021 Q4 earnings release call held on January 28, 2022.

In addition, the CEO once again explained the shareholder return policy to shareholders at the 74th AGM held on March 30, 2022. Also, the Company has actively provided guidance so that shareholders can sufficiently understand the purpose and specific contents of the shareholder return policy by disclosing the relevant presentation material on the Company website, etc.

(Sub-principle 1-⑤) Shareholders' rights to be granted with proper level of dividend (shareholder return) in accordance with the related policy should be respected.

## A. Summary of dividends paid in past three years

The Company has been paying cash dividends since FY2014.

The dividend details for the past three fiscal years listed below were calculated and paid out based on the 「2019-2021 Shareholder Return Policy」 disclosed on January 31, 2020. The dividend amount for the fiscal year of 2022 was calculated and paid out based on 「2022-2024 Shareholder Return Policy」 disclosed on January 28, 2022. The details are as follows:

### [Summary of dividends paid in past three fiscal years]

Fiscal Year	FY-end month	Stock type	Stock dividend	Cash dividend				
				Dividend per share (KRW) <sup>1)</sup>	Total dividends (KRW)	Dividend yield <sup>2)</sup>	Payout ratio <sup>3)</sup>	
							Consolidated basis	Non-Consolidated

					Billion)			basis
2022	12	Common Stock	-	1,200	825.2	1.5%	37.0%	29.6%
2021	12		-	1,540	1,058.9	1.2%	11.0%	11.1%
2020	12		-	1,170	800.3	1.0%	16.8%	19.0%

1) Total amount paid per share per year

2) Ratio of dividend per share to the arithmetic average of the closing price in the period of one week following up to two trading days prior to the record date of dividend entitlement

3) Payout ratio = total dividends/ consolidated or separate net income

\* The Company has only one type of stocks, i.e. Common stocks

Meanwhile, as per the expiration of the existing dividend policy, the Company announced the FY2022-FY2024 shareholder return policy upon Board resolution on January 27, 2022, and accordingly, the Company have started to pay quarterly dividends since the first quarter of FY2022. The details are as follows:

Fiscal Year	Quarter	Stock type	Dividend per share (KRW)	Total dividends (KRW Billion)	Dividend yield <sup>1)</sup>
2023	Q1	Common Stock	300	206.4	0.3%
2022	Q4	Common Stock	300	206.3	0.4%
2022	Q3	Common Stock	300	206.3	0.4%
2022	Q2	Common Stock	300	206.3	0.3%
2022	Q1	Common Stock	300	206.3	0.3%

1) Ratio of dividend per share to the arithmetic average of the closing price in the period of one week following up to two trading days prior to the record date of dividend entitlement

## B. Respect shareholder rights' to receive appropriate level of shareholder return

As mentioned above, the Company has continued to pay dividends to enhance shareholder value, and the Company respects the right of shareholders to receive an appropriate level of

shareholder return, such as by paying quarterly dividends from the first quarter of 2022. We will continue to do our best to protect the rights and interests of shareholders by operating an appropriate shareholder return policy along with continuous earnings growth.

**(Key Principle 2) Fair Treatment of Shareholders**

- Shareholders should hold fair voting rights according to the type and number of shares owned, and companies should equip an adequate system to provide fair information to shareholders.

(Sub-principle 2-①) Corporate should create an environment where infringement on the voting rights of shareholders does not take place, and provide sufficient corporate information to the shareholders at the right time, in a fair manner.

## **A. Issued Shares**

The total number of shares issued as per our Articles of Incorporation is nine billion shares, and the total number of shares issued is 5,721,980,209. The Company issued Global Depository Receipts (GDR) of 104,165,000 shares in June 2001, 65,518,609 shares in October 2005, and 10,811,318 shares in June 2006. One GDR can be converted to one common share.

The Company retired 3,528,045 shares on March 31, 2000, and reduced the number of outstanding shares by 4,990,449,799 shares in a 21:1 reverse stock split on March 31, 2003.

At present, the Company has 728,002,365 common shares issued, with 688,090,311 shares outstanding and 39,912,054\* shares in treasury.

\* Including 20,126,911 treasury shares subject to exchange for the exchangeable bond issued by the Company on April 11, 2023.

## **B. Fair voting rights**

The Company has not issued any class stocks other than common stock. The Company also ensures fair voting rights for all shareholders by granting one voting right for each share, in accordance with the Articles of Incorporation.

Classification	Number of authorized shares <sup>1)</sup>	Number of issued shares <sup>2)</sup>	Share issue ratio <sup>3)</sup>	Remarks
Common Stock	9,000,000,000	728,002,365	8.09%	-

1) Number of authorized shares as of the date of report submission (number of shares stipulated in the Articles of Incorporation)

2) Total number of issued shares - total number of shares decreased (reduction of capital, profit redemption) as of the date of report submission

3) Number of issued shares/Number of outstanding shares \* 100 (rounded to 3 decimal places)

## C. Overall communication with shareholders

### (1) Investor Relations (IR) Events

The Company holds quarterly earnings release calls and participates in NDR (Non-Deal Roadshow), sell-side conferences and other meetings for domestic and foreign institutional investors to answer their inquiries and demands of the Company. The Company also regularly conducts IR meetings at company locations and conference calls with investors. The Company's IR event schedule can be found on its website ([www.skhynix.com](http://www.skhynix.com)) and the disclosure information on the Financial Supervisory Service's Repository of Korea's Corporate Filings or DART(<http://dart.fss.or.kr>) and KRX's Corporate Disclosure system or KIND (<http://kind.krx.co.kr>).

Besides, the Company's IR department operates a direct investor hotline to respond to individual investors' inquiries. Both the phone number and email address of the IR department are disclosed on the Company website, and a separate IR menu has been installed to provide investors with information and through which online inquiries can be submitted at any time.

In consideration of foreign shareholder holdings of around 50% of the Company's issued shares, the Company operates an IR website in English and provides disclosures in English.

Major IR activities over the period commencing from the start of the year immediately preceding

the period subject to disclosure to the date of report submission are as follows:

Date	Participants	Occasion	Contents
2022.1.4~1.6	Foreign Institutional Investors	Broker Investor Conference	Nomura CES 2022
2022.1.28	Domestic/Foreign Institutional Investors	Earnings Release Conference Call	Q4'21 Earnings Results
2022.1.28~2.7	Domestic Institutional Investors	Virtual NDR	Q4'21 Non-Deal Roadshow
2022.2.7~2.11	Foreign Institutional Investors	Virtual NDR	Q4'21 Non-Deal Roadshow
2022.2.15~2.16	Foreign Institutional Investors	Broker Virtual Investor Conference	Goldman Sachs, Korea Corporate Day 2022
2022.2.17	Domestic/Foreign Institutional Investors	Broker Virtual Investor Conference	KIS, Global Investors Conference 2022
2022.2.23	Domestic Institutional investors	Broker Virtual Investor Conference	JP Morgan, Korea Conference 2022
2022.3.17	Foreign Institutional Investors	Broker Virtual Investor Conference	BofA, 2022 APAC TMT Conference
2022.3.22	Domestic Institutional Investors	Broker Virtual Investor Conference	Credit Suisse, 25 <sup>th</sup> Asian Investment Conference
2022.3.23	Foreign Institutional Investors	Broker Virtual Investor Conference	Morgan Stanley, Hong Kong Summit 2022
2022.4.27	Domestic/Foreign Institutional Investors	Earnings Release Conference Call	Q1'22 Earnings Results
2022.4.27~5.2	Domestic Institutional Investors	Virtual NDR	Q1'22 Non-Deal Roadshow
2022.5.3~5.13	Foreign Institutional Investors	Virtual NDR	Q1'22 Non-Deal Roadshow
2022.5.17	Domestic/Foreign Institutional Investors	Broker Investor Conference	KIS, Global Investors Conference 2022
2022.5.24	Domestic/Foreign Institutional Investors	Broker Virtual Investor Conference	Daiwa Investment Conference
2022.6.2	Domestic Institutional Investors	Broker Corporate Day	Meritz, Corporate Day

Date	Participants	Occasion	Contents
2022.6.16	Domestic Institutional Investors	Broker Corporate Day	Daishin, Corporate Day
2022.6.16	Domestic Institutional Investors	Broker Corporate Day	Hi, Tech Corporate Day
2022.6.24	Foreign Institutional Investors	Broker Virtual Investor Conference	UBS, Korea Conference
2022.7.27	Domestic/Foreign Institutional Investors	Earnings Release Conference Call	Q2'22 Earnings Results
2022.7.27~8.1	Domestic Institutional Investors	Virtual NDR	Q2'22 Non-Deal Roadshow
2022.8.1~8.5	Foreign Institutional Investors	Virtual NDR	Q2'22 Non-Deal Roadshow
2022.8.18	Domestic/Foreign Institutional Investors	Broker Investor Conference	Samsung, Global Investors Conference 2022
2022.8.23~8.25	Domestic/Foreign Institutional Investors	Broker Investor Conference	KIS, Global Investors Conference 2022
2022.9.1	Domestic/Foreign Institutional Investors	Broker Corporate Day	JP Morgan, Korea Corporate Day
2022.9.2	Domestic/Foreign Institutional Investors	Broker Corporate Day	Credit Suisse, Korea Corporate Day
2022.9.6	Domestic/Foreign Institutional Investors	Broker Investor Conference	KB, Korea Conference 2022
2022.9.14	Domestic/Foreign Institutional Investors	Broker Virtual Investor Conference	CLSA, 29 <sup>th</sup> Annual CITIC Flagship Investors Forum 2022
2022.9.19	Domestic institutional Investors	Broker Corporate Day	Kiwoom, Corporate Day
2022.9.20	Domestic/Foreign Institutional Investor	Broker Corporate Day	Nomura, Korea Corporate Day 2022
2022.9.20~9.23	Foreign Institutional Investor	Broker Corporate Day	NH, Korea Corporate Day 2022
2022.9.26	Domestic Institutional Investor	Broker Corporate Day	Ebest, Corporate Day
2022.9.26~9.28	Foreign Institutional Investor	Broker Investor Conference	Samsung, SK Group Co-Day Conference

Date	Participants	Occasion	Contents
2022.10.26	Domestic/Foreign Institutional Investors	Earnings Release Conference Call	Q3'22 Earnings Results
2022.10.26~10.31	Domestic Institutional Investors	Virtual NDR	Q3'22 Non-Deal Roadshow
2022.11.14	Domestic/Foreign Institutional Investors	Broker Investor Conference	JP Morgan, Global TMT Conference
2022.11.14	Domestic Institutional Investors	Broker Corporate Day	Shinhan, Super Corporate Day
2022.11.15	Domestic Institutional Investors	Broker Corporate Day	Yuanta, Korea Tech Corporate Day
2022.11.16~11.18	Foreign Institutional Investors	Broker Investor Conference	Morgan Stanley, 21 <sup>th</sup> Annual Asia Pacific Summit
2022.11.30	Domestic Institutional Investors	Broker Corporate Day	NH, Corporate Day
2022.12.1	Domestic Institutional Investors	Broker Corporate Day	Kiwoom, Corporate Day
2022.12.5~12.7	Foreign Institutional Investors	Broker Investor Conference	UBS, Global TMT Conference
2023.2.1	Domestic/Foreign Institutional Investors	Earnings Release Conference Call	Q4'22 Earnings Results
2023.2.1~2.3	Domestic Institutional Investors	Virtual NDR	Q4'22 Non-Deal Roadshow
2023.2.6~2.10	Foreign Institutional Investors	Virtual NDR	Q4'22 Non-Deal Roadshow
2023.2.16	Domestic/Foreign Institutional Investors	Broker Investor Conference	Goldman Sachs, Korea Conference 2022
2023.2.23	Domestic/Foreign Institutional Investors	Broker Investor Conference	JP Morgan, Korea Conference
2023.3.9	Domestic/Foreign Institutional Investors	Broker Investor Conference	Citi, Korea Conference 2023
2023.3.14	Domestic/Foreign Institutional Investors	Broker Virtual Investor Conference	BofA, 2023 Asia Pacific TMT Conference
2023.3.29	Foreign Institutional Investors	Broker Investor Conference	CIMB, 2 <sup>nd</sup> Tech & EV Conference



Date	Participants	Occasion	Contents
2023.4.26	Domestic/Foreign Institutional Investors	Earnings Release Conference Call	Q1'23 Earnings Results
2023.4.27~5.3	Domestic/Foreign Institutional Investors	Virtual NDR	Q1'23 Non-Deal Roadshow
2023.5.8~5.12	Domestic/Foreign Institutional Investors	Virtual NDR	Q1'23 Non-Deal Roadshow
2023.5.14	Domestic/Foreign Institutional Investors	Broker Investor Conference	BofA, 2023 Korea & Global EV/EV Battery Conference
2023.5.22~5.26	Domestic/Foreign Institutional Investors	Broker Investor Conference	Citi, Asia Conference
2023.5.24	Domestic/Foreign Institutional Investors	Broker Investor Conference	Samsung, Global Investors Conference

## (2) Public Disclosure of Company Information

The Company discloses corporate information on its website ([www.skhynix.com](http://www.skhynix.com)) and disclosure systems such as the Financial Supervisory Service's Repository of Korea's Corporate Filings or DART (<http://dart.fss.or.kr>) and KRX's Corporate Disclosure system or KIND (<http://kind.krx.or.kr>) while making major business disclosures in English as well.

The Company has submitted the following English disclosures over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission:

Disclosure date	Title/Content
2022.1.7	Organization of Investor Relations Event
2022.1.28	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
2022.1.28	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)
2022.1.28	Decision on Cash Dividend and Dividend in Kind

Disclosure date	Title/Content
2022.1.28	Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure)
2022.1.28	Decision on Acquisition of Shares or Investment Certificates of Other Corporations
2022.2.24	Decision on Calling Shareholders' Meeting
2022.3.11	Submission of Audit Report
2022.3.30	Outcome of Annual Shareholders' Meeting
2022.3.30	Notice on Change of CEO
2022.3.31	Response to Request for Disclosure Inquiry (Rumors or Media Reports): Undetermined
2022.4.11	Organization of Investor Relations Event
2022.4.27	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
2022.4.29	Response to Request for Disclosure Inquiry (Rumors or Media Reports): Undetermined
2022.6.20	Decision on Closure of Shareholder's Registry(Including Record Date) for Dividends
2022.6.30	Details of Corporate Governance Report
2022.7.6	Organization of Investor Relations Event
2022.7.27	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
2022.7.27	Decision on Cash Dividends and Dividends in Kind
2022.8.9	Details of Sustainability Report, etc. (Voluntary Disclosure)
2022.9.7	Future Business or Management Plans (Fair Disclosure)
2022.9.14	Decision on Closure of Shareholder's Registry(Including Record Date) for Dividends
2022.9.30	[Attachment(s) modified] Details of Sustainability Report, etc. (Voluntary Disclosure)
2022.10.6	Organization of Investor Relations Event
2022.10.26	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
2022.10.27	Decision on Cash Dividends and Dividends in Kind
2022.10.28	Response to Request for Disclosure Inquiry (Rumors or Media Reports): Denial
2023.1.12	Organization of Investor Relations Event

Disclosure date	Title/Content
2023.2.1	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
2023.2.1	Decision on Cash Dividend and Dividend in Kind
2023.2.1	30% or More Changes in Sales or Profits/Losses (15% or More in the case of Large-scale Corporations)
2023.2.23	Decision on Calling Shareholders' Meeting
2023.2.23	[Updated] Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)
2023.2.23	[Updated] Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)
2023.2.28	[Updated] Decision on Calling Shareholders' Meeting
2023.3.13	Submission of Audit Report
2023.3.15	Decision on Closure of Shareholder's Registry(Including Record Date) for Dividends
2023.3.29	Outcome of Annual Shareholders' Meeting
2023.4.3	Decision on Issuance of Exchangeable Bonds
2023.4.3	Decision on Disposal of Treasury Stock
2023.4.4	[Updated] Decision on Issuance of Exchangeable Bonds
2023.4.4	[Updated] Decision on Disposal of Treasury Stock
2023.4.10	Organization of Investor Relations Event
2023.4.20	Decision on Cash Dividendsand Dividendsin Kind
2023.4.26	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)

The Company has disclosed the following information for fair disclosure purposes over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission:

Disclosure date	Title of disclosure	Contents
2022.1.28	Management Information related to Key Management Matters (Fair Disclosure)	2022~2024 Dividend Policy
2022.1.28	Report on Business Performance according to Consolidated Financial Statements	Provisional performance of 4th quarter of 2021 such as sales amount, operating income, etc.
2022.4.27	Report on Business Performance according to Consolidated Financial Statements	Provisional performance of 1st quarter of 2022 such as sales amount, operating income, etc.
2022.7.27	Report on Business Performance according to Consolidated Financial Statements	Provisional performance of 2nd quarter of 2022 such as sales amount, operating income, etc.
2022.9.6	Future Business or Management Plans (Fair Disclosure)	Investment plan for expanding production base
2022.10.26	Report on Business Performance according to Consolidated Financial Statements	Provisional performance of 3rd quarter of 2022 such as sales amount, operating income, etc.
2023.2.1	Report on Business Performance according to Consolidated Financial Statements	Provisional performance of 4th quarter of 2022 such as sales amount, operating income, etc.
2023.4.26	Report on Business Performance according to Consolidated Financial Statements	Provisional performance of 1st quarter of 2023 such as sales amount, operating income, etc.

The Company has not been designated as an “unfaithful disclosure corporation” in the past five years. In 2018, it was selected as one of the ‘2017 Excellent Public Disclosure Corporations’ by the Korea Exchange.

## D. Timeliness and fairness of providing corporate information

The Company provides a sufficient level of corporate information to shareholders in a fair and timely manner, namely by making fair disclosure of its financial results before a quarterly earnings call on the same day so that all shareholders can access the information at the same time. In addition to the traditional telephone call-in method of listening to earnings calls, a real-time webcasting service via the Company website has been provided since 2019 to further enhance the accessibility and convenience of shareholders and to ensure fair disclosure of information provided during the quarterly earnings call.

(Sub-principle 2-②) Corporate should equip and operate protective measures that can protect the shareholders from unfair internal transactions and self-dealing of other shareholders such as the controlling shareholder.

## A. Internal Control System for Internal Transactions and Self-dealing

The Company has internal regulations to prevent unfair self-dealing aimed at personal gains of Company management or controlling shareholders and against internal transactions meant to benefit affiliated companies and persons with special interests.

Article 11 (1) 11 of the Board Regulations states that the approval of transactions between Directors and the Company shall be subject to deliberation by the Board. Article 11 (2) 10 of the Board Regulations states that transactions that constitute large-scale internal transactions under the Monopoly Regulation and Fair Trade Act shall be deliberated by the Board, and in accordance with the same Act, the deliberation and resolution are delegated to the Audit Committee comprised of four Independent Directors.

Furthermore, in case the Company's Director concurrently serves as a Representative Director of another company, transactions with that company or with SK square Co., Ltd, a major shareholder under the Commercial Act, as well as with its subsidiary or second-tier company constitute self-dealing by the Director and therefore requires advance approval from the Board. In this case, the Director who is the subject of self-dealing is prohibited from exercising his/her voting right on the relevant agenda.

The following self-dealing transactions by Directors have been approved by the Board during the period subject to disclosure.

Target company	Director	Date of resolution	Details of transaction
	Park Jung Ho	2022.2.23	Settlement of remuneration for concurrent office as CEO

SK square Co., Ltd		2022.12.14	Settlement of labor costs paid in advance between the two companies due to concurrent or dispatch work
SKHYCL	Lee Seok Hee	2022.1.27	Capital contribution of USD 2.0 billion
	Kwak Noh Jung	2022.10.5	Sale of idle equipment

Meanwhile, the Company has established internal regulations so that any internal trading with affiliated companies is reviewed in advance by the Compliance department, and all transactions deemed important are reported to the Board before proceeding.

**(1) Internal trading with an affiliate, etc., that obtained a comprehensive Board resolution and Self-dealings by management, controlling shareholder, etc.**

The Company requires obtaining a resolution from the Board (or Audit Committee) in advance and in accordance with the relevant laws and regulations regarding trading with a person with special interests under the Monopoly Regulation and Fair Trade Act and an affiliate company that is a Director or major shareholder under the Commercial Act. Among such trading, if the relevant laws and regulations stipulate that a resolution can be received collectively, the resolution is received collectively in accordance with the requirements and procedures. The reasons and details are as follows.

In accordance with Article 26 (1) 4 of the Monopoly Regulation and Fair Trade Act and the Regulations on the Resolutions by Board of Directors on Large-Scale Internal Trading and Disclosure, when a member company of a business group that is designated as a business group subject to disclosure intends to conduct a transaction of goods and services with another member company where the same person alone or along with his/her kin has contributed 20% or more in capital of the subsidiary thereof, the transaction is subject to disclosure after a resolution by the Board in advance, when the sum of the quarterly transaction amount equals to or exceeds KRW 5.0 billion or 5% of shareholders' equity or share capital, whichever is larger. However, Article 9-2 (1) of the Regulations on the Resolutions by Board of Directors on Large-Scale Internal Trading and Disclosure provides a special case for such transactions of goods and services: A resolution of the Board may be made collectively by setting a transaction period of

up to one year for the transaction amount.

On the other hand, Article 26 (5) of the Monopoly Regulation and Fair Trade Act stipulates that with regard to large-scale internal trading of a listed company, the resolution thereof shall be delegated to a committee under the Board with three or more Independent Directors and their number equals to or exceeds two-thirds (2/3) of total committee membership. Accordingly, the Company has provided through the Board Regulations that a resolution on a large-scale internal transaction under the Monopoly Regulation and Fair Trade Act shall be delegated to the Audit Committee.

Accordingly, the details of transactions with affiliates that have been approved by the Audit Committee collectively for a one-year transaction period as a transaction of goods and services among large-scale internal trading during the period subject to disclosure are as follows.

Resolution date	Content	Reason
2022.1.24 (Audit Committee)	<ul style="list-style-type: none"> <li>• 2022 Collective transaction of goods and services</li> <li>- Transaction of goods and services with SK siltron of KRW 255.8 billion</li> </ul>	In accordance with the Monopoly Regulation and Fair Trade Act, a transaction with an affiliate when the sum of the quarterly transaction amount equals to or exceeds KRW 5.0 billion (collective resolution possible for a one-year transaction period)
2022.3.21 (Audit Committee)	<ul style="list-style-type: none"> <li>• Q2'22 Transaction of goods and services</li> <li>- Transaction of goods and services with SK Inc. of KRW 97.8 billion</li> <li>• Q1'22 Transaction of goods and services revision</li> <li>- Transaction of goods and services with Chungcheong Energy Service of KRW 18.8 billion</li> </ul>	
2022.6.27 (Audit Committee)	<ul style="list-style-type: none"> <li>• Q3'22 Transaction of goods and services</li> <li>- Transaction of goods and services with SK Inc. of KRW 74 billion</li> </ul>	
2022.9.26 (Audit Committee)	<ul style="list-style-type: none"> <li>• Q4'22 Transaction of goods and services</li> <li>- Transaction of goods and services with SK Inc. of KRW 123.8 billion</li> <li>• Q3'22 Transaction of goods and services revision</li> <li>- Transaction of goods and services with Chungcheong Energy Service of KRW 6.7 billion</li> </ul>	
2022.12.12	<ul style="list-style-type: none"> <li>• Q1'23 Transaction of goods and services</li> </ul>	

(Audit Committee)	<ul style="list-style-type: none"> <li>- Transaction of goods and services with SK Inc. of KRW 75.4 billion</li> <li>• Q4'22 Transaction of goods and services revision <ul style="list-style-type: none"> <li>- Transaction of goods and services with Chungcheong Energy Service of KRW 18.9 billion</li> </ul> </li> <li>• 2022 Collective transaction of goods and services <ul style="list-style-type: none"> <li>- Transaction of goods and services with SK specialty of KRW 187.1 billion</li> <li>- Transaction of goods and services with SK materials performance of KRW 31 billion</li> <li>- Transaction of goods and services with SK materials airplus of KRW 97.2 billion</li> <li>- Transaction of goods and services with SK trichem of KRW 145.4 billion</li> <li>- Transaction of goods and services with Chungcheong Energy Service of KRW 80.4 billion</li> </ul> </li> </ul>	
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## B. Details of transactions with interested persons

The Company made the following transactions with interested persons during the disclosure period.

### (1) Transactions with stakeholders such as controlling shareholders, etc.

(Unit: USD million)

Name (Corporation)	Relationship	Type of transastion	Date of transaction	Purpose	Total Balance	Ending Balance	Rate of interest	Remarks
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	Long-term loan	2020.4.16~2024.10.15	Operating Capital	600	600	3M Libor +1.75%	BOD approval
SK hynix Semiconductor (China) Ltd	Overseas subsidiary	Long-term loan	2020.8.18~2025.2.17	Operating Capital	600	600	3M Libor +1.75%	BOD approval
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	Long-term loan	2020.10.20~2025.4.19	Operating Capital	550	550	3M Libor +1.75%	BOD approval
SK hynix Semiconductor	Overseas subsidiary	Long-term loan	2021.4.20~2025.10.19	Operating Capital	200	200	3M Libor +1.75%	BOD approval



Name (Corporation)	Relationship	Type of transaction	Date of transaction	Purpose	Total Balance	Ending Balance	Rate of interest	Remarks
(China) Ltd.								
SK hynix System IC	Subsidiary company	Long-term loan	2020.5.11~ 2023.5.11	Operating Capital	60	60	Fixed rate 1.92%	Audit Committee approval
SK hynix System IC	Subsidiary company	Long-term loan	2020.7.20~ 2023.7.20	Operating Capital	40	40	Fixed rate 1.84%	Audit Committee approval
SK hynix Semiconductor (Dalian) Co., Ltd	Overseas subsidiary	Long-term loan	2022.1.19~ 2023.7.18	Operating Capital	1,000	1,000	3M Libor +2.00%	BOD approval
SK hynix Semiconductor (Dalian) Co., Ltd	Overseas subsidiary	Long-term loan	2022.2.9~ 2023.7.18	Operating Capital	1,000	1,000	3M Libor +2.00%	BOD approval
SK hynix Semiconductor (Dalian) Co., Ltd	Overseas subsidiary	Long-term loan	2022.2.15~ 2023.7.18	Operating Capital	1,000	1,000	3M Libor +2.00%	BOD approval
SK hynix Semiconductor (Dalian) Co., Ltd	Overseas subsidiary	Long-term loan	2022.2.23~ 2023.7.18	Operating Capital	1,000	1,000	3M Libor +2.00%	BOD approval
SK hynix Semiconductor (Dalian) Co., Ltd	Overseas subsidiary	Long-term loan	2022.3.3~ 2023.7.18	Operating Capital	229	229	3M Libor +2.00%	BOD approval
SK hynix NAND Product Solutions Corp.	Overseas subsidiary	Short-term loan	2022.8.11~ 2023.8.11	Operating Capital	300	300	3M Libor +2.00%	BOD approval

※ No collateral was provided by the subsidiaries for the Company's loan

※ In accordance with Article 542-9 of the Commercial Act, if the amount of loan per case exceeds 1/100 of the sales of the previous business year or meets the internal regulations of the BOD, the resolution is made through the approval of the BOD or the Audit Committee.

## (2) Acquisition and disposal of assets

(Unit: KRW million)

Name (Corporation)	Relation	Date of transaction	Based on	Amount	Transaction type	Purpose	Profit /Loss
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.1	Date of sale	4,392	Sale	To raise production efficiency	2,240

Name (Corporation)	Relation	Date of transaction	Based on	Amount	Transaction type	Purpose	Profit /Loss
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.1	Date of sale	1,386	Sale	To raise production efficiency	-5
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.2	Date of sale	15,966	Sale	To raise production efficiency	7,453
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.3	Date of sale	46,187	Sale	To raise production efficiency	31,625
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.4	Date of sale	565	Sale	To raise production efficiency	538
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.5	Date of sale	1,204	Sale	To raise production efficiency	315
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.6	Date of sale	1,733	Sale	To raise production efficiency	1,733
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.4	Date of sale	710	Sale	To raise production efficiency	575
HITECH Semiconductor (Wuxi) Co., Ltd.	Overseas subsidiary	2022.5	Date of sale	78	Sale	To raise production efficiency	78
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.6	Date of sale	1,068	Sale	To raise production efficiency	1,068
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.5	Date of sale	352	Sale	To raise production efficiency	258
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.7	Date of sale	413	Sale	To raise production efficiency	-1,146
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.7	Date of sale	1,296	Sale	To raise production efficiency	1,296
HITECH Semiconductor (Wuxi) Co., Ltd.	Overseas subsidiary	2022.7	Date of sale	183	Sale	To raise production efficiency	183

Name (Corporation)	Relation	Date of transaction	Based on	Amount	Transaction type	Purpose	Profit /Loss
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.8	Date of sale	887	Sale	To raise production efficiency	239
HITECH Semiconductor (Wuxi) Co., Ltd.	Overseas subsidiary	2022.8	Date of sale	188	Sale	To raise production efficiency	188
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.10	Date of sale	40,331	Sale	To raise production efficiency	9,168
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.10	Date of sale	1,259	Sale	To raise production efficiency	64
HITECH Semiconductor (Wuxi) Co., Ltd.	Overseas subsidiary	2022.10	Date of sale	120	Sale	To raise production efficiency	120
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.11	Date of sale	1,970	Sale	To raise production efficiency	1,265
HITECH Semiconductor (Wuxi) Co., Ltd.	Overseas subsidiary	2022.11	Date of sale	41	Sale	To raise production efficiency	41
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.1	Date of purchase	395	Purchase	To raise production efficiency	
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.3	Date of purchase	14,527	Purchase	To raise production efficiency	
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.4	Date of purchase	1,516	Purchase	To raise production efficiency	
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.5	Date of purchase	1,243	Purchase	To raise production efficiency	
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.6	Date of purchase	1,300	Purchase	To raise production efficiency	
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.7	Date of purchase	1,729	Purchase	To raise production efficiency	

Name (Corporation)	Relation	Date of transaction	Based on	Amount	Transaction type	Purpose	Profit /Loss
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.8	Date of purchase	13,193	Purchase	To raise production efficiency	
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.9	Date of purchase	830	Purchase	To raise production efficiency	
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.12	Date of purchase	4,220	Purchase	To raise production efficiency	
SK hynix Semiconductor (Chongqing) Ltd.	Overseas subsidiary	2022.12	Date of purchase	20	Purchase	To raise production efficiency	

※ Non-consolidated basis

※ Basis for determination of purchase and sale price with subsidiaries: transaction amount + additional cost + transportation + insurance premium

- The transaction amount was appropriately calculated in consideration of appraisal and market values

### (3) Capital contributions and disposal of shares contributed

(Unit: KRW million)

Target company	Relation	Date of transaction	Capital contributions and disposal of shares contributed					Remarks
			Type of shares contributed	Transaction				
				Base	Increase	Decrease	Balance	
SK hynix Semiconductor (Dalian) Co., Ltd.	Overseas subsidiary	2022.1.6	Capital contribution certificates	1,990,690	1,101,784	-	3,092,474	Paid-in capital increase
SK hynix Ventures America LLC	Overseas subsidiary	2022.2.24	Capital contribution certificates	1,176	5,961	-	7,137	Paid-in capital increase
		2022.4.20	Capital contribution certificates	7,137	12,349	-	19,486	Paid-in capital increase
		2022.5.31	Capital contribution certificates	19,486	6,229	-	25,715	Paid-in capital increase
		2022.6.13	Capital contribution	25,715	20,243	-	45,958	Paid-in capital

			certificates					increase
		2022.7.23	Capital contribution certificates	45,958	3,971	-	49,929	Paid-in capital increase
		2022.10.26	Capital contribution certificates	49,929	2,873	-	52,802	Paid-in capital increase
Gauss Labs Inc.	Overseas subsidiary	2022.2.10	Common Stock	30,056	33,488	-	63,544	Paid-in capital increase
SK hynix memory solutions Americas Inc.	Overseas subsidiary	2022.4.1	Common Stock	311,284	-	311,284	-	Contribution in-kind to SK hynix NAND Product Solutions Corp.
SK hynix NAND Product Solutions Corp.	Overseas subsidiary	2022.4.1	Common Stock	1,599,523	1,410,723	-	3,010,246	Paid-in capital increase
SK hynix Semiconductor (China) Ltd.	Overseas subsidiary	2022.6.21	Capital contribution certificates	4,165,297	1,410,723	-	4,811,147	Paid-in capital increase
Magnus Private Investment Co., Ltd	Affiliated companies	2022.8.3	Capital contribution certificates	207,346	-	201,228	6,118	Capital Recovery
		2022.11.4	Capital contribution certificates	6,118	-	6,118	-	Capital Recovery

※ Base and Balance amounts of transactions are cumulative at the time

#### (4) Real estate transaction details

(Unit: KRW million)

Name (Corporation)	Relation	Date of transaction	Purpose	Based on	Amount	Transaction type
SK reits Co., Ltd	Overseas subsidiary	2022.6	Improving asset efficiency and financial	Date of sale	507,200	(Building) U-Tower, 8, Seongnam-daero 331beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea

Name (Corporation)	Relation	Date of transaction	Purpose	Based on	Amount	Transaction type
			structure			(Land) 25-1 Jeongja-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea (9967.8m <sup>2</sup> ,) (Ancillary Facilities) All fixtures, real estate, sculptures, and structures belonging to buildings and land

(Sub-principle 2-③) The corporate should devise measures to protect shareholders, such as collecting opinions of minor shareholders and protecting the rights of opposing shareholders etc., in changes in the corporate ownership structure or major businesses, including the transfer and acquisition of a business, merger or division, and an all-inclusive share swap or exchange, etc.

### **A. Explanation of Corporate policies and future plans for shareholder protection, such as collecting minor shareholders' opinions and protecting opposing shareholders' rights etc., in the event of a significant change to the Company's ownership structure or major businesses**

Currently, the Company has no plan of any transfer and acquisition of a business, merger or division, and/or all-inclusive share swap or exchange that may change the ownership structure of the Company. However, if such a decision is to be made in the future, the Company will fully implement the procedures for communication with minor shareholders and gather their opinion through various channels and consider ways to protect specific shareholders from various angles so that their rights are not infringed.

Currently, the Company operates various methods to enable constant communication with shareholders, including minor shareholders, for the smooth collection of opinions as follows:

1) The Company holds quarterly earnings release calls and provides a real-time webcasting service via the Company website, allowing shareholders to freely listen to and access related earnings materials. For the convenience of not only domestic shareholders but also our foreign shareholders, we make efforts to communicate with them by providing simultaneous Korean/English interpretation during the earnings release calls.

2) At the 73rd AGM held on March 30, 2021, an online AGM was held in parallel to provide opportunities for shareholders to participate in view of the ongoing COVID-19 situation. Starting about two weeks before the AGM, the Company receives pre-registration from shareholders to participate in the AGM. Simultaneously, the Company also provides the opportunity for shareholders to voice their opinion by submitting questions in advance. The Chair of the GM and management answer the pre-submitted questions to their best effort at the GM, as is the case for shareholders who have been given the right to speak at the GM.

3) In addition, shareholders may contact the IR department at any time to inquire or provide their opinions. Both the phone number and email address of the IR department are disclosed on the Company website, and shareholder inquiries are addressed sincerely.

※ For more details on the Company's communication with shareholders, please refer to C. Overall communication with shareholders under (Key Principle 2) Fair Treatment of Shareholders.

## **B. Decisions that cause significant changes to corporate ownership structure and major businesses**

There are no new decisions made during the period subject to disclosure that caused significant changes to the Company's corporate ownership structure and major businesses.

The Company acquired 100% of the shares of Key Foundry, owned by Magnus Semiconductor, LLC, on August 2, 2022 to expand 8-inch production capacity and to secure manufacturing related patents. The acquisition was not subject to any disclosure requirement and did not cause a significant changes to neither the corporate ownership or its business.

### 3. Board of Directors

(Key Principle 3) Functions of the Board

- The Board must establish business objectives and strategies in the best interests of the corporation and its shareholders, and effectively supervise the activities of management.

(Sub-principle 3-①) The Board should effectively perform its duty of management decision-making and management supervision.

#### A. Operating System of the Board

##### (1) Matters for Deliberation and Resolution by the Board

The Company seeks to drive its operations primarily through the Board as the organization that sets business objectives and executes strategies that enhance corporate and shareholder value, as well as effectively supervising the work of management. Detailed roles and responsibilities of the Board are specified in the Articles of Incorporation and Board Regulations to ensure the Board's effective function as the highest decision-making body of the Company, namely resolving major business issues such as appointing the Representative Director, setting business plans, and making management decisions, as well as supervising the activities of management. To strengthen the Board's expertise, expert committees are set up within the Board, with the roles thereof established in the regulations of the respective committee. A dedicated Board Secretariat is also operated to support the work of the Board and the committees within.

##### (A) Matters to be resolved under the Commercial Code

- 1) Convening the shareholders' meeting
- 2) Approval of sales reports
- 3) Approval of balance sheet, income statement, statement of appropriation of retained earnings, or statement of disposition of deficit and supplementary schedules
- 4) Appointment and dismissal of the representative director



- 5) Decision of co-executive officers
- 6) Installation, relocation, or abolition of branches
- 7) Issuance of new shares
- 8) Invitation of corporate bond
- 9) Transfer of reserves into capital
- 10) Issuance of convertible bonds (CB), exchangeable bonds (EB), and bonds with warrant (BW)
- 11) Approval of director's competing transactions, and approval of transactions between a director or a majority shareholder, etc. and the Company.
- 12) Appointment and termination of a committee, and appointment and dismissal of the members thereof
- 13) Grant of the Company's stock option and cancellation of such grant
- 14) Amending resolutions adopted by the Committees except the Audit Committee
- 15) Trading stocks in small amounts
- 16) Small scale merger or spin-off
- 17) Decision over sales transfer in the amount not exceeding one-tenth (1/10) of the Company's assets and gross sales
- 18) Approval of transaction with the largest shareholder (including his/her affiliated persons) or affiliated persons and reporting to the general meeting of the shareholders
- 19) Appointment and dismissal of general manager
- 20) Appointment and dismissal of the chief compliance officer

**(B) Major matters concerning the management of the Company**

- 1) Matters to be submitted to the general meeting of shareholders
- 2) Matters relating to corporate planning and operation
- 3) The Company's budget and account closing
- 4) New investment plan, loans (except short-term loans with maturity of less than one (1) year), loan guarantee, investment, or matters relating to asset acquisition, liquidation and maintenance, the higher amount of either (a) equal to or exceeding one and a half percent (1.5%) of the Equity Capital of the Company, or (b) KRW 100 billion, provided

that the Equity Capital shall mean equity capital under the Regulations on Disclosure of Securities

- 5) <Deleted March 5, 2012>
- 6) Issuance of foreign securities
- 7) <Deleted April 9, 1999>
- 8) Enactment, amendment, and abolishment of Committee rules
- 9) <Deleted March 5, 2012>
- 10) The following activities as stipulated under the Monopoly Regulation and Fair Trade Act requiring the approval of the Board involving an amount either of (a) over five percent (5%) of the greater of the Equity Capital or the Total Assets, or (b) KRW five (5) billion.
  - a) Offering or transacting capital, securities, or assets with or for the affiliates
  - b) Providing or transacting products or services to or with a company where the affiliates or their family members make up over 20% of the quarterly sum of transaction amounts.
- 11) Establishing and amending the management control system for executing the Company's basic managerial philosophy
- 12) Donating an amount equal to or above KRW one (1) billion, except for a donation for emergency relief due to hurricane, flood, fire or other acts of God or a donation under the Community Chest of Korea Act, in which case a report on such donation can be subsequently made
- 13) Notwithstanding Subparagraph 12), a donation of any of the followings shall obtain the approval of the Board:

However, with the consent of a majority of registered directors, it can be reported retroactively to the next Board of Directors meeting.

  - a) Donation to the same place where the sum of all donations for the calendar year exceeds KRW one (1) billion
  - b) If such donations account for under KRW one (1) billion in total, donations for the same purpose and to the subsidiaries of the place exceeds KRW two (2) billion
- 14) Determining remuneration of directors in accordance with the limits set by the Board provided, however, that remuneration for internal directors shall be delegated to the

Human Resources, Evaluation and Remuneration Committee as stipulated in Article 13-2.

- 15) Evaluation of the Representative Director provided, however, that details, procedures, etc. shall be decided by Human Resources, Evaluation and Remuneration Committee, and the resolution shall be delegated to the same committee

**(C) Other matters as delegated by the relevant laws, the Articles of Incorporation, or delegated at the shareholders' meetings or matters as submitted to the Board after having been deemed as important for the Company's operation by the Representative Director or the Chairperson.**

**(2) Matters for Deliberation and Resolution by the Board that are not required by applicable law**

The Board deliberates and votes on matters that are not required by applicable law but are deemed to be important to the Company's management: Matters on business planning and operations, the Company budget and settlement, new investment plans or borrowing that equal to or exceed 1.5% of the Company's shareholders' equity, debt guarantees, capital contributions, the acquisition/sale/management of assets, the issuance of foreign securities, the establishment/amendment/abolition of the rules of the Board committees, the establishment and revision of the Company operation and management system to execute fundamental business principles, donations that equal to or exceed KRW 1 billion, and others. Through these deliberations, the Board faithfully supervises management functions.

**(3) Delegation of Board Authority**

In accordance with Article 14 of the Articles of Incorporation, the Board may delegate to the Representative Director the authority over matters on the issuance of corporate bonds within a maturity not exceeding one year. Also, in accordance with Article 45 of the Articles of Incorporation and Article 13 of the Board Regulations, the Board may delegate part of the

Board's authority to a committee within the Board, as long as such delegation does not violate related laws and regulations and the Articles of Incorporation. In particular, the authority to issue a resolution on large-scale internal transactions under the Monopoly Regulation and Fair Trade Act is delegated to the Audit Committee.

## **B. Effective performance of Board functions**

The Company's Board faithfully executes the principle of management driven by the Board, and effectively performs its decision-making and supervising functions by facilitating reports on the Company's major business issues even when such issues do not constitute matters for resolution by the Board.

(Sub-principle 3-②) The Board should prepare, operate, and consistently improve and complement a succession policy for the Chief Executive Officer (including contingency appointment plan).

## **A. Chief Executive Officer (CEO) Succession Planning**

### **(1) CEO Succession Policy**

The CEO must be equipped with excellent capabilities in leadership and expertise to deliver business outcomes while possessing management skills built on extensive business experience and business knowledge, with which he or she may present a forward vision of the Company to all stakeholders, including its staff and shareholders.

The Board Secretariat, Corporate Culture, and other relevant Company organizations have collaborated to establish the currently operative internal process for CEO succession. The process begins with a search for CEO candidates with the above-mentioned capacities and potential, followed by validation and cultivation under a strategic and systematic framework, and the final selection of the most optimal candidate to be recommended to the Board. These

policies are stipulated in the Company rules and are managed and operated through the internal standard management system.

## **(2) Selection of CEO Candidate Pool and Validation**

The Company assesses the qualifications of its executives twice each year, once in a preliminary Executive Management Development (Pre-EMD) evaluation and again in the regular EMD evaluation. The evaluation results are used to make decisions, such as on executive remuneration and promotion, and are reflected in the discussion and selection of the CEO candidate pool.

Every year, the Company develops a pool of CEO candidates deemed to have excellent capabilities and potential, who are then validated and cultivated in a strategic and systematic manner. Annual programs for core talent selection (Future Leader Program, Executive Leader Program) are held to identify and manage a diverse group of prospective CEOs who are each fit to serve in different business scenarios and have optimal capabilities, which allows the Company to be agile in a shifting business environment.

The CEO candidate pool is divided into one group that can immediately serve upon appointment and another that can accept the post in the mid to long-term (three to five years), with each group validated for suitability based on the relevant capabilities, leadership, etc. The pool is also operated as a development track where candidates may experience top management mindset first-hand through involvement in actual positions that allow the candidates to build experience and test their leadership qualities.

The ready-to-serve candidate pool is given an expanded role that involves taking on a part of the CEO's responsibilities in order to ensure a smooth job transition in the case of appointment. The mid to long-term group, formed of candidates selected for their work achievement, competencies, and future management potential, receives focused management to cultivate a management mindset via programs that involve coaching from key senior executives, personal tasks, and capacity-building with third-party experts.

### **(3) Procedure for CEO Candidate Recommendation and Appointment**

Prior to the expiration of the current CEO's term and considering the strategic role of the Company's CEO at the time of succession, candidates in the ready-to-serve pool are reviewed for recommendation, and the most suitable candidate is selected.

Should the selected candidate be a Board Director, the candidate is recommended to the Board that then appoints the individual as CEO upon deliberation and resolution on the candidate's suitability, thereby swiftly completing the management succession process. On the other hand, if the candidate is not a member of the Board, the Compensation Committee first reviews the candidate, and then a shareholders' meeting is swiftly convened in accordance with the Commercial Act to newly appoint the candidate as a Board Director. After appointment as a Board Director, the individual is appointed as CEO through a Board resolution, thereby completing the management succession process.

### **(4) Training provided to CEO Candidate pool**

The Company provides a training program on a yearly basis to secure the CEO candidate pool. In 2022, in order to verify the design capability at the CEO level, the Company run a training program for the candidates to design detailed strategies to address practical business agendas.

Two self-training academic sessions were provided for topics including 'humanities, society, and science' during the year to broaden the candidates' perspective toward communities and to prepare the vision as the CEO. Furthermore, sector-specific training programs were offered, by means of professors tutoring, to nurture the management capabilities for the areas including business strategy, marketing, and finance.

Key talent selected for the medium to long-term group were required to undergo the evaluation process twice a year based on personal experience, expertise, competencies, and future

management potential. In addition, separate training program were provided for the candidates to foster managerial capacity and leadership from early on.

## **(5) Contingency Plan**

In the event when an appointed CEO is no longer able to perform his or her duties due to reasons such as an unexpected accident or medical condition, an acting CEO to serve in his or her absence shall be designated among the immediately appointable candidate pool, as part of the Company's plan to prevent leadership vacuum even during emergency situations.

Thereafter, the Board again deliberates another CEO candidate among the immediately appointable candidate pool, and should the candidate be a Board Director, appoints the individual to CEO and thereby completes the management succession process.

On the other hand, if the candidate is not a member of the Board, the Board convenes a shareholders' meeting in accordance with the Commercial Act as swiftly as possible to appoint the candidate to the Board and consequently appoints the individual to CEO through a Board resolution, thereby completing the management succession process.

Meanwhile, the Company further reinforces itself against emergency situations by having multiple CEOs (Independent Representative Directors) at its helm.

(Sub-principle 3-③) The Board should provide and manage an internal control policy (risk management, compliance with the relevant rules and regulations, internal accounting control, disclosure information management etc.) and continuously improve and supplement.

## **A. Internal Control Policy**

### **(1) Risk Management Policy**

In a rapidly changing business environment, risk management is key to corporate sustainability. The Company maintains a risk management policy and control system to ensure systematic recognition and management of major risks by type that the Company may face in business activities, such as financial, strategic, and management environment, and other types of risks. Meanwhile, any escalation of risk can be reported swiftly to the Board or the relevant committee following an established procedure, while a Business Continuity Plan (BCP) is maintained to global standards to ensure continuity of operations in case of various disasters and contingencies. Based on the policy statement and framework of the BCP, company-wide emergency drills are held every year, through which the Company's crisis response and recovery processes are checked for their conformity to global standards.

## **(2) Policies for Compliance Management, Internal Accounting Management, and Disclosure Information Management**

The Company has established an internal accounting control system to provide reasonable assurance that the Company's financial statements are composed and disclosed in accordance with generally recognized accounting standards, with controls maintained at the company level, process level, and general electronic system level. The Representative Director checks the effectiveness of such internal accounting control system each business year and reports the findings to the Audit Committee, the Board, and the general meeting of shareholders.

Furthermore, upon amendment of the Act on External Audit of Stock Companies in November 2018, the Company fully revised its internal accounting control rules in December 2018 to reflect changes, including the roles and responsibilities of the Representative Director, the Audit Committee, and independent auditors, the design and operation of the Internal Accounting Control System, and reporting and assessment processes.

The Company appoints a legally qualified compliance officer to review its conformity to compliance control standards and discloses the fact in its Business Report. The compliance officer monitors the compliance of top management, executives, and employees as well as the legitimacy of the Company's business activities while faithfully supporting the Company's



organizations and operations through various compliance-enforcing activities. It is also the compliance officer's duty to participate in Board meetings to report the outcomes of such activities.

The Company established internal decision rules and Disclosure Information Management Regulations to manage disclosure-related matters and also uses internal portal systems. The IR department oversees disclosures to secondary markets, while the Financial Management department is in charge of disclosures to the primary market and the Korea Fair Trade Commission, as well as reporting on foreign exchange transactions.

### **[Background and credentials of compliance officer]**

<b>Item</b>	<b>Detail</b>
<b>Name</b>	Kim Yoon Wook (VP)
<b>Date of birth</b>	1969.1.1
<b>Education</b>	LL.B., College of Law, Seoul National University (1987-1991) LL.M. (Program Completed), College of Law, Seoul National University (1992-1995)
<b>Career</b>	Jan. 2020 ~ : Head of Sustainability Management at SK hynix Jan. 2019 ~ : Head of Sustainability Management at SK innovation Jan. 2016 ~ : Chief of Staff in Chairman's Office, General Counsel and Executive Secretary of Board Secretariat of SK holdings C&C Jan. 2011 ~ : Vice President and Head of Compliance Office, Head of Ethics Management Office, Head of Corporate Relations Office, Head of Corporate Relations Division at SK C&C Sep. 2004 ~ : Vice President of Corporate Law Office, Legal Office, and Head of Legal Office at SK holdings Mar. 2000 ~ : Lawyer, Lee & Ko Law Firm, Woohyun Law Firm, Hwanghae Law Firm Apr. 1999 ~ : Prosecutor, Seoul Southern District Prosecutor's Office
<b>Major qualification</b>	Lawyer (Domestic)

#### **(Key Principle 4) Composition of the Board**

- The Board should be composed so as to facilitate effective decision-making and supervision of management, and directors should be appointed through a transparent process, which reflects the diverse opinions of shareholders.

(Sub-principle 4-①) The Board should be composed in a way that effective and prudent discussion and decision-making is possible, with enough number of independent directors so that it can fulfill its function independently from management and controlling shareholders.

## **A. Composition of the Board**

The Company's Board is composed of professionals across a wide range of domains, from finance, accounting, semiconductor technology, legal, social policy, and media, with more than a majority being Independent Directors (two Executive Directors, seven Independent Directors and one Non-Executive Director), which allows the Board to review the Company's business matters from a multi-faceted perspective and perform reasonable checks and balances on management and controlling shareholders.

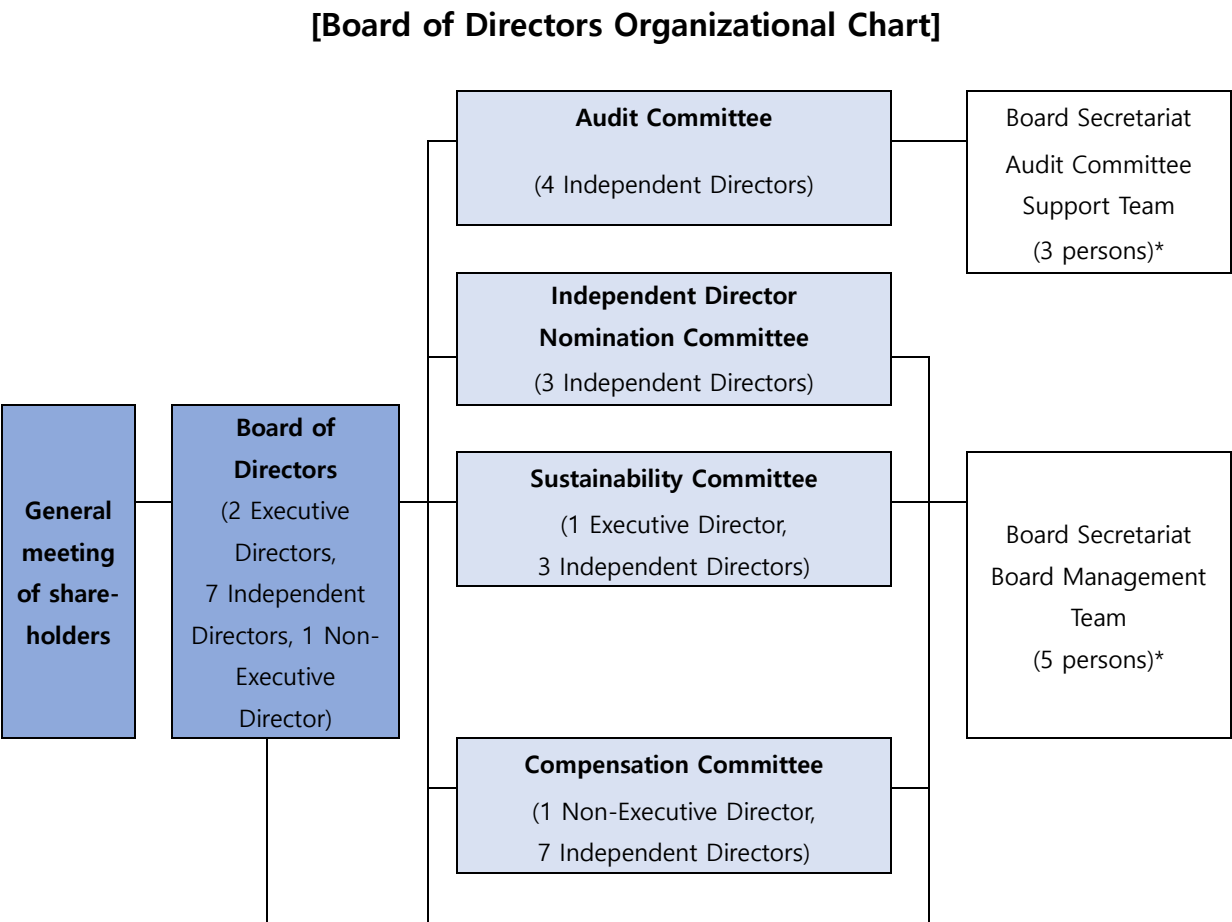
Committees within the Board include the Audit Committee, the Independent Director Nomination Committee, the Sustainability Committee, the Compensation Committee, and the Strategy Committee. In order to strengthen the functions of the Board, the Compensation Committee and investment Strategy Committee were established at the March 22, 2020, Board meeting, following right after the FY2019 AGM. The two committees were reorganized on March 30, 2021, with added roles to strengthen their expertise. Further, the investment Strategy Committee was renamed into Strategy Committee, and additional members were appointed to both committees.

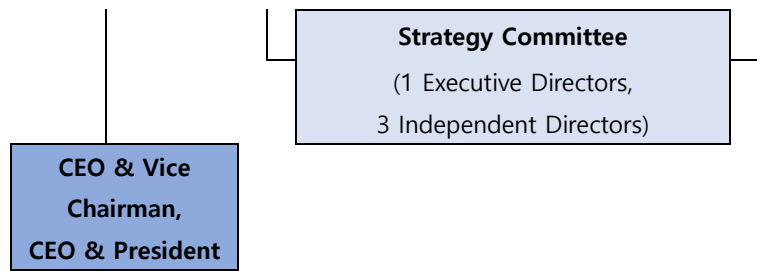
A dedicated Board Secretariat supports the Board and committees within. To enhance professional support provided to the audit committee, a separate Audit Committee support team was established within the Board Secretariat in 2020. The Board Secretariat is responsible for the activities of the four other committees as well as the Board of Directors. Meanwhile, the two support teams organically cooperate within the Board Secretariat for the full scope of the Board of Directors.

### **(1) Composition of Committees within the Board**

The Company's Board establishes individual committees within to perform specific functions and roles under Article 45 of the Articles of Incorporation. Matters related to the operation of the committees are decided by resolution of the Board, and committees must report the outcomes of their deliberations and resolutions to the Board. The Board may put matters already resolved by committees except for the Audit Committee up for a second resolution.

Under the Articles of incorporation, the Board regulations, and committee regulations, a committee must be composed of two or more Directors, with Independent Directors comprising half (1/2) or more of the total membership. Provided, the Audit Committee must include three or more Directors, with Independent Directors comprising two-thirds (2/3) or more of the total count. All four members of the Company's Audit Committee are Independent Directors. The head of each committee is appointed by resolution of the Board or committee of the current year.





\* One executive officer and one team leader of the Board Secretariat is included in the headcount of both teams (as of the date of report submission)

As of the date this report was submitted, the Company's Board is composed as follows:

Type of Director	Name	Gender (Age)	Title	Date of original appointment <sup>1)</sup>	Tenure until	Area of expertise	Primary career
Executive Director	Park Jung Ho	Male (60)	CEO and Vice Chairman, Member of Strategy Committee	2016.3.18	AGM in 2024	General corporate management	<ul style="list-style-type: none"> <li>- (Current) SK hynix CEO and Vice Chairman</li> <li>- (Current) SK square Vice Chairman</li> <li>- SK telecom Vice Chairman</li> <li>- SK broadband President and CEO</li> <li>- SK C&amp;C President and CEO</li> </ul>
Executive Director	Kwak Noh Jung	Male (57)	CEO and President, Member of Sustainability Committee	2022.3.20	AGM in 2025	General corporate management	<ul style="list-style-type: none"> <li>- (Current) SK hynix CEO and President</li> <li>- (Current) 13th President of Korea Semiconductor Industry Association (KSIA)</li> <li>- Head of Manufacturing Technology, SK hynix</li> <li>- SVP and Head of Cheongju Fab, SK hynix</li> <li>- VP of R&amp;D, SK hynix</li> </ul>
Independent Director	Song Ho Keun	Male (67)	Member of Independent Director Nomination Committee,	2018.3.28	AGM in 2024	Professor of Social Sciences, Expert in	<ul style="list-style-type: none"> <li>- (Current) Chair-Professor, Hallym University</li> <li>- (Current) Director, The Yumin Cultural Foundation</li> </ul>

Type of Director	Name	Gender (Age)	Title	Date of original appointment <sup>1)</sup>	Tenure until	Area of expertise	Primary career
			Sustainability Committee, Compensation Committee			social policy	<ul style="list-style-type: none"> <li>- Chair-Professor, Division of Humanities and Social Sciences, POSTECH</li> <li>- Professor/Chair-Professor, College of Social Sciences, Seoul National University</li> </ul>
Independent Director	Cho Hyun Jae	Male (65)	Member of Independent Director Nomination Committee, Strategy Committee, Compensation Committee, Sustainability Committee	2018.3.28	AGM in 2024	Expert in media broadcasting, economics and industry	<ul style="list-style-type: none"> <li>- Visiting professor, Gwangju University</li> <li>- MBN CEO</li> </ul>
Independent Director	Yoon Tae Hwa	Male (62)	Member of Audit Committee, Compensation Committee	2018.3.28	AGM in 2024	Expert in Accounting & Auditing (CPA)	<ul style="list-style-type: none"> <li>- (Current) Professor of Business Administration and Dean of Graduate School of Business Administration, Gachon University</li> <li>- 25th President of Korea Accounting Information Association (KAIA)</li> </ul>
Independent Director	Ha Yung Ku	Male (69)	Board Chair, Member of Audit Committee, Independent Director Nomination Committee, Compensation Committee, Strategy Committee	2019.3.22	AGM in 2025	Expert in Finance	<ul style="list-style-type: none"> <li>- (Current) SK hynix Chair of Board</li> <li>- Chairman, Korea Federation of Banks</li> <li>- Chairman &amp; CEO, Citigroup Korea</li> </ul>
Independent Director	Han Ae Ra	Female (51)	Member of Audit Committee, Sustainability Committee,	2020.3.20	AGM in 2023	Legal expert (Lawyer)	<ul style="list-style-type: none"> <li>- (Current) Professor, School of Law, Sungkyunkwan University</li> <li>- Lawyer, Kim &amp; Chang</li> <li>- Research judge, Supreme</li> </ul>

Type of Director	Name	Gender (Age)	Title	Date of original appointment <sup>1)</sup>	Tenure until	Area of expertise	Primary career
			Compensation Committee				Court of Korea
Independent Director	Jeong Deog Kyoon	Male (64)	Member of Compensation Committee, Strategy Committee	2023.3.29	AGM in 2026	Expert in Semiconductor or engineering	<ul style="list-style-type: none"> <li>- (Current) Chair Professor in the College of Engineering at Seoul National University</li> <li>- Director of the Inter-University Semiconductor Research Center at Seoul National University</li> <li>- Professor in the Department of Electric and Electronic Engineering at Seoul National University</li> </ul>
Independent Director	Kim Zeong Won	Female (54)	Member of Audit Committee, Compensation Committee	2023.3.29	AGM in 2026	Expert in Finance & corporate management	<ul style="list-style-type: none"> <li>- (Current) Senior Advisor, Kim &amp; Chang</li> <li>- Managing Director and Treasury GPO Regulatory Execution Governance Lead, Citibank, New York</li> <li>- Managing Director and CFO, Citibank Korea Inc.</li> </ul>
Non-Executive Director	Park Sung Ha	Male (57)	Member of Compensation Committee	2023.3.29	AGM in 2026	General corporate management	<ul style="list-style-type: none"> <li>- (Current) SK square CEO and President</li> <li>- President &amp; CEO, SK C&amp;C</li> <li>- Head of Strategic Support &amp; Vice President, SK SUPLEX Council</li> <li>- Head of Portfolio Mgmt. Division &amp; Senior Director, SK Inc.</li> </ul>

1) In the case of re-appointment, the date of original appointment is indicated

※ At the 74th AGM held on March 30, 2022, Director Kwak Noh Jung and Director Noh Jong Won were newly appointed as Executive Directors and Director Ha Yung Ku was re-appointed as an Independent Director and Audit Committee member.

※ At the 75th AGM held on March 29, 2023, Director Jeong Deog Kyoon and Director Kim Zeong Won were newly appointed as Independent Directors, Director Park Sung Ha was appointed as a Non-Executive Director, and Director Han Ae Ra was re-appointed as an Independent Director and Audit Committee member.

As of the date this report was submitted, committees within the Company's Board are composed as follows:

Committee	Composition					Major roles of the Committee
	Title	Classification	Name	Gender	Concurrent positions	
<b>Auditor Committee (4 persons) (A)</b>	Committee Head	Independent Director	Yoon Tae Hwa	Male	D	1. Audit accounting records and operations of the Company 2. Appoint Independent Auditor 3. Approve large-scale internal transactions under delegated authority from Board
	Member	Independent Director	Ha Yung Ku	Male	B,D,E	
	Member	Independent Director	Han Ae Ra	Female	C,D	
	Member	Independent Director	Kim Zeong Won	Female	D	
<b>Independent Director Nomination Committee (3 persons) (B)</b>	Committee Head	Independent Director	Ha Yung Ku	Male	A,D,E	1. Assess, recommend, and select Independent Director candidates in accordance with relevant laws and regulations, Articles of Incorporation, and Board Regulations
	Member	Independent Director	Song Ho Keun	Male	C,D	
	Member	Independent Director	Cho Hyun Jae	Male	C,D,E	
<b>Sustainability Committee (4 persons) (C)</b>	Committee Head	Independent Director	Song Ho Keun	Male	B,D	1. Review company's compliance system and related activities including anti-trust, anti-corruption, SHE (Safety, Health, Environment), subcontractors, and

Committee	Composition					Major roles of the Committee
	Title	Classification	Name	Gender	Concurrent positions	
	Member	Independent Director	Cho Hyun Jae	Male	B,D,E	<p>others</p> <p>2. Deliberate on following matters related to Company's sustainable management:</p> <p>(1) Strategy for and outcomes of sustainable management and social value creation</p> <p>(2) Major CSR (Corporate Social Responsibility) activities</p> <p>(3) Major ESG (Environmental, Social, Governance) trends/issues and responses</p> <p>(4) Other matters related to sustainable management raised to the committee for deliberation by other committees</p>
	Member	Independent Director	Han Ae Ra	Female	A,D	
	Member	Executive Director	Kwak Noh Jung	Male	-	
Compensation Committee (8 persons) (D)	Committee Head	Independent Director	Song Ho Keun	Male	B,C	<p>1. Review AGM agenda for Ceiling Amount of Remuneration for Directors</p> <p>2. Granting stock options to management including registered and unregistered executives</p> <p>3. Specific remuneration for Executive Directors</p> <p>4. Evaluation and compensation of Representative Director</p> <p>5. Examination of Executive Director candidates</p> <p>6. Matters not stipulated in each of the above subparagraphs, which the Representative Director deems important and refers to the Committee</p>
	Member	Independent Director	Ha Yung Ku	Male	A,B,E	
	Member	Independent Director	Cho Hyun Jae	Male	B,C,E	
	Member	Independent Director	Yoon Tae Hwa	Male	A	
	Member	Independent Director	Han Ae Ra	Female	A,C	
	Member	Independent Director	Jeong Deog Kyoon	Male	E	



Committee	Composition					Major roles of the Committee
	Title	Classification	Name	Gender	Concurrent positions	
	Member	Independent Director	Kim Zeong Won	Female	A	
	Member	Non-Executive Director	Park Sung Ha	Male	-	
<b>Strategy Committee (4 persons) (E)</b>	Committee Head	Independent Director	Ha Yung Ku	Male	A,B,D	1. Annual management plans 2. Medium and long-term strategies and To-Be Model of the Company 3. Important strategic alliance investments (equity investments, licenses, etc.) 4. Review investments of less than 1.5% of shareholder equity considered as key investments by CEO 5. Other important corporate management matters
	Member	Independent Director	Cho Hyun Jae	Male	B,C,D	
	Member	Independent Director	Jeong Deog Kyoon	Male	D	
	Member	Executive Director	Park Jung Ho	Male	-	

## B. Independent function of the Board

In accordance with Article 41 of the Articles of Incorporation, the Chair of the Board is appointed by the Board. At the March 2019 Board meeting, the posts of Representative Director (CEO) and Board Chair were separated. To enhance the operational transparency and independence of the Board, a Board meeting was held on March 30, 2021, and the Board appointed Independent Director Ha Yung Ku as Board Chair.

The Company has organized all Board committees with a majority of Independent Director as well as appointed an Independent Director as the head of all Board committees and has also organized the Audit Committee and the Independent Director Nomination Committee entirely

of Independent Directors. Thereby, the Board functions independently from the management and the controlling shareholders.

(Sub-principle 4-②) The Board should be comprised of responsible and competent professionals in various fields considering their knowledge and career so that they can effectively contribute to the corporate management.

## **A. Regulations on Expertise and Accountability of the Board**

The Company emphasizes the expertise and accountability of Directors in its Corporate Governance Code and the Code of Conduct and Job Performance Bylaw for the Board of Directors. Item ② under “4. Qualifications of Directors” under “II. Board of Directors” of the Corporate Governance Code states that Executive Directors must “accumulate rich experience and professional knowledge related to the Company’s business, while equipping themselves with reasonable judgment and strong execution, as part of the Company’s high-level management.” Meanwhile Item ③ states that Independent Directors must be “persons with expert knowledge or extensive experience in industry, finance, academia, law, accounting, or government, who do not have a major conflict of interest with the Company and who are capable of making independent decisions apart from management or particular shareholders and of contributing to the Company’s prosperity and protection of shareholder rights.” The Code of Conduct and Job Performance Bylaw for the Board of Directors also state such rules of the same intent. The Corporate Governance Code and the Code of Conduct and Job Performance Bylaw for the Board of Directors are disclosed on the Company website.

## **B. Ensuring Expertise, Accountability, and Diversity of the Board**

The Company Board is composed of experts in each field, such as finance, accounting, semiconductor technology, law, social policy, media, and others, thereby ensuring expertise, accountability, and diversity.

To provide more detail on the current Board's composition, the Company's Executive Directors are equipped with extensive management experience and professional knowledge in the semiconductor industry and technology. Director Park Jung Ho contributes to decisions on major business issues as the Company's Vice Chairman & CEO, bringing his broad experience and insight on Information and Communication Technology including semiconductors, and having made crucial contributions to the Group's growth and prosperity as the former Vice Chairman of SK telecom, as well as in his previous capacity as the former CEO of SK Inc. C&C.

The Company appointed two new Executive Directors at the 74th AGM held on March 30, 2022. Newly-appointed Director Kwak Noh Jung is from an engineering background and a semiconductor expert who has accumulated experience in various fields related to semiconductor manufacturing and technology. As the Chief Safety, Product & Production Officer, he oversees and manages company-wide safety and health affairs along with the integrated management of product development & production. He has many years of experience and expertise suitable to lead all areas of technology in an integrated manner along with safety issues, which have recently gained importance. Director Kwak Noh Jung was appointed as CEO at the Board meeting held immediately after the 74th Annual General Meeting of Shareholders. Director Noh Jong Won resigned from his position on March 28, 2023.

The Company appointed three Independent Directors, including re-appointment, and one non-Executive Director at the 75th AGM held on March 29, 2023. Newly-appointed Director Jeong Deog Kyoon is a semiconductor design expert. Based on extensive and in-depth knowledge of semiconductors, he contributes to the operation of the Board of Directors and promotes the Company's goal of "Technology Innovator for a Better World and Greater Happiness". Newly-appointed Director Kim Zeong Won is a financial expert who served as CFO of Citibank Korea and Treasury GPO of Citibank US. Based on her deep insight into global management and economic trend, and rich field experience, she contributes to the operation of the Board of Directors and the Audit Committee and promotes the Company's goal of "Technology Innovator for a Better World and Greater Happiness". Newly-appointed Director Park Sung Ha, a non-Executive Director, is an expert in the field of corporate strategy and new business development, having served as the division head of Portfolio Management at SK Inc.. Based on a deep

understanding of business portfolios and rich global investment experience, he is expected to contribute to enhancing the Company's core value.

Among the Independent Directors, the Board Chair Director Ha Yung Ku, previously the Head of the Korea Federation of Banking Institutions, offers diverse advice on major business matters for the Company based on his broad experience and deep expertise in domestic and overseas finance as well as various industries. Director Song Ho Keun, the most renowned sociologist in Korea, provides professional advice on social value creation, a key topic of interest for the Company. Director Shin Chang Hwan contributes his deep expertise in semiconductors as an expert in electrical and electronic engineering with experience at IBM and Xilinx. The Audit Committee Head Yoon Tae Hwa is a Certified Public Accountant (CPA) and brings expert knowledge on accounting and taxation from his previous service as Chair of the Korea Association of Accountants. Director Cho Hyun Jae gives valuable insight on the Company's macroeconomic policy decisions, based on his deep and wide-reaching knowledge of the Korean economy from years of experience in financial journalism. Director Han Ae Ra, who was appointed in 2020 as the first female director, has experience as judge and as research judge at the Supreme Court. She is a legal expert and currently a Professor at the School of Law at Sungkyunkwan University and has strengthened the legal expertise of the Company's Board.

The Company Board consists of eight men and two women.

The Company also offers detailed orientation courses for newly appointed Independent Directors to build their understanding of the Company and the broader semiconductor industry and enhance their professionalism and competitiveness. In addition, regular workshops and seminars such as on ICT industry trends, semiconductor insight and ESG are held to continuously engage Directors in contemplation and discussion on current issues and strategies pertaining to the Company. Furthermore, Independent Directors regularly receive information on semiconductor industry trends as part of building their professional knowledge as the Company's Directors. The following are the changes for Directors over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission, including new and re-appointment:

### [Appointment of Directors and Changes]

Classification	Name	Date of original appointment	Date of tenure expiration	Date of change	Reason for change	In office
Executive Director and Non-Executive Director	Lee Seok Hee	2017.3.24	AGM in 2023	2022.3.30	Resigned	Retired
	Park Jung Ho	2016.3.18	AGM in 2024	2021.3.30	Newly appointed as an Executive Director	In office
	Oh Jong Hoon	2019.3.22	AGM in 2022	2022.3.30	Term Expired	In office*
	Kwak Noh Jung	2022.3.30	AGM in 2025	2022.3.30	Newly appointed as an Executive Director	In office
	Noh Jong Won	2022.3.30	AGM in 2025	2023.3.28	Resigned	In office*
	Park Sung Ha	2023.3.29	AGM in 2026	2023.3.29	Newly appointed as an Non-Executive Director	In office
Independent Director	Choi Jong Won	2014.3.21	AGM in 2020	2020.3.20	Term Expired	In office
	Shin Chang Hwan	2017.3.24	AGM in 2023	2020.3.20	Term Expired	Retired
	Song Ho Keun	2018.3.28	AGM in 2024	2021.3.30	Re-appointed	In office
	Cho Hyun Jae	2018.3.28	AGM in 2024	2021.3.30	Re-appointed	In office
	Yoon Tae Hwa	2018.3.28	AGM in 2024	2021.3.30	Re-appointed	In office
	Ha Yung Ku	2019.3.22	AGM in 2025	2022.3.30	Re-appointed	In office
	Han Ae Ra	2020.3.20	AGM in 2023	2020.3.20	Re-appointed	In office
	Jeong Deog Kyoon	2023.3.29	AGM in 2026	2023.3.29	Newly Appointed	In office
	Kim Zeong Won	2023.3.29	AGM in 2026	2023.3.29	Newly Appointed	In office

\* Resigned from the Director position but retained the executive position

(Sub-principle 4-③) Fairness and independence should be secured during the recommendation and appointment process of the candidates for the directors.

## **A. Director Candidate Recommendation**

For the recommendation and examination of candidates for Independent Directors, the Company has set up the Independent Director Nomination Committee. This Board committee is composed of two or more Directors, with one-half (1/2) or more being Independent Directors as per company regulations. Currently, all three members of the Independent Director Nomination Committee are Independent Directors to secure the independence of the committee.

The Company's Independent Director Nomination Committee recommends candidates for Independent Directors through a fair and transparent process, selecting and recommending candidates who are independent from company management or the majority shareholder and have professional insight in areas such as semiconductors, finance, accounting, management, and social affairs. By meticulously vetting each candidate's professional ethics and the existence of any relationship of interest with the majority shareholder, the committee helps create a balanced composition for the Board to serve its function of monitoring, advising, and keeping management in check.

Independent Director candidates who pass this rigorous vetting process and Executive Director candidates who are recommended by the Board after deliberation by the Compensation Committee are finally appointed as Directors at the general meeting of shareholders. Meanwhile, the Company does not discriminate against any factors such as nationality, gender, religion, or race in the appointment of an executive or Independent Director.

## **B. Provision of Information on Director Candidates prior to AGM**

The Company lawfully discloses information on Director candidates at least three weeks before a general meeting of shareholders to allow shareholders to sufficiently familiarize themselves with agenda items regarding the appointment and re-appointment of Directors and to vote by proxy. To assist shareholders' understanding, the Company also posts on the Company website agenda explanatory materials that include important matters of reference in addition to the disclosed information.

The Company has provided the following information on Director candidates at general shareholder meetings held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission.

Date of information submission	Date of general meeting of shareholders	Director Candidate		Provided information
		Classification	Name	
2023.2.23 (D-34 days)	2023.3.29	Independent Director	Han Ae Ra	1. Candidate's name, date of birth, recommender, relationship with the largest shareholder, Independent Director candidate, etc. 2. Candidate's main occupation, detailed professional experience, and transaction history with the Company for the past 3 years 3. Any arrears, the management of an insolvent company, legal grounds for disqualification 4. Candidate's job performance plan (in the case of Independent Director) 5. Reason for the Board's recommendation of the candidate 6. Candidate's signature confirming that the disclosed information is consistent with the facts
		Independent Director	Jeong Deog Kyoon	
		Independent Director	Kim Zeong Won	
		Non-Executive Director	Park Sung Ha	

2022.2.24 (D-34 days)	2022.3.30	Executive Director	Kwak Noh Jung	1. Candidate's name, date of birth, recommender, relationship with the largest shareholder, Independent Director candidate, etc. 2. Candidate's main occupation, detailed professional experience, and transaction history with the Company for the past 3 years 3. Any arrears, the management of an insolvent company, legal grounds for disqualification 4. Candidate's job performance plan (in the case of Independent Director) 5. Reason for the Board's recommendation of the candidate 6. Candidate's signature confirming that the disclosed information is consistent with the facts
		Executive Director	Noh Jong Won	
		Independent Director	Ha Yung Ku	

### C. Non-adoption of Cumulative Voting

In accordance with Article 9 of the Act on prevention of divulgence and protection of industrial technology, the Company, as a business operating in a strategic industry that owns technologies deemed crucial to national prosperity, must protect itself against threats of hostile takeovers by foreign speculators. In this vein, the Company does not adopt a cumulative voting system, convinced that such a system poses a greater threat of causing dispute over management rights rather than serving its intended purpose of strengthening the rights of minor shareholders.

However, even if the minor shareholder cannot exercise cumulative voting, the Company makes sure that the opinions of the minor shareholders are reflected through the shareholder proposal rights under the Commercial Act. In order to allow shareholders to freely inquire about and demand explanation on agenda items presented at the general meeting of shareholders, the Company receives in advance questions on the Company website for a certain period of time prior to the GM. Among the inquiries, selected questions are answered at the GM. Also, the



Company receives inquiries from shareholders at the GM and answers the questions to its best effort.

## D. Sufficient measures to ensure fairness and independence

The Independent Director Nomination Committee, which is comprised only of Independent Directors, uses a fair and transparent process of selecting Independent Director candidates who meet legal standards and qualifications under relevant laws, such as the Commercial Act, as well as professional and independence requirements, and are appointed by vote at the general meeting of shareholders. Thus, fairness and independence in the nomination and appointment processes are sufficiently ensured.

(Sub-principle 4-④) People who are responsible for the defamation of the enterprise value or infringement of shareholders' equity interest should not be appointed as an executive officer.

## A. Executive Officers of the Company (including Non-registered Executive)

As of the end of March 2023, the Company's list of executive officers (including non-registered executives) is as follows:

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Park Jung Ho	Male	Vice Chairman & CEO	Registered Executive	Full-time	CEO Member of Strategy Committee
Kwak Noh Jung	Male	President & CEO	Registered Executive	Full-time	CEO Member of Sustainability Committee
Song Ho Keun	Male	Director	Registered Executive	Part-time	Independent Director Member of Independent Director Nomination Committee

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
					Member of Sustainability Committee Member of Compensation Committee
Cho Hyun Jae	Male	Director	Registered Executive	Part-time	Independent Director Member of Independent Director Nomination Committee Member of Sustainability Committee Member of Compensation Committee Member of Strategy Committee
Yoon Tae Hwa	Male	Director	Registered Executive	Part-time	Independent Director Member of Audit Committee Member of Compensation Committee
Ha Yung Ku	Male	Director	Registered Executive	Part-time	Independent Director Chair of the Board Member of Audit Committee Member of Independent Director Nomination Committee Member of Compensation Committee Member of Strategy Committee
Han Ae Ra	Female	Director	Registered Executive	Part-time	Independent Director Member of Audit Committee Member of Sustainability Committee Member of Compensation Committee
Jeong Deog Kyoong	Male	Director	Registered Executive	Part-time	Independent Director Member of Compensation Committee Member of Strategy Committee
Kim Zeong Won	Female	Director	Registered Executive	Part-time	Independent Director Member of Audit Committee Member of Compensation Committee
Park Sung Ha	Male	Director	Registered Executive	Part-time	Non-Executive Director Member of Compensation Committee
Chey Tae Won	Male	Chairman	Non-registered Executive	Full-time	Chairman
Kim Dong Sub	Male	President	Non-registered Executive	Full-time	Chief Officer of Communication & External Affairs
Noh Jong Won	Male	President	Non-registered Executive	Full-time	Head of Americas business Task Force
Kang Sun Guk	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Kang Uksong	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Kang You Jong	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Kang Jin Soo	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Ko Eun Jung	Female	VP	Non-registered Executive	Full-time	Research & Development Executive
Kwean Ki Chang	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Kwon Oh Hyuk	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Kwon Jae Soon	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Kim Kyu Hyun	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Kim Ki Hyun	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Kim Neung Koo	Male	VP	Non-registered Executive	Full-time	Head of BE Procurement
Kim Dal Ju	Male	VP	Non-registered Executive	Full-time	Corporate Strategy & Planning Executive
Kim Dong Gyu	Male	VP	Non-registered Executive	Full-time	Corporate Strategy & Planning Executive
Kim Man Sup	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Kim Sang Deok	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Kim Sang Ho	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Kim Sanghun	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Kim Seok	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Kim Seon Soon	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Kim Seong Han	Male	VP	Non-registered Executive	Full-time	Head of FE Procurement
Kim Young Sik	Male	VP	Non-registered Executive	Full-time	Head of Manufacturing Technology
Kim Woo Hyun	Male	VP	Non-registered Executive	Full-time	Head of Finance
Kim Woon Yong	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Kim Youn Wook	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Kim Jum Soo	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Kim Jung Bae	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Kim Jeong Soo	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Kim Jeung Tae	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Kim Jong Hwan	Male	VP	Non-registered Executive	Full-time	Head of DRAM Development
Kim Ju Seon	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Kim Jun Han	Male	VP	Non-registered Executive	Full-time	Americas business Task Force Executive
Kim Jin Hyock	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Kim Chun Sung	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Kim Choon Hwan	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Kim Tae Hoon	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Kim Heongyu	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Kim Hyun Jung	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Kim Hyeong Soo	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Kim Hyungsoo	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Kim Hyung Hwan	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Na Myung Hee	Female	VP	Non-registered Executive	Full-time	Research & Development Executive
Doh Seungyong	Male	VP	Non-registered Executive	Full-time	Head of Digital Transformation
Do Chang Ho	Male	VP	Non-registered Executive	Full-time	Digital Transformation Executive
Ryu Byung Hoon	Male	VP	Non-registered Executive	Full-time	Head of Corporate Strategy & Planning Executive
Ryu Sung Soo	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Ma Keum Sun	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Moon Ki Ill	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Moon Soon Ki	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Moon Seung Hun	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Moon Yang Gi	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Moon Garthgeung	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Min Kyung Hyun	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Min Wonbae	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Park Kyoung	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Park Myoung Soo	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Park Myeong Jae	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Park Mun Phil	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Park Min Cheol	Male	VP	Non-registered Executive	Full-time	Corporate Strategy & Planning Executive
Park Byung Chae	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Park Sang Bum	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Park Sung Kye	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Park Seongjo	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Park Seong Hwan	Male	VP	Non-registered Executive	Full-time	Finance Executive
Park Su Man	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Park Yong Kun	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Park Jun Sik	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Park Jin Kyu	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Park Chan Dong	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Park Chan Ha	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Park Chang Heon	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Park Cheol Gyu	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Park Cheor Beom	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Park Tejin	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Park Hyun	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Park Hoon	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Bae Keuk In	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Baek Hyun Chul	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Seo Jae Wook	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Seol Kwangsoo	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Son Dong Hui	Male	VP	Non-registered Executive	Full-time	Finance Executive
Son Sang Soo	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Sohn Sang Ho	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Son Seok Woo	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Son Soo Yong	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Son Seunghun	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Song Jun Ho	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Song Chang Rock	Male	VP	Non-registered Executive	Full-time	Head of CIS Business

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Song Chang Suk	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Song Chi Hwa	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Song Hyun Jong	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Shin Sang Kyu	Male	VP	Non-registered Executive	Full-time	Head of Corporate Culture
Shin Seung-A	Female	VP	Non-registered Executive	Full-time	Research & Development Executive
Shin Jeong Ho	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Shin Hyeonsoo	Male	VP	Non-registered Executive	Full-time	Finance Executive
Shim Kyu-Chan	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
An Dae Woong	Male	VP	Non-registered Executive	Full-time	Digital Transformation Executive
Ahn Jung Ryul	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Ahn Hyun	Male	VP	Non-registered Executive	Full-time	Head of Solution Development
Ahn Hyunjoon	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Yang Hyung Mo	Male	VP	Non-registered Executive	Full-time	Finance Executive
Yuh Dongjoon	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Oh Dongyeon	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Oh Jeong Hwan	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Oh Jong Hoon	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Oh Tae Kyung	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Oh Hoon-Sang	Male	VP	Non-registered Executive	Full-time	CIS Business Executive
Yoon Kyoung Ryul	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Yun Jae Yeun	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Yoon Hongsung	Male	VP	Non-registered Executive	Full-time	FE Procurement Executive
Lee Kang Min	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Lee Kang Wook	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Lee Gwang Ok	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Lee Gyujai	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Lee Gi Hwa	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Lee Dong Ho	Male	VP	Non-registered Executive	Full-time	Corporate Strategy & Planning Executive
Lee Moon Hwan	Male	VP	Non-registered Executive	Full-time	FE Procurement Executive
Lee Min Hyung	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Lee Bang Sil	Female	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Lee Byoung Ki	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Lee Byung Chan	Male	VP	Non-registered Executive	Full-time	FE Procurement Executive
Lee Sang Kwon	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Lee Sang Rak	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Lee Sang Youp	Male	VP	Non-registered Executive	Full-time	BE Procurement Executive
Lee Sang Yung	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Lee Sang Chul	Male	VP	Non-registered Executive	Full-time	Digital Transformation Executive
Lee Sang Hwan	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Lee Sung Jae	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Lee Sung Hoon	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Lee Seungpil	Male	VP	Non-registered Executive	Full-time	NAND Development Executive



Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Lee Woong Sun	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Lee Inno	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Lee Il Woo	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Lee Jaeseo	Male	VP	Non-registered Executive	Full-time	Finance Executive
Lee Jayjoon	Male	VP	Non-registered Executive	Full-time	Communication & External Affairs Executive
Lee Jung Seock	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Lee Chang Soo	Male	VP	Non-registered Executive	Full-time	Digital Transformation Executive
Lee Tae Hak	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Lee Hyun Min	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Lee Ho Seok	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Lee Hong Deok	Male	VP	Non-registered Executive	Full-time	BE Procurement Executive
Im Song Hyeuk	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Lim Hyung Do	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Chang Seung Ho	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Jang Ji Eun	Female	VP	Non-registered Executive	Full-time	DRAM Development Executive
Jeon Weon Chul	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Jeon Yoo Nam	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Jeon Jong Min	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Chun Jun Hyun	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Jeong Sang Kyoo	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Chung Sung Yong	Male	VP	Non-registered Executive	Full-time	Research & Development Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Jeong Woo Pyo	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Choung Youin	Male	VP	Non-registered Executive	Full-time	Digital Transformation Executive
Chung Yoon Sik	Male	VP	Non-registered Executive	Full-time	Finance Executive
Chung Eun Tae	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Jeong In Chul	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Jung Jemo	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Cheong Jin Soo	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Jung Chang Kyo	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Jeong Cheol Woo	Male	VP	Non-registered Executive	Full-time	CIS Business Executive
Jung Tae Woo	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Jung Haekang	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Jeong Hoesam	Male	VP	Non-registered Executive	Full-time	CIS Business Executive
Cho Myoung Kwan	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Cho Min Sang	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Cho Young Mann	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Cho Juhyun	Male	VP	Non-registered Executive	Full-time	CIS Business Executive
Cho Joo Hwan	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Cho Ho Jin	Male	VP	Non-registered Executive	Full-time	DRAM Development Executive
Cho Hoon	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Ju Jae Wuk	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Jee Woonhyug	Male	VP	Non-registered Executive	Full-time	Solution Development Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Jin Bo Gun	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Jin Sung Gon	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Jin Il Sup	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Cha Sang Yeob	Male	VP	Non-registered Executive	Full-time	Finance Executive
Cha Seon Yong	Male	VP	Non-registered Executive	Full-time	Head of Research & Development
Cheon Young Il	Male	VP	Non-registered Executive	Full-time	Research & Development Executive
Choi Kwang Moon	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Choi Myoung Sup	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Choi Sang Hoon	Male	VP	Non-registered Executive	Full-time	Corporate Culture Executive
Choi Young Hyun	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Choi Yongsu	Male	VP	Non-registered Executive	Full-time	Global Sales & Marketing Executive
Choi Woo Jin	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Choi Jung Dal	Male	VP	Non-registered Executive	Full-time	Head of NAND Development
Choi Jung San	Male	VP	Non-registered Executive	Full-time	Global Quality & Reliability Assurance Executive
Choi Joon	Male	VP	Non-registered Executive	Full-time	CEO's Staff Executive
Choi Jun Gi	Male	VP	Non-registered Executive	Full-time	Manufacturing Technology Executive
Choi Chang Eun	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Choi Hong Sok	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Han Sang Shin	Male	VP	Non-registered Executive	Full-time	Package & Test Executive
Han Young Su	Male	VP	Non-registered Executive	Full-time	NAND Development Executive
Huh Hwang	Male	VP	Non-registered Executive	Full-time	NAND Development Executive

Name	Gender	Position	Registered /Non-registered Executive	Full-time /Part-time	Responsibilities
Hong Sang Hoo	Male	VP	Non-registered Executive	Full-time	Head of Package & Test
Hong Sung Kwan	Male	VP	Non-registered Executive	Full-time	Solution Development Executive
Hong Jin Hee	Male	VP	Non-registered Executive	Full-time	Package & Test Executive

## B. Executive Officer Appointment Policy

Under its executive officer management system, the Company validates matters related to the appointment and retaining of senior executives every year, wherein it conducts a comprehensive review of the suitability of executives in their posts. On top of a comprehensive assessment of the performance of their respective positions, such as competence and leadership, executives are assessed for any damages they may have caused to enterprise value or any infringement of shareholders' equity interest, the findings of which are reported to the Board for approval and finalization.

In accordance with Paragraph 3, Article 21 (Cause for Dismissal) of the Employment Rules, the Company may dismiss an employee at its discretion if the person is sentenced to imprisonment or a heavier punishment under criminal law and operates a disciplinary system to account for unethical or unjust behavior as defined by the Company's internal standards, beyond actions that violate enterprise value, i.e., embezzlement or breach of duty, or that infringe upon shareholders' equity interest as found by an external public agency. In addition, candidates for key management positions are checked and vetted against personnel information owned by the Company, including records on rewards and penalties, before they are recommended to the Chief Executive Officer. The list of candidates is determined upon discussion with the CEO and finalized after reporting to the Board.

## C. Appointment Status

Among Company executives, Chairman Chey, Tae-Won was convicted of embezzlement charges by the Supreme Court of Korea on February 27, 2014. However, the incident came before he was appointed as an executive of the Company, and the said executive resigned from his post as Representative Director after the guilty verdict. Meanwhile, the executive was pardoned and his records restored in August 2015, for which he is deemed to have no disqualification to serve as a non-registered executive of the Company.

As Chairman of SK Group, Chey Tae Won leverages the vast knowledge and experience gained through global management and use this to help the Company strengthen its position as a technology-driven company and build a foundation for sustainable growth. At the same time, he is contributing to the Company's development in his position as a non-registered executive to enhance the Company's social value.

## **D. Non-adoption of the Executive Director system**

The Company has not adopted an Executive Director system at this point for reasons including: The positions of the CEO and the Chairman of the Board are separately held, the Board Chair, who is an Independent Director, faithfully conducts checks against the management, and the Independent Director council consisting only of Independent Directors is in place. If deemed necessary, adoption of the system will be considered.

### **(Key Principle 5) Responsibilities of Independent Directors**

- Independent directors should be able to independently participate in important corporate management decision-making and to supervise and support the management as a Board member.

(Sub-principle 5-①) Corporate should identify, during the appointment stage of the process, that independent directors do not have significant personal interests in the corporate.

## **A. Independence (Interests) of Independent Directors**

Our Independent Directors have no significant interests with the Company or our affiliates, and we verify to check for the existence of any such interests during the selection process. When the Board proposes a candidate for Independent Director at the general meeting of shareholders, details of any transaction between the candidate and the Company and/or our affiliates and the existence of any significant interests with the Company are reviewed. Further, we receive the confirmation of eligibility for Independent Director qualification to verify the candidate's independence.

As of the date of report submission, our Independent Directors have no prior employment with us or our affiliates. In addition, there has been no history of transactions in the past three business years between our Independent Directors or companies where they serve as employees and the Company and/or its affiliates.

Name	Independent Directors who previously served in the Company or affiliates		Transactions between Independent Directors (or companies with Independent Directors as the largest shareholder) and the Company and/or our affiliates		Transactions between companies where Independent Directors serve as employees and the Company and/or affiliates	
	Our Company	Our affiliates	Our Company	Our affiliates	Our Company	Our affiliates
Song Ho Keun	None	None	None	None	None	None
Cho Hyun Jae	None	None	None	None	None	None
Yoon Tae Hwa	None	None	None	None	None	None
Ha Yung Ku	None	None	None	None	None	None
Han Ae Ra	None	None	None	None	None	None
Jeong Deog Kyoong	None	None	None	None	None	None
Kim Zeong Won	None	None	None	None	None	None

## B. Independent Directors' Tenure

As of the date of report submission, there is no Independent Director whose tenure of service has exceeded 6 years, and the tenure of each incumbent Independent Director is stated in the table below. Further, there are no Independent Directors whose tenure of service has exceeded 9 years, including in our affiliates.

Independent Directors' tenure in office expires at the end of the 3rd general meeting of shareholders as per our Articles of incorporation. Independent Directors with upcoming tenure expiration are evaluated on their overall fulfillment of duties to determine one re-appointment so that their tenure does not exceed the 6th regular general shareholders meeting.

Name	Our Company		Including affiliates	
	Tenure of service	Reason for exceeding 6 years	Tenure of service	Reason for exceeding 9 years
Song Ho Keun	5 years and 3 months	-	-	-
Cho Hyun Jae	5 years and 3 months	-	-	-
Yoon Tae Hwa	5 years and 3 months	-	-	-
Ha Yung Ku	4 years and 3 months	-	-	-
Han Ae Ra	3 years and 3 months	-	-	-
Jeong Deog Kyoong	3 months	-	-	-
Kim Zeong Won	3 months	-	-	-

※ At the 75th AGM held on March 29, 2023, Director Jeong Deog Kyoong and Director Kim Zeong Won were newly appointed as Independent Directors, Director Park Sung Ha was appointed as a Non-Executive Director

## C. Appointment of Independent Director candidates without significant interests

The Company, from the recommendation stage of Independent Directors, recommends and appoints candidates who 1) meet the qualifications set by related laws such as the Commercial Act, 2) are independent from the management and the largest shareholder, and 3) are experts in specific areas. Moreover, the Company discloses information about the candidates, including

their confirmed independence (interests), when announcing the agenda of the general meeting of shareholders.

On March 30, 2022, through the revision of the Independent Director Nomination Committee regulations, the Company applied the Global Standard to reinforce the independence and diversity requirements, thereby further strengthening the recommendation requirements for Independent Director candidates. Regulations have been added to strengthen independence, such as recommending a candidate who has not accepted or has a family member who has not accepted any payments from the Company or any parent or subsidiary of the Company in excess of \$60,000 annually within the last three years, who is not a family member of an individual who has been employed by the Company or by any parent or subsidiary of the Company as an executive officer within the last three years, among others. Also, regulations have been added to strengthen diversity, such as the Committee should review, select, and recommend candidates for Independent Directors equally and fairly without discrimination based on gender, race, religion, ethnicity, nationality, and others.

(Sub-principle 5-②) Independent directors should put enough amount of time and efforts to sincerely fulfill their duties.

## A. Concurrent Employment Status of Independent Directors

The Company allows Independent Directors to have concurrent positions in other companies only within the scope permitted by the Commercial Act. No Independent Director currently holds a concurrent position outside this scope. Independent Directors' holding of concurrent positions as of the report submission date is as follows.

Name (Audit Committee member) <sup>1)</sup>	Initial appointment date	Tenure expiration date	Current office	Status of concurrent offices held			
				Concurrent institution <sup>2)</sup>	Concurrent position	Tenure of service in concurrent institution	Listed/non-listed institution (concurrent)



Song Ho Keun	2018.3.28	AGM in 2024	Endowed-chair professor, Hallym University	DN Automotive	Independent Director	2020.3.27 ~ present	Listed corporation (KOSPI)
				Yumin Cultural Foundation	Director	2009.12.15 ~ present	N/A
Cho Hyun Jae	2018.3.28	AGM in 2024	-	-	-	-	-
Yoon Tae Hwa (Audit Committee Head)	2018.3.28	AGM in 2024	Professor of Business Administration and Dean of Graduate School of Business Administration, Gachon University	Innocean Worldwide	Independent Director, Member of Audit Committee	2020.3.25 ~ present	Listed corporation (KOSPI)
				POSTECH Educational Foundation	Auditor	2019.8.12 ~ present	N/A
				National Tax Service	Representa- tive Citizen Auditor	2018.9.4 ~ present	N/A
Ha Yung Ku (Audit Committee member)	2019.3.22	AGM in 2025	SK hynix Chair of Board	Blackstone Korea Advisors	Chairman	2022.4.27 ~ present	N/A
Han Ae Ra (Audit Committee member)	2020.3.20	AGM in 2026	Professor, School of Law, Sungkyunkwan University	CJ Corp.	Independent Director	2022.3.29 ~ present	Listed corporation (KOSPI)
Jeong Deog Kyoan	2023.3.29	AGM in 2026	Endowed Chair Professor, Department of Electrical and Computer Engineering, Seoul National University	Hyosung Heavy Industries Corp	Independent Director	2018.6.1 ~ present	Listed corporation (KOSPI)
Kim Zeong Won	2023.3.29	AGM in 2026	Senior Advisor, Kim & Chang	-	-	-	-

※ Marked as "Audit Committee member" under the name of the Independent Director if he/she is a member of the Audit Committee

※ Concurrent institutions include non-profit corporation, incorporated foundation etc.

## B. Independent Directors' sincere fulfillment of duties

The Company allows Independent Directors to have concurrent positions in another company only within the scope permitted by the Commercial Act. The Company's Independent Directors commit sufficient time and efforts to the Board activities while sincerely fulfilling their duties as Directors also through the council of Independent Directors and other Board education sessions. Meanwhile, Independent Directors' sincere fulfillment of duties can also be confirmed through their 100% attendance rate at Board and committee meetings.

(Sub-principle 5-③) The corporate should provide enough amount of information and resources necessary for the independent directors' performance of duty.

## A. Support for Independent Directors' performance of duty

### (1) Operation of Council of Independent Directors

The Company operates a council of Independent Directors (the "Council") consisting only of Independent Directors. The members of the Council seek professional and reasonable decision-making by reviewing management agendas and agendas to be submitted to the Board beforehand, and the expert opinions raised during the in-depth debates are reflected in all management activities. Over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission, a total of 16 meetings have been held. The Company provides sufficient information through the Council, thereby allowing Independent Directors' fulfillment of duties.

#### [Council of Independent Directors meetings]

Round	Regular /Extra-ordinary	Meeting date	Attendance	Agenda	Remarks
1	Regular	2022.1.24	6/6	1. Financial statements for 74th financial year (2021)	Prior deliberation

				(proposal)	
				2. Business Report for 74th financial year (2021) (proposal)	Prior deliberation
				3. 2021 Operational status of the internal accounting control system	Reported
				4. 2022-2024 Shareholder return policy (proposal)	Prior deliberation
				5. Transaction with SK ecoplant (proposal)	Prior deliberation
				6. 7th Round investment and capital contribution to SKHYCL (Wuxi production company) (proposal)	Prior deliberation
				7. 2022 Health and safety plan (proposal)	Prior deliberation
2	Regular	2022.2.21	6/6	1. Convocation of the 74th Annual General Meeting of Shareholders (proposal)	Prior deliberation
				2. Revision of corporate governance charter (proposal)	Prior deliberation
				3. Evaluation results of 2021 operational status of the internal accounting control system	Reported
				4. January 2022 earnings	Reported
3	Regular	2022.3.28	6/6	1. Acquisition of Solidigm's accounts payable and contribution in-kind (proposal)	Prior deliberation
				2. Contribution in-kind to SKHMS A (proposal)	Prior deliberation
				3. Revision of 2022 CEO KPI (proposal)	Prior deliberation
				4. Revision of Independent Director Nomination Committee regulations (proposal)	Prior deliberation
				5. 2021 Board of Directors activity evaluation plan (proposal)	Reported
4	Regular	2022.4.25	6/6	1. Report on "Changing the Council's role"	Reported
				2. Change of parties to the SUPLEX Council Agreement and operating expense transactions (proposal)	Prior deliberation
				3. Donation to the Korea Foundation for Advanced Studies, etc. (proposal)	Prior deliberation
				4. SEC LNG trial run volume change (proposal)	Prior deliberation
				5. Transaction with SK ecoplant (proposal)	Prior deliberation
				6. Execution of 2022 long-term borrowing agreement (proposal)	Prior deliberation

				7. 2022 Q1 dividends (proposal)	Prior deliberation
				8. Sales/financial response measures related to quality issues	Prior deliberation
				9. Determination of Independent Director remuneration and disposal of treasury shares	Prior deliberation
				10. 2021 Compliance management activities	Reported
				11. 2021 Board of Directors activity evaluation results	Reported
5	Regular	2022.5.23	6/6	1. Liquidization of U-Tower (proposal) (including transaction with SK reits/SK Inc.)	Prior deliberation
				2. Capital increase and loan of funds to Solidigm (proposal)	Prior deliberation
				3. Plan for transfer of management diagnosis function (proposal)	Reported
				4. Progress on Yongin semiconductor cluster	Reported
				5. 2022 CEO KPI operation (proposal)	Prior deliberation
6	Regular	2022.6.27	6/6	1. New Fab (M17) construction plans (proposal)	Prior deliberation
				2. Transaction with SK ecoplant (proposal)	Prior deliberation
				3. Transaction with ASML (proposal)	Prior deliberation
				4. Report on M16 Phase 2 gas supply	Prior deliberation
				5. Community support such as SEC-related environmental improvement (proposal)	Prior deliberation
				6. Donation contributions for SV joint budget (proposal)	Prior deliberation
				7. Report on the negotiation results of the Dalian Phase 3 investment agreement	Reported
				8. Report on the progress of IPMS(IT Manpower Cost Efficiency) Initiative	Reported
7	Regular	2022.7.25	6/6	1. Revision of 2022 business plans (proposal)	Prior deliberation
				2. 2022 Q2 dividends (proposal)	Prior deliberation
				3. Solidigm second half of year business environment	Reported
				4. Status of SK hynix security management	Reported
8	Regular	2022.9.26	6/6	1. Transactions with SK materials airplus (proposal)	Prior deliberation

				2. Transaction with SKHYCL (Wuxi production company) (proposal)	Prior deliberation
				3. Donation contributions for SV joint budget (proposal)	Prior deliberation
				4. Report on Solidigm PMI Status	Reported
9	Regular	2022.10.24	6/6	1. Transaction with SK shieldus (proposal)	Prior deliberation
				2. 2022 Q3 dividends (proposal)	Prior deliberation
				3. 2022 Q3 business performance	Reported
				4. Implementation of BSM (Board Skills Matrix) (proposal)	Reported
10	Regular	2022.11.21	6/6	1. Transaction with SK ecoplant (proposal)	Prior deliberation
				2. Revision of Board of Directors regulations and Director remuneration payment regulations (proposal)	Prior deliberation
				3. Process Outside Director candidate recommendation process	Reported
11	-	2022.11.30	6/6	1. Key contents of 2023 Organizational Restructuring and Executive Personnel changes	Reported
12	Regular	2022.12.12	6/6	1. Transaction with SK ecoplant (proposal)	Prior deliberation
				2. Transaction with SK siltron (proposal)	Prior deliberation
				3. Reversion of parts of Icheon eco park to Icheon city free of charge	Prior deliberation
				4. Donation contributions (proposal)	Prior deliberation
				5. Transaction with SK square (proposal)	Prior deliberation
				6. Transaction with SK shieldus (proposal)	Prior deliberation
				7. 2023 Business plans (proposal)	Prior deliberation
				8. 2023 Bonds Issue Delegation (Proposal)	Prior deliberation
13	Regular	2023.1.30	6/6	1. Financial statements for 75th financial year (2022) (proposal)	Prior deliberation
				2. Business Report for 75th financial year (2022) (proposal)	Prior deliberation
				3. Transactions with overseas subsidiaries (proposal)	Prior deliberation
				4. 2022 Operational status of the internal accounting control system	Reported

				5. Disposal of treasury stocks	Prior deliberation
				6. Transaction with SKHYCL (Wuxi production company) (proposal)	Prior deliberation
				7. 2023 Safety and health plans (proposal)	Prior deliberation
				8. Appointment of compliance officer	Prior deliberation
14	Regular	2023.2.20	6/6	1. Convocation of the 75th Annual General Meeting of Shareholders (proposal)	Prior deliberation
				2. Evaluation results of 2022 operational status of the internal accounting control system	Reported
				3. 2022 Board of Directors activity evaluation plan	Reported
15	Regular	2023.4.17	7/7	1. Transaction with SK shieldus (proposal)	Prior deliberation
				2. Transaction with ASML (proposal)	Prior deliberation
				3. Determination of Independent Director remuneration	Prior deliberation
				4. Disposal of treasury stocks	Prior deliberation
				5. Donation to the Korea Foundation for Advanced Studies, etc. (proposal)	Prior deliberation
				6. Transactions of SUPEX promotion committee operational expenses (proposal)	Prior deliberation
				7. 2023 Q1 dividends (proposal)	Prior deliberation
				8. 2023 Q1 business performance	Reported
16	Regular	2023.5.22	7/7	1. Donation contributions for SV joint budget (proposal)	Prior deliberation
				2. Progress on Yongin semiconductor cluster	Prior deliberation
				3. 2023 April business performance	Reported

## (2) Corporate Support for Independent Directors' execution of duties

The Company has established and adopted regulations to support Independent Directors in their execution of duties. To meet the needs of Independent Directors, such as their requests for information, a Board Secretariat has been set up under the auspices of the Board.

The Board Secretariat provides data requested by Independent Directors, such as management information and agendas of the Board and committees through the Board Information Service

System. Also, the BOD (Board of Directors) Mobile application provides an environment through which Independent Directors can view management issues, Board agendas, and other general information about the Board, including financial information and emails, to enable them to perform their duties any time and anywhere.

To assist Independent Directors with their duties, the Company provides orientation and training, semiconductor technology training, site visits, and regular workshops. The orientation is provided for the newly-appointed Independent Directors and consists of content such as an introduction to the Company and the semiconductor industry and a description of the duties of Directors.

In addition to the orientation, the Company provides Independent Directors with frequent technical training to enhance their understanding of the semiconductor industry and the manufacturing processes. The technical training is conducted by in-house professionals in a customized, one-on-one manner and can be given upon request by Independent Directors or when deemed necessary by the Company.

Moreover, the Company hosts special semi-annual workshops for Independent Directors where they discuss key management agendas and technology trends. The Company also helps enhance the understanding of Independent Directors on the current status of the Company's manufacturing facilities and overseas businesses through visits to the Company's domestic and overseas business sites at least twice a year.

## **B. Sufficient provision of information and resources for Independent Directors' execution of duties**

As mentioned above, through the operation of the Council of Independent Directors, orientation for Independent Directors, provision of education and workshop opportunities for the Board, and provision of information and resources through the dedicated Board Secretariat, the Company provides sufficient information for Independent Directors' execution of duties.

**(Key Principle 6) Evaluation of Independent Directors Activities**

- To promote active performance of duties by the independent directors, their activities should undergo fair evaluation; and the decisions on their remuneration and reappointment should be made on the basis of the outcomes of such evaluation.

(Sub-principle 6-①) Evaluation of the independent director should be based on the individual performance, and the evaluation of the independent director should be reflected in the decision on reappointment.

## **A. Evaluation of Independent Directors' Activities**

The Company conducts a performance evaluation of the Board and individual self-assessment by an online survey to evaluate how faithfully the Board is performing its roles and responsibilities and to improve its operational efficiency. Following the performance evaluation of Audit Committee and individual self-assessment in 2022, we have extended the evaluation process to the Compensation Committee in 2023 to further clarify the composition and operational efficiency of the committee, and the role and responsibility of the committee for agendas including the CEO's compensation and succession plan.

Through the evaluation process, two improvement backlog items were chosen; the Board needs to expand its role in monitoring the Company's business performance and in discussing CEO succession plan in the Compensation Committee. The Company will strive to make improvements on these items.

The Board secretariat reports the results of performance evaluation to the Board and then discloses to stakeholders through the Business Report and sustainability report. The 2022 results are as follows.

### **[Evaluation of Independent Directors]**

※ 2022 Evaluation results of Board activities (self-evaluation: score out of 5)

☐ Board : 4.7

☐ Sub-Committee : 4.7



- ☐ Director's Self-evaluation : 4.8
- ☐ Audit Committee : 4.9
- ☐ Compensation Committee : 4.5

<Evaluation items>

- ☐ Board activities(19 items): organization, roles/responsibilities, operations
- ☐ Sub-Committee activities(5 items): organization, roles, operations
- ☐ Self-evaluation(5 items): roles/responsibilities, obligations
- ☐ Audit Committee activities(15 items): organization, roles, operations, reporting and external audit supervision, risk management and internal control supervision
- ☐ Compensation Committee activities(9 items): organization, roles, operations, evaluation/reporting system and leadership succession

(Sub-principle 6-②) Independent directors' remuneration should be decided in amounts reflecting the appraisal result of the independent directors and the accountability & risks of fulfilling duties.

## A. Independent Directors' remuneration

In accordance with Article 34 of the Company's Articles of Incorporation, Independent Directors are paid within the remuneration limits approved at the general meeting of shareholders. The Company discloses the remuneration it pays to its Independent Directors in the Business Report. The remuneration paid to the Independent Directors in 2022 is as follows:

(Unit: KRW million)

Classification	Headcount	Period	Total remuneration	Average remuneration per person
Independent Director* (excluding Audit Committee members)	2	2022 (Annual)	311	156
Audit Committee member	4	2022 (Annual)	637	159

\* Headcount as of December 31, 2022. Total remuneration and average remuneration per person are based on the total cumulative amount in 2022

\* Average remuneration per person = total remuneration / the average headcount in the relevant period

Meanwhile, at the 3rd Board meeting held on March 30, 2021, the Company decided to reorganize the Board to expand the roles of the Board and committees. In line with this, to increase the accountability of Directors, the Company has decided to increase the remuneration of Independent Directors by 10% from March 30, 2021, and pay 200 shares each as stock grants. The Company disposed of its treasury stock on May 3, 2021, and paid a total of 1,200 shares (200 shares each) as stock grants to Independent Directors.

In addition, at the 4th Board meeting held on April 27, 2022, the Board decided to pay Independent Directors remuneration considering their roles and responsibilities and bonuses based on their management performance in 2021 in the form of stock to reinforce responsible management centered on the Board. The Company disposed of its treasury stocks on May 2, 2022, and a total of 3,240 stocks were differentially given to Independent Directors as stock grants in consideration of their roles and responsibilities.

## **B. Appropriateness of Independent Directors' remuneration**

The Company determines the remuneration of Independent Directors at a proper level in consideration of accountability and the risk and time required for fulfilling duties. Also, in order to maintain independence, remuneration is not differentiated depending on appraisals. However, the remuneration of the Board Chair and Committee Heads are differentiated in consideration of their roles and responsibilities.

### **(Key Principle 7) Operation of the Board**

- The Board should be operated efficiently and rationally to ensure that the management decisions are made in the best interests of the corporation and shareholders.

(Sub-principle 7-①) The Board should be held in principle, on a regular basis, and the corporate should prepare operational regulations that stipulate the authority, responsibility and operational procedures of the Board in detail.

## **A. Overall operation of the Board**

The Company stipulates the general matters related to the operation of the Board in detail, such as regular Board meetings, operation procedures, as well as the authorities and responsibilities of the Board, in the Articles of Incorporation and the Board Regulations. According to the Articles of Incorporation and the Board Regulations, the Board holds its regular Board meeting within 45 days after the closure of every quarter and is able to hold a special Board meeting under its necessity. Board meetings are held more often than stipulated in the Articles of Incorporation and the Board Regulations, with 18 Board meetings held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission.

According to the Articles of Incorporation and Board Regulations, the notice of convocation of Board meetings is given two days before the meeting date with details of the meeting date, location, and agenda. In case of emergency, the notice of convocation of Board meetings may be given by the day before the meeting date. In addition, with the consent of all Directors, Board meetings may be held at any time without prior notice on convocation. The Articles of Incorporation and the Board Regulations are disclosed on the Company website and available to shareholders and stakeholders.

Board meetings held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission are as follows:

### **[Board meetings]**

Round	Agenda		Approved /Rejected	Regular /Extra-ordinary	Meeting date	Date of agenda notification	Attendance /quota
	Classifi-cation	Details					
1	Resolution	1. Financial statements for 74th financial year (2021) (proposal)	Approved	Regular	2022. 1.27	2022. 1.25	9/9
		2. Business Report for 74th financial year (2021) (proposal)	Approved				9/9
		3. 2022-2024 Shareholder return policy (proposal)	Approved				9/9
		4. Transaction with SK ecoplant (proposal)	Approved				9/9
		5. 7th Round investment and capital contribution to SKHYCL (Wuxi production company) (proposal)	Approved				8/8*
		6. 2022 Health and safety plan (proposal)	Approved				9/9
	Report	7. 2021 Operational status of the internal accounting control system	Reported				9/9
		8. 2021 Incentive bonus payment plan (proposal)	Reported				9/9
2	Resolution	1. Stock option grants (proposal)	Approved	Regular	2022. 2.23	2022. 2.21	9/9
		2. Transaction with SK square (proposal)	Approved				8/8*
		3. Disposition of treasury shares	Approved				9/9
		4. Convocation of the 74th Annual General Meeting of Shareholders (proposal)	Approved				9/9
	Report	5. Evaluation results of 2021 operational status of the internal accounting control system	Reported				9/9
3	Resolution	1. Appointment of the Chairman of the Board of Directors	Approved	Regular	2022. 3.30	2022. 3.28	9/9
		2. Appointment of CEO	Approved				9/9
		3. Appointment of committee members within the Board of Directors	Approved				9/9
		4. Revision of Independent Director Nomination Committee regulations	Approved				9/9

		(proposal)					
		5. Acquisition of Solidigm's accounts payable and contribution in-kind (proposal)	Approved				9/9
		6. Contribution in-kind to SKHMS A (proposal) <sup>1)</sup>	Conditionally approved				9/9
	Report	7. 2021 Board of Directors activity evaluation plan (proposal)	Reported				9/9
4	Resolution	1. SEC LNG trial run volume change (proposal)	Approved	Regular	2022. 4.27	2022. 4.25	9/9
		2. Transaction with SK ecoplant (proposal)	Approved				9/9
		3. Change of parties to the SUPEX Council agreement and operating expense transactions (proposal) <sup>2)</sup>	Conditionally approved				9/9
		4. Donation to the Korea Foundation for Advanced Studies, etc. (proposal)	Approved				9/9
		5. Execution of 2022 long-term borrowing agreement (proposal)	Approved				9/9
		6. 2022 Q1 dividends (proposal)	Approved				9/9
		7. Determination of Independent Director remuneration and disposition of treasury shares	Approved				9/9
	Report	8. 2021 Compliance management activities	Reported				9/9
		9. 2021 Board of Directors activity evaluation results	Reported				9/9
5	Resolution	1. Transaction with SK reits (proposal)	Approved	Regular	2022. 5.25	2022. 5.23	9/9
		2. Transaction with SK Inc. (proposal)	Approved				9/9
		3. Cancellation of stock options	Approved				9/9
	Report	4. Solidigm cash shortage issue	Reported				9/9
6	Resolution	1. Transaction with ASML (proposal)	Approved	Regular	2022. 6.29	2022. 6.27	9/9
		2. Community support such as SEC-related environmental improvement (proposal)	Approved				9/9

		3. Donation contributions for SV joint budget (proposal)	Approved				9/9
		4. New fab (M17) construction plans (proposal) <sup>3)</sup>	Rejected				9/9
7	Resolution	1. Revision of 2022 business plans (proposal)	Approved	Regular	2022. 7.27	2022. 7.25	9/9
		2. 2022 Q2 dividends (proposal)	Approved				9/9
	Report	3. Solidigm second half of year business environment	Reported				9/9
8	Resolution	1. Transactions with SK materials airplus (proposal)	Approved	Extra-ordinary	2022. 10.5	2022. 9.30	9/9
		2. Transaction with SKHYCL (Wuxi production company) (proposal)	Approved				8/8*
		3. Donation contributions for SV joint budget (proposal)	Approved				9/9
	Report	4. Donation details	Reported				9/9
9	Resolution	1. Transaction with SK shieldus (proposal)	Approved	Regular	2022. 10.26	2022. 10.24	9/9
		2. 2022 Q3 dividends (proposal)	Approved				9/9
	Report	3. 2022 Q3 business performance	Reported				9/9
		4. Implementation of BSM (Board Skills Matrix) (proposal)	Reported				9/9
10	Resolution	1. Transaction with SK ecoplant (proposal) <sup>4)</sup>	Deferred	Regular	2022. 11.23	2022. 11.21	9/9
		2. Revision of Board of Directors regulations (proposal) <sup>5)</sup>	Approved with amendments				9/9
		3. Revision of Director remuneration payment regulations (proposal)	Approved				9/9
	Report	4. Outside Director candidate recommendation process	Reported				9/9
11	Resolution	1. Transaction with SK ecoplant (proposal)	Approved	Regular	2022. 12.14	2022. 12.12	9/9
		2. Transaction with SK siltron (proposal)	Approved				9/9
		3. Reversion of parts of Icheon eco park to Icheon city free of charge	Approved				9/9

		4. Donation contributions (proposal)	Approved				9/9
		5. Transaction with SK square (proposal)	Approved				8/8*
		6. Transaction with SK shieldus (proposal)	Approved				9/9
		7. 2023 Business plans (proposal)	Approved				9/9
		8. 2023 Bonds issue delegation (proposal)	Approved				9/9
12	Resolution	1. 75th (2022) Financial Statement (proposal)	Approved	Regular	2023. 1.31	2023. 1.27	9/9
		2. 75th (2022) Operating Report (proposal)	Approved				9/9
		3. Transactions with overseas subsidiaries (proposal)	Approved				9/9
		4. Disposal of treasury stocks	Approved				9/9
		5. Transaction with SKHYCL (Wuxi production company) (proposal)	Approved				8/8*
		6. 2023 Safety and health plans (proposal)	Approved				9/9
		7. Appointment of compliance officer	Approved				9/9
	Report	8. 2022 Internal accounting control system operation status	Reported				9/9
		9. 2022 IB payment plans (proposal)	Reported				9/9
13	Resolution	1. Convening of the 75th (2022) Annual General Shareholders' Meeting (proposal)	Approved	Regular	2023. 2.22	2023. 2.20	9/9
	Report	2. 2022 Internal accounting control system operation status evaluation results	Reported				9/9
		3. 2022 Board of Directors activity evaluation plans	Reported				9/9
		4. 2022 Executive IB payment plans (proposal)	Reported				9/9
14	Resolution	1. Election of Committee member within the Board of Directors	Approved	Regular	2023. 3.29	2023. 3.27	10/10
	Report	2. 2022 Board of Directors activity evaluation results	Reported				10/10

15	Resolution	1. Issuing of overseas convertible bonds (proposal) and disposal of treasury stocks	Approved	Extra-ordinary	2023. 4.3	2023. 3.31	10/10
16	Resolution	1. Transactions with SK shieldus	Approved	Regular	2023. 4.19	2023. 4.17	10/10
		2. Transaction with ASML (proposal)	Approved				10/10
		3. Determination of Independent Director remuneration	Approved				10/10
		4. Disposal of treasury stocks	Approved				10/10
		5. Donation contributions to the Korea Foundation for Advanced Studies, etc. (proposal)	Approved				10/10
		6. Transactions of SUPEX promotion committee operational expenses (proposal) <sup>6)</sup>	Hold				10/10
		7. 2023 Q1 dividends (proposal)	Approved				10/10
	Report	8. 2023 Q1 business performance	Reported				10/10
17	Resolution	1. Transactions of SUPEX promotion committee operational expenses (proposal)	Approved	Extra-ordinary	2023. 5.3	2023. 4.28	10/10
18	Resolution	1. Transactions with overseas subsidiaries (proposal)	Approved	Regular	2023. 5.24	2023. 5.22	10/10
		2. Donation contributions for SV joint budget (proposal)	Approved				10/10

\* Resolutions regarding self-dealing transactions of Director Park Jung Ho (SK square) and Director Lee Seok Hee and Kwak Noh Jung (SKHYCL), thus are excluded from vote and attendance/quota

- 1) Conditions for obtaining approval from the Solidigm Board of Directors prior to SKHMS A's contribution in-kind
- 2) Reviewing the criteria and costs for the operation expenses of the SUPEX Council in relation to transaction matters
- 3) Reevaluation of various matters, including Fab. operational plans
- 4) Reevaluation of various matters, including the feasibility of the Fab. Construction
- 5) Approved with amendments for the inclusion of an exception clause for urgent execution of donations requiring immediate action
- 6) It is necessary to establish a solution that allows for fair determination of the cost-sharing ratio, requiring discussions among member companies



## B. Regular meetings of the Board

The Company details the Board's duties, responsibilities, operational procedures, etc., in the Board Regulations and regularly holds Board meetings.

(Sub-principle 7-②) The Board should record minutes in detail for every meeting and disclose the attendance rate of each director at the Board meeting and the activities such as the approval and disapproval on the agenda.

## A. Minutes of the Board Meetings

The Company takes records and keeps on file minutes of the meetings of the Board, containing the agenda, progress, opponents of the agenda and reasons, and the seal or signature of the Directors who attended the meeting. The Company also discloses details of attendance and approval/disapproval of the agenda in the Business Report and on the Company website. Minutes of Board meetings are kept within the Company under the responsibility of the Board Secretariat. While the Company keeps records of key discussions and resolutions, such records are kept confidential considering the sensitivity and inclusion of business secrets in such discussions.

## B. Board Activities

The attendance details of individual Directors who held office over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission are as follows:

### [Attendance of individual Directors at the Board Meetings]

Classification	Round	1	2	3	4	5	6	Remarks
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	Meeting date	'22.1.27	'22.2.23	'22.3.30	'22.4.27	'22.5.25	'22.6.29	
Executive Director	Park Jung Ho	Attended	Attended	Attended	Attended	Attended	Attended	
	Lee Seok Hee	Attended	Attended	-	-	-	-	Resigned on '22.3.30
	Oh Jong Hoon	Attended	Attended	-	-	-	-	Tenure ended on '22.3.30
	Kwak Noh Jung	-	-	Attended	Attended	Attended	Attended	Appointed on '22.3.30
	Noh Jong Won	-	-	Attended	Attended	Attended	Attended	Appointed on '22.3.30
Independent Director	Shin Chang Hwan	Attended	Attended	Attended	Attended	Attended	Attended	
	Song Ho Keun	Attended	Attended	Attended	Attended	Attended	Attended	
	Cho Hyun Jae	Attended	Attended	Attended	Attended	Attended	Attended	
	Yoon Tae Hwa	Attended	Attended	Attended	Attended	Attended	Attended	
	Ha Yung Ku	Attended	Attended	Attended	Attended	Attended	Attended	
	Han Ae Ra	Attended	Attended	Attended	Attended	Attended	Attended	

Classification	Round	7	8	9	10	11	12	13
	Meeting date	'22.7.27	'22.10.5	'22.11.26	'22.11.23	'22.12.14	'23.1.31	'23.2.22
Executive Director	Park Jung Ho	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Kwak Noh Jung	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Noh Jong Won	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Independent Director	Shin Chang Hwan	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Song Ho Keun	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Cho Hyun Jae	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Yoon Tae Hwa	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Ha Yung Ku	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Han Ae Ra	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Classification	Round	14	15	16	17	18	Remarks
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	Meeting date	'23.3.29	'23.4.3	'23.4.19	'23.5.3	'23.5.22	
Executive Director and Non-Executive Director	Park Jung Ho	Attended	Attended	Attended	Attended	Attended	
	Kwak Noh Jung	Attended	Attended	Attended	Attended	Attended	
	Noh Jong Won	-	-	-	-	-	Resigned on '23.3.28
	Park Sung Ha	Attended	Attended	Attended	Attended	Attended	Appointed on '23.3.29
Independent Director	Shin Chang Hwan	-	-	-	-	-	Tenure ended on '23.3.29
	Song Ho Keun	Attended	Attended	Attended	Attended	Attended	
	Cho Hyun Jae	Attended	Attended	Attended	Attended	Attended	
	Yoon Tae Hwa	Attended	Attended	Attended	Attended	Attended	
	Ha Yung Ku	Attended	Attended	Attended	Attended	Attended	
	Han Ae Ra	Attended	Attended	Attended	Attended	Attended	
	Jeong Deog Kyoon	Attended	Attended	Attended	Attended	Attended	Appointed on '23.3.29
	Kim Zeong Won	Attended	Attended	Attended	Attended	Attended	Appointed on '23.3.29

Individual Directors' attendance and approval of Board meeting agenda items during the recent three business years are as follows:

Name	Classification	Tenure	Attendance rate (%)				Approval rate (%)			
			Recent 3 year average	Recent 3 years			Recent 3 year average	Recent 3 years		
				2022	2021	2020		2022	2021	2020
Lee Seok Hee	Executive Director	2017.3.24~2022.3.30	100	100	100	100	98.2	100	94.7	100
Oh Jong Hoon	Executive Director	2019.3.22~2022.3.30	100	100	100	100	98.3	100	95.0	100
Choi Jong Won	Independent Director	2014.3.21~2020.3.20	100	-	-	100	100	-	-	100
Noh	Executive	2022.3.30~	100	100	-	-	100	100	-	-

Jong Won	Director	2023.3.28								
Shin Chang Hwan	Independent Director	2017.3.24~ 2023.3.29	100	100	100	100	98.3	100	95.0	100
Song Ho Keun	Independent Director	2018.3.28~ present	100	100	100	100	97.2	100	95.0	96.7
Cho Hyun Jae	Independent Director	2018.3.28~ present	100	100	100	100	98.3	100	95.0	100
Yoon Tae Hwa	Independent Director	2018.3.28~ present	100	100	100	100	98.3	100	95.0	100
Ha Yung Ku	Independent Director	2019.3.22~ present	100	100	100	100	98.3	100	95.0	100
Han Ae Ra	Independent Director	2020.3.20~ present	100	100	100	100	98.3	100	95.0	100
Park Jung Ho	Executive Director	2016.3.18~ present	100	100	100	100	98.2	100	94.6	100
Kwak Noh Jung	Executive Director	2022.3.30~ present	100	100	-	-	100	100	-	

\* The year that does not fall into the tenure of service of the relevant Director in the recent 3 years is marked as "-".

※ Approved with amendments are calculated as approved

#### (Key Principle 8) Committees of the Board

- For an efficient operation, the Board should establish internal committees which are responsible for the performance of specific functions and roles.

(Sub-principle 8-①) At least majority of members of the committees of the Board should be composed of independent directors, and all of the members of the Audit Committee and Remuneration (compensation) Committee should be comprised of independent directors.

## A. Establishment of Board Committees

As of the date of report submission, the Company has installed and operates five expert committees, including the Audit Committee, the Independent Director Nomination Committee, the Sustainability Committee, the Compensation Committee, and the Strategy Committee, under the Board for efficient and expert operations of the Board. The roles and composition of each

Board committee are detailed under Sub-principle 4-① of this report.

While the Company has not installed a separate internal transactions committee and risk management committee, functions of the committees are taken up by the Audit Committee and the Board.

## **B. Composition of each committee by a majority of Independent Directors**

As stipulated in each committee's regulations, all committees under the Board are comprised of a majority of Independent Directors, with the Audit Committee and Independent Director Nomination Committee comprised only of Independent Directors.

(Sub-principle 8-②) Organization, operation and the authority of all the committees should be stipulated in the express provision, and the committee should report the resolutions to the Board.

## **A. Committee Installation and Operation Regulations**

The purpose of establishment, organization, operation, authorities, and responsibilities of each committee are stipulated in the relevant committee regulations.

## **B. Committee matters for reporting to the Board**

The results of committee meetings are reported to the Board meeting, which is held right after the committee meeting, and are disclosed in the Business Report and on the Company website. In addition, the operation of the committee, such as its structure, role, and performance, have been evaluated.

## **C. Committee activities and Directors' committee attendance**

## (1) Audit Committee

The Company established the Audit Committee to conduct audits on the accounting and operation of the Company. The Audit Committee is comprised of four Independent Directors, and the details are stipulated under Sub-principle 9-① of 4. audit systems of this report.

## (2) Independent Director Nomination Committee

The Independent Director Nomination Committee aims for a transparent and fair operation of the nomination procedure for Independent Director candidates of the Company. The Independent Director Nomination Committee consists of three Independent Directors.

Details of the agenda discussed at the Independent Director Nomination Committee over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission are as follows:

### [Meetings held by Independent Director Nomination Committee]

Round	Meeting date	Attendance /quota	Agenda		Result
			Classification	Details	
1	2022.2.23	3/3	Resolution	1. Nomination of Independent Director candidates for the 74th Annual General Meeting of Shareholders (proposal)	Approved
2	2023.1.17	3/3	Report	1. Deliberation on Independent Director candidates	-
3	2023.1.30	3/3	Report	1. Deliberation on Independent Director candidates (secondary)	-
4	2023.2.22	3/3	Resolution	1. Nomination of Independent Director candidates for the 75th Annual General Meeting of Shareholders (proposal)	Approved

### [Individual Directors' attendance in the recent three business years]

Classification	Name	Attendance rate (%)			
		Recent 3 year average	Recent 3 years <sup>1)</sup>		
			2022	2021	2020
Independent Director	Choi Jong Won	100	-	-	100
Executive Director	Lee Seok Hee	100	-	-	100
Independent Director	Song Ho Keun	100	100	100	-
Independent Director	Cho Hyun Jae	100	100	100	100
Independent Director	Ha Yung Ku	100	100	100	-

1) The year that does not fall into the tenure of service of the relevant Director in the recent 3 years is marked as "-".

### (3) Sustainability Committee

The company established the Sustainability Committee to set up strategies for sustainable management and social value creation and to check the progress. The Sustainability Committee is comprised of three Independent Directors and one Executive Director.

The committee has reviewed and made resolutions every quarter on (1) the Company's compliance system and related activities, including anti-trust, anti-corruption, SHE (Safety, Health, Environment), subcontractors, and others, and (2) the matters related to sustainable management of the Company, such as (i) the sustainable management and social value strategy and achievement, (ii) major CSR (Corporate Social Responsibility) activities, (iii) major ESG (Environmental, Social, Governance) status and response, and (iv) items presented by other committees for which a discussion on sustainable management is deemed necessary.

Details of the agenda discussed at the Sustainability Committee over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date

of report submission are as follows:

### [Meetings held by Sustainability Committee]

Round	Meeting date	Attendance /quota	Agenda item		Result
			Classification	Details	
1	2022.3.28	4/4	Report	1. Report on 2022 sustainability report publication plan	Reported
			Report	2. Report on social value 2030 results	Reported
2	2022.6.22	4/4	Report	1. Report on ESG strategy framework "PRISM"	Reported
3	2022.9.21	3/4	Report	1. 2022 First half of year compliance management activities	Reported
			Report	2. Vendor SV performance assessment and plans	Reported
4	2022.11.15	4/4	Report	1. Humanities, social and scientific safety management implementation results	Reported
			Report	2. Natural disaster possibility inspection results	Reported
5	2023.2.27	3/4	Report	1. Establishment of global compliance consultative body and operation plans	Reported
			Report	2. Compliance review results for transactions with Happy Narae	Reported

### [Individual directors' attendance in the recent three business years]

Classification	Name	Attendance rate (%)			
		Recent 3 year average	Recent 3 years <sup>1)</sup>		
			2022	2021	2020
Independent Director	Song Ho Keun	100	100	100	100
Independent Director	Cho Hyun Jae	100	100	100	100
Independent Director	Han Ae Ra	100	100	100	100



Executive Director	Lee Seok Hee	-	-	-	-
Executive Director	Oh Jong Hoon	100	100	100	100
Executive Director	Kwak Noh Jung <sup>2)</sup>	67	67	-	-

1) The year that does not fall into the tenure of service of the relevant Director in the recent 3 years is marked as "-".

2) As of March 2022, the Sustainability Committee consists of 3 Independent Directors, Song Ho Keun, Cho Hyun Jae, and Han Ae Ra, and 1 Executive Director, Kwak Noh Jung.

#### (4) Compensation Committee

On March 30, 2021, the Company expanded and reorganized the Compensation Committee, which was originally established on March 20, 2020, to review the upcoming AGM agenda for a ceiling amount of remuneration for Directors, granting of stock options to management, including registered and non-registered executives, the specific remuneration for Executive Directors, the evaluation and compensation of Representative Director, the examination of executive Director candidates, and matters that the Representative Director deems important and refers to the committee. The Compensation Committee consists of seven Independent Directors and one Non-Executive Director.

Details of the agenda discussed at the Compensation Committee over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission are as follows:

#### [Meetings held by Compensation Committee]

Round	Meeting date	Attendance /quota	Agenda item		Result
			Classification	Details	
1	2022.2.18	6/7	Deliberation	1. Determination of 2022 remuneration for Executive Directors (proposal) (footnote 1)	Deliberated
2	2022.2.23	7/7	Resolution	1. 2021 CEO KPI evaluation results and	Approved

				determination of remuneration (proposal) (footnote 2)	with amendments
			Deliberation	2. Stock option grants (proposal)	Deliberated
			Deliberation	3. Review of ceiling amount of remuneration for the 75th financial year (2022) (proposal)	Deliberated
			Deliberation	4. Executive Director candidate recommendation (proposal)	Deliberated
			Deliberation	5. 2022 CEO KPI (proposal)	Deliberated
3	2022.3.17	6/7	Resolution	1. 2022 CEO LTI implementation (proposal) (footnote 3)	Approved
4	2022.4.14	7/7	Resolution	1. 2022 Remuneration for newly appointed Executive Directors (proposal) (footnote 4)	Deferred
			Resolution	2. Payment of special bonus (proposal) (footnote 5)	Approved with amendments
			Report	3. Review of adding an SV/Happiness component to 2022 CEO KPI	Deliberated
5	2022.4.27	7/7	Resolution	1. 2022 Remuneration for newly appointed Executive Directors (proposal)	Approved
6	2022.5.25	7/7	Resolution	1. 2022 CEO KPI operation (proposal)	Approved
7	2022.10.5	7/7	Deliberation	1. 2022 CEO KPI performance interim inspection (proposal)	Deliberated
8	2022.10.26	6/7	Deliberation	1. Follow-up report on CEO KPI performance interim inspection and remuneration scheme (footnote 6)	Deliberated
9	2022.12.14	6/7	Deliberation	1. Director LTI improvement (proposal) (footnote 7)	Deliberated
			Deliberation	2. CEO succession plan (footnote 8)	Deliberated
10	2023.1.17	6/7	Resolution	1. Director LTI improvement change (proposal) (footnote 9)	Approved with amendments
			Resolution	2. 2022 CEO KPI performance evaluation results (proposal)	Approved
			Deliberation	3. Review of remuneration grade linked with KPI in 2022 (proposal)	Deliberated
11	2023.2.22	6/7	Resolution	1. 2023 Remuneration for Executive Directors	Approved

				(proposal) (footnote 10)	with amendments
			Deliberation	2. Review of ceiling amount of remuneration for the 76th financial year (2023) (proposal)	Deliberated
			Deliberation	3. Review of other Non-Executive Director candidates (proposal)	Deliberated
12	2023.4.24	8/8	Resolution	1. Establishment of CEO KPI in 2023 (proposal) (footnote 11)	rejected

1), 3), 6), 7), 8) Director Park Jung Ho did not attend to agenda items, such as the determination of remuneration for Executive Directors and 2022 CEO LTI implementation (proposal), considering personal interests and the independence of the committee.

2) Adjustment of 2021 CEO KPI evaluation results and determination of remuneration (proposal)

4) Re-deliberation is needed by preparing a mid-to long-term remuneration plan

5) Payment is made according to the payment standard once the annual salary is determined

9) LTI level is newly set and applied

10) Adjustment of annual salary and PS(proposal) payment rate in 2023

11) Re-examination is needed regarding the quantification of the total score of the 2023 CEO KPI and of the other indicators

### [Individual Directors' attendance in the recent three business years]

Classification	Name	Attendance rate (%)			
		Recent 3 year average	Recent 3 years <sup>1)</sup>		
			2022	2021	2020
Independent Director	Song Ho Keun <sup>2)</sup>	100	100	100	100
Independent Director	Cho Hyun Jae <sup>2)</sup>	100	100	100	100
Independent Director	Yoon Tae Hwa <sup>2)</sup>	100	100	100	100
Executive Director	Park Jung Ho	47 <sup>3)</sup>	44 <sup>3)</sup>	50 <sup>3)</sup>	-
Independent Director	Ha Yung Ku <sup>2)</sup>	100	100	100	-
Independent Director	Shin Chang Hwan	100	100	100	-

Independent Director	Han Ae Ra <sup>2)</sup>	100	100	100	-
Non-Executive Director	Park Sung Ha <sup>2)</sup>	-	-	-	-
Independent Director	Jeong Deog Kyoony <sup>2)</sup>	-	-	-	-
Independent Director	Kim Zeong Won <sup>2)</sup>	-	-	-	-

1) The year that does not fall into the tenure of service of the relevant Director in the recent 3 years is marked as "-".

2) Currently, the Compensation Committee consists of 7 Independent Directors, Ha Yung Ku, Song Ho Keun, Cho Hyun Jae, Yoon Tae Hwa, Han Ae Ra, Jeong Deog Kyoony, and Kim Zeong Won and 1 Non-Executive Director, Park Sung Ha.

3) Director Park Jung Ho did not attend the resolution of the agenda on remuneration for Executive Directors (proposal). His absence was in consideration of his personal interests and the independence of the committee (5th and 7th rounds in 2021 & 1st, 3rd, 8th, 9th, 10th and 11th rounds in 2022).

## (5) Strategy Committee

The Company assigned additional roles to the investment Strategy Committee, which was originally established on March 20, 2020, and changed its name to the Strategy Committee on March 30, 2021, to review annual management plans related to the Company's important business plans, strategies, investments, mid to long-term strategies including the To-Be Model of the Company, important strategic alliance investments, investments of less than 1.5% of shareholder equity considered as key investments by CEO, and other important corporate management matters. The Strategy Committee consists of three Independent Directors and one Executive Director.

Details of the agenda discussed at the Strategy Committee over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission are as follows:

### [Meetings held by Strategy Committee]

Round	Meeting date	Attendance /quota	Agenda		Result
			Classification	Details	
1	2022.6.15	5/5	Report	1. 2022 Revised business plan and direction of 2023 business plan	Reported
			Report	2. CIS Biz. status	Reported

**[Individual Directors' attendance in the recent three business years]**

Classification	Name	Attendance rate (%)			
		Recent 3 year average	Recent 3 years <sup>1)</sup>		
			2022	2021	2020
Independent Director	Ha Yung Ku	100	100	100	100
Independent Director	Shin Chang Hwan	100	100	100	100
Executive Director	Lee Seok Hee	100	100	100	100
Executive Director	Park Jung Ho <sup>2)</sup>	100	100	100	-
Independent Director	Cho Hyun Jae <sup>2)</sup>	100	100	100	-
Executive Director	Noh Jong Won <sup>2)</sup>	100	100	-	-
Independent Director	Jeong Deog Kyoong	-	-	-	-

1) The year that does not fall into the tenure of service of the relevant Director in the recent 3 years is marked as "-".

2) As of March 2023, currently, the Strategy Committee consists of 3 Independent Directors, Ha Yung Ku, Cho Hyun Jae, and Jeong Deog Kyoong, and 1 Executive Director, Park Jung Ho.

## 4. Audit Systems

### (Key Principle 9) Internal Auditing Bodies

- Internal auditing bodies such as the Audit Committee and the internal auditor should perform their auditing duties faithfully by maintaining independence from the management and controlling shareholders, and the details of key activities of internal auditing bodies should be disclosed.

(Sub-principle 9-①) Internal auditing bodies such as the Audit Committee and the internal auditor should secure independence and professionalism.

### A. Audit Committee's Composition, Independence, and Professionalism

The Company stipulates the independence of the Audit Committee in Article 2-2 of the Audit Committee regulations to sufficiently secure its independence and professionalism and appoints Independent Directors who would faithfully carry out their duties as members of the audit committee. The Audit Committee is currently comprised of four Independent Directors only. The Company appointed one accounting expert and two financial expert to the committee, thereby exceeding the minimum legal requirements under the Commercial Act and related regulations.

#### [Composition of Audit Committee]

Composition			Career and qualifications related to auditing	Remarks
Title	Classification	Name		
Head	Independent Director	Yoon Tae Hwa	B.S. in Business Administration, Yonsei University Ph.D. in Business Administration, Yonsei University Certified Public Accountant (acquired in Dec 1985) CPA, Ahn Kwon & Co. (accounting firm) (1985~1987) Professor, Korea Banking Institute (1989~1998)	Committee member (2018.3.28 ~ present)
Member	Independent Director	Ha Yung Ku	M.B.A., Kellogg School, Northwestern University CEO, Koram Bank (2001~2004) Chairman & CEO, Citigroup Korea (2004~2014)	Committee member (2020.3.20 ~

Composition			Career and qualifications related to auditing	Remarks
Title	Classification	Name		
			Chairman, Korea Federation of Banks (2014~2017)	present)
Member	Independent Director	Shin chang Hwan	-	Committee member (2017.3.24 ~ 2023.3.29)
Member	Independent Director	Han Ae Ra	-	Committee member (2023.3.29 ~ present)
Member	Independent Director	Kim Zeong Won	M.B.A, Booth School, The University of Chicago Managing Director and CFO, Citibank Korea Inc. (2010~2018) Managing Director and Treasury GPO Regulatory Execution Governance Lead, Citibank, New York (2018~2022)	Committee member (2023.3.29 ~ present)

## B. Audit Committee Management

### (1) Regulations and authorities of the Audit Committee

The purpose of the Audit Committee is to conduct audits on the accounting and operation of the Company. In addition, the committee makes deliberations and resolutions on the agenda delegated by the Board and supervises the performance of the management to make sure that the Directors and management are able to make reasonable judgments on management decision-making. The operation purpose, structure, authorities, and responsibilities of the Audit Committee are stipulated in the Audit Committee Regulations, which is disclosed on the Company website.

### (2) Training provided to the Audit Committee

In order to enhance the expertise of Audit Committee members, the Company provides

professional seminar opportunities and regular meetings with independent auditors at least once a quarter.

The Audit Committee may require management, executives in charge of finance, the head of the internal audit team, and independent auditors to attend meetings when deemed necessary for the execution of duties and may ask for the counseling of outside experts at the Company's expense when necessary.

Training provided to the Audit Committee during the period subject to disclosure is as follows.

**[Training provided to the Audit Committee]**

Training date	Training Provider	Attendant	Reason for absence	Major training content
2022. 6.23	Samjong KPMG Adisory	Yoon Tae Hwa	Training for specific Audit Committee members	<ul style="list-style-type: none"> <li>- R&amp;R between the parent company and the subsidiary's audit committees</li> <li>- Audit committee's preparations to perform audit system for consolidated internal accounting management system</li> <li>- Group-wide external audit supervision plans and the oversight of ESG disclosure and the audit committee</li> <li>- Operation issues and improvement plans of the audit committee</li> </ul>
2022. 7.14	Audit Committee Forum	Ha Yung Ku	Training for specific Audit Committee members	<ul style="list-style-type: none"> <li>- Internal control for risk prevention and detection, what really matters</li> <li>- Audit Committee's considerations for risk and internal control supervision</li> </ul>
2022. 9.14	Audit Committee Forum	Yoon Tae Hwa	Training for specific Audit Committee members	<ul style="list-style-type: none"> <li>- Global status and implications on the audit committee's response to ESG</li> <li>- Functions and roles of governance to secure the effectiveness of ESG management</li> </ul>



Training date	Training Provider	Attendant	Reason for absence	Major training content
2022. 11.23	Deloitte Center for Corporate Governance	Shin Chang Hwan	Training for specific Audit Committee members	<ul style="list-style-type: none"> <li>- Trends of global board/audit committee</li> <li>- Understanding the current accounting supervisory body</li> <li>- Prevention of financial accidents and response measures</li> <li>- Data-based constant monitoring</li> </ul>
2023. 4.14	Board Secretariat	Kim Zeong Won	Training for specific Audit Committee members	<ul style="list-style-type: none"> <li>The First Independent Directors' Orientation</li> <li>- Report on insider transactions management</li> <li>- Report on SK hynix ethical management</li> </ul>
2023. 4.14	Board Secretariat	Yoon Tae Hwa Kim Zeong Won	Training for specific Audit Committee Members	<ul style="list-style-type: none"> <li>Audit Committee Workshop</li> <li>- 2023 External Audit Focus and Issue</li> <li>- Consolidated Internal Accounting Management System Audit Point</li> <li>- Understanding the revised International Ethics Standards</li> </ul>

### (3) Process to investigate the fraudulent act of management

The Audit Committee has been given the authority to investigate the fraudulent act of the management and to be backed by support on related information and cost. The details are as follows:

- Article 12 of the Regulations of the Audit Committee (Items for Consideration)

#### 3. Matters on Accounting

(7) The receipt of the report on the matters of fraudulent act on the performance of the directors and violations of the laws and regulations from auditors

- Article 13 of the Regulations of the Audit Committee (Attendance of the Person Concerned, etc.)

- ② The Committee may require the consulting of external experts at the expense of the Company when deemed necessary.

#### **(4) The Audit Committee Support team**

In order to receive instructions from the Audit Committee and carry out overall support of the committee from an independent position, the Company established a separate Audit Committee support team within the Board Secretariat in February 2020. The team is established under the Board Secretariat and is comprised of four members, including the Board Secretariat executive officer. The Audit Committee support team is comprised of one member with more than 20 years of legal affairs and Board support work and one member with audit work experience, thus providing expert support to the audit committee. The appointment and dismissal of members of the Audit Committee support team will follow a consultation procedure with the Audit Committee. Thus, the support team has secured independence from the management.

#### **(5) Audit Committee's Authority to Access Critical Information**

The Audit Committee members shall be able to require and be reported on the management information necessary for the audit operation. The authority of the Audit Committee to access critical information and to receive reports from the management is well stipulated in the Audit Committee Regulations as follows:

- Article 3 of the Regulations of the Audit Committee

③ The Committee can require the reporting of directors on sales, and be able to investigate on the financial status of the Company.

④ The Committee shall be able to require the sales reporting of subsidiaries when it is necessary to perform its duties. In this case, when subsidiaries do not report immediately, or when there is a need to check the content of the report, the committee shall be able to investigate the operation and financial status of the subsidiaries.

In addition, on receiving orders from the Audit Committee, the Head of Ethics Management

shall monitor and check fraudulent and unethical acts of the management that may occur or are expected based on ① online, offline, and written reports, ② findings from the internal audit and control activities, and ③ items given by the Audit Committee.

When the CEO or other top management is the subject of a fraudulent act, the Audit Committee may appoint outside experts to make sure that the investigation is conducted in an objective manner and have the results reported to the Audit Committee. When punishment is necessary based on the results, the Audit Committee shall ask the HR department for the duly required punishment.

### C. Remuneration of the Audit Committee

The Audit Committee members do not receive additional remuneration other than remuneration received as Independent Directors. The Company considers an appropriate level of remuneration that allows the Audit Committee member's faithful conduct of duties.

The remunerations for the Audit Committee members and Independent Directors in 2022 are as follows:

Classification	Headcount	Period	Total remuneration (KRW million)	Average remuneration per person (KRW million)
Independent Director* (excluding Audit Committee members)	2	2022 (Annual)	311	156
Audit Committee member	4	2022 (Annual)	637	159

\* Headcount as of December 31, 2022. Total remuneration and average remuneration per person are based on the total cumulative amount in 2022.

\* Average remuneration per person = total remuneration / the average headcount in the relevant period

### D. Independence and Professionalism of the Audit Committee

The Company's Audit Committee is comprised entirely of Independent Directors, thus securing the independence of the committee. One accounting expert and two financial experts are appointed to the committee, and with continued training provided to the committee members on audit-related matters, the expertise of the committee is secured.

(Sub-principle 9-②) Internal auditing bodies, such as Audit Committee and Auditor, should execute auditing work with sincerity e.g. hosting regular meetings and transparently disclose the details of activities.

## **A. Audit Committee Activities**

The Audit Committee of the Company has held meetings more than once a quarter to conduct an audit on the accounting and operation of the Company, and 18 meetings were held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission.

The Audit Committee has received reports on financial results, fiscal year-end accounting audit results, and internal audit results and plans.

### **(1) Appointment of Independent Auditors**

According to the amendment of the Act on External Audit of Stock Companies in November 2018, the Company has authorized the Audit Committee to appoint independent auditors, revised the Audit Committee Regulations, and has set up necessary evaluation standards and procedures for the appointment of independent auditors. Based on the Audit Committee Regulations, the same independent auditor is appointed for three consecutive business years. Meanwhile, the Company became subject to periodic designation of an independent auditor in 2020, whereby the Company contracted with Samil PWC for independent auditing for a three-year period from 2020 to 2022. As periodic designation ends, the Company needed to appoint a new independent auditor. Thereby the Company's Audit Committee contracted with Samjong

KPMG for independent auditing for a three-year period from 2023 to 2025.

## **(2) Operational status of the Internal Accounting Control System**

The representative of the Company and the internal accounting control manager checked the operational status of the internal accounting control system each year and reported the results to the Audit Committee. The Audit Committee, which receives the evaluation of the operational result of the internal accounting control system, concluded that it is effectively designed and operated in line with the Regulations of the Internal Accounting System. Thus, the CEO reported the evaluation results of the Audit Committee and the opinions of the auditors on the operation of the internal accounting control system every year to the AGM.

## **(3) Regulations regarding Audit**

The Company has installed the Audit Committee Regulations and the Regulations of the Internal Accounting Control to stipulate the operation procedure of the Audit Committee, taking and storing of meeting minutes, and reporting procedures to the shareholders' meeting. In particular, based on the Commercial Act and the Audit Committee Regulations, the Audit Committee issues its opinion at the shareholders meeting after investigating the legitimacy of the agenda and documents to be submitted for the shareholders' meeting.

Audit Committee meeting minutes are written after each meeting and are stored with the signatures of attending committee members. The activities of the Audit Committee are disclosed in the Business Report and on the Company website.

Audit Committee meetings held over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission are as follows:

### **[Details of Audit Committee meetings]**

Round	Meeting date	Attendance /quota	Agenda		Approved /Rejected
			Category	Content	
1	2022.1.24	4/4	Resolution	1. Transaction with SK siltron (proposal)	Approved
			Report	2. 2021 Operational status of the internal accounting control system	Reported
			Report	3. Report on ethical management operations	Reported
			Deliberation	4. Group audit function upgrade plan	Deliberated
2	2022.2.21	4/4	Resolution	1. Evaluation report on 2021 operational status of the internal accounting control system (proposal)	Approved
			Deliberation	2. Board of Directors' risk management support utilizing the group's ethical management R&C (proposal)	Deliberated
3	2022.3.21	4/4	Resolution	1. Legitimacy check of the agenda and documents for the 74th Annual General Meeting of Shareholders	Approved
			Resolution	2. Audit report (proposal)	Approved
			Resolution	3. Statement of opinion on the internal monitoring system (proposal)	Approved
			Resolution	4. Transaction with SK Inc. (proposal)	Approved
			Resolution	5. Transaction with SK materials (proposal)	Approved
			Resolution	6. Transaction with Chungcheong Energy Service (proposal)	Approved
			Report	7. Report on ethical management operations	Reported
4	2022.4.25	4/4	Report	1. Report on 2021 PCAOB audit results	Reported
5	2022.5.23	4/4	Report	1. Report on 2022 internal accounting control system annual operation plan	Reported
			Report	2. Report on ethical management operations	Reported
6	2022.6.27	4/4	Resolution	1. Transaction with SK Inc. (proposal)	Approved
			Report	2. Transaction scale status with SK Inc. and future plans	Reported
7	2022.7.25	4/4	Report	1. Report on non-audit work execution	Reported
			Report	2. Report on 2022 first half of year financial settlement	Reported

Round	Meeting date	Attendance /quota	Agenda		Approved /Rejected
			Category	Content	
			Deliberation	3. SK hynix business diagnosis commencement plans (proposal)	Deliberated
			Report	4. Report on ethical management operations	Reported
			Deliberation	5. 2022 Internal accounting control system evaluation service contract (proposal)	Deliberated
8	2022.8.22	4/4	Report	1. Report on 2022 consolidated internal accounting operations progress	Reported
			Report	2. Report on local tax objection and rectification claim service	Reported
			Deliberation	3. FY2023~25 Independent auditor election plans (proposal)	Deliberated
9	2022.9.26	4/4	Resolution	1. Transaction with SK Inc. (proposal)	Approved
			Resolution	2. Transaction with Chungcheong Energy Service (proposal)	Approved
			Report	3. Report on ethical management operations	Reported
			-	4. Independent auditor candidate proposal briefing	-
10	2022.10.24	4/4	Report	1. 2022 Internal accounting control system operation status evaluation progress status	Reported
11	2022.11.21	4/4	Report	1. 2022 Member company ethical management level assessment results	Reported
			Report	2. 2022 Leaders by example inspection results	Reported
			Report	3. Report on ethical management operations	Reported
			Deliberation	4. 2023 Independent auditor contract review (proposal)	Deliberated
			Report	5. Report on internal accounting control system regulation revision	Reported
12	2022.12.12	4/4	Resolution	1. Transaction with SK Inc. (proposal)	Approved
			Resolution	2. Transactions with SK telecom (Proposal)	Approved
			Resolution	3. Transactions with SK specialty (Proposal)	Approved
			Resolution	4. Transactions with SK trichem (Proposal)	Approved

Round	Meeting date	Attendance /quota	Agenda		Approved /Rejected
			Category	Content	
			Resolution	5. Transactions with SKMR performance (Proposal)	Approved
			Resolution	6. Transactions with SKMR airplus (Proposal)	Approved
			Resolution	7. Transactions with SK hyeng	Approved
			Resolution	8. Transaction with Chungcheong Energy Service (proposal)	Approved
			Report	9. Report on non-audit work execution	Reported
			Report	10. 2022 Consolidated Internal Accounting Control System Operation Status	Reported
13	2022.12.19	4/4	Report	1. SK hynix business diagnosis results	Reported
			Report	2. SK hynix regular SHE diagnosis results	Reported
14	2023.1.30	4/4	Report	1. 2022 Operational status of the internal accounting control system	Reported
			Report	2. Report on ethical management operations	Reported
			Report	3. Report on 2023 fiscal year audit plans	Reported
			Report	4. Report on non-audit work execution	Reported
			Report	5. Impact review of digital tax pillar2 on SK hynix	Reported
15	2023.2.20	4/4	Resolution	1. Evaluation report on 2022 operational status of the internal accounting control system (proposal)	Approved
			Report	2. Report on business diagnosis results execution	Reported
16	2023.3.20	4/4	Resolution	1. Legality study on items and documents to be submitted to the 75th annual general shareholders' meeting	Approved
			Resolution	2. Audit report (proposal)	Approved
			Resolution	3. Opinion on internal auditing devices (proposal)	Approved
			Resolution	4. Transaction with SK Inc. (proposal)	Approved
			Report	5. Report on ethical management operations	Reported
17	2023.4.24	4/4	Resolution	1. Non-audit work pre-approval policy (proposal) (footnote 1)	Approved with amendments



Round	Meeting date	Attendance /quota	Agenda		Approved /Rejected
			Category	Content	
			Deliberation	2. 2022 Independent auditor evaluation plans (proposal)	Deliberated
			Report	3. Report on non-audit work execution	Reported
			Report	4. Report on regular SHE diagnosis result execution plans	Reported
18	2023.5.22	4/4	Report	1. Report on 2023 consolidated internal accounting operations progress	Reported
			Report	2. Report on ethical management operations	Reported

1) Exclude list of prior approval of non-audit services related to the claim for reassessment, The Audit Committee approved with amendments in advance

### [Attendance of each Director at the Audit Committee]

Classification	Round	1	2	3	4	5	6
	Meeting date	'22.1.24	'22.2.21	'22.3.21	'22.4.25	'22.5.23	'22.6.27
Independent Director	Yoon Tae Hwa	Attended	Attended	Attended	Attended	Attended	Attended
	Ha Yung Ku	Attended	Attended	Attended	Attended	Attended	Attended
	Shin Chang Hwan	Attended	Attended	Attended	Attended	Attended	Attended
	Han Ae Ra	Attended	Attended	Attended	Attended	Attended	Attended

Classification	Round	7	8	9	10	11	12
	Meeting date	'22.7.25	'22.8.22	'22.9.26	'22.10.24	'22.11.21	'22.12.12
Independent Director	Yoon Tae Hwa	Attended	Attended	Attended	Attended	Attended	Attended
	Ha Yung Ku	Attended	Attended	Attended	Attended	Attended	Attended
	Shin Chang Hwan	Attended	Attended	Attended	Attended	Attended	Attended
	Han Ae Ra	Attended	Attended	Attended	Attended	Attended	Attended

Classification	Round	13	14	15	16	17	18
	Meeting date	'22.12.19	'23.1.30	'23.2.20	'23.3.20	'23.4.24	'23.5.22
Independent Director	Yoon Tae Hwa	Attended	Attended	Attended	Attended	Attended	Attended
	Ha Yung Ku	Attended	Attended	Attended	Attended	Attended	Attended
	Shin Chang Hwan	Attended	Attended	Attended	Attended	-	-
	Han Ae Ra	Attended	Attended	Attended	Attended	Attended	Attended
	Kim Zeong Won	-	-	-	-	Attended	Attended

- 1) The year that does not fall into the tenure of service of the relevant Director in the recent 3 business years is marked as "-".
- 2) Currently, the Audit Committee consists of 4 Independent Directors, Yoon Tae Hwa, Ha Yung Ku, Han Ae Ra, and Kim Zeong Won
- 3) Director Shin Chang Hwan were expired in his term (2023.3.29), Director Kim Zeong Won were newly appointed as the Audit Committee member (2023.3.29)

### [Attendance rate of each Director in the recent 3 business years]

Classification	Name	Attendance rate (%)			
		Recent 3 year average	Recent 3 years <sup>1)</sup>		
			2022	2021	2020
Independent Director	Choi Jong Won	100	-	-	100
Independent Director	Shin Chang Hwan	100	100	100	100
Independent Director	Yoon Tae Hwa	100	100	100	100
Independent Director	Ha Yung Ku	100	100	100	100
Independent Director	Han Ae Ra	100	100	100	100
Independent Director	Kim Zeong Won	-	-	-	-

- 1) The year that does not fall into the tenure of service of the relevant Director in the recent 3 business years is

marked as “-”.

## **B. Audit Committee’s faithful conduct of audit-related responsibilities**

Based on the content indicated above, the Audit Committee faithfully conducts its audit-related responsibilities.

(Key Principle 10) Independent auditors

- In order to make certain that the shareholders and other users have confidence in the corporate financial information, an independent auditor must perform his/her auditing tasks fairly and independently from the corporation audited, including its management and controlling shareholders.

(Sub-principle 10-①) Internal auditing bodies should prepare and operate the policy to secure the independence, and professionalism when they appoint independent auditors.

## **A. Policy on appointment of Independent Auditors**

According to Article 4 (Companies Subject to External Audit) of the Act on External Audit of Stock Companies, the Company makes sure that independent auditors conduct fair audits on the accounting information with an independent perspective from the Company, management, and controlling shareholders.

Independent auditors were appointed based on an overall assessment of their audit experience, the scale of the accounting company, audit quality, including an understanding of the Company and the efficiency of the audit, and other competency factors.

The Audit Committee evaluates the results of the audit activities of the independent auditors every year, including the appropriateness of the audit, cooperation with the audit department, status of disciplinary actions, and periodic replacement of the partner in charge of auditing. In addition, in order to secure the independence of the independent auditor, the contract on core

audits and non-audit services with the independent auditor and partner accounting companies must acquire the prior approval of the Audit Committee. The contract is approved based on a review of compliance with Article 21 (Restrictions on Functions) of the Certified Public Accountant Act and Article 14 (Restrictions on Functions) of the Enforcement Decree of the same Act, as well as conflicts of interest, the necessity of the contract, and the feasibility of remuneration.

The Company entered into the following audit contracts and non-audit services with our independent auditor during the recent three business years.

### **[Audit contracts with independent auditor]**

(Unit: KRW million, Hours)

<b>Business Year</b>	<b>Auditor</b>	<b>Content</b>	<b>Remuneration</b>	<b>Hours</b>
75th FY (2022)	Samil PWC	Quarterly and half-yearly review Audit on the separate financial statements Audit on the consolidated financial statements Audit of internal accounting system	3,200	27,120
74th FY (2021)	Samil PWC	Quarterly and half-yearly review Audit on the separate financial statements Audit on the consolidated financial statements Audit of internal accounting system	2,975	26,249
73rd FY (2020)	Samil PWC	Quarterly and half-yearly review Audit on the separate financial statements Audit on the consolidated financial statements Audit of internal accounting system	2,820	25,466

### **[Non-audit contracts with independent auditor]**

(Unit: KRW million)

Business Year	Date of contract	Content	Contract Period	Contract remuneration
75th FY (2022)	2022.12.19	Advancement of analysis regarding TCFD based climate change scenario and related financial impact	2022.12.19~2023.5.18	145
	2022.10.31	Tax advisory service contract	2022.10.31~2023.3.31	100
	2022.9.30	Bond entrustment service contract	2022.9.30~2023.3.31	10
	2022.9.30	Service for correction request and tax complaint	2022.9.30~2024.9.24	- <sup>1)</sup>
	2022.9.1	Confirmation form related to reporting on performance of the bond management contract	2022.9.1~2023.3.31	10
	2022.3.2	Response to local tax investigation of FY2022	2022.3.2~ Final completion	65
74th FY (2021)	2021.12.10	Corporate tax adjustment service contract	2021.8.10~2022.3.31	40
	2021.9.17	Advise on tax PPA review and transaction tax reporting following the acquisition of Intel's NAND division	2021.7.15~2021.8.31	200
	2021.9.3	Auditor's confirmation form related to reporting on performance of the bond management contract	2021.9.3~2022.4.30	9
	2021.4.30	Review service on the establishment of an overseas investment corporation	2021.5.3~2021.6.7	60
73rd FY (2020)	2020.12.31	Review service on the adequacy of the M16 acquisition tax	2020.12.31~2021.2.28	30
	2020.12.22	Comfort letter service for issuance of overseas bonds	2020.12.1~2021.1.29	242
	2020.8.25	Bond entrustment performance report service	2020.8.31~2021.4.30	6
	2020.4.1	Corporate tax adjustment service	2020.4.1~2021.3.31	35
	2019.12.23	Service for correction request and tax complaint	2020.1~ Final completion	952 <sup>2)</sup>

1) Payoffs proportional to recovery amounts

2) This service is a type of contract in which remuneration is determined according to the success amount. Service remuneration is incurred based on performance, such as meaningful correction requests and tax appeals within the business year.

Meanwhile, the Company appointed Samjong KPMG as the independent auditor for six consecutive business years from 2014 to 2019. According to Article 11 (2) of the Act on External Audit of Stock Companies and Article 15 of the Enforcement Decree of the same Act, the Company became a target for the periodic designation of an independent auditor in 2020 and

contracted with Samil PWC, the auditor designated by the Securities and Futures Commission, for an independent audit of the three consecutive business years of 2020 to 2022.

As a result of becoming a designation-target company of the Act on External Audit of Stock Companies and the Enforcement Decree of the same Act, the Company appointed the auditor designated by the Securities and Futures Commission and did not obtain a separate approval procedure with the Audit Committee.

After the date of report, as periodic designation ends, the Company needed to appoint a new independent auditor. Thereby the Company appointed Samjong KPMG as an independent auditor for a three-year period from 2023 to 2025 at the 9th Audit Committee meeting which was held on September 26, 2022.

## **B. Policies for securing independence and professionalism in the Independent Auditor appointment process**

As mentioned above, the Company sufficiently establishes and operates policies to secure the independence and professionalism of the independent auditor appointment process.

(Sub-principle 10-②) Audit Committee (or auditor) should communicate with the auditors periodically in every phase of audit pipeline such as independent auditing and audit result reporting etc.

## **A. Communication between the Audit Committee and the Independent Auditor**

### **[Communication at least once a quarter without the presence of management]**

The Audit Committee holds a quarterly independent meeting with the independent auditor without the participation of company representatives. Through this regular meeting, key matters related to the independent audit are discussed, and thus there is sufficient communication with

the independent auditor regarding all stages of the independent audit process.

The following is the communication between the Audit Committee and the Independent Auditor over the period commencing from the start of the year immediately preceding the period subject to disclosure to the date of report submission.

**[Communication between the Audit Committee and the Independent Auditor]**

Date	Participants	Method	Main discussions
2022.3.2	Company side: Audit Committee Auditor's side: Samil PWC (1 Business executive and 2 other persons)	Video conference	1. Year-end major audit issues and results 2. Major audit issues 3. Annual audit schedule, communication agenda, and audit time 4. Report on the results of the operational evaluation of the internal accounting control system
2022.5.10	Company side: Audit Committee Auditor's side: Samil PWC (1 Business executive and 3 other persons)	Video conference	1. Q1 Major review issues 2. Annual audit schedule, communication plan, and audit plan 3. Annual audit strategy 4. Other communication matters
2022.8.4	Company side: Audit Committee Auditor's side: Samil PWC (1 Business executive and 3 other persons)	Video conference	1. Q2 Major review issues 2. Annual audit schedule, communication plan, and audit plan 3. Annual audit strategy key issues 4. Other communication matters 5. Reporting findings on the internal accounting control system
2022.11.10	Company side: Audit Committee Auditor's side: Samil PWC (1 Business executive and 3 other persons)	Video conference	1. Q3 Major review issues 2. Annual audit schedule and input time status 3. Other communication matters 4. Progress report of the evaluation on the design and operation of the internal accounting control system 5. Reporting findings on the internal accounting control system

**[Key consultations and process for reflecting in internal audit work]**

The Audit Committee holds half-yearly and fiscal year-end meetings to check major audit-related issues such as the modification of the major accounting standard, key audit items, quarterly and half-yearly financial statement audit and review results, and audit plan.

### **[Independent Auditor's notification procedure of important matters discovered and the Audit Committee's role]**

Procedures are in place for the independent auditor to notify the Audit Committee of important matters (accounting violations, etc.) discovered during the audit in accordance with the Audit Committee regulations. The Audit Committee should investigate the violations in accordance with article 11 of the internal accounting control regulations and, depending on the investigation results, ask the CEO to rectify the violation.

### **[Timely submission of unaudited financial statements]**

To clarify the responsibility of preparing financial statements and enhance the credibility of the independent auditor, the Company faithfully submits the unaudited financial statements to our independent auditor Samil PWC and the securities and futures commission to comply with our legal responsibility as a stock-listed company. The Company submitted the unaudited separate financial statements for FY2022 to the independent auditor on February 2, 2023, which was in advance of the date required by regulation (6 weeks prior to the AGM date, For 2023, it was February 15), and the unaudited consolidated financial statements on February 2, 2023, which was in advance of the date required by regulation (4 weeks prior to the AGM date, For 2023, it was March 1).

## **B. Reasons for insufficient communication on a regular basis and future plans**

As outlined above, the Audit Committee communicates with the independent auditor without the participation of company personnel on a quarterly basis. At these meetings, key items of the independent audit are discussed. Thus, there is sufficient communication between the Audit Committee and the independent auditor during all stages of the independent audit process.



# Appendix

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## Conformity Level with the Corporate Governance Key Indicators

[Table 1]	Key Indicators	(Disclosure period) Conformity		Specific basis and detailed explanation of conformity	(Previous disclosure period) Conformity		Remarks
		○	X		○	X	
Shareholders	① Give AGM convocation notice 4 weeks ahead of the general meeting of shareholders*	○		[Table 2] Separate entry	○		-
	② Use electronic voting*	○			○		-
	③ Hold the general meetings of shareholders on a day other than the days on which most of the general meetings of shareholders are concentrated*	○				X	-
	④ Provide the dividend policy and the future dividend plan to shareholders at least once a year**	○			○		-
Board of Directors	⑤ Prepare and operate the succession policy (including the contingency appointment policy) for the CEO (Chief Executive Officer)	○			○		-
	⑥ Prepare and operate the internal control policy	○			○		-
	⑦ Separate the chair of the Board and the representative director	○			○		-
	⑧ Adopt a cumulative voting system		X			X	-
	⑨ Establish a policy to avert appointment of executive officers who are accountable for the defamation of corporate value or infringement of		X			X	-

	shareholders' equity interest						
	⑩ Non-existence of an independent director who has been working more than 6 years	○			○		-
Audit Systems	⑪ Provide education for the Audit Committee at least once a year**	○			○		-
	⑫ Establish independent internal auditing support bodies (supporting organization to Audit Committee)	○			○		-
	⑬ Appoint an accounting or financial expert to the Audit Committee	○			○		-
	⑭ The Audit Committee holds meetings with independent auditors more than once a quarter without the attendance of management**	○			○		-
	⑮ Establish procedures for the Audit Committee to have access to the important information related to the corporate management	○			○		-

※ Information as of **report submission date**

(\*) items are based on the **most recent general meeting of shareholders held prior to the date of report submission**

(\*\*) Items based on actions occurring during the **disclosure period**

[Table 2]	Key Indicators	(Disclosure period) Conformity		Specific basis and detailed explanation of conformity
		○	X	
Shareholders	① Give AGM convocation notice 4 weeks ahead of the general meeting of shareholders	○		AGM convocation notice filed 34 days prior to the general meeting of shareholders
	② Use electronic voting	○		In use since the 71st AGM
	③ Hold the general meetings of shareholders on a day other than the days on which most of the general meetings of shareholders are concentrated	○		The designated concentration dates in 2023 were 3/24, 3/30, 3/31

	④ Provide the dividend policy and the future dividend plan to shareholders at least once a year	○		Informed the shareholder return policy through IR briefings and disclosures
<b>Board of Directors</b>	⑤ Prepare and operate the succession policy (including the contingency appointment policy) for the CEO (Chief Executive Officer)	○		The succession policy is stipulated in the Company rules and duly managed and operated
	⑥ Prepare and operate the internal control policy	○		Internal control policies, such as risk management, compliance management, internal accounting control, and disclosure information management, have been prepared and are operated
	⑦ Separate the chair of the Board and the representative director	○		Separated since March 2021
	⑧ Adopt a cumulative voting system		X	
	⑨ Establish a policy to avert appointment of executive officers who are accountable for the defamation of corporate value or infringement of shareholders' equity interest		X	
	⑩ Non-existence of an independent director who has been working more than 6 years	○		No independent directors who have been working for more than 6 years
<b>Audit Systems</b>	⑪ Provide education for the Audit Committee at least once a year	○		Education for the Audit Committee conducted 5 times annually
	⑫ Establish independent internal auditing support bodies (supporting organization to Audit Committee)	○		Audit Committee support team established and in operation since 2020
	⑬ Appoint an accounting or financial expert to the Audit Committee	○		Audit Committee members include 1 accounting expert and 2 financial expert
	⑭ The Audit Committee holds meetings with independent auditors more than once a quarter without the attendance of management	○		Held 4 meetings during the disclosure period
	⑮ Establish procedures for the Audit Committee to have access to the important information related to the corporate management	○		The authority to request Business Reports, investigate the Company's finances, and others specified in Article 3 of the Audit Committee regulations