SK ecoplant

Governance Charter

March 26, 2025

SK 에코플랜트

Preface

The ultimate goal of SK ecoplant Co., Ltd. (hereinafter referred to as the "Company") management is to pursue the happiness of those who have chosen SK (hereinafter referred to as the "members") with the belief that they will be happier working with SK, and the stakeholders surrounding the Company. The Company, which is the foundation for the continuous pursuit of happiness of its members and stakeholders, must continuously exist and develop by achieving stability and growth.

The Company must grow social value along with economic value for the happiness of its stakeholders and, through this, must increase the Company's overall value consisting of economic value and social value by developing a relationship of mutual trust with stakeholders and achieve sustainable growth.

The values that the Company provides to various stakeholders are as follows:
The Company provides various values to customers, continuously satisfies them to gain their trust, and ultimately develops together with customers. It creates a fair, competitive ecosystem with business partners and leads mutual development through virtuous cycle cooperation based on this, continuously creates shareholder value and increases corporate value, and performs various roles such as environmental protection, job creation, improvement of quality of life, and contribution to the local community, and grows together with society. In addition, the Company should strive to harmonize and balance the happiness of stakeholders and consider present and future happiness at the same time to ensure long-term sustainability. If the Company determines that it is necessary for the pursuit of happiness of its members and stakeholders and for its own sustainable growth, it may voluntarily decide to share and cooperate with member companies of the SK Group (composed of member companies that share management philosophy and agree to cooperate in management activities based on their own needs and judgment, regardless of whether or not they have an equity relationship).

In this case, the Company must strive to contribute to the survival and value enhancement of the entire SK Group, including the Company, through mutual sharing and cooperation.

In order to survive and develop permanently by realizing this management philosophy, the Company will establish a sound, transparent governance structure based on responsible management centered on the board of directors and will continuously strive to be recognized externally.

In order to embody the management philosophy and the will to establish a governance structure to realize such, the Company hereby declares the “SK ecoplant Co., Ltd. Governance Charter” as follows through a resolution of the board of directors:

[Section 1 Board-centered Responsible Management]

Chapter 1 Roles and Responsibilities of the Board of Directors

Article 1 [Goals]

① The Board of Directors (hereinafter referred to as "BOD") shall recognize that the ultimate management goal of the Company is to pursue the happiness of its members and stakeholders surrounding the Company, and shall strive to achieve this.

② The BOD shall recognize that it must pursue the happiness of its members and stakeholders simultaneously for the sustainable existence and development of the Company, and shall consider this in the decision-making process.

③ The BOD shall recognize that the Company can obtain more economic value from stakeholders by providing social value, and shall endeavor to develop cooperative and trusting relationships between the Company and stakeholders.

Article 2 [Responsibilities]

① The BOD shall be responsible for establishing and reviewing the Company's goals and management strategies in order to achieve the happiness and sustainable growth of the Company's members and stakeholders.

② The BOD shall consider ESG management policies when deciding on the allocation of management resources and capital.

③ The BOD shall endeavor to create a corporate culture that pursues sustainability and, to this end, shall inspect and review whether the Company's purpose and values, management strategies, policies, practices, etc. are consistent with the corporate culture that pursues sustainability.

Article 3【Authority and Functions】

① The BOD shall have comprehensive authority over the management of the Company.

② The BOD shall perform decision-making and supervisory functions regarding the management of the Company. The main functions to be performed by the BOD are as follows:

1. Setting of management goals and strategies
2. Review of accounting transparency and sustainability
3. Appointment and dismissal of the CEO and supervision of management
4. Resolution on the evaluation of management performance and remuneration level
5. Decision making for improvement of ESG policy
6. Other decisions with significant impact on the Company or related to external trust relationships

③ Matters to be deliberated on and resolved by the BOD shall be determined by the Board of Directors regulations.

Article 4 [Internal Transactions and Self-Dealing]

① The BOD shall establish and supervise internal control mechanisms for internal transactions and self-dealing, and the transaction details shall be disclosed through fair procedures.

② Any actions that have a significant impact on the Company's shareholders and interests, such as mergers and divisions and capital transactions between member companies, shall be carried out through proper procedures, and substantive fairness shall be secured.

③ The BOD shall record the basis for the judgment of procedural fairness and substantive fairness regarding internal transactions and self-dealing in the minutes of the Board of Directors' meeting.

Article 5 [Management Rights Defense Act]

The BOD shall decide whether to accept an attempted corporate acquisition in accordance with proper procedures, taking into account the Company’s sustainable development potential, shareholder interests, etc.

Article 6 [Risk Management]

① The BOD shall endeavor to manage systematically all non-financial and financial risks, including ESG risks, for the sustainable growth of the Company.

② The BOD shall endeavor to establish an effective internal control system, etc. for systematic risk management.

Article 7 [CEO Succession Policy]

The BOD shall discover and develop a person who will become the CEO, including the representative director, and establish a systematic system to prepare for the expiration of the CEO’s term, resignation, and other emergencies.

Article 8 (Remuneration Policy)

The BOD shall design the remuneration policy and practices for the CEO and other key executives in a manner consistent with the Company’s sustainable growth and the long-term interests of shareholders.

Article 9 [Evaluation]

① The BOD shall establish specific procedures for evaluating the Board of Directors and key executives, including the CEO, and shall conduct evaluations based on fair standards and objective indicators.

② The BOD shall utilize the results of the conducted evaluations to improve the composition and operation of the Board of Directors.

Article 10 [Relations with Member Companies]

① If the BOD deems it necessary for the Company’s management goals and sustainable development, it may voluntarily decide to share and cooperate with SK Group member companies.

② If the BOD decides to share and cooperate with SK Group member companies, the Company may autonomously utilize the infrastructure provided by the SK Group; at the same time, the Board of Directors shall strive to ensure the survival and increase the value of the SK Group, including the Company.

Chapter 2 Roles and Responsibilities of Directors

Article 11 [Directors' Roles]

① Directors shall perform their duties with the due care of a good manager and shall always pursue results that are in the best interest of the Company and shareholders.

② Directors shall invest their time and effort to make rational decisions based on comprehensive information.

③ Directors shall closely review materials related to the Company's current issues and faithfully attend board meetings.

④ Directors may ask questions on the management and provide opinions when necessary, and may request advice from external experts.

Article 12 [Directors' Duties and Responsibilities]

① Directors shall neither divulge any confidential information acquired in the course of performing their duties to any person or entity outside the Company, nor use such information for their own benefit or that of a third party.

② Directors shall not exercise their authority for their own or third party's benefit.

③ Directors shall be liable for any damages caused by their violation of laws or articles of incorporation or their breach of their duties. In this case, a director found with intention or gross negligence shall also be liable for damages to third parties.

④ Directors shall be entitled to the respect of their management judgment if they have obtained reasonably reliable data and information, examined it carefully and thoroughly, and acted in a manner that they sincerely and reasonably believed to be in the best interests of the Company in the course of making business decisions.

⑤ In order to ensure the effectiveness of holding directors accountable and to attract qualified candidates as directors, the Company may take out liability insurance for directors at its expense.

Chapter 3 Composition of the Board of Directors

Article 13 [Appropriate Board of Directors' Size]

The BOD needs to be of a size that facilitates effective and careful discussions and decisions. Additionally, the number of directors should be sufficient to ensure the practical operation of the committees under the board.

Article 14 [Appropriate Number of Independent Directors]

The BOD shall have outside directors who can perform their functions independently from the management and controlling shareholders (referring to all shareholders including individuals, corporations, and institutional investors with actual influence on major management matters of the Company such as the appointment and dismissal of executives, regardless of the stock ownership ratio; the same shall apply hereinafter), and the number shall be such that the board of directors can maintain substantial independence from the management and controlling shareholders and supervise and check the management decision-making process.

Article 15 [Expertise of the Board of Directors]

The BOD shall be composed of competent individuals with expertise and experience and knowledge appropriate to the Company so that they can make substantial contributions to the management of the Company.

Article 16 [Diversity of the Board of Directors]

① In order for the BOD to fulfill its role and responsibilities, its members shall be composed so that they can satisfy diversity by achieving a balance of knowledge, experience, ability, and gender.

② By securing diversity within the BOD, the BOD shall share diverse perspectives, engage in effective discussions, and make objective decisions.

Chapter 4. Independent Directors

Article 17【Independence of Independent Directors】

① Independent directors shall be able to make decisions independently from management and controlling shareholders.

② Independent directors shall endeavor to make independent decisions without being influenced by management and controlling shareholders.

Article 18 [Disclosure of Independence of Independent Directors]

① Independent directors shall submit to the Company a certificate of having no significant relationship with the Company upon acceptance of their appointment.

② The Company shall confirm and disclose that the independent director candidate has no significant relationship with the Company.

③ If any change occurs in the information stated in the certificate specified in paragraph 1 after the independent director has taken office, the independent director shall immediately submit a revised certificate, and the Company shall disclose it.

Article 19 [Prohibition of Excessive Concurrent Positions and Competition]

① In order to perform their duties faithfully, independent directors shall not hold excessive concurrent positions.

② Independent directors shall neither engage in economic transactions related to the business of the Company where they serve as independent directors nor concurrently hold positions as independent directors of other companies in the same industry.

Article 20 [Performance of Duties]

① In performing their duties, independent directors shall spend sufficient time collecting information on matters subject to decision making and closely review the materials provided by the Company.

② If the materials provided by the Company are insufficient, independent directors shall obtain and review the necessary materials on their own, such as by reviewing ledgers or related documents.

③ Independent directors shall endeavor to obtain the necessary information from various stakeholders inside and outside the Company, including shareholders, and to collect various opinions on company management.

Article 21 [Provision of Information to Independent Directors]

① The management, including the CEO, shall provide independent directors with sufficient information in a timely manner so that they can accurately understand the management status of the Company. In particular, when a board meeting is held, the relevant information shall be provided in advance so that independent directors can sufficiently review the agenda to be submitted.

② Independent directors may request the Company's person in charge to provide the information necessary for performing their duties in order to express opinions on the Company's management goals or strategic decisions.

③ The Company may designate a department in charge to respond to independent directors' requests for information.

Article 22 [Provision of Support from Outside Experts]

If necessary, independent directors may receive support or advice from the Company's executives and employees or from outside experts within a reasonable scope through proper procedures and at the Company's expense.

Article 23 [Provision of Sufficient Education Opportunities]

① The Company shall provide sufficient education opportunities to directors in order for them to perform their roles efficiently.

② Directors shall periodically participate in internal and external education in order to perform their duties efficiently, and shall invest sufficient time and effort to understand and perform their duties properly.

③ Newly appointed directors shall participate in education on duties and governance structure implemented immediately after their appointment.

Article 24 [Senior Independent Director]

① If the BOD appoints a person who is not an independent director as chairperson of the board, the Company shall appoint a person to represent the independent directors (hereinafter referred to as "senior independent director") and make the corresponding announcement.

② The senior independent director performs the following duties:

1. Tasks that are necessary to ensure the independence of the independent directors and to monitor the performance and conduct of the CEO and the executive directors

2. Tasks that are necessary to enhance the roles and responsibilities of the independent directors

3. Chairing meetings or committees composed exclusively of the independent directors and to solicit the opinions of the independent directors

Article 25 [Communication between Independent Directors and Management]

The Company shall endeavor to provide opportunities for independent directors and management to consult on management issues regularly.

Chapter 5 Operation of the Board of Directors

Article 26 [Establishment of Annual Board of Directors' Schedule]

In order to operate the Board of Directors efficiently, the Company shall establish the annual Board of Directors' schedule in advance and notify each director of the same.

Article 27【Operation of the Board of Directors】

① The BOD shall provide all directors with an equal opportunity to express their opinions.

② In cases where some directors cannot physically attend the board meeting, the BOD shall provide remote communication means (voice or video/voice) to ensure the opportunity for participation.

③ The Company shall prepare minutes for each meeting and ensure the preservation and accuracy of the meeting’s content.

Article 28 [Role of the Chairman of the Board of Directors]

① The Chairman of the BOD shall continuously oversee the establishment and maintenance of transparent and sound governance for the Company and seek ways to enhance it.

② The Chairman of the BOD shall encourage an active discussion culture and lead the Board of Directors constructively, and shall support independent directors in participating in decision making based on accurate and timely information.

③ The Chairman of the BOD shall endeavor to build constructive relationships between directors and between directors and management, and may devise and propose to the Company ways to enable each director to obtain information necessary for decision making easily and timely.

Article 29 [Delegation of Authority of the Board of Directors]

The BOD may delegate authority to the CEO or a committee within the Board of Directors within the scope that does not violate the laws or the articles of incorporation.

Chapter 6 Committees under the Board of Directors

Article 30【Establishment and Operation of Committees under the Board of Directors】

① In order to enhance the expertise and efficiency or its work performance, the BOD may establish a committee composed of an appropriate number of members who perform specific functions and roles under the Board of Directors.

② The majority of the committees under the BOD shall be composed of independent directors to ensure independence.

③ Independent directors shall refrain from belonging to more than three committees in order to devote sufficient effort and time to board activities.

Article 31 [Role of the Audit Committee]

The Audit Committee shall supervise whether the directors and management conduct their work legally and appropriately.

Article 32 [Role of the Nomination and Remuneration Committee]

The Nomination and Remuneration Committee shall recommend candidates for independent directors to be appointed at the general meeting of shareholders, review the evaluation of the CEO and whether to retain him or her, and review the appropriateness of remuneration of executive directors.

Article 33 [Role of the Strategy · ESG Committee]

The Strategy · ESG Committee shall review and analyze strategies and key issues related to Environment, Social Value, and Corporate Governance in the Company's management decision making as well as financial and non-financial risks.

[Section 2 Shareholders]

Chapter 1 Shareholders' Rights

Article 34【Shareholders' Rights】

① The fundamental rights of shareholders can be neither taken away nor restricted by the articles of incorporation, the shareholders' meeting, or the resolution of the Board of Directors.

② Shareholders may participate in the distribution of the Company's profits and residual assets as owners of the Company, and may attend the shareholders' meeting to exercise their voting rights.

③ Shareholders have the right to receive sufficient information necessary for exercising their shareholders' rights from the Company in a timely manner, and the Company shall faithfully respond to shareholders' requests for information unless there is justifiable reason not to do so.

Article 35【Protection of Shareholders' Rights】

① The Company shall guarantee one vote per share to all shareholders, and restrictions on voting rights for specific shareholders shall be limited in accordance with the laws and regulations.

② For matters that could significantly alter the Company's existence or shareholders' rights, decisions shall be made in a way that ensures the rights of shareholders as much as possible.

③ The BOD shall allow the shareholders who are opposed to any significant structural changes, such as mergers or transfers of businesses, to exercise their appraisal rights at a fair price that reflects the actual value of their shares in accordance with laws and regulations.

Article 36【Shareholders' Duties]

① Shareholders, cognizant of the fact that their voting rights can influence the Company's operations, shall endeavor to exercise their voting rights actively for the advancement of the Company.

② A controlling shareholder infringing upon the rights of other general shareholders by acting against the interests of the Company and all shareholders shall be held responsible accordingly.

③ The Company shall guarantee the exercise of minority shareholders' rights in order to prevent abuse of control by the controlling shareholder and protect the interests of all shareholders.

Chapter 2 General Meeting of Shareholders

Article 37 [Topics and Agenda]

① The Company shall endeavor to ensure that various topics can be discussed as agenda items at the general meeting of shareholders.

② The Company shall sufficiently explain the agenda to shareholders and provide them with an opportunity to ask questions prior to the resolution of the agenda at the general meeting of shareholders. However, this shall not apply if the shareholder intends to interfere with the progress of the meeting or makes redundant or unreasonable inquiries.

Article 38 [Date, Time, and Location]

① The Company shall provide sufficient information related to the agenda so that shareholders can review the agenda in advance.

② The Company shall decide on the date and location of the general meeting of shareholders so that as many shareholders as possible can attend, and shall notify shareholders sufficiently in advance of the date and location of the general meeting in writing or by electronic document.

Article 39 [Appointment of Directors]

① The Company shall endeavor to listen to the opinions of various shareholders during the selection of director candidates and the appointment process of directors.

② In order to enhance the independence of the Audit Committee, the Company shall appoint at least one audit committee member separately from other directors.

[Section 3 Audit]

Chapter 1 Internal Audit

Article 40 [Enhancing the Independence and Expertise of the Audit Committee]

① The Audit Committee shall consist of at least three members in order to function smoothly as a meeting body, while all members shall be independent directors in order to maintain objectivity and independence.

② In order to perform audit duties independently from management and controlling shareholders, the Audit Committee members shall not receive remuneration other than their remuneration as directors.

③ All members of the Audit Committee shall have basic knowledge of audit works in order to enhance the expertise of the Audit Committee, and at least one member shall have professional knowledge of auditing work.

④ Audit Committee members shall regularly receive audit-related training.

Article 41 [Operation of Audit Committee Meetings]

① In order to ensure the effectiveness of the quarterly report system, the Audit Committee shall hold a meeting at least once per quarter.

② The chairman of the Audit Committee may request management, financial officers, head of the internal audit department, external auditors, etc. to attend the Audit Committee meetings, and may invite relevant external personnel to attend depending on the case.

Article 42 [Right to Access Information]

① In order for the Audit Committee to perform its duties faithfully, Audit Committee members shall be able to access freely information necessary for audit work.

② Separately from Paragraph 1, the Audit Committee members shall endeavor to collect information and exchange opinions through individual contact with management, internal audit department staff, external auditors, etc.

③ In performing its duties, the Audit Committee may seek assistance or advice from accountants, lawyers, and other external experts as well as the cooperation of executives and employees or external auditors.

Chapter 2 External Audit

Article 43 [Maintaining the Independence of External Auditors]

The Company shall ensure that external auditors maintain legal and substantive independence from the Company, its management, controlling shareholders, and consolidated parent or subsidiary companies.

Article 44 [Attendance of External Auditors at the General Meeting of Shareholders]

The Company shall have external auditors attend the general meeting of shareholders and faithfully answer shareholders' questions related to the submitted audit report.

Article 45 [Communication with External Auditors]

① The Audit Committee shall regularly discuss the external audit situation with external auditors and review and discuss important matters identified by external auditors during the external audit activities.

② The Audit Committee shall meet with external auditors without the presence of management at least once per quarter to discuss material facts related to the external audit.

[Section 4 Communication with Shareholders and Stakeholders]

Article 46 [Direct Communication with Shareholders and Stakeholders]

① The BOD and management shall pay attention to the demands or concerns of shareholders and stakeholders to contribute to the Company's sustainable and stable growth and, if necessary, endeavor to communicate directly with shareholders and stakeholders on various topics.

② The BOD shall designate at least one independent director as shareholder communication member as necessary to enhance the communication with the Company's shareholders and stakeholders and to protect their rights and interests.

③ Shareholder communication members shall share with the BOD the opinions learned through communication with shareholders and stakeholders so that they can be considered in the decision-making process.

Article 47 [Disclosure of Information]

① The Company shall endeavor to provide equally corporate information that may affect corporate value to all shareholders.

② The Company shall endeavor to respond actively to requests from stakeholders for information within the scope permitted by law for the sustainable growth of the Company and the happiness of stakeholders.

③ The Company may disclose or announce matters that are or may be material to the decision making of the shareholders and stakeholders, in addition to the disclosures required by the law and the regulations. However, this shall not apply if such matters are corporate secrets.

Article 48 [Accessibility of Disclosed Information]

① The Company shall post information such as business reports, audit reports, sales reports, and corporate briefing materials on its website so that they can be easily accessed.

② The Company shall write the disclosed information in an easy-to-understand manner using simple terms as much as possible.

Article 49 [Designation of Disclosure Officer]

① The Company shall designate a disclosure officer to perform effective disclosure work and establish an internal information transmission system so that important information of the Company can be quickly delivered to the disclosure officer.

② The Company shall ensure that the disclosure officer completes training on disclosure work.

③ The Company shall establish and publish its ethics regulations.

Addendum (3.26.2021)

(Date of Enforcement) This Charter, having been approved by the Board of Directors, shall enter into force on March 26, 2021.

Addendum (5.27.2021)

(Date of Enforcement) This amended Charter, having been approved by the Board of Directors, shall enter into force on May 27, 2021.

Addendum (3.26.2025)

(Date of Enforcement) This wholly amended Charter, having been approved by the Board of Directors, shall enter into force on March 26, 2025. However, the special provisions for listed companies shall be applied after the Company becomes a stock-listed corporation in accordance with the [Financial Investment Services and Capital Markets Act].