

**Code of Ethics**  
**Practice Guideline**

**2020. 03. 02**

**SK siltron CSS, LLC**

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## **Ch.1 General Rules**

### **1. Purpose**

The 'Code of Ethics Practice Guideline' (hereinafter, 'Practice Guideline') provides the criteria for decision-making and actions on ethical conflict situations that may arise during the course of work, so that the members of SK siltron Co., Ltd. may understand and apply the code of ethics correctly.

### **2. Subject of Application**

The code of ethics and the practice guidelines apply to the members of SK siltron Co., Ltd. (including overseas subsidiaries and branches).

### **3. Operating Organization**

- 1) The company establishes and operates an ethics office for implementation of ethical management, and to carry out activities in order to conform to the code of ethics and practice guidelines.
- 2) The ethics office functions are carried out by HR, and fulfills the following roles.
  - Establish and pursue direction and plan for ethical management
  - Establish, change and operate policies and systems of ethical management
  - Establish and amend codes and guidelines related to ethical management
  - Establish and operate a system to practice ethical management
  - Various educational and public relations activities to establish the culture of ethical management
  - Acceptance, investigation and processing of reports on violation of ethical management
  - Ethical management related consultation, etc.
- 3) The ethics office may request members to submit necessary materials and conduct interviews, and etc. The requested member shall actively cooperate unless there is a justifiable reason.
- 4) The ethics office may request corrective action for the violation of ethical management and must notify reports of ethical management violations that are deemed important to the CEO.
- 5) The department or person performing the duties of the ethics office directly or on behalf of shall not disclose the information obtained during the duties to others without justifiable reason.

### **4. Duty to practice ethical management**

- 1) Members must clearly recognize their roles and responsibilities in performing their duties, and always be aware of the ethical codes and practice guidelines and practice ethical management.
- 2) Members should judge and act based on the ethical codes and practice guidelines when they are placed in ethical conflict situations related to business activities.
- 3) If the criteria are not clearly defined in the code of ethics and practice guidelines, the decision should be made according to the following decision making principles. If the member is not confident of their decision, then the member must request consultation and follow the ethics office advice.
  - Legitimacy : Is there any possibility that your behavior can be interpreted as a violation of law or regulation?
  - Transparency : Can I make my decision-making process and content public?
  - Rationality : Will other members make the same decision in the same situation?
- 4) Member must promptly report to the ethics office if a member is forced to violate or has violated the code of ethics\*, or has witnessed a violation of the code of ethics.
- 5) As a commitment to ethical management practice, members shall regularly submit the following pledge to the company.
  - Pledge of Ethical Management - [Attachment 1]
  - Anti-Corruption Statement of Compliance - [Attachment 2]
- 6) The member should also help the stakeholders to understand the purpose and contents of the code of ethics and practice guidelines in order to actively pursue them.
- 7) The organization manager is responsible for actively supporting and managing the ethical management of its members and related business stakeholders, and should set a good example by practicing ethical management through honest and responsible decisions and actions.

## **Ch.2 Basic ethics of members violation type**

### **1. Documentation and calculation manipulation and false reporting**

- 1) The manipulation or misrepresentation of a document or calculation should be recognized as a clear unethical conduct which can cause serious damage to the company by hindering correct decision and judgment of the organization director or related department.
- 2) Do not report or make false statements to company executives, senior managers, internal auditors, or stakeholders outside the company.
- 3) In addition to direct false reports, any omission, delay, or concealment of reports is

considered to be the same in unethical conduct.

- 4) Documents should not be modified, deleted or destroyed before the period of preservation by company document management standards and regulations.

## **2. Receiving money and gifts from stakeholders**

- 1) The member or his / her family should not receive or ask for money or gifts from stakeholders. If received inevitably, member must report and take necessary measures in accordance with the prescribed procedure. - [Attachment 3]
- 2) Do not engage in any personal transactions with stakeholders.
- 3) Representative types of money and gifts from stakeholders are as follows.
  - Monetary : Cash, checks, stock and other securities
  - Assets : Receive, purchase/sale, lease, guarantee of debt set up, etc. of movable property/ real estate
  - Liabilities : Exemption, repayment, guarantee of debt of liabilities (foreign currency loan, loan, interest, etc.), cash loans, etc.
  - Gifts : Goods, access to facilities, service coupons, gift vouchers, tickets, promotions or discounts, etc.
  - Congratulatory gifts : Congratulatory money, gifts, wreaths, etc.
  - Funeral gifts : Money, wreaths, funeral items, etc.
- 4) However, the following cases are exempted.
  - A ritual gift to exchange when promoting various official contracts or alliances
  - If the gift is a promotion or discount that is unspecified in number or person and is within the specified limit (50 dollars per one time and 300 dollars per annum)
- 5) Do not give notice to the stakeholders in advance of special family events(ex. wedding, funeral, etc.).

Examples are as follows.

- Telling your stakeholders in person or publicly through your boss, colleagues, or subordinates
  - Sending invitations to stakeholders (e-mail, mail, FAX, etc.)
  - Posting on a bulletin board that can be viewed by external stakeholders
- 6) In cases where it is difficult to make a judgment because the specific case is not specified above, it should be handled in consultation with the ethics office.

## **3. Enjoyment, hospitality and convenience from stakeholders**

- 1) The member or his / her family must not receive or request entertainment, hospitality, convenience, etc. from the stakeholder. If it happens inevitably, member must report and take necessary measures in accordance with the established procedures. - [Attachment 4]
- 2) However, the following cases are exempted.
  - Formal gatherings or events with stakeholders that have been pre-approved by the company.
  - Meals from the stakeholders for business consultation within the limit (50 dollars per person and 300 dollars per visit) under the approval of the organization manager.
- 3) Do not require stakeholders to make commitments to guarantee any benefits, such as post-retirement employment security, post-retirement contracts, or accept offers from stakeholders.
- 4) In cases where it is difficult to make a judgment because the specific case above is not specified, it should be processed in consultation with the ethics office.

#### **4. Unfair use of company assets and expenses**

- 1) All the Company's tangible and intangible assets and expenses should be used in accordance with the company's business activities and approved objectives and regulations. Unethical uses are as follows.
  - Fixed Assets : Unauthorized use and removal of equipment, use outside of business purposes, etc.
  - Business Assets : Unauthorized use and removal of vehicles, PCs and supplies, personal use, etc.
  - Intangible Assets : Job-related information / knowledge, product design, etc. used for self / others profit
  - Company Public Funds : Unauthorized withdrawal of funds from the company, private use, confiscation through the manipulation of accounting books, etc.
  - Corporate Card : Illegal usage (illegal discount loan, etc.), Invalid cost account use, personal use, etc.
  - Cost : Submitting false receipts, exploiting the no-proof system and spending on personal expenses, etc.
- 2) Confidential and information assets (including intellectual property rights, personal information and third party information) of the company must be protected from unauthorized disclosure and leaks, and member must observe the approval procedures and information security guidelines when sharing information with others.

#### **5. Conflict of interest with company**

- 1) It is prohibited for a member to hold stocks of a partner company because it may be subject to unfair trade and conflict of interests. The specifics are as follows.
  - The scope of the partner company includes all companies that the company can influence, even if it is not currently registered as a partner.
  - The holding stock includes not only your name but also your family name and borrowed-name.
  - SK affiliates and companies included in the S&P500 index are excluded from the prohibition on stock holdings.
- 2) It is prohibited for a member or his / her family to jointly invest with a stakeholder to acquire movable property or real estate because it may be an unfair transaction or conflict of interest. The specifics are as follows.
  - Membership in condominiums, golf clubs, health clubs, real estate investments, and other assets in common ownership, even if acquired in the name of another person, are all inclusive and the amount equivalent to the equity interest can be considered as taken from the stakeholder.
  - It is also prohibited to actually own a partner company that has a business relationship with the company by jointly investing with stakeholders.
- 3) As soon as a member realizes their stockholding of a partner company, joint investment with a stakeholder, acquisition of joint property, etc., the member must report and take necessary measures in accordance with the prescribed procedure. - [Attachment 5]
- 4) The member or his / her family member shall not engage in or contribute to the management of a company that is directly or indirectly in competition with the company.
- 5) Member shall not be held concurrently in other companies, but it is possible if it is approved in advance for the company's needs.
- 6) Member should not interfere with normal business or fair business by conducting personal business.
- 7) If the family and relatives of the member are the company's stakeholders, the member should inform the organization manager and the ethics office. If they are related to the member work, they should avoid conflicts of interest with the company by changing their work duty or take other appropriate measures.
- 8) If member sees an opportunity for a conflict of interest with the company, or if it is difficult to judge whether there is a conflict of interest, the member shall notify the organization manager and the ethics office and take appropriate measures in consultation.

## **6. Job negligence**

- 1) Members shall perform their duties diligently with a sense of duty, in accordance with the policy of the company.

- 2) Members must understand and comply with company regulations and systems related to their duties.
- 3) Members shall share information and actively cooperate with colleagues and related departments to accomplish their duties.

### **7. Management oversight**

- 1) Member should be aware of the risks that may arise in the course of their duties and pay special attention to them. They should have a sense of responsibility for problems that arise.
- 2) In particular, the manager should fulfill all obligations as supervisor for its affiliated members.

### **8. Exceeding one's authority**

- 1) Member shall not misrepresent his or her position or authority and make unreasonable instructions or requests irrelevant to the purpose of the work.
- 2) Also, member should not make any promises that can not be kept or make decisions outside of their authority and responsibilities.

### **9. Violation of dignity**

- 1) As a member, you represent the company and must maintain dignity internally and externally, and you should not damage the honor of the company due to improper personal conduct that is unacceptable to society.
- 2) Member shall not influence the performance of their duties by their disorderly private life or impair the company's reputation.

### **10. Acts that hinder healthy corporate culture**

- 1) Member should not engage in activities that inhibit a healthy organizational atmosphere, such as verbal / physical assault, sexual molestation / sexual harassment, harassment or antisocial behavior through social networking services (SNS), or online media.
- 2) Members should not act to promote distrust in the organization by making and spreading groundless rumors.
- 3) Members should refrain from empty formalities such as giving and receiving wreaths and gifts for promotion and transfers, and excessive internal protocols.

## **Ch.3 Terms of compliance regarding business partners**



## **1. Prohibition of unfair collusion**

- 1) We should not agree with competitors about the pricing method, the fixed price, the margin rate, the winning bidder and the winning price.
- 2) We do not make agreements with competitors that restrict the product/service types, quantity, and production facility expansion.
- 3) We do not make agreements with competitors to allocate trading territories, or fixing and allocate customers.
- 4) We do not exchange business information with competitors without prior consultation with the law enforcement department, or attend meetings with competitors where the purpose is not clear.

## **2. Fairness in selecting partner company**

- 1) We do not limit the participation in the trading area or the trading partner without clear reason in order to to select or avoid (exclude) a specific business.
- 2) We do not unilaterally refuse transactions without specific reasons such as reasons for disqualification or legal issues under the company's regulations.
- 3) We do not apply a different price or quality condition without any reason or arbitrarily adjust the quantity or adjust the priority of the transaction to give preferential or disadvantage to a specific company.
- 4) We do not make unreasonable request or accept unfair demand from a person in charge of business or a third party for the purpose of influencing the selection of a company, and we immediately report to the ethics office when receiving a business related request from internal or external personnel.

## **3. Fair Transaction Procedures**

- 1) Do not refuse, suspend, or significantly restrict the contents of transactions based on the other party without justifiable grounds.
- 2) Do not unfairly discriminate the price, transaction conditions, etc. according to the other party of the transaction.
- 3) Do not force the other party to engage in business with a business that you designate, through tie-in and etc.
- 4) Do not force the purchase of goods or services that the other party does not intend to purchase by abusing the transaction status, or force the economic profit to be paid in exchange for the transaction, or proceed with disadvantageous transaction to the other party, or engage in unfair interference with management decisions of the party in investment, human resources, etc.

- 5) Do not impose the other party of the transaction to not pursue business with competitors, or restrict the transaction area or partners.
- 6) Do not unfairly interfere with other business activities such as improper use of technology, unfair incentive, recruitment, disturbance of business transfers.
- 7) Do not provide excessive support to specific business operators through inappropriate funding, assets, commodities, manpower support, or additional transaction steps, to provide disadvantage to other business operators.

## **Ch.4 Informant Protection**

### **1. Informant Protection**

- 1) The source shall not be discriminated against in working conditions or have personal disadvantages due to reporting, or related statements or data submission.
- 2) If the source receives disadvantageous disposition or discrimination on working conditions due to the report, the source may ask the ethics office for corrective and protective measures.
- 3) When there is a request for correction and protection from the source, the ethics office shall take measures to minimize the disadvantages of the source, establish measures to prevent recurrence, including sanctions on the concerned person.
- 4) The company keeps confidentiality so that the identity of the source and the contents of the report are not disclosed against their will.
- 5) In addition to the source, the company shall protect in the same way anyone else who cooperates in the investigation by means of statement and data submission.
- 6) Ethical counseling and reporting channels are as follows.
  - Website : <https://ethics.sk.co.kr>
  - E-mail : [css.ethics@sksiltron.com](mailto:css.ethics@sksiltron.com) (in USA), [sksiltron.ethics@sk.com](mailto:sksiltron.ethics@sk.com)

### **2. Sanctions and exemptions**

- 1) The company shall take measures to punish those who violate the protection policy of the source in accordance with the regulation on violations. The activities that are subject to this measure are as follows.
  - Retaliatory measures that cause disadvantages to the source
  - Leakage of the identity of the source that was made known through position or unintentionally
  - Searching for the source or ordering the search

- 2) If the person voluntarily reports themselves for their activities contrary to the code of ethics and practice guidelines or involvement in illegal activities, it will be taken into consideration when punishment or disciplinary action is taken.

## **Addendum(2020. 03. 02)**

1. This Code of Ethics Practice Guideline will be enforced on March 2<sup>nd</sup>, 2020.
2. Violations of this code shall be handled according to the regulations.

## **Attachment**

**[Attachment 1] Pledge of Ethical Management**

**[Attachment 2] Anti-Corruption Statement of Compliance**

**[Attachment 3] Money and gift reporting procedure**

**[Attachment 4] Enjoyment, hospitality and convenience reporting procedure**

**[Attachment 5] Business Partner shareholding reporting procedure**

## **Pledge of Ethical Management**

**I take pride as a member of SK siltron and pledge to abide by the following in order to practice ethical management in the company.**

1. I will respect other members, develop mutual growth with our partner companies through fair trade, provide our customers with the best value through fair competition with our competitors, and fulfill our responsibilities and obligations to our shareholders and society.
2. I will fulfill our responsibilities and obligations to incorporate and practice a culture of ethical management in the company, and will learn the code of ethics and related regulations to make sure there won't be any conduct in violation.
3. I will immediately notify the company when I witness a member participating in unfair trading and other illegal actions or misconduct, or in receiving an offer for unfair trading and other illegal actions or misconduct from a stakeholder.
4. I will comply with all obligations such as submission of related documents requested by the company during periodic and occasional inquiries regarding violations of the code of ethics.
5. I will recognize that the contents of this pledge are minimum standards, and will act in accordance with the intention of the company's ethical management for other matters.
6. I will assume all liability for the breach of this pledge.

Date :

Team :

Name : (Signature)

## **Anti-Corruption Statement of Compliance**

**As a member of SK siltron, I will pursue the company's management principle based on transparent and fair trade with free competition principle and equal participation opportunities when carrying out work duties. I pledge to abide by all laws and regulations related to anticorruption in the U.S.A., Korea and abroad, including the 'Foreign Corrupt Practices Act', 'Bribery Prohibition Law', and the 'Anti-Bribery Act for Foreign Officials in International Business Transactions'.**

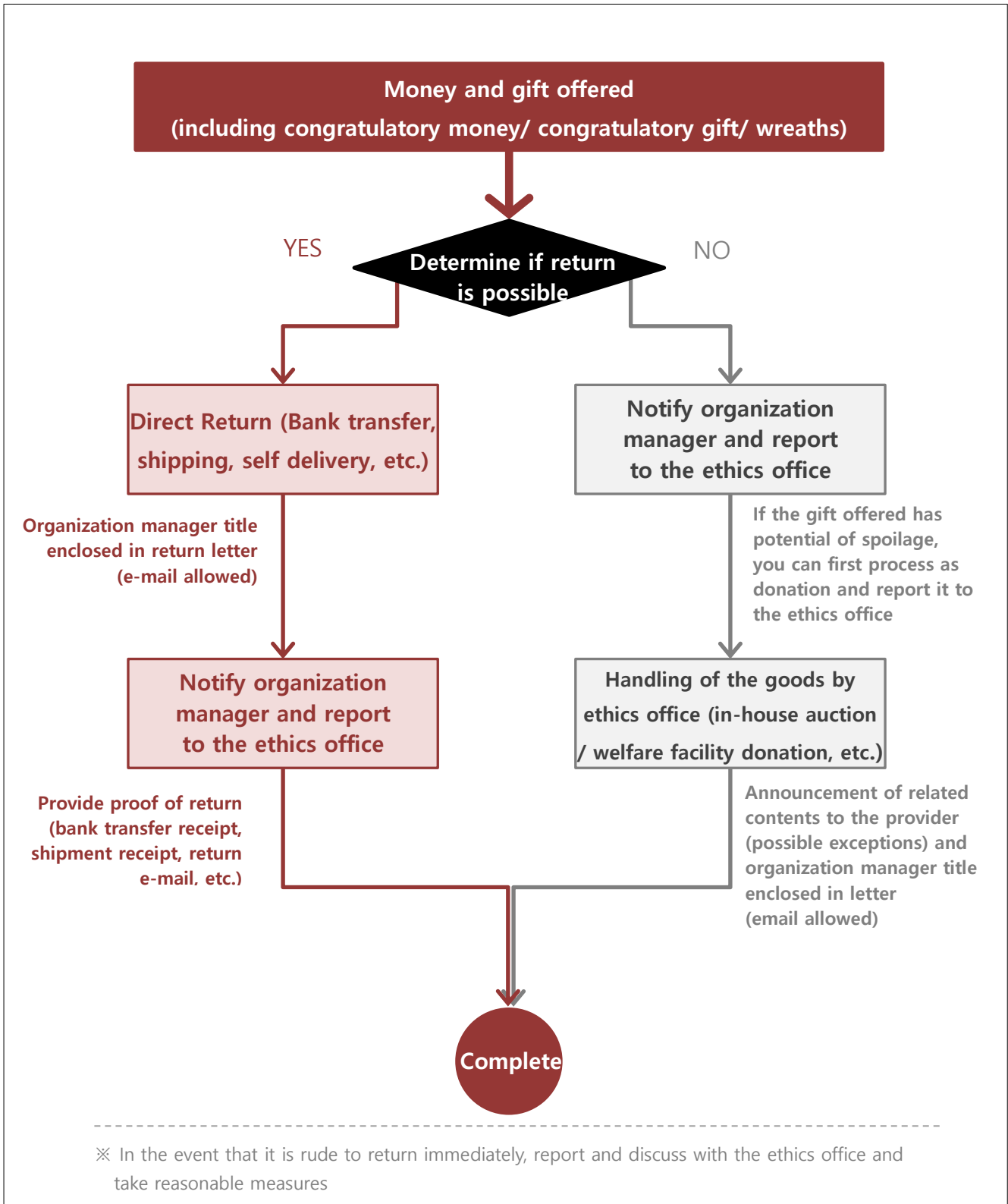
1. I will follow the company's policy on anti-corruption in domestic and international commerce activities.
2. I will learn the domestic and foreign anti-corruption laws and the company's practice guidelines for the prevention of corruption, and will not make unlawful requests to domestic and foreign officials, or promise, give or receive bribery money or other prohibited items.
3. In relation to the anti-corruption laws and regulations of the company and its practice guidelines, I will fulfil the duty of supervision in preventing illegal solicitation or bribing by third parties, such as domestic and foreign suppliers and agents.
4. I will recognize the potential damage the company can take on by acts violating the anti-corruption law and the company's practice guidelines and I understand that the company may take disciplinary measures in case of my violation of the laws and regulations.

Date :

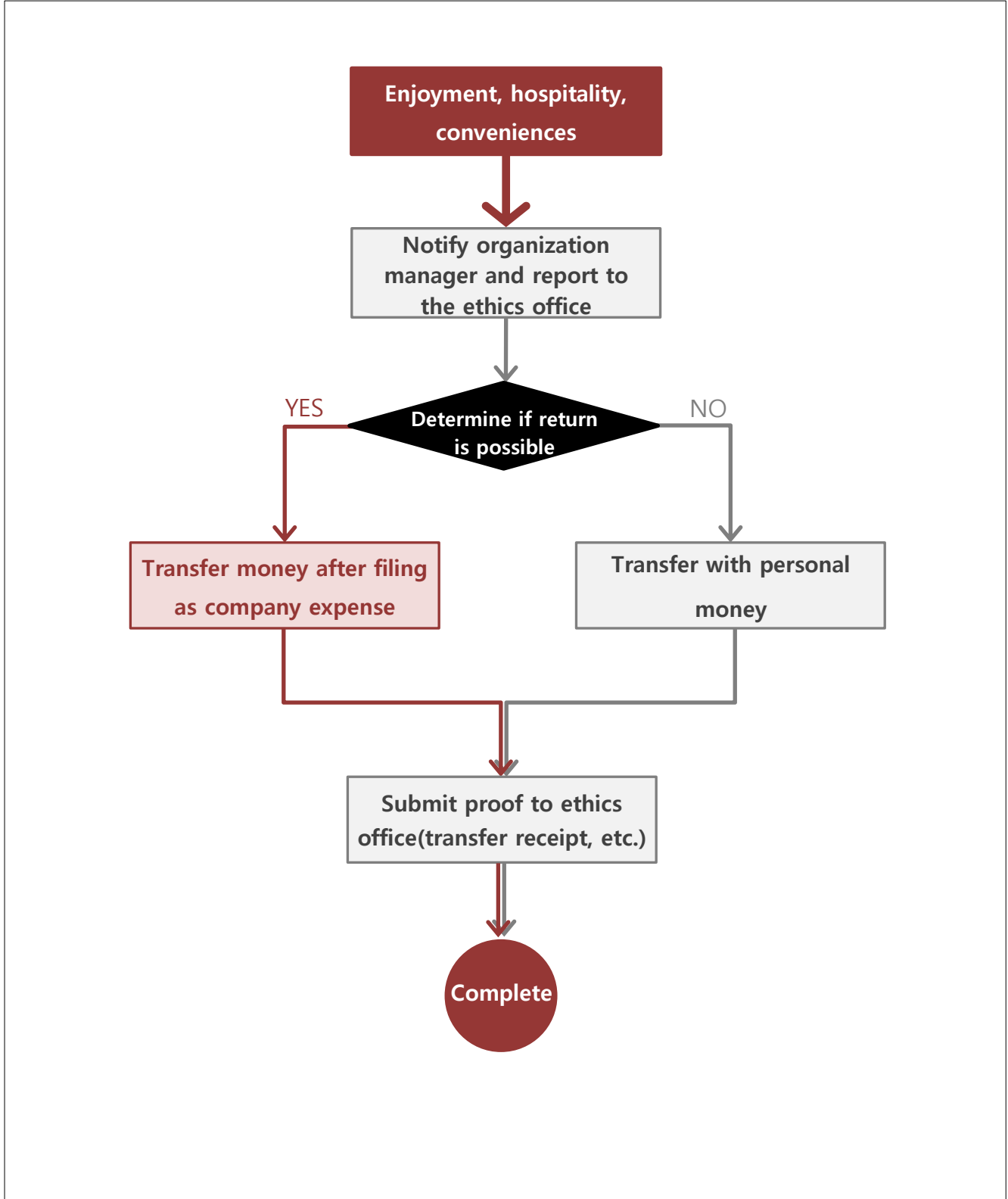
Team :

Name : (Signature)

## Money and gift reporting procedure



## Enjoyment, hospitality and convenience reporting procedure



## Business Partner shareholding reporting procedure

