

**SK Telecom's
31st Annual General Meeting
of Shareholders**

**Presentation to
Institutional Shareholder Services**

25 Feb 2015



Agenda

- Date : Friday, March 20, 2015 10:00 AM
- Venue : SK Telecom Boramae Building, 1, Boramae-ro 5-gil, Gwanak-gu, Seoul, Korea

Agenda 1. Approval of Financial Statements for the 31st Fiscal Year (2014)

Agenda 2. Approval of Amendments to the Articles of Incorporation

**Agenda 3. Approval of the Election of an Inside Director
(Candidate: Jang, Dong-Hyun)**

**Agenda 4. Approval of the Election of a Member of
the Audit Committee
(Candidate: Lee, Jae-Hoon)**

Agenda 5. Approval of the Remuneration Ceiling for Directors

Agenda 1

Approval of
Financial
Statements for
the 31st Fiscal
Year

Approval of Financial Statements for the 31st Fiscal Year

Pursuant to Article 449 of the Commercial Act (Approval and Public Notice of Financial Statements), shareholders' approval of financial statements for the 31st fiscal year is required

< Financial Results >

(K-IFRS, KRW billion)

Fiscal Year	Consolidated			Non-Consolidated		
	2014	2013	YoY(%)	2014	2013	YoY(%)
Total Assets	27,941	26,577	5.1	22,713	22,827	△0.5
Liabilities	12,693	12,410	2.3	9,170	9,512	△3.6
Equity	15,248	14,167	7.6	13,542	13,315	1.7
Revenues	17,164	16,602	3.4	13,013	12,860	1.2
Net Income	1,799	1,610	11.8	1,029	910	13

■ Revenues

Annual consolidated revenues for 2014 rose 3.4% YoY to KRW 17.2 trillion as a result of growth of LTE service and new businesses, acquisition of SK Networks' retail business(PS&Marketing), and earnings growth of subsidiary companies.

■ Net Income

Annual consolidated net income for 2014 rose 11.8% YoY to KRW 1.8trillion due to increase in SK Hynix earnings(equity accounting , KRW 916.4 billion in 2014).

Agenda 1

Approval of
Financial
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the 31st Fiscal
Year

Approval of Financial Statements for the 31st Fiscal Year

< Shareholder Return >

(K-IFRS, Non-Consolidated, KRW billion)

Fiscal Year	2014	2013	2012	2011	2010 ¹⁾
Dividend Per Share (KRW)	9,400	9,400	9,400	9,400	9,400
Payout Ratio	65%	72%	53%	39%	34%
Total Amount of Dividends	667	656	655	657	670
Share Buybacks	-	-	-	208	210
Net Income	1,029	910	1,243	1,694	1,947
Total Shareholder Return Ratio ²⁾	65%	72%	53%	51%	45%

1) Transition to IFRS in 2010 increased Net Income, resulting in a decrease in the payout ratio

2) Total Shareholder Return Ratio: (Total Amount of Dividends + Share Buybacks) / Net Income X 100

■ Shareholder Return

- Payout Ratio was over 65% for the past two years, highest level among Korean companies.
- Annual Cash Dividend for 2014 of KRW 9,400/share will be paid out. (including the already paid-out Interim Dividend of KRW 1,000/share).
- In 2015, SK Telecom will be reviewing shareholder return policy including share buybacks and interim dividend increase in a positive manner to maximize shareholder value. SK Telecom will also consider investment for growth which in turn will further enhance shareholder value.

Agenda 2

Approval of Amendments to the Articles of Incorporation

Approval of Amendments to the Articles of Incorporation

Pursuant to Article 433 of the Commercial Act (Method of Amendment to the Articles of Incorporation), shareholders' approval of the following amendments to the Articles of Incorporation is required.

- **As SK Telecom plans to carry out global B2B platform business which enables intercontinental deals to be made with safety and ease, it is necessary that SK Telecom should amend its Articles of Incorporation in preparation for the business.**
 - Extending business boundaries to global B2B platform business, SK Telecom expects to secure overseas distribution channels and qualified business partners at an early stage, and procure new business opportunities as well as create profits in the related market.

- **Article 2. Objectives : “Import/export business, import/export brokerage and/or agency business and any other incidental businesses relating to the foregoing activities” to be added**
 - Current Articles of Incorporation do not cover the specific items that SK Telecom is expected to engage in global B2B platform business; IT Devices, laptop computers, PCs, TVs, Beauty, and Clothing, etc. Thus, SK Telecom will stipulate the related business scope in the objectives of Articles of Incorporation under Articles 2-19 and 2-20 in order to conduct business in the aforementioned categories.
 - These Articles of Incorporation shall take effect as of March 20th, 2015, followed by the amendment of the Articles of Incorporation.

Attachment : Comparison Table of New and Old Provisions of the Articles of Incorporation

Current	Proposed Amendment	Remarks
<p>Article 2. Objectives ① (Text omitted) ② In order to achieve the above objectives, the Company carries on the following businesses: 1.~18. (Text omitted) 19. Any other incidental businesses relating to the foregoing activities (amended on March 22, 2013). ③ (Text omitted)</p>	<p>Article 2. Objectives ① (Same as the present text) ② (Same as the present text) 1.~18. (Same as the present text) <u>19. Import/export business, import/export brokerage and/or agency business (newly established on March 20, 2015); and</u> <u>20. Any other incidental businesses relating to the foregoing activities (amended on March 20, 2015).</u> ③ (Same as the present text)</p>	<p>Addition of related businesses due to the promotion of new business opportunities</p>
	<p><u>Addendum No. 24 (as of March 20, 2015)</u> <u>Article 1. Date of Effectiveness</u> <u>These Articles of Incorporation shall take effect as of March 20, 2015.</u></p>	

Agenda 3

Approval of the Election of Directors

Approval of the Election of an Inside Director

Pursuant to Article 382 of the Commercial Act (Election of Directors, Relationship with Company and Independent Outside Directors) and Article 32(Election of Directors) of the Articles of Incorporation of SK Telecom, shareholders' approval of the election of directors is required.



Jang, Dong-Hyun

■ **Date of Birth** : Aug. 20, 1963

■ **Education**

- Master in Industrial Engineering, Seoul National Univ.('89)
- Bachelor in Industrial Engineering, Seoul National Univ.('87)

■ **Career**

- CEO of SK Telecom('14. 12~Current)
- COO(Chief Operating Officer) of SK Planet('13~'14)
- CMO(Chief Marketing Officer) of SK Telecom('11~'13)
- CFO and Executive Vice President of Strategy and Planning Division of SK Telecom('10~'11)

■ **Reasons for Recommendation**

- The candidate played a major role in performance of SK Telecom and SK Planet as CFO, CMO and COO. In particular, the candidate took the lead in focusing SK Planet's mid-to-long term strategy on "Next Commerce" to further enhance the enterprise value.
- Leveraging his expertise and outstanding leadership in the ICT industry, the candidate is expected to be a leader who can guide the company to future growth and innovation of enterprise value. The candidate will also focus on strengthening the competitiveness of core telecom business as well as generate growth in new businesses.
- SK Telecom Board believes that the appointment of the candidate as an Inside Director will contribute to maximizing shareholder value, securing stable profits and realizing continued growth of the Company.

Agenda 4

Approval of the Election of a Member of the Audit Committee

Approval of the Election of a Member of the Audit Committee

Pursuant to Article 382 of the Commercial Act (Election and Relationship with Company) , Articles 47-3(the Audit Committee) of the Articles of Incorporation of SK Telecom and Article 3 (constitution and member Appointment)of the Audit Committee by laws, shareholders' approval of election of members of the Audit Committee is required.



Lee, Jae-Hoon

■ **Date of Birth** : Sep. 26, 1955

■ **Education**

- Ph.D. in Public Administration, Sung Kyun Kwan Univ.('02)
- Master in Applied Economics, Univ. of Michigan at Ann Arbor ('87)
- Bachelor in Economics, Seoul National Univ.('78)

■ **Career**

- President, Korea Polytechnic Univ.(Current)
- Vice Minister, Ministry of Knowledge Economy('08~'09)
- Vice Minister, Ministry of Commerce, Industry and Energy('07~'08)
- Assistant Minister, Ministry of Commerce, Industry and Energy('06~'07)
- Head of Trade-Investment, Ministry of Commerce, Industry and Energy('05 ~ '06)

■ **Reasons for Recommendation**

- During the candidate's 30 years of public service as an economic specialist, he has held important posts in the areas of commerce, industry and energy. In addition to his expertise and knowledge in economy, the candidate is well-reputed for being fair in practice.
- As the president of Korea Polytechnic Univ., the candidate is committed to fostering future leaders of the Country.
- SK Telecom Board believes that the appointment of the candidate as a member of the Audit Committee will contribute to enhancing independence and expertise of the Audit Committee.

Agenda 5

Approval of the Remuneration Ceiling for Directors

Approval of the Remuneration Ceiling for Directors

Pursuant to Article 388(Remuneration of Directors) of the Commercial Act and Article 49(Compensation and Severance Pay of Directors) of Articles of Incorporation of SK Telecom, shareholders' approval of the remuneration ceiling of directors for 2015 is required.

■ Remuneration Ceiling Amount

(KRW million)

Fiscal Year	2015	2014	2013	2012
Ceiling Amount	12,000	12,000	12,000	12,000
# of Directors	6	8	8	8

■ 2014 Actual Remuneration Payments

(KRW million)

	Inside Directors	Outside Directors	Total
Compensation	3,102	400	3,502
Per Person	1,034	80	-

■ Remuneration ceiling to be maintained at the previous year's level

- The remuneration ceiling has not been changed since 2004.

■ Fair and transparent decision by the Compensation Committee

- The Compensation Committee was established in October 2003 to make fair and transparent decisions on directors' compensation.
- The Compensation Committee is comprised of outside directors only.



Agenda 5

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■ Transparent Disclosure on Directors' Remuneration

- The ceiling amount and actual remuneration paid to directors are disclosed in SK Telecom's Business Report.
- Since 2014, SK Telecom has been disclosing the remuneration of individual directors and auditors in detail for amounts exceeding KRW 500 million in its Quarterly Report and Business Report.

■ Remuneration Ceiling Amount per Director(FY2014)

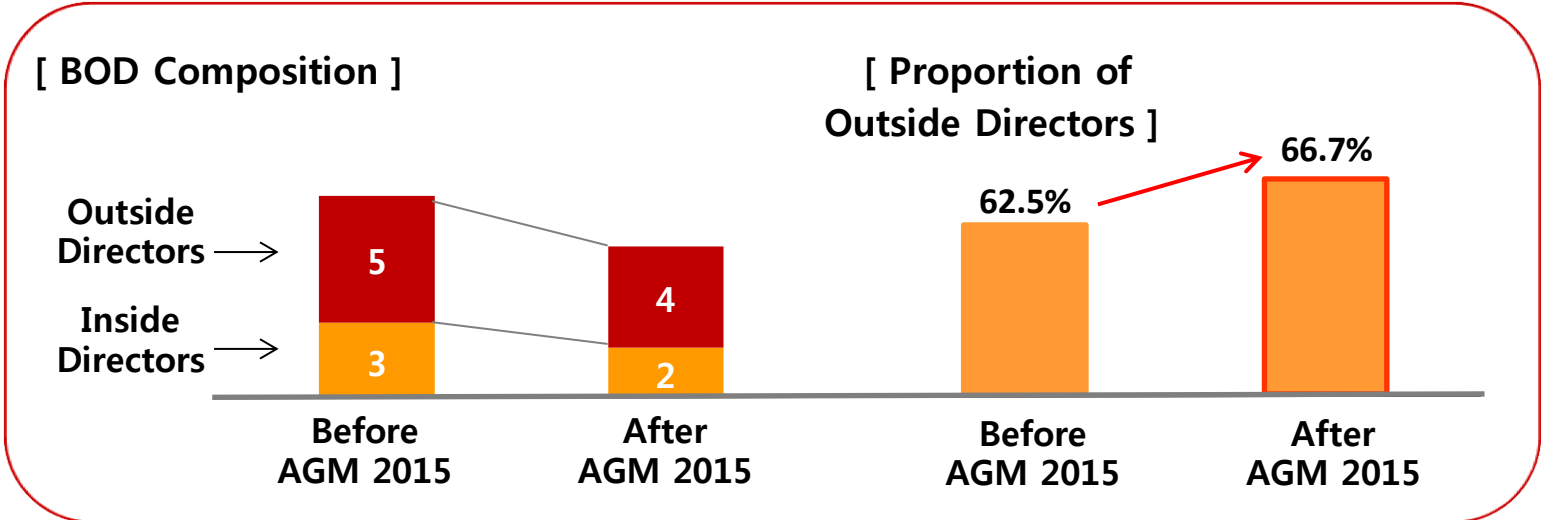
(KRW million)

	Remuneration Ceiling Amount	# of Directors		Remuneration Ceiling Amount per director
		Inside Director	Outside Director	
SK Telecom	12,000	3	5	1,500
Samsung Electronics	48,000	4	5	5,333
Hyundai Motors	15,000	4	5	1,667
NAVER	15,000	3	4	2,143

- In 2014, SK Telecom's approved remuneration ceiling per director was low compared to other large market capitalization companies in Korea.
- After the upcoming AGM, the remuneration ceiling per director will be increased to KRW 2 billion followed by the change of board composition. However, remuneration ceiling amount is still considered low in comparison with other large market capitalization companies in Korea.



Change in BOD Composition



- The Articles of Incorporation of SK Telecom states that the Board should be made up of at least three but no more than twelve members, and as of the end of 2014 the Board had eight members.
- After the upcoming AGM, the BOD is expected to change its member structure, composed of two inside directors and four outside directors. The change will allow board of directors to further enhance efficiency and effectiveness.
- The proportion of outside directors is expected to increase to 66.7% from 62.5%, a rate far higher than the average ratio of 49.6% for all the 238 listed Korean conglomerate companies. (Source: Fair Trade Commission, Nov. 2014)
- SK Telecom will continue to enhance its BOD efficiency and independence, strengthening its BOD-oriented management system.



■ Possession of Shares by Directors / Transaction with the Company / Relation to Largest Shareholder

(After 2015 AGM)

Category		No. of Shares	Transaction with the Company in the Last 3 Years	Relation to Largest Shareholder
Inside Directors	Jang, Dong-Hyun	251	-	Director of Affiliated Company
	Cho, Dae-Sik	-	-	Director
Outside Directors	Chung, Jay-Young	-	-	
	Oh, Dae-Shick	-	-	
	Lee, Jae-Hoon	-	-	
	Ahn, Jae-Hyeon	-	-	

■ Stock Option Granted : Not Applicable

Director Tenure Status

(After 2015 AGM)

Category	Name	Audit Comm.	First Elected	Number of Terms	Recent Elected	Term Ends
Inside Directors	Jang, Dong-Hyun		2015.3.20	New	2015.3.20	2018 AGM
	Cho, Dae-Sik		2013.3.22	1	2013.3.22	2016 AGM
Outside Directors	Chung, Jay-Young		2008.3.14	3	2014.3.21	2017 AGM
	Oh, Dae-Shick	Y	2013.3.22	1	2013.3.22	2016 AGM
	Lee, Jae-Hoon	Y	2014.3.21	1	2014.3.21	2017 AGM
	Ahn, Jae-Hyeon	Y	2014.3.21	1	2014.3.21	2017 AGM

- Outside director who serves in other listed Korean companies as an outside director, non-standing director or non-standing auditor :
 - Oh, Dae-Shick: Outside Director at Meritz Financial Group (Mar. 2014~ Current)
 - Lee, Jae-Hoon : Outside Director at Doosan Infracore (Mar. 2012 ~ Current)

■ Sub-Committees of the Board

(as of Dec 31, 2014)

Committee	No. of Members	Chairperson	Members		Outside Director Ratio
			Inside Director	Outside Director	
Audit Committee	3	Oh, Dae-Shick		Ahn, Jae-Hyeon Lim, Hyun-Chin	100%
Outside Director Recommendation Committee	3	Ha, Sung-Min		Oh, Dae-Shick Lee, Jae-Hoon	66.7%
CapEx Review Committee	5	Lee, Jae-Hoon	Jee, Dong-Seob	Ahn, Jae-Hyeon Oh, Dae-Shick Chung, Jay-Young	80%
Compensation Committee	3	Lim, Hyun-Chin		Lee, Jae-Hoon Chung, Jay-Young	100%
Corporate Citizenship Committee	5	Chung, Jay-Young	Jee, Dong-Seob	Ahn, Jae-Hyeon Lim, Hyun-Chin	75%

- SK Telecom operates five sub-committees under its BOD, which are Audit Committee, Outside Director Recommendation Committee, CapEx Review Committee, Compensation Committee, and Corporate Citizenship Committee.
 - Audit Committee and Compensation Committee are composed entirely of outside directors to ensure the fairness and transparency of the Board’s activities.
- To ensure the independence of each committee, SK Telecom has specified the ratio of Independent Directors and guarantees the transparent operation of each committee in accordance with the committee operation guidelines.



■ Activities of Outside Directors

■ Board of Directors' Meetings

Meeting	Date	Agenda	R.Y. Uhm ¹⁾	J.H. Cho ¹⁾	H.C. Lim	J.Y. Chung	D.S. Oh	J.H. Ahn ²⁾	J.H. Lee ²⁾
361st	2014.2.6	Financial statements as of and for the year ended December 31, 2013	for	for	for	for	for		
		Annual Business Report as of and for the year ended December 31, 2013	for	for	for	for	for		
362nd	2014.2.20	Product/service/asset transaction with affiliated company (SK Planet) for 2014	for	for	for	for	for		
		Participation in Capital Increase of PS&Marketing	for	for	for	for	for		
		Convocation of the 30th annual general meeting of shareholders	for	for	for	for	for		
363rd	2014.3.21	Appointment of CEO			for	for	for	for	for
		Appointment of representative director			for	for	for	for	for
		Appointment of committee members			for	for	for	for	for
		Fund management transaction with affiliated financial company (SK Securities)			for	for	for	for	for
		SUPEX conference operating budget plan for 2014			for	for	for	for	for
364th	2014.4.24	Asset transaction related to B-box with affiliated company (SK Broadband)			for	for	for	for	for
		Corporate bond issuance			for	for	for	for	for
		Fund management transaction with affiliated financial company (SK Securities)			for	for	for	for	for
365th	2014.6.26	Fund management transaction with affiliated financial company (SK Securities)			for	for	for	for	for
366th	2014.7.24	Proposal for Interim Dividend			for	for	for	for	for
367th	2014.9.24	Service Contract with SK Telecom (China) Holding Co., Ltd			for	for	for	for	for
		Corporate bond issuance			for	for	for	for	for
		Corporate bond transaction with affiliated financial company (SK Securities)			for	for	for	for	for
		Fund management transaction with affiliated financial company (SK Securities)			for	for	for	for	for
368th	2014.10.23	Investment in affiliated company in HK for the growth fund of Tianlong			for	for	for	for	for
369th	2014.11.27	Transaction with affiliated company (SK Forestry)			for	for	for	for	for
		Rental contract for Mt. Indueng SUPEX center			for	for	for	for	for
		Contract for customer care center service for 2015			for	for	for	for	for
		Contract for co-management of business aircraft			for	for	for	for	for
370th	2014.12.19	Management Plan for 2015			for	for	for	for	for
		Investment in I-river			for	for	for	for	for
		Product/service/asset transaction with affiliated company (SK Planet) for 2015			for	for	for	for	for
		Resale of fixed-line service of SK Broadband for 2015			for	for	for	for	for
		Contract for base station maintenance service for 2015			for	for	for	for	for
		Extension of the SK Brand Contract			for	for	for	for	for
		Fund management transaction with affiliated financial company (SK Securities)			for	for	for	for	for
Corporate bond transaction with affiliated financial company (SK Securities)			for	for	for	for	for		
Attendance Rate			100%	100%	100%	100%	100%	100%	100%

1) 2014.3.21 retired

2) 2014.3.21 elected

■ Details on Sub-Committee Activities (1)

■ Audit Committee

Date	Agenda	Approval*
2014.2.5	Audit report on internal monitoring system	Approved
	Management audit result for the 2nd half 2013 as well as 2014 plan	-
	Internal accounting management system operation status	-
2014.2.19	Report on IFRS audit for 2013	-
	Result on internal accounting management system examination for 2013	-
	Evaluation of internal accounting management system operation	Approved
	Agenda for the 30th AGM	Approved
	Audit report for the 30th	Approved
	Contract for IT SM service for 2014	Approved
	Service Transaction with SK Wyverns for 2014	Approved
	Service contract with SK Telecom China Holding Co., Ltd.	Approved
Construction of wired/wireless network for 2014	Approved	
2014.3.20	Transaction with SK C&C for 14.2Q	Approved
2014.4.23	Appointment of the Committee Chairman - Oh, D.S.	Approved
	Purchase of MRO for Happynarae Co., Ltd.	Approved
	Construction of wired/wireless network for 2014	Approved
	External auditor fees for 2014	Approved
	Approval of auditor services for 2014	Approved
2014.6.25	Audit plan for 2014	Approved
	Transaction with SK C&C for 14.3Q	Approved
2014.7.23	Contract for Energy Reduction Business with SK Broadband	Approved
	Construction of wired/wireless network for 2014	Approved
	Management audit result for the 1st half & audit plan for the 2nd half 2014	-
2014.9.23	Review on IFRS report for the 1st half 2014	-
	Transaction with SK C&C for 14.4Q	Approved
2014.11.26	Construction of wired/wireless network for 2014	Approved
	Service contract for fiber cable maintenance for 2015	Approved
	Lease contract for electric communication facilities for 2015	Approved
	Outsourcing contract for fixed-line network service for 2015	Approved
2014.12.18	Transaction with SK C&C for 15.1Q	Approved
	Service Transaction with SK Wyverns for 2015	Approved
	Outsourcing contract for collection of accounts receivable for 2015	Approved

* In case of blank, the agenda item is a report to the committee, which is not a voting agenda

■ Details on Sub-Committee Activities (2)

■ Outside Director Recommendation Committee

Date	Agenda	Approval*
2014.2.20	Recommendation of outside directors in the 30th AGM -Chung, J.Y., Ahn, J.H., Lee, J.H.	Approved
2014.4.24	Appointment of the Committee Chairman - Ha, S.M.	Approved

■ CapEx Review Committee

Date	Agenda	Approval*
2014.4.23	Appointment of the Committee Chairman - Lee, J.H.	Approved
2014.10.22	Report on management status of major subsidiaries (SK Telink)	-
2014.11.26	Report on management status of major subsidiaries (SK Broadband)	-
2014.12.18	CapEx Plan for 2015	-

* In case of blank, the agenda item is a report to the committee, which is not a voting agenda

■ Details on Sub-Committee Activities (3)

■ Compensation Committee

Date	Agenda	Approval*
2014.4.23	Appointment of the Committee Chairman - Lim, H.C.	Approved
2014.12.18	Report on executives' remuneration structure	-

■ Corporate Citizenship Committee

Date	Agenda	Approval*
2014.4.23	Appointment of the Committee Chairman - Chung, J.Y.	Approved
	Creating Shared Value plan for 2014	-
2014.6.25	Materiality Analysis on Integrated Report	-
	Win-Win Strategy & Mutual Growth Plan for 2014	-
	Privacy Protection Plan for 2014	-
2014.10.22	Environmental Management for 2014	-
	Ethical Management for 2014	-
2014.11.26	UNGC LEAD CSR education	-

* In case of blank, the agenda item is a report to the committee, which is not a voting agenda

■ UN Global Compact (UNGC) / Dow Jones Sustainability Index (DJSI)

SKT was the first company among the four largest conglomerates in Korea to join the UNGC and was the only company listed as a member of UNGC LEAD in Korea

- In 2007, with the support and approval of the Board of Directors, SK Telecom became the first company among the four largest conglomerates in Korea to join the UN Global Compact (UNGC), an international initiative on corporate social responsibility.
- As a member of the UNGC, SK Telecom committed to proactively pursue a set of 10 principles of the UNGC, including, human rights protection, adherence to labor guidelines, environmental protection and anti-corruption.
- Currently, SK Telecom is the first Korean member to the UNGC LEAD, and conducts UNGC LEAD programs such as CSR education for the Board of Directors.

The first Asian telecommunication company to be listed in the DJSI World for seven consecutive years

- SK Telecom became the first Asian telecommunication company to be listed in the Dow Jones Sustainability Index (DJSI) World for seven consecutive years since 2008.
 - SK Telecom was named the DJSI's Mobile Communications Sector Leader for three consecutive years from 2010 to 2012.
- In addition, SK Telecom has been participating in global initiatives such as Carbon Disclosure Project and International Integrated Reporting Pilot Program in the perspective of Responsible Investment and Sustainability.



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