SK Telecom 40th AGM Agendas

2024-02-22

Date/Time and Place

- March 26, 2024 (Tuesday) 10:00 AM (Seoul time)
- SUPEX Hall, 4th Floor, SK T-Tower, 65, Eulji-ro, Jung-gu, Seoul, Korea

Agendas for Approval

1. Approval of Financial Statements for the 40th Fiscal Year (2023)

- **Consolidated Revenue KRW 17.61 trillion** (YoY +1.8%)
  Consolidated Operating Profit KRW 1.75 trillion (YoY +8.8%)
  DPS of KRW 3,540 (includes quarterly dividends)

2. Amendments to the Articles of Incorporation

- To change the requisite period for convening a Board in order to strengthen the Board's deliberation process
- To establish the basis for setting the record date for the distribution of annual dividends to fall on a date following the date of resolution by the Board to distribute dividends

3. Appointment of Directors

- Executive Director Candidate (Ryu, Young Sang)
- Executive Director Candidate (Kim, Yang Seob)
- Non-executive Director Candidate (Lee, Sung Hyung)
- Independent Non-executive Director Candidate (Noh, Mi Kyung)

4. Appointment of a Members of the Audit Committee

- Member of the Audit Committee Candidate (Noh, Mi Kyung)

5. Approval of the Ceiling Amount of Remuneration for Directors

- KRW 10 billion (Number of Directors : 9)

6. Amendments to the Remuneration Policy for Executive Officers

- To change the criteria for calculating, and provide reasons for, the amount of severance payment of an executive officer whose position changed from executive vice president to president

Agenda 1. Approval of Financial Statements for the 40th (FY 2023)

■ Consolidated Financial Statements (Summary)

(Unit: KRW in million)

	2023	2022	2021
Operating revenue	17,608,511	17,304,973	16,748,585
Operating expenses	15,855,307	15,692,903	15,361,423
Operating income	1,753,204	1,612,070	1,387,162
Net income	1,145,937	947,831	2,418,989
Total asset	30,119,227	31,308,262	30,911,277
Total liabilities	17,890,828	19,153,066	18,576,139
Total shareholder's equity	12,228,399	12,155,196	12,335,138

[Note] Shareholder Return

(Unit: KRW in billion)

	2023	2022	2021
Cash dividends	765.6 (DPS KRW 3,540)	723.8 (DPS KRW 3,320)	717.0 (DPS KRW 3,295)
Share buyback	300 (2.8% of the total outstanding stock)	-	-
Cancellation	200 (1.8% of the total outstanding stock)	-	2,000 (10.8% of the total outstanding stock))

[Note] Company's past three years audit opinion

Fiscal Year	Audit Opinion
2022	Unqualified
2021	Unqualified
2020	Unqualified

※ The audit report from the independent auditors on the financial statements for the 40th fiscal year prepared in accordance with Korean International Financial Reporting Standards as adopted by the Korean Accounting Standards Board will be uploaded to SK Telecom's website (http://www.sktelecom.com/en/ → Investor Relations → IR Library → Audit Report) and will be made available on the U.S. Securities and Exchange Commission's website (https://www.sec.gov) in early March of 2024.

Agenda 2. Amendments to the Articles of Incorporation

- **To change the requisite period for convening a Board in order to strengthen the Board's deliberation process by providing it with sufficient time for advance review (Article 44)**
- **To establish the basis for setting the record date for the distribution of annual dividends to fall on a date following the date of resolution by the Board to distribute such dividends in order to enhance the level of dividend predictability for Shareholders (Article 10-2, 15, 16, 54)**

Current	Proposed Amendment	Remarks
Article 10-2. Base Date for Calculation of Dividends for New Shares When the Company issues new shares by paid-in capital increase, non-paid-in capital increase or stock dividend, with respect to the distribution of dividends on the new shares, the new shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year in which the new shares are issued (established on March 15, 1996).	**Article 10-2. <u>Equal Dividend</u>** <u>The Company shall distribute dividends equally with respect to all shares of the same class that have been issued (including those converted into such shares) as of the record date, regardless of their issuance dates (amended on March 26, 2024).</u>	To delete the provision which deems the end of the fiscal year as the record date for the distribution of dividends and to align this Article with the model articles of incorporation published by the Korea Listed Companies Association.
Article 15. Issuance of Convertible Bonds (Text omitted) (5) With respect to the distribution of dividends or interest on the shares issued upon conversion of the convertible bonds described in Paragraph (1), the convertible bonds shall be deemed to have been converted into shares at the end of the fiscal year immediately preceding the fiscal year in which the relevant conversion rights are exercised (amended on March 15, 1996).	**Article 15. Issuance of Convertible Bonds** (Text omitted) (5) <u>With respect to the shares issued upon conversion of the convertible bonds described in Paragraph (1), the Company shall pay interest only on the amount that has become due and payable before the conversion (amended on March 26, 2024).</u>	To revise this Article in accordance with the amendment to Article 10-2 and to align this Article with the model articles of incorporation published by the Korea Listed Companies Association relating to the distribution of interest on shares issued upon conversion of convertible bonds.

Agenda 2. Amendments to the Articles of Incorporation (continued)

Current	Proposed Amendment	Remarks
Article 16. Issuance of Bonds with Warrants (Text omitted) (5) With respect to the distribution of dividends or interest of Shareholders who exercise the preemptive rights described in Paragraph (1), shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year in which the subscription price therefor are fully paid (amended on March 15, 1996).	**Article 16. Issuance of Bonds with Warrants** (Text omitted) <u>(5) (deleted on March 26, 2024)</u>	To revise this Article in accordance with the amendments to Article 10-2.
Article 44. Convening of the Board of Directors' Meeting (Text omitted) (3) In convening a Meeting of the Board of Directors, a notice thereof setting forth agenda of the Meeting shall be given to each Director two (2) days prior to the date of the Meeting (amended on March 8, 2002).	**Article 44. Convening of the Board of Directors' Meeting** (Text omitted) (3) In convening a Meeting of the Board of Directors, a notice thereof setting forth agenda of the Meeting shall be given to each Director <u>at least seven (7) days prior to the date of the Meeting; provided that in the cases of urgent matters, notice can be given until the day prior to the date of the Meeting (amended on March 26, 2024).</u>	To change the requisite period for convening a Board meeting from two to seven days (one day in the cases of urgent matters).

Agenda 2. Amendments to the Articles of Incorporation (continued)

Current	Proposed Amendment	Remarks
Article 54. Dividends (Text omitted) (3) Dividends under Paragraph (1) shall be paid to the Shareholders or pledgees who are registered in the Register of Shareholders as of the end of each fiscal year (established on August 14, 1989). (Text omitted)	**Article 54. Dividends** (Text omitted) (3) The Company may set the record date for the Shareholders or pledgees who are entitled to dividends under Paragraph (1) by a resolution of the Board of Directors, and once a record date has been set, it must be announced two (2) weeks prior to the record date (amended on March 26, 2024). (Text omitted)	To establish the basis for setting the record date for the distribution of dividends to fall on a date following the date of resolution by the Board to distribute dividends in order to enhance the level of dividend predictability for Shareholders and to align this Article with the model articles of incorporation published by the Korea Listed Companies Association relating to the distribution of dividends.
<Newly established>	**Addendum No. 33 (as of March 26, 2024)** **Article 1. Date of Effectiveness** These Articles of Incorporation shall take effect as of March 26, 2024. However, the amended provisions of Article 54 shall take effect from the dividend distribution for the fiscal year ending in 2024 (41st fiscal period).	To set forth the date of effectiveness.

Agenda 3-1. Appointment of an Executive Director

Ryu, Young-Sang

- **Date of Birth: May 15, 1970**
- **Main Profession**
  - Representative Director, CEO, SK Telecom

Business Experience

- Representative Director, SK Telecom (2021~Present)
- President of Mobile Network Operations Division, SK Telecom (2019~2021)
- Head of Corporate Center, SK Telecom (2017~2018)
- Executive Vice President of Business Development Group, SK Inc. C&C (2015~2016)
- Head of Business Development Office, SK Telecom (2014)

Recommended by Board of Directors

Reasons for Recommendation

- As the current representative director and Chief Executive Officer of the Company, Mr. Ryu has played a leading role in improving the Company's financial performance by achieving solid revenue and operating profit and laying the foundation for the Company's financial story by establishing the AI Pyramid strategy.
- Based on Mr. Ryu's experience and achievements, the Board believes Mr. Ryu to be essential for the growth of the Company's core businesses and successful transformation into an AI Company, and it recommends him as a candidate for reappointment as an executive director.

Agenda 3-1. Appointment of Executive Director (continued)

- **Relationship with largest shareholder:** Registered director of affiliate (SK Telecom)

- **Transactions with the Company in the Past Three Years:** None

- **Taxes in Arrears:** None

  Management of Insolvent Companies: None

  Statutory Reasons for Disqualification: None

Agenda 3-2. Appointment of an Executive Director

Kim, Yang Seob

- **Date of Birth: February 27, 1966**
- **Main Profession**
  - Head of Corporate Planning and CFO, SK Telecom

Business Experience

- Head of Corporate Planning and Chief Financial Officer, SK Telecom (2024~Present)
- Head of Finance Division and Chief Financial Officer, SK Innovation (2022~2023)
- Head of Finance Division and Chief Financial Officer, SK Innovation (2021)
- Head of Finance Department 2, SK Innovation (2018~2020)
- Head of Purchasing Department, SK Innovation (2016~2017)

Recommended by Board of Directors

Reasons for Recommendation

- Mr. Kim is an expert with extensive experience in all areas of finance, including improving liquidity and financial management system of a company, initial public offerings and capital raisings.
- In light of recent downturns in the global economy and political uncertainty, the Board believes that Mr. Kim's experience and capabilities will be essential for the Company to maintain its financial stability and expand its global businesses into AI-related areas, and the Board recommends him as a candidate for appointment as an executive director.

Agenda 3-2. Appointment of Executive Director (continued)

- **Relationship with largest shareholder:** Unregistered director of affiliate (SK Telecom)
- **Transactions with the Company in the Past Three Years:** None
- **Taxes in Arrears:** None
  Management of Insolvent Companies: None
  Statutory Reasons for Disqualification: None

Agenda 3-3. Appointment of Non-Executive Director

Lee, Sung Hyung

- **Date of Birth: December 25, 1965**
- **Main Profession**
  - Executive Director, CFO/ Head of Finance Division, SK Inc.

Business Experience

- President, Chief Financial Officer and Head of Finance Division, SK Inc. (2024~Present)
- President, Chief Financial Officer and Head of PM Division, SK Inc. (2023)
- Head of Finance Division, SK Inc. (2018~2022)
- Head of Financial Management, SK Telecom (2016~2017)
- Head of Finance Department 1, SK Inc (2014~2015)

Recommended by Board of Directors

Reasons for Recommendation

- Mr. Lee is a financial expert with global investment and portfolio management capabilities.
- Mr. Lee previously served as Head of the Company's Financial Management Office and possesses in-depth knowledge of the Company's core wireless and fixed-line telecommunications and enterprise businesses.
- The Board recommends Mr. Lee as a candidate for appointment as a non-executive director as it believes that Mr. Lee will be able to preemptively identify the Company's risks and contribute to the establishment of the foundation for continual growth in light of the uncertainty in global and domestic financial markets.

Agenda 3-3. Appointment of Non-Executive Director (continued)

- **Relationship with largest shareholder:** Registered director of affiliate (SK Inc.)

- **Transactions with the Company in the Past Three Years:** None

- **Taxes in Arrears:** None
  Management of Insolvent Companies: None
  Statutory Reasons for Disqualification: None

Agenda 3-4. Appointment of an Independent Non-Executive Director

Noh, Mi Kyung

- **Date of Birth: August 22, 1965**
- **Main Profession**
  - Regional Head of Credit Risk Review, Asia Pacific Risk, HSBC Hong Kong

Business Experience

- Regional Head of Credit Risk Review, Asia Pacific Risk, HSBC Hong Kong (2017~Present)
- Executive Vice President and Chief Risk Officer, HSBC Seoul (2010~2017)
- Executive Vice President and Deputy Chief Risk Officer, HSBC Seoul (2009~2010)

Recommended by Independent Director Nomination Committee

Reasons for Recommendation

- Ms. Noh has expertise in global risk management and has demonstrated outstanding experience and capabilities in multifaceted evaluation, confirmation and response to corporate risks.
- The Board believes that Ms. Noh will be able to strengthen the Company's risk management practices and provide advice on ways to enhance the Company's enterprise value, which the Board expects will contribute to the Company's continued growth as an AI Company, and it recommends her as a candidate for appointment as an independent non-executive director.

Expected Contributions

- Based on the expertise Ms. Noh has accumulated during her extensive career as a top level risk management executive in the global finance industry, Ms. Noh is expected to perform the duties of an independent non-executive director by advising on the Company's enhancement of its enterprise value in order to continue its growth as an AI Company and recognizing and responding to various risks during the Board's decision-making process.
- Ms. Noh will vote on key management issues in order to maximize the Company's long-term growth and enterprise value while representing the interests of shareholders and the society.
- Ms. Noh will perform the duties of an independent non-executive director based on professionalism and independence, and shall be removed from her position if she fails to meet the qualification requirements for independent directors pursuant to Articles 382-3, Article 542-8 of the KCC and Article 34 of the Enforcement Decree of the KCC.

Relationship with largest shareholder: None

Transactions with the Company in the Past Three Years: None

Taxes in Arrears: None

Management of Insolvent Companies: None

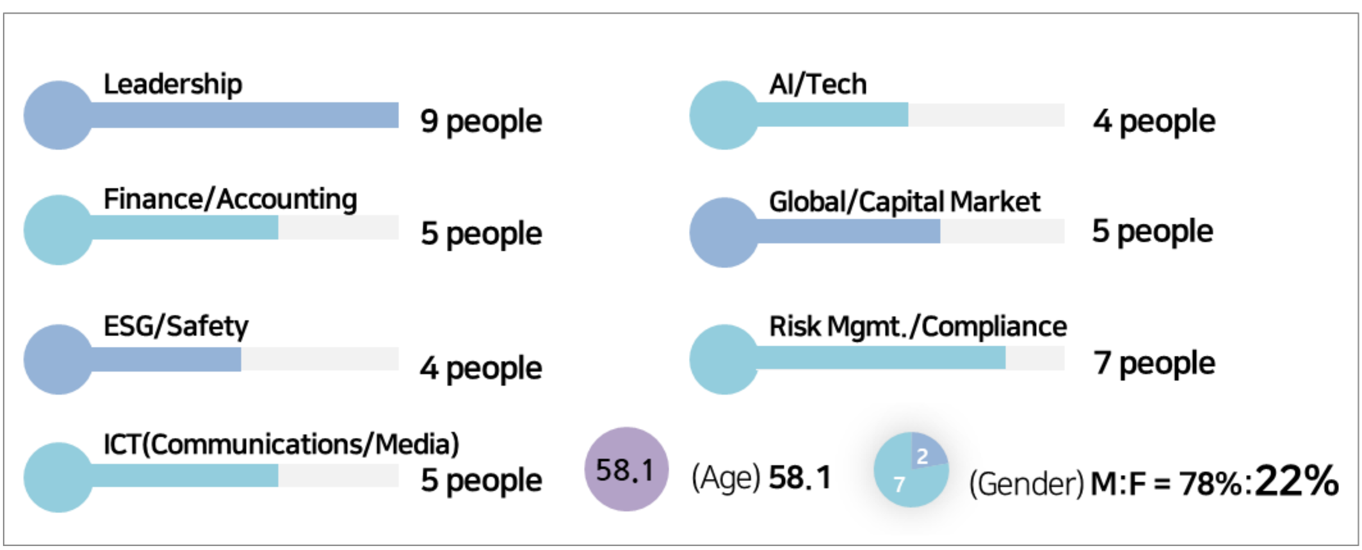
Statutory Reasons for Disqualification: None

[Note] Regarding Appointment of directors

■ BOD members (after the approval of agendas at the 40th AGM)

구분	Name	Remarks
Executive Director	Ryu, Young Sang	CEO as of now, Feb. 2024
	Kang, Jong Ryeol	
	Kim, Yang Seob	
Non-Executive Director	Lee, Sung Hyung	
Independent Non-Executive Director	Kim, Yong Hak	Chairman of the Board as of now, Feb. 2024
	Kim, Seok Dong	
	Kim, Junmo	
	Oh, Haeyun	
	Noh, Mi Kyung	

■ Board Skills Matrix (after the approval of agendas at the 40th AGM)



Agenda 4. Appointment of a Member of the Audit Committee

Noh, Mi Kyung

- **Date of Birth: August 22, 1965**
- **Main Profession**
  - Regional Head of Credit Risk Review, Asia Pacific Risk, HSBC Hong Kong

Business Experience

- Regional Head of Credit Risk Review, Asia Pacific Risk, HSBC Hong Kong (2017~Present)
- Executive Vice President and Chief Risk Officer, HSBC Seoul (2010~2017)
- Executive Vice President and Deputy Chief Risk Officer, HSBC Seoul (2009~2010)

Recommended by Independent Director Nomination Committee

Reasons for Recommendation

- The Board recommends Ms. Noh as a candidate for a member of the audit committee, as it believes that she will contribute to the enhancement of the professionalism and independence of the audit committee and management transparency based on the expertise Ms. Noh has accumulated in finance, accounting and risk management during her extensive career as a top level risk management executive in the global finance industry.

- **Relationship with largest shareholder:** None

- **Transactions with the Company in the Past Three Years:** None

- **Taxes in Arrears:** None
  Management of Insolvent Companies: None
  Statutory Reasons for Disqualification: None

Agenda 5. Approval of the Ceiling Amount of Remuneration for Directors

■ Maximum Authorized Amount of Remuneration for Directors

- Maximum authorized amount of remuneration for directors of 2024 will be KRW 10 billion

(Unit: KRW billion)	2024	2023	2022	2021	2020	2019
Maximum authorized amount of remuneration for directors	**10.0**	12.0	12.0	12.0	12.0	12.0
Number of directors	**9**	8	8	8	8	8

[Note] Total amount of remuneration paid to directors in 2023

Number of directors (Number of independent non-executive directors)	Maximum authorized amount	Total amount paid	% of maximum authorized amount
8 (5)	KRW 12.0 billion	KRW 4.14 billion	34.5%

Total amount paid - details	
Executive Director (2)	KRW 3.30 billion
Non-Executive Director (1)	-
Independent Non-Executive Director (5)	KRW 0.84 billion
SUM	KRW 4.14 billion

[Note] Determination of Director Compensation

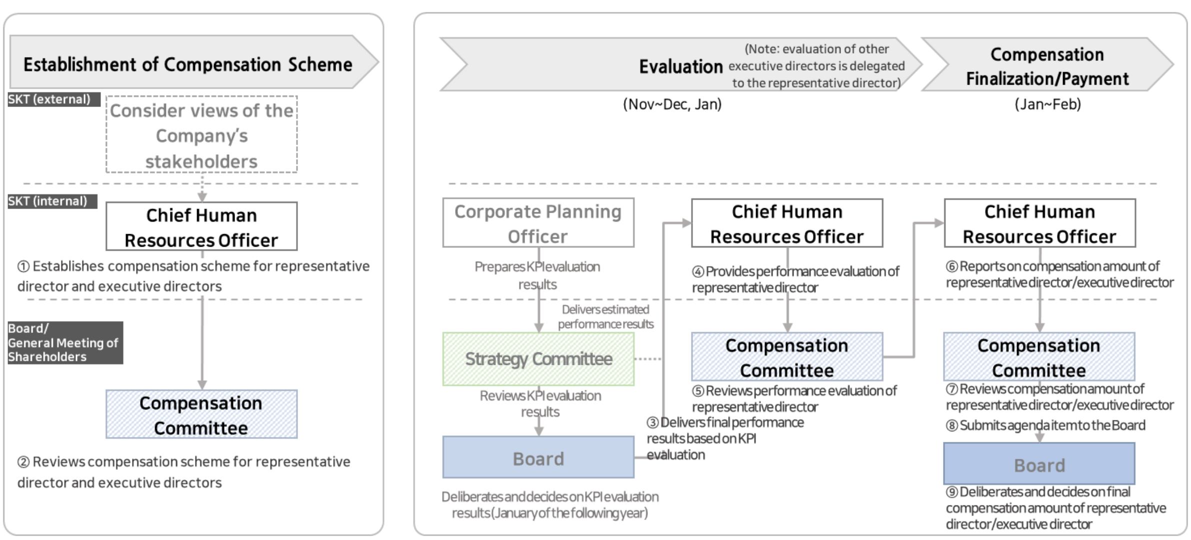
- Management compensation of SK Telecom Co., Ltd. (the "Company"), which is determined based on the management performance and its roles and responsibilities, is set within the limits approved at the general meeting of shareholders. Salaries and retirement benefits of directors are paid pursuant to the resolution of the board of directors (the "Board") or at the general meeting of shareholders approving such payment.
- Such compensations are determined on a holistic basis, and they reflect both quantifiable factors such as the Company's enterprise value, revenue and operating profit, as well as qualitative factors such as the level of leadership required for the execution of strategic objectives and achievement of management performance.
- Further details are as follows:

Item	Contents
Salary	• Determined based on holistic consideration of the individual's roles and responsibilities, achievements and previous year's salary. • Salary of the representative director is initially set at an increase between 0% and 10% from the previous year's salary based on the evaluation of the Company's key performance indicators ("KPI"), which is further adjusted and finalized by the Board in holistic consideration of changes in the business environment, market competitiveness of compensation and the role served by such person within the broader SK Group.

Agenda 5. Approval of the Ceiling Amount of Remuneration for Directors (continued)

Item	Contents
Short-Term Incentive (STI)	• Determined based on holistic consideration of achievement of quantitative and qualitative targets measured through various financial factors, including the Company's enterprise value and financial performance (including revenue, operating profit, return on assets, return on equity, total shareholder return, rate of increase in share price in comparison to competitors and economic value added), as well as leadership required for the execution of strategic ESG objectives and achievement of management performance. • STI of the representative director is based on (i) target incentive (between 0% and 50% of salary) reflecting the Company's KPI evaluation and (ii) value incentive (between 0% and 110% of salary) reflecting the Company's financial performance and enhancement in enterprise value, which is further adjusted and finalized by the Board.
Long-Term Incentive (LTI)	• To align management and shareholder interests and further align growth in the Company's enterprise value with management compensation, the Company grants performance stock units, with such shares being paid out after a three-year vesting period based on the rate of increase in the Company's share price and the growth rate of its enterprise value relative to the KOSPI 200 Index. • LTI of the representative director may be paid in the form of shares at a level between 0% and 300% of salary based on the increase in the Company's enterprise value, with final payment to be made following the Board's resolution to dispose treasury shares.

※ Reference : Determination Process of Director Compensation



Agenda 6. Amendments to the Remuneration Policy for Executives

- **To change the criteria for calculating, and provide reasons for, the amount of severance payment of an executive officer whose position changed from executive vice president to president**

Current	Proposed Amendment
Article 4 (Severance Payment) (Text omitted) <Newly established>	**Article 4 (Severance Payment)** (Text omitted) <u>(6) The amount exceeding the statutory amount of severance payment shall be deemed to be paid to an executive officer in exchange for such executive's compliance with non-compete obligations to the Company. In case of any violation of such obligation, the executive shall return to the Company as penalty the amount exceeding the statutory amount, and the Company may separately seek damages (amended on April 1, 2024).</u>
Article 6 (Calculation of Length of Service) (Text omitted) <Newly established>	**Article 6 (Calculation of Length of Service)** (Text omitted) <u>(5) Notwithstanding the provisions of paragraph (1), when calculating the amount of severance payment for an executive officer whose position changed from executive vice president to president, the amount shall be calculated separately for each period the executive served as executive vice president and as president. When calculating the amount of severance payment for the executive's service as executive vice president, the day before the change in position to president shall be considered as the time of retirement as executive vice president and the applicable monthly compensation and payment ratio as of such date shall be applied. However, such amount shall be paid at the time of the executive's retirement as president (amended on April 1, 2024).</u>

Current	Proposed Amendment
Article 9 (Basic Wage) When calculating the severance payment for an executive officer, the basic wage shall be the monthly remuneration amount for the month in which the event triggering severance payment occurs (amended on March 16, 2001).	**Article 9 (Basic Wage)** When calculating the amount of severance payment for an executive officer, the basic wage shall be the monthly compensation amount for the month in which the date of severance payment occurs; provided that paragraph (5) of Article 6 shall apply for an executive officer whose position changed from executive vice president to president (amended on April 1, 2024).
<Newly established>	**Addendum** **Article 1 (Date of Effectiveness)** This regulation shall take effect as of April 1, 2024. **Article 2 (Transition)** Notwithstanding the amendments to paragraph (5) of Article 6, for an executive officer whose position changed from executive vice president to president prior to the effective date of this regulation, the monthly compensation amount for 2024 shall apply when calculating the amount of severance payment of such executive's service as executive vice president.