

Agenda of Annual General Meeting of Shareholders for the 36th Fiscal Year

Date and Time: March 28, 2023 (Tuesday) at 10:00 a.m.

Place: Vision Hall, Human Resources Development Institute, KT&G Corporation, 71, Beotkkot-gil, Daedeok-gu, Daejeon

When an emergency occurs due to force majeure, such as COVID 19, the right to change time, location and other executions of Annual General Meeting will be delegated to the President, CEO, and if the matter happens, we will disclose the information

KT&G Corporation

List of Agendas for the 36th Ordinary General Meeting of Shareholders

I. Regarding Approval of Financial Statements for the 36th Fiscal Year

- Agenda No. 1: Approval of Financial Statements (excluding Statement of Appropriation of Retained Earnings)
 - Agenda No. 2: Approval of Provision of Dividends and Statement of Appropriation of Retained Earnings
 - Agenda No. 2-1: Cash Dividends of KRW 5,000 per Share (Proposal by KT&G's Board of Directors)
 - Agenda No. 2-2: Cash Dividends of KRW 7,867 per Share (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1 (“안다 ESG 일반사모투자신탁 I호” in Korean), etc.
 - Agenda No. 2-3: Cash Dividends of KRW 10,000 per Share (Shareholders' Proposal by Agnes, etc.)
- ※ As for Agendas No. 2-1, 2-2, and 2-3, voting will be conducted for the all these three (3) Agendas and, among the Agendas satisfying the requirements for ordinary resolutions, the Agenda with the most votes shall be approved.

II. Regarding Partial Amendment to Articles of Incorporation

- Agenda No. 3: Partial Amendment to Articles of Incorporation (Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 3-1: Amendment to and Enactment of Provisions Concerning Evaluation and Compensation Committee (Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 3-2: Addition of Right to Decide Cancellation of Treasury Shares (Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 3-3: Establishment of New Provisions for Quarterly Dividends (Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 3-4: Addendum (Shareholders' Proposal by Agnes, etc.)
 - ※ to be automatically abandoned if Agendas No. 3-1 through 3-3 are rejected

III. Regarding Cancellation of Treasury Shares (Shareholders' Proposal by Agnes, etc.)

- Agenda No. 4: Cancellation of Treasury Shares (Shareholders' Proposal by Agnes, etc.)
 - ※ to be automatically scrapped if Agenda No. 3-2 is rejected

IV. Regarding Acquisition of Treasury Shares (Shareholders' Proposal by Agnes, etc.)

- Agenda No. 5: Acquisition of Treasury Shares (Shareholders' Proposal by Agnes, etc.)

V. Regarding Appointment of Outside Directors and Audit Committee Members

- Agenda No. 6: Decision on Whether to Increase the Current Number of Outside Directors
 - Agenda No. 6-1: Maintenance of the Current Number of Six (6) Outside Directors (Proposal by KT&G's Board of Directors)
 - Agenda No. 6-2: Increase of the Number of Outside Directors to Eight (8) Outside Directors (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - ※ As for Agendas No. 6-1 and 6-2, voting will be conducted for both of these two (2) Agendas and, among the Agendas satisfying the requirements for ordinary resolutions, the Agenda with the most votes shall be approved.
- Agenda No. 7: Appointment of Two (2) Outside Directors (if Agenda No. 6-1 is approved) (cumulative voting)
 - Agenda No. 7-1: Appointment of Myung-Chul Kim as Outside Director (Proposal by KT&G's Board of Directors)
 - Agenda No. 7-2: Appointment of Yun-Sung Koh as Outside Director (Proposal by KT&G's Board of Directors)
 - Agenda No. 7-3: Appointment of Soo-Hyung Lee as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 7-4: Appointment of Doreen Kim as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 7-5: Appointment of Jae-Whan Park as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 7-6: Appointment of Suk-Yong Cha as Outside Director (Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 7-7: Appointment of Ou-Jin Hwang as Outside Director (Shareholders' Proposal by Agnes, etc.)
- Agenda No. 8: Appointment of Four (4) Outside Directors (if Agenda No. 6-2 is approved) (cumulative voting)
 - Agenda No. 8-1: Appointment of Myung-Chul Kim as Outside Director (Proposal by KT&G's Board of Directors)
 - Agenda No. 8-2: Appointment of Yun-Sung Koh as Outside Director (Proposal by KT&G's Board of Directors)
 - Agenda No. 8-3: Appointment of Il-Soon Lim as Outside Director (Proposal by KT&G's Board of Directors)
 - Agenda No. 8-4: Appointment of Soo-Hyung Lee as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 8-5: Appointment of Doreen Kim as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 8-6: Appointment of Jae-Whan Park as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 8-7: Appointment of Suk-Yong Cha as Outside Director

- (Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 8-8: Appointment of Ou-Jin Hwang as Outside Director
(Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 9: Appointment of Audit Committee Members
 - Agenda No. 9-1: Appointment of Myung-Chul Kim as Audit Committee Member
(Proposal by KT&G's Board of Directors)
 - Agenda No. 9-2: Appointment of Yun-Sung Koh as Audit Committee Member
(Proposal by KT&G's Board of Directors)
 - Agenda No. 9-3: Appointment of Soo-Hyung Lee as Audit Committee Member
(Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 9-4: Appointment of Doreen Kim as Audit Committee Member
(Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)
 - Agenda No. 9-5: Appointment of Suk-Yong Cha as Audit Committee Member
(Shareholders' Proposal by Agnes, etc.)
 - Agenda No. 9-6: Appointment of Ou-Jin Hwang as Audit Committee Member
(Shareholders' Proposal by Agnes, etc.)
- ※ If any candidates for the Audit Committee members are not appointed as outside directors under the Agendas No. 7 through No. 8, the Agendas applicable to such candidates will be automatically scrapped.

VI.Regarding Approval of Ceiling Amount of Remuneration for Directors

- Agenda No. 10: Approval of Cap on Remuneration for Directors

I. Regarding Approval of Financial Statements for the 36th Fiscal Year

- Agenda No. 1: Approval of Financial Statements (excluding Statement of Appropriation of Retained Earnings)

Pursuant to Article 449 of the Korean Commercial Act and Article 41 of the Articles of Incorporation of the Company, the Consolidated and Separate Financial Statements and for the 36th Fiscal Year (from January 1, 2022 to December 31, 2022) are required to be approved.

※ Notes to the Consolidated and Separate Financial Statements: Please refer to electronic disclosure filings by the Company

※ These Financial Statements was prepared reflecting the results of external audits on the Company. For further details, please refer to the disclosure on “Submission of Audit Report” by the Company.

A. Consolidated Financial Statements

1. Consolidated Statements of Financial Position

36th Fiscal Year(CY) : As of December 31, 2022

35th Fiscal Year(PY) : As of December 31, 2021

□ Assets

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	36 th FY (CY)	35 th FY (PY)	YOY (amt)
1. Current Assets	65,096	62,559	2,537
Cash and cash equivalents	14,010	9,466	4,544
Other financial assets	2,011	4,571	-2,560
Financial assets measured at FVPL	3,931	9,654	-5,723
Trade and other receivables	15,285	10,127	5,158
Derivative assets	231	6	225
Inventories	25,758	23,754	2,004
Refund assets and others	10	18	-8
Accrued tobacco excise and other taxes	2,762	3,249	-487
Advance payments	511	980	-469
Prepaid expenses	587	533	54
Assets held for sale	-	201	-201
2. Non-current assets	57,921	53,814	4,107
Long-term other financial assets	428	90	338
Long-term deposits	14,371	12,505	1,866
Long-term financial assets measured at FVPL	3,204	3,048	156
Long-term trade and other receivables	1,085	948	137
Long-term financial assets measured at FVOCI	2,065	2,284	-219
Investments in associates and joint ventures	2,745	2,430	315
Property, plant and equipment	18,370	17,410	960
Intangible assets	1,679	1,457	222
Investment properties	10,715	11,510	-795
Right-of-use assets	402	364	38
Long-term advanced payments	1,131	1,046	85
Long-term prepaid expenses	71	85	-14
Deferred income tax assets	558	526	32
Net defined benefit assets	1,097	111	986
Total assets	123,017	116,373	6,644

□ Liabilities/Equity

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	36 th FY (CY)	35 th FY (PY)	YOY (amt)
1. Current Liabilities	25,273	20,639	4,634
Short-term borrowings	726	754	-28
Current portion of long-term borrowings	41	22	19
Trade and other payables	15,058	9,711	5,347
Current lease liabilities	166	172	-6
Derivative liabilities	-	9	-9
Advance received	215	219	-4
Current refund liabilities and provisions	216	261	-45
Current income tax liabilities	2,187	2,364	-177
Tobacco excise and other taxes payable	6,664	7,127	-463
2. Non-current liabilities	4,157	3,645	512
Long-term borrowings	788	532	256
Long-term trade and other payables	529	574	-45
Long-term lease liabilities	210	194	16
Long-term advance received	26	51	-25
Net defined benefit liabilities	325	577	-252
Long-term refund liabilities and provisions	188	53	135
Deferred income tax liabilities	1,813	1,481	332
Non-controlling interests liabilities	278	183	95
Total Liabilities	29,430	24,284	5,146
1. Share capital	9,550	9,550	-
2. Other capital surplus	45	45	-
3. Treasury shares	-12,369	-8,800	-3,569
4. Gain on sale of treasury shares	5,289	5,289	-
5. Reserves	68,123	64,902	3,221
6. Retained Earnings	22,520	20,602	1,918
7. Non-controlling interest	429	501	-72
Total Equity	93,587	92,089	1,498
Total Liabilities/Equity	123,017	116,373	6,644

2. Consolidated Statements of Comprehensive Income

36th Fiscal Year(CY) : From January 1, 2022 to December 31, 2022

35th Fiscal Year(PY) : From January 1, 2021 to December 31, 2021

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	36 th FY (CY)	35 th FY (PY)	YOY (amt)
Continuing Operations			
1. Sales	58,514	52,284	6,230
2. Cost of Sales	28,912	23,502	5,410
3. Gross Profit (1-2)	29,602	28,782	820
4. Selling, general & administrative expense	16,926	15,398	1,528
5. Operating Profit (3-4)	12,676	13,384	-708
6. Other income and expense	690	434	256
1) Other income	2,996	1,884	1,112
2) Other expense	2,306	1,450	856
7. Finance income and costs	439	469	-30
1) Finance income	1,314	788	526
2) Finance costs	875	319	556
8. Share of net profit(loss) of associates and joint ventures	294	109	185
9. Gains and losses on net monetary assets	196	-	196
10. Profit before income tax (5+6+7+8+9)	14,295	14,396	-101
11. Income tax expense	4,156	4,155	1
12. Profit for the year	10,053	9,718	335
1) Continued operations	10,139	10,241	-102
2) Discontinued operations	-86	-523	437
13. Other comprehensive income	773	895	-122
14. Total comprehensive income	10,826	10,613	213
1) Continued operations	10,927	11,130	-203
2) Discontinued operations	-101	-517	416
15. Earnings per share(KRW/share)	8,489	7,898	591
1) Continued operations	8,561	8,321	240
2) Discontinued operations	-72	-423	351

3. Consolidated Statement of Changes in Equity

36th Fiscal Year(CY) : From January 1, 2022 to December 31, 2022

35th Fiscal Year(PY) : From January 1, 2021 to December 31, 2021

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Classification	Share capital	Other capital surplus	Treasury shares	Gains on sale of treasury shares	Reserves	Retained earnings	Owners of the parent	Non-controlling interest	Total equity
2021. 01. 01	9,550	45	-5,316	5,289	59,776	21,025	90,369	547	90,916
Total comprehensive income	-	-	-	-	480	10,179	10,659	-46	10,613
Profit or loss for the period	-	-	-	-	-	9,773	9,773	-55	9,718
Other comprehensive income or loss	-	-	-	-	480	406	886	9	895
Transactions with owners of the Parent company	-	-	-3,484	-	4,646	-10,602	-9,440	-	-9,440
Dividends	-	-	-	-	-	-5,956	-5,956	-	-5,956
Transfer to other reserves	-	-	-	-	4,646	-4,646	-	-	-
Acquisition of treasury shares	-	-	-3,484	-	-	-	-3,484	-	-3,484
2021. 12. 31	9,550	45	-8,800	5,289	64,902	20,602	91,588	501	92,089

Classification	Share capital	Other capital surplus	Treasury shares	Gains on sale of treasury shares	Reserves	Retained earnings	Owners of the parent	Non-controlling interest	Total equity
2022. 01. 01	9,550	45	-8,800	5,289	64,902	20,602	91,588	501	92,089
Total comprehensive income	-	-	-	-	209	10,689	10,898	-72	10,826
Profit or loss for the period	-	-	-	-	-	10,158	10,158	-105	10,053
Other comprehensive income or loss	-	-	-	-	209	531	740	33	773
Transactions with owners of the Parent company	-	-	-3,569	-	3,012	-8,771	-9,328	-	-9,328
Dividends	-	-	-	-	-	-5,759	-5,759	-	-5,759
Transfer to other reserves	-	-	-	-	3,012	-3,012	-	-	-
Acquisition of treasury shares	-	-	-3,569	-	-	-	-3,569	-	-3,569
2022. 12. 31	9,550	45	-12,369	5,289	68,123	22,520	93,158	429	93,587

4. Consolidated Statements of Cash Flows

36th Fiscal Year(CY) : From January 1, 2022 to December 31, 2022

35th Fiscal Year(PY) : From January 1, 2021 to December 31, 2021

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Classification	36 th FY (CY)	35 th FY (PY)
1. Cash flows from operating activities	8,879	14,198
1) Profit for the period	10,053	9,718
1) Continued operations	10,139	10,241
2) Discontinued operations	-86	-523
2) Adjustments	6,248	6,386
Income tax expense	4,156	4,158
Finance costs	875	322
Finance income	-1,314	-788
Depreciation and amortization expenses	2,255	2,172
Retirement benefits	558	583
Loss on foreign currency translation	696	334
Gain on foreign currency translation	-1,198	-1,298
Other expenses etc.	220	903
3) Changes in working capital	-3,198	2,222
4) Payment of income taxes	-4,224	-4,128
2. Cash flows from investing activities	5,475	-7,976
Interest received	320	108
Dividends received	327	289
Increase/decrease in other financial assets	2,886	-491
Increase/decrease in financial assets measured at FVPL	5,785	-1,010
Increase/decrease in financial assets measured at FVOCI	42	124
Increase/decrease in long-term deposits	-966	-2,472
Disposal of tangible and intangible assets	40	55
Disposal of investment properties	23	4
Acquisition of tangible and intangible assets	-2,829	-2,681
Acquisition of investment properties	-279	-1,097
Increase/decrease in investments in associates and joint ventures	84	-798
Increase/decrease in guarantee deposits and loans	42	-7
3. Cash flows from financing activities	-9,318	-9,476
Dividends paid	-5,759	-5,956
Interest paid	-102	-32
Redemption of lease liabilities	-203	-233
Increase/decrease in borrowings etc.	316	199
Acquisition of treasury shares	-3,570	-3,484
Increase/decrease in liabilities for non-controlling interests	-	30
4. Net increase/decrease in cash and cash equivalents (1+2+3)	5,036	-3,254
5. Cash and cash equivalents at the beginning of the period	9,466	12,536
Fluctuations due to foreign currency conversion	-492	184
6. Cash and cash equivalents at the end of the period	14,010	9,466

B. Separate Financial Statements

1. Separate Statements of Financial Position

36th Fiscal Year(CY) : As of December 31, 2022

35th Fiscal Year(PY) : As of December 31, 2021

□ Assets

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	36 th FY (CY)	35 th FY (PY)	YOY (amt)
1. Current Assets	40,965	40,090	875
Cash and cash equivalents	9,396	5,906	3,490
Other financial assets	1,385	3,322	-1,937
Financial assets measured at FVPL	3,931	9,654	-5,723
Trade and other receivables	12,999	7,888	5,111
Derivative assets	231	6	225
Inventories	11,230	9,249	1,981
Refund assets and others	8	15	-7
Accrued tobacco excise and other taxes	1,712	3,076	-1,364
Advance payments	5	717	-712
Prepaid expenses	68	108	-40
Assets held for sale	-	149	-149
2. Non-current assets	60,604	57,727	2,877
Long-term other financial assets	424	87	337
Long-term deposits	14,371	12,505	1,866
Long-term financial assets measured at FVPL	3,136	2,985	151
Long-term trade and other receivables	1,370	1,277	93
Long-term financial assets measured at FVOCI	1,592	2,032	-440
Investments in associates and joint ventures	2,659	2,380	279
Investments in subsidiaries	12,301	12,014	287
Property, plant and equipment	11,778	11,290	488
Intangible assets	1,225	974	251
Investment properties	10,292	11,285	-993
Right-of-use assets	256	226	30
Long-term prepaid expenses	57	70	-13
Deferred income tax assets	348	492	-144
Net defined benefit assets	795	110	685
Total assets	101,569	97,817	3,752

□ Liabilities/Equity

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	36 th FY (CY)	35 th FY (PY)	YOY (amt)
1. Current Liabilities	20,377	17,154	3,223
Short-term borrowings	1	6	-5
Trade and other payables	12,258	7,764	4,494
Current lease liabilities	70	73	-3
Derivative liabilities	-	9	-9
Advance received	132	131	1
Current refund liabilities and provisions	96	99	-3
Current income tax liabilities	1,899	2,107	-208
Tobacco excise and other taxes payable	5,921	6,965	-1,044
2. Non-current liabilities	656	662	-6
Long-term trade and other payables	455	459	-4
Long-term lease liabilities	173	149	24
Long-term advance received	10	41	-31
Long-term refund liabilities and provisions	18	13	5
Total Liabilities	21,033	17,816	3,217
1. Share capital	9,550	9,550	-
2. Other capital surplus	36	36	-
3. Treasury shares	-12,369	-8,800	-3,569
4. Gain on sale of treasury shares	5,289	5,289	-
5. Reserves	68,140	65,155	2,985
6. Retained Earnings	9,890	8,771	1,119
Total Equity	80,536	80,001	535
Total Liabilities/Equity	101,569	97,817	3,752

2. Separate Statements of Comprehensive Income

36th Fiscal Year(CY) : From January 1, 2022 to December 31, 2022
 35th Fiscal Year(PY) : From January 1, 2021 to December 31, 2021

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	36 th FY (CY)	35 th FY (PY)	YOY (amt)
1. Sales	36,944	34,905	2,039
- Manufacture of tobacco	30,881	27,521	3,360
- Real estate	4,705	6,472	-1,767
- Exports of leaf tobacco and others	1,358	912	446
2. Cost of Sales	17,763	15,903	1,860
- Manufacture of tobacco	14,230	11,903	2,327
- Real estate	2,447	3,277	-830
- Exports of leaf tobacco and others	1,086	723	363
3. Gross Profit (1-2)	19,181	19,002	179
- Manufacture of tobacco	16,651	15,618	1,033
- Real estate	2,258	3,195	-937
- Exports of leaf tobacco and others	272	189	83
4. Selling, general & administrative expense	7,978	8,168	-190
5. Operating Profit (3-4)	11,203	10,834	369
6. Other income and expense	988	634	354
1) Other income	2,922	1,682	1,240
2) Other expense	1,934	1,048	886
7. Finance income and costs	969	560	409
1) Finance income	1,516	712	804
2) Finance costs	547	152	395
8. Profit before income tax (5+6+7)	13,160	12,028	1,132
9. Income tax expense	3,580	3,499	81
10. Profit for the year	9,580	8,529	1,051
11. Other comprehensive income	283	372	-89
12. Total comprehensive income	9,863	8,901	962
13. Earnings per share(KRW/share)	8,007	6,894	1,113

3. Separate Statement of Changes in Equity

36th Fiscal Year(CY) : From January 1, 2022 to December 31, 2022
 35th Fiscal Year(PY) : From January 1, 2021 to December 31, 2021

KT&G Corporation

(Unit: 100 million KRW)

Classification	Share capital	Other capital surplus	Treasury shares	Gains on sale of treasury shares	Reserves	Retained earnings	Total equity
2021. 01. 01	9,550	36	-5,316	5,289	60,379	10,602	80,540
Total comprehensive income	-	-	-	-	130	8,771	8,901
Profit or loss for the period	-	-	-	-	-	8,529	8,529
Other comprehensive income or loss	-	-	-	-	130	242	372
Transactions with owners of the Parent company	-	-	-3,484	-	4,646	-10,602	-9,440
Dividends	-	-	-	-	-	-5,956	-5,956
Transfer to other reserves	-	-	-	-	4,646	-4,646	-
Acquisition of treasury shares	-	-	-3,484	-	-	-	-3,484
2021. 12. 31	9,550	36	-8,800	5,289	65,155	8,771	80,001

Classification	Share capital	Other capital surplus	Treasury shares	Gains on sale of treasury shares	Reserves	Retained earnings	Total equity
2022. 01. 01	9,550	36	-8,800	5,289	65,155	8,771	80,001
Total comprehensive income	-	-	-	-	-27	9,890	9,863
Profit or loss for the period	-	-	-	-	-	9,580	9,580
Other comprehensive income or loss	-	-	-	-	-27	310	283
Transactions with owners of the Parent company	-	-	-3,569	-	3,012	-8,771	-9,328
Dividends	-	-	-	-	-	-5,759	-5,759
Transfer to other reserves	-	-	-	-	3,012	-3,012	-
Acquisition of treasury shares	-	-	-3,569	-	-	-	-3,569
2022. 12. 31	9,550	36	-12,369	5,289	68,140	9,890	80,536

4. Separate Statements of Cash Flows

36th Fiscal Year(CY) : From January 1, 2022 to December 31, 2022

35th Fiscal Year(PY) : From January 1, 2021 to December 31, 2021

KT&G Corporation

(Unit: 100 million KRW)

Classification	36 th FY (CY)	35 th FY (PY)
1. Cash flows from operating activities	8,225	11,037
1) Profit for the period	9,580	8,529
2) Adjustments	3,967	4,973
Income tax expense	3,580	3,499
Finance costs	547	152
Finance income	-1,516	-712
Depreciation and amortization expenses	1,485	1,414
Retirement benefits	356	349
Loss on foreign currency translation	422	7
Gain on foreign currency translation	-1,077	-1,192
Other expenses etc.	170	1,456
3) Changes in working capital	-1,570	1,314
4) Payment of income taxes	-3,752	-3,779
2. Cash flows from investing activities	4,704	-6,351
Interest received	196	61
Dividends received	323	287
Increase/decrease in other financial assets	1,600	-18
Increase/decrease in financial assets measured at FVPL	5,790	-1,002
Increase/decrease in financial assets measured at FVOCI	42	129
Increase/decrease in long-term deposits	-965	-2,486
Disposal of tangible and intangible assets	41	81
Disposal of investment properties	23	4
Disposal of assets held for sale	627	6
Acquisition of tangible and intangible assets	-1,658	-1,744
Acquisition of investment properties	-200	-242
Increase/decrease in investments in associates and joint ventures	89	-798
Increase/decrease of investments in subsidiaries	-495	-704
Increase/decrease in guarantee deposits and loans	-709	75
3. Cash flows from financing activities	-9,413	-9,542
Dividends paid	-5,759	-5,956
Interest paid	-5	-7
Redemption of lease liabilities	-80	-95
Acquisition of treasury shares	-3,569	-3,484
4. Net increase/decrease in cash and cash equivalents (1+2+3)	3,516	-4,856
5. Cash and cash equivalents at the beginning of the period	5,906	10,761
Effect of exchange rate fluctuation on cash and cash equivalents	-26	1
6. Cash and cash equivalents at the end of the period	9,396	5,906

– **Agenda No. 2: Approval of Provision of Dividends and Statement of Appropriation of Retained Earnings**

※ As for Agendas No. 2-1, 2-2, and 2-3, voting will be conducted for the all these three (3) Agendas and, among the Agendas satisfying the requirements for ordinary resolutions, the Agenda with the most votes shall be approved.

· **Agenda No. 2-1: Cash Dividends of KRW 5,000 per Share (Proposal by KT&G's Board of Directors)**

<Statement of Appropriation of Retained Earnings>

**36th Fiscal Year(CY) : From January 1, 2022 to
December 31, 2022**

**35th Fiscal Year(PY) : From January 1, 2021 to
December 31, 2021**

Expected date of appropriation : March 28, 2023

Fixed date of appropriation : March 29, 2022

KT&G Corporation

(Unit: 100 million KRW)

Classification	36 th FY (CY)	35 th FY (PY)
1. Unappropriated retained earnings	9,890	8,771
1) Unappropriated retained earnings carried over from prior year	-	-
2) Profit for the year	9,580	8,529
3) Reclassification of losses from disposal of financial assets measured at FVOCI to Retained Earnings	-84	-8
4) Remeasurements of net defined benefit liabilities	394	250
2. Appropriation of retained earnings	-9,890	-8,771
1) Dividends paid	-5,814	-5,759
Cash dividend payout(ratio) for Ordinary shares Current year(2022) : 5,000 KRW(100%) Prior year(2021) : 4,800 KRW(96%)		
2) Transfer to other reserves	-4,076	-3,012
3. Unappropriated retained earnings to be Carried over to Subsequent Year	-	-

· Agenda No. 2-2: Cash Dividends of KRW 7,867 per Share (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)

<Statement of Appropriation of Retained Earnings>

36th Fiscal Year(CY) : From January 1, 2022 to
December 31, 2022

35th Fiscal Year(PY) : From January 1, 2021 to
December 31, 2021

Expected date of appropriation : March 28, 2023

Fixed date of appropriation : March 29, 2022

KT&G Corporation

(Unit: 100 million KRW)

Classification	36 th FY (CY)	35 th FY (PY)
1. Unappropriated retained earnings	9,890	8,771
1) Unappropriated retained earnings carried over from prior year	-	-
2) Profit for the year	9,580	8,529
3) Reclassification of losses from disposal of financial assets measured at FVOCI to Retained Earnings	-84	-8
4) Remeasurements of net defined benefit liabilities	394	250
2. Appropriation of retained earnings	-9,890	-8,771
1) Dividends paid	-9,148	-5,759
Cash dividend payout(ratio) for Ordinary shares		
Current year(2022) : 7,867 KRW(157%)		
Prior year(2021) : 4,800 KRW(96%)		
2) Transfer to other reserves	-742	-3,012
3. Unappropriated retained earnings to be Carried over to Subsequent Year	-	-

· Agenda No. 2-3: Cash Dividends of KRW 10,000 per Share (Shareholders' Proposal by Agnes, etc.)

<Statement of Appropriation of Retained Earnings>

36th Fiscal Year(CY) : From January 1, 2022 to
December 31, 2022

35th Fiscal Year(PY) : From January 1, 2021 to
December 31, 2021

Expected date of appropriation : March 28, 2023

Fixed date of appropriation : March 29, 2022

KT&G Corporation

(Unit: 100 million KRW)

Classification	36 th FY (CY)	35 th FY (PY)
1. Unappropriated retained earnings	9,890	8,771
1) Unappropriated retained earnings carried over from prior year	-	-
2) Profit for the year	9,580	8,529
3) Reclassification of losses from disposal of financial assets measured at FVOCI to Retained Earnings	-84	-8
4) Remeasurements of net defined benefit liabilities	394	250
2. Transfer from voluntary reserves	1,738	
1) Transfer from other reserves	1,738	
3. Appropriation of retained earnings	-11,628	-8,771
1) Dividends paid Cash dividend payout(ratio) for Ordinary shares Current year(2022) : 10,000 KRW(200%) Prior year(2021) : 4,800 KRW(96%)	-11,628	-5,759
2) Transfer to other reserves	-	-3,012
3. Unappropriated retained earnings to be Carried over to Subsequent Year	-	-

II. Regarding Partial Amendment to Articles of Incorporation

- **Agenda No. 3: Partial Amendment to Articles of Incorporation (Shareholders' Proposal by Agnes, etc.)**

Agnes, etc., as shareholders, propose to amend the Articles of Incorporation as follows.

Agenda No. 3-1: Amendment to and Establishment of Provisions on Evaluation and Compensation Committee (Shareholders' Proposal by Agnes, etc.)

Before Amendment	After Amendment (Shareholders' Proposal by Agnes, etc.)	Purpose of Amendment
<p>Article 34-2 (Committees within the Board of Directors)</p> <p>(1) The Company shall establish committees such as the Audit Committee and the Outside Director Candidate Recommendation Committee within the Board of Directors and, if deemed necessary, the Company may establish any other committees by a resolution of the Board of Directors. Each committee shall appoint its respective representative by a resolution thereof.</p> <p>(2) Matters regarding the composition, power and operation of the committees shall be determined by a resolution of the Board of Directors.</p>	<p>Article 34-2 (Committees within the Board of Directors)</p> <p>(1) The Company shall establish committees such as the Audit Committee, the Outside Director Candidate Recommendation Committee, and <u>the Evaluation and Compensation Committee</u> within the Board of Directors and, if deemed necessary, the Company may establish any other committees by a resolution of the Board of Directors. Each committee shall appoint its respective representative by a resolution thereof.</p> <p>(2) (Same as the current provision)</p>	<p>(Shareholders' proposal) To enhance the objectivity and transparency of directors' remuneration by stipulating provisions on the Evaluation and Compensation Committee</p>
<p>(Newly established)</p>	<p><u>Article 34-6 (Evaluation and Compensation Committee)</u></p> <p>(1) <u>The Evaluation and Compensation Committee shall be composed of three (3) or more outside directors.</u></p> <p>(2) <u>The Evaluation and Compensation Committee shall determine the compensation</u></p>	

Before Amendment	After Amendment (Shareholders' Proposal by Agnes, etc.)	Purpose of Amendment
	<p><u>and severance pay for the President, executive directors, managing executive officers, etc. of the Company.</u></p> <p>(3) <u>The Evaluation and Compensation Committee shall fairly evaluate the management activities of the President, executive directors, and managing executive officers, etc. of the Company, and reflect the results thereof in their compensation appropriately.</u></p>	

Agenda No. 3-2: Addition of Right to Decide Cancellation of Treasury Shares (Shareholders' Proposal by Agnes, etc.)

Before Amendment	After Amendment (Shareholders' Proposal by Agnes, etc.)	Purpose of Amendment
<p>Article 43-2 (Retirement of Shares)</p> <p>(1) The Company may cancel the treasury shares by a resolution of the Board of Directors within the scope of the profits to be distributed to the shareholders as prescribed in the relevant laws and regulations.</p>	<p>Article 43-2 (Retirement of Shares)</p> <p>(1) The Company may cancel the treasury shares by a resolution of the Board of Directors within the scope of the profits to be distributed to the shareholders as prescribed in the relevant laws and regulations; <u>provided, however, that the Company may cancel its treasury shares without a resolution of the Board of Directors in case there is a resolution of the General Meeting of Shareholders.</u></p>	<p>(Shareholders' proposal) To stipulate that treasury shares may be cancelled by a resolution of the General Meeting of Shareholders in order to increase shareholder value</p>

Agenda No. 3-3: Establishment of New Provisions for Quarterly Dividends (Shareholders' Proposal by Agnes, etc.)

Before Amendment	After Amendment (Shareholders' Proposal by Agnes, etc.)	Purpose of Amendment
Article 43 (Dividends)	Article 43 (Dividends)	(Shareholders' proposal)

Before Amendment	After Amendment (Shareholders' Proposal by Agnes, etc.)	Purpose of Amendment
<p>(1) Dividends may be distributed in cash or stock.</p> <p>(2) In the case of stock dividends, if the Company has issued two or more classes and types of shares, the distribution of stock dividends may be made through different classes and types of shares by a resolution of the General Meeting of Shareholders.</p> <p>(3) The Company may pay interim dividends in cash once a fiscal year as of June 30 by a resolution of the Board of Directors.</p> <p>(4) For the purpose of any distribution of interim dividends, the same dividend rate as that of common shares of the Company shall be applied to the preferred shares referred to in Article 7-2 and the convertible preferred shares referred to in Article 7-3.</p> <p>(5) Dividends in Paragraph (1) above shall be paid to the shareholders or pledgees registered in the</p>	<p>(1) (Same as left)</p> <p>(2) (Same as left)</p> <p>(3) <u>Pursuant to Article 165-12 of the Financial Investment Services and Capital Markets Act, the Company may pay quarterly dividends to those who are shareholders as of the end of March, June and September of each fiscal year by a resolution of the Board of Directors.</u></p> <p>(4) ----- -----quarterly dividends----- ----- ----- ----- ----- ----- ----- ----- -----</p> <p>(5) ----- ----- ----- -----</p>	<p>To expand the shareholder return by adopting quarterly dividends under Article 165-12 of the Financial Investment Services and Capital Markets Act of Korea.</p>

Before Amendment	After Amendment (Shareholders' Proposal by Agnes, etc.)	Purpose of Amendment
shareholders' registry as of the last day of each fiscal year, and the dividends in Paragraph (3) above shall be paid to the shareholders or pledgees registered in the shareholders' registry as of the record date for interim dividends; provided, however, that the interest on dividends shall not be paid.	<p>----- ----- ----- ----- ----- ----- ----- ----- quarterly dividends ----- ----- ----- ----- -----</p>	

**Agenda No. 3-4: Addendum
(Shareholders' Proposal by Agnes, etc.)**

※ to be automatically scrapped if Agendas No. 3-1 to 3-3 are rejected

Before Amendment	After Amendment (Shareholders' Proposal by Agnes, etc.)	Purpose of Amendment
<Newly established>	<p>Addendum (March 28, 2023)</p> <p>Article 1 (Effective Date)</p> <p>These Articles of Incorporation shall take effect as of the date of approval at the 36th Ordinary General Meeting of Shareholders held in March 2023. [Newly established on March 28, 2023]</p>	(Shareholders' proposal) to confirm the effective date

III. Regarding Cancellation of Treasury Shares

(Shareholders' Proposal by Agnes, etc.)

– **Agenda No. 4: Cancellation of Treasury Shares (Shareholders' Proposal Agnes, etc.)**

※ to be automatically scrapped if Agenda No. 3-2 is rejected

Agnes, etc., as shareholders, propose to cancel the entire treasury shares held if the Agenda No. 3-2 is passed.

Shares to be Cancelled	Common Shares	[20,992,394]
	Other Shares	-
Method of Acquisition of Shares to be Cancelled	Acquired treasury shares	
Scheduled Date of Cancellation	[April 10, 2023]	

IV. Regarding Acquisition of Treasury Shares

– **Agenda No. 5: Acquisition of Treasury Shares (Shareholders' Proposal Agnes, etc.)**

Agnes, etc., as shareholders, propose to acquire the treasury shares as follows.

Shares to be Acquired	Common Shares	[12,000,000]
	Other Shares	-
Limit of the total Acquisition price (KRW)	1,200,000,000,000	
Period During Which Treasury Shares May Be Acquired	Start Date	The day immediately following the date on which the resolution of the General Meeting of Shareholders is disclosed.
	End Date	Three (3) months from the start date

V. Regarding Appointment of Outside Directors and Audit Committee Members

– Agenda No. 6: Decision on Whether to Increase the Current Number of Outside Directors

As per the shareholders' proposal to increase the number of the Company's outside directors to eight from the current number of six, as submitted by ANDA ESG General Private Investment Trust No. 1, we seek to decide the number of outside directors by choosing either KT&G board of directors' proposal to maintain the current number of outside directors (Agenda No. 6-1) or the shareholders' proposal (Agenda No. 6-2).

※ Voting will be conducted collectively for Agendas No. 6-1 and 6-2 and, among the Agendas satisfying the requirements for ordinary resolutions, the Agenda with the most votes shall be approved.

- **Agenda No. 6-1: Maintenance of the Current Number of Six (6) Outside Directors (Proposal by KT&G's Board of Directors)**
- **Agenda No. 6-2: Increase of the Number of Outside Directors to Eight (8) Outside Directors (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**

– Agenda No. 7: Appointment of Two (2) Outside Directors (if Agenda No. 6-1 is approved) (cumulative voting)

We seek to appoint outside directors pursuant to Article 382 of the Korean Commercial Code, Article 26, Paragraph (5) of the Company's Articles of Incorporation, and the voting results under Agenda No. 6 as below.

※ Two (2) out of seven (7) candidates below shall be appointed through cumulative voting.

- **Agenda No. 7-1: Appointment of Myung-Chul Kim as Outside Director (Proposal by KT&G's Board of Directors)**
- **Agenda No. 7-2: Appointment of Yun-Sung Koh as Outside Director (Proposal by KT&G's Board of Directors)**
- **Agenda No. 7-3: Appointment of Soo-Hyung Lee as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 7-4: Appointment of Doreen Kim as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 7-5: Appointment of Jae-Whan Park as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 7-6: Appointment of Suk-Yong Cha as Outside Director (Shareholder's Proposal by Agnes, etc.)**
- **Agenda No. 7-7: Appointment of Ou-Jin Hwang as Outside Director (Shareholder's Proposal by Agnes, etc.)**

A. Candidate's Name, Date of Birth, Recommender, Relationship with the Largest Shareholder, and Candidacy for Outside Director

Name	Date of Birth	Candidacy for Outside Director	Separate Election of Directors who are Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Myung-Chul Kim	1956.2.11	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	KT&G's Independent Director Nomination Committee
Yun-Sung Koh	1973.9.7	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	KT&G's Independent Director Nomination Committee
Soo-Hyung Lee	1953.5.5	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)
Doreen Kim	1969.3.4	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)
Jae-Whan Park	1960.12.7	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)
Suk-Yong Cha	1953.6.9	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (Agnes, etc.)
Ou-Jin Hwang	1955.5.8	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (Agnes, etc.)

B. Candidate's Occupation, Experience and Transactions with the Company for the Recent Three Years

Name	Occupation	Experience		Transactions with the Company for the Recent Three Years
		Period	Details	
Myung-Chul Kim	Advisor, SEE (Space Entertainment Enterprise)	2020~Present	Current) Outside director and Chairman of the BOD, KT&G (April 2022 ~ March 2023)	N/A
		2017~Present	Current) Advisor, SEE (Space Entertainment Enterprise)	
		2011~2014	Former) Vice President/CFO, U-Life Solutions	
		2008~2011	Former) President, Shinhan Bank America	
		2007~2008	Former) Sangmu/CFO, Shinhan Financial Group (Finance, IR)	
		2006~2007	Former) Head of Finance Planning Department, Shinhan Bank	
		2005~2006	Former) Head of Treasury, Shinhan Bank	
		2004~2005	Former) Sales Manager, Shinhan Bank	
		2001~2004	Former) Head, Shinhan Bank Hong Kong Subsidiary	
		1999~2001	Former) Head of Individual Finance Office, Shinhan Bank	
		1998~1999	Former) Managing Director, Marine National Bank (Shinhan Bank's U.S. Subsidiary)	
		1993~	Former) Head of Foreign Currency Fund Team, Shinhan Bank	
1982~	Former) Preparatory Committee Member for Establishment, Shinhan Bank			
1981~	Entered Hanil Bank			
Yun-Sung Koh	Professor, College of Business Administration, Hankuk University of Foreign Studies	2023~present	Current) Member of Petition Deliberation Committee, National Tax Service	N/A
		2020~Present	Current) Outside Director and Chairperson of the Audit Committee, KT&G	
		2020~Present	Current) Member of T/F for Advancement of Financial Disclosure, the Financial Supervisory Service (FSS)	
		2017~Present	Current) Mid-Career Researcher Program, the National Research Foundation of Korea	
		2010~Present	Current) Professor and Associate Dean, College of Business Administration, Hankuk University of Foreign Studies (2019-2020)	
		2010~Present	Current) Director and Vice-Chairman, the Korean Academic Society of Taxation (2023~),	
		2010~Present	Current) Director and General Director, the Korean Accounting Association (2010~2011)	
2009~present	Current) Director, the Korean Accounting Information Association Editor-in-Chief, the Journal of Finance and Accounting Information (2016)			

		2020~2022	Former) Outside Director and Chairperson of the Audit Committee, pH-PHARMA	
		2020~2022	Former) Member of the Management Performance Evaluation Committee for Public Institutions, Gyeonggi-do	
		2014~2015	Former) Member of the Public Enterprise and Quasi-governmental Institution Management Assessment Council, the Ministry of Economy and Finance	
		2008~2010	Former) Assistant professor, Accounting and Tax Department, Kyonggi University	
Soo-Hyung, Lee	Attorney-at-law, Lawfirm MERIT	July 2000 ~ present	Current) Attorney-at-law (Current workplace: Lawfirm MERIT)	N/A
		2020. 6~2022. 6	Former) Outside Director, Korea Technology Finance Corporation	
		2006~2009	Former) Outside Director, Korea Ratings Corporation	
		1999. 2~2000. 7	Former) Presiding Judge, Seoul Central District Court	
		1998. 2~1999. 2	Former) Presiding Judge, Seoul Eastern District Court	
		1997. 1~1998. 2	Former) Presiding Judge, Suwon District Court	
		1994. 1~1997. 1	Former) Head of Jecheon Branch, Cheongju District Court (Presiding Judge)	
		1982. 1~2000. 7	Judge	
		1979~1982	Military Advocate (Air Force)	
		1979. 1	Completed the Judicial Research and Training Institute (9th class)	
		1977	Passed the 19th Bar Exam	
		1976	Graduated from Kyung Hee University College of Law	
		1972	Graduated from Cheongju High School	
Doreen Kim	Independent consultant of various consumer brands	2022-present	Current) Independent consultant of various consumer brands	N/A
		2010-2022	Former) Marketing Customer Relations Management Officer, Louis Vuitton	
		2006-2010	Former) Marketing Director, Bausch+Lomb	
		2004-2006	Former) Marketing Specialist, McKinsey & Company	
		1992-2003	Former) Marketing and strategic positions at various top global companies	
Jae-Whan Park	Professor of Business, College of Business & Economics, Chung-ang University	Mar 2007-present	Current) Professor, School of Business Administration, College of Business & Economics, Chung-Ang University	N/A
		Aug 2022-present	Current) Advisor, Deloitte Center for Corporate Governance, Deloitte Anjin LLC	
		Mar 2022-present	Current) Outside Director & Chairperson of Audit Committee, POSCO	
		Jan 2015-present	Current) Vice Chairperson, Korean Accounting	

		<p>Apr2016-Apr2022 Association Former) Non-standing Member, Securities and Futures Commission, Financial Services Commission</p> <p>Jan 2018-Jan 2019 Former) President, Korean Academic Society of Taxation</p> <p>Jan 2017-Dec 2018 Former) Member, Taxation Development Deliberation Committee, Ministry of Strategy and Finance</p> <p>Jan 2017-Dec 2017 Former) Chairperson, Korean Society of Business Venturing and Entrepreneurship</p> <p>Mar2015-Mar2016 Former) Member, Corporate Review Committee, KOSDAQ</p> <p>Mar2015-Feb2016 Former) Member, Committee for Management Evaluation of Public Institutions under the Ministry of Education</p> <p>Jan 2013-Jan 2016 Former) Operating Member, Government Employees Pension Management Committee</p> <p>Mar2014-Mar2016 Former) Ethics Member, Ethics Committee, Korean Institute of Certified Public Accountants</p> <p>Jan2014-Dec2014 Former) Executive Secretary, Committee for Management Evaluation of Public Institutions under the Ministry of Strategy and Finance</p> <p>Feb2013-Dec2014 Former) Dean, Graduate School of Industrial Start-up and Management, Chung-ang University</p> <p>May2009-Apr2011 Former) Review Member, Audit Review Committee, Financial Supervisory Service</p> <p>Mar2007-Feb2010 Former) Outside Director, SK Incheon Oil (Management Advisor, SK Energy)</p>	
Suk-Yong Cha	Representative Director, LG H&H	<p>2005~present Current) Representative Director, LG H&H</p> <p>2001~2004 Former) Representative Director, Haitai Confectionery & Foods</p> <p>1999~2000 Former) President (General Manager), P&G Korea</p> <p>1998 Former) Representative Director, P&G Ssangyong Paper</p> <p>1996~1997 Former) President, Tampon Business Unit, P&G Asia</p> <p>1985~1995 Former) P&G Head Office</p> <p>1984~1985 Former) Indiana University Maurer School of Law</p> <p>1984 Obtained AICPA (American Institute of Certified Public Accountants) certification</p> <p>1982~1984 Former) Master's Degree, Business Administration, Cornell University Graduate School</p>	N/A

		1978~1982	Former) Bachelor's Degree, Business Administration (Accounting), State University of New York	
Ou-Jin Hwang	(Former) Manager	2019~2021 2014~2018 2015~2016 2010~2014 2004~2010 2003~2010 2003~2010 2002 1998~2001 1993~1997 1990~1992 1986~1988 1984~1989 1981~1983 1975~1981	Former) Outside Director, Save the Children Former) Outside Director, ADT CAPS Former) Vice Chairman, CERAGEM Group; and Representative Director, CERAGEM H&B Former) Chief Marketing Officer, Prudential International Former) President, Prudential Foundation Former) President, Korea Make-A-Wish Foundation Former) Representative Director (CEO), Prudential Life Insurance Company of Korea Former) Vice President, Prudential Life Insurance Korea Former) Chief Marketing Officer, Prudential Life in Italy and Brazil Former) Sales Department of Prudential Life Insurance Former) HR Department of Prudential Life Insurance Sogang University Graduate School of Business Former) VP for HR & Operation, AMC Korea Former) Project Coordinator, Hanyang (Riyadh, Saudi Arabia) Bachelor's Degree, English Literature, Sogang University	N/A

C. Whether the candidate is subject to any tax delinquency, is in the management of any company with sign of insolvency, or is disqualified under applicable laws

Name of candidates	Tax delinquency	Management of any company with sign of insolvency	Legal grounds for disqualification
Myung-Chul Kim		N/A	
Yun-Sung Koh		N/A	
Soo-Hyung Lee		N/A	
Doreen Kim		N/A	
Jae-Whan Park		N/A	
Suk-Yong Cha		N/A	
Ou-Jin Hwang		N/A	

D. Candidate's Plans

(1) Agenda No. 7-1: Appointment of Myung-Chul Kim as Outside Director

I have built up practical capabilities as an expert in finance and economy by working at main departments and overseas affiliates of Shinhan Financial Group, one of the largest financial institutions in Korea. After then, I have served as the CFO of the holding company and the CEO of overseas subsidiaries, demonstrating global leadership in management. Based on such long-established broad expertise and experience as an economic and management expert, I will faithfully perform my duties so that the Board of Directors can make reasonable decisions in proposing investment strategies to secure the Company's global business and new growth engines.

Over the past three years, I served as chairman of the Board of Directors, member of the Audit Committee, and other roles at KT&G and have insights to proactively respond to changes in the global economic conditions and increased uncertainty faced by the Company, such as intensified regulations, market competition, and joint venture. As an outside director of KT&G, I will continue to contribute to the global risk management and strategic investment decisions of the Company.

I will perform my independent duties as an outside director for a wide range of stakeholders without being tied to any specific interests, and will play a contributing role in management soundness by sensibly holding the management of the Company in check. In performing my duties, I will recognize and strictly comply with the obligations of outside directors under the relevant laws and regulations, such as fiduciary duty, duty of loyalty and duty to monitor.

(2) Agenda No. 7-2: Appointment of Yun-Sung Koh as Outside Director

As a current professor at the College of Business Administration of Hankuk University of Foreign Studies, I have published a number of papers in major academic journals in Korea and abroad in the field of finance and accounting. I have actively engaged in research services and served as a member of the management evaluation committee for institutions/organizations. Based on my deep experience and expertise, I will contribute to the development of the Company and the protection of the rights and interests of shareholders.

For the past three years, I served as KT&G's outside director and the chairman of the Audit Committee and have devoted myself to the work to enhance the Company's business transparency. I have faithfully performed my role as an outside director by actively communicating with the management and providing constructive and effective advice and alternatives to key management matters, such as improving the global organizational audit system. Based on my accumulated experience, I will make independent decisions without being tied to any specific interests for the balanced interest of shareholders and stakeholders.

As an outside director, I will faithfully perform my role as a managerial advisor as well as a supervisor. I will be aware of and fully comply with the obligations of an outside director under the relevant laws and regulations.

(3) Agenda No. 7-3: Appointment of Soo-Hyung Lee as Outside Director

1. Participation in the Board of Directors' decision-making based on expertise in healthcare, labor, and law

I am an expert in healthcare, labor, and law. I am a former presiding judge having expertise in law. Also, while serving in the Medical Division of the Seoul Eastern District Court and in the Labor

Division of the Seoul Central District Court, respectively, I built expertise in healthcare and labor.

2. Independent performance of duties as an outside director

I am clearly aware of the independence of outside directors set forth in Article 382, Paragraph (3) and Article 542-8 of the Korean Commercial Code. I plan to exert my best efforts to exert independence as an outside director so that the Company's decision-making can be made fairly and in a neutral and transparent manner.

3. Contribution to growth and sustainable management of the Company

As an independent director, I intend to demonstrate my expertise in the various labor and HR issues that the Company would face in the future, while also contributing to the use of my accumulated knowledge in the healthcare and legal fields in the Company's operation of the tobacco business and the health functional food business.

4. Compliance with legal obligations and the Company's charter of ethics

I will fulfill my fiduciary duty, duty of loyalty, duty to report, duty to monitor, duty to prohibit self-dealing and duty to observe confidentiality under the Korean Commercial Code as an outside director, fully understand all Company regulations and comply with the Charter of Ethics.

(4) Agenda No. 7-4: Appointment of Doreen Kim as Outside Director

1. Participation in the Board of Directors' decision-making based on expertise in marketing

I served as a Marketing Specialist at McKinsey & Company, a Marketing Director at Bausch and Lomb, and a Marketing Customer Relations Management Officer at Louis Vuitton. I am an expert in marketing who is still active as an advisor to various consumer brands.

2. Independent performance of duties as an outside director

I am clearly aware of the independence of outside directors set forth in Article 382, Paragraph (3) and Article 542-8 of the Korean Commercial Code. I plan to exert my best efforts to exert independence as an outside director so that the Company's decision-making can be made fairly and in a neutral and transparent manner.

3. Contribution to growth and sustainable management of the Company

I am committed to helping the Company develop long-term corporate strategies and to the development and implementation of innovative marketing strategies to enhance corporate value. To this end, I intend to contribute to the development of the Company's brand value based on high understanding of the marketing sector.

4. Compliance with legal obligations and the Company's charter of ethics

I will fulfill my fiduciary duty, duty of loyalty, duty to report, duty to monitor, duty to prohibit self-dealing and duty to observe confidentiality under the Korean Commercial Code as an outside director, fully understand all Company regulations and comply with the Charter of Ethics.

(5) Agenda No. 7-5: Appointment of Jae-Whan Park as Outside Director

1. Participation in the Board of Directors' decision-making based on expertise in finance/accounting

I have in-depth knowledge of finance and accounting, and act as an advisor to Deloitte Anjin's Corporate Governance Development Center. I am an expert in finance who can contribute to securing financial soundness and transparent management of the Company.

2. Independent performance of duties as an outside director

I am clearly aware of the independence of outside directors set forth in Article 382, Paragraph (3) and Article 542-8 of the Korean Commercial Code. In addition, I have served as an outside director of SK Incheon Oil Co., Ltd. since early in 2007 and as an outside director and the chairman of the Audit Committee of POSCO Co., Ltd. As such, I understand the independent roles and importance of outside directors better than anyone else. Based on this understanding, I intend to monitor and check the Company's financial and accounting operations.

3. Contribution to growth and sustainable management of the Company

I intend to fulfill my duties as an outside director so that the Company can secure not only management transparency but also soundness in financial structure and governance by utilizing my long-established financial and accounting capabilities.

4. Compliance with legal obligations and the Company's charter of ethics

I will fulfill my fiduciary duty, duty of loyalty, duty to report, duty to monitor, duty to prohibit self-dealing and duty to observe confidentiality under the Korean Commercial Code as an outside director, fully understand all Company regulations and comply with the Charter of Ethics.

(6) Agenda No. 7-6: Appointment of Suk-Yong Cha as Outside Director

Having served as the CEO of domestic and foreign consumer goods companies, I have a thorough understanding of and experience in the global B2C market. I will support the Board of Directors based on my experience of entering and growing the global market and contribute to the success of the Company.

In addition, through the long-term experience as the CEO, I will contribute to the growth of the Company and shareholder value enhancement as a mentor to the management, and at the same time actively serve as a strict supervisor of management activities.

Lastly, in performing the duties of an outside director, I am aware of the obligations of the outside director under the relevant laws and regulations, such as fiduciary duty, duty of loyalty, duty to monitor, and duty to observe confidentiality of corporate information, and I will strictly comply with such obligations.

(7) Agenda No. 7-7: Appointment of Ou-Jin Hwang as Outside Director

I have been working for Prudential Group, a global company, for about 34 years and served as the Representative Director of Prudential Life Insurance Korea Co., Ltd. Based on this experience, I have experienced the advanced governance of global companies and built up the capabilities needed to improve

corporate governance. Starting with the improvement of governance, I will help the company become the best EGS enterprise.

In addition, I have worked in six countries in total, including the U.S. and Italy, and built up capabilities in the global market. Based on this, I will contribute to the Company's entry into and establishment of new global markets.

Lastly, in performing the duties of an outside director, I am aware of the obligations of the outside director under the relevant laws and regulations, such as fiduciary duty, duty of loyalty, duty to monitor, and duty to observe confidentiality of corporate information, and I will strictly comply with such obligations.

E. Board of Directors' Grounds for Recommendation

(1) Agenda No. 7-1: Appointment of Myung-Chul Kim as Outside Director

1. Enhancement of long-term shareholder value by improving management evaluation/compensation

Myung-Chul Kim, a candidate for the outside director, served as the chairman of the evaluation committee of KT&G's board of directors (April 2021 to March 2023) and strengthened the linkage of the management evaluation/compensation system to sustainable management value by improving the CEO performance evaluation (KPI) and compensation system. In particular, in order to strengthen the link between long-term shareholder value and management performance, he led the reorganization of the compensation system by introducing a "performance share system" to the long-term performance pay of management members.

2. Advancement of financial performance and risk management as a global financial expert

Based on his practice in global financial markets including the US and Hong Kong for about 30 years, including service as the CFO of Shinhan Financial Group, the president of Shinhan Bank of America, and the head of Shinhan Financial Group's Hong Kong entity, the candidate has high level understanding of the capital market. He participates in major decisions of the Company based on his management expertise and experience in developing global financial companies by managing financial performance based on risk management and pursuing efficient capital policy.

While serving as the chairman of KT&G's Board of Directors (April 2022 to March 2023), the Board of Directors made decisions on large-scale infrastructure/facility investment plans in line with the rapid growth of NGP's overseas business and accelerated direct entry into overseas cigarette markets. In this process, based on his experience of CFOs of large banks and top decision makers, the candidate has advised the board on the negotiation/implementation process of large-scale contracts and contributed to the preemptive risk management and strategic investment decision-making by suggesting reasonable decisions in overseas business investments.

3. Contribution to maximization of long-term shareholder value, such as the expansion of shareholder return;

Based on his in-depth understanding of and experience in the capital market, the candidate has contributed to the establishment and announcement of mid to long-term shareholder return policies (2021-2023), and independently performed duties to maximize long-term shareholder value.

4. Independence as an outside director

In addition to the expertise described above, the candidate is fully qualified under the KCC as required to enhance the independence of outside directors. According to the standards of independence set forth in applicable laws and regulations, the candidate is judged to be in an independent position without any direct special relationship with the

largest shareholder and the management. If the independent candidate is appointed as an outside director, it is possible to strictly manage/supervise the management and advise the management in a way that enhances corporate value. Therefore, we, the Outside Director Candidate Recommendation Committee, recommend him as a candidate of the outside director.

(2) Agenda No. 7-2: Appointment of Yun-Sung Koh as Outside Director

1. Reinforcement in reliability of financial reports

While serving as the head of Audit Committee for KT&G's board of directors for the past three years (April 2020 ~ March 2023), Yun-Sung Koh, an outside director candidate, has reinforced the reliability of financial reports by examining settlement processes and financial issues (such as by examining the respective systems' underlying data and settlement logic following the introduction of the global ERP), and led the internal accounting risk inspections for each subsidiary in preparation for the introduction of consolidated internal accounting audit system scheduled in 2023.

By establishing the e-audit portal system aimed at reinforcing internal audit focusing on preventive measures, Yun-Sung Koh has increased the efficiency of monitoring audit and has been making efforts for taking preventive risk management actions by selecting audit themes reflecting the company-wide risks.

2. Expansion of Global Audit and Reinforcement of Audit Capacities following the Growth of Global Businesses

With an aim to expand audit functions following the growth of global businesses, Yun-Sung Koh has established an organization dedicated to overseas audit, such as by newly establishing and operating audit organization within the Indonesia entity, removed risks in advance by taking anticipative audits for overseas entities (Indonesia/Russia), and also performed a variety of proposal activities for reinforcing the audit capacities for group companies.

(※ KT&G was selected as the best organization by the Institute of Internal Auditors in 2020)

3. Management/Supervision regarding the Evaluation of/Compensation for the Management

While serving as a member of the Evaluation and Compensation Committee, Yun-Sung Koh has taken actions to ensure the adequate levels of evaluation and compensation for encouragements by supervising/inspecting the levels/systems involving the CEO management evaluation/compensation and management officer's compensation.

4. Possible to Contribute to the Tobacco Business as Tax Expert

As a tax and accounting expert, this candidate is currently serving as Vice-President of the Korean Academic Society of Taxation. In addition, Yun-Sung Koh has been performing a variety of activities as tax expert with his careers as a member of T/F for advancement of financial disclosure at the Financial Supervisory Service (2020~), a member of petition review committee at the National Tax Service (2023~), a member of management evaluation for public corporations, etc.

The tobacco business is characterized by the facts that tax accounts for a substantial portion (approximately 70%) of the consumer purchase price and that the relevant business abruptly changes upon the change of taxation system. As a tax expert, candidate Yun-Sung Koh is expected to substantially contribute to the management decision-making by analyzing issues and providing proposals relating to tax and accounting issues suitable for such business features.

5. Qualified for Independence Requirements as Outside Director

In addition to the expertise above, candidate Yun-Sung Koh has any and all requirements under the Korean Commercial Code as required to reinforce the outside directors' independence. When applying the statutory independence standards, it is considered that Yun-Sung Koh is an independent candidate in the absence of any direct/indirect or amicable relationship, etc. with the largest shareholder and the management. If Yun-Sung Koh is appointed as outside director with such independence, Yun-Sung Koh is capable of strictly managing/supervising

the management and anticipated to provide the management with proposals for enhancing the corporate value, and as such, the Outside Director Candidate Recommendation Committee recommends Yun-Sung Koh as candidate.

(3) Agenda No. 7-3: Appointment of Soo-Hyung Lee as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(4) Agenda No. 7-4: Appointment of Doreen Kim as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(5) Agenda No. 7-5: Appointment of Jae-Whan Park as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(6) Agenda No. 7-6: Appointment of Suk-Yong Cha as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(7) Agenda No. 7-7: Appointment of Ou-Jin Hwang as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

– **Agenda No. 8: Appointment of Four (4) Outside Directors (if Agenda No. 6-2 is approved) (cumulative voting)**

We seek to appoint outside directors pursuant to Article 382 of the Korean Commercial Code, Article 26, Paragraph (5) of the Company's Articles of Incorporation, and the voting results under Agenda No. 6 as below.

※ Four (4) out of eight (8) candidates below shall be appointed through cumulative voting.

- **Agenda No. 8-1: Appointment of Myung-Chul Kim as Outside Director (Proposal by KT&G's Board of Directors)**
- **Agenda No. 8-2: Appointment of Yun-Sung Koh as Outside Director (Proposal by KT&G's Board of Directors)**
- **Agenda No. 8-3: Appointment of Il-Soon Im as Outside Director (Proposal by KT&G's Board of Directors)**
- **Agenda No. 8-4: Appointment of Soo-Hyung Lee as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 8-5: Appointment of Doreen Kim as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 8-6: Appointment of Jae-Whan Park as Outside Director (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 8-7: Appointment of Suk-Yong Cha as Outside Director (Shareholder's Proposal by Agnes, etc.)**
- **Agenda No. 8-8: Appointment of Ou-Jin Hwang as Outside Director (Shareholder's Proposal by Agnes, etc.)**

A. Candidate's Name, Date of Birth, Recommender, Relationship with the Largest Shareholder, and Candidacy for Outside Director

Name	Date of Birth	Candidacy for Outside Director	Separate Election of Directors who are Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Myung-Chul Kim	1956.2.11	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	KT&G's Independent Director Nomination Committee
Yun-Sung Koh	1973.9.7	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	KT&G's Independent Director Nomination Committee

Il-Soon Lim	1964.12.11	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	KT&G's Independent Director Nomination Committee
Soo-Hyung Lee	1953.5.5	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)
Doreen Kim	1969.3.4	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)
Jae-Whan Park	1960.12.7	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)
Suk-Yong Cha	1953.6.9	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (Agnes, etc.)
Ou-Jin Hwang	1955.5.8	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (Agnes, etc.)

B. Candidate's Occupation, Experience and Transactions with the Company for the Recent Three (3) Years

Name	Occupation	Experience		Transactions with the Company for the Recent Three Years
		Period	Details	
Myung-Chul Kim	Advisor, SEE (Space Entertainment Enterprise)	2020~Present	Current) Outside director and Chairman of the BOD, KT&G (April 2022 ~ March 2023)	N/A
		2017~Present	Current) Advisor, SEE (Space Entertainment Enterprise)	
		2011~2014	Former) Vice President/CFO, U-Life Solutions	
		2008~2011	Former) President, Shinhan Bank America	

		<p>2007~2008</p> <p>2006~2007</p> <p>2005~2006</p> <p>2004~2005</p> <p>2001~2004</p> <p>1999~2001</p> <p>1998~1999</p> <p>1993~</p> <p>1982~</p> <p>1981~</p>	<p>Former) Sangmu/CFO, Shinhan Financial Group (Finance, IR)</p> <p>Former) Head of Finance Planning Department, Shinhan Bank</p> <p>Former) Head of Treasury, Shinhan Bank</p> <p>Former) Sales Manager, Shinhan Bank</p> <p>Former) Head, Shinhan Bank Hong Kong Subsidiary</p> <p>Former) Head of Individual Finance Office, Shinhan Bank</p> <p>Former) Managing Director, Marine National Bank (Shinhan Bank's U.S. Subsidiary)</p> <p>Former) Head of Foreign Currency Fund Team, Shinhan Bank</p> <p>Former) Preparatory Committee Member for Establishment, Shinhan Bank</p> <p>Entered Hanil Bank</p>	
Yun-Sung Koh	Professor, College of Business Administration, Hankuk University of Foreign Studies	<p>2023~present</p> <p>2020~Present</p> <p>2020~Present</p> <p>2017~Present</p> <p>2010~Present</p> <p>2010~Present</p> <p>2010~Present</p> <p>2009~present</p> <p>2020~2022</p> <p>2020~2022</p> <p>2014~2015</p> <p>2008~2010</p>	<p>Current) Member of Petition Deliberation Committee, National Tax Service</p> <p>Current) Outside Director and Chairperson of the Audit Committee, KT&G</p> <p>Current) Member of T/F for Advancement of Financial Disclosure, the Financial Supervisory Service (FSS)</p> <p>Current) Mid-Career Researcher Program, the National Research Foundation of Korea</p> <p>Current) Professor and Associate Dean, College of Business Administration, Hankuk University of Foreign Studies (2019-2020)</p> <p>Current) Director and Vice-Chairman, the Korean Academic Society of Taxation (2023~),</p> <p>Current) Director and General Director, the Korean Accounting Association (2010~2011)</p> <p>Current) Director, the Korean Accounting Information Association</p> <p>Editor-in-Chief, the Journal of Finance and Accounting Information (2016)</p> <p>Former) Outside Director and Chairperson of the Audit Committee, pH-PHARMA</p> <p>Former) Member of the Management Performance Evaluation Committee for Public Institutions, Gyeonggi-do</p> <p>Former) Member of the Public Enterprise and Quasi-governmental Institution Management Assessment Council, the Ministry of Economy and Finance</p> <p>Former) Assistant professor, Accounting and Tax Department, Kyonggi University</p>	N/A

Il-Soon Lim	Former Representative Director & President, Dr. AG	<p>Jan 2022-Jan 2023</p> <p>Oct 2017-Jan 2021</p> <p>May 2017-Oct 2017</p> <p>Nov 2015-May 2017</p> <p>Jun 2015-Nov 2015</p> <p>May 2013-Jun 2015</p> <p>Nov 2010-Apr 2013</p> <p>Jul 2006-Apr 2010</p> <p>Aug 2002-Dec 2005</p> <p>Dec 1998-Aug 2002</p> <p>Dec 1988-Dec 1998</p> <p>Dec 1986-Dec 1988</p>	<p>Former) Representative Director & President, Dr. AG</p> <p>Former) Representative Director & President, Homeplus</p> <p>Former) CFO & COO Senior Vice President, Homeplus</p> <p>Former) CFO Vice President, Homeplus</p> <p>Former) Senior Advisor, CVC Partners</p> <p>Former) Managing Director, Unitas Capital</p> <p>Former) CFO, Exego Group of Australia</p> <p>Former) CFO & Executive Director, Buy-The-Way</p> <p>Former) Finance Executive Director, Boston Scientific</p> <p>Former) CFO Vice President, Costco Korea</p> <p>Former) Financial Controller, Digital Equipment Korea</p> <p>Former) Sales & Marketing Division, Motorola Korea</p>	N/A
Soo-Hyung, Lee	Attorney-at-law, Lawfirm MERIT	<p>July 2000 ~ present</p> <p>2020. 6~2022. 6</p> <p>2006~2009</p> <p>1999. 2~2000. 7</p> <p>1998. 2~1999. 2</p> <p>1997. 1~1998. 2</p> <p>1994. 1~1997. 1</p> <p>1982. 1~2000. 7</p> <p>1979~1982</p> <p>1979. 1</p> <p>1977</p> <p>1976</p> <p>1972</p>	<p>Current) Attorney-at-law (Current workplace: Lawfirm MERIT)</p> <p>Former) Outside Director, Korea Technology Finance Corporation</p> <p>Former) Outside Director, Korea Ratings Corporation</p> <p>Former) Presiding Judge, Seoul Central District Court</p> <p>Former) Presiding Judge, Seoul Eastern District Court</p> <p>Former) Presiding Judge, Suwon District Court</p> <p>Former) Head of Jecheon Branch, Cheongju District Court (Presiding Judge)</p> <p>Judge</p> <p>Military Advocate (Air Force)</p> <p>Completed the Judicial Research and Training Institute (9th class)</p> <p>Passed the 19th Bar Exam</p> <p>Graduated from Kyung Hee University College of Law</p> <p>Graduated from Cheongju High School</p>	N/A
Doreen Kim	Independent consultant of various consumer brands	<p>2022-present</p> <p>2010-2022</p> <p>2006-2010</p> <p>2004-2006</p> <p>1992-2003</p>	<p>Current) Independent consultant of various consumer brands</p> <p>Former) Marketing Customer Relations Management Officer, Louis Vuitton</p> <p>Former) Marketing Director, Bausch+Lomb</p> <p>Former) Marketing Specialist, McKinsey & Company</p> <p>Former) Marketing and strategic positions at various top global companies</p>	N/A

Jae-Whan Park	Professor of Business, College of Business & Economics, Chung-ang University	<p>Mar 2007-present</p> <p>Aug 2022-present</p> <p>Mar 2022-present</p> <p>Jan 2015-present</p> <p>Apr 2016-Apr 2022</p> <p>Jan 2018-Jan 2019</p> <p>Jan 2017-Dec 2018</p> <p>Jan 2017-Dec 2017</p> <p>Mar 2015-Mar 2016</p> <p>Mar 2015-Feb 2016</p> <p>Jan 2013-Jan 2016</p> <p>Mar 2014-Mar 2016</p> <p>Jan 2014-Dec 2014</p> <p>Feb 2013-Dec 2014</p> <p>May 2009-Apr 2011</p> <p>Mar 2007-Feb 2010</p>	<p>Current) Professor, School of Business Administration, College of Business & Economics, Chung-Ang University</p> <p>Current) Advisor, Deloitte Center for Corporate Governance, Deloitte Anjin LLC</p> <p>Current) Outside Director & Chairperson of Audit Committee, POSCO</p> <p>Current) Vice Chairperson, Korean Accounting Association</p> <p>Former) Non-standing Member, Securities and Futures Commission, Financial Services Commission</p> <p>Former) President, Korean Academic Society of Taxation</p> <p>Former) Member, Taxation Development Deliberation Committee, Ministry of Strategy and Finance</p> <p>Former) Chairperson, Korean Society of Business Venturing and Entrepreneurship</p> <p>Former) Member, Corporate Review Committee, KOSDAQ</p> <p>Former) Member, Committee for Management Evaluation of Public Institutions under the Ministry of Education</p> <p>Former) Operating Member, Government Employees Pension Management Committee</p> <p>Former) Ethics Member, Ethics Committee, Korean Institute of Certified Public Accountants</p> <p>Former) Executive Secretary, Committee for Management Evaluation of Public Institutions under the Ministry of Strategy and Finance</p> <p>Former) Dean, Graduate School of Industrial Start-up and Management, Chung-ang University</p> <p>Former) Review Member, Audit Review Committee, Financial Supervisory Service</p> <p>Former) Outside Director, SK Incheon Oil (Management Advisor, SK Energy)</p>	N/A
Suk-Yong Cha	Representative Director, LG H&H	<p>2005~present</p> <p>2001~2004</p> <p>1999~2000</p> <p>1998</p> <p>1996~1997</p> <p>1985~1995</p>	<p>Current) Representative Director, LG H&H</p> <p>Former) Representative Director, Haitai Confectionery & Foods</p> <p>Former) President (General Manager), P&G Korea</p> <p>Former) Representative Director, P&G Ssangyong Paper</p> <p>Former) President, Tampon Business Unit, P&G Asia</p> <p>Former) P&G Head Office</p>	N/A

		1984~1985 1984 1982~1984 1978~1982	Former) Indiana University Maurer School of Law Obtained AICPA (American Institute of Certified Public Accountants) certification Former) Master's Degree, Business Administration, Cornell University Graduate School Former) Bachelor's Degree, Business Administration (Accounting), State University of New York	
Ou-Jin Hwang	(Former) Manager	2019~2021 2014~2018 2015~2016 2010~2014 2004~2010 2003~2010 2003~2010 2002 1998~2001 1993~1997 1990~1992 1986~1988 1984~1989 1981~1983 1975~1981	Former) Outside Director, Save the Children Former) Outside Director, ADT CAPS Former) Vice Chairman, CERAGEM Group; and Representative Director, CERAGEM H&B Former) Chief Marketing Officer, Prudential International Former) President, Prudential Foundation Former) President, Korea Make-A-Wish Foundation Former) Representative Director (CEO), Prudential Life Insurance Company of Korea Former) Vice President, Prudential Life Insurance Korea Former) Chief Marketing Officer, Prudential Life in Italy and Brazil Former) Sales Department of Prudential Life Insurance Former) HR Department of Prudential Life Insurance Sogang University Graduate School of Business Former) VP for HR & Operation, AMC Korea Former) Project Coordinator, Hanyang (Riyadh, Saudi Arabia) Bachelor's Degree, English Literature, Sogang University	N/A

C. Whether the candidate is subject to any tax delinquency, is in the management of any company with sign of insolvency, or is disqualified under applicable law

Name of candidates	Tax delinquency	Management of any company with sign of insolvency	Legal grounds for disqualification
Myung-Chul Kim		N/A	
Yun-Sung Koh		N/A	
Il-Soon Lim		N/A	

Soo-Hyung Lee	N/A
Doreen Kim	N/A
Jae-Whan Park	N/A
Suk-Yong Cha	N/A
Ou-Jin Hwang	N/A

D. Candidates' Plans

(1) Agenda No. 8-1: Appointment of Myung-Chul Kim as Outside Director

He has built up his practical capabilities as an expert in finance and economy by working for main departments and overseas affiliates of Shinhan Financial Group, one of the largest financial institutions in Korea, and has, since then, served as CFO of the holding company and CEO of overseas entities, demonstrating his global leadership in management. Based on such expertise and experience as an economic and management expert, he will faithfully perform his duties so that the board of directors can make reasonable decisions in proposing investment strategies to secure the Company's global business and new growth engines.

Over the past three years, he has served as chairman of board of directors, audit committee member, and other roles. at KT&G and has insights to proactively respond to changes in the global economic conditions and increased uncertainty facing the Company, such as tightened regulations, intensified market competition, and joint venture projects. As an outside director of KT&G, he will continue to contribute to the global risk management and strategic investment decisions of the Company.

He will perform his independent duties as an outside director for a wide range of stakeholders without being bound by a specific relationship, and will play a role in improving management soundness through reasonable checks on the management of the Company. In performing his duties, he will recognize and strictly comply with the obligations of outside directors under the relevant laws and regulations, such as duty of due care, fiduciary duty, and supervisory duty.

(2) Agenda No. 8-2: Appointment of Yun-Sung Koh as Outside Director

As a professor at the College of Business Administration of Hankuk University of Foreign Studies, he has published a number of papers in major academic journals in finance and accounting in Korea and abroad. He has actively engaged in research services for institutions/organizations, etc. and as a member of the management evaluation committee. Based on such extensive experience and expertise, he will contribute to the development of the Company and the protection of the rights and interests of shareholders.

For the past three years, he served as an outside director and the Chairman of the Audit Committee of KT&G and have devoted himself to enhancing the Company's business transparency. He has faithfully performed his role as an outside director by taking the lead in communicating with the management and providing constructive and effective advice and alternatives to key management matters, such as improving the global organization audit system. Based on his accumulated experience, he will make independent decisions without being tied to any specific interests for the balanced interest of shareholders and stakeholders.

As an outside director, he will faithfully perform his role as a managerial advisor as well as a supervisor and recognize and strictly comply with the obligations of outside directors under the relevant laws and regulations.

(3) Agenda No. 8-3: Appointment of Il-Soon Lim as Outside Director

Since he started his career at Motorola Korea in 1986, he has a career in the distribution industry by serving as CFO of Costco Korea among others. Since then, he has been in charge of finance-related work for multiple companies, including BuyTheWay, and served as CEO of Homeplus from 2017 to 2021.

When he was serving as CEO, he led various projects to turn Homeplus into an online retailer and was recognized for the effect the expansion of the online business model had on Homeplus amid the COVID-19 pandemic.

Once appointed as an outside director, he would like to participate in the activities of the board of directors as an expert in management and finance by actively providing views to enhance corporate value. In order to promote the balanced interests of stakeholders, he will make efforts to faithfully perform his responsibilities and obligations as an independent director and make reasonable decisions.

Lastly, in performing the duties of an outside director, he will recognize and strictly comply with the obligations of outside directors under the relevant laws and regulations, such as fiduciary duty, and supervisory duty and confidentiality duty.

(4) Agenda No. 8-4: Appointment of Soo-Hyung Lee as Outside Director

1. Participate in the board of directors' decision-making based on his expertise in healthcare, labor, and law

The candidate has expertise in law as a former presiding judge and in healthcare as a member of the dedicated medical division of the Seoul Eastern District Court, in labor as a judge in charge of labor affairs at the Seoul Central District Court.

2. Independent performance of duties as an outside director

The candidate is clearly aware of the independence of outside directors set forth in Article 382, Paragraph (3) and Article 542-8 of the Korea Commercial Code.

The candidate will plan to exert his best efforts to keep independent as an outside director so that the Company's decision-making can be made fairly and in a neutral and transparent manner.

3. Contribution to growth and sustainable management of the Company

As a future independent director, he intends to demonstrate his expertise regarding various labor and HR issues faced by the Company, while also contributing to the Company's use of his accumulated knowledge in the healthcare and legal fields in operating the tobacco business and the health functional food business.

4. Compliance with legal obligations and the company code of conduct

The candidate will fulfill his fiduciary duty, duty to report, supervisory duty, duty to prohibit self-dealing and confidentiality duty, etc. under the Korean Commercial Code as an outside director, fully understand the Company's any and all regulations and comply with the code of conduct.

(5) Agenda No. 8-5: Appointment of Doreen Kim as Outside Director

1. Participate in the decision-making of the board of directors based on expertise in marketing

The candidate is an expert in marketing: he served as a marketing specialist at McKinsey & Company, Bausch, and a marketing director of Bausch and Lomb, and served as Louis Vuitton's marketing customer relations management officer, and to date, is still active as an advisor to various consumer brands.

2. Performance of duties independently as an outside director

The candidate is clearly aware of the independence of outside directors set forth in Article 382, Paragraph (3) and Article 542-8 of the Korea Commercial Code.

The candidate plans to exert its best efforts to keep independent as an outside director so that the Company's decision-making can be made fairly and in a neutral and transparent manner.

3. Contribution to growth and sustainable management of the Company

This candidate is committed to helping the Company develop long-term corporate strategies and contributing to the development and implementation of innovative marketing strategies to enhance corporate value. To this end, he intends to contribute to the development of the Company's brand value based on his in-depth understanding of the marketing area.

4. Compliance with legal obligations and the company code of conduct

The candidate will fulfill his fiduciary duty, duty to report, supervisory duty, duty to prohibit self-dealing and confidentiality duty, etc. under the Korean Commercial Code as an outside director, fully understand the Company's

any and all regulations and comply with the code of conduct.

(6) Agenda No. 8-6: Appointment of Jae-Hwan Park as Outside Director

1. Participate in board of directors' decision-making based on expertise in finance/accounting

The candidate is an expert in finance who can contribute to securing financial soundness and transparent management of the Company: he has in-depth knowledge of finance and accounting, and has served as an advisor to Deloitte Anjin's Corporate Governance Development Center.

2. Performance of duties independently as an outside director

The candidate is clearly aware of the independence of outside directors set forth in Article 382, Paragraph (3) and Article 542-8 of the Korea Commercial Code.

In addition, since 2007, he has served as an outside director of SK Incheon Oil, and since 2022, has been serving as an outside director and the chairman of the audit committee of POSCO Co., Ltd. As such, he understands the independent roles of outside directors and the importance thereof better than anyone else. Based on such understanding, he intends to monitor and check the Company's financial and accounting operations.

3. Contribution to growth and sustainable management of the Company

The candidate intends to fulfill his duties as an outside director so that the Company can secure not only management transparency but also soundness in terms of financial structure and governance by utilizing his financial and accounting capabilities he has built for a long time.

4. Compliance with legal obligations and the company code of conduct

The candidate will fulfill his fiduciary duty, duty to report, supervisory duty, duty to prohibit self-dealing and confidentiality duty, etc. under the Korean Commercial Code as an outside director, fully understand the Company's any and all regulations and comply with the code of conduct.

(7) Agenda No. 8-7: Appointment of Suk-Yong Cha as Outside Director

Having served as the CEO of domestic and foreign consumer goods companies, he has an in-depth understanding of and experience in the global B2C market. He will support the board of directors and contribute to the success of the Company based on his experience in helping the Korean companies' entry into the global market for their growth.

In addition, based on the long-term experience as CEO, he will contribute to the growth of the Company and increasing of shareholder value as a mentor to the management, and at the same time actively serve as a strict supervisor of management activities.

Lastly, in performing the duties of an outside director, he will recognize and strictly comply with the obligations of outside directors under the relevant laws and regulations, such as fiduciary duty, and supervisory duty and confidentiality duty.

(8) Agenda No. 8-8: Appointment of Ou-Jin Hwang as Outside Director

The candidate has worked for Prudential Group, a global company, for about 34 years and served as the representative director of Prudential Korea. Based on this experience, he has directly experienced the advanced governance of global companies and built up the capabilities required to improve corporate governance.

Starting with the improvement of governance, he will help the Company become the best company in terms of EGS.

In addition, he has worked in six countries in total, including the U.S. and Italy, and built up capabilities in the global market. Based on the experience, he will contribute to the Company's entry into and getting a foothold in new global markets.

Lastly, in performing the duties of an outside director, he will recognize and strictly comply with the obligations of outside directors under the relevant laws and regulations, such as fiduciary duty, and supervisory duty and confidentiality duty.

E. Board of Directors' Grounds for Recommending the Candidate

(1) Agenda No. 8-1: Appointment of Myung-Chul Kim as Outside Director

1. Enhancement of long-term shareholder value by improving management evaluation/compensation

Myung-Chul Kim, a candidate for the outside director, served as the chairman of the evaluation committee of KT&G's board of directors (April 2021 to March 2023) and strengthened the linkage of the management evaluation/compensation system to sustainable management value by improving the CEO performance evaluation (KPI) and compensation system. In particular, in order to strengthen the link between long-term shareholder value and management performance, he led the reorganization of the compensation system by introducing a "performance share system" to the long-term performance pay of management members.

2. Advancement of financial performance and risk management as a global financial expert;

Based on his practice in global financial markets including the US and Hong Kong for about 30 years, including service as the CFO of Shinhan Financial Group, the president of Shinhan Bank of America, and the head of Shinhan Financial Group's Hong Kong entity, the candidate has high level understanding of the capital market. He participates in major decisions of the Company based on his management expertise and experience in developing global financial companies by managing financial performance based on risk management and pursuing efficient capital policy.

While serving as the chairman of KT&G's Board of Directors (April 2022 to March 2023), the Board of Directors made decisions on large-scale infrastructure/facility investment plans in line with the rapid growth of NGP's overseas business and accelerated direct entry into overseas cigarette markets. In this process, based on his experience of CFOs of large banks and top decision makers, the candidate has advised the board on the negotiation/implementation process of large-scale contracts and contributed to the preemptive risk management and strategic investment decision-making by suggesting reasonable decisions in overseas business investments.

3. Contribution to maximization of long-term shareholder value, such as the expansion of shareholder return;

Based on his in-depth understanding of and experience in the capital market, the candidate has contributed to the establishment and announcement of mid to long-term shareholder return policies (2021-2023), and independently performed duties to maximize long-term shareholder value.

4. Independence as an outside director

In addition to the expertise described above, the candidate is fully qualified under the KCC as required to enhance the independence of outside directors. According to the standards of independence set forth in applicable laws and regulations, the candidate is judged to be in an independent position without any direct special relationship with the largest shareholder and the management. If the independent candidate is appointed as an outside director, it is possible to strictly manage/supervise the management and advise the management in a way that enhances corporate value. Therefore, we, the Outside Director Candidate Recommendation Committee, recommend him as a candidate of the outside director.

(2) Agenda No. 2: Appointment of Yun-Sung Koh as Outside Director

1. Reinforcement in reliability of financial reports

While serving as the head of Audit Committee for KT&G's board of directors for the past three years (April 2020 ~ March 2023), Yun-Sung Koh, an outside director candidate, has reinforced the reliability of financial reports by examining settlement processes and financial issues (such as by examining the respective systems' underlying data and settlement logic following the introduction of the global ERP), and led the internal accounting risk inspections for each subsidiary in preparation for the introduction of consolidated internal accounting audit system scheduled in 2023. By establishing the e-audit portal system aimed at reinforcing internal audit focusing on preventive measures, Yun-

Sung Koh has increased the efficiency of monitoring audit and has been making efforts for taking preventive risk management actions by selecting audit themes reflecting the company-wide risks.

2. Expansion of Global Audit and Reinforcement of Audit Capacities following the Growth of Global Businesses

With an aim to expand audit functions following the growth of global businesses, Yun-Sung Koh has established an organization dedicated to overseas audit, such as by newly establishing and operating audit organization within the Indonesia entity, removed risks in advance by taking anticipative audits for overseas entities (Indonesia/Russia), and also performed a variety of proposal activities for reinforcing the audit capacities for group companies.

(※ KT&G was selected as the best organization by the Institute of Internal Auditors in 2020)

3. Management/Supervision regarding the Evaluation of/Compensation for the Management

While serving as a member of the Evaluation and Compensation Committee, Yun-Sung Koh has taken actions to ensure the adequate levels of evaluation and compensation for encouragements by supervising/inspecting the levels/systems involving the CEO management evaluation/compensation and management officer's compensation.

4. Possible to Contribute to the Tobacco Business as Tax Expert

As a tax and accounting expert, this candidate is currently serving as Vice-President of the Korean Academic Society of Taxation. In addition, Yun-Sung Koh has been performing a variety of activities as tax expert with his careers as a member of T/F for advancement of financial disclosure at the Financial Supervisory Service (2020~), a member of petition review committee at the National Tax Service (2023~), a member of management evaluation for public corporations, etc.

The tobacco business is characterized by the facts that tax accounts for substantial portion (approximately 70%) of the consumer purchase price and that the relevant business abruptly changes upon the change of taxation system. As a tax expert, candidate Yun-Sung Koh is expected to substantially contribute to the management decision-making by analyzing issues and providing proposals relating to tax and accounting issues suitable for such business features.

5. Qualified for Independence Requirements as Outside Director

In addition to the expertise above, candidate Yun-Sung Koh has any and all requirements under the Korean Commercial Code as required to reinforce the outside directors' independence. When applying the statutory independence standards, it is considered that Yun-Sung Koh is an independent candidate in the absence of any direct/indirect or amicable relationship, etc. with the largest shareholder and the management. Yun-Sung Koh is appointed as outside director with such independence, Yun-Sung Koh is capable of strictly managing/supervising the management and anticipated to provide the management with proposals for enhancing the corporate value, and as such, the Outside Director Candidate Recommendation Committee recommends Yun-Sung Koh as candidate.

(3) Agenda No. 8-3: Appointment of Il-Soon Lim as Outside Director

1. First female CEO in the Korean distribution industry

During her term as the CEO of Homeplus, Il-Soon Lim, a candidate of the outside director, developed an alternative format for offline hypermarkets based on her insight in the distribution business and converted Homeplus into an online converged "ALL-Line" future retailer. Through this, she expanded the online business model by establishing a sustainable online model and differentiating customer experience based on product and delivery competitiveness. In addition, during the period of transformation in the distribution industry, the candidate has led large organizations with over 20,000 members, stimulating transition into future distribution, strengthening fundamental business competitiveness, and leading strategic design and implementation of many challenging tasks such as preemptive response to variables in the internal and external business environment. These experiences would be very helpful in her performance of service as a KT&G outside director.

2. Capacity as a finance expert

As a finance expert in accounting, treasury, tax, and risk management, she has served as the Vice President and CFO of Costco Korea and the Managing Director and CFO of Buy The Way. We believe that She has several strengths including strategic capability in the overall business management and ability to capture new business opportunities.

3. High ethical awareness and sense of responsibility;

The candidate has high level ethical awareness and sense of responsibility, which she has built up in the course of developing her career in global companies that apply thorough compliance standards to compliance and risk management.

4. Independence

In addition to the expertise described above, the candidate Il-Soon Lim is fully qualified under the KCC to enhance the independence of outside directors. According to the standards of independence set forth in applicable laws and regulations, a candidate is deemed to be in an independent position without any direct, indirect or friendly relationship with the largest shareholder and management. If the independent candidate is appointed as an outside director, it is possible to strictly manage/supervise the management and advise the management in a way that enhances corporate value. Therefore, we would like to recommend him/her as a candidate by the Outside Director Candidate Recommendation Committee.

(4) Agenda No. 8-4: Appointment of Soo-Hyung Lee as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(5) Agenda No. 8-5: Appointment of Doreen Kim as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(6) Agenda No. 8-6: Appointment of Jae-Hwan Park as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(7) Agenda No. 8-7: Appointment of Suk-Yong Cha as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(8) Agenda No. 8-8: Appointment of Ou-Jin Hwang as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable..

– **Agenda No. 9: Appointment of Audit Committee Members**

We seek to appoint the Audit Committee members pursuant to Articles 542-11 and 542-12 of the Korean Commercial Code and Article 34-3 of the Company's Articles of Incorporation.

※ If any candidates for the Audit Committee members are not appointed as outside directors under the Agendas No. 7 through No. 8, the agendas applicable to such candidates will be automatically scrapped.

- **Agenda No. 9-1: Appointment of Myung-Chul Kim as Audit Committee Member (Proposal by KT&G's Board of Directors)**
- **Agenda No. 9-2: Appointment of Yun-Sung Koh as Audit Committee Member (Proposal by KT&G's Board of Directors)**
- **Agenda No. 9-3: Appointment of Soo-Hyung Lee as Audit Committee Member (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 9-4: Appointment of Doreen Kim as Audit Committee Member (Shareholders' Proposal by ANDA ESG General Private Investment Trust No. 1, etc.)**
- **Agenda No. 9-5: Appointment of Suk-Yong Cha as Audit Committee Member (Shareholder's Proposal by Agnes, etc.)**
- **Agenda No. 9-6: Appointment of Ou-Jin Hwang as Audit Committee Member (Shareholder's Proposal by Agnes, etc.)**

A. Candidate's Name, Date of Birth, Recommender, Relationship with the Largest Shareholder, and Candidacy for Outside Director

Name	Date of Birth	Candidacy for Outside Director	Separate Election of Directors who are Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Myung-Chul Kim	1956.2.11	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	KT&G's Board of Directors
Yun-Sung Koh	1973.9.7	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	KT&G's Board of Directors
Soo-Hyung Lee	1953.5.5	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)

Doreen Kim	1969.3.4	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (ANDA ESG General Private Investment Trust No. 1, etc.)
Suk-Yong Cha	1953.6.9	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (Agnes, etc.)
Ou-Jin Hwang	1955.5.8	Outside Director	-	The date immediately following the date set for the 2023 ordinary general meeting of shareholders ~ The date set for the 2026 ordinary general meeting of shareholders	N/A	Shareholders' Proposal (Agnes, etc.)

B. Candidate's Occupation, Detailed Experience and Detailed Transactions with the Relevant Corporation for the Recent Three Years

Name	Occupation	Experience		Transactions with the Company for the Recent Three Years
		Period	Details	
Myung-Chul Kim	Advisor, SEE (Space Entertainment Enterprise)	2020~Present	Current) Outside director and Chairman of the BOD, KT&G (April 2022 ~ March 2023)	N/A
		2017~Present	Current) Advisor, SEE (Space Entertainment Enterprise)	
		2011~2014	Former) Vice President/CFO, U-Life Solutions	
		2008~2011	Former) President, Shinhan Bank America	
		2007~2008	Former) Sangmu/CFO, Shinhan Financial Group (Finance, IR)	
		2006~2007	Former) Head of Finance Planning Department, Shinhan Bank	
		2005~2006	Former) Head of Treasury, Shinhan Bank	
		2004~2005	Former) Sales Manager, Shinhan Bank	
		2001~2004	Former) Head, Shinhan Bank Hong Kong Subsidiary	
		1999~2001	Former) Head of Individual Finance Office, Shinhan Bank	
		1998~1999	Former) Managing Director, Marine National Bank (Shinhan Bank's U.S. Subsidiary)	
		1993~	Former) Head of Foreign Currency Fund Team, Shinhan Bank	
		1982~	Former) Preparatory Committee Member for Establishment, Shinhan Bank	
1981~	Entered Hanil Bank			

Yun-Sung Koh	Professor, College of Business Administration, Hankuk University of Foreign Studies	<p>2023~present</p> <p>2020~Present</p> <p>2020~Present</p> <p>2017~Present</p> <p>2010~Present</p> <p>2010~Present</p> <p>2010~Present</p> <p>2009~present</p> <p>2020~2022</p> <p>2020~2022</p> <p>2014~2015</p> <p>2008~2010</p>	<p>Current) Member of Petition Deliberation Committee, National Tax Service</p> <p>Current) Outside Director and Chairperson of the Audit Committee, KT&G</p> <p>Current) Member of T/F for Advancement of Financial Disclosure, the Financial Supervisory Service (FSS)</p> <p>Current) Mid-Career Researcher Program, the National Research Foundation of Korea</p> <p>Current) Professor and Associate Dean, College of Business Administration, Hankuk University of Foreign Studies (2019-2020)</p> <p>Current) Director and Vice-Chairman, the Korean Academic Society of Taxation (2023~),</p> <p>Current) Director and General Director, the Korean Accounting Association (2010~2011)</p> <p>Current) Director, the Korean Accounting Information Association</p> <p>Editor-in-Chief, the Journal of Finance and Accounting Information (2016)</p> <p>Former) Outside Director and Chairperson of the Audit Committee, pH-PHARMA</p> <p>Former) Member of the Management Performance Evaluation Committee for Public Institutions, Gyeonggi-do</p> <p>Former) Member of the Public Enterprise and Quasi-governmental Institution Management Assessment Council, the Ministry of Economy and Finance</p> <p>Former) Assistant professor, Accounting and Tax Department, Kyonggi University</p>	N/A
Soo-Hyung, Lee	Attorney-at-law, Lawfirm MERIT	<p>July 2000 ~ present</p> <p>2020. 6~2022. 6</p> <p>2006~2009</p> <p>1999. 2~2000. 7</p> <p>1998. 2~1999. 2</p> <p>1997. 1~1998. 2</p> <p>1994. 1~1997. 1</p> <p>1982. 1~2000. 7</p> <p>1979~1982</p> <p>1979. 1</p> <p>1977</p>	<p>Current) Attorney-at-law (Current workplace: Lawfirm MERIT)</p> <p>Former) Outside Director, Korea Technology Finance Corporation</p> <p>Former) Outside Director, Korea Ratings Corporation</p> <p>Former) Presiding Judge, Seoul Central District Court</p> <p>Former) Presiding Judge, Seoul Eastern District Court</p> <p>Former) Presiding Judge, Suwon District Court</p> <p>Former) Head of Jecheon Branch, Cheongju District Court (Presiding Judge)</p> <p>Judge</p> <p>Military Advocate (Air Force)</p> <p>Completed the Judicial Research and Training Institute (9th class)</p> <p>Passed the 19th Bar Exam</p>	N/A

		1976	Graduated from Kyung Hee University College of Law	
		1972	Graduated from Cheongju High School	
Doreen Kim	Independent consultant of various consumer brands	2022-present	Current) Independent consultant of various consumer brands	N/A
		2010-2022	Former) Marketing Customer Relations Management Officer, Louis Vuitton	
		2006-2010	Former) Marketing Director, Bausch+Lomb	
		2004-2006	Former) Marketing Specialist, McKinsey & Company	
		1992-2003	Former) Marketing and strategic positions at various top global companies	
Suk-Yong Cha	Representative Director, LG H&H	2005~present	Current) Representative Director, LG H&H	N/A
		2001~2004	Former) Representative Director, Haitai Confectionery & Foods	
		1999~2000	Former) President (General Manager), P&G Korea	
		1998	Former) Representative Director, P&G Ssangyong Paper	
		1996~1997	Former) President, Tampon Business Unit, P&G Asia	
		1985~1995	Former) P&G Head Office	
		1984~1985	Former) Indiana University Maurer School of Law	
		1984	Obtained AICPA (American Institute of Certified Public Accountants) certification	
		1982~1984	Former) Master's Degree, Business Administration, Cornell University Graduate School	
		1978~1982	Former) Bachelor's Degree, Business Administration (Accounting), State University of New York	
Ou-Jin Hwang	(Former) Manager	2019~2021	Former) Outside Director, Save the Children	N/A
		2014~2018	Former) Outside Director, ADT CAPS	
		2015~2016	Former) Vice Chairman, CERAGEM Group; and Representative Director, CERAGEM H&B	
		2010~2014	Former) Chief Marketing Officer, Prudential International	
		2004~2010	Former) President, Prudential Foundation	
		2003~2010	Former) President, Korea Make-A-Wish Foundation	
		2003~2010	Former) Representative Director (CEO), Prudential Life Insurance Company of Korea	
		2002	Former) Vice President, Prudential Life Insurance Korea	
		1998~2001	Former) Chief Marketing Officer, Prudential Life in Italy and Brazil	
		1993~1997	Former) Sales Department of Prudential Life Insurance	

		1990~1992	Former) HR Department of Prudential Life Insurance	
		1986~1988	Sogang University Graduate School of Business	
		1984~1989	Former) VP for HR & Operation, AMC Korea	
		1981~1983	Former) Project Coordinator, Hanyang (Riyadh, Saudi Arabia)	
		1975~1981	Bachelor's Degree, English Literature, Sogang University	

C. Whether the candidate is subject to any tax delinquency, is in the management of any company with sign of insolvency, or is disqualified under applicable law

Name of candidates	Tax delinquency	Management of any company with sign of insolvency	Legal grounds for disqualification
Myung-Chul Kim		N/A	
Yun-Sung Koh		N/A	
Soo-Hyung Lee		N/A	
Doreen Kim		N/A	
Suk-Yong Cha		N/A	
Ou-Jin Hwang		N/A	

D. Board of Directors' Grounds for Recommendation

<p>(1) Agenda No. 9-1: Appointment of Myung-Chul Kim as Audit Committee Member</p> <p><u>1. Enhancement of long-term shareholder value by improving management evaluation/compensation</u> Myung-Chul Kim, a candidate for the outside director, served as the chairman of the evaluation committee of KT&G's board of directors (April 2021 to March 2023) and strengthened the linkage of the management evaluation/compensation system to sustainable management value by improving the CEO performance evaluation (KPI) and compensation system. In particular, in order to strengthen the link between long-term shareholder value and management performance, he led the reorganization of the compensation system by introducing a "performance share system" to the long-term performance pay of management members.</p> <p><u>2. Advancement of financial performance and risk management as a global financial expert</u> Based on his practice in global financial markets including the US and Hong Kong for about 30 years, including service as the CFO of Shinhan Financial Group, the president of Shinhan Bank of America, and the head of Shinhan Financial Group's Hong Kong entity, the candidate has high level understanding of the capital market. He participates in major decisions of the Company based on his management expertise and</p>
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experience in developing global financial companies by managing financial performance based on risk management and pursuing efficient capital policy.

While serving as the chairman of KT&G's Board of Directors (April 2022 to March 2023), the Board of Directors made decisions on large-scale infrastructure/facility investment plans in line with the rapid growth of NGP's overseas business and accelerated direct entry into overseas cigarette markets. In this process, based on his experience of CFOs of large banks and top decision makers, the candidate has advised the board on the negotiation/implementation process of large-scale contracts and contributed to the preemptive risk management and strategic investment decision-making by suggesting reasonable decisions in overseas business investments.

3. Contribution to maximization of long-term shareholder value, such as the expansion of shareholder return

Based on his in-depth understanding of and experience in the capital market, the candidate has contributed to the establishment and announcement of mid to long-term shareholder return policies (2021-2023), and independently performed duties to maximize long-term shareholder value.

4. Independence as an outside director

In addition to the expertise described above, the candidate is fully qualified under the KCC as required to enhance the independence of outside directors. According to the standards of independence set forth in applicable laws and regulations, the candidate is judged to be in an independent position without any direct special relationship with the largest shareholder and the management. If the independent candidate is appointed as an outside director, it is possible to strictly manage/supervise the management and advise the management in a way that enhances corporate value. Therefore, we, the Outside Director Candidate Recommendation Committee, recommend him as a candidate of the audit committee member.

(2) Agenda No. 9-2: Appointment of Yun-Sung Koh as Audit Committee Member

1. Reinforcement in reliability of financial reports

While serving as the head of Audit Committee for KT&G's board of directors for the past three years (April 2020 ~ March 2023), Yun-Sung Koh, an outside director candidate, has reinforced the reliability of financial reports by examining settlement processes and financial issues (such as by examining the respective systems' underlying data and settlement logic following the introduction of the global ERP), and led the internal accounting risk inspections for each subsidiary in preparation for the introduction of consolidated internal accounting audit system scheduled in 2023.

By establishing the e-audit portal system aimed at reinforcing internal audit focusing on preventive measures, Yun-Sung Koh has increased the efficiency of monitoring audit and has been making efforts for taking preventive risk management actions by selecting audit themes reflecting the company-wide risks.

2. Expansion of Global Audit and Reinforcement of Audit Capacities following the Growth of Global Businesses

With an aim to expand audit functions following the growth of global businesses, Yun-Sung Koh has established an organization dedicated to overseas audit, such as by newly establishing and operating audit organization within the Indonesia entity, removed risks in advance by taking anticipative audits for overseas entities (Indonesia/Russia), and also performed a variety of

proposal activities for reinforcing the audit capacities for group companies.

(※ KT&G was selected as the best organization by the Institute of Internal Auditors in 2020)

3. Management/Supervision regarding the Evaluation of/Compensation for the Management

While serving as a member of the Evaluation and Compensation Committee, Yun-Sung Koh has taken actions to ensure the adequate levels of evaluation and compensation for encouragements by supervising/inspecting the levels/systems involving the CEO management evaluation/compensation and management officer's compensation.

4. Possible to Contribute to the Tobacco Business as Tax Expert

As a tax and accounting expert, this candidate is currently serving as Vice-President of the Korean Academic Society of Taxation. In addition, Yun-Sung Koh has been performing a variety of activities as tax expert with his careers as a member of T/F for advancement of financial disclosure at the Financial Supervisory Service (2020~), a member of petition review committee at the National Tax Service (2023~), a member of management evaluation for public corporations, etc.

The tobacco business is characterized by the facts that tax accounts for substantial portion (approximately 70%) of the consumer purchase price and that the relevant business abruptly changes upon the change of taxation system. As a tax expert, candidate Yun-Sung Koh is expected to substantially contribute to the management decision-making by analyzing issues and providing proposals relating to tax and accounting issues suitable for such business features.

5. Qualified for Independence Requirements as Outside Director

In addition to the expertise above, candidate Yun-Sung Koh has any and all requirements under the Korean Commercial Code as required to reinforce the outside directors' independence. When applying the statutory independence standards, it is considered that Yun-Sung Koh is an independent candidate in the absence of any direct/indirect or amicable relationship, etc. with the largest shareholder and the management. If Yun-Sung Koh is appointed as outside director with such independence, Yun-Sung Koh is capable of strictly managing/supervising the management and anticipated to provide the management with proposals for enhancing the corporate value, and as such, the Outside Director Candidate Recommendation Committee recommends Yun-Sung Koh as candidate.

(3) Agenda No. 9-3: Appointment of Soo-Hyung Lee as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(4) Agenda No. 9-4: Appointment of Doreen Kim as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(5) Agenda No. 9-5: Appointment of Suk-Yong Cha as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

(6) Agenda No. 9-6: Appointment of Ou-Jin Hwang as Outside Director

※ As this candidate is recommended by the shareholders' proposal, the grounds for board of directors' recommendation shall not be applicable.

VI. Regarding Approval of Cap on Remuneration for Directors

- **Agenda No. 10: Approval of Cap on Remuneration for Directors**

We seek to obtain approval of the cap amount on remuneration for directors pursuant to Article 388 of the Korean Commercial Code and Article 30 of the Company's Articles of Incorporation.

(The 37th Fiscal Year)

Number of Directors (Number of Outside Directors)	8 (6) or 10 (8)
Total Amount of Remuneration or Maximum Cap Amount	KRW 5,000 million

(The 36th Fiscal Year)

Number of Directors (Number of Outside Directors)	8 (6)
Total Amount of Remuneration Actually Paid	KRW 2,709 million
Maximum Cap Amount	KRW 5,000 million

- ※ The number of directors (number of outside directors) for the 37th fiscal year above shall be 8 (6) if two outside directors are appointed by approval of the resolution of Agenda No. 6-1, or 10 (8) if four outside directors are appointed by approval of the resolution of Agenda No. 6-2.
- ※ The number of directors (number of outside directors) above are the number of directors or outside directors in office as of the end of each relevant year.
- ※ The total amount of remuneration actually paid represents the total amount paid to all directors (including two retired directors upon expiration of their terms of office) who served during the period from January 1, 2022 to December 31, 2022.