

Agendas for the Annual General Meeting of Shareholders for the 39th Fiscal Year

Date and Time: March 26, 2026 (Thursday) at 10:00 a.m.

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

KT&G Corporation

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(This agenda is introduced presuming that the proposed partial amendment to the Korean Commercial Code (“KCC”) (Bill No. 16966) to impose an obligation on a company to cancel its treasury shares will take effect prior to the date of the general meeting of shareholders. If the proposed partial amendment to the KCC does not take effect prior to the date of the general meeting of shareholders, this agenda shall be automatically scrapped.)

Agenda No. 3: Amendment to Regulation on Severance Pay for Inside Directors
(to be automatically scrapped if Agenda No. 2-6 is rejected)

Agenda No. 4: Appointment of Hwan-Yong Nho as Independent Non-Executive Director

Agenda No. 5: Appointment of Hwan-Yong Nho as Audit Committee Member

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(to be automatically scrapped if Agenda No. 2-5 is rejected)

Agenda No. 7: Approval of Cap on Remuneration for Directors

Agenda No. 8: Approval of the Plan for Holding and Disposal of Treasury Shares
(This agenda is introduced presuming that the proposed partial amendment to the KCC (Bill No. 16966) to impose an obligation on a company to cancel its treasury shares will take effect prior to the date of the general meeting of shareholders. If the proposed partial amendment to the KCC does not take effect prior to the date of the general meeting of shareholders, this agenda shall be automatically scrapped.)

Agenda No. 1
Approval of Financial Statements and Statement of Appropriation
of Retained Earnings for the 39th Fiscal Year

- A. Consolidated Financial Statements**
- B. Separate Financial Statements**
- C. Statement of Appropriation of Retained Earnings**

Pursuant to Article 449 of the Korean Commercial Code and Article 41 of the Articles of Incorporation of the Company, the Consolidated and Separate Financial Statements and the Statement of Appropriation of Retained Earnings for the 39th Fiscal Year (from January 1, 2025 to December 31, 2025) are required to be approved.

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

※ These financial statements do not reflect the results of the external audit, and if any minor changes arise from the external audit, the representative director may submit the revised financial statements, incorporating the external auditor's report, to the general meeting of shareholders. 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

39th Fiscal Year(CY) : As of December 31, 2025

38th Fiscal Year(PY) : As of December 31, 2024

Assets

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	39 th FY (CY)	38 th FY (PY)	YOY (amt)
1. Current Assets	70,262	71,763	-1,501
Cash and cash equivalents	9,135	11,360	-2,225
Other financial assets	3,033	4,633	-1,600
Financial assets measured at FVPL	614	2,449	-1,835
Trade and other receivables	16,914	15,617	1,297
Inventories	32,848	31,013	1,835
Refund assets and others	8	62	-54
Accrued tobacco excise and other taxes	4,908	4,040	868
Advance payments	705	1,246	-541
Prepaid expenses	1,630	1,311	319
Current tax assets	4	32	-28
Assets held for sale	413	-	413
Derivative assets	50	-	50
2. Non-current assets	71,629	67,489	4,140
Long-term other financial assets	385	307	78
Long-term deposits	16,761	17,055	-294
Long-term financial assets measured at FVPL	3,333	3,379	-46
Long-term trade and other receivables	1,596	1,416	180
Long-term financial assets measured at FVOCI	1,879	2,117	-238
Investments in associates and joint ventures	8,139	4,823	3,316
Property, plant and equipment	28,230	26,644	1,586
Intangible assets	1,709	1,797	-88
Investment properties	6,650	7,612	-962
Right-of-use assets	621	505	116
Long-term advanced payments	900	1,007	-107
Long-term prepaid expenses	230	133	97
Deferred income tax assets	794	614	180
Net defined benefit assets	402	80	322
Total assets	141,891	139,252	2,639

□ **Liabilities/Equity**

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	39th FY (CY)	38th FY (PY)	YOY (amt)
1. Current Liabilities	32,368	31,429	939
Short-term borrowings	3,330	2,880	450
Current portion of long-term borrowings	4,223	1,635	2,588
Trade and other payables	15,639	16,800	-1,161
Current lease liabilities	254	209	45
Derivative liabilities	85	328	-243
Advance received	319	653	-334
Current refund liabilities and provisions	451	391	60
Current income tax liabilities	2,190	1,978	212
Tobacco excise and other taxes payable	5,877	6,555	-678
2. Non-current liabilities	16,162	14,239	1,923
Long-term borrowings and bonds	10,307	10,220	87
Long-term trade and other payables	2,733	818	1,915
Long-term lease liabilities	318	279	39
Long-term advance received	28	93	-65
Net defined benefit liabilities	427	426	1
Long-term refund liabilities and provisions	79	76	3
Deferred income tax liabilities	2,206	2,256	-50
Non-controlling interests liabilities	64	71	-7
Total Liabilities	48,530	45,668	2,862
1. Share capital	9,550	9,550	-
2. Other capital surplus	79	59	20
3. Treasury shares	-8,353	-10,305	1,952
4. Gain on sale of treasury shares	5,296	5,290	6
5. Reserves	68,989	71,751	-2,762
6. Retained Earnings	17,234	16,046	1,188
7. Non-controlling interest	566	1,193	-627
Total Equity	93,361	93,584	-223
Total Liabilities/Equity	141,891	139,252	2,639

2. Consolidated Statements of Comprehensive Income

39th Fiscal Year(CY) : From January 1, 2025 to December 31, 2025

38th Fiscal Year(PY) : From January 1, 2024 to December 31, 2024

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	39 th FY (CY)	38 th FY (PY)	YOY (amt)
Continuing Operations			
1. Sales	65,797	59,088	6,709
2. Cost of Sales	34,353	30,068	4,285
3. Gross Profit (1-2)	31,444	29,020	2,424
4. Selling, general & administrative expense	18,007	17,132	875
5. Operating Profit (3-4)	13,437	11,888	1,549
6. Other income and expense	184	3,054	-2,870
1) Other income	4,670	5,737	-1,067
2) Other expense	-4,486	-2,683	-1,803
7. Finance income and costs	375	737	-362
1) Finance income	1,477	1,653	-176
2) Finance costs	-1,102	-916	-186
8. Share of net profit(loss) of associates and joint ventures	393	192	201
9. Gains and losses on net monetary assets	164	-213	377
10. Profit before income tax (5+6+7+8+9)	14,553	15,658	-1,105
11. Income tax expense	3,522	3,937	-415
12. Profit for the year	11,023	11,650	-627
1) Continued operations	11,031	11,721	-690
2) Discontinued operations	-8	-71	63
13. Other comprehensive income	1,092	305	787
14. Total comprehensive income	12,115	11,955	160
1) Continued operations	12,124	12,047	77
2) Discontinued operations	-9	-92	83
15. Earnings per share(KRW/share)	10,220	10,455	-235
1) Continued operations	10,228	10,519	-291
2) Discontinued operations	-8	-64	56

3. Consolidated Statement of Changes in Equity

39th Fiscal Year(CY) : From January 1, 2025 to December 31, 2025

38th Fiscal Year(PY) : From January 1, 2024 to December 31, 2024

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
2024. 01. 01	9,550	49	-12,369	5,289	72,303	16,922	91,744	1,205	92,949
Total comprehensive income	-	-	-	-	531	11,436	11,967	-12	11,955
Profit or loss for the period	-	-	-	-	-	11,657	11,657	-7	11,650
Other comprehensive income or loss	-	-	-	-	531	-221	310	-5	305
Transactions with owners of the Parent company	-	10	2,064	1	-1,083	-12,312	-11,320	-	-11,320
Dividends paid	-	-	-	-	-	-5,866	-5,866	-	-5,866
Transfer to other reserves	-	-	-	-	-1,083	1,083	-	-	-
Acquisition of treasury shares	-	-	-5,468	-	-	-	-5,468	-	-5,468
Cancellation of treasury shares	-	-	7,529	-	-	-7,529	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-
Share-based payment	-	10	3	1	-	-	14	-	14
2024. 12. 31	9,550	59	-10,305	5,290	71,751	16,046	92,391	1,193	93,584

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
2025. 01. 01	9,550	59	-10,305	5,290	71,751	16,046	92,391	1,193	93,584
Total comprehensive income	-	-	-	-	739	11,259	11,998	117	12,115
Profit or loss for the period	-	-	-	-	-	10,900	10,900	123	11,023
Other comprehensive income or loss	-	-	-	-	739	359	1,098	-6	1,092
Transactions with owners of the Parent	-	20	1,952	6	-3,501	-10,071	-11,594	-744	-12,338

company									
Dividends paid	-	-	-	-	-	-6,029	-6,029	-	-6,029
Transfer to other reserves	-	-	-	-	-3,501	3,501	-	-	-
Acquisition of treasury shares	-	-	-5,601	-	-	-	-5,601	-	-5,601
Cancellation of treasury shares	-	-	7,543	-	-	-7,543	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-754	-754
Change in non-controlling interests	-	14	-	-	-	-	14	10	24
Share-based payment	-	6	10	6	-	-	22	-	22
2025. 12. 31	9,550	79	-8,353	5,296	68,989	17,234	92,795	566	93,361

4. Consolidated Statements of Cash Flows

39th Fiscal Year(CY) : From January 1, 2025 to December 31, 2025

38th Fiscal Year(PY) : From January 1, 2024 to December 31, 2024

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Classification	39 th FY (CY)	38 th FY (PY)
1. Cash flows from operating activities	5,828	8,223
1) Profit for the period	11,023	11,650
1) Continued operations	11,031	11,721
2) Discontinued operations	-8	-71
2) Adjustments	6,705	3,491
Income tax expense	3,522	3,937
Finance costs	1,102	916
Finance income	-1,477	-1,653
Depreciation and amortization expenses	2,927	2,503
Retirement benefits	845	529
Loss on foreign currency translation	1,310	502
Gain on foreign currency translation	-841	-3,772
Other expenses etc.	-683	529
3) Changes in working capital	-8,037	-3,654
4) Payment of income taxes	-3,863	-3,264
2. Cash flows from investing activities	1,011	-5,297
Interest received	853	814
Dividends received	334	222
Disposal of tangible and intangible assets	2,673	234
Disposal of investment properties	95	220
Acquisition of tangible and intangible assets	-6,745	-7,972
Acquisition of investment properties	-14	-115
Acquisition of right-of-use assets	-58	-31
Increase/decrease in financial assets measures at FVPL	1,722	1,628
Increase/decrease in guarantee deposits and loans	-707	-406
Increase/decrease in other financial assets	2,858	109
3. Cash flows from financing activities	-9,479	-2,934
Interest paid	-732	-434
Redemption of lease liabilities	-266	-243
Increase/decrease in borrowings etc.	-8,481	-2,257
4. Net increase/decrease in cash and cash equivalents (1+2+3)	-2,640	-8
5. Cash and cash equivalents at the beginning of the period	11,360	10,320
Fluctuations due to foreign currency conversion	415	1,048
6. Cash and cash equivalents at the end of the period	9,135	11,360

B. Separate Financial Statements

1. Separate Statements of Financial Position

39th Fiscal Year(CY) : As of December 31, 2025

38th Fiscal Year(PY) : As of December 31, 2024

□ Assets

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	39 th FY (CY)	38 th FY (PY)	YOY (amt)
1. Current Assets	40,481	41,669	-1,188
Cash and cash equivalents	1,342	5,888	-4,546
Other financial assets	1,306	1,552	-246
Financial assets measured at FVPL	-	2,449	-2,449
Trade and other receivables	20,437	16,216	4,221
Derivative assets	50	-	50
Inventories	13,590	13,162	428
Refund assets and others	5	53	-48
Accrued tobacco excise and other taxes	2,820	1,943	877
Advance payments	15	6	9
Prepaid expenses	503	400	103
Assets held for sale	413	-	413
2. Non-current assets	73,162	69,346	3,816
Long-term other financial assets	380	307	73
Long-term deposits	16,761	17,055	-294
Long-term financial assets measured at FVPL	3,315	3,305	10
Long-term trade and other receivables	3,813	2,129	1,684
Long-term financial assets measured at FVOCI	1,561	1,855	-294
Investments in associates and joint ventures	7,761	4,590	3,171
Investments in subsidiaries	17,729	15,917	1,812
Property, plant and equipment	13,928	15,057	-1,129
Intangible assets	1,383	1,328	55
Investment properties	5,561	7,414	-1,853
Right-of-use assets	188	214	-26
Long-term prepaid expenses	217	101	116
Deferred income tax assets	211	3	208
Net defined benefit assets	354	71	283
Total assets	113,643	111,015	2,628

□ Liabilities/Equity

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	39 th FY (CY)	38 th FY (PY)	YOY (amt)
1. Current Liabilities	26,335	24,854	1,481
Short-term borrowings	3,000	2,500	500
Liquidity bonds	3,297	999	2,298
Trade and other payables	12,271	12,951	-680
Derivative liabilities	85	328	-243
Current lease liabilities	69	69	-
Advance received	225	562	-337
Current refund liabilities and provisions	97	122	-25
Current income tax liabilities	1,831	1,710	121
Tobacco excise and other taxes payable	5,460	5,613	-153
2. Non-current liabilities	11,826	9,087	2,739
Long-term borrowings and bonds	9,074	8,080	994
Long-term trade and other payables	2,575	734	1,841
Long-term lease liabilities	115	144	-29
Long-term advance received	26	95	-69
Long-term refund liabilities and provisions	36	34	2
Total Liabilities	38,161	33,941	4,220
1. Share capital	9,550	9,550	-
2. Other capital surplus	56	50	6
3. Treasury shares	-8,353	-10,305	1,952
4. Gain on sale of treasury shares	5,296	5,290	6
5. Reserves	68,439	71,460	-3,021
6. Retained Earnings	494	1,029	-535
Total Equity	75,482	77,074	-1,592
Total Liabilities/Equity	113,643	111,015	2,628

2. Separate Statements of Comprehensive Income

39th Fiscal Year(CY) : From January 1, 2025 to December 31, 2025
 38th Fiscal Year(PY) : From January 1, 2024 to December 31, 2024

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	39 th FY (CY)	38 th FY (PY)	YOY (amt)
1. Sales	41,455	37,045	4,410
- Manufacture of tobacco	33,255	32,037	1,218
- Real estate	5,068	3,348	1,720
- Exports of leaf tobacco and others	3,132	1,660	1,472
2. Cost of Sales	22,286	19,271	3,015
- Manufacture of tobacco	16,666	15,230	1,436
- Real estate	3,923	2,651	1,272
- Exports of leaf tobacco and others	1,697	1,390	307
3. Gross Profit (1-2)	19,169	17,774	1,395
- Manufacture of tobacco	16,589	16,807	-218
- Real estate	1,145	697	448
- Exports of leaf tobacco and others	1,435	270	1,165
4. Selling, general & administrative expense	9,162	7,957	1,205
5. Operating Profit (3-4)	10,007	9,817	190
6. Other income and expense	960	2,673	-1,713
1) Other income	4,164	4,962	-798
2) Other expense	-3,204	-2,289	-915
7. Finance income and costs	1,198	904	294
1) Finance income	2,206	1,656	550
2) Finance costs	-1,008	-752	-256
8. Profit before income tax (5+6+7)	12,165	13,394	-1,229
9. Income tax expense	2,967	3,362	-395
10. Profit for the year	9,198	10,032	-834
11. Other comprehensive income	818	37	781
12. Total comprehensive income	10,016	10,069	-53
13. Earnings per share(KRW/share)	8,624	8,997	-373

3. Separate Statement of Changes in Equity

39th Fiscal Year(CY) : From January 1, 2025 to December 31, 2025
 38th Fiscal Year(PY) : From January 1, 2024 to December 31, 2024

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
2024. 01. 01	9,550	40	-12,369	5,289	72,385	3,430	78,325
Total comprehensive income	-	-	-	-	158	9,911	10,069
Profit or loss for the period	-	-	-	-	-	10,032	10,032
Other comprehensive income or loss	-	-	-	-	158	-121	37
Transactions with owners of the Parent company	-	10	2,064	1	-1,083	-12,312	-11,320
Dividends paid	-	-	-	-	-	-5,866	-5,866
Transfer to other reserves	-	-	-	-	-1,083	1,083	-
Acquisition of treasury shares	-	-	-5,468	-	-	-	-5,468
Cancellation of treasury shares	-	-	7,529	-	-	-7,529	-
Share-based payment	-	10	3	1	-	-	14
2024. 12. 31	9,550	50	-10,305	5,290	71,460	1,029	77,074

Classification	Share capital	Other capital surplus	Treasury shares	Gains on sale of treasury shares	Reserves	Retained earnings	Total equity
2025. 01. 01	9,550	50	-10,305	5,290	71,460	1,029	77,074
Total comprehensive income	-	-	-	-	480	9,536	10,016
Profit or loss for the period	-	-	-	-	-	9,198	9,198
Other comprehensive income or loss	-	-	-	-	480	338	818
Transactions with owners of the Parent company	-	6	1,952	6	-3,501	-10,071	-11,608

Dividends paid	-	-	-	-	-	-6,029	-6,029
Transfer to other reserves	-	-	-	-	-3,501	3,501	-
Acquisition of treasury shares	-	-	-5,601	-	-	-	-5,601
Cancellation of treasury shares	-	-	7,543	-	-	-7,543	-
Share-based payment	-	6	10	6	-	-	22
2025. 12. 31	9,550	56	-8,353	5,296	68,439	494	75,482

4. Separate Statements of Cash Flows

39th Fiscal Year(CY) : From January 1, 2025 to December 31, 2025

38th Fiscal Year(PY) : From January 1, 2024 to December 31, 2024

KT&G Corporation

(Unit: 100 million KRW)

Classification	39 th FY (CY)	38 th FY (PY)
1. Cash flows from operating activities	2,847	8,101
1) Profit for the period	9,198	10,032
2) Adjustments	3,721	2,054
Income tax expense	2,967	3,362
Finance costs	1,008	752
Finance income	-2,206	-1,656
Depreciation and amortization expenses	1,762	1,684
Retirement benefits	336	316
Loss on foreign currency translation	799	180
Gain on foreign currency translation	-616	-3,396
Other expenses etc.	-329	812
3) Changes in working capital	-6,720	-1,281
4) Payment of income taxes	-3,352	-2,704
2. Cash flows from investing activities	1,355	-1,608
Interest received	844	638
Dividends received	843	855
Disposal of tangible and intangible assets	257	91
Disposal of investment properties	2,637	113
Disposal of assets held for sale	1,449	1,372
Acquisition of tangible and intangible assets	-2,187	-3,697
Acquisition of investment properties	-14	-112
Increase/decrease in investments in associates and joint ventures	-1,718	47
Increase/decrease of investments in subsidiaries	-1,976	-1,994
Increase/decrease in financial assets measures at FVPL	2,244	862
Increase/decrease in financial assets measures at FVOCI	1,321	357
Increase/decrease in long-term deposits	1	-1
Increase/decrease in guarantee deposits and loans	-2,519	-144
Increase/decrease in other financial assets	173	5
3. Cash flows from financing activities	-8,594	-3,142
Dividends paid	-6,029	-5,866
Interest paid	-626	-302
Redemption of lease liabilities	-91	-87
Increase/decrease in short-term borrowings	500	2,500
Acquisition of treasury shares	-5,601	-5,468
Issuance of bonds	4,253	6,081
Redemption of bonds	-1,000	-
4. Net increase/decrease in cash and cash equivalents (1+2+3)	-4,392	3,351
5. Cash and cash equivalents at the beginning of the period	5,888	2,104
Fluctuations due to foreign currency conversion	-154	433
6. Cash and cash equivalents at the end of the period	1,342	5,888

C. Statement of Appropriation of Retained Earnings

39th Fiscal Year(CY) : From January 1, 2025 to December 31, 2025 **38th Fiscal Year(PY) : From January 1, 2024 to December 31, 2024**

Expected date of appropriation : March 26, 2026 **Fixed date of appropriation : March 28, 2025**

KT&G Corporation

(Unit: 100 million KRW)

Classification	39 th FY (CY)	38 th FY (PY)
1. Unappropriated retained earnings	494	1,029
1) Unappropriated retained earnings carried over from prior year	-	-
2) Profit for the year	9,198	10,032
3) Interim dividends	-1,499	-1,353
4) Cancellation of treasury shares	-7,543	-7,529
5) Reclassification of losses from disposal of financial assets measured at FVOCI to Retained Earnings	273	129
6) Remeasurements of net defined benefit liabilities	65	-250
2. Transfer from voluntary reserves	11,023	3,501
1) Transfer from other (voluntary) reserves	11,023	3,501
3. Appropriation of retained earnings	-4,775	-4,530
1) Dividends paid Cash dividend payout(ratio) for Ordinary shares Current year(2025) : 4,600 KRW(92%) Prior year(2024) : 4,200 KRW(84%)	-4,775	-4,530
4. Unappropriated retained earnings to be Carried over to Subsequent Year	6,742	-

Agenda No. 2

Partial Amendment to Articles of Incorporation

(Agenda No. 2-7 is introduced presuming that the proposed partial amendment to the KCC (Bill No. 16966) to impose an obligation on a company to cancel its treasury shares will take effect prior to the date of the general meeting of shareholders. If the proposed partial amendment to the KCC does not take effect prior to the date of the general meeting of shareholders, this agenda shall be automatically scrapped.)

Pursuant to Article 433 of the Korean Commercial Code, the Company intends to amend parts of its Articles of Incorporation as follows.

Classification	Before Amendment	After Amendment	Purpose of Amendment
Agenda No. 2-1: Addition of Business Objectives	<p>Article 2 (Objective) (1) The objectives of the Company shall be as follows: 1 – 50. (Omitted)</p> <p><u>51. research activity incidental to the businesses described above.</u> <u>52. <Newly established></u></p>	<p>Article 2 (Objective) (1) ----- -----. 1 – 50. (Same as the current provisions) <u>51. printing and printing-related business; and</u> <u>52. research activity incidental to the businesses described in Subparagraphs 1 through 51 above.</u></p>	To add business objectives to pursue commercial production at the Sejong Plant
Agenda No. 2-2: Introduction of e-GMS	<p>Article 17 (Convening and Types of General Meetings) (4) <u>The President of the Company who is the Representative Director (hereinafter, the “President”) shall convene a Meeting. In case where the President fails to convene, the provision of Article 28(2) of these Articles of Incorporation shall apply mutatis mutandis.</u></p> <p>(5) <Newly established></p>	<p>Article 17 (Convening and Types of General Meetings) (4) <u>Pursuant to Article 542-14(1) of the Commercial Code, the Company shall hold general meetings of shareholders in a format that allows some shareholders to participate in the resolution via electronic means from a remote location, without physically attending the meeting place.</u></p> <p>(5) <u>The President of the Company who is the Representative Director (hereinafter, the “President”) shall convene a Meeting. In case where the President fails to convene, the provision of Article 28(2) of these Articles of Incorporation shall apply mutatis mutandis.</u></p>	To provide grounds for the introduction of electronic general meetings of shareholders To re-number the paragraphs following the insertion of new provisions

	<p>Article 21 (Voting by Proxy) (2) In case of Paragraph (1) above, the proxy holder shall file with the Company the <u>documents</u> evidencing the authority to act as a proxy before the Meeting.</p>	<p>Article 21 (Voting by Proxy) (2) ----- ----- <u>documents in writing or in electronic form</u> ----- ----- -----.</p>	<p>To expand the proxy verification methods to include documents in electronic form in addition to written documents</p>
<p>Agenda No. 2-3: Renaming of Independent Non-Executive Director Position</p>	<p>Article 25 (Number of Directors) The Company shall have one (1) President and a Board of Directors consisting of up to nine (9) directors, with a majority of the directors being <u>independent non-executive directors</u>. [Note: The term is a translation of “<i>sa-oe-isa</i>” in Korean, which literally means “outside director”.]</p> <p>Article 26 (Election of the President and Directors) (5) <u>Independent non-executive directors</u> shall be elected at the Meeting among the persons recommended by the <u>Independent Non-Executive Director Candidate Recommendation Committee</u> upon review of the qualification of the persons who are recommended by (i) the <u>Independent Non-Executive Director Candidate Recommendation Committee</u> in accordance with Article 34-5, (ii) the shareholders pursuant to Article 363-2(1) or 542-6(2) of the Commercial Code.</p> <p>Article 27 (Term of Office) (1) The term of office of the directors shall be determined at the Meeting to an extent not exceeding three (3) years, and the term of office of an <u>independent non-executive director</u> elected to</p>	<p>Article 25 (Number of Directors) ----- ----- ----- ----- -----<u>independent directors</u>.</p> <p>Article 26 (Election of the President and Directors) (5) <u>Independent directors</u> ----- ----- ----- ----- -----<u>Independent Director Candidate Recommendation Committee</u> ----- ----- -----<u>Independent Director Candidate Recommendation Committee</u>----- ----- ----- ----- -----.</p> <p>Article 27 (Term of Office) (1) ----- ----- ----- ----- ----- -----<u>independent director</u>-----</p>	<p>To standardize the Korean terminology from “<i>sa-oe-isa</i> (literally translated as ‘outside director’ in English)” to “<i>dok-rip-isa</i> (literally translated as ‘independent director’ in English).”</p>

<p>fill a vacancy shall be the remainder of the term of office of his or her predecessor.</p> <p>Article 30 (Remuneration) (2) The Company may, by a resolution of the Board of Directors, compensate <u>independent non-executive directors</u> for actual costs and expenses incurred for the performance of their duties.</p> <p>Article 32 (President Candidate Recommendation Committee) (1) The Company shall have the President Candidate Recommendation Committee, a nonstanding committee in the Board of Directors, consisting of six (6) or fewer <u>independent non-executive directors</u> by a resolution of the Board of Directors. In such case, the President and the inside directors shall not participate in the resolution of the Board of Directors, and a member of the President Candidate Recommendation Committee may not be a president candidate recommended by the President Candidate Recommendation Committee.</p> <p>(2) – (4) (Omitted)</p> <p>(5) When the Governance Committee has searched and recommended those persons who are deemed qualified for the President, the President Candidate Recommendation Committee shall select and recommend to the Meeting a president candidate after examining the recommended persons in accordance with the standards determined at the</p>	<p>----- ----- -----.</p> <p>Article 30 (Remuneration) (2) ----- ----- ----- <u>independent directors</u>----- ----- ----- -----.</p> <p>Article 32 (President Candidate Recommendation Committee) (1) ----- ----- ----- ----- ----- <u>independent directors</u>----- ----- -----.</p> <p>(2) – (4) (Same as the current provisions)</p> <p>(5) ----- -----</p>
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<p>Agenda No. 2-6 : Revision of Regulation on Severance Pay for Inside Directors and Executive Officers</p>	<p>Article 31 (Severance Pay) Severance pay for the President and the inside directors shall be paid in accordance with the <u>Regulation on Severance Pay for Inside Directors</u> adopted by a resolution of the Meeting.</p> <p>Article 38 (Executive Officers) (3) The remuneration and bonus for executive officers shall be determined pursuant to the regulations established by the Board of Directors and severance pay for executive officers shall be paid in accordance with the <u>Regulations on Severance Pay for Executive Officers</u> adopted by a resolution of the Meeting.</p>	<p>Article 31 (Severance Pay) ----- ----- ----- -----<u>Regulation on Severance Pay for Officers</u>----- -----.</p> <p>Article 38 (Executive Officers) (3) ----- ----- ----- ----- ----- -----<u>Regulations on Severance Pay for Officers</u> ----- ----- -----.</p>	<p>To update the title following the integration of severance pay regulations for inside directors and executive officers</p>
<p>Agenda No. 2-7: Establishment of the Regulation on Holding or Disposing of Treasury Shares</p>	<p>Article 10 <Newly established></p>	<p>Article 10 (Holding and Disposal of Treasury Shares) <u>The Company may acquire and dispose of the treasury shares in case it is necessary to achieve business goals such as introducing a new technology or improving its financial structure or if legitimately allowed to acquire and dispose of the treasury shares.</u></p>	<p>Regulation on the purpose of holding and disposal of treasury shares in accordance with the amendment to the KCC (* Subject to change depending on the amendments to the standard articles of incorporation of listed companies.</p>
<p>-</p>	<p><Newly established></p>	<p><u>ADDENDUM (March 26, 2026)</u> <u>Article 1 (Effective Date) These Articles of Incorporation shall be effective from the date of the resolution of the Meeting.</u> <u>Article 2 (Interim Measures Concerning Convocation of General Meetings and Voting Rights by Proxy)</u> The amended provisions of</p>	<p>To establish transitional provisions for the effective date of the amended Articles of Incorporation, in consideration of the</p>

	<p><u>Articles 17 and 21 shall be effective as of January 1, 2027.</u></p> <p><u>Article 3 (Interim Measures Concerning Independent Directors)</u></p> <p><u>The amended provisions of Articles 25 through 27 (excluding the amendments to Article 26, Paragraphs 6 and 7), Article 30, Article 32, Article 33, Article 34-2, Article 34-3, Article 34-5, Article 35, and Article 36 shall take be effective as of July 23, 2026.</u></p>	<p>enforcement date of the amended Korean Commercial Code.</p>
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Agenda No. 3

Amendment to Regulation on Severance Pay for Inside Directors

(to be automatically scrapped if Agenda No. 2-6 is rejected)

We seek to amend the Regulation on Severance Pay for Inside Directors of the Company.

Current Provisions	(Proposed) Amendment	Reason for Amendment
Name: Regulation on Severance Pay for <u>Inside Directors</u>	Name: Severance Pay Regulations for <u>Officers</u>	Change of Name
<p>Article 1 (Purpose) The purpose of these Regulations is to set forth matters concerning severance pay for <u>the President and inside directors pursuant to Article 31 of KT&G Corporation’s Articles of Incorporation.</u></p>	<p>Article 1 (Purpose) ----- ----- <u>the President, inside directors, and executive officers (collectively referred to as “Officers”)</u> pursuant to <u>Article 38(3)</u>-----.</p>	Inclusion of executive officers as persons subject to the regulations
<p>Article 2 (Scope of Application) Severance pay for <u>the President and inside directors</u> shall be governed by these Regulations, except as otherwise provided for in <u>other</u> laws and regulations, the Articles of Incorporation, and the <u>management agreements.</u></p>	<p>Article 2 (Scope of Application) -----<u>Officers</u>----- ----- ----- -----<u>applicable</u>----- ----- <u>management agreements or employment agreements.</u></p>	Change of the scope of application resulting from the expansion of applicable subjects
<p>Article 2-2 <Newly established></p>	<p>Article 2-2 (Operation of Plan) <u>Officers’ severance pay shall be administered through the retirement pension plan in accordance with the “Defined Benefit (DB) Retirement Pension Rules” and the “Defined Contribution (DC) Retirement Pension Rules.”</u></p>	Addition of provisions regarding the DB/DC retirement pension plan
<p>Article 3 (Standards for Payment) If <u>the President and inside directors</u> retire after serving for at least one (1) year, severance pay shall be paid. <Newly established></p>	<p>Article 3 (Standards for Payment) (1) --<u>Officers</u>----- ----- ----- <u>In calculating the number of consecutive years of service to determine eligibility for severance pay, any period of less than one (1) month shall be counted as one (1) month; provided, however, that in calculating the actual amount of severance pay, the consecutive period of service shall be calculated on a daily pro</u></p>	Clarification of the detailed standards for calculating consecutive years of service to determine eligibility for payment

<p>(2) <Deleted on February 26, 2010> (3) <Newly established></p>	<p><u>rata basis.</u> (2) (Same as the current provisions) (3) <u>The period of service under Paragraph (1) may be the aggregate of consecutive periods of service as an Officer of an affiliate (including cases where the period of service is less than one (1) year), and, in the case of a transfer of an Officer between affiliates, the relevant severance pay may be settled between the affiliates. In such a case, for an Officer who has subscribed to a retirement pension plan, the contributions already paid shall be transferred, paid, or otherwise processed in accordance with the relevant retirement pension rules and in consultation with the retirement pension provider.</u></p>	<p>Transfer of the criteria for calculating consecutive years of service under the existing Severance Pay Regulations for Executive Officers</p>
<p>Article 4 (Calculation of Severance Pay) (1) The method for calculating severance pay for <u>the President and inside directors</u> shall be as follows: 1~2. Omitted (2)~(3) Omitted (4) If <u>the President or an inside director</u> takes office or retires in the middle of a fiscal year, a consecutive service period of less than one (1) year shall be calculated by dividing the number of consecutive days of service by 365 days. (5) <Newly established></p>	<p>Article 4 (Calculation of Severance Pay) (1) -----<u>Officers</u>----- ----- -----. 1~2. (Same as the current provisions) (2)~(3) (Same as the current provisions) (4) -----<u>Officers</u>----- ----- ----- ----- ----- -----. (5) <u>For the severance pay for an Officer who has subscribed to a DC retirement pension plan, an amount equal to 300% of the aggregate of 1/12 of the annual base salary for each month may be deposited into the DC retirement pension account.</u></p>	<p>Change of the scope of application resulting from the expansion of applicable subjects</p> <p>Addition of provision on the method of operating the DC retirement pension plan</p>
<p>Article 6 (Restrictions on Payment) If <u>the President or an inside director</u> voluntarily resigns or is dismissed from the office for a justifiable reason during his or her term of office, he or she shall not be entitled to severance pay for that year.</p>	<p>Article 6 (Restrictions on Payment) -----<u>an Officer</u>----- ----- ----- ----- -----.</p>	<p>Change of the scope of application resulting from the expansion of applicable subjects</p>

<p>Article 8 (Amendment of Regulations) These Regulations shall be amended by a resolution of the General Meeting of Shareholders and the Board of Directors.</p> <p style="text-align: center;"><u><Newly established></u></p>	<p>Article 8 (Amendment of Regulations) -----a resolution of the Board of Directors and the General Meeting of Shareholders.</p> <p style="text-align: center;">ADDENDUM (March 26, 2026) (Effective Date) <u>These Regulations shall enter into force as of the resolution of the 2026 Ordinary General Meeting of Shareholders.</u></p>	<p>Revision of wording</p>
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Agenda No. 4

Appointment of Hwan-Yong Nho as Independent Non-Executive Director

We seek to appoint a director pursuant to Articles 382 and 542-8 of the Korean Commercial Code and Article 26 of the Articles of Incorporation of the Company.

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

Name	Date of Birth	Candidacy for Independent Non-Executive Director	Separate Election of Directors who are Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Hwan-Yong Nho	April 25, 1956	Independent Non-Executive Director	-	From the date immediately following the date set for the 2026 Annual General Meeting of Shareholders to the date set for the 2029 Annual General Meeting of Shareholders	N/A	KT&G's Independent Non-Executive Director Candidate Recommendation Committee

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	
Hwan-Yong Nho	(Current) Non-Executive Director of LG Evergreen Foundation	2021 - Present	Current) Non-Executive Director, LG Evergreen Foundation	N/A
		2022 - 2024	Former) Advisor for Investment Attraction, Gyeongsangnam-do Province	
		2016 - 2021	Former) Non-Executive Director, LG Yonam Education Foundation	
		2015 - 2020	Former) Full-time Advisor, LG Electronics	
		2014 - 2015	Former) President and Head of B2B Division, LG Electronics	
		2010 - 2020	Former) Chairman, Korea Refrigeration and Air-conditioning Industry Association	
		2010 - 2014	Former) President and Head of AE Business Division, LG Electronics	
		2009 - 2010	Former) Senior Executive Vice President and Head of Air Conditioning Business Unit, LG Electronics	
		2001 - 2008	Former) Vice President and Head of Air Conditioning Business Unit, LG Electronics	

		1999 - 2000	Former) Vice President and Head of Washing Machine Business Unit, LG Electronics
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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
Hwan-Yong Nho		N/A	

D. Candidates' Plans

Based on the extensive experience and expertise in manufacturing and supply chain management, as well as general management, that I gained while serving as head of AE division(president) of LG Electronics, I will actively contribute to the Company's decision-making regarding supply chain improvements and overseas market expansion, and I will support the Company's growth and the protection of shareholders' rights and interests.

I am fully aware of the independence requirements for independent non-executive directors set forth in Article 382(3) and Article 542-8 of the Korean Commercial Code, and I will faithfully perform my responsibilities as an independent non-executive director to ensure that the Company's decisions are made fairly, through impartial and transparent procedures.

I will faithfully perform my duties as an independent non-executive director under applicable laws and regulations, including the duty of care, fiduciary duty, reporting duty, monitoring duty, the duty to avoid self-dealing, and the duty to maintain the confidentiality of the Company's confidential information. I will also familiarize myself with the Company's regulations and comply with its Code of Conduct.

E. Board of Directors' Grounds for Recommending the Candidate

1. Leadership and Organizational Management Capabilities
Candidate Hwan-Yong Nho is a professional manager with experience in both B2C and B2B business at LG Electronics. He successfully led a major publicly listed company during his tenure as president of LG Electronics (2010–2015). In addition, he served as Chairman of the Korea Refrigeration and Air-conditioning Industry Association for three consecutive terms (2010-2020), representing the sector and contributing to its development.

2. Expertise Across Manufacturing, Supply Chain, and Overseas Markets
Candidate Hwan-Yong Nho, who worked at LG Electronics for more than 30 years, has deep knowledge and broad experience in the value chain of the manufacturing industry, including purchasing, production, logistics, product planning, development, sales, and marketing. In particular, he led the air-conditioning business division in driving global market expansion and in establishing and operating a global production network of eight overseas plants. In recognition of his efforts to enhance global competitiveness—by strengthening the supply chain, improving production efficiency, and delivering products tailored to diverse markets—he was awarded the Bronze Tower Order of Industrial Service Merit in 2006.

3. Strong Sense of Responsibility and Ethical Standards Appropriate for the Position
During his tenure as Chairman of the Korea Refrigeration and Air-conditioning Industry Association, Candidate Hwan-Yong Nho coordinated various interests to ensure fair deliberations and actively worked toward the enactment of bills related to air conditioning. Externally, he has made significant efforts to establish global standards, enact leading environmental bills addressing issues such as refrigerants, pollution, and carbon emissions, and develop

pioneering technologies to support global ESG initiatives.

4. Independence Requirements as an Independent Non-Executive Director

Candidate Hwan-Yong Nho fully satisfies the qualification requirements under the Korean Commercial Code aimed at strengthening the independence of independent non-executive directors. Considering the independence criteria prescribed by applicable laws and regulations, the candidate is judged to be in an independent position with no direct, indirect, or friendly relationships with the largest shareholder or management. Given the candidate's independence, if the candidate is appointed as an independent non-executive director, he is expected to exercise rigorous oversight and supervision of management and advise management in ways that enhance corporate value. Therefore, KT&G's Independent Non-Executive Director Candidate Recommendation Committee recommends the individual as a candidate.

Agenda No. 5

Appointment of Hwan-Yong Nho as Audit Committee Member

We seek to appoint an audit committee member pursuant to Articles 542-11 and 542-12 of the Korean Commercial Code and Article 34-3 of the Articles of Incorporation of the Company.

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

Name	Date of Birth	Candidacy for Independent Non-Executive Director	Separate Election of Directors who are Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Hwan-Yong Nho	April 25, 1956	Independent Non-Executive Director	-	From the date immediately following the date set for the 2026 Annual General Meeting of Shareholders to the date set for the 2029 Annual General Meeting of Shareholders	N/A	KT&G Board of Directors

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	
Hwan-Yong Nho	(Current) Non-Executive Director of LG Evergreen Foundation	2021 - Present	Current) Non-Executive Director, LG Evergreen Foundation	N/A
		2022 - 2024	Former) Advisor for Investment Attraction, Gyeongsangnam-do Province	
		2016 - 2021	Former) Non-Executive Director, LG Yonam Education Foundation	
		2015 - 2020	Former) Full-time Advisor, LG Electronics	
		2014 - 2015	Former) President and Head of B2B Division, LG Electronics	
		2010 - 2020	Former) Chairman, Korea Refrigeration and Air-conditioning Industry Association	
		2010 - 2014	Former) President and Head of AE Business Division, LG Electronics	
		2009 - 2010	Former) Senior Executive Vice President and Head of Air Conditioning Business Unit, LG Electronics	
		2001 - 2008	Former) Vice President and Head of Air Conditioning Business Unit, LG Electronics	

		1999 - 2000	Former) Vice President and Head of Washing Machine Business Unit, LG Electronics
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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
Hwan-Yong Nho		N/A	

D. Board of Directors' Grounds for Recommending the Candidate

<p>1. Leadership and Organizational Management Capabilities Candidate Hwan-Yong Nho is a professional manager with experience in both B2C and B2B business at LG Electronics. He successfully led a major publicly listed company during his tenure as president of LG Electronics (2010–2015). In addition, he served as Chairman of the Korea Refrigeration and Air-conditioning Industry Association for three consecutive terms (2010-2020), representing the sector and contributing to its development.</p> <p>2. Expertise Across Manufacturing, Supply Chain, and Overseas Markets Candidate Hwan-Yong Nho, who worked at LG Electronics for more than 30 years, has deep knowledge and broad experience in the value chain of the manufacturing industry, including purchasing, production, logistics, product planning, development, sales, and marketing. In particular, he led the air-conditioning business division in driving global market expansion and in establishing and operating a global production network of eight overseas plants. In recognition of his efforts to enhance global competitiveness—by strengthening the supply chain, improving production efficiency, and delivering products tailored to diverse markets—he was awarded the Bronze Tower Order of Industrial Service Merit in 2006.</p> <p>3. Strong Sense of Responsibility and Ethical Standards Appropriate for the Position During his tenure as Chairman of the Korea Refrigeration and Air-conditioning Industry Association, Candidate Hwan-Yong Nho coordinated various interests to ensure fair deliberations and actively worked toward the enactment of bills related to air conditioning. Externally, he has made significant efforts to establish global standards, enact leading environmental bills addressing issues such as refrigerants, pollution, and carbon emissions, and develop pioneering technologies to support global ESG initiatives.</p> <p>4. Independence Requirements as an Independent Non-Executive Director Candidate Hwan-Yong Nho fully satisfies the qualification requirements under the Korean Commercial Code aimed at strengthening the independence of independent non-executive directors. Considering the independence criteria prescribed by applicable laws and regulations, the candidate is judged to be in an independent position with no direct, indirect, or friendly relationships with the largest shareholder or management. Given the candidate's independence, if the candidate is appointed as an Audit Committee member, he is expected to contribute to the Audit Committee's activities that require independence and objectivity. Therefore, KT&G's Board of Directors recommends the individual as a candidate.</p>
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Agenda No. 6

Appointment of Soong-Soo Han as Independent Non-Executive Director to Become Audit Committee Member

(To be automatically scrapped if Agenda No. 2-5 is rejected.)

We seek to appoint an independent non-executive director to become an audit committee member pursuant to Articles 382, 542-8, 542-11, and 542-12 of the Korean Commercial Code and Articles 26 and 34-3 of the Articles of Incorporation of the Company (this agenda will be automatically scrapped if Agenda No. 2-5 is rejected).

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

Name	Date of Birth	Candidacy for Independent Non-Executive Director	Separate Election of Directors who are Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Soong-Soo Han	February 21, 1970	Independent Non-Executive Director	Separate election	From the date immediately following the date set for the 2026 Annual General Meeting of Shareholders to the date set for the 2029 Annual General Meeting of Shareholders	N/A	KT&G's Independent Non-Executive Director Candidate Recommendation Committee

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	
Soong-Soo Han	(Current) Professor, Korea University Business School	2024 - Present	Current) Vice President, Korean Accounting Association	N/A
		2024 - Present	Current) Member, Clean Committee, POSCO Co., Ltd.	
		2018 - Present	Current) Vice President, Korean Association for Accounting and Policy	
		2009 - Present	Current) Professor, Business School, Korea University	
		2025	Former) President, Management Accounting Association of Korea	
		2023 - 2025	Former) Member, Public Fund Management Committee, Financial Services Commission	

		2021 - 2023	Former) Member, Accounting Standards Advisory Committee, Korea Accounting Institute
		2019 - 2022	Former) Member, Accounting Research Committee, Korean Institute of Certified Public Accountants
		2019 - 2022	Former) Member, Accounting Deliberation Committee, Financial Supervisory Service

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
Soong-Soo Han		N/A	

D. Candidates' Plans

Based on the extensive experience and expertise that I gained through research, teaching, and participation in academic societies and committees related to International Financial Reporting Standards (IFRS), financial reporting and disclosure, I will actively contribute to the Company's decision-making on corporate financial transparency, disclosure risks, and accounting/financial reporting, and I will support the Company's growth and the protection of shareholders' rights and interests.

I am fully aware of the independence requirements for independent non-executive directors set forth in Article 382(3) and Article 542-8 of the Korean Commercial Code, and I will faithfully perform my responsibilities as an independent non-executive director to ensure that the Company's decisions are made fairly, through impartial and transparent procedures.

I will faithfully perform my duties as an independent non-executive director under applicable laws and regulations, including the duty of care, fiduciary duty, reporting duty, monitoring duty, the duty to avoid self-dealing, and the duty to maintain the confidentiality of the Company's confidential information. I will also familiarize myself with the Company's regulations and comply with its Code of Conduct. As an independent non-executive director, I will not only fulfill my role to advise the management, but also the role to monitor.

E. Board of Directors' Grounds for Recommending the Candidate

1. Leadership and Organizational Management Capabilities
 Currently a professor at Korea University Business School, Candidate Soong-Soo Han has demonstrated leadership through various roles, including serving as the President of the Management Accounting Association of Korea (2025), and as the Vice President of both the Korean Association for Accounting and Policy (2018–Present) and the Korean Accounting Association (2024–Present).

2. Expertise in Accounting
 Candidate Soong-Soo Han is an accounting expert who holds a Ph.D. in Accountancy from the University of Illinois and has served as a professor at Korea University Business School since 2009. Based on his extensive research on enhancing the reliability and transparency of financial information and accounting policy-making structures, he possesses expertise ideal for corporate auditing and financial oversight functions. Furthermore, having served as an

independent non-executive director and Chairman of the Audit Committee at LG Energy Solution since 2021, combined with his participation in major domestic accounting associations and policy committees, he possesses both academic depth and the capacity to translate such academic knowledge into institutional practice.

3. Strong Sense of Responsibility and Ethical Standards Appropriate for the Position

Through his research on financial disclosure, principles-based accounting and transparency under the International Financial Reporting Standards, Candidate Soong-Soo Han has developed an ethics-based perspective on identifying and addressing issues that may undermine fairness, such as risks of distorted accounting information and performance-linked compensation structures. He is also the author of the book “Social Value and Sustainable Management in the ESG Era.” Furthermore, his experience as a policy committee member at the Financial Services Commission and other bodies has equipped him with the judgment founded on responsibility and public interest.

4. Independence Requirements as an Independent Non-Executive Director

Candidate Soong-Soo Han fully satisfies the qualification requirements under the Korean Commercial Code aimed at strengthening the independence of independent non-executive directors. Considering the independence criteria prescribed by applicable laws and regulations, the candidate is judged to be in an independent position with no direct, indirect, or friendly relationships with the largest shareholder or management. Given the candidate’s independence, if the candidate is appointed as an independent non-executive director, he is expected to exercise rigorous oversight and supervision of management and advise management in ways that enhance corporate value. Therefore, KT&G’s Independent Non-Executive Director Candidate Recommendation Committee recommends the individual as a candidate.

Agenda No. 7

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 as follows.

(The 40th Fiscal Year)

Number of Directors (Number of Independent Non-Executive Directors)	8 (6)
Total Amount of Remuneration or Maximum Cap Amount	KRW 6,000 million

(The 39th Fiscal Year)

Number of Directors (Number of Independent Non-Executive Directors)	8 (6)
Total Amount of Remuneration Actually Paid	KRW 2,445 million
Maximum Cap Amount	KRW 5,000 million

- ※ The number of directors (number of independent non-executive directors) above are the number of directors or independent non-executive 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 who served during the period from January 1, 2025 to December 31, 2025, and does not include the remuneration paid to the inside director who was appointed on March 26, 2025, for the term before the appointment.

Agenda No. 8

Approval of the Plan for Holding and Disposal of Treasury Shares

(Agenda No. 8 is introduced presuming that the proposed partial amendment to the KCC (Bill No. 16966) to impose an obligation on a company to cancel its treasury shares will take effect prior to the date of the general meeting of shareholders. If the proposed partial amendment to the KCC does not take effect prior to the date of the general meeting of shareholders, this agenda shall be automatically scrapped.)

(Proposed) Approval of Treasury Shares Holding and Disposal Plan

Purpose of acquiring and disposing of treasury shares

◦ After cancelling the entire treasury shares already in holding (10,866,189 shares), KT&G plans to newly acquire and dispose of treasury shares for the purpose of compensating its officers and employees

Types and number of treasury shares to be acquired or disposed of and their acquisition method

Item	To be Acquired*	To be Disposed of*
Types and number of treasury shares	Up to 30,000 common shares**	Up to 30,000 common shares**
Acquisition method	Direct purchase on the stock exchange	

* The specific number of shares will be decided depending on the HR evaluation results and compensation level of officers and employees. Shares corresponding in number to the shares to be disposed of, as finalized through a BOD resolution at the time of disposal will be acquired and disposed of. (To be purchased on the stock exchange within the scope of distributable profits.)

** Calculated based on the number of shares actually paid out in recent two years for the purpose of compensating KT&G officers and employees

Status of treasury shares as of the commencement date of shareholding and the planned disposal date

Item	Commencement of Shareholding*	Time of Disposal**
Types and number of treasury shares/ Acquisition method	Up to 30,000 common shares / Purchase on the stock market within the scope of distributable profits.	0 shares
Types and number of shares after deducting treasury shares from total issued shares	At least 103,780,456 common shares	103,810,456 common shares
Change in treasury share ratio as against total issued shares	About 0.03%	0%

* The status of treasury shares as of the commencement date of shareholding is based on 30,000 shares, which is the maximum number of shares to be held and disposed of as of the approval date of this plan by the general shareholders' meeting. This number is subject to change depending on the number of treasury shares actually acquired or disposed of once the HR evaluation is completed and compensation level are finalized.

** At the time of disposal, KT&G will dispose of the entire treasury shares it had acquired for the purpose of compensating its officers and employees, and thus KT&G will hold no treasury shares remaining.

Planned shareholding period: Plan to hold until the treasury shares are paid out according to the officer & employee compensation scheme.

Planned disposal timeline: Plan to dispose of the treasury shares according to the timeline of the officer & employee compensation scheme (when performance evaluation is completed and compensation level is finalized after closing of each fiscal year).

Relevant Provisions

□ Korean Commercial Code

– Article 542-4 (Public Notification of Convocation of General Meetings of Shareholders, etc.)

- (1) In cases where a listed company convokes a general meeting of shareholders, such listed company may give a public notice of such intent and purpose of the convocation two weeks prior to the date set for such general meeting, to shareholders who own stocks the number of which does not exceed the number determined by Presidential Decree, in two or more daily newspapers on two or more occasions, respectively, or by electronic means as prescribed by Presidential Decree under conditions provided by its articles of incorporation, which may substitute public notification of convocation under Article 363 (1).
- (2) In cases where a listed company publicly announces or notifies convocation of a general meeting of shareholders, the purpose of which is to appoint directors or auditors, the listed company shall announce or notify the name, brief personal history, and references of candidates for directors or auditors, and other matters prescribed by Presidential Decree.
- (3) In cases where a listed company publicly announces or gives a notice of convocation of a general meeting of shareholders, such company shall publicly announce or give a notice of matters determined by Presidential Decree, including activities and salaries of independent non-executive directors, or an outline of business; Provided That this shall not apply where the listed company discloses such matters to the general public by the methods prescribed by Presidential Decree.

□ Enforcement Decree of the Korean Commercial Code

– Article 31 (Public Announcement of Convocation of General Meetings of Shareholders)

- (3) “Matters prescribed by Presidential Decree” in Article 542-4 (2) of the Act means the following matters:
 1. Relationship between the candidates and the largest shareholder;
 2. Details of transactions between the candidates and the company during the latest three years;
 3. Whether the candidates have been subject to the disposition on delinquency under the National Tax Collection Act or the Local Tax Collection Act during the latest five years as of the date of holding a general meeting of shareholders;
 4. Whether the businesses for which the candidates have worked as an executive officer have been subject to rehabilitation procedures or bankruptcy procedures under the Debtor Rehabilitation and Bankruptcy Act as of the date of holding a general meeting of shareholders;
 5. Whether the candidates have any ground for disqualification as an independent non-executive director or auditor, such as grounds for restricting employment as prescribed by statutes or regulations.

□ **Articles of Incorporation**

– **Article 17 (Convening and Types of General Meetings of Shareholders)**

- (1) The general meetings of shareholders of the Company (the “**Meeting**”) shall be of two kinds: (i) annual general meeting of shareholders (the “**Annual Meeting**”) and (ii) extraordinary general meeting of shareholders (the “**Extraordinary Meeting**”). The Annual Meeting shall be held within three (3) months after the end of each fiscal year, and the Extraordinary Meeting may be convened at any time as deemed necessary by a resolution of the Board of Directors and the applicable laws.

□ **Regulations on the Board of Directors**

– **Article 7 (Matters to be Resolved)**

- (2) Excluding matters listed below, the Board of Directors shall delegate the power to deliberate and resolve matters to the relevant committee established within the Board of Directors under Article 34-2 of the Articles of Incorporation (“**Committee**”):

1. Convocation of the annual general meeting of shareholders and matters to be submitted thereto:

- A. Convocation of the annual general meeting of shareholders;
- B. Approval of business reports and financial statements;
- C. Amendment of the Articles of Incorporation;
- D. Dissolution, merger or continuation of the Company;
- E. Assignment of the Company’s business or a material part thereof or acquisition of another company’s business or any part thereof that may have a material impact on the Company’s business; and
- F. Other matters to be submitted to the annual meeting of shareholders.