

Agendas for the Annual General Meeting of Shareholders for the 38th Fiscal Year

Date and Time: March 26, 2025 (Wed) at 10am

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

KT&G Corporation

List of Agendas for the 38th Annual General Meeting of Shareholders

- I. Approval of Financial Statements and Statement of Appropriation of Retained Earnings for the 38th Fiscal Year**
- II. Partial Amendments to the Articles of Incorporation**
 - Agenda No. 2-1: Clarification of the Number of Directors
 - Agenda No. 2-2: Alignment of Provisions Regarding the Appointment of Audit Committee Members
 - Agenda No. 2-3: Clarification of the Method for the Appointment of the President
 - Agenda No. 2-4: Amendment Regarding the Quarterly Dividend Record Date
- III. Appointment of Sang-Hak Lee as Inside Director**
- IV. Appointment of Two (2) Outside Directors**
 - Agenda No. 4-1: Appointment of Kwan-Soo Shon as Outside Director
 - Agenda No. 4-2: Appointment of Jee-Hee Lee as Outside Director
- V. Appointment of Kwan-Soo Shon as Audit Committee Member**
- VI. Approval of Cap on Remunerations for Directors**

I. Approval of Financial Statements and Statement of Appropriation of Retained Earnings for the 38th 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 Financial Statements, the Separate Financial Statements and the Statement of Appropriation of Retained Earnings for the 38th Fiscal Year (from January 1, 2024 to December 31, 2024) 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 do not reflect the results of external audits on the Company. If there are minor changes in the financial statements as a result of external audits, the Chief Executive Officer may submit revised financial statements reflecting the contents of the external auditor's audit report to the general shareholders' meeting. 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

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

37th Fiscal Year(PY) : As of December 31, 2023

□ Assets

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	38 th FY (CY)	37 th FY (PY)	YOY (amt)
1. Current Assets	72,109	64,184	7,925
Cash and cash equivalents	11,360	10,320	1,040
Other financial assets	4,633	2,941	1,692
Financial assets measured at FVPL	2,449	3,429	-980
Trade and other receivables	15,962	15,065	897
Derivative assets	-	78	-78
Inventories	31,013	27,638	3,375
Refund assets and others	62	7	55
Accrued tobacco excise and other taxes	4,040	3,244	796
Advance payments	1,247	795	452
Prepaid expenses	1,343	667	676
2. Non-current assets	67,742	63,541	4,201
Long-term other financial assets	307	845	-538
Long-term deposits	17,055	14,797	2,258
Long-term financial assets measured at FVPL	3,379	3,445	-66
Long-term trade and other receivables	1,669	1,497	172
Long-term financial assets measured at FVOCI	2,117	2,331	-214
Investments in associates and joint ventures	4,823	4,713	110
Property, plant and equipment	26,644	20,965	5,679
Intangible assets	1,797	1,750	47
Investment properties	7,612	10,184	-2,572
Right-of-use assets	505	490	15
Long-term advanced payments	1,007	1,057	-50
Long-term prepaid expenses	133	127	6
Deferred income tax assets	614	749	-135
Net defined benefit assets	80	591	-511
Total assets	139,851	127,725	12,126

□ **Liabilities·Equity**

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	38th FY (CY)	37th FY (PY)	YOY (amt)
1. Current Liabilities	32,008	26,724	5,284
Short-term borrowings	2,879	616	2,263
Current portion of long-term borrowings	1,635	275	1,360
Trade and other payables	17,380	16,847	533
Current lease liabilities	209	187	22
Derivative liabilities	328	-	328
Advance received	653	172	481
Current refund liabilities and provisions	391	332	59
Current income tax liabilities	1,978	1,910	68
Tobacco excise and other taxes payable	6,555	6,385	170
2. Non-current liabilities	14,239	8,052	6,187
Long-term borrowings	10,220	4,698	5,522
Long-term trade and other payables	818	584	234
Long-term lease liabilities	279	278	1
Long-term advance received	94	42	52
Net defined benefit liabilities	426	360	66
Long-term refund liabilities and provisions	76	51	25
Deferred income tax liabilities	2,255	1,861	394
Non-controlling interests liabilities	71	178	-107
Total Liabilities	46,247	34,776	11,471
1. Share capital	9,550	9,550	-
2. Other capital surplus	59	49	10
3. Treasury shares	-10,305	-12,369	2,064
4. Gain on sale of treasury shares	5,290	5,289	1
5. Reserves	71,883	72,303	-420
6. Retained Earnings	15,955	16,922	-967
7. Non-controlling interest	1,172	1,205	-33
Total Equity	93,604	92,949	655
Total Liabilities/Equity	139,851	127,725	12,126

2. Consolidated Statements of Comprehensive Income

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

37th Fiscal Year(PY) : From January 1, 2023 to December 31, 2023

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Chart of Accounts	38 th FY (CY)	37 th FY (PY)	YOY (amt)
Continuing Operations			
1. Sales	59,088	58,626	462
2. Cost of Sales	30,068	30,544	-476
3. Gross Profit (1-2)	29,020	28,082	938
4. Selling, general & administrative expense	17,132	16,409	723
5. Operating Profit (3-4)	11,888	11,673	215
6. Other income and expense	3,055	75	2,980
1) Other income	5,737	2,016	3,721
2) Other expense	2,682	1,941	741
7. Finance income and costs	625	710	-85
1) Finance income	1,653	1,389	264
2) Finance costs	1,028	679	349
8. Share of net profit(loss) of associates and joint ventures	192	97	95
9. Gains and losses on net monetary assets	-213	-71	-142
10. Profit before income tax (5+6+7+8+9)	15,547	12,484	3,063
11. Income tax expense	3,937	3,188	749
12. Profit for the year	11,539	9,224	2,315
1) Continued operations	11,610	9,296	2,314
2) Discontinued operations	-71	-72	1
13. Other comprehensive income	436	-217	653
14. Total comprehensive income	11,975	9,007	2,968
1) Continued operations	12,067	9,103	2,964
2) Discontinued operations	-92	-96	4
15. Earnings per share(KRW/share)	11,226	7,843	3,383
1) Continued operations	11,295	7,905	3,390
2) Discontinued operations	-69	-62	-7

3. Consolidated Statement of Changes in Equity

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

37th Fiscal Year(PY) : From January 1, 2023 to December 31, 2023

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
2023. 01. 01	9,550	45	-12,369	5,289	68,123	22,519	93,157	429	93,586
Total comprehensive income	-	-	-	-	104	8,715	8,819	189	9,008
Profit or loss for the period	-	-	-	-	-	9,027	9,027	197	9,224
Other comprehensive income or loss	-	-	-	-	104	-312	-208	-8	-216
Transactions with owners of the Parent company	-	4	-	-	4,076	-14,312	-10,232	587	-9,645
Dividends	-	-	-	-	-	-7,209	-7,209	-	-7,209
Transfer to other reserves	-	-	-	-	4,076	-4,076	-	-	-
Acquisition of treasury shares	-	-	-3,027	-	-	-	-3,027	-	-3,027
Retirement of treasury shares	-	-	3,027	-	-	-3,027	-	-	-
Share options	-	4	-	-	-	-	4	-	4
Changes in non-controlling interest	-	-	-	-	-	-	-	587	587
2023. 12. 31	9,550	49	-12,369	5,289	72,303	16,922	91,744	1,205	92,949

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	-	-	-	-	662	11,346	12,008	-33	11,975
Profit or loss for the period	-	-	-	-	-	11,567	11,567	-28	11,539
Other comprehensive income or loss	-	-	-	-	662	-221	441	-5	436
Transactions with owners of the Parent company	-	10	2,064	1	-1,082	-12,313	-11,320	-	-11,320
Dividends	-	-	-	-	-	-5,867	-5,867	-	-5,867
Transfer to other reserves	-	-	-	-	-1,082	1,082	-	-	-
Acquisition of treasury shares	-	-	-5,468	-	-	-	-5,468	-	-5,468
Retirement of treasury shares	-	-	7,528	-	-	-7,528	-	-	-
Share options	-	10	4	1	-	-	15	-	15
2024. 12. 31	9,550	59	-10,305	5,290	71,883	15,955	92,432	1,172	93,604

4. Consolidated Statements of Cash Flows

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

37th Fiscal Year(PY) : From January 1, 2023 to December 31, 2023

KT&G Corporation and Subsidiaries

(Unit: 100 million KRW)

Classification	38 th FY (CY)	37 th FY (PY)
1. Cash flows from operating activities	8,196	12,660
1) Profit for the period	11,539	9,224
1) Continued operations	11,610	9,296
2) Discontinued operations	-71	-72
2) Adjustments	3,598	5,386
Income tax expense	3,937	3,188
Finance costs	1,028	676
Finance income	-1,653	-1,391
Depreciation and amortization expenses	2,503	2,411
Retirement benefits	525	430
Loss on foreign currency translation	502	987
Gain on foreign currency translation	-3,772	-942
Other expenses etc.	528	27
3) Changes in working capital	-3,677	1,853
4) Payment of income taxes	-3,264	-3,803
2. Cash flows from investing activities	-5,298	-8,483
Interest received	814	559
Dividends received	222	275
Disposal of tangible and intangible assets	234	83
Disposal of investment properties	220	95
Acquisition of tangible and intangible assets	-7,972	-5,134
Acquisition of investment properties	-115	-224
Increase/decrease in investments in associates and joint ventures	42	-1,920
Increase/decrease in financial assets measured at FVPL	861	454
Increase/decrease in financial assets measured at FVOCI	357	-
Increase/decrease in long-term deposits	-1	-16
Increase/decrease in guarantee deposits and loans	-91	-836
Increase/decrease in other financial assets	194	-1,346
Net cash outflows due to changes in scope of consolidation	-63	-473
3. Cash flows from financing activities	-2,934	-7,758
Dividends paid	-5,867	-7,764
Interest paid	-434	-254
Repayment of lease liabilities	-243	-238
Acquisition of treasury shares	-5,468	-3,027
Proceeds from issuance of bond	6,081	3,289
Repayment/proceeds in borrowings	2,997	236
4. Net increase/decrease in cash and cash equivalents (1+2+3)	-36	-3,581
5. Cash and cash equivalents at the beginning of the period	10,320	14,010
Fluctuations due to foreign currency conversion	1,076	-109
6. Cash and cash equivalents at the end of the period	11,360	10,320

B. Separate Financial Statements

1. Separate statements of Financial Position

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

37th Fiscal Year(PY) : As of December 31, 2023

□ Assets

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	38 th FY (CY)	37 th FY (PY)	YOY (amt)
1. Current Assets	41,669	35,543	6,126
Cash and cash equivalents	5,888	2,104	3,784
Other financial assets	1,552	1,024	528
Financial assets measured at FVPL	2,449	3,429	-980
Trade and other receivables	16,216	14,339	1,877
Derivative assets	-	78	-78
Inventories	13,162	12,228	934
Refund assets and others	53	7	46
Accrued tobacco excise and other taxes	1,943	2,176	-233
Advance payments	6	5	1
Prepaid expenses	400	153	247
2. Non-current assets	69,345	68,196	1,149
Long-term other financial assets	307	840	-533
Long-term deposits in MSA Escrow Fund	17,055	14,797	2,258
Long-term financial assets measured at FVPL	3,305	3,372	-67
Long-term trade and other receivables	2,129	2,547	-418
Long-term financial assets measured at FVOCI	1,855	1,821	34
Investments in associates and joint ventures	4,590	4,574	16
Investments in subsidiaries	15,917	14,757	1,160
Property, plant and equipment	15,057	12,821	2,236
Intangible assets	1,328	1,339	-11
Investment properties	7,414	9,925	-2,511
Right-of-use assets	214	263	-49
Long-term prepaid expenses	101	97	4
Deferred income tax assets	3	609	-606
Net defined benefit assets	70	434	-364
Total assets	111,014	103,739	7,275

□ Liabilities·Equity

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	38 th FY (CY)	37 th FY (PY)	YOY (amt)
1. Current Liabilities	24,853	21,642	3,211
Short-term borrowings	2,500	-	2,500
Current bonds	999	-	999
Trade and other payables	12,951	14,163	-1,212
Derivative liabilities	328	-	328
Current lease liabilities	69	64	5
Advance received	561	86	475
Current refund liabilities and provisions	123	71	52
Current income tax liabilities	1,710	1,644	66
Tobacco excise and other taxes payable	5,612	5,614	-2
2. Non-current liabilities	9,086	3,772	5,314
Long-term borrowings and bonds	8,080	2,992	5,088
Long-term trade and other payables	734	520	214
Long-term lease liabilities	144	175	-31
Long-term advance received	94	58	36
Long-term refund liabilities and provisions	34	27	7
Total Liabilities	33,939	25,414	8,525
1. Share capital	9,550	9,550	-
2. Other capital surplus	50	40	10
3. Treasury shares	-10,305	-12,369	2,064
4. Gain on sale of treasury shares	5,290	5,289	1
5. Reserves	71,460	72,384	-924
6. Retained Earnings	1,030	3,431	-2,401
Total Equity	77,075	78,325	-1,250
Total Liabilities/Equity	111,014	103,739	7,275

2. Separate Statements of Comprehensive Income

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

37th Fiscal Year(PY) : From January 1, 2023 to December 31, 2023

KT&G Corporation

(Unit: 100 million KRW)

Chart of Accounts	38 th FY (CY)	37 th FY (PY)	YOY (amt)
1. Sales	37,045	35,867	1,178
- Manufacture of tobacco	32,038	30,459	1,579
- Real estate	3,348	4,022	-674
- Exports of leaf tobacco and others	1,659	1,386	273
2. Cost of Sales	19,271	18,815	456
- Manufacture of tobacco	15,229	14,449	780
- Real estate	2,651	3,225	-574
- Exports of leaf tobacco and others	1,391	1,141	250
3. Gross Profit (1-2)	17,774	17,052	722
- Manufacture of tobacco	16,809	16,010	799
- Real estate	697	797	-100
- Exports of leaf tobacco and others	268	245	23
4. Selling, general & administrative expense	7,958	7,735	223
5. Operating Profit (3-4)	9,816	9,317	499
6. Other income and expense	2,673	88	2,585
1) Other income	4,962	998	3,964
2) Other expense	2,289	910	1,379
7. Finance income and costs	905	1,366	-461
1) Finance income	1,656	1,679	-23
2) Finance costs	751	313	438
8. Profit before income tax (5+6+7)	13,394	10,771	2,623
9. Income tax expense	3,362	2,722	640
10. Profit for the year	10,032	8,049	1,983
11. Other comprehensive income or loss	38	-28	66
12. Total comprehensive income	10,070	8,021	2,049
13. Earnings per share(KRW/share)	9,736	6,993	2,743

3. Separate Statement of Changes in Equity

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

37th Fiscal Year(PY) : From January 1, 2023 to December 31, 2023

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
2023. 01. 01	9,550	36	-12,369	5,289	68,140	9,890	80,536
Total comprehensive income	-	-	-	-	168	7,853	8,021
Profit for the year	-	-	-	-	-	8,049	8,049
Other comprehensive income or loss	-	-	-	-	168	-196	-28
Transactions with owners of the Parent company	-	4	-	-	4,076	-14,312	-10,232
Dividends	-	-	-	-	-	-7,209	-7,209
Transfer to other reserves	-	-	-	-	4,076	-4,076	-
Acquisition of treasury shares	-	-	-3,027	-	-	-	-3,027
Retirement of treasury shares	-	-	3,027	-	-	-3,027	-
Share options	-	4	-	-	-	-	4
2023. 12. 31	9,550	40	-12,369	5,289	72,384	3,431	78,325

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	72,384	3,431	78,325
Total comprehensive income	-	-	-	-	158	9,912	10,070
Profit for the year	-	-	-	-	-	10,032	10,032
Other comprehensive income or loss	-	-	-	-	158	-120	38
Transactions with owners of the Parent company	-	10	2,064	1	-1,082	-12,313	-11,320
Dividends	-	-	-	-	-	-5,866	-5,866
Transfer from other Reserve	-	-	-	-	-1,082	1,082	-
Acquisition of treasury shares	-	-	-5,468	-	-	-	-5,468
Retirement of treasury shares	-	-	7,529	-	-	-7,529	-
Share options	-	10	3	1	-	-	14
2024. 12. 31	9,550	50	-10,305	5,290	71,460	1,030	77,075

4. Separate Statements of Cash Flows

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

37th Fiscal Year(PY) : From January 1, 2023 to December 31, 2023

KT&G Corporation

(Unit: 100 million KRW)

Classification	38 th FY (CY)	37 th FY (PY)
1. Cash flows from operating activities	8,101	9,698
1) Profit for the year	10,032	8,049
2) Adjustments	2,054	3,261
Income tax expense	3,362	2,722
Finance costs	751	313
Finance income	-1,656	-1,679
Depreciation and amortization expenses	1,684	1,610
Retirement benefits	316	252
Loss on foreign currency translation	180	349
Gain on foreign currency translation	-3,396	-322
Other expenses etc.	813	16
3) Changes in working capital	-1,281	1,617
4) Payment of income taxes	-2,704	-3,229
2. Cash flows from investing activities	-1,608	-9,558
Interest received	638	343
Dividends received	855	270
Disposal of tangible and intangible assets	91	53
Disposal of investment properties	113	94
Disposal of assets held for sale	1,372	4
Acquisition of tangible and intangible assets	-3,697	-2,960
Acquisition of investment properties	-112	-166
Increase/decrease in investments in associates and joint ventures	47	-1,914
Increase/decrease of investments in subsidiaries	-1,994	-2,456
Increase/decrease in financial assets measured at FVPL	862	458
Increase/decrease in financial assets measured at FVOCI	357	-
Increase/decrease in long-term deposits in MSA Escrow Fund	-1	-16
Increase/decrease in guarantee deposits and loans	-144	-3,211
Increase/decrease in other financial assets	5	-57
3. Cash flows from financing activities	-3,142	-7,413
Dividends paid	-5,866	-7,209
Interest paid	-302	-85
Repayment of lease liabilities	-87	-83
Proceeds/repayment in short-term borrowings	2,500	-
Acquisition of treasury shares	-5,468	-3,027
Proceeds from issuance of bond	6,081	2,991
4. Net increase/decrease in cash and cash equivalents (1+2+3)	3,351	-7,273
5. Cash and cash equivalents at the beginning of the period	2,104	9,395
Effect of exchange rate fluctuation on cash and cash equivalents	433	-18
6. Cash and cash equivalents at the end of the period	5,888	2,104

C. Statement of Appropriation of Retained Earnings

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

37th Fiscal Year(PY) : From January 1, 2023 to December 31, 2023

Expected date of appropriation : March 26, 2025

Fixed date of appropriation : March 28, 2024

KT&G Corporation

(Unit: 100 million KRW)

Classification	38 th FY (CY)	37 th FY (PY)
1. Unappropriated retained earnings	1,030	3,431
1) Unappropriated retained earnings Carried over from prior year	-	-
2) Profit for the year	10,032	8,049
3) Interim Dividend	-1,353	-1,395
4) Retirement of treasury shares	-7,529	-3,027
5) Reclassification of losses from disposal of financial assets measured at FVOCI to Retained Earnings	130	-
6) Remeasurements of net defined benefit liabilities	-250	-196
2. Transfer from other reserves	3,501	1,082
1) Transfer from other reserves	3,501	1,082
3. Appropriation of retained earnings	-4,531	-4,513
1) Dividends paid	-4,531	-4,513
Cash dividend payout(ratio) for Ordinary shares		
Current year(2024) : 4,200 KRW(84%)		
Prior year(2023) : 4,000 KRW(80%)		
4. Unappropriated retained earnings to be Carried over to Subsequent Year	-	-

Agenda	Before Amendment	After Amendment	Purpose of Amendment
Agenda No. 2-3 : Clarification of the Method for the Appointment of the President	Article 26 (Election of the President and Directors) (6) <Newly Established>	Article 26 (Election of the President and Directors) (6) <u>In the event that directors are elected through cumulative voting, the President and the other directors shall be classified into separate groups.</u>	To enhance corporate governance stability

Agenda	Before Amendment	After Amendment	Purpose of Amendment
<p>Agenda No. 2-4 : Amendment Regarding the Quarterly Dividend Record Date</p>	<p>Article 43 (Dividends)</p> <p>(1)~(2) (omitted)</p> <p>(3) The Company may pay quarterly dividends to its <u>shareholders who are registered in the shareholders' registry as of the last day of March, June and September (each, the "Record Date of Quarterly Dividends")</u> starting from the first day of a fiscal year <u>by a resolution of the Board of Directors</u> pursuant to Article 165-12 of the Financial Investment Services and Capital Markets Act.</p> <p>(4) (omitted)</p> <p>(5) Dividends <u>in Paragraph (1)</u> above shall be paid to the shareholders or pledgees registered in the shareholders' registry as of the record date determined by the Company by a resolution of the Board of Directors. Upon the Company's determination of the record date, the Company shall make public notice of the record date, 2 weeks prior to the determined record date.</p> <p><u>(6) The dividends referenced in Paragraph (3) above shall be paid to the shareholders or pledgees registered in the shareholders' registry as of the record date for quarterly dividends.</u></p> <p>(7) (omitted)</p>	<p>Article 43 (Dividends)</p> <p>(1)~(2) (to remain the same)</p> <p>(3) ----- -----by a resolution of the Board of Directors within forty-five (45) days from the date that is three (3) months, six (6) months, and nine (9) months (each, the "Record Date of Quarterly Dividends") ----- by a resolution of the Board of Directors ----- -----.</p> <p>(4) (to remain the same)</p> <p>(5) -----in Paragraph (1) and in Paragraph (3) ----- ----- ----- ----- ----- ----- ----- ----- -----.</p> <p>(6) <Deleted></p> <p>(7) (to remain the same)</p>	<p>To reflect improvements to the dividend distribution process</p>
<p>-</p>	<p><Newly Established></p>	<p><u>ADDENDUM (March 26, 2025)</u> <u>These Articles of Incorporation shall be effective from the date of the resolution of the Meeting.</u></p>	

III. Appointment of Sang-Hak Lee as Inside Director

We seek to appoint an inside director pursuant to Article 382 of the Korean Commercial Code and Article 26 of the Company's Articles of Incorporation.

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

Name	Date of Birth (YYYY.MM.DD)	Candidacy for Outside Director	Separate Election of Directors who will also serve as Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Sang-Hak Lee	1971.03.17	Inside Director	-	The date immediately following the date set for the 2025 annual general meeting of shareholders ~ The date set for the 2027 annual general meeting of shareholders	N/A	KT&G Board of Directors

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	
Sang-Hak Lee	Chief Operating Officer of KT&G	2025~Present 2024~2024 2024~2024 2016~2024 2016~2016 2014~2016 2013~2014	Current) Chief Operating Officer (COO), KT&G Former) Chief Strategy Officer (CSO), KT&G Former) CSO & Chief of Strategy and Planning, KT&G Former) Chief of Sustainability Management Headquarters, KT&G Former) Head of Business Policy Office, KT&G Former) Head of Sustainability Management Office, KT&G Former) Head of Secretary Office, KT&G	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
Sang-Hak Lee			N/A

D. Board of Directors' Grounds for Recommendation

Mr. Sang-Hak Lee is a 'strategy specialist' and an insightful CFO who has been creating growth momentums for the company in times of major change, performing pivotal roles in business policy and strategy for the past 20 years. Today, he serves as the COO, making crucial contributions in realizing the Company's mid-to-long term vision.

During his term as the Chief of Sustainability Management Headquarters, the candidate proposed legitimate and alternative solutions on policies and regulations governing the Company's entire value chain, as well as proactively communicate with a variety of stakeholders, contributing to securing management stability for the Company. He has also been spearheading the sustainable management initiatives of KT&G by laying the groundwork for ESG capabilities that meet global standards, fostering active participation in resolving social issues including cohabitation with local communities and youth support projects, and establishing internal compliance/ethics management systems.

As the COO, the candidate established and enforced corporate strategies to enhance profitability based on the three core businesses (global CC, NGP, health-functional foods) and secure new growth engines, while leading the change in business paradigm by advancing the global value chain and innovating the company-wide profit structure to nurture various performances. His contribution in strengthening the Company's core competitiveness and preemptive establishment and execution of the mid-to-long term shareholder return policy has also reaped significant results in boosting corporate and shareholder values.

Accordingly, based on his extensive understanding of the Company's business, superior insight and strategic analytical ability, the KT&G Board of Directors determines Mr. Sang-Hak Lee to be the best candidate to support the Company's leap towards a 'Global Top-tier KT&G', and thereby recommends him as a candidate for inside director.

IV. Appointment of Two (2) Outside Directors

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

- Agenda No. 4-1: Appointment of Kwan-Soo Shon as Outside Director

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

Name	Date of Birth (YYYY.MM.DD)	Candidacy for Outside Director	Separate Election of Directors who will also serve as Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Kwan-Soo Shon	1960.10.01	Outside Director	-	The date immediately following the date set for the 2025 annual general meeting of shareholders ~ The date set for the 2028 annual general meeting of shareholders	N/A	KT&G Independent Director Candidate Recommendation Committee

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	
Kwan-Soo Shon	(Former) Co-CEO of CJ Logistics	2022~Present 2015~2022 2019~2021 2014~2019 2013~2014 2012~2013 2010~2012 2006~2010 2004~2006 2001~2004 1998~2001	Current) Outside Director and Chair of the BOD ('24 April ~ Present), KT&G Former) President, Korea Automobile Racing Association (KARA) Former) Permanent Advisor, CJ Logistics Former) Co-CEO, CJ Logistics Former) Head of Human Resources, CJ Former) CEO, CJ GLS Former) Senior Vice President, CJ GLS Former) Managing Director, CJ GLS Former) Senior Vice President, Orange Display Former) Senior Vice President, IDS Former) HR Team Leader, Samsung Motors	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
Kwan-Soo Shon	N/A		

D. Candidate's Plans

The candidate plans to support the Company by making active suggestions on its strategies to enhance corporate and shareholder value based on the extensive experience in corporate leadership cumulated during his time as the CEO of a major Korean logistics company and the three years of experience as KT&G's outside director serving in the positions of Chair of the Board of Directors and Chair of the Governance Committee.

He is well aware of the independence required of outside directors as stipulated in Article 382 Paragraph 3 and Article 542(8) of the Korean Commercial Code. As an outside director, he plans to dedicate himself to ensuring that the Company's decision-making processes are conducted neutrally, transparently and fairly by exercising his independence.

The candidate will faithfully fulfill his duties as an outside director under relevant laws and regulations, including fiduciary duty, duty of loyalty, duty to report, duty to monitor, duty to prohibit self-dealing, and duty to maintain confidentiality, etc., and will acquaint himself with all of the Company's regulations and adhere to the Company's Code of Ethics.

E. Board of Directors' Grounds for Recommendation

Mr. Kwan-Soo Shon is an expert in executive management that has successfully led CJ logistics with record-breaking sales revenue growth every year during his term as CEO (2014-2019). With bold decision-making and leadership, he has led successful M&As not only domestically but also with local companies in China, Vietnam, India and the US, creating strongest-ever results in all areas of business including corporate logistics, courier service and global operations.

In the past three years, Mr. Shon has faithfully fulfilled his duties as an advisor and a supervisor to the Company based on his experience in executive management as he served in a variety of board sub-committees including the Governance Committee, the Audit Committee, the Evaluation and Compensation Committee and the Management Committee. In particular, his rich experience and expertise in the field of manufacturing/logistics have contributed greatly in KT&G establishing its mid-to-long term investment plan for manufacturing hubs in and outside Korea and bringing efficiency in the production and supply system.

During his term as the Chair of the KT&G Board of Directors (since 2024), the candidate has made insightful suggestions throughout the entire process of the Company establishing and executing its Corporate Value-up Plan based on his deep understanding of the capital market and expertise on business management.

In addition to the expertise described above, Mr. Kwan-Soo Shon meets all the statutory qualifications for enhancing the independence of outside directors under the Korean Commercial Code. When applying the legally defined criteria for independence, he is considered to be in an independent position with no direct, indirect or friendly relations with any major shareholders or the management. Appointing such an independent candidate as an outside director is expected to enable strict management and supervision of the executive team and to advise the management in a direction that can enhance corporate value. Therefore, the Independent Director Candidate Recommendation Committee, recommends him as a candidate for outside director.

- Agenda No. 4-2: Appointment of Jee-Hee Lee as Outside Director

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

Name	Date of Birth (YYYY.MM.DD)	Candidacy for Outside Director	Separate Election of Directors who will also serve as Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Jee-Hee Lee	1961.06.30	Outside Director	-	The date immediately following the date set for the 2025 annual general meeting of shareholders ~ The date set for the 2028 annual general meeting of shareholders	N/A	KT&G Independent Director Candidate Recommendation Committee

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	
Jee-Hee Lee	CEO of W.Works	2023~Present 2016~2023 2016~2017 2011~2015 2010~2016 2005~2015 2000 2000 1999~2010 1984~1998	Current) CEO, W.Works Former) CEO/Inside Director, W.Camp Former) Adjunct Professor, Department of Advertising, Chung-Ang University Former) Judge, Ad Stars (Busan) Former) Co-CEO, PostVisual Former) Judge, Korea Advertising Awards Former) Judge, Asia Pacific Advertising Awards Former) Judge, The Clio Awards Former) Senior Vice President, Welcomm ECD Former) Copywriter & Creative Director, Oricom	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
Jee-Hee Lee	N/A		

D. Candidate's Plans

The candidate plans to leverage her expertise in global consumer goods marketing cumulated for about 40 years, her experience as KT&G's outside director for the past three years, and a deep understanding of corporate entities to contribute in the Company's sustainable and righteous business activities and protecting the rights of all stakeholders.

She is well aware of the independence required of outside directors as stipulated in Article 382 Paragraph 3 and Article 542(8) of the Korean Commercial Code. As an outside director, she plans to dedicate herself to ensuring that the Company's decision-making processes are conducted neutrally, transparently and fairly by exercising her independence.

The candidate will faithfully fulfill her duties as an outside director under relevant laws and regulations, including fiduciary duty, duty of loyalty, duty to report, duty to monitor, duty to prohibit self-dealing, and duty to maintain confidentiality, etc., and will acquaint herself with all of the Company's regulations and adhere to the Company's Code of Ethics.

E. Board of Directors' Grounds for Recommendation

Ms. Jee-Hee Lee is an expert in advertisement/marketing and business management that has led the successful marketing of an array of global consumer brands (e.g., Nike, Intel, Google, eBay, Heineken, LG Electronics) as the senior vice president of Welcomm Publicis Worldwide (1999-2010), co-CEO of PostVisual (2011-2015) and incumbent CEO of W.Works. She is also participating in Women Corporate Directors (WCD, 2022-Present) to foster board diversity and expertise and actively taking part in the establishment of an ESG management system and knowledge exchange activities at the WCD-KPMG ESG Research Association.

Since her appointment as a KT&G outside director (2022-), the candidate has been vocal in a variety of board sub-committees including the Governance Committee, the Sustainability Committee and the Evaluation and Compensation Committee to support the major business decisions made for the quantitative and qualitative growth of the Company based on rich experience and expertise. In particular, Ms. Lee has been providing insights on the roll-out strategies of domestic and international products based on her experience of success in various consumer industries. She has also been active in making business suggestions for the performance of the KT&G group as she personally monitored the product development process at the Korea Ginseng Factory in Buyeo and the KGC R&D Center in Gwacheon.

Starting as a member of the Sustainability Committee in 2023 to serve as the Chair of the Sustainability Committee since 2024, the candidate has continuously advised on establishing ESG policies and strategies and supervised the execution of the targets to ensure that the Company's ESG management system is on the right track. As a result, the Company has received 'AA' ratings for four consecutive years in ESG index evaluations performed by MSCI, which is top class in the industry, and the Company was also included in the S&P Global DJSI World Index, building upon the ESG management system that meets global standards.

In addition to the expertise described above, Ms. Jee-Hee Lee meets all the statutory qualifications for enhancing the independence of outside directors under the Korean Commercial Code. When applying the legally defined criteria for independence, she is considered to be in an independent position with no direct, indirect or friendly relations with any major shareholders or the management. Appointing such an independent candidate as an outside director is expected to enable strict management and supervision of the executive team and to advise the management in a direction that can enhance corporate value. Therefore, the Independent Director Candidate Recommendation Committee, recommends her as a candidate for outside director.

V. Appointment of Kwan-Soo Shon as Audit Committee Member

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

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

Name	Date of Birth (YYYY.MM.DD)	Candidacy for Outside Director	Separate Election of Directors who will also serve as Audit Committee Members	Term	Relationship with the Largest Shareholder	Recommended by:
Kwan-Soo Shon	1960.10.01	Outside Director	-	The date immediately following the date set for the 2025 annual general meeting of shareholders ~ The date set for the 2028 annual general meeting of shareholders	N/A	KT&G Board of Directors

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	
Kwan-Soo Shon	(Former) Co-CEO of CJ Logistics	2022~Present 2015~2022 2019~2021 2014~2019 2013~2014 2012~2013 2010~2012 2006~2010 2004~2006 2001~2004 1998~2001	Current) Outside Director and Chair of the BOD ('24 April ~ Present), KT&G Former) President, Korea Automobile Racing Association (KARA) Former) Permanent Advisor, CJ Logistics Former) Co-CEO, CJ Logistics Former) Head of Human Resources, CJ Former) CEO, CJ GLS Former) Senior Vice President, CJ GLS Former) Managing Director, CJ GLS Former) Senior Vice President, Orange Display Former) Senior Vice President, IDS Former) HR Team Leader, Samsung Motors	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
Kwan-Soo Shon	N/A		

D. Board of Directors' Grounds for Recommendation

Mr. Kwan-Soo Shon is an expert in executive management that has successfully led CJ logistics with record-breaking sales revenue growth every year during his term as CEO (2014-2019). With bold decision-making and leadership, he has led successful M&As not only domestically but also with local companies in China, Vietnam, India and the US, creating strongest-ever results in all areas of business including corporate logistics, courier service and global operations.

Based on such experience, the candidate has faithfully fulfilled his role of supervising and advising the Company through his participation as KT&G's outside director in a variety of board sub-committees including the Governance Committee, the Audit Committee, the Evaluation and Compensation Committee and the Management Committee. In particular, as a member of the Audit Committee, Mr. Shon has actively performed his role of supervising the Company's management and financial activities while maintaining independence and impartiality.

In addition to the expertise described above, Mr. Kwan-Soo Shon meets all the statutory qualifications for enhancing the independence of outside directors under the Korean Commercial Code. When applying the legally defined criteria for independence, he is considered to be in an independent position with no direct, indirect or friendly relations with any major shareholders or the management. Appointing such an independent candidate as an Audit Committee member is expected to contribute to the Audit Committee's activities that require independence and objectivity. Therefore, the KT&G Board of Directors recommends him as a candidate for Audit Committee member.

VI. Approval of Cap on Remunerations for Directors

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

(The 39th Fiscal Year)

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

(The 38th Fiscal Year)

Number of Directors (Number of Outside Directors)	7 (6)
Total Amount of Remuneration Actually Paid	KRW 4,901 million
Maximum Cap Amount	KRW 5,000 million

- ※ The number of directors (number of outside directors) above is the number of directors or outside directors 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, 2024 to December 31, 2024 and does not include the severance pay paid to inside directors who retired at the expiration of their term as per the 'Regulation on the Severance Pay for Inside Directors' approved separately at the Annual General Meeting of Shareholders.