

KT&G

Reference Material

for the 39th Annual General Meeting of Shareholders

The 39th Annual General Meeting of Shareholders

KT&G Corporation will hold its 39th Annual General Meeting of Shareholders as follows :

Date and Time Thursday, March 26th, 2026 10:00am (KST)

Place Vision Hall, KT&G Human Resources Development Institute, 71, Beotkkot-gil, Daedeok-gu, Daejeon, Republic of Korea

Agenda Items

1. Matters to Report

Reporting 1	Audit Report
Reporting 2	Business Report
Reporting 3	Internal Accounting Control System Operation Status Evaluation Report

2. Matters for Approval

Item 1	Approval of Financial Statements and Statement of Appropriation of Retained Earnings for the 39th Fiscal Year
Item 2	Partial Amendment to the Articles of Incorporation
Item 2-1	Addition of Business Objectives
Item 2-2	Introduction of e-GMS
Item 2-3	Renaming of Independent Non-Executive Director Position
Item 2-4	Revision of Cumulative Voting Regulations
Item 2-5	Increase in Number of Audit Committee Members to be Separately Elected
Item 2-6	Revision of Regulation on Severance Pay for Inside Directors and Managing Executive Officers
Item 2-7	Establishment of the Regulation on Holding or Disposing of Treasury Shares

(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.)

2. Matters for Approval	Item 3	Amendment to Regulation on Severance Pay for Inside Directors (to be automatically scrapped if Agenda No. 2-6 is rejected)
	Item 4	Appointment of Hwan-Yong Nho as Independent Non-Executive Director
	Item 5	Appointment of Hwan-Yong Nho as Audit Committee Member
	Item 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)
	Item 7	Approval of Cap on Remuneration for Directors
	Item 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.)

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01 Approval of Financial Statements and Statement of Appropriation of Retained Earnings for the 39th Fiscal Year

We ask **shareholders to approve** the consolidated and separate financial statements and the statement of appropriation of retained earnings for the 39th fiscal year (January 1, 2025 to December 31, 2025) that **received an unqualified opinion from the external auditor** upon audit.

Summary of Consolidated Profit and Loss

(unit: KRW 100 mn)

	2024	2025	YoY
Revenue	59,088	65,797	+11.4%
Operating Profit	11,888	13,437	+13.0%
Net Income	11,650	11,023	-5.4%

Dividend per Share

(unit: KRW)

	2024	2025	YoY
Interim	1,200	1,400	+16.7%
Year-end	4,200	4,600	+9.5%
Total	5,400	6,000	+11.1%

Reduction/Appropriation of Retained Earnings

(unit: KRW 100 million)

구분	2024년	2025년
Cancellation of Treasury Shares	7,529	7,543
Interim Dividends	1,353	1,499
Year-end Dividends	4,531	4,774

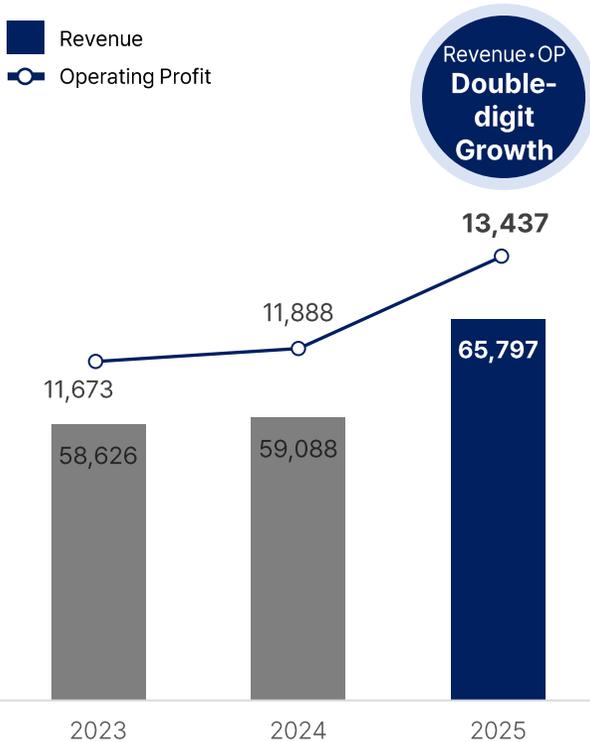
Audit Report

- The audit report on the consolidated and separate financial statements received an unqualified opinion on March 4, 2026, and the audit report has been disclosed on the electronic disclosure system and the company's website.
- Audit Report Directory
 - Electronic Disclosure System (<https://dart.fss.or.kr>) > Submission of Audit Report
 - Company Website (<https://www.ktng.com>) > Investor Relations > Audit Report
 - Korean: <https://www.ktng.com/report?cmsCd=CM0013>
 - English: <https://en.ktng.com/report?cmsCd=CM0043>
(disclosure timeline to be further advised)

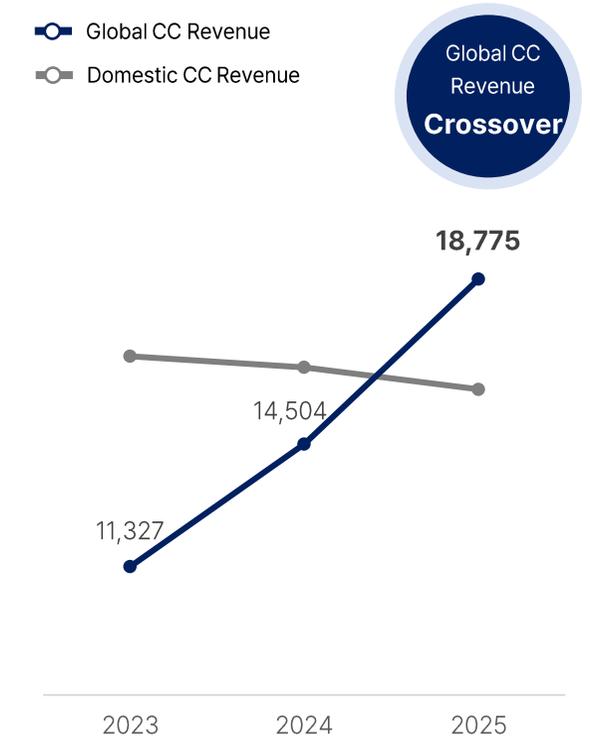
[Reference] Key Financial Performance in 2025

Upon strengthening our core competitiveness around the global business, we posted highest-ever results with the Group's consolidated revenue surpassing KRW 6.5 trillion for the first time. We also met a historic turning point where our global cigarette revenue exceeded the domestic revenue, with strong results and shareholder returns leading to the successful re-rating of KT&G's corporate value.

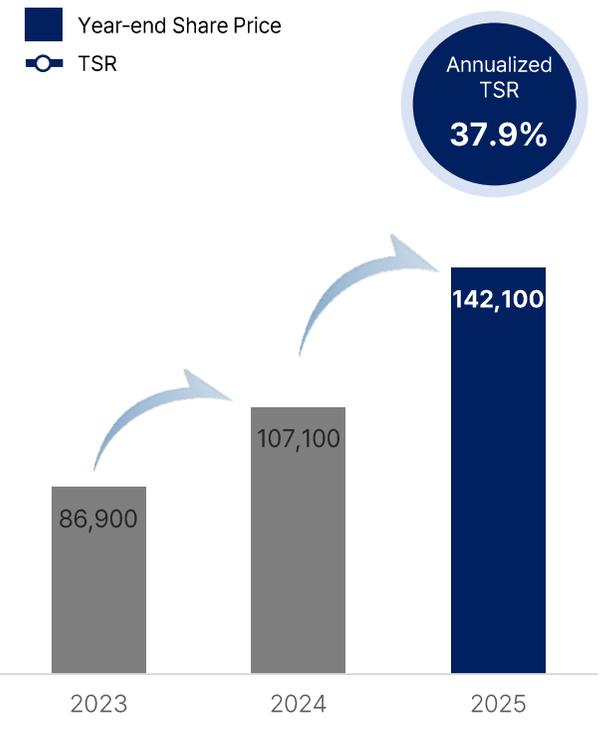
Consolidated Results (unit: KRW 100 mn)



Global CC Revenue (unit: KRW 100 mn)



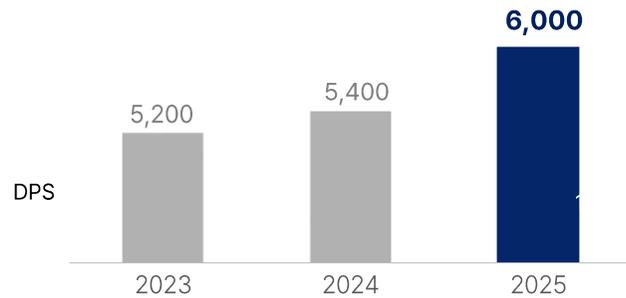
Share Price Growth (unit: KRW)



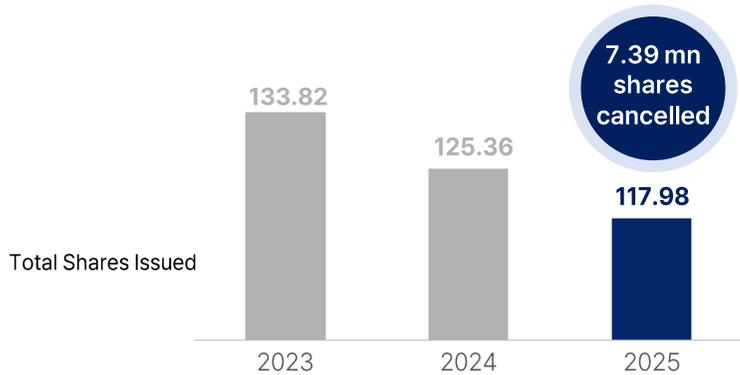
[Reference] Best-in-class Shareholder Returns

KT&G has been faithfully executing the shareholder return policy as announced with **constant increase in DPS and active share cancellation**. As a result in 2025, we reached a total shareholder return ratio that is **top level domestically and internationally with shareholder returns worth KRW 1.55 trn (1.19 trn in cash return)**.

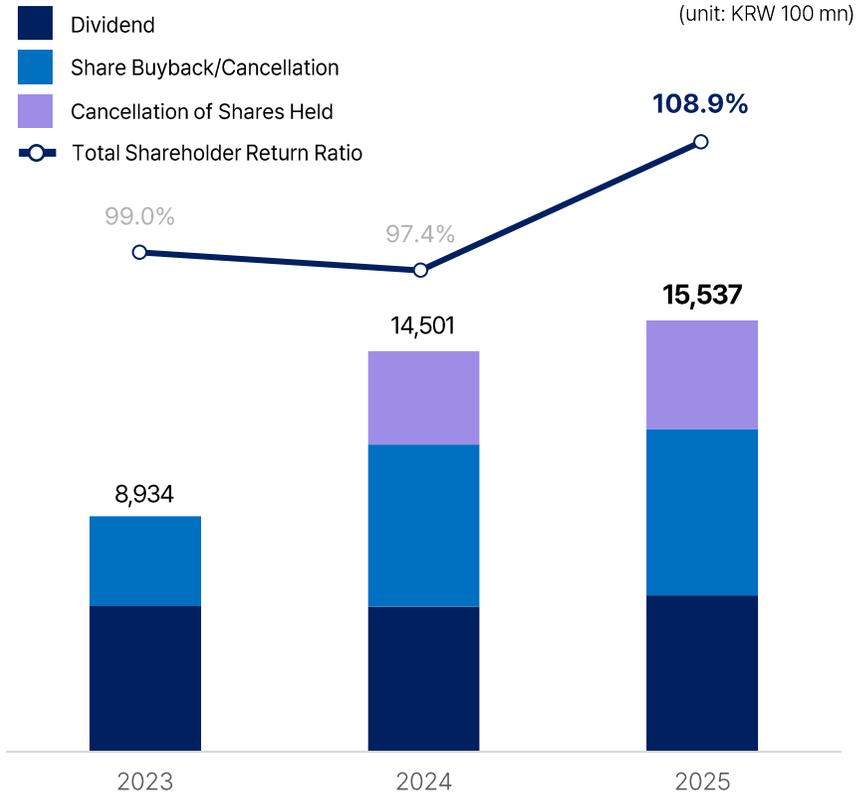
Dividend (unit: KRW)



Share Cancellation (unit: mn shares)



Shareholder Return Scale and Total Return Ratio (unit: KRW 100 mn)



* Total Shareholder Return Ratio : (Dividend payout + Share buyback)/Consolidated net income attributable to the owners of the parent

02 Partial Amendment to Articles of Incorporation

We ask for shareholders' approval for all items on the Partial Amendment to Articles of Incorporation as we wish to make some amendments for the purposes of adding business objectives, introducing e-GMS, changing the term for directors, revising cumulative voting regulations, increasing number of audit committee members to be separately elected, and clarifying reasons for holding/disposing treasury shares in accordance with the KCC amendments.

Summary

Items	Purpose	Key Details	Article(s) in Scope
Item 2-1 Addition of Business Objectives	Pursue commercial production at Sejong printing factory	<ul style="list-style-type: none"> Adding 'printing and printing-related businesses' to the business purpose 	2-1
Item 2-2 Introduction of e-GMS	Establish and change provisions in accordance to the mandatory hosting of electronic GMS ('27.1.1.)	<ul style="list-style-type: none"> (Convocation) Host general meetings where participation in resolutions are possible via electronic means (Proxy voting) Proof of proxy rights submitted via written or electronic form 	17-4 21-2
Item 2-3 Renaming of Independent Director Position	Alignment of terminology as name of 'outside director' is changed to 'independent director' ('26.7.23.)	<ul style="list-style-type: none"> Change in term to 'Independent Director', 'Independent Director Candidate Recommendation Committee' 	25, 26, 27, 30, 32, 33, 34-2, 34-3, 34-5, 35, 36
Item 2-4 Revision of Cumulative Voting Regulations	Alignment of provisions related to cumulated voting in accordance with the KCC amendments	<ul style="list-style-type: none"> Upon cumulative voting for director election, cumulative voting to be applied to all candidates 	26-6
Item 2-5 Increase in Number of Audit Committee Members to be Separately Elected	Amendment in accordance with stronger obligation on audit committee members elected separately (from 1 to 2 or more, '26.9.10.)	<ul style="list-style-type: none"> 2 of the Audit Committee members to be elected separately from other directors 	26-7

02 Partial Amendment to Articles of Incorporation

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Summary

Items	Purpose	Key Details	Article(s) in Scope
Item 2-6 Revision of Regulation on Severance Pay for Inside Directors and Managing Executive Officers	Merging the severance payment regulations for inside directors and executive officers for operational efficiency	<ul style="list-style-type: none"> Merging the severance payment regulations for inside directors and executive management under the name of 'management severance payment regulation and widening the scope to executive officers 	31 38-3
Item 2-7 Establishment of the Regulation on Holding or Disposing of Treasury Shares	Clarifying the reasons for potential holding or disposing of treasury shares, in accordance with KCC amendments	<ul style="list-style-type: none"> Defining the reasons for holding/disposing of treasury shares as upon necessity to achieve management purposes of the company including introduction of new technology, improving the financial structure or when allowed by law to hold or dispose of treasury shares 	10

* Item 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.)

Partial Amendments to the Articles of Incorporation (1/8)

	Before Amendment	After Amendment	Purpose of Amendment
Agenda No. 2-1: Addition of Business Objectives	Article 2 (Objective) (1) The objectives of the Company shall be as follows: 1 – 50. (Omitted) <u>51. research activity incidental to the businesses described above.</u>	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>	To add business objectives to pursue commercial production at the Sejong Plant
Agenda No. 2-2: Introduction of e-GMS	Article 17 (Convening and Types of General Meetings) <u>(4) 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> (5) <Newly established>	Article 17 (Convening and Types of General Meetings) <u>(4) 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> <u>/(5) 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>	To provide grounds for the introduction of electronic general meetings of shareholders To re-number the paragraphs following the insertion of new provisions
	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.	Article 21 (Voting by Proxy) (2) ----- ----- <u>documents in writing or</u> <u>in electronic form</u> ----- -----	To expand the proxy verification methods to include documents in electronic form in addition to written documents

Partial Amendments to the Articles of Incorporation (2/8)

	Before Amendment	After Amendment	Purpose of Amendment
<p>Agenda No. 2-3: Renaming of Independent Non-Executive Director Position</p>	<p>Article 25 (Number of Directors)</p> <p>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)</p> <p>(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)</p> <p>(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 fill a vacancy shall be the remainder of the term of office of his or her predecessor.</p>	<p>Article 25 (Number of Directors)</p> <p>----- ----- ----- <u>independent directors</u>.</p> <p>Article 26 (Election of the President and Directors)</p> <p>(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)</p> <p>(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>

Partial Amendments to the Articles of Incorporation (4/8)

	Before Amendment	After Amendment	Purpose of Amendment
<p>Agenda No. 2-3: Renaming of Independent Non-Executive Director Position</p>	<p>Article 33 (Qualifications of Independent Non-Executive Directors) <u>Independent non-executive directors</u> shall be appointed among persons who are independent, well qualified and sufficiently experienced in the field of economics, business management, law, or relevant technology, and as there is no disqualification as set forth by the relevant laws with independence.</p> <p>Article 34-2 (Committees) (1) The Company shall establish committees such as the Audit Committee and the <u>Independent Non-Executive Director Candidate Recommendation Committee</u> within the Board of Directors and, if deemed necessary, the Company may establish any other committees by a resolution of the Board of Directors. Each Committee shall appoint its respective representative by a resolution thereof.</p> <p>Article 34-3 (Audit Committee) (1) The Audit Committee of the Company shall be composed of three (3) or more <u>independent non-executive directors</u>. (2) The representative of the Audit Committee shall be elected among the members, who are <u>independent non-executive directors</u>, by a resolution of the Audit Committee. In such case, joint representatives of the Audit Committee may be elected.</p>	<p>Article 33 (Qualifications of Independent Non-Executive Directors) <u>Independent directors</u> ----- ----- ----- ----- ----- -----.</p> <p>Article 34-2 (Committees within Board of Directors) (1) ----- ----- <u>Independent Director Candidate Recommendation Committee</u> ----- ----- ----- ----- -----.</p> <p>Article 34-3 (Audit Committee) (1) ----- ----- <u>independent directors</u>. (2) ----- ----- <u>independent directors</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>

Partial Amendments to the Articles of Incorporation (5/8)

	Before Amendment	After Amendment	Purpose of Amendment
<p>Agenda No. 2-3: Renaming of Independent Non-Executive Director Position</p>	<p>Article 34-5 (Independent Non-Executive Director Candidate Recommendation Committee)</p> <p>(1) The <u>Independent Non-Executive Director Candidate Recommendation Committee</u> shall be composed of three (3) or more independent non-executive directors.</p> <p>(2) The <u>Independent Non-Executive Director Candidate Recommendation Committee</u> shall perform the following duties:</p> <ol style="list-style-type: none"> 1. examination of qualification and recommendation of <u>independent non-executive director candidates</u>; and 2. other matters delegated by the Board of Directors. <p>Article 35 (Chairman of Board of Directors)</p> <p>(1) The chairman of the Board of Directors of the Company shall be appointed from the <u>Independent Non-Executive Directors</u> by a resolution of the Board of Directors.</p> <p>(2) (Omitted)</p> <p>(3) In the event that the chairman of the Board of Directors may not participate at the meeting of the Board of Directors, the most senior member and then the oldest member among the <u>independent non-executive directors</u> shall serve as the chairman of the Board of Directors.</p>	<p>Article 34-5 (Independent Non-Executive Director Candidate Recommendation Committee)</p> <p>(1) -----<u>Independent Director Candidate Recommendation Committee</u> ----- ----- -----.</p> <p>(2) ----<u>Independent Director Candidate Recommendation Committee</u>----- -----: 1. ----- -----<u>independent director candidates</u> ----- -----</p> <p>2. ----- ----</p> <p>Article 35 (Chairman of Board of Directors)</p> <p>(1) ----- ----- - <u>independent directors</u> ----- -. (2) (same as the current provisions)</p> <p>(3) ----- ----- ----- -----<u>independent directors</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>

Partial Amendments to the Articles of Incorporation (7/8)

	Before Amendment	After Amendment	Purpose of Amendment
Agenda No. 2-6 : Revision of Regulation on Severance Pay for Inside Directors and Executive Officers	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. 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.	Article 31 (Severance Pay) ----- ----- ----- <u>Regulation on Severance Pay for Officers</u> ----- ----- Article 38 (Executive Officers) (3) ----- ----- ----- ----- ----- <u>Regulations on Severance Pay for Officers</u> ----- ----- -----	To update the title following the integration of severance pay regulations for inside directors and executive officers
Agenda No. 2-7: Establishment of the Regulation on Holding or Disposing of Treasury Shares	Article 10 <Newly established>	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>	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.

(**) The intention of this article is to enhance corporate and shareholder value, and will be operated in accordance with reasonable and responsible management standards for the benefit of all shareholders as per the purpose of the relevant regulations.

**Partial
Amendments
to the
Articles of
Incorporation
(8/8)**

	Before Amendment	After Amendment	Purpose of Amendment
-	<Newly established>	<p><u>ADDENDUM (March 26, 2026)</u></p> <p><u>Article 1 (Effective Date) These Articles of Incorporation shall be effective from the date of the resolution of the Meeting.</u></p> <p><u>Article 2 (Interim Measures Concerning Convocation of General Meetings and Voting Rights by Proxy)</u></p> <p><u>The amended provisions of 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>To establish transitional provisions for the effective date of the amended Articles of Incorporation, in consideration of the enforcement date of the amended Korean Commercial Code.</p>

03 Amendment to Regulation on Severance Pay for Inside Directors

We wish to merge and revise the regulations on severance pay for executive officers and inside directors for the purpose of enhancing operational and management efficiency. We ask shareholders' approval on the merging and amendment to the relevant regulations.

Summary

	Details
Direction of the Amendment	<p>To enhance operational/management efficiency of the severance pay system for officers, the 'Regulation on Severance Pay for Inside Directors' and 'Regulation on Severance Pay for Executive Officers' are merged under the name of 「Regulation on Severance Pay for Officers」 along with revisions to the contents.</p> <p>※ 「Regulation on Severance Pay for Executive Officers」 is abandoned due to the merging of regulation on severance pay for executive officers and inside directors</p>
Key Changes	<ul style="list-style-type: none"> ① Expand the individuals in scope from the CEO and Inside Directors to executive managing officers ② Establish new provisions on operating the Defined Contribution (DC) Retirement Pension ③ Clarify the detailed standard for number of years of service that determines the eligibility for severance pay

Details of the Amendment to Regulation on Severance Pay for Inside Directors(1/3)

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 Article 38(3)-----.</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 laws and regulations, the Articles of Incorporation, and the <u>management agreements.</u></u></p>	<p>Article 2 (Scope of Application) -----<u>Officers</u>----- -----<u>applicable</u>----- -----<u>management</u>----- agreements or employment agreements.</p>	Change of the scope of application resulting from the expansion of applicable subjects
<p>Article 2-2 <u><Newly established></u></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. <u><Newly established></u></p>	<p>Article 3 (Standards for Payment) (1) Officers----- -----<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 rata basis.</u></p>	Clarification of the detailed standards for calculating consecutive years of service to determine eligibility for payment

Details of the Amendment to Regulation on Severance Pay for Inside Directors(2/3)

Current Provisions	(Proposed) Amendment	Reason for Amendment
<p>(2) <Deleted on February 26, 2010></p> <p>(3) <Newly established></p>	<p>(2) (Same as the current provisions)</p> <p>(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)</p> <p>(1) The method for calculating severance pay for <u>the President and inside directors</u> shall be as follows:</p> <p style="padding-left: 20px;">1~2. Omitted</p> <p>(2)~(3) Omitted</p> <p>(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.</p> <p>(5) <Newly established></p>	<p>Article 4 (Calculation of Severance Pay)</p> <p>(1) -----<u>Officers</u>----- -----.</p> <p style="padding-left: 20px;">1~2. (Same as the current provisions)</p> <p>(2)~(3) (Same as the current provisions)</p> <p>(4) -----<u>Officers</u>----- ----- -----.</p> <p>(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)</p> <p>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)</p> <p>-----<u>an Officer</u>----- ----- -----.</p>	<p>Change of the scope of application resulting from the expansion of applicable subjects</p>

**Details of
the Amendment to
Regulation on
Severance Pay for
Inside Directors(3/3)**

Current Provisions	(Proposed) Amendment	Reason for Amendment
<p>Article 8 (Amendment of Regulations) These Regulations shall be amended by <u>a resolution of the General Meeting of Shareholders and the Board of Directors.</u></p> <p style="text-align: center;"><u><Newly established></u></p>	<p>(Article 8 (Amendment of Regulations)) -----<u>a resolution of the Board of Directors and the General Meeting of Shareholders.</u></p> <p style="text-align: center;">ADDENDUM (March 26, 2026) <u>(Effective Date) 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>

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

The KT&G Independent Non-executive Director Candidate Recommendation Committee, composed entirely of outside directors, underwent an objective screening process of evaluations from the external advisory panel on the outside director candidate pool to recommend to the AGM the best candidates that fit the KT&G BSM. We ask shareholders' approval on [Item 4 Appointment of Hwan-Yong Nho as Independent Non-Executive Director](#),



Name : Hwan-Yong Nho

- Date of Birth 1956.04
- Gender Male
- Classification Independent Non-Executive Director
- Term Date immediately following the day of the 2026 AGM ~ Date of the 2029 AGM
- Skills & Expertise Manufacturing/Supply chain, Risk Management, Global Business, Sustainability, Consumer Industries, etc
- Appointment Type New Appointment
- Recommended by KT&G President Candidate Recommendation Committee

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.

05 Appointment of Hwan-Yong Nho as Audit Committee Member

We wish to appoint outside directors at the AGM and appoint a member of the Audit Committee among the appointed outside directors pursuant to Article 542-11 and 542-12 of the Korean Commercial Code and Article 34-3 of the Company’s Articles of Incorporation. We ask for shareholders’ **approval on ‘Item 5 Appointment of Hwan-Yong Nho as Audit Committee Member’.**



Name : Hwan-Yong Nho

- Date of Birth 1956.04
- Gender Male
- Classification Independent Non-Executive Director
- Term Date immediately following the day of the 2026 AGM ~ Date of the 2029 AGM
Manufacturing/Supply chain, Risk Management,
- Skills & Expertise Global Business, Sustainability, Consumer Industries, etc
- Appointment Type New Appointment
- Recommended by KT&G Board of Directors

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 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.

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

The KT&G Independent Non-executive Director Candidate Recommendation Committee, composed entirely of outside directors, underwent an objective screening process of evaluations from the external advisory panel on the outside director candidate pool to recommend to the AGM the best candidates that fit the KT&G BSM. We ask shareholders' approval on 'Item 6 Appointment of Soong-Soo Han as Independent Non-Executive Director to Become Audit Committee Member'



Name : Soong-Soo Han

- Date of Birth 1970.02
- Gender Male
- Classification Independent Non-Executive Director
- Term Date immediately following the day of the 2026 AGM ~ Date of the 2029 AGM
- Skills & Expertise Manufacturing/Supply chain, Finance/Accounting, Risk Management, etc
- Appointment Type New Appointment
- Recommended by KT&G Board of Directors

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

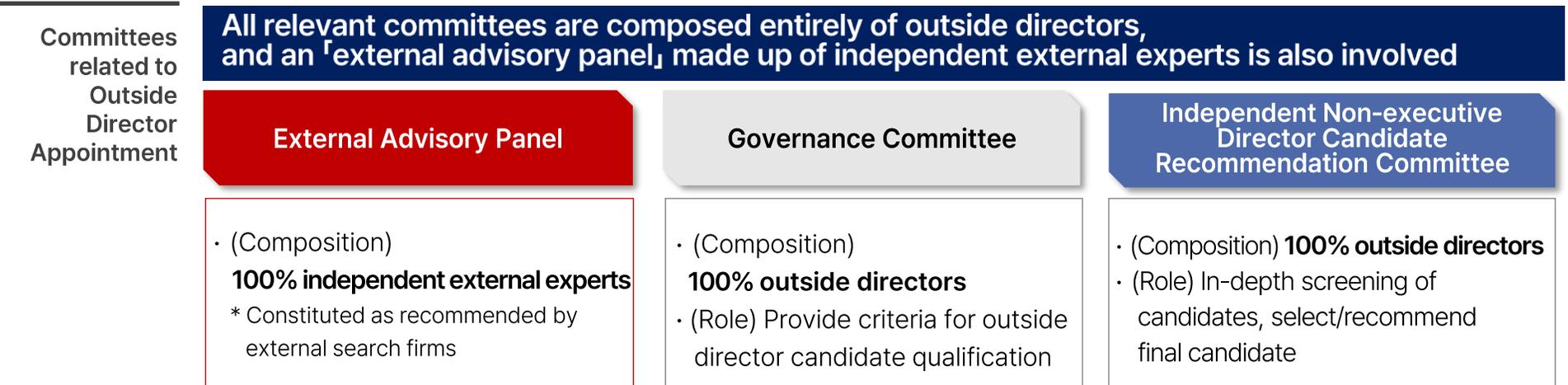
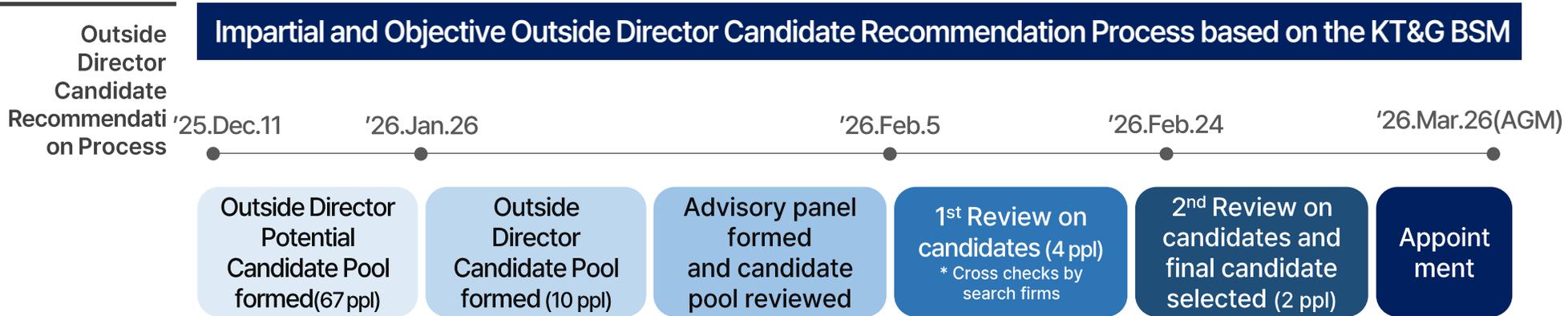
Through his research on financial disclosure, principles-based accounting and transparency under the International Financial Reporting Standards, Candidate Soong-Soo Han has developed an ethics-based perspective on identifying and addressing issues that may undermine fairness, such as risks of distorted 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.

[Reference] Outside Director Candidate Recommendation Process

The KT&G Independent Non-executive Director Candidate Recommendation Committee, composed entirely of outside directors, forms the candidate pool of **outside directors** through **multiple search firms to secure independence, expertise and diversity of the Board**, before going through the **objective screening process of evaluations from the external advisory panel and in-depth checks** to recommend to the AGM the best candidates that fit the KT&G BSM.



[Reference] KT&G Board of Directors BSM and Required Competencies

The Board has analyzed the competencies required for the board as per the Board Skills Matrix (BSM) that reflects global standards and the mid-to-long term strategic directions for strengthening the core competitiveness of the Company. As a result, we are in need to appoint outside directors who possess expertise in [Manufacturing/Supply Chain](#), [Finance/Accounting](#), [Risk Management](#) and [Global Business](#).

Experience/Expertise	Kwan-Soo Shon	Jee-Hee Lee	Sang-Wook Kwak	Dong-Hwan Shon	Kyung-Man Bang (CEO)	Sang-Hak Lee (Inside)	Board Recommendation	
							Hwan-Yong Nho (New)	Soong-Soo Han (New)
Senior Executive Leadership (8/8)	●	●	●	●	●	●	●	●
Manufacturing/Supply chain (2/8)	●						●	
Finance/Accounting (3/8)					●	●		●
Risk Management (5/8)	●				●	●	●	●
Global Business (4/8)	●	●			●		●	
Sustainability (4/8)		●			●	●	●	
Consumer Industries (5/8)	●	●			●	●	●	
Legal/Regulatory (3/8)			●	●		●		
Board Independence (75%)	●	●	●	●			●	●
Gender Diversity (Female 13%)	M	F	M	M	M	M	M	M

07 Approval of Cap on Remunerations for Directors

We ask for shareholders' [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.

Remuneration Cap for Directors in 2026

(unit : KRW mn)

Remuneration Cap		6,000
Number of Director(s)		8
	Representative Director (CEO)	1
	Inside Director(s)	1
	Outside Director(s)	6

Remuneration Cap for Directors & Actual Payout in 2025

(unit : KRW mn)

Remuneration Cap		5,000			
Total Payout (A + B)		2,445			
		Basic Salary	Bonus	Others	Total
Inside Director(s) (A)	CEO Kyung-Man Bang	624	839	20	1,483
	Inside Director Sang-Hak Lee	329	-	6	335
Outside Directors(s) (B)	Yoon-Sung Koh and 5 other Outside Directors				627

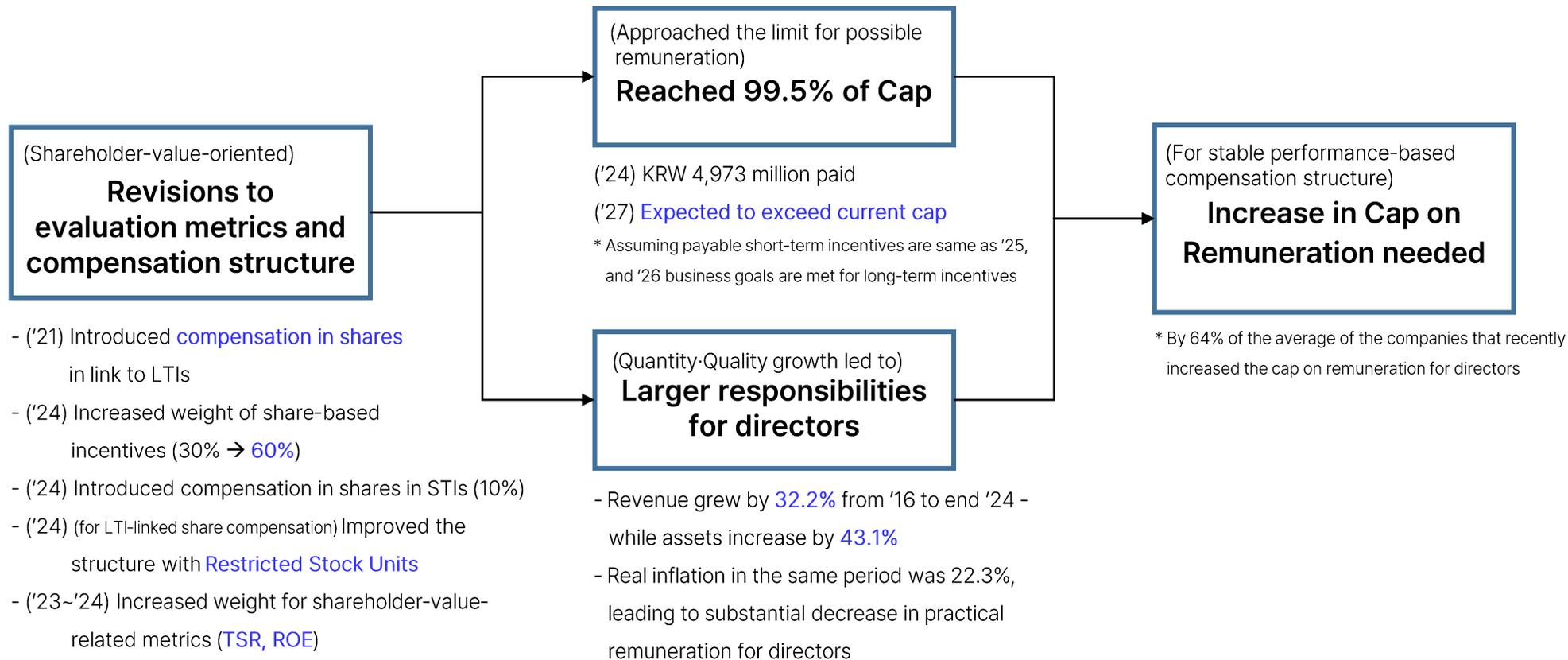
* The total amount of remuneration actually paid represents the total amount paid to all directors who served during the period from January 1, 2025 to December 31, 2025., and does not include the remuneration for the period prior to the appointment of inside directors newly appointed on March 26, 2025.

[Reference] The Necessity for Change in Cap on Remuneration for Directors

A realistic cap on remuneration for directors that fits KT&G's growth is necessary for enhancing shareholder value through incentive-based compensation (cap has been unchanged since 2017).

- Remuneration cap needs to address the larger responsibilities for directors with KCC amendment and a compensation structure that enhances shareholder value (increase in cap is inevitable considering remunerations anticipated for 2027)
- KT&G's cap on director remuneration is 0.03% of its market cap, a low level considering the average ratio is 0.47% for major consumer companies and 0.06% for domestic companies of similar market caps.

The Need for Higher Cap on Remunerations in link to Shareholder Value



08 Approval of the Plan for Holding and Disposal of Treasury Shares

We ask for shareholders' approval on the Plan for Holding and Disposal of Treasury Shares including **cancellation of all treasury shares held** and **disposal of treasury shares repurchased on the stock exchange for the purpose of employee compensation**, to actively reflect the objectives of the KCC.

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

	Item	To be Acquired*	To be Disposed of*
Types and number of treasury shares to be acquired or disposed of and their acquisition method	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	
<p>* 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.)</p> <p>** Calculated based on the number of shares actually paid out in recent two years for the purpose of compensating KT&G officers and employees</p>			

	Item	Commencement of Shareholding*	Time of Disposal**
Status of treasury shares as of the commencement date of shareholding and the planned disposal date	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%
<p>** 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.</p> <p>** 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.</p>			

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).

