

**Agenda of
Annual General Meeting of Shareholders
for the 22nd Fiscal Year**

Date: 10:00 A.M. on Friday, March 13, 2009 (Korea Standard Time)

Place: Vision Hall of Human Resources Development Institute of KT&G Corporation located at 203-3, Pyeongchon-dong, Daedeok-gu, Daejeon

KT&G Corporation

Matters Requiring Resolution

- I. Approval of Balance Sheet, Income Statement and Statement of Appropriation of Retained Earnings for the 22nd Fiscal Year
- II. Amendments to Articles of Incorporation
- III. Appointment of (Three) Independent Non-executive Directors
- IV. Appointment of (Two) Independent Non-executive Directors to be a Member of the Audit Committee
- V. Approval of Annual Cap on Remuneration of Directors

I. Agendum No. 1

Approval of Balance Sheet, Income Statement and Statement of Appropriation of Retained Earnings for the 22nd Fiscal Year

Pursuant to Article 449 of the Korean Commercial Code and Article 41 of the Articles of Incorporation of the Company, the Financial Statements for the 22nd Fiscal Year (2008. 1. 1 ~ 2008. 12. 31) are required to be approved.

1. Balance Sheet

22nd Fiscal Year: As of December 31, 2008

21st Fiscal Year: As of December 31, 2007

KT&G Corp.

(Unit: million Won, %)

	22 nd Fiscal Year	21 st Fiscal Year	Increase or Decrease	
			Amount	%
1. Current Assets	1,710,974	1,467,145	243,829	16.6
- Quick Assets	635,462	487,632	147,830	30.3
- Inventories	1,075,512	979,513	95,999	9.8
2. Non-Current Assets	2,671,599	2,510,656	160,943	6.4
- Investment Assets	1,105,461	980,611	124,850	12.7
- Tangible Assets	1,398,775	1,408,958	Δ10,183	Δ0.7
- Intangible Assets	1,189	1,719	Δ530	Δ30.8
- Other Non-Current Assets	166,174	119,368	46,806	39.2
Total Assets	4,382,573	3,977,801	404,772	10.2
1. Current Liabilities	643,272	622,724	20,548	3.3
2. Non-Current Liabilities	199,472	213,074	Δ13,602	Δ6.4
<u>Total Liabilities</u>	<u>842,744</u>	<u>835,798</u>	<u>6,946</u>	<u>0.8</u>
1. Capital stock	954,959	954,959	0	0.0
2. Capital surplus	471,144	466,769	4,375	0.9
3. Capital Adjustments	Δ224,650	Δ414,947	190,297	Δ45.9
4. Accumulative Other Comprehensive Income	30,659	1,593	29,066	1,824.6
5. Retained Earnings	2,307,717	2,133,629	174,088	8.2
(Net Income) 22 nd Fiscal Year : 894,290 21 st Fiscal Year : 661,206				
<u>Total Stockholders' Equity</u>	<u>3,539,829</u>	<u>3,142,003</u>	<u>397,826</u>	<u>12.7</u>
<u>Total Liabilities and Stockholders' Equity</u>	<u>4,382,573</u>	<u>3,977,801</u>	<u>404,772</u>	<u>10.2</u>

2. Income Statement

22nd Fiscal Year: 2008. 1. 1. ~ 2008. 12. 31

21st Fiscal Year: 2007. 1. 1. ~ 2007. 12. 31

KT&G Corp.

(Unit: million Won, %)

	22 nd Fiscal Year	21 st Fiscal Year	Increase or Decrease	
			Amount	%
1. Net Sales	2,644,656	2,412,689	231,967	9.6
2. Cost of Sales	1,023,034	992,449	30,585	3.1
3. Gross Profit	1,621,622	1,420,240	201,382	14.2
4. Selling General and Administrative Expenses	646,298	605,839	40,459	6.7
5. Operating Income	975,324	814,401	160,923	19.8
6. Non-operating Income	278,102	201,382	76,720	38.1
7. Non-operating Expenses	72,123	108,680	△36,557	△33.6
8. Income Before Income Tax	1,181,303	907,103	274,200	30.2
9. Income Taxes	287,013	245,897	41,116	16.7
10. Net Income	894,290	661,206	233,084	35.3

3. Statement of Appropriation of Retained Earnings

22nd Fiscal Year: 2008. 1. 1. ~ 2008. 12. 31.

21st Fiscal Year: 2007. 1. 1. ~ 2007. 12. 31.

Date of final decision of disposition: 2009. 3. 13.

Date of final decision of disposition: 2008. 3. 14

KT&G Corp.

(Unit: million Won)

	22 nd Fiscal Year		21 st Fiscal Year	
	Amount		Amount	
1. Retained earnings before appropriations		516,402		397,314
1) Retained earnings carried from the previous fiscal year	1,865		5,492	
2) Accumulative Effect of Changes in Accounting	0		26	
3) Retirement of treasury shares	△379,753		△269,410	
4) Net income for the Year	894,290		661,206	
2. Transfer from voluntary reserves		15,000		15,000
1) Reserve for research and manpower development	15,000		15,000	
3. Appropriations of retained earnings		529,357		410,449
1) Dividends	360,357		340,449	
(1) Cash Dividends	360,357		340,449	
Common stock				
Current year: 2,800 KRW(56%)				
Common stock				
Previous year: 2,600 KRW(52%)				
2) Separate reserves	169,000		70,000	
4. Retained earnings to be carried forward to next year		2,045		1,865

II. Agendum No. 2

Amendments to Articles of Incorporation

Pursuant to Article 433 of the Korean Commercial Code, the Amendments to Articles of Incorporation are required to be approved.

Comparison Table of Current Provisions and New Provisions of AOI

Current Provisions	New Provisions (Draft)	Reasons
<p>Article 2 (Purposes) ① The object of the Company shall be to engage in the following businesses:</p> <ol style="list-style-type: none"> 1. Tobacco manufacturing and sales; 2. Red ginseng and red ginseng products manufacturing and sales; 3. Beverages manufacturing and sales; 4. Pharmaceutical and non-pharmaceutical products manufacturing and sales; 5. Tobacco business related materials manufacturing and sales; 6. Trading business; 7. Distribution business; 8. Broadcasting business; 9. Real estate and Housing business; 10. Leaf tobacco cultivation education; 11. Activities concerning test, inspection or examination designated or entrusted by the Korean government; and <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p>	<p>Article 2 (Purposes) ① The object of the Company shall be to engage in the following businesses:</p> <ol style="list-style-type: none"> 1. Tobacco manufacturing and sales; 2. Red ginseng, red ginseng products <u>and health foods</u> manufacturing and sales; 3. Beverages manufacturing and sales; 4. Pharmaceutical, <u>bio-pharmaceutical, non-pharmaceutical, and medical products and medical devices and other relevant products development</u>, manufacturing and sales; 5. Tobacco business related materials manufacturing and sales; 6. Trading business; 7. Distribution business; 8. Broadcasting business; 9. Real estate, <u>leasing</u> and housing business; 10. Leaf tobacco cultivation education; 11. Activities concerning test, inspection, examination or <u>standardization</u> designated or entrusted by the Korean government; 12. <u>Financing business</u>; 13. <u>Insurance business</u>; 14. <u>Service business related to finance and insurance</u>; 15. <u>General construction business</u>; 16. <u>Crude oil, coal, natural gas and other natural renewable resources exploration, mining, development, investment and sales</u>; 17. <u>Energy including alternative energy, clean energy and new and renewable energy production, transportation, supply and relevant technology business</u>; 18. <u>Carbon credit related services and carbon credits trading</u>; 	<p>Supplementation of purpose</p> <p>Supplementation of purpose</p> <p>Supplementation of purpose</p> <p>Supplementation of purpose</p> <p>Supplementation of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p>

<Newly inserted>	19. <u>Beer, whiskey, soju, alcohol and other alcoholic beverages and by-products manufacturing, processing and sales;</u>	Addition of purpose
<Newly inserted>	20. <u>Electricity, gas, steam and air-conditioning supply;</u>	Addition of purpose
<Newly inserted>	21. <u>Wholesale and commodity brokerage business;</u>	Addition of purpose
<Newly inserted>	22. <u>Storage, warehousing and other transportation service business;</u>	Addition of purpose
<Newly inserted>	23. <u>Research and development businesses including new materials research and development;</u>	Addition of purpose
<Newly inserted>	24. <u>Franchise invitation and operation;</u>	Addition of purpose
<Newly inserted>	25. <u>Visual and audio works including films, discs and videos production and distribution and theaters, performance facilities and recording facilities operation;</u>	Addition of purpose
<Newly inserted>	26. <u>Books, newspapers, magazines and other printed materials publication;</u>	Addition of purpose
<Newly inserted>	27. <u>Restaurants and bars operation;</u>	Addition of purpose
<Newly inserted>	28. <u>Social welfare service business including welfare facilities operation;</u>	Addition of purpose
<Newly inserted>	29. <u>Education service business;</u>	Addition of purpose
<Newly inserted>	30. <u>General advertisement business including advertisement agency, advertisement media sales and advertisement materials production;</u>	Addition of purpose
<Newly inserted>	31. <u>Cultural, art and recreational products business;</u>	Addition of purpose
<Newly inserted>	32. <u>Entertainment and game business and other relevant contents and products business;</u>	Addition of purpose
<Newly inserted>	33. <u>General tour business and lodging business including operation of hotels, inns and condos;</u>	Addition of purpose
<Newly inserted>	34. <u>Amusement park and theme park operation;</u>	Addition of purpose
<Newly inserted>	35. <u>Business facilities administration and gardening services;</u>	Addition of purpose
<Newly inserted>	36. <u>Beauty salon, bathhouse operation including spa and other similar service business;</u>	Addition of purpose
<Newly inserted>	37. <u>Travel agency and other travel assistant service business;</u>	Addition of purpose
<Newly inserted>	38. <u>Sports team operation and other incidental business;</u>	Addition of purpose

<p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p><Newly inserted></p> <p>12. Research activity relating to the above items.</p> <p>② Furthermore, the Company may engage in investment, contribution, loan, support, or any other ancillary businesses necessary in engaging in the above listed businesses.</p> <p>Article 8 (Pre-emptive Right and Record Date for Dividends on New Shares)</p> <p>① ~ ② (Omitted)</p> <p>③ Where the Company issues new shares for value, the Company may make initial issuance of the new shares to the members of the ESHA as set forth in B of the above Paragraph within the limit prescribed in <u>the Securities and Exchange Act (the "SEA")</u>.</p> <p>④ (Omitted)</p> <p>Article 9 (Stock Option) ① Stock options for the shares of the</p>	<p>39. <u>Sports service business including fitness center, swimming pool, ski course and golf course operation;</u></p> <p>40. <u>Parking lot operation;</u></p> <p>41. <u>Manpower supply and recruiting service business;</u></p> <p>42. <u>Development, production, sale and purchase of seeds of tobacco, ginseng and other plants;</u></p> <p>43. <u>Fertilizer and agrochemicals manufacturing and sales;</u></p> <p>44. <u>Soaps and detergents manufacturing and sales;</u></p> <p>45. <u>Cosmetics manufacturing and sales;</u></p> <p>46. <u>Flavors manufacturing and sales;</u></p> <p>47. <u>Management and licensing of intellectual property rights including brands, trademark rights, manufacture technology related to any of the foregoing items; and</u></p> <p>48. Research activity relating to the above items.</p> <p>② Furthermore, the Company may engage in investment, contribution, loan, support, or any other ancillary businesses necessary in engaging in the above listed businesses.</p> <p>Article 8 (Pre-emptive Right and Record Date for Dividends on New Shares)</p> <p>① ~ ② (Same as the current provisions)</p> <p>③ Where the Company issues new shares for value, the Company may make initial issuance of the new shares to the members of the ESHA as set forth in B of the above Paragraph within the limit prescribed in <u>the Capital Market and Financial Investment Business Act</u>.</p> <p>④ (Same as the current provision)</p> <p>Article 9 (Stock Option) ① Stock options for the shares of the</p>	<p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>Addition of purpose</p> <p>To reflect the amendment of law</p> <p>To reflect the amendment of</p>
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<p>Company within the limit of twenty percent (20%) of the total number of shares issued by the Company may be awarded in accordance with <u>the Enforcement Decree of the SEA</u>, and pursuant to a special resolution of the shareholders' meeting to those officers and employees of the Company who have contributed or is capable of contributing to improve the management and the technical innovation of the Company, except for officers or employees in any of the following cases; provided, however, the Company may grant stock options by a resolution of the Board of Directors, to an extent not exceeding ten percent (10%) of the total number of issued and outstanding shares in accordance with <u>the Enforcement Decree of the SEA</u>.</p> <ol style="list-style-type: none"> 1. The largest shareholder (as defined in <u>Article 54-5, Paragraph 4, Subparagraph 2 of the SEA</u>) of the Company and those who are specially related to the largest shareholder ("Specially related persons" is defined in <u>Article 10-3, Paragraph 2 of the Enforcement Decree of the SEA</u>. Hereinafter, referred to as "Specially Related Persons"). Provided, however, persons who became specially related persons only due to the fact that they were elected as officers of the Company shall be excluded. 2. Major shareholders of the Company (as defined in <u>Article 188, Paragraph 1 of the SEA</u>) and specially related persons who are specially related to the major shareholders of the Company. Provided, however, persons who became specially related persons only due to the fact that they were elected as officers of the Company shall be excluded. 3. (Omitted) <p>② ~ ③ (Omitted)</p> <p>④ The purchase price per share to be acquired by the exercise of the stock options shall not be less than the price prescribed in <u>the SEA</u>.</p>	<p>Company within the limit of twenty percent (20%) of the total number of shares issued by the Company may be awarded in accordance with <u>the Enforcement Decree of the Commercial Code</u>, and pursuant to a special resolution of the shareholders' meeting to those officers and employees of the Company who have contributed or is capable of contributing to improve the management and the technical innovation of the Company, except for officers or employees in any of the following cases; provided, however, the Company may grant stock options by a resolution of the Board of Directors, to an extent not exceeding ten percent (10%) of the total number of issued and outstanding shares in accordance with <u>the Enforcement Decree of the Commercial Code</u>.</p> <ol style="list-style-type: none"> 1. The largest shareholder (as defined in <u>Article 542-8, Paragraph 2, Subparagraph 5 of the Commercial Code</u>) of the Company and those who are specially related to the largest shareholder ("Specially related persons" is defined in <u>Article 13, Paragraph 4 of the Enforcement Decree of the Commercial Code</u>. Hereinafter, referred to as "Specially Related Persons"). Provided, however, persons who became specially related persons only due to the fact that they were elected as officers of the Company shall be excluded. 2. Major shareholders of the Company (as defined in <u>Article 542-8, Paragraph 2, Subparagraph 6 of the Commercial Code</u>) and Specially related persons who are specially related to the major shareholders of the Company. Provided, however, persons who became specially related persons only due to the fact that they were elected as officers of the Company shall be excluded. 3. (Same as the current provision) <p>② ~ ③ (Same as the current provisions)</p> <p>④ The purchase price per share to be acquired by the exercise of the stock options shall not be less than the price prescribed in <u>the</u></p>	<p>law</p>
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<p>⑤~ ⑦ (Omitted)</p> <p>Article 11 (Transfer Agent)</p> <p>① ~ ② (Omitted)</p> <p>③ All procedures relating to the administrative matters stipulated in Paragraph 3 of this Article shall be performed according to the Regulation on <u>Securities</u> Transfer Agents, etc.</p> <p>Article 13 (Suspension of Alternation of Shareholders' Register and Record Date) ① The Company shall suspend any entry into the shareholders' register with regard to shareholders' rights during the period starting <u>from the day following the last day of the preceding fiscal period until the close date of the ordinary shareholders' meeting convened for such preceding fiscal period.</u></p> <p>Article 14 (Issuance of Convertible Bonds) ① By a resolution of the Board of Directors, the Company may issue convertible bonds to those other than the shareholders if such issuance of convertible bonds falls under any of the categories set forth below; provided, that the total face value of such convertible bonds does not exceed KRW 500 billion:</p> <ol style="list-style-type: none"> 1. where the issuance is in the form of a general public offering in accordance with <u>the SEA</u>); 2. ~ 4. (Omitted) 5. where the issuance is performed overseas in accordance with <u>Article 192 of the SEA</u>; or 6. (Omitted) 	<p><u>Commercial Code.</u></p> <p>⑤~ ⑦ (Same as the current provision)</p> <p>Article 11 (Transfer Agent)</p> <p>① ~ ② (Same as the current provisions)</p> <p>③ All procedures relating to the administrative matters stipulated in Paragraph 3 of this Article shall be performed according to the Regulation on <u>Securities</u> Transfer Agents, etc.</p> <p>Article 13 (Suspension of Alternation of Shareholders' Register and Record Date) ① The Company shall suspend any entry into the shareholders' register with regard to shareholders' rights during the period starting <u>from the 1st day of January until the 7th day of January of each year.</u></p> <p>Article 14 (Issuance of Convertible Bonds) ① By a resolution of the Board of Directors, the Company may issue convertible bonds to those other than the shareholders if such issuance of convertible bonds falls under any of the categories set forth below; provided, that the total face value of such convertible bonds does not exceed KRW 500 billion:</p> <ol style="list-style-type: none"> 1. where the issuance is in the form of a general public offering in accordance with <u>the Capital Market and Financial Investment Business Act</u>; 2. ~ 4. (Same as the current provisions) 5. where the issuance is performed overseas in accordance with <u>Article 165-16 of the Capital Market and Financial Investment Business Act</u>; or 6. (Same as the current provision) 	<p>To reflect the amendment of law * The word of "securities" changed in Korean but it is same in English.</p> <p>To reduce the suspension period</p> <p>To reflect the amendment of law</p>
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<p>Article 18 (Notice and Public Notice of Convocation of Shareholders General Meeting)</p> <p>① (Omitted)</p> <p>② <u>Notices in writing or via electronic mail</u> to shareholders owning 1/100 or less than the total number of voting shares regarding the general meeting of the shareholders <u>may be made by making two or more public notices</u> which sets forth the holding of the general meeting of the shareholders and the agenda with the Seoul Shinmun published in Seoul, or the Daejeon Ilbo published in Daejeon not later than two (2) weeks prior to the scheduled general meeting of the shareholders.</p> <p>Article 25 (No. of Directors) The Company shall have one President and <u>not more than fourteen directors. Provided that, the number of the executive directors, including the President, shall be not more than six</u> and less than 1/2 of the total number of directors.</p> <p>Article 26 (Appointment of President and Directors, etc)</p> <p>① ~ ③ (Omitted)</p> <p>④ Members of the Audit Committee who are not outside directors pursuant to Article 34-3 shall meet the requirements set forth in <u>Article 54-6, Paragraph 3 of the SEA</u>. In case of appointing or dismissing, pursuant to <u>Article 191-11 of the SEA</u>, if the aggregate voting shares owned by the largest shareholder and its Specially Related Persons and other persons as prescribed by the Presidential Decree exceeds 3/100 of the total voting shares issued by the Company, the shareholders may not exercise voting rights for such shares in excess of the above percentage.</p>	<p>Article 18 (Notice and Public Notice of Convocation of Shareholders General Meeting)</p> <p>① (Same as the current provision)</p> <p>② <u>Notice of convocation of shareholders general meeting of Paragraph 1 above</u> to shareholders owning 1/100 or less than the total number of voting shares regarding the general meeting of the shareholders <u>may be made by making two or more public notices</u> which sets forth the holding of the general meeting of the shareholders and the agenda with the Seoul Shinmun published in Seoul, or the Daejeon Ilbo published in Daejeon, <u>or on the electronic public disclosure system operated by the Financial Supervisory Service or the Korea Exchange</u> not later than two (2) weeks prior to the scheduled general meeting of the shareholders.</p> <p>Article 25(No. of Directors) The Company shall have one President and <u>not more than eleven directors. Provided that, the number of the executive directors, including the President, shall be not more than five</u> and less than 1/2 of the total number of directors.</p> <p>Article 26 (Appointment of President and Directors, etc)</p> <p>① ~ ③ (Same as the current provisions)</p> <p>④ Members of the Audit Committee who are not outside directors pursuant to Article 34-3 shall meet the requirements set forth in <u>Article 542-11, Paragraph 3 of the Commercial Code</u>. In case of appointing or dismissing, pursuant to <u>Article 542-12 of the Commercial Code</u>, if the aggregate voting shares owned by the largest shareholder and its Specially Related Persons and other persons as prescribed by the Presidential Decree exceeds 3/100 of the total voting shares issued by the Company, the shareholders may not exercise voting rights for such shares in excess of the above percentage.</p>	<p>To reflect the permission of public disclosure on the electronic public disclosure system in addition to the daily newspaper under the Commercial Code</p> <p>To change the no. of directors stated in the articles of incorporation to the real no. of directors at present</p> <p>To reflect the amendment of law</p>
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<p>⑤ Outside directors shall be recommended by the Outside Director Candidates Recommendation Committee after its examination of qualification of those recommended by the Outside Director Candidates Recommendation Committee, the shareholders who exercise the right under <u>Article 191-14, Paragraph 1 of the SEA</u> and the Shareholders' Committee, and shall be appointed at the General Meeting of Shareholders in accordance with Article 34-5 hereof.</p> <p>Article 33 (Qualification of Outside Director) Every outside director must be an independent expert or experienced person in the field of economics, business management, law, or relevant technology. The person falling under one of the following individual category may not become an outside director and shall lose his/her office as an outside director if he/she falls under one of the following category after becoming an outside director.</p> <ol style="list-style-type: none"> 1. A person who falls under <u>Article 54-5, Paragraph 4, Subparagraphs 1 through 9 of the SEA;</u> 2. (Omitted) 3. An individual or an employee or executive of a company who receives support from the Company, or <u>a former employee or executive who have worked at such company within the past two years;</u> <p>Article 34-3 (Audit Committee)</p> <ol style="list-style-type: none"> ① (Omitted) ②.The Audit Committee shall designate its representative by its resolution. The Audit Committee may designate several co-representatives. 	<p>⑤ Outside directors shall be recommended by the Outside Director Candidates Recommendation Committee after its examination of qualification of those recommended by the Outside Director Candidates Recommendation Committee, the shareholders who exercise the right under <u>Article 363-2, Paragraph 1 or Article 542-6, Paragraph 2 of the Commercial Code</u> and the Shareholders' Committee, and shall be appointed at the General Meeting of Shareholders in accordance with Article 34-5 hereof.</p> <p>Article 33 (Qualification of Outside Director) Every outside director must be an independent expert or experienced person in the field of economics, business management, law, or relevant technology. The person falling under one of the following individual category may not become an outside director and shall lose his/her office as an outside director if he/she falls under one of the following category after becoming an outside director.</p> <ol style="list-style-type: none"> 1. A person who falls under <u>Article 382, Paragraph 3, Subparagraphs 1 through 7 of the Commercial Code or Article 542-8, Paragraph 2, Subparagraphs 1 through 7 of the Commercial Code;</u> 2. (Same as the current provision) 3. A government official (excluding educational officials - hereinafter the same) under the relevant laws <u>or a person who is restricted from being employed under the Public Service Ethics Act and other relevant laws;</u> <p>Article 34-3 (Audit Committee)</p> <ol style="list-style-type: none"> ① (Same as the current provisions) ②.The Audit Committee shall designate its representative <u>within outside directors</u> by its resolution. The Audit Committee may designate several co-representatives. 	<p>To reflect the amendment to law</p> <p>Restrictions on employment of government official have been lessened</p> <p>Clarification for the standardization of the representative appointment</p>
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<p>Article 34-4 (Duty of Audit Committee) ① ~③ (Omitted) ④ The Audit Committee may handle any other matters entrusted to it by the Board of Directors.</p> <p>Article 43-2 (Redemption of Shares) ① ~ ② (Omitted)</p> <p>③ In case of acquisition of treasury shares for the purpose of redemption pursuant to Paragraph 1, the acquisition shall be made in accordance with the following criteria:</p> <ol style="list-style-type: none"> 1. to be made in accordance with the method referred to in any of Subparagraphs of <u>Paragraph 1 of Article 189-2 of the SEA</u>. In case by the method referred to in the said Subparagraph 1, the acquisition period and method should be in compliance with the criteria set forth by <u>the Enforcement Decree of the SEA</u>. 2. the total amount of shares to be acquired for redemption shall not exceed the amount set forth by <u>the Enforcement Decree of the SEA</u> within the scope of profits attributable to the shareholders as of the end of the relevant fiscal year pursuant to Paragraph 1 of Article 462 of the Commercial Code. <p>④ (Omitted)</p>	<p>Article 34-4 (Duty of Audit Committee) ① ~③ (Same as the current provisions) ④ The Audit Committee may handle any other matters entrusted to it by the Board of Directors. <u>Board of Directors can not resolve again the audit committee' resolution.</u></p> <p>Article 43-2 (Redemption of Shares) ① ~ ② (Same as the current provisions)</p> <p>③ In case of acquisition of treasury shares for the purpose of redemption pursuant to Paragraph 1, the acquisition shall be made in accordance with the following criteria:</p> <ol style="list-style-type: none"> 1. to be made in accordance with the method referred to in any of Subparagraphs of <u>Paragraph 2 of Article 165-2 of the Capital Market and Financial Investment Business Act</u>. In case by the method referred to in the said Subparagraph 1, the acquisition period and method should be in compliance with the criteria set forth by <u>the Enforcement Decree of the Capital Market and Financial Investment Business Act</u>. 2. the total amount of shares to be acquired for redemption shall not exceed the amount set forth by <u>the Enforcement Decree of the Capital Market and Financial Investment Business Act</u> within the scope of profits attributable to the shareholders as of the end of the relevant fiscal year pursuant to Paragraph 1 of Article 462 of the Commercial Code. <p>④ (Same as the current provision)</p>	<p>To reflect the amendment of law.</p> <p>To reflect the amendment of law.</p>
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III. Agendum No. 3

Appointment of Independent Non-executive Director

(III) Appointment of (Three) Independent Non-executive Directors

Pursuant to Article 542-8 of the Korean Commercial Code and Article 26, Paragraph (5) of the Articles of Incorporation of the Company, the Company intends to appoint (Three) Independent Non-executive Directors as follows :

Name	Date of Birth	Nominator	Term of Office	Work Experience
Yoon-Jae Lee	Nov. 3, 1950	Independent Non-executive Directors Nomination Committee	The next day of ordinary general meeting of shareholders for 2009 ~ the closing date of ordinary general meeting of shareholders for 2012	<ul style="list-style-type: none"> - CEO of KorEI - Secretary of Finance and Economy, Office of Senior Economic Secretary, Presidential Office - Director, Economic Policy Department, Ministry of Finance
Yong-chan Ahn	Jan. 4, 1959	Independent Non-executive Directors Nomination Committee	The next day of ordinary general meeting of shareholders for 2009 ~ the closing date of ordinary general meeting of shareholders for 2012	<ul style="list-style-type: none"> - Head(Vice chairman) of Daily necessities & Aviation Business sector, Aekyung Group - Operating Committee Member, Business Management Committee, The Federation of Korea Industries - Standing Member, Korea Chamber of Commerce

<p>Won-Yong Kim</p>	<p>Feb.16, 1954</p>	<p>Independent Non-executive Directors Nomination Committee</p>	<p>The next day of ordinary general meeting of shareholders for 2009 ~ the closing date of ordinary general meeting of shareholders for 2012</p>	<p>- Professor of Digital Media at Ehwa Woman's Univ. - President, Alticast Inc. (U.S.A.)</p>
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IV. Agendum No. 4

Appointment of Independent Non-executive Director to be a Member of the Audit Committee

(IV) Appointment of (Two) Independent Non-executive Directors to be a Member of the Audit Committee

Pursuant to Article 542-11 and 542-12 of the Korean Commercial Code and Article 34, Paragraph (3) of the Articles of Incorporation of the Company, the Company intends to appoint (Two) Independent Non-executive Directors to be a Member of the Audit Committee as follows :

Name	Date of Birth	Nominator	Term of Office	Work Experience
Yoon-Jae Lee	Nov. 3, 1950	Board of Directors	The next day of ordinary general meeting of shareholders for 2009 ~ the closing date of ordinary general meeting of shareholders for 2012	<ul style="list-style-type: none"> - CEO of KorEI - Secretary of Finance and Economy, Office of Senior Economic Secretary, Presidential Office - Director, Economic Policy Department, Ministry of Finance
Jin-Moo Lee	Sep.2, 1953	Board of Directors	The next day of ordinary general meeting of shareholders for 2009 ~ the closing date of ordinary general meeting of shareholders for 2011	<ul style="list-style-type: none"> - General Manager of Philip Morris Korea - CEO, S.C. Johnson Korea - Vice Chairman, DONAD Com.

V. Agendum No. 5

Approval of the Annual Cap on Remuneration of Directors

Pursuant to Article 388 of the Korean Commercial Code and Article 30 of the Articles of Incorporation of the Company, we intend to obtain the approval of the annual cap on remuneration to be paid to the President and Directors as follows:

Annual Cap on Remuneration of Directors for the 23 rd Fiscal Year (2009) (Including Independent Non-executive Directors)	Annual Cap on Remuneration of Directors for the 22 nd Fiscal Year (2008) (Including Independent Non-executive Directors)
3,000 Million Won	3,000 Million Won