

Notice on Foreign Shareholders' Exercise of Voting Rights by Cumulative Voting

1. In connection with the Annual General Meeting of shareholders of KT&G Corporation (the “Company” or “we”) to be held at 10:00 a.m. on March 28, 2023 KST, we have been notified of an issue that when shareholders’ voting rights are exercised by a standing agent through the Korea Securities Depository (the “KSD”), the agendas for appointment of outside directors (Agendas No. 7 and No. 8) which are to be resolved by a cumulative voting method are not being properly processed.
2. Although the Company has not caused nor otherwise is related to the occurrence of this issue, we hereby inform you that we intend to conduct our general meeting of shareholders by the methods described below, in order to ensure the exercise of our shareholders’ rights to the fullest extent possible in a fair manner.
3. With respect to Agendas No. 7 and No. 8, which are agendas for appointment of outside directors through cumulative voting, we advise you to exercise your voting rights, if at all possible, by other means than through the KSD. We will provide our utmost support as necessary so that you can exercise of your voting rights in such manners.
4. In particular, please note that, in the case of foreign shareholders who exercise their votes by a written power of attorney, we accept both direct delegation and sub-delegation by a standing agent, and we do not impose any restriction on the eligibility of a proxy. Also, in the case of a shareholder which is a foreign company, we will be as flexible as possible in verifying its identity (via confirming its constitutional documents and its representative). In addition, in the case that only a copy of a power of attorney is submitted, we will accept such copy, as long as we are provided a certificate of dispatch of the delivery service provider showing that the original document has been sent to us before the general meeting of shareholders.

5. On a power of attorney, please indicate the names of the candidates for outside directors for whom you will vote in favor of appointment and the number of votes that you allocate to each of such candidates. But you may instead delegate the allocation of your votes to your proxy.
6. If you exercise your voting rights by one of the methods described above, please express your intention to cancel the application to exercise of your voting rights through the KSD by either (i) stating such intention in the power of attorney or (ii) notifying us separately.
7. Please be advised that, in principle, shares held by those shareholders who do not exercise their voting rights in the above manner will be processed in accordance with the information notified to us by the KSD. However, if it is reasonably possible to presume the intent of the shareholders, they will be treated in a manner consistent with their intent (e.g., if the stated number of votes cast exceeds the number of votes that such shareholder actually has right to cast, the number of votes shall be adjusted in proportion to each candidate for whom such shareholder voted for, and if it is clearly obvious that the stated number of votes were incorrectly stated based on the number of shares held, not based on the number of voting rights that can be exercised, the number of exercisable votes shall be adjusted proportionately).
8. Please note that we are sending this notice also to the standing agents of the foreign shareholders. As such, we respectfully ask the recipient agencies to promptly forward this notice to their clients, as applicable.