

KT&G

Reference Material

For the 38th Annual General Meeting of Shareholders

Convening the Annual General Meeting of Shareholders

KT&G Corporation will hold its 38th Annual General Meeting of Shareholders as follows :

Date and Time Wednesday, March 26th, 2025 10am (KST)

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

Meeting Agenda

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 (Agenda Items)

Item 1	Approval of Financial Statements and Statement of Appropriation of Retained Earnings for the 38th Fiscal Year
Item 2	Partial Amendments to the Articles of Incorporation
· Item 2-1	Clarification of the Number of Directors
· Item 2-2	Alignment of Provisions Regarding the Appointment of Audit Committee Members
· Item 2-3	Clarification of the Method for the Appointment of the President
· Item 2-4	Amendment Regarding the Quarterly Dividend Record Date
Item 3	Appointment of Sang-Hak Lee as Inside Director
Item 4	Appointment of Two (2) Outside Directors
· Item 4-1	Appointment of Kwan-Soo Shon as Outside Director
· Item 4-2	Appointment of Jee-Hee Lee as Outside Director
Item 5	Appointment of Kwan-Soo Shon as Audit Committee Member
Item 6	Approval of Cap on Remunerations for Directors

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01 Approval of Financial Statements and Statement of Appropriation of Retained Earnings for the 38th Fiscal Year

We ask shareholders to approve the consolidated and separate financial statements and the statement of appropriation of retained earnings for the 38th fiscal year (January 1, 2024 to December 31, 2024)

Summary of Consolidated Profit and Loss

(unit : KRW 100 million)

	2023	2024	YoY
Revenue	58,626	59,088	+0.8%
Operating Profit	11,673	11,888	+1.8%
Net Income	9,224	11,539	+25.1%

Dividend per Share

(unit : KRW)

	2023	2024	YoY
Interim	1,200	1,200	-
Final	4,000	4,200	+5.0%
Total	5,200	5,400	+3.8%

Reduction/Appropriation of Retained Earnings

(unit : KRW 100 million)

	2023	2024
Cancellation of Treasury Shares	3,027	7,529
Interim Dividend	1,395	1,353
Final Dividend	4,513	4,531

Audit Report

- The audit report that includes the results of the external audit on the consolidated and separate financial statements will be disclosed on the electronic disclosure system and the company's website on March 4, 2025

- Electronic Disclosure System (<https://englishdart.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>

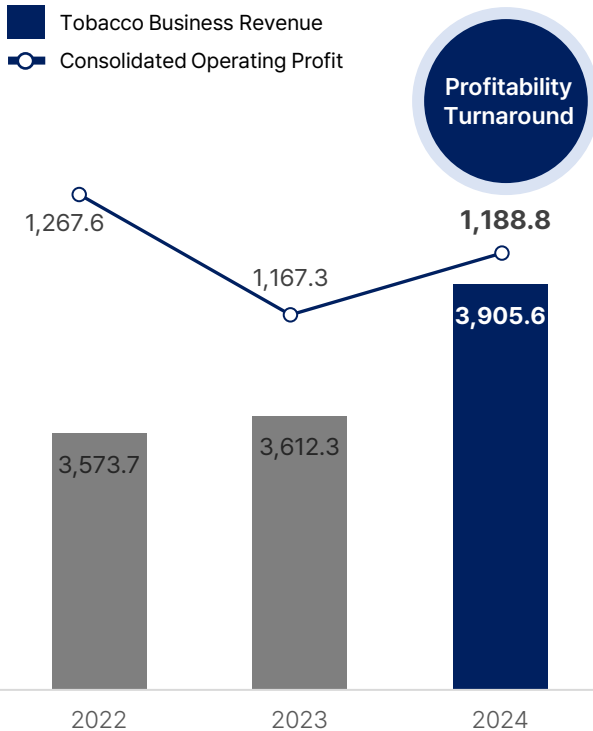
* The English Audit Report will be disclosed on the website on March 13, 2025

* 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 meeting of shareholders.

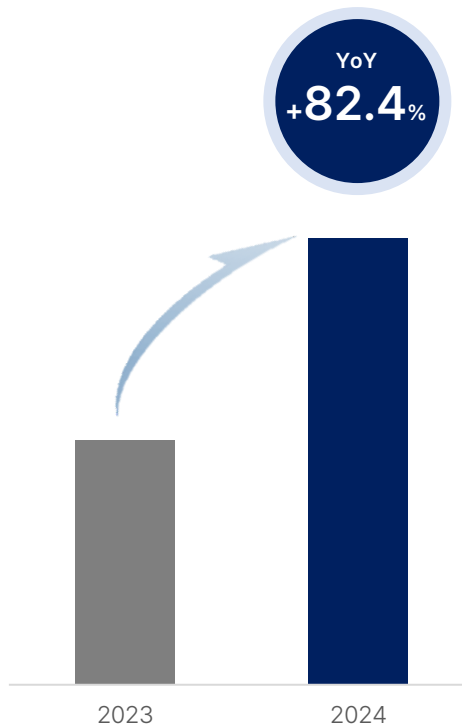
[Reference] Key Financial Performances in 2024

The focus on strengthening the core competitiveness since the launch of the new leadership resulted in **8.1% growth in tobacco business revenue reaching record-high figures** and **a turnaround in operating profit in 4 years to achieve profit-centered qualitative growth**. In particular, the **operating profit of the Global Cigarette business grew by 82.4%**, and **ROE by 2.4%p to 12.3%** as a result of the drive behind profitability and financial structure optimization.

Consolidated Earnings (unit : KRW bn)



Global Cigarettes Operating Profit



ROE



[Reference] Corporate Value-up Plan Announced

In November 2024, we announced the 'Corporate Value-up Plan' that extends from the previous mid-to-long term shareholder return plan ('24-'26). The plan centers on a stronger shareholder return policy that extends the mid-to-long term shareholder return plan to '27 and expands the scale of returns, while at the same time includes the new 'Plus α ' program of additional shareholder returns utilizing resources from rationalizing non-core assets.

Upgraded Mid-to-long Term
Shareholder Return Plan

KT&G 'Plus α ' Program

Total Share Cancellation (~'27)



**Additional
Shareholder Return**
with excess resources from
rationalizing non-core assets

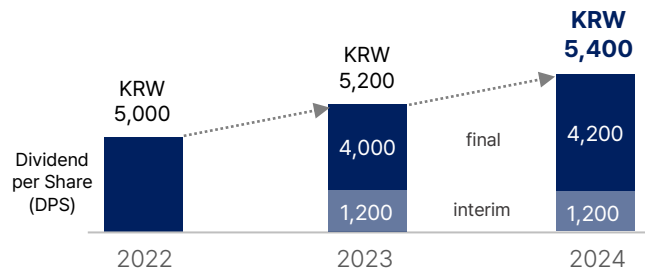
**Share Buyback &
Cancellation**
to be prioritized



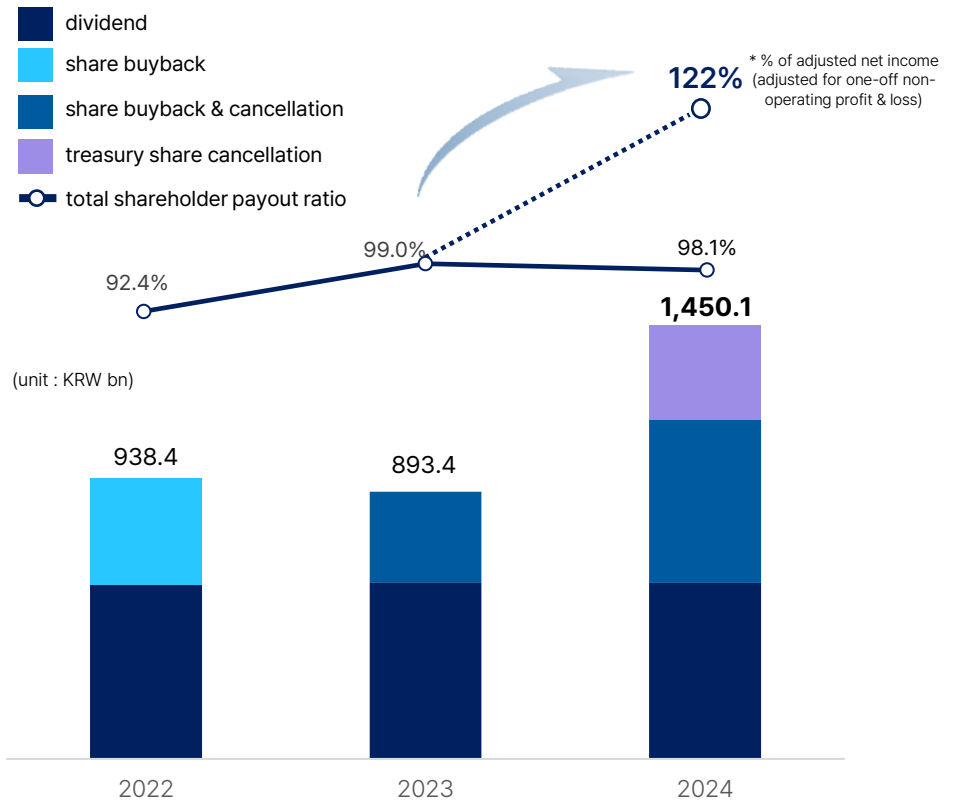
* % of total outstanding shares in YE'23

KT&G has continued to increase dividend per share and implemented active share buyback and cancellation to faithfully fulfill the announced shareholder return policy. As a result, the scale of shareholder returns in 2024 reached KRW 1.45 trillion (KRW 1.14 trillion in cash return), accomplishing a top-level Total Shareholder Payout Ratio.

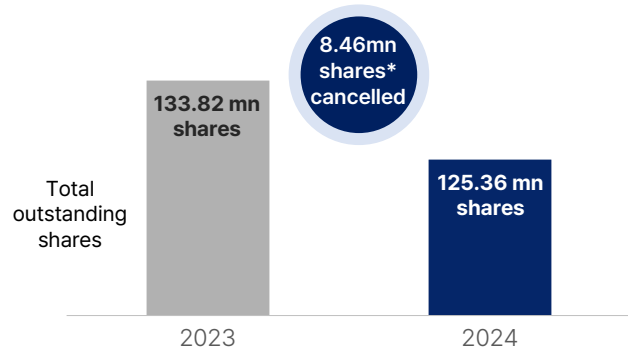
Dividends



Shareholder Return Scale & Total Shareholder Payout Ratio



Share Cancellation



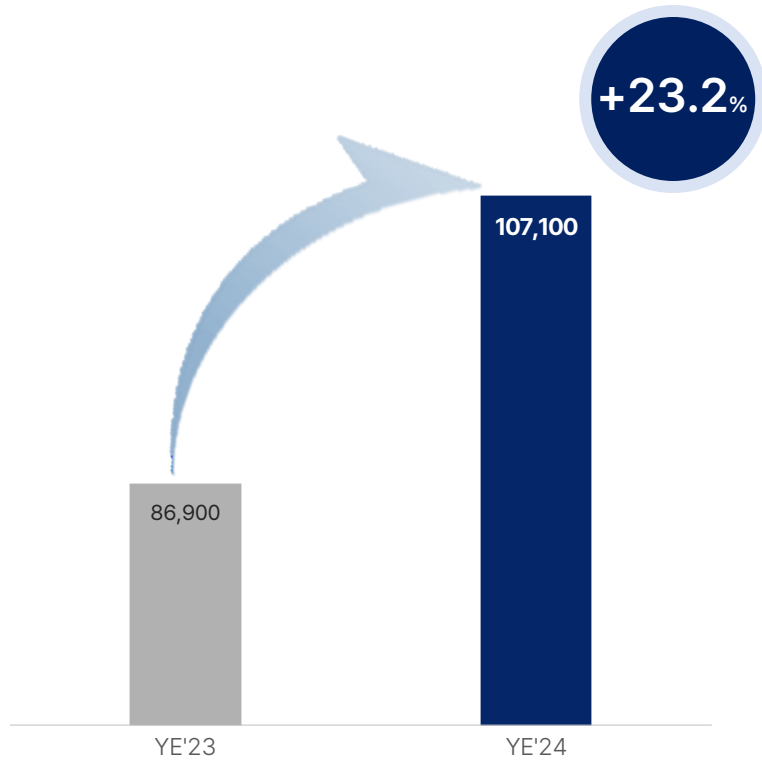
* 6.3% of total outstanding share as of YE'23

* Total Shareholder Payout Ratio = (share buyback + dividend)/net income attributable to owners

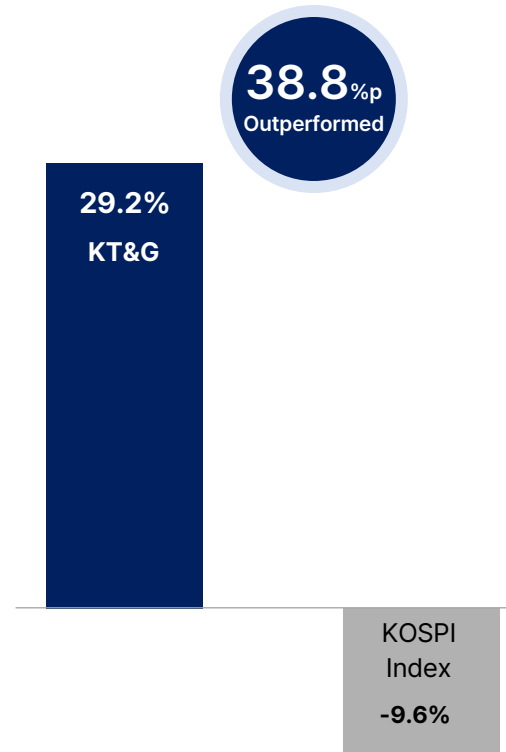
[Reference] TSR Performance

As a result of strengthened fundamentals focusing on the main business and an active shareholder return policy, **our share price greatly outperformed the KOSPI Index** and we **reached 29.2% in TSR**.

Share Price Performance in 2024 (unit : KRW)



TSR in 2024



02 Partial Amendments to the Articles of Incorporation

We ask for shareholders' approval for all items on the Partial Amendments to the Articles of Incorporation as we wish to make some amendments for the purposes of clarifying regulations, improving governance, and enhancing shareholder value.

Summary

	Purpose of Amendment	Details	Articles
Item 2-1 Clarification of the Number of Directors	To clarify the number of directors including the number of the President	<ul style="list-style-type: none"> To clarify that the number of directors will remain up to 10, while consisting of one President and up to nine directors, with a majority of directors being outside directors 	Article 25
Item 2-2 Alignment of Provisions Regarding the Appointment of Audit Committee Members	Alignment of provisions in accordance with the amendment to the Articles of Incorporation made in 2024	<ul style="list-style-type: none"> Aligning provisions in accordance with the amendment to the Articles of Incorporation made in 2024 so that the Audit Committee consists entirely of outside directors 	Article 26 Paragraph 4
Item 2-3 Clarification of the Method for the Appointment of the President	To enhance corporate governance stability	<ul style="list-style-type: none"> To clarify that the agenda for the appointment of the President (CEO) shall be separated from the agendas for the appointment of other directors 	Article 26 Paragraph 6
Item 2-4 Amendment Regarding the Quarterly Dividend Record Date	To reflect improvements to the dividend distribution process in accordance with the amendment to the Capital Markets Act	<ul style="list-style-type: none"> To amend the Articles of Incorporation so that the quarterly dividend record dates can be decided by resolution of the Board of Directors, as the Capital Markets Act was amended in the end of '24 to remove the stipulation on quarterly dividend record dates to be end March, June or September. <p>* The Articles of Incorporation on the final dividend record date have been amended at the 2024 AGM</p>	Article 43 Paragraphs 3, 5, 6

Partial Amendments to the Articles of Incorporation (1/2)	Item	Before Amendment	After Amendment	Purpose of Amendment
	Item 2-1 : Clarification of the Number of Directors	Article 25 (Number of Directors) <u>The Company shall have ten (10) or less directors; provided, however, that the Company shall have four (4) or less inside directors, which include the President, and such inside directors shall be less than one half (1/2) of the total number of directors.</u>	Article 25 (Number of Directors) <u>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 independent non-executive directors.</u>	To clarify the number of directors including the number of the President
	Item 2-2 : Alignment of Provisions Regarding the Appointment of Audit Committee Members	Article 26 (Election of the President and Directors) (1)~(3) (omitted) <u>(4) Members of the Audit Committee, who are not independent non-executive directors pursuant to Article 34-3, shall meet the requirements set forth in Article 542-11(3) of the Commercial Code. Pursuant to Article 542-12 of the Commercial Code, the largest shareholder holding a number of voting shares exceeding three-hundredths (3/100) of the total issued and outstanding shares (except for the non-voting shares), together with its Specially Related Persons and other persons provided in the Enforcement Decree of the Commercial Code, may not exercise his or her voting rights in appointing or dismissing such members in respect of such excess shares.</u> (5) (omitted)	Article 26 (Election of the President and Directors) (1)~(3) (to remain the same) (4) <Deleted> (5) (to remain the same)	To delete the provisions related to members of the Audit Committee who are not independent non-executive directors as the Audit Committee has been restructured to consist entirely of independent non-executive directors

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

Item	Before Amendment	After Amendment	Purpose of Amendment
<p>Item 2-3 : Clarification of the Method for the Appointment of the President</p>	<p>Article 26 (Election of the President and Directors) (6) <Newly Established></p>	<p>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></p>	<p>To enhance corporate governance stability</p>
<p>Item 2-4 : Amendment Regarding the Quarterly Dividend Record Date</p>	<p>Article 43 (Dividends) (1)~(2) (omitted) (3) The Company may pay quarterly dividends to its 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") starting from the first day of a fiscal year by a resolution of the Board of Directors pursuant to Article 165-12 of the Financial Investment Services and Capital Markets Act. (4) (omitted) (5) Dividends in Paragraph (1) 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. (6) <u>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> (7) (omitted)</p>	<p>Article 43 (Dividends) (1)~(2) (to remain the same) (3) ----- <u>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</u> (each, the "Record Date of Quarterly Dividends") ----- by a resolution of the Board of Directors -----. (4) (to remain the same) (5) ----- <u>in Paragraph (1) and in Paragraph (3)</u> ----- ----- ----- ----- ----- (6) <Deleted> (7) (to remain the same)</p>	<p>To reflect improvements to the dividend distribution process</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>	

[Reference] The Need for Clarification of the Method for the Appointment of the President

To clarify the method for the appointment of the President (CEO) to accurately reflect the will of the majority shareholders and prevent the risk of a management vacancy that may arise regardless of the shareholders' intent, [amendment to the Articles of Incorporation is needed so that the CEO is appointed separately from other directors](#).

01 Clarifying the Method so that the Appointment of the President (CEO) is Aligned with the Will of the Majority Shareholders

- **Article 26 Paragraph 1 of the Articles of Incorporation that stipulates that the CEO be appointed at the AGM and not through resolution at the Board** is a system adopted to **strengthen the shareholders' power to keep the management in check** in a company with dispersed ownership, and **the Company already places a multi-layered independent appointment process for the CEO that is separate from other directors as well as clearly distinguish the roles and responsibilities for the CEO and other directors as per the Articles of Incorporation and internal regulations**
- So, **accurately reflecting shareholders' intentions for favor or against the agenda under the principle of '1 share = 1 voting power' is in line with the intent of the Articles of Incorporation that stipulates the CEO be appointed at the AGM**, and is also **a reasonable method to appoint the CEO for a company with dispersed ownership**
- That being said, **appointing the CEO apart from other directors in the case of cumulative voting** as per the amendment proposal will **prevent any irrationality of non-appointment of the CEO even when the conditions for ordinary resolution of his/her appointment has been met, or the case where a CEO is appointed despite lacking the support of the majority of the shareholders**

⇒ [No cases can be found in and outside Korea where the CEO appointment is processed through cumulative voting at the AGM](#)

02 Preventing the Risk of Management Vacancy that May Arise Due to Non-Appointment of the CEO

- Cumulative voting that includes the CEO will appoint directors by order of number of votes regardless of the type of director, and therefore opens **the possibility for non-appointment of the CEO regardless of the intentions of majority shareholders**, and the **chances for non-appointment surges when there are higher numbers of other directors to be appointed** in the same cumulative voting
- **If the CEO is not appointed due to the cumulative voting**, the appointment process must be repeated even if the conditions for ordinary resolution have already been met, and this will leave a **management vacancy until the CEO is appointed at the next AGM**
- **In the next (extraordinary) general meeting of shareholders that is hosted to minimize the vacancy, the CEO appointment will be tabled as a standalone agenda** not applicable for cumulative voting, and in effect this will entail not only **losses from the management vacancy**, but also **unnecessary costs to repeat the appointment process and host another general meeting, damaging shareholder value**

03 The Cumulative Voting System will Remain in Practice

- Cumulative voting will still apply to the appointment of the up-to-nine other directors when there is a request for one, **remaining in effect**

03 Appointment of Sang-Hak Lee as Inside Director

We ask for shareholders' approval for 'Item 3 Appointment of Sang-Hak Lee as Inside Director,' who was recommended by the Board of Directors pursuant to Article 26 of the KT&G Articles of Incorporation.

Item 3
**Inside
Director
Candidate**



Name : Sang-Hak Lee

- Date of Birth 1971.03
- Gender Male
- Class Inside Director Candidate
- Term The date immediately after the 2025 AGM
~ The date of the 2027 AGM
- Skills & Expertise Senior Executive Leadership, Legal/Regulatory,
Finance/Accounting, Risk Management, etc.
- Appointment Type New appointment
- Recommended by KT&G Board of Directors

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 reasonable solutions for business management to comply with 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.

Term	Title	Major Accomplishments
2014 ~ 2016	Head of Sustainability Management Office, Head of Business Policy Office	<ul style="list-style-type: none"> • Supervised industrial policies and domestic-international compliance • Prime Minister's Merit Award for Law and Order (2015)
2016 ~ 2024	Chief of Sustainability Management Headquarters	<ul style="list-style-type: none"> • Supervised ESG management, received 'AA' in MSCI ESG rating (2021) • President's Merit Award for Job Creation (2023)
2024 ~ Present	COO/CFO (2025), CSO/CFO (2024)	<ul style="list-style-type: none"> • Included in the Korea Value-up Index (Sept. 2024) • Established and announced the Corporate Value-up Plan (Nov. 2024) • Received A-grade ratings (S&P A-, Moody's A3) from global credit rating agencies (Jan. 2025)

04 Appointment of Two (2) Outside Directors

The Independent Non-Executive Director Candidate Recommendation Committee composed entirely of outside directors performed an objective and impartial screening process on the outside director candidate pool and the directors eligible for reappointment including the deliberation by the external advisory panel to recommend outside director candidates most suitable under the KT&G Board Skills Matrix. We ask for shareholders' approval for 「Item 4-1 Appointment of Kwan-Soo Shon as Outside Director」 and 「Item 4-2 Appointment of Jee-Hee Lee as Outside Director」.

Item 4-1
**Outside
Director
Candidate**



Name : Kwan-Soo Shon

- Date of Birth 1960.10
- Gender Male
- Class Outside Director Candidate
- Term The date immediately after the 2025 AGM
~ The date of the 2028 AGM
- Skills & Expertise Manufacturing/Supply chain,
Risk Management, Global Business, etc.
- Appointment Type Reappointment
- Recommended by KT&G Independent Non-executive
Director Candidate
Recommendation Committee

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 Non-executive Director Candidate Recommendation Committee, recommends him as a candidate for outside director.

04 Appointment of Two (2) Outside Directors

Item 4-2
**Outside
Director
Candidate**



Name : Jee-Hee Lee

- Date of Birth 1961.06
- Gender Female
- Class Outside Director Candidate
- Term The date immediately after the 2025 AGM
~ The date of the 2028 AGM
- Skills & Expertise Global Business, Sustainability,
Consumer Industries, etc.
- Appointment Type Reappointment
- Recommended by KT&G Independent Non-executive
Director Candidate
Recommendation Committee

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 Non-executive Director Candidate Recommendation Committee, recommends her as a candidate for outside director.

05 Appointment of Kwan-Soo Shon 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 Kwan-Soo Shon as Audit Committee Member'.

Item 5
**Audit
Committee
Member**



Name : Kwan-Soo Shon

- Date of Birth 1960.10
- Gender Male
- Class Audit Committee Member Candidate
- Term The date immediately after the 2025 AGM
~ The date of the 2028 AGM
- Skills & Expertise Manufacturing/Supply chain,
Risk Management, Global Business, etc.
- Appointment Type Reappointment
- Recommended by KT&G Board of Directors

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.

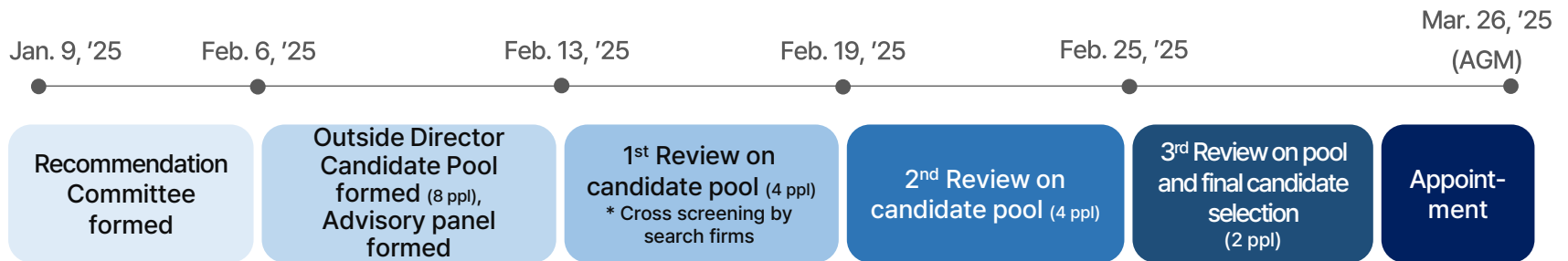
In addition to the expertise described above, Mr. Kwan-Soo Shon meets all the statutory qualifications for enhancing the independence of outside directors under the Korean Commercial Code. When applying the legally defined criteria for independence, he is considered to be in an independent position with 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.

[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 who do not have any reason for disqualification as per the Korean Commercial Code** 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.

Outside Director
Candidate
Recommendation
Process

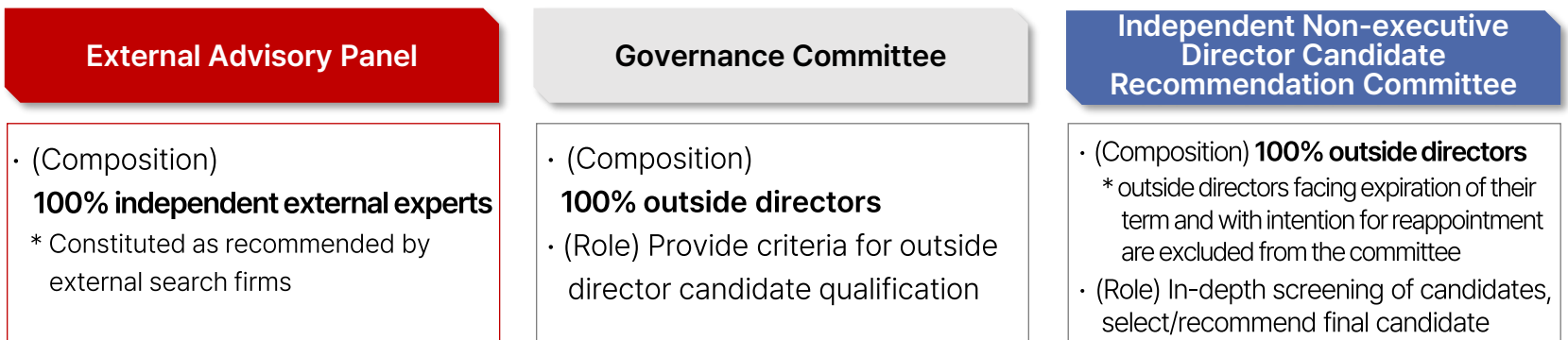
Impartial and Objective Outside Director Candidate Recommendation Process based on the KT&G BSM



* As per the Independent Non-executive Director Candidate Recommendation Committee regulations, 'incumbent outside directors of the Company who do not have reasons for disqualification on reappointment' will be included in the candidate pool along with candidates formed by external search firms

Committees
related to
Outside Director
Appointment

All relevant committees are composed entirely of outside directors, and an 'external advisory panel' made up of independent external experts is also involved



[Reference] KT&G Board Skills Matrix

The Board has selected inside and outside director candidates based on 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.

Experience/Expertise	Kyung-Man Bang (CEO)	Myung-Chul Kim	Yoon-Sung Koh	Dong-Hwan Shon	Sang-Wook Kwak	Candidates for Appointment		
						Sang-Hak Lee (COO/CFO)	Jee-Hee Lee (Reappointment)	Kwan-Soo Shon (Reappointment)
Senior Executive Leadership (7/8)	●	●		●	●	●	●	●
Manufacturing/Supply chain (1/8)								●
Finance/Accounting (4/8)	●	●	●			●		
Risk Management (4/8)	●	●				●		●
Global Business (4/8)	●	●					●	●
Sustainability (3/8)	●					●	●	
Consumer Industries (4/8)	●					●	●	●
Legal/Regulatory (4/8)			●	●	●	●		
Board Independence (75%)		●	●	●	●		●	●
Gender Diversity (Female 13%)	M	M	M	M	M	M	F	M

06 Approval of Cap on Remunerations for Directors

We ask for shareholders' approval of the cap amount on remuneration for directors as below and in accordance to what was approved last year pursuant to Article 388 of the Korean Commercial Code and Article 30 of the Company's Articles of Incorporation.

Remuneration Cap for Directors in 2025

(unit : KRW million)

Remuneration Cap		5,000
Number of Directors		8
	CEO	1
	Inside Director(s)	1
	Outside Director(s)	6

* The number of directors above is assuming the appointment of one inside director as per approval of agenda item number 3

Remuneration Cap for Directors & Actual Payout in 2024

(unit : KRW million)

Remuneration Cap		5,000			
Total Payout (A+B)		4,973			
	-	Basic Salary	Bonus	Others	Total
CEO (A)	Kyung-Man Bang (CEO)	554	606	14	1,174
	Bok-In Baek (Former CEO)	147	3,081	1	3,229
Outside Directors (B)	Kwan-Soo Shon and 7 other Outside Directors				570

* The actual payout in 2024 above includes the long-term incentives (3 years, '21~'23) paid out to the former CEO whose term expired in March, 2024

* The total payout 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.

* The 'Kwan-Soo Shon and 7 other Outside Directors' above include two outside directors whose term expired in March, 2024

