

Extraordinary General Meeting of Shareholders Reference Material

July 5, 2022

KUMHO PETROCHEMICAL





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1. CEO Message

Dear shareholders,

Despite challenging operating conditions, Kumho Petrochemical (“Kumho or “the Group”) managed to achieve sound results in the first quarter, demonstrated through constant growth in revenue recording KRW 2.2 trillion in the period. Nevertheless, the global economic uncertainty led to a decline in earnings, resulting in operating profit of KRW 449 billion. The uncertainty around the economic outlook is anticipated to increase further, as evidenced by several economic indicators, amid soaring commodity prices due to inflation and ongoing global supply and demand pressures. In order to get through this unprecedented challenging time, the Board will continue to focus on the execution of the ‘Mid/Long-term Growth Strategy for Sustainable Business Management’ announced in March and the pre-emptive investment to secure future growth engines.

We would like to draw shareholders' attention to the upcoming Extraordinary General Meeting (“EGM”) which will be held on July 21, 2022. The purpose of this EGM is to appoint new directors to replace directors who have recently resigned or will be resigning at this EGM. In response to these director departures, the Board reviewed the current composition of skills and experiences of the remaining Board members as part of the Board renewal and recruitment process. When searching for new directors, the Board’s focus was to ensure that incoming directors had the right skills and experience to complement the existing board members with an emphasis on discovering new growth engines with large-scale investment and effectively responding to global economic uncertainty. We believe the three outstanding candidates will further enhance the Board’s experience and capabilities and ultimately contribute significantly to long-term shareholder values.

Jun Kyung Park served as a Managing Director & Director of Synthetic Resin Overseas Sales division for the past ten years and was promoted to Senior Executive Vice President in 2021. He contributed significantly to profit improvements in core business areas resulting in record profits in 2021 by flexibly responding to market changes. He led the restructuring of the product portfolio of the synthetic resin business and increased the proportion of high-value/environment-friendly products in synthetic rubber and specialty chemical business. We are at a time when global demand is unstable and large-scale investment is required. The Board believes that the insights and experiences of Mr. Park, who achieved outstanding results as the head of the division, would bring significant value in promoting future management strategies including key growth decisions.

Tae Kyun Kwon is an international trade expert who served as an officer at the Asian Development Bank, the head of the Trade and Investment Office of the Ministry of Knowledge Economy, and the head of the Public Procurement Service. Knowledge and

1. CEO Message

experience in international trade are essential in the petrochemical industry and its importance has become more pivotal than ever with rising trade disputes across the globe. The Board expects his knowledge and expertise will play an essential role in monitoring risks related to international trade.

Jee Yoon Lee is an environmental expert with a Ph.D. in Environmental Management and has worked in the field for over thirty years. As a successor of the recently resigned director, Park Soon-ae, will focus on the establishment and execution of the Group's environmental strategy. The Board expects that her knowledge will significantly contribute to renewable energy conversion as well as energy efficiency plans for the solar power generation business. Further, she will be able to apply her experience in the Ministry of Environment to adequately respond to complex and fast-changing environmental regulations and generate opportunities in this area.

The Board is always aware that sound governance is key to the sustainability of the Group. We continue to evolve our governance practices to meet the expectations of stakeholders and maintain independent judgment and the ability to act in the best interests of both our shareholders and the Group as a whole. The three new candidates will make significant contributions to creating a more effective Board and we continue to focus on enhancing long-term shareholder values.

We look forward to your participation at the meeting and thank you for your continued strong support and trust.

Sincerely,

July 2022

On behalf of Kumho Petrochemical's Board of Directors

CEO, Kumho Petrochemical

Jong Hoon Baek



2. Notice of Convocation of the Extraordinary General Meeting of Shareholders

1. Date and Time: July 21, 2022 (Thursday) 09:00

2. Place: Grand Auditorium, 4F, East Bldg. of Signature Towers, 100, Cheonggyecheon-ro, Jung-gu, Seoul

3. Purpose of Meeting

1) Reporting: Audit report

2) Agendas:

Agenda No. 1: Election of Directors


o Agenda no. 1-1: Election of Jun Kyung Park as an Executive Director

o Agenda no. 1-2 : Election of Two Independent Directors

- Agenda no. 1-2-1: Election of Tae Kyun Kwon as an Independent Director

- Agenda no. 1-2-2 : Election of Jee Yoon Lee as an Independent Director


3. Agenda no. 1-1: Election of Jun Kyung Park as an Executive Director

Candidate	Skill set	Major Experience	
		Period	Details
 <p>Jun Kyung Park (Apr. 30, 1978)</p>	<ul style="list-style-type: none"> ▪ Industry ▪ Management ▪ Sales 	2021-Present	Senior Executive Vice President & Managing Director of Sales Division, KKPC
		2020-2021	Managing Director of Resin Sales, KKPC
		2012-2020	Director of Resin Overseas Sales, KKPC
		2010-2011	General Manager of Overseas Sales Team, KKPC
		2008-2010	General Manager of Accounting Team, Kumho Tire Co., Inc.

Grounds for recommendation by the BOD

- Jun Kyung Park has been in charge of the sales division for over 10 years and served as a key member of the Overseas Sales Team and Resin Sales of KKPC since 2010. In 2021, Mr. Park has become the Senior Executive Vice President of the Sales division leading domestic and overseas sales including rubbers and resins. In his time at KKPC, he has responded with flexibility to market conditions and changes, he led the restructuring of the product portfolio of the synthetic resin business and preemptively expanded the high value-added/environment-friendly products of the synthetic rubber and specialty chemicals business, improving the profitability of the Company's core business and significantly contributing to the record-breaking results in 2021.
- The Board intends to strengthen the expertise of the sales division, considering it is the most vulnerable to rapidly changing market conditions based on the volatility of global demand. It is expected that his experience and knowledge in sales would play a pivotal role in executing the Company's future business strategy especially when large-scale investments are required. **As Mr. Park will be appointed to the Board, Messrs. Jun Kyung Park and Young Do Ko will be responsible for monitoring Sales and Finance/Management, respectively, and Mr. Jong Hoon Baek will be in charge of overall management. The Board believes that such a composition of Executive Directors will optimize the decision-making process of management and the Board, and ultimately enhance corporate value.**


3. Agenda no. 1-2-1 : Election of Tae Kyun Kwon as an Independent Director

Candidate	Skill set	Major Experience	
		Period	Details
 <p>Tae Kyun Kwon (Nov. 28, 1955)</p>	<ul style="list-style-type: none"> ▪ Finance Acumen ▪ Trade/Procurement ▪ Policy 	2022-Present	Independent Director, POSCO Holdings Inc. (Chairman of Independent Director Nomination Committee)
		2021-2022	Independent Director, POSCO (Chairman of Finance Committee)
		2016-2018	Independent Director, Mirae Asset Securities Co., Ltd. (Chairman of Risk Management Committee & Independent Director Nomination Committee)
		2014-2016	Independent Director, Mirae Asset Global Investments Co., Ltd.
		2014-2019	Independent Director, Samsung Electro-Mechanics Co., Ltd. (Related Party Transaction Committee, Compensation Committee, Audit Committee)
		2013-2014	Invited Researcher, Korea Institute for International Economic Policy
		2010-2013	Plenipotentiary to the United Arab Emirates
		2009-2010	27 th Commissioner of the Public Procurement Service
		2008-2008	Head of Trade and Investment Office, Ministry of Knowledge Economy
		2007-2008	Head of the Free Economic Zone Planning Office, Ministry of Finance and Economy
		2001-2004	Economic Counselor, Permanent Delegation of the Republic of Korea to the OECD
		1996-1999	Dispatched to the Financial Reform Committee of the Blue House, Director of Foreign Investment Management Division & Investment Promotion Division of Ministry of Finance and Economy

Grounds for recommendation by the BOD

- Tae Kyun Kwon is an experienced **professional in finance, trade, procurement, and policy sectors**. He served as the Director of Foreign Investment Management & Investment Promotion Division at the Ministry of Finance and Economy, the Economic Counselor of the Permanent Delegation of the Republic of Korea to the OECD, the Head of the Free Economic Zone Planning Office at the Ministry of Finance and Economy, the Head of the Trade and Investment Office at the Ministry of Knowledge Economy, the 27th Commissioner of the Public Procurement Service, and the Plenipotentiary to the United Arab Emirates. Mr. Kwon is also an experienced Independent Director of multiple listed companies in Korea, including Samsung Electro-Mechanics Co., Ltd., Mirae Asset Securities Co., Ltd.
- **The Board considers that the candidate's experience and knowledge will bring significant value to the Board's decision-making process. The Board will overall benefit from his substantial knowledge in trade/procurement and policy in managing risks associated with international trade, given KKPC's high proportion of product exports.**
- Mr. Kwon does not have any material personal/business interests in any matter that relates to the affairs of the Company.

3. Agenda no. 1-2-2 : Election of Jee Yoon Lee as an Independent Director

Candidate	Skill set	Key Experience	
		Period	Details
 <p>Jee Yoon Lee (Dec. 2, 1956)</p>	<ul style="list-style-type: none"> Environment/ Climate Change Safety/Health 	2012-2017	Vice Chair, Korea Chemicals Management Association
		2012-2013	Director (Grade III Official), Environmental Health Policy Division, MOE
		2008-2012	Director, Chemicals Division, MOE
		2007-2008	Director of Educational Innovation Planning Division, National Institute of Environmental Human Resources Development
		2006-2007	Director, Regulatory Reform Division 2, Office for Government Policy Coordination
		1998-2002	Deputy Director, Environmental Technology Division, MOE
		1983	Joined Environmental Office

Grounds for recommendation by the BOD

- Jee Yoon Lee joined the Ministry of Environment ("MOE") in 1983 and **served as the Deputy Director of Environmental Technology Division, Director of Chemicals Division, Director (Grade III Official) of Environmental Health Policy Division of the Ministry of Environment. She has deep industry expertise in the area of environment and health & chemicals industry with over 30 years of experience at the MOE.** The candidate also enacted and saw the enforcement of the Chemical Substances Control Act ("CCA") and the Act on Registration and Evaluation of Chemical Substances ("K-REACH") with a broad range of experience and knowledge on the relevant laws of Chemicals. After her time at the MOE, she served as the Vice Chair of the Korea Chemicals Management Association and supported the chemical industry in understanding the international system for chemicals and successfully implemented the relevant practice guidelines.
- The candidate's long experience and knowledge **are believed to be sufficient to replace the expertise of the recently resigned Independent Director Soon-Ae Park in policy/ESG/environment circles. In particular, the Board expects that Ms. Lee's expertise in the CCA and K-REACH will further strengthen our industry expertise in the chemical sector.**
- Ms. Lee does not have any material personal/business interest in the matters that relate to the affairs of the Company.

4. Governance_Board Skill Matrix

Name	Classification	Term Expiration	Management	Industry	Sales & Marketing	R&D	Financial Acumen	Trade / Procurement	Risk Management	Governance	Law/Policy	Environment/ (Climate Change)	Safety/Health
Jong Hoon Baek	Executive (inside)	Mar. 2024	O	O	O	O							
Young Hoon Ko		Resigned (July 2022)		O		O							
Young Do Ko		June 2024	O				O		O				
Jun Kyung Park		July 2025	O	O	O								
Soon Ae Park	Independent (Outside)	Resigned (June 2022)									O	O	
Jae Kyung Lee		Resigned (July 2022)	O				O						
Lee Seok Hwang		Mar. 2024					O		O	O			
Do Soung Choi		Mar. 2024					O		O	O			
Jung Mi Lee		Mar. 2024							O		O		
Sang Soo Park		Mar. 2025					O		O		O		
Young Woo Park		Mar. 2025									O	O	
Tae kyun Kwon		July 2025					O	O			O		
Jee Yoon Lee		July 2025									O	O	O

4. Governance _ Board Committees

	Jong Hoon Baek	Young Do Ko	Jun Kyung Park *	Lee Seok Hwang	Do Soung Choi	Jung Mi Lee	Sang Soo Park	Young Woo Park	Tae Kyun Kwon*	Jee Yoon Lee*
Classification	Executive (Inside)			Independent (Outside)						
Gender	Male	Male	Male	Male	Male	Female	Male	Male	Male	Female
Independent Director Nomination Committee					◎	○				
Audit Committee				◎	○		○			
ESG Committee	○				○	○		○		
Related Party Transaction Committee				○		◎		○		
Compensation Committee							○			

- ◎: Chairperson of Committee
- ○: Chairperson of the ESG Committee, Chairperson and member of the Compensation Committee, member or the Independent Director Nomination Committee: to be finalized by the BOD after the Extraordinary General Meeting of Shareholders dated July 21

4. Governance_Board Overview

■ Board Composition after EGM

Classification	Proportion
Independence of Board	70%
Independence of Audit Committee	100%
Independence of Independent Director Nomination Committee	100%
Independence of Compensation Committee	100%
Gender Diversity	20%
Ongoing Legal Issue	N/A
Total Number of Directors	10

A graphic consisting of two overlapping squares. The front square is dark blue and contains the text 'Thank you.' in white. The back square is a lighter blue. A thin horizontal line passes through the center of the squares. The bottom right corner of the dark blue square has a halftone dot pattern.

Thank you.

KUMHO PETROCHEMICAL