

# Corporate Governance

Strong corporate governance is a differentiator in how we run our company. KKPC has therefore established an advanced corporate governance system with the Board of Directors taking a central role. Through this system, we operate our business ethically and transparently, and earn the trust of shareholders, employees, customers, local communities and other stakeholders.

## BOARD OF DIRECTORS

KKPC's Board of Directors (BOD) is a decision-making body that makes important decisions and provides advice on business activities. All BOD decisions represent shareholder interests, and are aimed at maximizing corporate value from a long-term, sustained perspective. As of the end of 2017, the BOD consisted of five directors, including three outside directors who were recommended by the Outside Director Nominating Committee and elected at the annual general meeting (AGM).

A BOD meeting is held approximately once a month to conduct detailed reviews of the company's major matters, with active participation of outside directors, recording an attendance rate well above 90%. We plan to look into measures to form the Board members in order to ensure more stable BOD operations and to help them make decisions from various perspectives. In 2017, there were 11 Board meetings to decide on 33 agenda items related to major business matters.

## BOARD COMMITTEES

To guarantee the BOD's independence and expertise, outside directors hold a majority of seats. There are two committees within the BOD – the Audit Committee and the Outside Director Nominating Committee. The Audit Committee consists only of outside directors, and is focused on increasing transparency in the management of the company and ensuring the accuracy and credibility of accounting information. The Outside Director Nominating Committee uses an impartial process to identify, screen and recommend suitable candidates as outside directors.



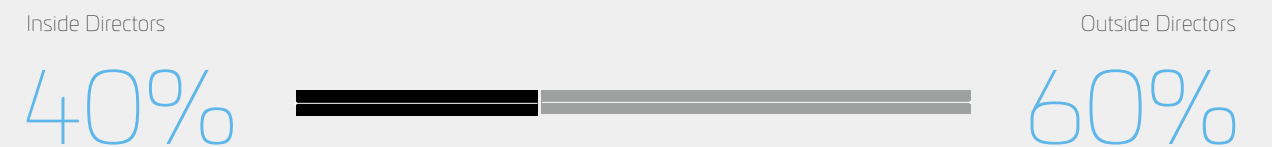
## OUTSIDE DIRECTORS' ATTENDANCE RATE

	Yong-man Rhee	Jin-ho Chung	Myoung-kee Jang
Board Meetings	91%	100%	100%
Audit Committee Meetings	100%	100%	100%
Outside Director Nominating Committee Meetings	100%	100%	–

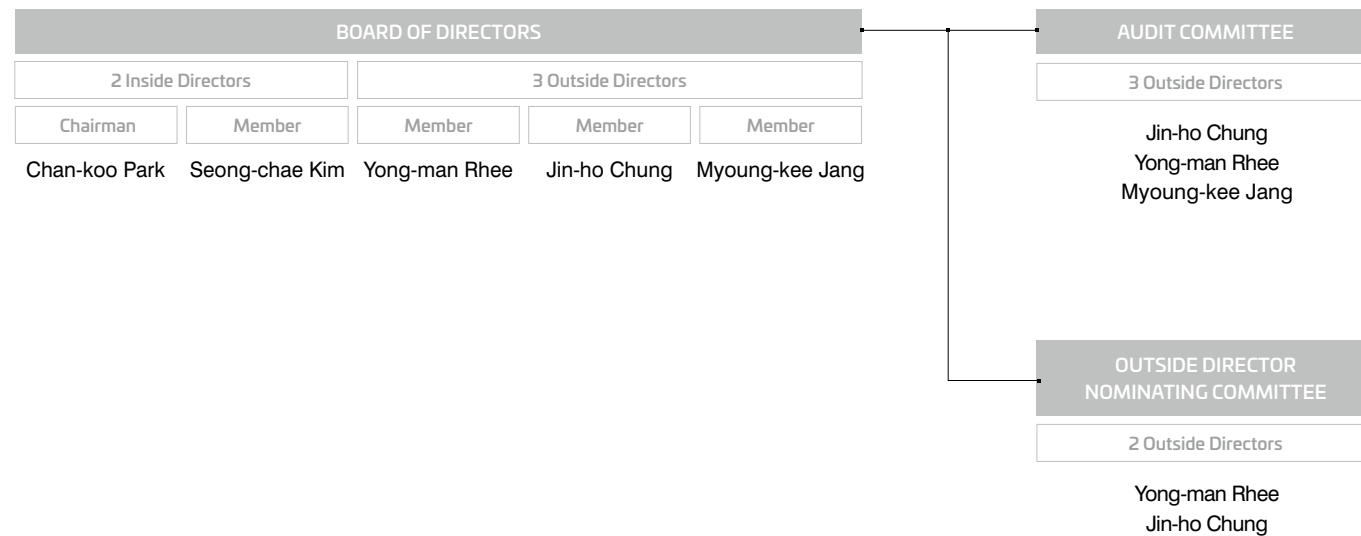
## BOARD AGENDA OVERVIEW



## BOARD STRUCTURE



## GOVERNANCE STRUCTURE



## BOD COMPOSITION

### Inside Directors

#### Chan-koo Park

- Chairman & CEO, Kumho Petrochemical

Chan-koo Park chairs the KKPC BOD and is also the Chairman of KKPC, the top decision maker in corporate management. Mr. Park graduated from Iowa State University in the U.S. with a degree in statistics. He then joined KKPC and has served as the CEO of several chemical companies, including KKPC and Kumho Mitsui Chemicals. During his more than four decades at KKPC, he has made major decisions in the company's corporate development. He also served as chair of the International Institute of Synthetic Rubber Producers (IISRP) from 2010 to 2011, leading the development of the synthetic rubber industry.

#### Seong-chaе Kim

- President & CEO, Kumho Petrochemical

Seong-chaе Kim is the President & CEO of KKPC, making decisions on major business matters for the company. Mr. Kim graduated from Yonsei University in Korea with a degree in chemical engineering and then joined KKPC. He has led a wide range of sales activities in Korea and overseas throughout his career, which has given him extensive experiences in the synthetic rubber industry. He has been part of KKPC's corporate management as President & CEO since 2010 and continues to lead the company's development.

### Outside Directors

#### Yong-man Rhee

- Chair, Outside Director Nominating Committee  
- Member, Audit Committee  
- Former Minister, Korean Ministry of Strategy & Finance

Yong-man Rhee is an incumbent outside director of KKPC. Mr. Rhee has extensive experiences in finance and policy, having previously served as Secretary in Korea's Presidential Secretariat and Minister of Strategy & Finance. He is also a member of both the Audit Committee and the Outside Director Nominating Committee, and contributes to the stability and independence of KKPC's corporate governance.

#### Jin-ho Chung

- Chair, Audit Committee  
- Member, Outside Director Nominating Committee  
- Chairman & CEO, The Wells Investment

Jin-ho Chung is an incumbent outside director of KKPC. He has extensive experiences in finance and investment through his career at Nomura Securities, and he was also formerly President & CEO of Prudential Investment & Securities. He is now the incumbent Chairman & CEO of The Wells Investment. As an expert in accounting and finance, Mr. Chung is a member of both the Audit Committee and the Outside Director Nominating Committee, and contributes to the stability and independence of KKPC's corporate governance.

#### Myoung-kee Jang

- Member, Audit Committee  
- Former Director, Korea Exchange Bank  
- Chairman & CEO, Fidelis Partners

Myoung-kee Jang is an incumbent outside director of KKPC. He has served as a deputy director of major banks in Korea, including Shinhan Bank and Korea Exchange Bank, and is currently Chairman of Fidelis Partners. With his considerable experience in the financial sector, he provides extensive help and advice on decision-making on the company's funding and investment policy, and contributes to the stability and independence of KKPC's corporate governance.