2026 Annual General Meeting Discussion Material

Korea Zinc Co., Ltd.

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Executive Summary

Korea Zinc Co., Ltd.

01

Business Performance and Enhancement of Shareholder Value

- Korea Zinc has grown over the past 50 years into the world's leading non-ferrous smelting company, supported by its unrivalled technology and operational excellence. Its 2025 consolidated sales reached KRW 16.6 trillion and operating profit KRW 1.23 trillion, marking the record-high performance in the company's history and the company has generated positive operating profit for the 104th consecutive quarter.
- Over the past 10 years, Korea Zinc's total shareholder return(TSR), profitability, and cash flow generation have consistently outperformed its domestic and global competitors, including Youngpoong. Based on its stable and consistent financial performance, the company has maintained one of the highest shareholder return ratios in the country through cash dividend and the cancellation of treasury shares.
- In addition, the Company is advancing its mid- to long-term growth strategy, including the U.S. integrated smelter project and the "Troika Drive" initiative, to promote sustainable growth and enhance long-term shareholder value. Korea Zinc is also recognized as a leading ESG company and top-rated in the non-ferrous metal sector by major domestic rating agencies, demonstrating its strong ESG performance

02

Key Agenda Items for the 2026 AGM (1/3)

Withdrawn

- While we agree with YPC, Youngpoong, and MBK's intention to secure resources for shareholder returns by converting 392.5 billion won of discretionary reserves into retained earnings, we believe the amount is insufficient for stable shareholder returns and therefore we propose converting 917.7 billion won of discretionary reserves into retained earnings. Youngpoong recently withdrew this proposal.
- Although Korea Zinc fundamentally supports a stock split, it opposes the proposal because the same item was already approved at the January 2025 EGM but suspended by injunction, and re-submitting it could cause procedural confusion, including uncertainty over which resolution is legally effective, etc
- We agree with YPC, Youngpoong, and MBK's proposal to extend the notice period for convening board of directors' meetings from one day to three days, as this is considered necessary to ensure their ability to participate on the board and to adequately review the agenda items.
- To meet the requirement under the amended Commercial Act for separately elected audit committee members at least two members by September 10, 2026, the company believes it is reasonable to first appoint five directors and reserve one seat. In this regard, we support Yumi Development's proposal to appoint five directors and oppose the proposal by YPC, Youngpoong, and MBK to appoint six directors.
- The company opposes the appointment of all five director nominees by YPC/Youngpoong/ MBK, as they are not suitable for strengthening the board's oversight function or enhancing shareholder value, due to: (1) past failures to adequately oversee industrial safety and environmental issues, (2) previous violations of the Act on External Audit of Stock Companies, and (3) a lack of board experience
- Under the amended Commercial Act, it is imperative to appoint at least two separately elected audit committee members by September 10, 2026. To align with the Commercial Act, we plan to appoint two audit committee members, including one who will be separately elected
- Korea Zinc opposes the YPC/Youngpoong/MBK's proposal to exclude the Honorary Chairman from the executive severance payment. At the 49th AGM in 2023 majority of shareholders overwhelmingly approved the existing executive severance pay provisions. In the light of the honorary chairman's full-time involvement and participation in major decision-making, maintaining these provisions is considered legitimate.

Executive Summary

Korea Zinc Co., Ltd.

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All Agenda Items for the 2026 AGM - Listed (2/3)

Agenda #	Name of AGM Agenda	Voting Method	Proposer	KZ Position
Agenda 1. Approval of the Consolidated and Separate Financial Statements for the 52nd Fiscal Year (including the statement of Appropriation of Retained Earnings)				
Agenda 1-1	Approval of the Consolidated and Separate Financial Statements for the 52nd Fiscal Year (including the statement of Appropriation of Retained Earnings)	Ordinary Resolution	Korea Zinc	For
Agenda 1-2	Approval of a Profit Distribution for the 52nd Fiscal Year (Cash Dividend of KRW 20,000 per Common Share)	Ordinary Resolution	Korea Zinc	For
Agenda 1-3	Approval of the Statement of Appropriation of Retained Earnings for the 52nd Fiscal Year			
Withdrawn Agenda 1-3-1	Approval of Reclassification of *KRW 917,695,440,000* in Discretionary Reserves into Unappropriated Retained Earnings	Ordinary Resolution	Korea Zinc	For
Agenda 1-3-2	Approval of Reclassification of *KRW 392,466,962,000* in Discretionary Reserves into Unappropriated Retained Earnings	Ordinary Resolution	YPC/ YP/MBK	Against
Agenda 2. Partial Amendment of Articles of Incorporation				
Agenda 2-1	Amendment of Articles of Incorporation(AOI) to Codify Minority Shareholder Protection	Special Resolution	Korea Zinc	For
Agenda 2-2	Amendment of Articles of Incorporation to Introduce Electronic Shareholders' Meetings	Special Resolution	Korea Zinc	For
Agenda 2-3	Amendment of Articles of Incorporation to Correct Clerical Errors	Special Resolution	Korea Zinc	For
Agenda 2-4	Amendment of Articles of Incorporation to Clarify Composition Requirements for Independent Directors and Modify Official Title for Independent Directors	Special Resolution	Korea Zinc	For
Agenda 2-5	Amendment of Articles of Incorporation to Introduce Directors' Duty of Loyalty	Special Resolution	Korea Zinc	For
Agenda 2-6	Amendment of the Articles of Incorporation regarding Quarterly Dividends	Special Resolution	Korea Zinc	For
Agenda 2-7	Amendment of the Articles of Incorporation regarding Voting Right Restrictions for the Appointment and Dismissal of Audit Committee Members	Special Resolution	Korea Zinc	For
Agenda 2-8	Amendment of the AOI to Expand Separately Elected Audit Committee Member	Special Resolution	Yumi Development	For
Agenda 2-9	Stock Split and Amendment of the Articles of Incorporation for Stock Split	Special Resolution	YPC/YP/MBK	Against
Agenda 2-10	Amendment of the Articles of Incorporation to Introduce Directors' Duty of Loyalty in connection with Issuance of New Shares	Special Resolution	YPC/YP/MBK	Against
Agenda 2-11	Amendment of the Articles of Incorporation to Introduce the Executive Officer System	Special Resolution	YPC/YP/MBK	Against
Agenda 2-12	Amendment of the Articles of Incorporation to Change the Chair of AGM	Special Resolution	YPC/YP/MBK	Against
Agenda 2-13	Amendment of the AOI to Change the Convocation Procedures for Board Meetings	Special Resolution	YPC/YP/MBK	For

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All Agenda Items for the 2026 AGM - Listed (3/3)

Agenda #	Name of AGM Agenda	Voting Method	Proposer	KZ Position
Agenda 3. Appointment of Directors by Cumulative Voting				
Agenda 3-1	Determination on the number of Directors to be appointed through cumulative voting			
Agenda 3-1-1	Appointment of Five (5) Directors	Ordinary Resolution*	Yumi Development	For
Agenda 3-1-2	Appointment of Six (6) Directors	Ordinary Resolution*	YPC/YP/ MBK	Against
Agenda 3-2	Appointment of Five (5) Directors by Cumulative Voting (※ To be proposed only if Agenda No. 3-1-1 is approved; if Agenda No. 3-1-1 is rejected, this item will be automatically discarded)			
Agenda 3-2-1~3	Korea Zinc Three(3) Nominees (Choi Yun Birm, Hwang Deog Nam, Walter Field McLallen)	Cumulative Voting	Korea Zinc / Crucible JV	For
Agenda 3-2-4~8	YPC/YP/MBK Five(5) Nominees (Park Byung Wook, Choi Yeon Seok, Oh Young, Choi Byung Il, Lee Seon Sook)	Cumulative Voting	YPC/YP/ MBK	Against
Agenda 3-3	Appointment of Six (6) Directors by Cumulative Voting (※ To be proposed only if Agenda No. 3-1-2 is approved; if Agenda No. 3-1-2 is rejected, this item will be automatically discarded)			
Agenda 3-3-1~3	Appointment of Korea Zinc Three(3) Nominees (Choi Yun Birm, Hwang Deog Nam, Walter Field McLallen)	Cumulative Voting	Korea Zinc / Crucible JV	For
Agenda 3-3-4~8	Appointment of YPC/YP/MBK Five(5) Nominees (Park Byung Wook, Choi Yeon Seok, Oh Young, Choi Byung Il, Lee Seon Sook)	Cumulative Voting	YPC/YP/ MBK	Against
Agenda 4	Appointment of Audit Committee Members (Kim Bo Young)	Ordinary Resolution (Individual 3% voting rights cap)	Korea Zinc	For
Agenda 5	Appointment of an Outside Director to Serve as an Audit Committee Member (Lee Min Ho) (※To be proposed only if Agenda No. 2-8 is approved; if Agenda No. 2-8 is rejected, this item will be automatically discarded)	Ordinary Resolution (Individual 3% voting rights cap)	Korea Zinc	For
Agenda 6	Approval of Directors Compensation Cap (KRW 12 billion)	Ordinary Resolution	Korea Zinc	For
Agenda 7	Approval of Amendment to the Policies/Regulations on Severance Pay for Officers	Ordinary Resolution	YPC/YP/ MBK	Against

Executive Summary

03
Governance Enhancement Initiatives

[Governance] Advanced Board Composition and adopted board evaluation and 'Pay for Performance' Policy

1. Korea Zinc's board is composed of 68% outside directors, exceeding the 2025 average of 51% for listed companies in Korea. In 2025, an outside director was appointed as chairperson of the Board, and all board committees were composed of outside directors. In the same year, the company increased the number of female outside directors and appointed a foreign director
2. In 2025, the company implemented an external board evaluation, which enhanced the reliability and transparency of board operations and enabled the company to obtain meaningful feedback from outside directors on areas for improvement
3. The establishment of the Management Committee in 2025, based on advice from proxy advisors and investors, has enabled the company to proactively mitigate potential risks arising from strategic and investment decision-making
4. In the 2025 Korea Exchange (KRX) Governance Report, our key indicator compliance rate was 80%, exceeding the listed-company average of 55%.
   - In 2026, our key indicator compliance rate is expected to reach 100%
5. Executive Officers' Compensation Policy was reviewed in 2025 and the link between management performance and rewards was strengthened. The performance-based compensation and mid- to long-term incentive were implemented to align shareholder value and the compensation

[Shareholder Return] Improved shareholder return policy and executed a large-scale cancellation of treasury shares

1. The company announced a shareholder return policy focused on total shareholder return(TSR), further advancing its shareholder return framework. The previous policy of adding 30% to the dividend payout ratio on a separate financial basis was enhanced in 2024 to add 40% to the three-year average consolidated TSR ratio. To comply with separate taxation requirements for dividend income under the amended Tax Act, the 2025 year-end dividend of KRW 20,000 per share was pre-determined in November 2025.
2. A total of 2.04 million treasury shares acquired through the tender offer were cancelled in June, September, and December.

[Communication] Mid- to long-term corporate value enhancement plan was disclosed and increased engagement with investors

1. Korea Zinc disclosed its mid- to long-term growth strategy and corporate value enhancement plan in 2024. Through the announcement of its Value-up Plan, the company outlined key initiatives, including (1) a mid- to long-term shareholder return policy, (2) earnings improvement, (3) governance enhancement
2. The management of Korea Zinc has increased the number of C-Level meetings increased from 20 in 2023 to 54 in 2024 to 81 in 2025.
3. Progress Report on the Value-up plan was announced by public disclosure in Sep 2025
   - Governance Non-Deal Roadshow (NDR) was conducted both in Korea and abroad in Oct. and Nov. 2025.

Executive Summary

04

MBK and YP's Managerial Incompetence and Governance Impairment Risk

[The short-term profit-maximizing approach by MBK poses a significant risk to Korea Zinc's long-term corporate value]

- If MBK acquires Korea Zinc, there is concern that, as in the past H Company case, it may sell key assets and core technologies or use Korea Zinc's strong balance sheet to raise large amounts of debt and then extract funds through dividends and other means, which could undermine future growth potential and damage the company's long-term corporate value.
- Since acquiring H Company in 2015 through an excessively leveraged buyout (LBO), MBK has focused on repaying acquisition financing and maximizing fund returns rather than normalizing operations, despite deteriorating performance, and has proceeded to sell the company's major assets, severely undermining H Company's competitiveness and financial soundness

  - Due to the sale of core assets, weak operating performance, increased borrowings, and reduced equity, H Company's debt-to-equity ratio exceeded 3,000% in early 2024, and after turning to a large deficit in 2022, it recently filed for corporate rehabilitation with the court; Korea Ratings subsequently downgraded H Company's credit rating to "Default.

- MBK has repeatedly failed in managing several portfolio companies including H Company as well as Y, D, N, and B, raising concerns that its attempted acquisition of Korea Zinc could undermine the company's long-term sustainability and destroy corporate value

[MBK not only lacks managerial competence but is also exposed to various legal and regulatory risks]

- The Financial Supervisory Service is investigating whether MBK intentionally infringed the interests of its limited partners, including the National Pension Service, and has preliminarily notified the firm of heavy sanctions such as a "suspension of duties" for engaging in unsound business practices under the Capital Markets Act and breaching its conflict-of-interest prevention obligations
- Prosecutors are also investigating MBK on suspicion that, despite being aware of an impending credit rating downgrade, it proceeded to issue large amounts of bonds and then filed for corporate rehabilitation, causing losses to investors, with charges under the Act on the Aggravated Punishment of Specific Economic Crimes (fraud) and violations of the Capital Markets Act.
- Separately, an MBK employee was sentenced to a prison term for obtaining unjust profits by using material non-public information, and the National Assembly's Political Affairs Committee has filed a criminal complaint with the prosecution against Chairman Michael ByungJu Kim and Vice Chairman Kwang-Il Kim for alleged perjury in violation of the Act on Testimony and Appraisal before the National Assembly
- According to the disclosed management cooperation agreement between MBK and Youngpoong, MBK is supposed to take the lead in managing Korea Zinc, yet MBK has no prior investment or management experience in the non-ferrous metals industry, has opposed the U.S. integrated smelter project, and has not presented any concrete management action plans or a clear medium- to long-term strategic direction for the company.

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04 MBK and YP's Managerial Incompetence and Governance Impairment Risk

[YP's environmental risks and operational instability represent a significant threat to Korea Zinc's long-term corporate value]

- YP has posted operating losses for 3 consecutive years, and its deteriorating performance has led to persistent concerns over its management capability
- Separately from its weak earnings, Youngpoong has caused persistent and serious environmental and safety issues that threaten its viability, drawing criticism from NGOs, residents, and lawmakers at annual National Assembly audits
- For decades, YP's Seokpo Smelter has caused ongoing environmental damage, repeated safety incidents, and workplace fatalities, leading to the detention and indictment of its CEO and head of the smelter last year and severely undermining its corporate and shareholder value
- Despite being penalized multiple times for environmental pollution, YP's Seokpo Smelter has repeatedly faced the same issues, resulting in fines and production suspensions and causing ongoing operational instability
- Korea Zinc has stopped processing sulfuric acid for Youngpoong due to an administrative order from the Ministry of Environment on environmental grounds. Youngpoong then filed a lawsuit to force Korea Zinc to resume, which has raised concerns that Youngpoong is prioritizing its own interests over Korea Zinc's shareholder value
- While its CEO was in detention, YP signed an agreement to transfer its key asset, Korea Zinc shares, to MBK without a shareholder resolution and then contributed all shares in kind to a new company without shareholder consent, leaving its governance failing to reflect minority shareholder interests.

05 Impact of a change in control on the U.S. smelting operation

[A change in control could trigger termination of the Project Crucible agreement and potentially strain the Korea–U.S. alliance]

- Project Crucible is a U.S. government–backed project that is being pursued based on the trust it has in the current management, and a change in control could disrupt the project and create a risk that the business will in effect no longer be able to move forward smoothly
  - Project Crucible is a long-term strategic initiative, backed by strong U.S. government trust and funding, that aims to reposition Korea Zinc as a global critical minerals and national security–strategic enterprise, and any change in control could lead to contract termination or project suspension by the U.S. government; moreover, Youngpoong and MBK's continued attempts to obstruct the project constitute a significant risk to the project's very continuation.
- The Project Crucible, as a key nexus in the U.S.–Korea alliance for supply chain and economic security, is a national strategic initiative directly linked to the U.S. strategy to de-risk critical mineral supply chains from China. If the relevant contracts are breached or terminated, it could trigger structural fractures not only in bilateral security and critical minerals supply chain cooperation, but also across broader industrial, trade, and diplomatic relations between the two countries
- If this flagship case of the U.S. opening its strategic asset supply chains to "allied private companies" is shaken, it will undermine confidence in the Korea–U.S. economic security cooperation model, and the Korean government will lose the "strategic asset investment" card it can play in tariff, trade, and supply chain negotiations, thereby weakening its diplomatic and trade leverage

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3. Key Consideration of Each Agenda Items
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5. MBK and YP's Managerial Incompetence and Governance Impairment Risk
6. Appendix

01.

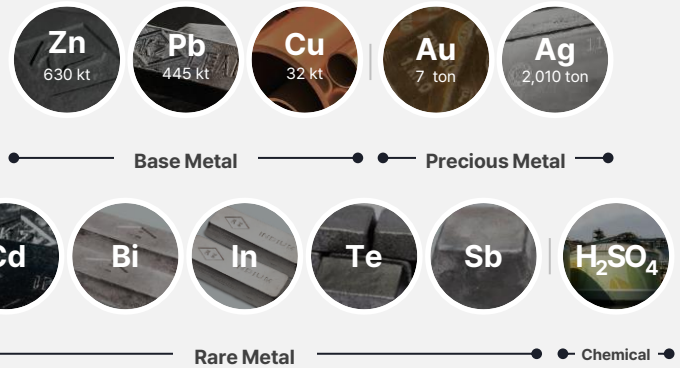
Business Performance and Enhancement of Shareholder Value

1. Business Performance _ Outperforming Global Peers

KOREA ZINC

- Korea Zinc, leveraging its world-class smelting competitiveness, has achieved leading revenue growth and operating profit margins.
- In 2025, the company posted record-high results with revenue of KRW 16.6 trillion and operating profit of KRW 1.23 trillion, remaining profitable for 104 quarters

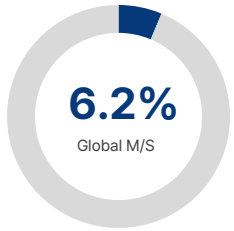
Supplying over 1.2 million tons of 22 types of non-ferrous metals annually



Revenue[1] (2025)	KRW 16.6 trillion
Top-line growth (2023-2025 CAGR)	30.7%
EBITDA margin (2023-2025 average)	9.5%

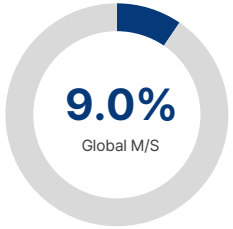
The World's Largest Smelter (Zinc/Lead)

2025 World's Largest Stand-alone Zn Refinery
(Production Base)



Lead Production Market Share in 2025

#1



Overseas Sales Proportion in 2025
(unit: KRW bn)

62.9%

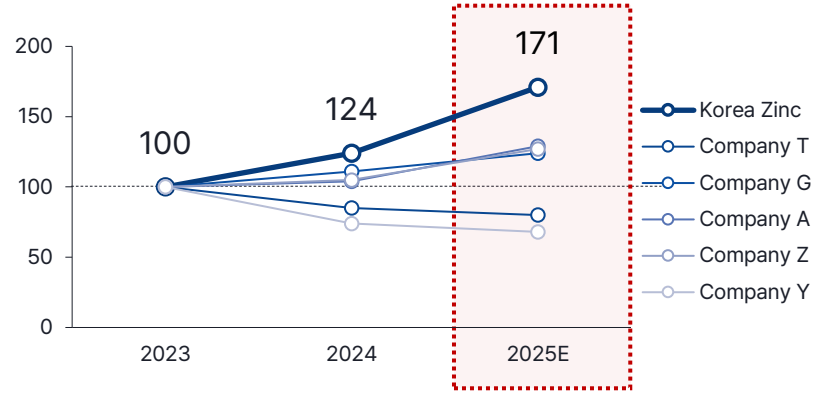


Employee Number
(As of June 2025)

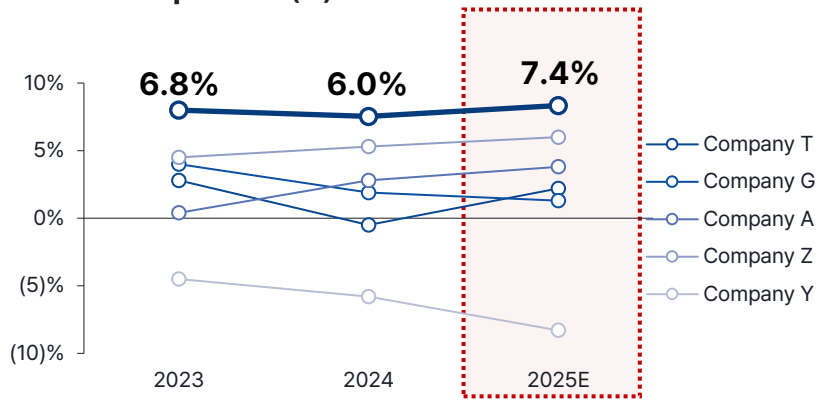


2,054 people [2]

Net Sales Growth Comparison (indexed=2023)



OPM Comparison (%)

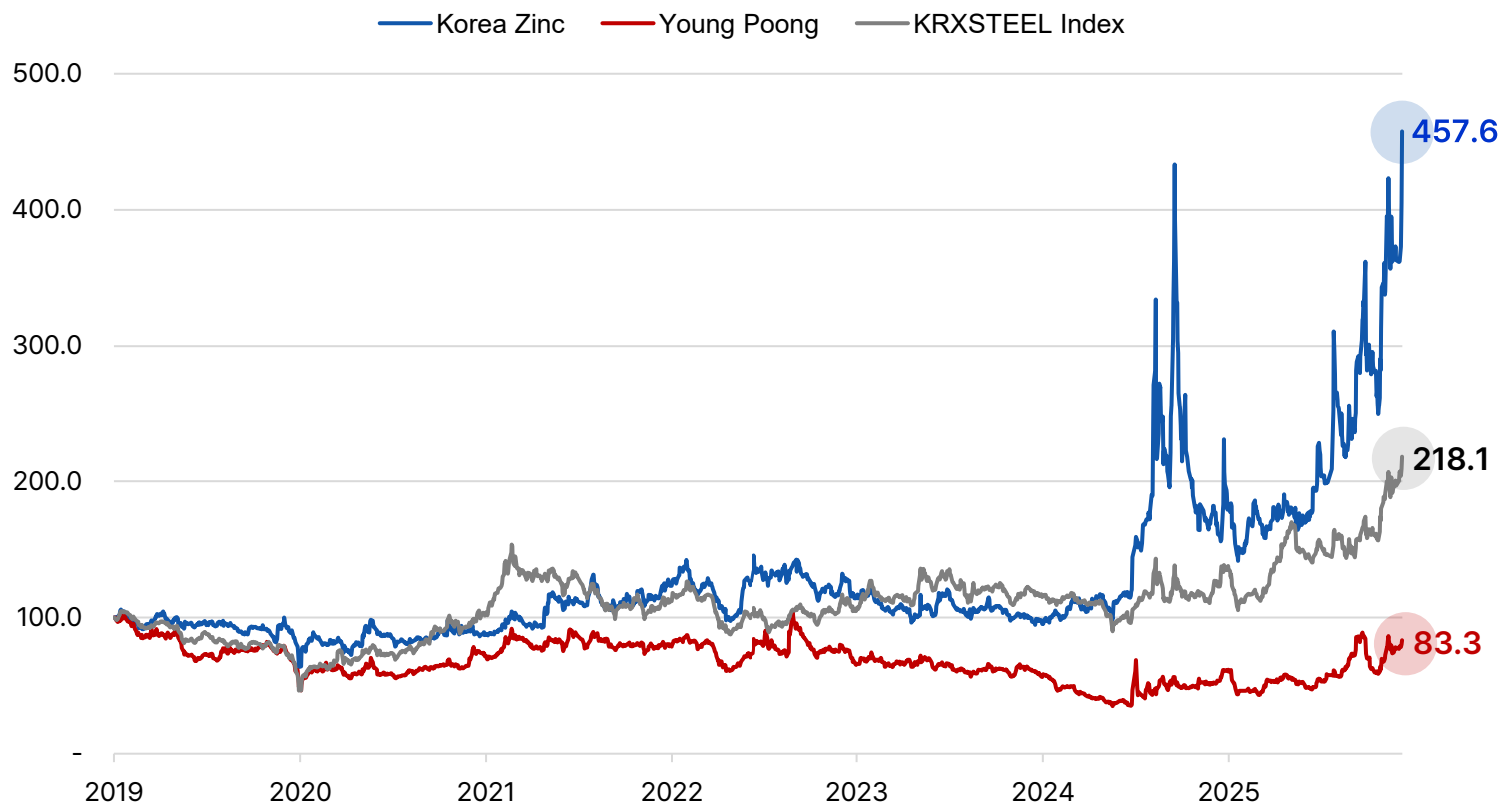


1) Korea Zinc's consolidated basis revenue
2) Korea Zinc employees only (excluding subsidiaries)

2. Business Performance _ Share price performance and TSR

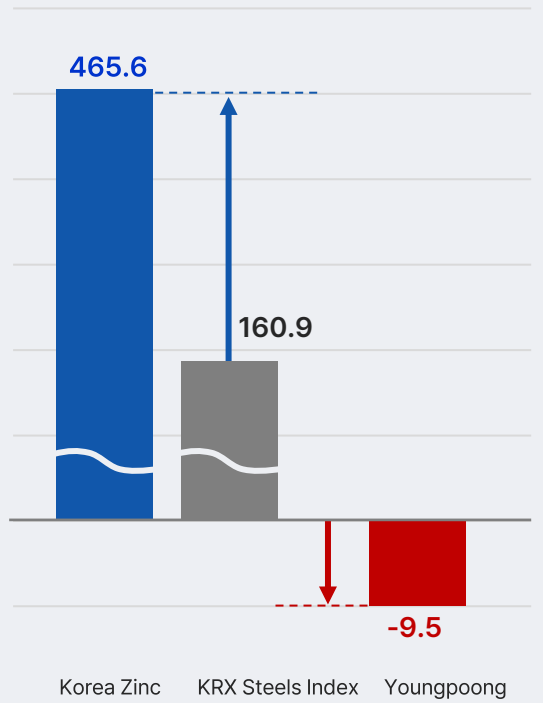
• Since Chairman Choi Yun Birm took office in 2019, Korea Zinc's share price and TSR have significantly outperformed domestic peers and industry indices

Share Price* (2019.03.22-2026.02.25, Indexed=2019)



Start date: the date Chairman Choi Yun Birm assumed the CEO position
*Source: Bloomberg

Total Shareholder Return* (%, 2019.03.22-2025.02.25)



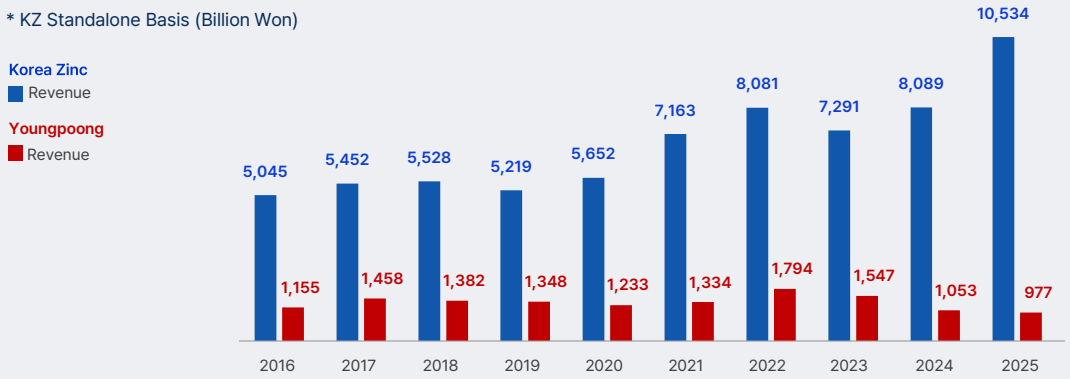
*TSR: [(current price - purchase price)+dividends]/purchase price
*Start date: the date Chairman Yoon-Bum Choi assumed the CEO position

3. Business Performance _ Earnings and Valuation

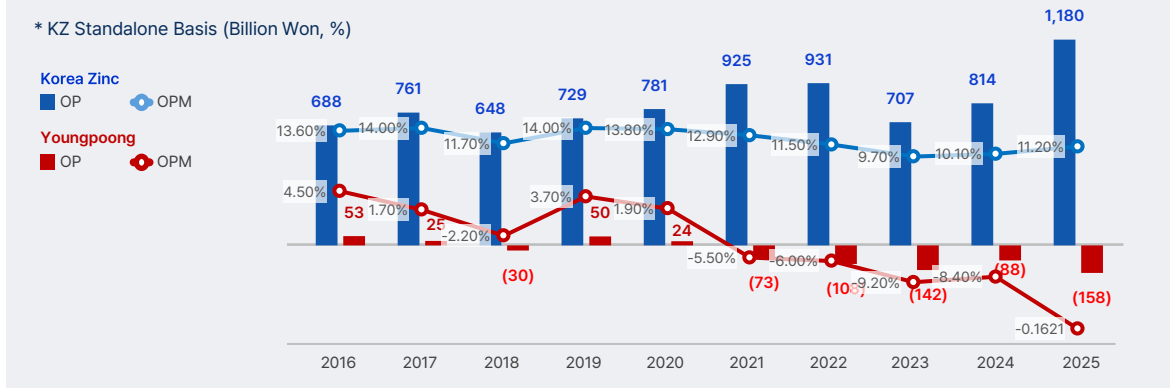
KOREA ZINC

• Over the past decade, Korea Zinc has consistently posted stronger profitability and growth than domestic peers, demonstrating its competitiveness

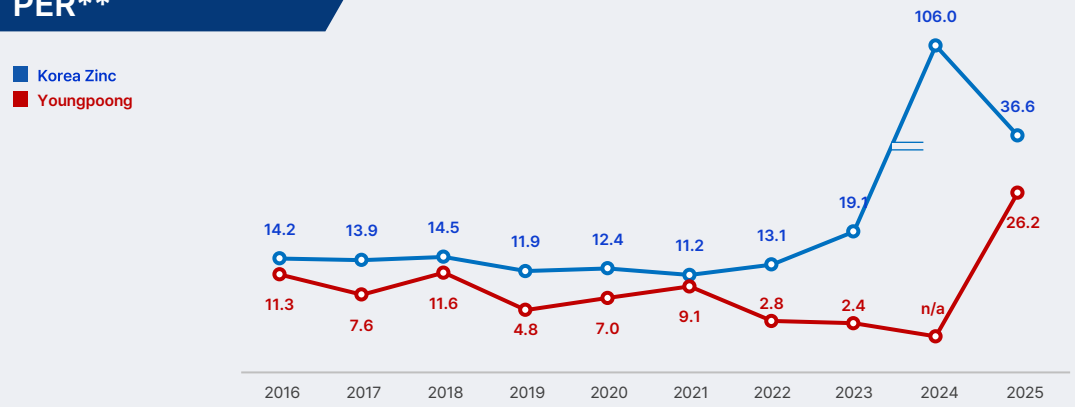
Revenue



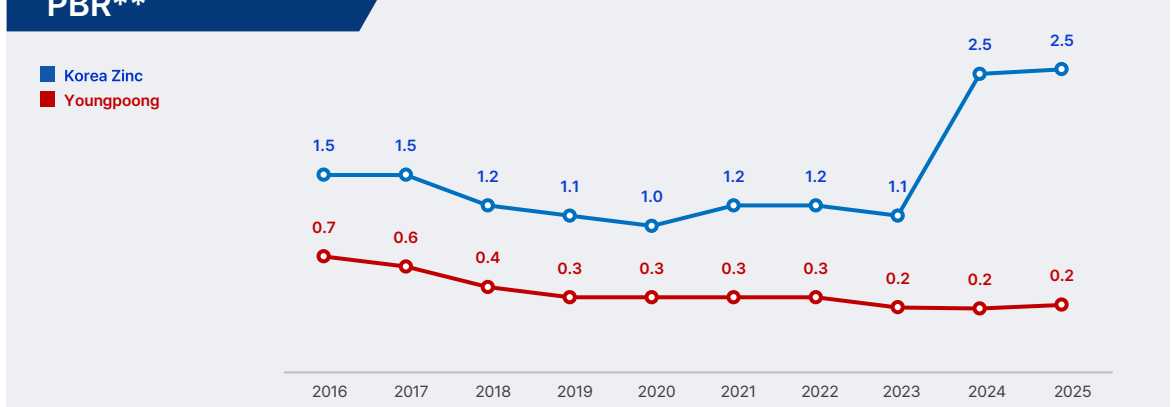
Operating Profit



PER**



PBR**



* Source: DART filings, Bloomberg; Youngpoong's 2025 results are based on annualized 3Q25 figures, as full-year 2025 results had not been disclosed at the time of preparation.
** On a trailing basis

4. Business Performance _ ESG

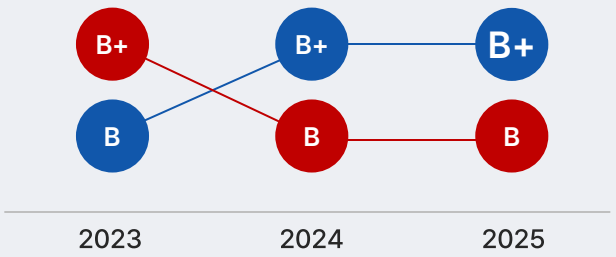
KOREA ZINC

- Korea Zinc has developed and is continuously enhancing a sustainability management strategy that integrates financial performance with environmental, social, and governance factors. In governance, it is driving structural reforms by actively adopting global standards such as cumulative voting, an overhauled executive compensation system, and a formalized board evaluation process
  - Korea Zinc was recognized in 2024 as a "Leading ESG Company in the second half" and the "No.1 company in the non-ferrous metals sector" by the three major domestic ESG rating agencies, including Sustinvest and the Korea ESG Research Institute.
  - Korea Zinc received the Climate Change Carbon Management Special Award (score B) at the 2022 CDP Korea Awards in recognition of its response to the CDP initiative, and is also responding to the EcoVadis initiative, which focuses on supply chain management
  - Korea Zinc currently maintains a tier-1 rating across all ESG pillars under the ISS QualityScore as of 2026

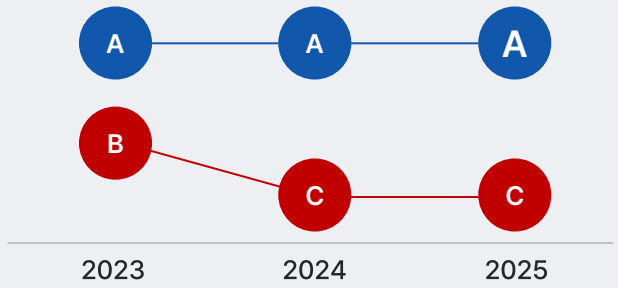
KZ YP

Korean Institutions

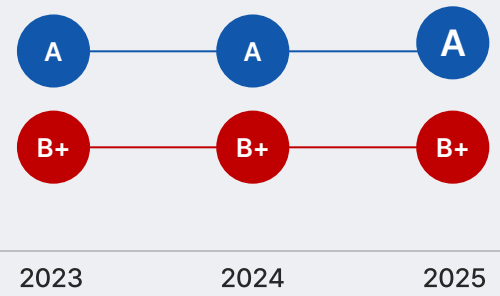
Korea Institute of Corporate Governance and Sustainability (KCGS)



Sustinvest

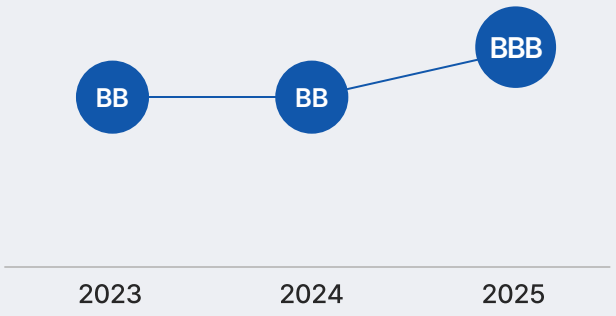


Korea ESG Research Institute (Daishin)

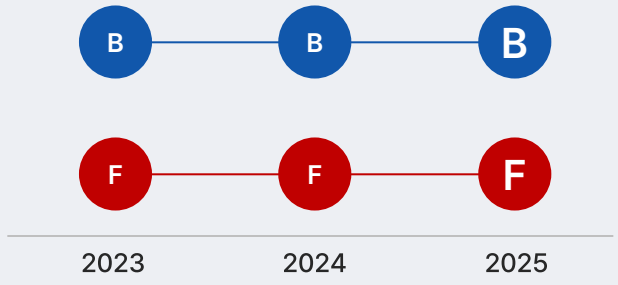


Global Institutions

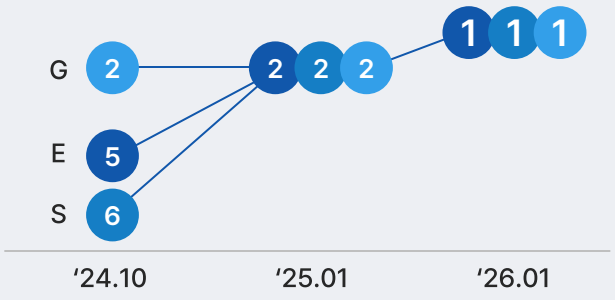
MSCI(Morgan Stanley)



CDP (Climate)



ISS Quality Score*(E/S/G)



* Full-scale engagement with the ISS QualityScore began in November 2024

02.

Agenda Items for the 2026 AGM

1. Agenda Items for the 2026 AGM _ Agenda by proposers Yumi/Crucible/YPC/YP/MBK

KOREA ZINC

- YPC/YP/MBK have officially submitted shareholder proposals to elect 6 directors, to amend the AOI to allow a stock split and an executive officer system
- The Board of Korea Zinc has carefully reviewed the shareholder proposals submitted by YPC, Youngpoong, and MBK. However, Korea Zinc has decided to oppose most of the proposed agenda items considering the procedural considering legitimacy of previous shareholders' meeting resolutions, management stability, potential negative impacts on new businesses and the adequacy of funds available for shareholder returns.

Proposer	Proposal Details	Voting Method	KZ's Position	
Yumi Development	Proposal 1: Partial Amendment of the Articles of Incorporation (Expansion of Separately Elected Audit Committee Members)	Special Resolution	Submitted	For
	(Subject to passage of Proposal 1) Appointment of 1 Outside Director to Serve as Audit Committee Member (Separate Election)	Ordinary Resolution	Submitted	For
	Appointment of 5 Directors by Cumulative Voting	Ordinary Resolution	Submitted	For
Crucible JV LLC	Appointment of Directors (1 Other Non-Executive Director Candidate Nominated)	Ordinary Resolution	Submitted	For
YPC, Youngpoong Korea Corporate Investment(MBK)	Withdrawn Proposal 1: Appointment of Temporary Chair	Ordinary Resolution	Not placed on the agenda[1]	
	Proposal 2: Setting the Number of Directors to be Elected at 6	Ordinary Resolution	Submitted	Against[2]
	Proposal 3: Appointment of Directors (2 Other Non-Executive Director Candidates, 3 Outside Director Candidates Nominated)	Ordinary Resolution	Submitted	Against
	Proposal 4: Approval of 52nd Period Dividend Distribution and Retained Earnings Appropriation Statement	Ordinary Resolution	Submitted	Against
	Proposal 5: Partial Amendment of the Articles of Incorporation(AOI)	Special Resolution	Submitted	Against
	5-1. Stock Split of Issued Shares and Amendment to the AOI for the Stock Split	Special Resolution	Submitted	Against
	5-2. Amendment to the AOI to Introduce Directors' Duty of Loyalty in the Issuance of New	Special Resolution	Submitted	Against
	5-3. Amendment to the AOI for the Introduction of an Executive Officer System	Special Resolution	Submitted	Against
	5-4. Amendment to the AOI to Change the Chair of the General Meeting of Shareholders	Special Resolution	Submitted	Against
	5-5. Amendment to the AOI to Change the Procedures for Convening Board Meetings	Special Resolution	Submitted	For

1) Inconsistent with the Company's Articles of Incorporation; difficult to accept
2) the request to add additional directors corresponding to vacancies created by the suspension of duties and resignation of certain directors (where the Articles of Incorporation cap of 19 directors is stayed) is deemed to violate the Commercial Act and other relevant laws, and therefore cannot be accepted

1. Agenda Items for the 2026 AGM _ Approval of Financial Statements and Amendments to the AOI

KOREA ZINC

- Although Korea Zinc fundamentally supports a stock split, it opposes the proposal because the same item was already approved at the January 2025 EGM but suspended by injunction, and re-submitting it could cause procedural confusion, including uncertainty over which resolution is legally effective, etc
- However, we agree with extending the board meeting notice period from 1 day to 3 days to better ensure directors' attendance and sufficient time for review

Agenda #	Name of AGM Agenda	Voting Method	Proposer	KZ's Position
Agenda 1. Approval of the Consolidated and Separate Financial Statements for the 52nd Fiscal Year (including the statement of Appropriation of Retained Earnings)				
Agenda 1-1	Approval of the Consolidated and Separate Financial Statements for the 52nd Fiscal Year (including the statement of Appropriation of Retained Earnings)	Ordinary Resolution	**Korea Zinc**	**For**
Agenda 1-2	Approval of a Profit Distribution for the 52nd Fiscal Year Cash Dividend of KRW 20,000 per Common Share)	Ordinary Resolution	**Korea Zinc**	**For**
Agenda 1-3	Approval of the Statement of Appropriation of Retained Earnings for the 52nd Fiscal Year			
Agenda 1-3-1	Approval of Reclassification of KRW 917,695,440,000 in Discretionary Reserves into Unappropriated Retained Earnings	Ordinary Resolution	**Korea Zinc**	**For**
Agenda 1-3-2 (Withdrawn)	Approval of Reclassification of KRW 392,466,962,000 in Discretionary Reserves into Unappropriated Retained Earnings	Ordinary Resolution	YPC/ YP/MBK	Against
Agenda 2. Partial Amendment of Articles of Incorporation(AOI)				
Agenda 2-1	Amendment of AOI to Codify Minority Shareholder Protection	Special Resolution	**Korea Zinc**	**For**
Agenda 2-2	Amendment of AOI to Introduce Electronic Shareholders' Meetings	Special Resolution	**Korea Zinc**	**For**
Agenda 2-3	Amendment of AOI to Correct Clerical Errors	Special Resolution	**Korea Zinc**	**For**
Agenda 2-4	Amendment of AOI to Clarify Composition Requirements for Independent Directors and Modify Official Title for Independent Directors	Special Resolution	**Korea Zinc**	**For**
Agenda 2-5	Amendment of AOI to Introduce Directors' Duty of Loyalty	Special Resolution	**Korea Zinc**	**For**
Agenda 2-6	Amendment of the AOI regarding Quarterly Dividends	Special Resolution	**Korea Zinc**	**For**
Agenda 2-7	Amendment of the AOI regarding Voting Right Restrictions for the Appointment and Dismissal of Audit Committee Members	Special Resolution	**Korea Zinc**	**For**
Agenda 2-8	Amendment of the AOI to Expand Separately Elected Audit Committee Member	Special Resolution	**Yumi Development**	**For**
Agenda 2-9	Stock Split and Amendment of AOI for Stock Split	Special Resolution	YPC/YP/MBK	Against
Agenda 2-10	Amendment of the AOI to Introduce Directors' Duty of Loyalty in connection with Issuance of New Shares	Special Resolution	YPC/YP/MBK	Against
Agenda 2-11	Amendment of the AOI to Introduce the Executive Officer System	Special Resolution	YPC/YP/MBK	Against
Agenda 2-12	Amendment of the AOI to Change the Chair of AGM	Special Resolution	YPC/YP/MBK	Against
Agenda 2-13	Amendment of the AOI to Change the Convocation Procedures for Board Meetings	Special Resolution	YPC/YP/MBK	**For**

2. Agenda Items for the 2026 AGM _ Election of Directors by Cumulative Voting

KOREA ZINC

- To meet the amended Commercial Act requirement to separately elect at least two audit committee members by September 10, 2026, it is more reasonable to first elect five directors and leave one seat vacant; therefore, we support Yumi Development's five-director proposal and oppose the six-director proposal submitted by YPC/YP/MBK
- Korea Zinc opposes the five director nominees proposed by YPC/YP/MBK, as we believe they would not sufficiently enhance board oversight or shareholder value given their past oversight failures on serious safety and environmental issues, a prior violation of the Act on External Audit of Stock Companies, and limited board experience.

Agenda #	Name of AGM Agenda	Voting Method	Proposer	KZ's Position
Agenda 3. Appointment of Directors by Cumulative Voting				
Agenda 3-1	**Determination on the number of Directors to be appointed through cumulative voting**			
Agenda 3-1-1	Appointment of Five (5) Directors	**Ordinary Resolution***	**Yumi Development**	**For**
Agenda 3-1-2	Appointment of Six (6) Directors	**Ordinary Resolution***	**YPC/YP/MBK**	**Against**
Agenda 3-2	**Appointment of Korea Zinc Three(3) Nominees** (※ To be proposed only if Agenda No. 3-1-1 is approved)			
Agenda 3-2-1	- Appointment of Choi Yun Birm as inside director	Cumulative Voting	**Korea Zinc**	**For**
Agenda 3-2-2	- Appointment of Hwang, Deog Nam as outside director	Cumulative Voting	**Korea Zinc**	**For**
Agenda 3-2-3	- Appointment of Walter Field McLallen as non-executive director	Cumulative Voting	**Crucible JV**	**For**
Agenda 3-2-4	- Appointment of Park Byung Wook as non-executive director	Cumulative Voting	**YPC/YP/MBK**	**Against**
Agenda 3-2-5	- Appointment of Choi Yeon Seok as non-executive director	Cumulative Voting	**YPC/YP/MBK**	**Against**
Agenda 3-2-6	- Appointment of Oh Young as outside direct	Cumulative Voting	**YPC/YP/MBK**	**Against**
Agenda 3-2-7	- Appointment of Choi Byung Il as outside director	Cumulative Voting	**YPC/YP/MBK**	**Against**
Agenda 3-2-8	- Appointment of Lee Seon Sook as outside director	Cumulative Voting	**YPC/YP/MBK**	**Against**
Agenda 3-3	**Appointment of Six (6) Directors by Cumulative Voting** (※To be proposed only if Agenda No. 3-1-2 is approved)			
Agenda 3-3-1~3	**- Appointment of Korea Zinc Three(3) Nominees** (Choi Yun Birm, Hwang Deog Nam, Walter Field McLallen)	Cumulative Voting	**Korea Zinc / Crucible JV**	**For**
Agenda 3-3-4~8	**- Appointment of YPC/YP/MBK Five(5) Nominees** (Park Byung Wook, Choi Yeon Seok, Oh Young, Choi Byung Il, Lee Seon Sook)	Cumulative Voting	**YPC/YP/MBK**	**Against**

* Upon submission of Agenda Item No. 3-1, Agenda Items No. 3-1-1 and No. 3-1-2 shall be put to a bundled vote. If more than one proposal satisfies the ordinary resolution requirements, the proposal receiving the greater number of votes shall be deemed approved.

3. Agenda Items for the 2026 AGM _ Election of Audit Committee Members and Directors' Remuneration Limit

KOREA ZINC

- In accordance with the amended Commercial Act, the company is required to have at least two separately elected audit committee members in place by September 10th 2026, and therefore intends to appoint two audit committee members plus one additional separately elected audit committee member to strengthen the oversight role and independence of the Audit Committee
- Given that the current executive severance payment rules were revised with overwhelming shareholder support at the 49th Annual General Meeting in 2023, and considering the Honorary Chairman's ongoing full-time role and participation in major decision-making, the company believes it is reasonable to maintain the existing rules and therefore opposes the proposal submitted by YPC, Youngpoong, and MBK

Agenda #	Name of AGM Agenda	Voting Method	Proposer	KZ's Position
Agenda 4	**Appointment of Audit Committee Members (Kim, Bo Young)**	Ordinary Resolution (Individual 3% voting rights cap)	**Korea Zinc**	**For**
Agenda 5	**Appointment of an Outside Director to Serve as an Audit Committee Member (Lee, Min Ho)** **(※To be proposed only if Agenda No. 2-8 is approved)**	Ordinary Resolution (Individual 3% voting rights cap)	**Korea Zinc**	**For**
Agenda 6	**Approval of Directors Compensation Cap (KRW 12 billion)**	Ordinary Resolution	**Korea Zinc**	**For**
Agenda 7	**Approval of the Amendment to the Executive Severance Payment Regulations** This amendment excludes the Honorary Chairman from the executive severance payment	Ordinary Resolution	**YPC/YP/MBK**	**Against**

03.

Key Consideration of Each Agenda Items

Agenda 1. Approval of Consolidated and Separate Financial Statements for the 52nd Fiscal Year

KOREA ZINC

- As securing sufficient financial resources is essential to stably implement active shareholder return policies, such as quarterly dividend payouts, we fundamentally agree to the purpose of YPC, Youngpoong, and MBK's proposal to transfer KRW 392.5 billion to unappropriated retained earnings. However, there are limitations to implementing the shareholder return policies planned by the company if the amount is limited to KRW 392.5 billion.
- Accordingly, to effectively implement its previously announced shareholder return policy and enhance shareholder value, Korea Zinc plans to transfer KRW 917.7 billion from discretionary reserves to unappropriated retained earnings.

Agenda No. 1-3 of the AGM

The case of approval of the 52nd statements of appropriation of retained earnings
(the case of transferring the voluntary reserve to unappropriated retained earnings)

1) Agenda No. 1-3-1-1:
Transferring the voluntary reserve of KRW 917.7 billion to unappropriated retained earnings.

Withdrawn

2) Agenda No. 1-3-2:
Transferring the voluntary reserve of KRW 392.5 billion to unappropriated retained earnings.

If Agenda No. 1-3-1 is passed.

Agenda No. 1-3-1.
Transferring the voluntary reserve of KRW 917.7 billion to unappropriated retained earnings.

(Possible to secure financial resources for quarterly dividend payouts for the next 3 years)

If Agenda No. 1-3-2 is passed.

Agenda No. 1-3-2.
Transferring the voluntary reserve of KRW 392.5 billion to unappropriated retained earnings.

(Impossible to secure financial resources for dividend payouts for the next 3 years)

Grounds for calculating KRW 917.7 billion to be transferred

1) Net income of KRW 771.6 billion (tentative) was achieved using favorable business conditions and business competitiveness in 2025. Based thereupon, dividend per share of KRW 20,000 was determined.

2) Considering the mid-to-long term growth strategy and the metal price forecast, positive performance is expected to continue even after the year of 2026.

3) Presupposing the aforementioned performance forecast, it is possible to assume quarterly dividend payout per share of KRW 15,000 for the next 3 years (2026~2028).

4) If the voluntary reserve of KRW 917.7 billion is transferred as financial resources for dividend payouts, it is possible to secure financial resources for stable quarterly dividend payouts for the next 3 years.

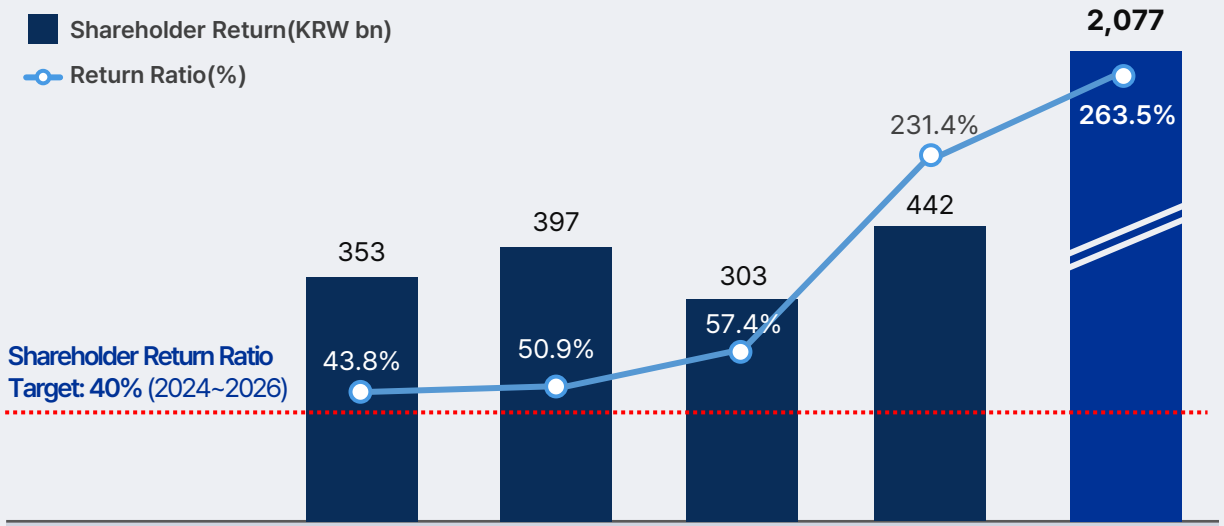
The number of separately appointed audit committee members will be increased to 2 persons based on Agenda No. 2-8 pursuant to the amended Commercial Act.
If Agenda No. 2-8 is passed, the case of appointment of outside director (Lee Min-ho) who is to become an audit committee member will be brought in for discussion based on Agenda No. 5.

Agenda 1. Approval of Consolidated and Separate Financial Statements for the 52nd Fiscal Year

KOREA ZINC

- Korea Zinc has continued to increase its shareholder return ratio since 2021, and it delivered the largest shareholder return in its history through strategic cancellation of treasury shares and an increase in dividends per share in 2025. By transferring KRW 917.7 billion from discretionary reserves to unappropriated retained earnings, the company secure stables funding for quarterly dividends over the next three years

Shareholder Return



(KRW bn)	2021	2022	2023	2024	2025(E)
Total Dividend(a)	353.5	397.3	302.7	341.8	407.9
DPS(b)	20,000	20,000	15,000	17,500	20,000
Cancellation of Shares[2](c)	-	-	-	100.0	**1,668.9**
Shareholder Return(a+c)	353.5	397.3	302.7	441.8	**2,076.8**
Shareholder Return Ratio (consolidated basis)	43.8%	50.9%	57.4%	231.4%	-

Highlights of Shareholder Return Policy

- 3-year average shareholder return rate above 40% (Consolidated basis, 2024-2026)
- Target to maintain reserve ratio below 8,000% * Retention ratio = (Surplus / Paid-in capital) × 100%
  Surplus = Capital surplus + Retained earnings
- 2,040,030 treasury shares acquired at 2024 tender offer, were cancelled

2025 Dividends

- To enhance the predictability of dividends, the dividend amount and record date for 2025 were pre-determined on November 5.
  - Dividend Per Share : KRW 20,000 won, Dividend Record Date: Dec 31, 2025

Proposals Regarding Dividends and Treasury Shares

- To expand the amount transferred to unappropriated retained earnings in order to realize a more active shareholder return policy

	Dividend Amount	Transfer Amount	Rationale for the Proposal
Korea Zinc	KRW 20,000 per share	**918 Billion Won**	Secures quarterly dividend resources for 2026-2028, Enhancing shareholder value
YPC·YP·MBK (Withdrawn)	KRW 20,000 per share	393 Billion Won	Insufficient amount for shareholder return resources

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-1 ~ 2-4

KOREA ZINC

- Strengthen shareholders' rights and improve governance transparency by stipulating the protection of minority shareholders in the Articles of Incorporation to increase shareholder values and improve governance.
- Strengthen management transparency and the independence of the Board of Directors by overhauling the systems related to treasury stocks, electronic shareholders' meetings, independent directors, and the duty of loyalty by directors, to comply with the amended Commercial Act.

Proposer	Agenda	Content	Korea Zinc's Position
Korea Zinc	**No. 2-1.** In favor Stipulating the protection of minority shareholders in the Articles of Incorporation.	• Ensure the rights of a single shareholder and minority shareholders under the Commercial Act, and stipulate the duty to respect by the board members. • Grant some shareholders satisfying predefined requirements the right to demand an explanation on important management issues, such as directors' performance of duties and their financial status. • Stipulate the company's duty to reply in writing within 15 days and to disclose relevant information.	• Strengthen governance transparency by expand general shareholders' opportunity to participate in decision-making and protecting the rights and interests of minority shareholders.
Korea Zinc	**No. 2-2.** In favor Revising the Articles of Incorporation to introduce electronic shareholders' meetings.	• Lay the basis for holding electronic shareholders' meetings using a remote, electronic method under Article 542-14 of the Commercial Act. • Lay the basis for submitting electronic documents attesting the power of attorney to exercise voting rights by proxy. • Create the duty to preserve records related to holding of electronic shareholders' meetings for 5 years.	• Prepare applicable provisions following the adoption of the system for electronic shareholders' meetings under the Commercial act. Enhance convenience in exercising the voting rights of shareholders.
Korea Zinc	**No. 2-3.** In favor Correcting clerical errors.	• Correct clerical errors of terms in the Articles of Incorporation.	• Correct clerical errors of terms in the Articles of Incorporation that reflects the standard articles of Incorporation by the Korea Listed Companies Association.
Korea Zinc	**No. 2-4.** In favor Strengthening the requirements for the composition of independent directors in the board of directors. Altering the title of independent director.	• Strengthen the composition to include at least 3 independent directors and to change the title of "outside director" to "independent director." • Change the title of the "committee for the nomination of candidates of outside director" to the "committee for the nomination of candidates of independent directors."	• Reflect the change of the title from outside director to independent director pursuant to the amended Commercial Act. • Strengthen the composition of independent directors in the board of directors to include the majority of directors, reinforcing independence of the board of directors and governance transparency.

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-5 ~ 2-8

KOREA ZINC

- Ensure flexibility in operating dividend payout policies, thereby reorganizing the financial resources for quarterly dividend payouts and increasing shareholder value.
- To comply with the amended Commercial Act, restructure the systems, such as increasing the number of separately appointed audit committee members, and the restrictions on voting rights of the shares exceeding the total shares of the largest shareholders and specially related persons.

Proposer	Agenda	Content	Korea Zinc's Position
Korea Zinc	**No. 2-5.** In favor Duty of loyalty by directors.	• In the Articles of Incorporation, stipulate the directors' duty of loyalty to the company and shareholders by applicable laws and the Articles of Incorporation. Stipulate the directors' duty to protect the interests of general shareholders in performing their duties. • Stipulate the duty to fairly treat the interests of all shareholders.	• **Stipulate the directors' duty of loyalty to the company and shareholders.** Specify the rules of protecting the interests of all shareholders and treating them fairly, thereby strengthening responsible management and governance transparency.
Korea Zinc	**No. 2-6.** In favor Quarterly dividend payouts	• Among the items for calculating financial resources for quarterly dividend payouts, delete the provisions on voluntary reserves accumulated for specific purposes. • Maintain the consistency of the standards for calculating financial resources for quarterly dividend payouts.	• Secure financial resources for quarterly dividend payouts and enhance flexibility in operating dividend payout policies **to increase shareholder values.** • **Reorganize the standards for calculating the financial resources for quarterly dividend payouts, thereby clarifying the dividend payout procedure and strengthening financial operation efficiency.**
Korea Zinc	**No. 2-7.** In favor Limitations to voting rights in appointing or removing audit committee members.	• In appointing or removing audit committee members, restrict the voting rights of shares exceeding 3% of the total shares of the largest shareholder and specially related persons. • Reflect, in the Articles of Incorporation, the procedures to appoint outside audit committee members selected by the Audit Committee, and report to shareholders and publish it, in compliance with the Act on External Audit of Stock Companies. • To clarify the time to implement the provisions on the restriction of voting rights related to the appointment or removal of audit committee members, stipulate these in interim measures or addenda taking effect on the enforcement date (Jul. 23, 2026).	• **Reorganize the provisions on the restriction of voting rights of the shares exceeding 3% of the total shares of the largest shareholder and specially related persons** by reflecting the amended Commercial Act. • **By restricting the influence of the voting rights of the largest shareholder and specially related persons when appointing or removing audit committee members,** strengthen the independence of the Audit Committee and its substantive supervisory function . • Enhance **audit procedure** transparency and reliability.
Yumi Development	**No. 2-8.** In favor Expansion of separately appointed audit committee members.	• Increase the number of separately appointed audit committee members to 2 persons, separate from other directors. Stipulate Mar. 24, 2026 as the enforcement date of the revised Articles of Incorporation.	• Increase the number of separately appointed audit committee members from one to two persons by reflecting the amended Commercial Act. **Reorganize the provisions on** the restrictions the voting rights of the shares exceeding 3% of the total shares of the largest shareholder and specially related persons. • **Improve the independence of the Audit Committee and strengthen governance by reinforcing the function to check management.**

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-9 ~ 2-14

KOREA ZINC

- The agenda on stock split was already passed in the 2025 January Extraordinary Shareholders' Meeting; however, currently, its effect is suspended due to the provisional disposition. Restoring the effect by withdrawing the provisional disposition rather than reintroducing the same agenda is reasonable.
- In addition, we oppose certain other proposals because they are inconsistent with the intent of the relevant policy and lack logical coherence, and because they could undermine the efficient operation of the general meeting of shareholders and create operational uncertainties
- However, we agree to the amendment proposals for enhancing the faithfulness and transparency of decision-making, such as stipulating the procedure to convene board of directors' meetings.

Proposer	Agenda	Content	Korea Zinc's Position
YPC/YP /MBK	**No. 2-9.** Against Dividing each share into several shares and amending the Articles of Incorporation for stock splits.	• Increase the number of authorized shares from 48 million to 480 million. • Divide the par value per share from KRW 5,000 to KRW 500. • Increase the issue limit of non-voting preferred shares from 12 million to 120 million	• In principle, a stock split is favorably regarded. However, its effect is suspended due to the lawsuit filed after the resolution on this was passed. Reintroducing the same agenda may cause execution constraints and procedural confusion. We are against this.
YPC/YP /MBK	**No. 2-10.** Against Amending the Articles of Incorporation to adopt the duty of loyalty by directors in issuing new stocks.	• In the Articles of Incorporation, stipulate the duty to protect the interests of all shareholders and fairly treat them when issuing new stocks to be allocated to third parties. Stipulate additional duties limited to the issuance of new stocks in addition to the existing duty of loyalty under the Commercial Act.	• Given the purpose of the provision on the preemptive right to new stocks to be allocated to third parties, stipulating the duty to fairly treat the interests of all shareholders in the provision acknowledging an exception to the existing shareholders' rights does not hold water. We are against this agenda.
YPC/YP /MBK	**No. 2-11.** Against Amending the Articles of Incorporation to adopt the executive officer system.	• Change the representative director to the representative executive officer • Transfer the power of representative and the business execution authority to the executive officer.	• We are against this on the grounds that this reintroduces the restructuring proposal, which was voted down by the proposer's opposition, and prohibits the concurrent offices of directors and executive officers, which may hinder the current accountability structure and the continuity of strategy execution.
YPC/YP /MBK	**No. 2-12.** Against Amending the Articles of Incorporation to change the chairperson of general shareholders' meetings.	• Change the chairperson of shareholders' meetings from the representative director to the chairperson of the board of directors. • If the chairperson of the board is absent, another director determined by the board of directors can act for the chairperson. Change the authority of the chairperson of shareholders' meetings from the person responsible for management execution to the chairperson of the board of directors.	• If the person responsible for execution and management is separated from the person conducting the proceedings of a meeting, a time-efficient, detailed response to any inquiries from shareholders may not be readily available. We are against this from the perspective of operational efficiency and accountability of shareholders' meetings.
YPC/YP /MBK	**No. 2-13.** In favor Amending the Articles of Incorporation to change the procedures to convene board of directors' meetings.	• In the Articles of Incorporation, stipulate a prior notice to be individually given to each director 3 days before a board of directors meeting when convening such meetings. Ensure the directors' right to attend board meetings and enhance the opportunities for a prior review of agenda.	• By stipulating the deadline of a notice of the convocation of board of directors' meetings as 3 days before such meetings, decision-making integrity and procedural transparency can be enhanced, and flexibility can also be ensured by allowing an exception in the case of unanimous consent. We are for this balanced amendment.

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-9 on stock split

KOREA ZINC

- A stock split itself is favorably regarded as shareholder value is improved. However, this agenda was passed in the 2025 January Extraordinary Shareholders' Meeting, but currently, its effect is suspended due to the lawsuit filed by YPC, Youngpoong, and MBK.
- If the same agenda is reintroduced as the lawsuit continues, even if the agenda is passed, restrictions on substantive implementation are highly likely to exist, causing procedural confusion. In this sense, we oppose this agenda.

Content of Amendment

- **Expanding the authorized shares from 48 million to 480 million.**
- **Splitting the par value per share from KRW 5,000 to KRW 500.**
- **Expand the issue limit of non-voting preferred shares from 12 million to 120 million.**

Grounds for Opposition

- **In principle, a stock split is favorably regarded as a system that can contribute to shareholder values. However, this agenda was presented and passed in the 2025 January Extraordinary Shareholders' Meeting.**
- **Currently, its effect is suspended following the provisional disposition to suspend the effect of the resolution of the Shareholders Meeting (Seoul Central District Court 2025KaHap20144), filed by YPC, Youngpoong, and MBK . As long as the existing lawsuit continues, even if the same agenda is reintroduced and passed, systematic restrictions on substantive implementation, such as listing procedure, are highly likely to exist.**
- **To substantively implement the stock split, it is imperative to withdraw the existing provisional disposition and lawsuit on the merits.**
- **Under these circumstances, it is inappropriate to bring the same agenda item again while continuing the existing lawsuit. Withdrawing the provisional disposition and restoring the effect of the existing resolution are reasonable in terms of procedural legitimacy.**

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-10

KOREA ZINC

- The provision on the preemptive right to new shares to be allocated to third parties is a regulation that acknowledges an exception to the rights of the existing shareholders to address managerial necessities. In this sense, stipulating the duty to "fairly treat the interests of fall shareholders" is not consistent with the purpose of the system.
- Considering that the general duty of loyalty by directors under the Commercial Act is applicable, adding a separate duty limited to the issuance of new shares is an overlapping provision that may cause confusions in interpretation. We oppose this agenda item.

Content of Amendment

- When issuing the preemptive right to new shares to be allocated to third parties, stipulate, in the Articles of Incorporation, the duty to protect the interests of all shareholders and fairly treat them.
- Stipulate the duty of loyalty by directors in allocating new shares as a separate individual provision.
- Stipulate an additional duty in issuing new shares in addition to the general duty of loyalty under the existing Commercial Act.

Grounds for Opposition

- The method of allocation for third parties in Article 17 of the Articles of Incorporation is a scheme that acknowledges an exception to the rights of the existing shareholders, with regard to the preemptive right to new shares, to address managerial necessities such as corporate financing and strategic partnership. The method itself presupposes a reasonable, differentiated treatment under predefined circumstances.
- Nonetheless, stipulating a declarative provision on the duty to "fairly treat the interests of all shareholders" is not consistent with the purpose of the scheme of allocation for third parties, potentially causing confusions in the interpretation of provisions.
- In addition, given that directors are subject to the duty of loyalty and the duty of due diligence under the Commercial Act, stipulating an additional, separate duty limited to the issuance of new shares is predominantly redundant and declaratory.
- Accordingly, this agenda item for amendment requires a careful review whether it is consistent with the purpose of the scheme and conforms to the legal system. We oppose this agenda item.

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-11

KOREA ZINC

- This agenda item raises a question of appropriateness considering that this item was voted down in the 2025 January Extraordinary Shareholders' Meeting due to the opposition of the proposer (YPC/YP/MBK), and the same restructuring proposal has been reintroduced without additional, adequate grounds.
- We oppose the restructuring prohibiting the concurrent offices of executive officers and directors may undermine the continuity of the current accountability structure, and cause management confusions and the discontinuity in strategy execution when pushing ahead with new business projects such as the U.S. Crucible Project.

Content of Amendment

- **Change the representative director system to the representative executive officer system and transfer the power of representation and the business execution authority to the executive officer system.**
- **Select the representative executive officer and executive officers among those who are not directors and prohibit them from concurrently holding an office of directors, thereby systematically separating the board of directors from execution functions.**

※ Stipulate that executive officers shall not concurrently hold an office of directors. Adopt the execution system separate from the current system centering around the board of directors

Grounds for Opposition

- **This agenda item was introduced to the 2025 January Extraordinary Shareholders' Meeting; however, it was voted down due to the opposition from Youngpoong, and MBK. Reintroducing the same restructuring proposal without extraordinary change in management environment or without additional rationale for such need raises a question on appropriateness.**
- **The restructuring proposal includes the provision prohibiting the concurrent offices of executive officers and directors. However, the radical change of the current accountability structure centering around the board of directors without a specific need or without a reasonable ground may undermine management continuity and the clarity of accountability structure.**
- **In particular, in the case of global projects related to new businesses, such as the U.S. Crucible Project, organic connection between strategy planning and execution is important. Under these circumstances, separating directors from executive officers by force may cause discontinuity in decision-making structure and operational confusions.**
- **Accordingly, as this agenda item is deemed highly likely to undermine management stabilization and the consistency of strategy execution, we oppose this.**

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-12

KOREA ZINC

- The existing Articles of Incorporation is structured to ensure that the representative director shall become the chairperson of shareholders' meetings to be able to promptly provide detailed answers to any questions on management issues, financial matters and strategy execution.
- If the chairperson of shareholders' meetings is changed to the chairperson of board of directors' meetings, providing prompt and detailed answers to any questions from shareholders may become difficult. Smooth progression of shareholders' meetings may also be hampered. Since maintaining the current system is deemed more reasonable in terms of operational efficiency and accountability, we oppose this.

Content of Amendment

- Change the chairperson of shareholders' meetings to the chairperson of board of directors' meetings.
- If the chairperson is absent, the amendment stipulates that the director determined by the board of directors vicariously perform the duties of the chairperson
- Restructuring that transfers the authority of the chairperson of shareholders' meetings from the person responsible for execution and management to the chairperson of board of directors' meetings.

Grounds for Opposition

- The current Articles of Incorporation is structured to ensure that the that the representative director responsible for overall management of corporate businesses shall become the chairperson of shareholders' meetings to be able to promptly provide responsible answers to any questions from shareholders.
- If the chairperson of shareholders' meetings is changed to the chairperson of board of directors' meetings, the person responsible for actual execution and management is separated from the person conducting proceedings of meetings, potentially causing confusions in ensuring the shareholders' rights to question and the company's duty to respond to their questions.
- In particular, considering that prompt and detailed answers should be provided to any questions on management issues, financial issues, and strategy execution, separating the chairperson from the person responsible for execution may hinder smooth proceedings of shareholders' meetings.
- Since maintaining the current system is deemed more reasonable in operational efficiency and accountability, we oppose.

Agenda 2. Amending the Articles of Incorporation _ Agenda No. 2-13

KOREA ZINC

- The deadline of a notice to convene board of directors' meetings will extended from, currently, one day to three days before such meetings, securing the time to review agenda items by directors and enhancing integrity of decision-making.
- By clarifying the procedure to convene, it can strengthen the transparency and predictability of the proceedings of board of directors' meetings. In the case of unanimous consent, urgent response flexibility can be ensured by having exception provisions. Since this amendment proposal is deemed balanced, we agree to this agenda item.

Content of Amendment

- The deadline of a notice to convene board of directors' meetings will be extended from one day to three days before such meetings.
- An oral notice among the methods of giving a notice will be deleted, strengthening the rule of giving a prior notice.
- The provision that the procedure to convene can be omitted in the case of unanimous consent by directors will be maintained.

Grounds for Opposition

- By strengthening the deadline of a notice to convene board of directors' meetings from one day to three days before such meetings, the systematic framework will be prepared such that directors can review agenda items with a sufficient time and make profound decisions.
- By deleting an oral notice and clarifying the rule of giving a prior notice, the clarity and predictability of the proceedings of board of directors' meetings can be ensured. By giving a prior notice, the supervision and decision-making functions of the board of directors can be strengthened. Transparency and accountability of decision-making can also be expected.
- By keeping the exception provision that the procedure to convene can be omitted in the case of unanimous consent by directors, a need for urgent management decision-making is duly considered. Since this agenda item is deemed balanced, we agree.

Agenda 3. Appointing Directors by the Cumulative Voting _ BSM

KOREA ZINC

- Korea Zinc has identified and proposed director candidates who satisfy BSM reviews and eligibility requirements conducted through multiple external expert institutions, and who are aligned with enhancing the company's value
  - The company-nominated candidates meet the independence requirements, and the new director nominee, Walter Field McLallen, has an international background and board, finance, and M&A experience essential for operating smelters in the United States. Last year, ISS recommended nominating individuals with management and finance/M&A experience.

Existing Board

Skills/Background	Inside Director		Non-Executive Director			Outside Director										For Re-appointment: Inside Director	For Re-appointment: Outside Director		New appointment: Non-Executive Director			New appointment: Outside Director		
	Park, Ki deok	Jung, Tae woong	Chang, Hyung Chin	Kang, Sung Doo	Kim, Gwang Il	Kim, Dohyeon	Kim , Bo Young	Kwon, Soon Bum	Suh, Dae Won	James Andrew Murphy	Chung, Tammy	Kwon, Kwang Seok	Lee, Sanghoon *	Lee, Hyeong-Kyu*	Kim, Kyeongwon *	Lee, Jaiyong[1]*	Choi, Yun Birm	Hwang, Deog Nam	Lee, Min Ho **	Walter Field McLallen	Park, Byung Wook	Choi, Yeon Seok	Oh, Young	Choi, Byung Il	Lee, Seon Sook
Leadership	●		●										●		●		●	●			●				
Financial/M&A	●									●			●							●		●			
Operations	●	●																							
Risk											●														
Audit									●		●		●		●					●	●		●		
International	●						●			●			●	●			●			●					
Industry/Tech		●	●													●	●								
Strategic Planning	●					●				●			●		●										
Government										●	●			●		●		●	●					●	
Legal								●						●			●	●							●
ESG							●							●					●						
Academia						●	●				●				●	●					●		●	●	

* Temporarily suspended from duties due to injunction ruling
** The agenda item for the appointment of Minho Lee as an outside director who will serve as a member of Audit Committee No. 5 will be submitted accordingly. This item will be tabled only if the agenda item for the amendment of the Articles of Incorporation to expand the number of audit committee members elected separately (Agenda Item No. 2-8) is approved, and will be automatically withdrawn if Agenda Item No. 2-8 is rejected

Agenda 3. Appointing Directors by the Cumulative Voting _ Voting Methods

KOREA ZINC

- The appointment of directors will be by the concentrated vote system. The number of directors to be appointed will be determined based on Agenda No. 3-1. Based on the results, Agenda No. 3-2 (Appointment of 5 Directors) or Agenda No. 3-3 (Appointment of 6 Directors) will follow.
- Under the amended Commercial Act, at least 2 separately appointed audit committee members should be determined by Sep. 10, 2026. To efficiently comply with the law, it is reasonable to first appoint five directors and leave the remaining one seat vacant until time of separate appointment of audit committee members. Accordingly, we oppose the proposal on the appointment of six directors and agree to the proposal on the appointment of five directors.

Ageda Items of Annual Shareholders' Meetings

Agenda No. 3-1.
Determining the number of directors to be appointed by the concentrated vote system.

1) Agenda No. 3-1-1:
Appointing five directors.

2) Agenda No. 3-1-2:
Appointing six directors.

If No. 3-1-1 is passed → **Agenda No. 3-2.** Appointing five directors by the concentrated vote system.

(compliance with the requirement of separate appointment of audit committee members under the amended Commercial Act)*

If No. 3-1-2 is passed → **Agenda No. 3-3.** Appointing six directors by the concentrated vote system.

(impossible to comply with the requirement of the separate appointment of audit committee members under the amended Commercial Act)

Candidates nominated by Korea Zinc / Candidate from Crucible JV

Three Nominated Candidates
(one inside director, one outside director, non-executive director)

1) Choi Yun birm, inside director
2) Hwang Deog nam, outside director
3) Walter Field McLallen, non-executive director

Candidates nominated by YPC, Youngpoong, and MBK

Five nominated candidates
(two non-executive directors, three outside directors)

1) Park Byeong wook, non-executive director
2) Choi Yeon Seok, non-executive director
3) Oh Young, outside director
4) Choi Byeong Il, outside director
5) Lee Seon Sook, outside director

In accordance with the amended Commercial Act, the number of separately appointed audit committee members will be expanded to 2 persons based on Agenda No. 2-8.
If Agenda No. 2-8 is passed, the proposal on the appointment of outside director (Lee Min-ho) who will become an audit committee member based on Agenda No. 5 will be presented.

Agenda 3. Appointing Directors by the Cumulative Voting _ KZ/Crucible JV director nominee

KOREA ZINC

- Korea Zinc and Crucible JV have nominated a total of 3 candidates two are for re-election, while Walter Field McLallen is a new director candidate.
  - Each nominee has been rigorously vetted and selected, and possess the capabilities necessary to enhance long-term corporate value and sustainability

Three nominees proposed by Korea Zinc / Crucible JV (1 inside director, 1 outside director, and 1 non-executive director)

#		Director Type	Candidate	Proposer	KZ's Position	Grounds for Nomination	Approval rates at 2024 AGM
Re-appointment	1	Inside Director	Choi, Yun Birm	Korea Zinc	For	• Having held roles from Onsan Smelter ato overseas subsidiaries and ultimately as Chairman, he has directly designed and operated smelting operations and therefore has an exceptional industrial understanding of the smelting business • As the executive who has led the company's mid- to long-term growth strategy and key new businesses, his re-election as an inside director will ensure business continuity and strong strategy execution • Chairman Choi has strengthened capital allocation controls by relinquishing his dual role as CEO and Chair to enhance board independence, embracing a board-centric oversight and checks-and-balances structure, and introducing rigorous pre-screening and post-monitoring for new investments above a certain threshold	98.4%
	2	Outside Director	Hwang, Deog Nam	Korea Zinc	For	• As an outside director and Chair of the Board, he has helped establish an independent chair structure separate from the CEO and build a board-centric oversight and checks-and-balances system • Even when the interests of management and the largest shareholder diverge, he has ensured fair board operations by facilitating balanced decision-making in her capacity as Chair of the Board • By re-electing Director Hwang, the company will ensure continuity in board leadership and ongoing governance reform efforts, while maintaining fair and transparent board operations	94.9%
New	3	Non-executive director	Walter Field McLallen	Crucible JV	For	• Walter Field McLallen is a global finance and investment professional with 35 years of experience in areas such as finance, private equity, and restructuring, and has extensive expertise in structuring large-scale investment projects, securing financing, and managing risk • He has served as an outside director and committee member at U.S. listed companies and others, including as chair of audit and compensation committees and as a member of audit and governance-related committees, and can therefore provide practical insight on capital allocation principles, performance-based compensation, and conflict-of-interest management based on his board and governance experience	New Appointment

Agenda 3. Appointing Directors by the Cumulative Voting _ Director nominee by Crucible JV

KOREA ZINC

- Walter Field McLaullen, a candidate for a director position, possesses experience in M&A, capital allocation, and U.S. business activities that are necessary for Korea Zinc in investing in U.S. smelters and implementing global expansion strategies. Based on his career in board of directors and governance, he will be providing insights on strategic decision-making of the company and substantively contributing to the board



Walter Field McLaullen, Non-executive Director

Date of Birth : Feb 21, 1966
Nationality : U.S.A

Major experience	Financial expert with 35 years in the fields of investment bank, corporate finance and capital market **Managing Director at Meritage Capital Advisors specialized in exploring and structuring debts and Private Equity (PE) transactions** (2004~ Present). • **Served as a CIBC World Markets의 Managing Director** (1995–2004). - Overseeing the fields of debt capital markets and high yield distribution. • **Started his career in M&A department at Drexel Burnham Lambert and co-founded the Argosy Group L.P in 1990.** • **Obtained B.A. in economics and finance at the University of Illinois at Urbana-Champaign.**
Experience in director position	Served as a director at several companies/non-profit organizations and acted as the chairperson and vice-chairperson of the board, possessing wide experience in the board and organization • **Serving as an outside director at OneSpaWorld Holdings Limited** (2019~ Currently). • **Serving as an outside director at the Lovesac Company** (2019~Currently). • **Served as an outside director:** AlphaSix (cyber security and data management company for federal agencies), Delva Tool & Machine (precision manufacturing company in aerospace and defense), ECS Composites (defense and aerospace packaging manufacturing company), etc.
Experience in U.S. business	• **Serving as a Co-founder and CEO of Tomahawk Strategic Solutions, an education and risk management company for law enforcement agencies and companies from 2014** • **Served as the vice-chairperson at Remington Outdoor Company, a platform-based company for outdoor consumables, law enforcement, and defense between 2006~2015).**

Capability and Qualification of the Non-Executive Director

Meeting the independence requirement of the Board
Meets the eligibility and disqualification requirements under the Commercial Act and relevant regulations, and satisfies the independence criteria

Expertise in finance, M&A, and capital allocation.
A financial expert recommended by ISS, providing advisory services to U.S. smelters and on investments/M&A transactions

International background & experience in U.S. biz
Necessary to invest in U.S. smelters and enter the North American market.

Eligibility in terms of strategy and business
Supporting strategic decision-making from the perspective of investors and executive mangers.

Wide experience in bord of directors & governance
Offering insights on global governance and supervision using various Board experience.

Agenda 3. Appointing Directors by the Cumulative Voting _ Director nominee by YPC/YP/MBK

KOREA ZINC

- The outside director candidates proposed by YPC/YP/MBK have clear limitations in fulfilling the board's responsibilities and oversight duties
- There is concern that, due to their excessive alignment with the interests of a particular private equity fund, they may prioritize the interests of that specific shareholder over those of the company and all shareholders as a whole

Five nominees proposed by YPC, Youngpoong, and MBK (2 other non-executive directors and 3 outside directors)

#		Director Type	Candidate	Proposer	KZ's Position	Grounds for Opposition
New	1	Non-executive director	**Park, Byung Wook**	YPC/YP /MBK	Against	• **While serving as an outside director and chair of the audit committee at Youngpoong, he became subject to a regulatory review for accounting standard violations, and the authorities are currently examining the possibility that the breach was intentional** - There are allegations that provisions were not recognized for soil remediation and waste disposal costs related to environmental pollution at the Seokpo Smelter • **There has been controversy over his managerial and oversight responsibility as chair of the audit committee in connection with repeated environmental law violations and suspension-of-operations orders at the Seokpo Smelter** - There were multiple violations of environmental regulations, including illegal wastewater discharge into the Nakdong River under the Water Environment Conservation Act, and the board's prior controls and follow-up responses were insufficient • In 2025, while serving on the board, he failed to adequately fulfill his oversight duties when former YP CEO Park Young-min and former Seokpo Smelter head Bae Sang-yoon were convicted over a serious industrial accident, with the Daegu District Court on November 4, 2025 sentencing each to one year and six months in prison, suspended for three years, and fining Youngpoong KRW 200 million. During his tenure since 2021, Youngpoong's operating performance has deteriorated and its TSR has underperformed the sector, indicating limited contribution to shareholder value creation.
	2	Non-executive director	**Choi, Yeon Seok**	YPC/YP /MBK	Against	• There are concerns that his ability to fulfill his fiduciary duties may be constrained, as he simultaneously serves as a director at seven companies (including MBK portfolio companies) and as an auditor at one company • **There are concerns about structural conflicts of interest and impaired de facto independence, as most of these companies are MBK Partners' portfolio companies** - **There is a high risk that, due to his excessive alignment with the interests of a particular private equity fund, he may prioritize the interests of that specific shareholder over those of the company and its shareholders as a whole** • **He has a track record of failing to manage risks in matters directly related to consumer safety, ethics, and ESG principles, which indicates a lack of ethical standards at the board level and unsuitability for responsible management** - During his tenure as an outside non-executive director at Coway, he was involved in the board's failure to supervise and restrain management in relation to the "ice water purifier nickel detection and cover-up incident." - He is suspected of having tacitly condoned the concealment of defects as a director during the process in which a serious consumer safety issue arose, which exposed the company to significant reputational risk and liability for damages.

Agenda 3. Appointing Directors by the Cumulative Voting _ Director nominee by YPC/YP/MBK

KOREA ZINC

- The director candidates proposed by YPC, Youngpoong, and MBK raise concerns regarding the board's risk management and protection of shareholder value, given their history of audit failures, inadequate internal controls, and related regulatory sanctions during their tenure as heads of an accounting firm
- He has previously served as legal counsel to the law firm representing Youngpoong and MBK and has no prior experience as a director of a listed company, which raises concerns about conflicts of interest and highlights limitations in the board's expertise and independence in the context of responding to U.S. investments and policy developments

Five nominees proposed by YPC, Youngpoong, and MBK (2 other non-executive directors and 3 outside directors)

#		Director Type	Candidate	Proposer	KZ's Position	Grounds for Opposition
New	3	Outside Director	**Oh, Young**	YPC/YP /MBK	Against	• **Repeated audit failures and weak internal controls during his tenure as head of multiple accounting firms could undermine shareholder value** - Track record of audit failure related to the Daewoo Group accounting fraud: In 2000, while serving as CEO of Sandong Accounting Corporation, he was subject to a business suspension request by the financial authorities - He has an additional record of sanctions by the Securities and Futures Commission for auditing violations of listed-company accounting standards: In 2020, his audit of ISU Chemical and Initech, involving understated impairment losses and inadequate disclosures, resulted in a one-year restriction on performing audit engagements - He has a record of sanctions for violating auditor independence and for gross negligence: Due to inadequate internal controls, an independence violation occurred, and in June 2024 the Securities and Futures Commission finalized a gross-negligence sanction against him
	4	Outside Director	**Choi, Byung I**	YPC/YP /MBK	Against	• **He is currently serving as an advisor to Bae, Kim & Lee LLC (the law firm representing Youngpoong and MBK), which creates a significant conflict of interest and undermines the independence of the board** • He has no practical corporate experience, such as serving as a director of a listed company, which limits his ability to perform an effective oversight function. In particular, his contribution to board-level expertise is likely to be limited in the current context of responding to U.S. investment and policy issues related to the construction of the integrated smelter in the United States
	5	Outside Director	**Lee, Seon Sook**	YPC/YP /MBK	Against	• **Given his prior employment at Bae, Kim & Lee LLC, which represents Youngpoong and MBK, there are serious concerns about conflicts of interest and the impairment of the board's independence** • He has no practical corporate experience, such as serving as a director of a listed company, which limits his ability to exercise effective oversight. In particular, his contribution to the board's expertise is likely to be limited in the current phase of responding to U.S. investment and policy issues related to the construction of the integrated smelter in the United States

Agenda 4~5. Appointing Audit Committee Member

KOREA ZINC

- The candidates nominated by Korea Zinc, based on expertise in the fields of global business, finance, and policy and regulation, as well as independence, can strengthen the Audit Committee's supervisory functions on internal control, risk management, and compliance.
- In particular, they can check and supervise financial, ESG, environmental and safety risks in a balanced way during the investment in the U.S. Crucible Project, thereby contributing to improving shareholder value by stably implementing mid-to-long term growth strategies and enhancing governance.

Two candidates nominated by Korea Zinc

Classification		Agenda Title	Nominated by	KZ's Position	Grounds for Nomination
Re-appointment	Agenda No. 4	**Appointing an Audit Committee Member** (Kim Bo-young)	Korea Zinc	Agree	• Based on expertise in global business, finance, and management accumulated while serving as a professor in the business management department at Hanyang University, independently and systematically checking the company systems of financial report, internal control, and risk management is possible. • Based on academia-based independence and expertise, the function to check and balance in relation to the management can be strengthened, and the transparency in the operation of the Audit Committee can be enhanced, contributing to protecting the rights and interests of shareholders.
	Agenda No. 5	**Appointing an Outside Director to become an audit committee member** (Lee Min-ho)*	Korea Zinc	Agree	• Based on the expertise as a doctor of engineering, and using experience accumulated in policy, regulation, and administration while serving in various positions in the Environment Ministry of Korea in the past several decades, substantively conducting the supervision of the internal control, risk management, and compliance of the company is possible. • Based on the high-level understanding the regulations on environment, safety, and ESG, the candidate possesses the capability to check and supervise the risks arising from Korea Zinc's smelting business and resource circulation business in general.

* If Agenda No. 2-8 is passed, this proposal is presented. If Agenda 2-8 is voted down, this proposal is automatically discarded.

Agenda 6~7. Approving the Ceiling of the Compensation and Severance Pay Provision

KOREA ZINC

- As a reward for the performance of the management in achieving the best actual performance results after the foundation of the company, by reflecting the mid-to-long term reward expansion following the restructuring of the performance-linked incentive scheme for executive officers, the ceiling of the compensation of directors will be increased from KRW 10 billion to KRW 12 billion.
- The provision on the severance pay for executive officers, of which the amendment was proposed by YPC, Youngpoong, and MBK, is the appropriate standards passed in the 2023 Annual Shareholders' Meeting. Considering the honorary chairperson's full-time work and contribution to management, we believe it is reasonable to maintain the current provision and therefore oppose the proposed change.

Classification	Agenda	Content	Nominated by	Recommended Opinion	Position of the BOD of Korea Zinc
Agenda No. 6	Approving the increase in the ceiling of the compensation of directors (from KRW 10 billion to KRW 12 billion)	• Considering the 2025 management performance and the restructuring of the incentive scheme for executive officers, the 2026 ceiling of the compensation of directors will be increased from existing KRW 10 billion to KRW 12 billion (up 20% compared with last year).	**Korea Zinc**	**Agree**	• By reflecting the performance of the management in achieving the 2025 best actual performance results after the foundation of the company, it is necessary to pay the reward first time after the adoption of the mid-to-long term management performance-linked incentive scheme for executive officers. Accompanying therewith, compensation needs to be increased. • Based on the recently restructured incentive scheme for executive officers, the ceiling of compensation should be set, considering the possibility that going forward, the performance-linked reward can be expanded by phase.
Agenda No. 7	Approving the amendment of the provision on severance pay for executive directors.	• The provision will be amended to remove the honorary chairperson in the current list of those who are entitled to receive the severance pay for executive officers.	**YPC/YP/MBK**	**Disagree**	• The existing provision on the severance pay for executive officers was overwhelmingly passed at the 2023 Annual Shareholders' Meeting. Its appropriateness was already confirmed by the opinions of shareholders. • Considering the company's honorary chairperson works in full time and substantively contributes to management, maintaining the existing provision is deemed reasonable. We oppose.

04.

Governance Enhancement Initiatives

1. Summary of Governance Enhancement Initiatives

KOREA ZINC

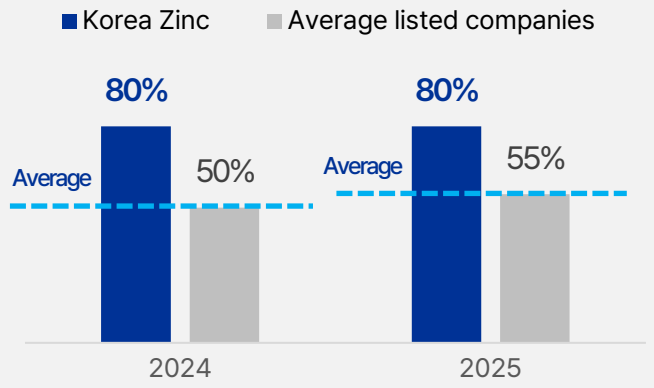
	2023~2024	1H25	2H25
01 Governance	**1. Strengthening Independence of the Committee** • Committees are comprised solely of outside directors • Transitioned ESG Committee into the Board **2. Establishment Legal and Compliance System** • Appointed compliance officer and compliance control regulations have been implemented	**1. Exceptional Key Indicator Compliance Rate** • **Korea Zinc's compliance rate with the KRX Key Governance Indicators stands at 80%,** exceeding the market average of 55% **2. Advancement of the Board Structure** • Appointed outside director as chairperson • **Proportion of outside directors stands at 68%, higher than 51% average among Korea companies** • Broader representation of foreign/female directors **3. Improved Board's Expertise and Operating framework** • **Appointed new directors based on the BSM** • Conducted Board training sessions and roundtables • Revised Board regulations and practices	**1. Board Evaluation by a Specialist Firm** • Adopting **annual board evaluation by a specialist firm** to improve transparency of the Board **2. Strengthening the Internal Control System** • **Management Committee was established to proactively mitigate strategic and investment risks** • **Enhancing transparency and integrity of the decision-making by systematic reporting and reviews** **3. Strengthening Executive Compensation Policy** • **Reinforcing the pay-for-performance alignment by integrating additional financial metrics and their weighting** • Increased weight on long term incentive plan to align with shareholder and enterprise value
02 Shareholder Return	**3. Shareholder Return Policy[1)]** • Amended payout ratio from 30% payout ratio(separate) to **3-Year Avg. Shareholder Return > 40%** **(Consolidated, 2024-2026)**	**5. Treasury Shares Cancellation** • **Disclosed cancellation plan of 2,040,030 treasury shares acquired through 2024 tender offer** - 680,010 shares cancelled in June	**3. Treasury Shares Cancellation & Year-End Dividend** • Cancellation of 680k shares each in Sep and Dec • **Confirmed 2025 year-end dividend payout to meet the requirements for separate taxation on dividend** • Confirmed the advance dividend (KRW 20,000 per share) aligning the amended articles of incorporation
03 Communication	**4. Mid/Long-Term Growth Strategy & Value-Up Plan** • Hosted the 1st Investor Day(2023) • Disclosed Corporate Value-Up Plan 1) Shareholder return plan(mid/long), 2) Profit enhancement, 3) Governance improvement	**6. Expanding Executive-led Dialogues with Shareholders** • **Substantial Increase in Leadership Engagement** : 20 meetings in 2023 → 54 meetings in 2024 → 53 meetings in 1H25	**4. Elevating Shareholder Engagement** • Disclosed **Progress Report on Corporate Value-Up Plan** updates in September • Completed **Domestic and Overseas' Governance NDRs** in October and November • 81 meetings(C-level) in 2025

2. Governance _ 2025 Key Governance Indicator

KOREA ZINC

- Korea Zinc's compliance rate with the KRX Key Governance Indicators[1] stands at 80%, exceeding the market average of 55%.
- In 2026, the company expected to achieve 100% compliance by adhering to AGM concentration day and 4 weeks advance notice of AGM.
  * Companies with 100% Compliance Rate: POSCO, KT&G(2 companies)

Higher key indicator compliance rate compared to listed companies



While the Compliance Rate for key indicators remains the same from 2024,

Korea Zinc completed improvements in items with lower average compliance rate

➔ Separation of CEO and Board Chair(Avg 14%)

➔ Adopting Cumulative Voting System(Avg 3%)

2026 To-be Completed | 2025 Completed

Key Governance Indicator	Average Compliance Rate		Korea Zinc		
	2024	2025	2024	2025	2026(E)
Procedures for internal auditors to access material management information	97%	98%	O	O	O
Inclusion of accounting or finance expert on the internal audit team	87%	88%	O	O	O
Implementation of electronic voting	78%	81%	O	O	O
Implementation of internal control policies, including risk management	75%	76%	O	O	O
Convocation of AGM on days others than peak days	66%	72%	O	X	O
Having policies to prevent the appointment of executives responsible for damaging company value or infringing on shareholder rights	56%	59%	O	O	O
Quarterly meetings between the internal audit team and the external auditor	55%	63%	O	O	O
Composition of the board of directors not solely one gender	50%	53%	O	O	O
Establishment of an independent internal audit team	46%	49%	O	O	O
Notification of the dividend policy and dividend execution plan at least once a year	41%	47%	O	O	O
Establishment and implementation of a CEO succession policy	31%	35%	O	O	O
Issuance of notice of convocation of AGM at least four weeks in advance	29%	39%	O	X	O
Provision of predictability of cash dividends	17%	42%	X	X	O
Appointing the outside director as the chair of the board of directors	13%	14%	X	O	O
Adoption of a cumulative voting system	3%	3%	X	O	O

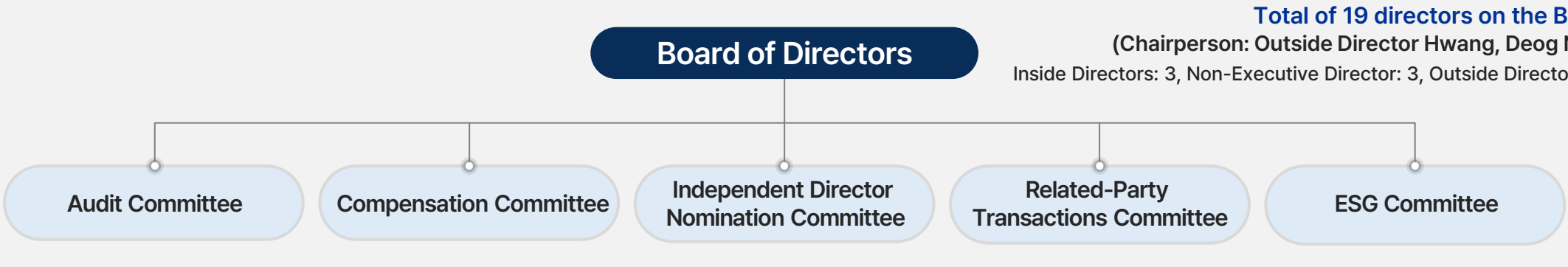
1) Since 2019, KRX has required listed companies with total assets over KRW 2 trillion to disclose corporate governance reports and compliance with key indicators

2-1. Governance _ Advancement of the Board Structure

KOREA ZINC

• Korea Zinc has strengthened the board's independent oversight function through structural enhancements.
① Independence & Transparency ② Expertise & Diversity ③ Corporate Governance

Board Composition



Independence & Transparency

- **Appointed outside director as chairperson[1)]**
  - Outside director, Hwang Deog Nam(May 2025)
- **Outside directors account for 68% of the Board**
  - Structural measures to ensure independence

Expertise & Diversity

- **Enhanced Board Skill Matrix by appointing new director with required expertise**
  - Finance/M&A, Risk, International, Strategy Planning
- **Improved Board Diversity**
  - Broader representation through the inclusion of foreign and female directors

Corporate Governance

- **Transitioned ESG Committee into the Board**
  - Established an ESG governance framework under the leadership of independent directors
- **Revised Board Regulations & Operation**
  - Enhanced board effectiveness and optimized governance operations

1)Among listed companies in Korea, only 13% have an outside director serving as the chair of the board(Governance Focus August 2025· Vol.30 PwC)

2-2. Governance _ Strengthening Committee Expertise

KOREA ZINC

• Korea Zinc has strengthened the Board expertise by appointing new outside director to the committees based on BSM.

Committee Composition & Profile

■ Chair of Independent Director Nomination Committee

Hwang, Deog Nam — Appointment 2024. 03. 19

Former judge with strong legal expertise
Experienced board chair and director

- (Current) Outside Director, Lotte Wellfood
- Member of mediation committee, Seoul High Court/Seoul Central District Court
- Chair of the board/Outside Director, Hana Bank

■ Chair of Audit Committee

Suh, Dae Won — Appointment 2025. 03. 28

Former Deputy NTS Commissioner
Strong accounting and auditing background

- (Current) Chairman, BnH Tax & Accounting Corp
- (Current) Adjunct Professor, Kyung Hee University
- Vice Commissioner, National Tax Service(NTS)

■ Chair of Related-Party Transactions Committee

Lee, Min Ho — Appointment 2024. 03. 19

Knowledge in the environment
Expert in public sector/governance

- (Current) Director, ESG Research Center of Yulchon
- (Current) Outside Director, POSCO
- Deputy Minister of Policy Planning, Ministry of Environment

■ Chair of ESG Committee

Kim, Bo Young — Appointment 2025. 03. 28

Knowledge in global business
Expert in private sector/ESG policies

- (Current) Professor, Hanyang University
- (Current) Chairwoman, Korean Academy of International Business Management
- Outside Director, Korea Gas Technology Corporation

■ Chair of Compensation Committee

Kwon, Soon Bum — Appointment 2025. 03. 28

Former Chief Prosecutor at the SPO
Excellent legal & risk management expertise

- (Current) Representative Lawyer, Law Firm Sol
- (Current) Outside Director, Lotte Capital
- Chief Prosecutor, Daegu High Prosecutors' Office

Kim, Dohyeon — Appointment 2024. 03. 19

Strong knowledge in business
Former consultant at BCG

- (Current) Professor, College of Business Administration of Kookmin University
- (Current) Chairman, Start-up Alliance
- Chairman, Korean Society of Business Venturing

Kwon, Kwang Seok — 2025 Appointed

Former CEO of a financial institution with expertise in corporate governance/ESG

- (Current) Advisor, Lotte Card Co., Ltd.
- CEO, Woori Bank
- Representative Director(Credit & MutualAid), Korean Federation of Community Credit Cooperatives

James Andrew Murphy — 2025 Appointed

Senior advisor at a consulting firm with expertise in global business

- (Current) Oliver Wyman, Senior Advisor
- Chief of Staff to Premier Anastasia Palaszczuk, Office of the Premier of Queensland
- Advisor, International Monetary Fund (IMF)
- Representative of Australia gov, OECD and G20

Chung, Tammy — 2025 Appointed

Management and risk expertise
from experience as dean of business school and Korea Exim Bank

- (Current) Outside Director, UNID
- (Current) Professor, Business Administration, Myongji University
- Outside Director of Korea Exim Bank (Chair of Risk Mgmt Committee)
- Self-Regulatory Committee, Korea Financial Investment Association



2-3. Governance _Improving Operation of the Board

KOREA ZINC

- Enhanced Board functions and optimized governance to reinforce Board-centered management.
- Supported the Board with training programs, a formalized risk management process, and an expanded Secretariat.

Assistance to the Board

- **2025 Training sessions for the Board**

Schedule	Training Sessions	Participation
May 21st	On-boarding Training	100%
Oct 16-17th	Visit to Onsan Refinery Facility	85%

- **Extended discussion on notable managerial issues with executives**

  Enhanced engagement and discussion with top management on material items

- **Increased support for foreign director to add international perspective**

  All Board materials are provided in both Korean and English, with interpretation support for foreign outside director

Operation Process

- **Company-level procedure to manage risks**

  Manages agenda items to the Board and prevent potentially overlooked items

Business Unit	Secretary	The Board
Submission	Verification	Resolution

Amendment to the Board Charter

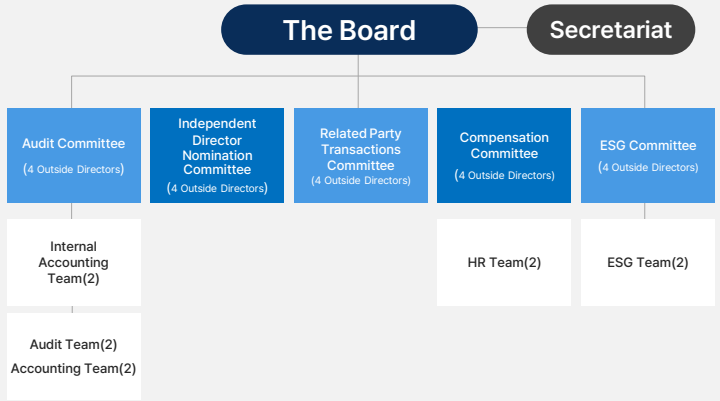
- **Support Enhanced Board Oversight**

  Added the clause for the Board to request and receive managerial information if necessary

- **Disclosure of Committee Charters and Board Independence Standards**

Board Secretariat

- **Assigned individual staff for the Board**



- **Additional personnel has been recruited to ensure stable operation of the Secretariat**

Executive	Head of Team	Team Member
1	1	10(9 Senior Managers)

*Addition of 4 new personnels in 2025

2-4. Governance _Implementation of Board Evaluation

KOREA ZINC

- Conducting an annual independent board evaluation by a specialized firm enhances the Board's transparency and effectiveness.
- Many proxy advisors recommend third-party board evaluations, and their adoption can foster greater trust among stakeholders.

Board Evaluation Plan

As-is

- Internal Board Evaluation conducted since 2023
- Evaluation results were not disclosed to public

Proxy advisors ISS, Glass Lewis, KCGS **and Investors** Blackrock, Vanguard, JPMorgan **recommend board evaluation by a specialist agency**

To-be

- **Board evaluation by a specialist firm has been implemented in 2H25**

[Process]

01	02	03	04	05	06	07
Selection of Organization	Prior discussion on survey	Verification by additional experts/institution	Report to BoD	Finalization of method and disclosure	Evaluation by a specialized agency	Result Analysis

① Daishin Economic Research Institute has been selected as the evaluation agency for its experience and knowledge in board evaluation appropriate for major Korean companies and the Korean legal and regulatory framework

② Considering the ongoing management dispute, additional validation of the evaluation conducted by a specialized institution or experts to ensure objectivity. The evaluation process itself also be administered by a specialized survey agency

③ The results of the evaluation will be reported to the Board and subsequently disclosed in the Sustainability Report

[Details of the Evaluation]

Scope of the Evaluation	Evaluation Method	Criteria	Note
1. Board evaluation	Evaluation criteria and procedure will be finalized at November board meeting	• Composition and size of the Board • Role of chairman of board/committees • Operating methods and approach	Evaluation frequency[1] and scope of disclosure will be determined after discussion with the Board
2. Committee evaluation			
3. Individual director evaluation			

1) UK FRC(Financial Reporting Council) recommends a board evaluation by a specialist organization at least every three years

2-5. Governance _ Adoption of the Independent Board Evaluation

KOREA ZINC

• The operating system will be established by functionally separating the development, validation, and implementation of evaluation questions, while also introducing overlapping checks through external specialist institutions (experts and survey firms).

Development of Evaluation Questions and the Analysis of Results → **Verification of Evaluation Questions** → **Conducting a Survey**

Classification	Daishin Economic Research	Expert	2 Experts	Survey Company	Korea Data Network
Business Fields	• Advice on governance advancement • BOD evaluation • Verification and nomination of candidates of outside director positions • Advice on corporate disclosure • Advice on the compensation scheme of executive officers • ESG strategy, public disclosure and verification, and response to evaluation • Supply Chain Management, consulting on carbon neutrality	**Kown Jong-ho** - Professor at Konkuk Law School - Earned a doctor of law degree at the University of Tokyo - Earned a master of law degree at the University of Tokyo	• **Chairperson of the Expert Committee exercising the stock voting rights at the National Pension of Korea** • **Member of the Special Committee on Responsible Investment and Governance of the National Pension Fund** • Member of the amendment committee on the commercial transactions of the provision of commercial law at the Ministry of Justice of Korea • Legal advisor at the Financial Services Commission of Korea	**Business Fields**	• Industry Survey: companies and management situation • Panel Survey • Society Survey: Opinion poll, survey with experts, and election survey • Marketing Survey: Consumers, and advertisements
History of BOD evaluation and advice	• Hana Financial Group • Hyundai Mobis • Hyundai Elevator • SM Entertainment, etc.	**Kim Seong-min** - Professor at Hanyang University College of Business and Economics - Earned a doctoral degree in business administration at Georgia State University - Earned a mater degree at State University of New York	• **Chairperson of the Expert Committee exercising the stock voting rights at the National Pension of Korea** • Chairperson of the risk management committee at the Korea Depositary Insurance Company • Chairperson of the KOSDAQ market disclosure committee • Member of the fund operation committee for the pension for private school teachers and staff	**Project Experience**	• Occupational Safety and Health Institute: conducting surveys on occupational environment • Federation of Middle Market Enterprises of Korea: conducting surveys on middle market enterprises • Conducting surveys on Seongnam City economic indicators

2-5. Governance _ Board Evaluation Results

KOREA ZINC

- Board of Directors evaluation score is 76.8, recording relatively high scores in BOD accountability and duty items, such as performing the internal control function and supervising management, as well as in BOD expertise and independence items, compared with other evaluation items.
- According to BOD evaluation results, areas of improvement have been derived, such as supplementing CEO succession policies and disclosure thereof, strengthening education, and providing a time to review agenda times. The company will make improvement by phase using mid-to-long terms plans

Evaluation Results and Improvement Plan

Evaluation Item			Score
Board	**Role and Responsibility**	Internal control and risk management, management supervision function, BOD accountability and duty	81.2
	BOD Structure	BOD expertise, appropriateness of the BOD size, and independence	79.5
	BOD Operation	Offering sufficient time to review agenda items before deliberation, meeting methods, and independence of decision-making process, etc.	76.1
	BOD Evaluation	Regular evaluations of BOD and whether to conduct separate evaluations of committees and individual directors, etc.	74.3
	Sustainability	Appropriateness of the procedure on the succession of management rights, and the procedure to appoint directors	62.9
Total Score			**76.8**

Current Status and the Improvement Plan

Areas of Improvement	Current Status	Short-term (in 2026)	Mid-to-Long Term (2027~)
CEO Succession Policy	• Succession policy is available, but the operation of succession program and the disclosure thereof fall short of global standards.	• Candidates for succession will be managed by **revising such policy in conformance with global standards.** - Manage the pool of candidates for succession. - Systematic fostering and reporting to the BOD.	• **The CEO nomination committee will be established.** - Systematically overhaul the succession procedure.
BOD Education	• Education on company and industry (May 21) • Smelter workshop (Oct. 16~17) • Meetings with outside directors • Meetings to explain agenda items to be introduced to BOD meetings and shareholders' meetings	• **Annual education roadmap will be established.** - Strengthen education on BOD capacity - Offer regular education by outside experts	• **Agenda-linked education offering is under review.** - Specialized education on accounting, ESG, etc.
Offering sufficient time to review agenda items	• **Currently, separate, financial statements and consolidated financial statements are respectively made available 7 days and 3 days before meetings.** The time for prior review is restricted for some of agenda times due to security issues.	• **By providing agenda items by type,** efforts will be made to provide the BOD with the sufficient time to review agenda items	

2-5. Governance _ Committee Evaluation Results

KOREA ZINC

- The committee received a score of 85.3 and proposed improvements such as strengthening the external auditor's assurance role, linking ESG to KPIs with regular board reporting, evaluating the compensation committee separately, and establishing a related-party transactions policy
- The company plans to establish a governance improvement roadmap to enhance committee functions over the mid to long term by incorporating the improvement points and recommendations identified in the committee review

Evaluation Results and Improvement Plan

Evaluation Item			Score
Committees	**Audit**	Internal control, external auditor oversight functions, frequency of the meetings, etc	94.6
	Compen sation	separate self-assessment, the appropriateness of its size, and the time and atmosphere for discussions	83.3
	Related Party	Performance of the function, appropriateness of its size, and adequacy of support for committee operations	83.3
	ESG	Regular reporting of ESG issues, appropriateness of its size, etc	83.9
	Nomination	Independence and objectivity in recommending outside director candidates, etc	81.1
Total Score			**85.3**

Current Status and the Improvement Plan

Areas of Improvement	Current Status	Short-term (in 2026)	Mid-to-Long Term (2027~)
Strengthening the audit committee's oversight role over the external auditor	The audit committee oversees the external auditor through its involvement in the appointment process, one-on-one meetings, and regular reporting	**Establish guidelines for overseeing the external auditor and consider granting the audit committee the authority to appoint and dismiss the external auditor**	
Link ESG to KPIs and strategy, and strengthen regular reporting to the board on these matters	Report sustainability management plans through the ESG Committee	Continuously monitor the establishment and achievement status of KPIs linked to the ESG strategy	**Establish a regular board reporting framework for ESG-related agenda items and further develop the decision-making system to incorporate an ESG perspective**
separate evaluation of the role and operation of the compensation committee	Evaluate the compensation committee as part of the overall assessment of the board and its committees	**Conduct a separate evaluation specifically focused on the compensation committee**	Building on the institutional framework of the executive compensation, further enhance its linkage with management performance and shareholder value
Establish a related-party transactions policy and systematize risk management	Exercise control through the use of the Related-Party Transactions Committee and disclosure rules	**Enhance the detailed internal control processes, including supplementing review criteria by type of transaction**	

2-6. Governance _ Establishment of Management Committee

KOREA ZINC

• Enhancing internal oversight of strategic investments through the establishment of an independent Management Committee.

Strategy and Investment Review Process

New Process

- **In addition to the existing Investment Review Committee, Management Committee for new business investments will be established**
- **To minimize investment risks and enhance transparency, stricter criteria will be applied than those required for Board Reporting Criteria**
- **The Management Committee will regularly monitor investment performance, with key activities and outcomes reports to the Board**



※ Criteria for Review, Board Reporting, and Resolution

Criteria	Investment Review Committee			Management Committee		
	Review	Board Reporting	Board Approval	Review	Board Reporting	Board Approval
Facility Investment	Exceeding KRW 30M * Based on combined Client-supplied and Contracted costs	-	5.0% of Total Equity	3.0% of Total Equity	4.0% of Total Equity	5.0% of Total Equity
Non-Facility Investment/M&A	N/A			1.0% of Total Equity	1.5% of Total Equity	2.5% of Total Equity
Finance/Treasury	N/A					

Definition of Terms

Facility Investment	• Plant and Equipment Investment
Non-Facility Investment/ M&A	• 3rd party Equity Investments, Capital Increases, Asset Disposals • Acquisition and Disposal of Tangible and Intangible Assets
Finance/ Treasury	• Debt Financing, Bond Issuance, Provision of Collateral, Debt Guarantees • Loans and Other Financial Investments

2-6. Governance _ Management Committee Process

KOREA ZINC

- By using the Management Committee, the enterprise-wide investment review and control system will be established encompassing from the prior review of feasibility and risks to post-evaluation and exit, regarding investment and finance agendas satisfying the predefined requirements
- As for the agendas subject to reporting to BOD meetings and resolutions, the "triple review system" will be used to ensure the accountability of decision-making in mid-to-long term strategy and from the perspective of financial soundness.

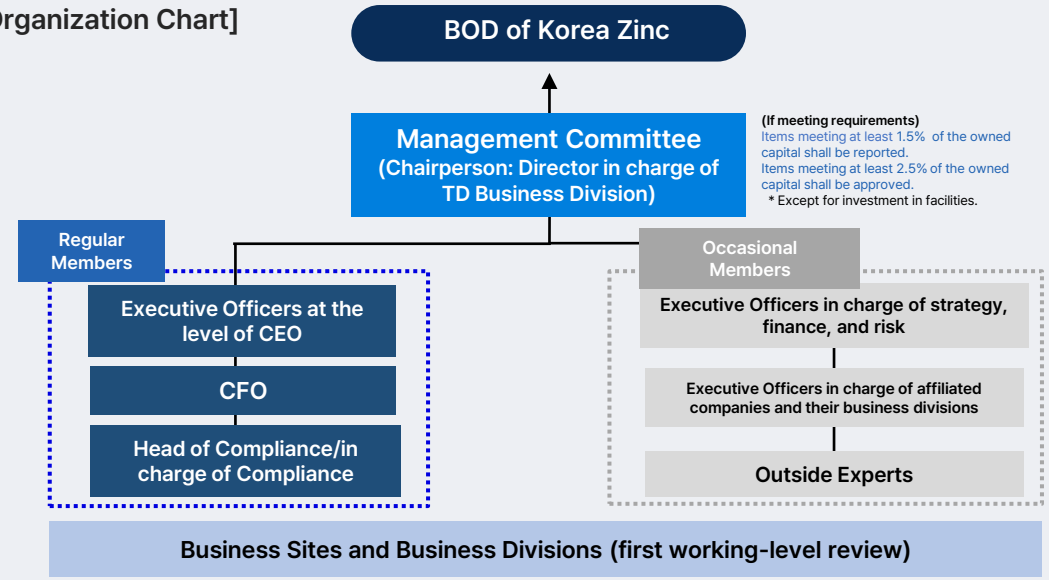
Overview of the Management Committee

Type	Details
Organization	• An internal committee under the direct control of the representative director(TD business). * Going forward, whether to place this committee under the control of the BOD will be reviewed.
Composition	• At least 3 persons including the representative director (TD business division),CFO, and the head of compliance will be included. • Outside experts may be appointed as an occasional member, if necessary. * A secretary performs the following: convening meetings and managing schedules, preparing minutes, and providing other various necessary administrative support.
Role	• A prior review of feasibility and risks of investment and finance agenda items from the enterprise-wide perspective. • Monitoring on performance of investment activities, post-review, exit,and review of follow-up measures after restructuring. • Improving the system for the investment and finance related regulations, delegated decisions, and risk management, and making a proposition for advancement.
Standards for brining in agenda items for discussion	• Among the items listed below, the Committee will review the items satisfying, at least, 1.0% of the owned capital or the total amount of assets based on the consolidated financial statements of the previous year. * In the case of an investment in facilities, the rule of 3% is applicable (except form Onsan smelter). 1) Capital investment in another company, equity investment, capital increase or disposal 2) Loans and other financial investments 3) M&A, and business and asset transfer/assignment 4) Acquisition and disposal of tangible and intangible assets 5) Offering collateral, and guaranteeing debt 6) Investment in facilities and equipment, except for Onsan smelter 7) Borrowing and bond issuance 8) Investment in facilities and equipment, except for the smelting industry including Onsan smelter 9) Other matters that have an economic effect equivalent to subparagraphs 1 to 7, or matters deemed by the chairperson to have a significant effect on the company's mid-to-long term strategy, financial structure or corporate reputation. * Transactions with specially related persons and affiliated companies are reviewed by the internal transaction committee under the control of the Board of Directors. Decision thereon are also made.

Details to be Implemented

- By establishing the Management Committee, a triple review structure will be established: a first working-level review at the business site and business division levels; a second review by the Management Committee and the Investment Review Committee (Onsan smelter) from the enterprise-wide perspective; and a final third review by the BOD. *The Standards on Agenda Items to be Reported to and Decided by the BOD.
- The standards for investment decision-making, which are different by business division and business site, will be integrated and streamlined from the enterprise-wide perspective, thereby ensuring consistency in the investment and review standards and risk awareness, and strengthening consistency with corporate business strategy.

[Organization Chart]



2-6. Governance _ Operation Process of Management Committee

KOREA ZINC

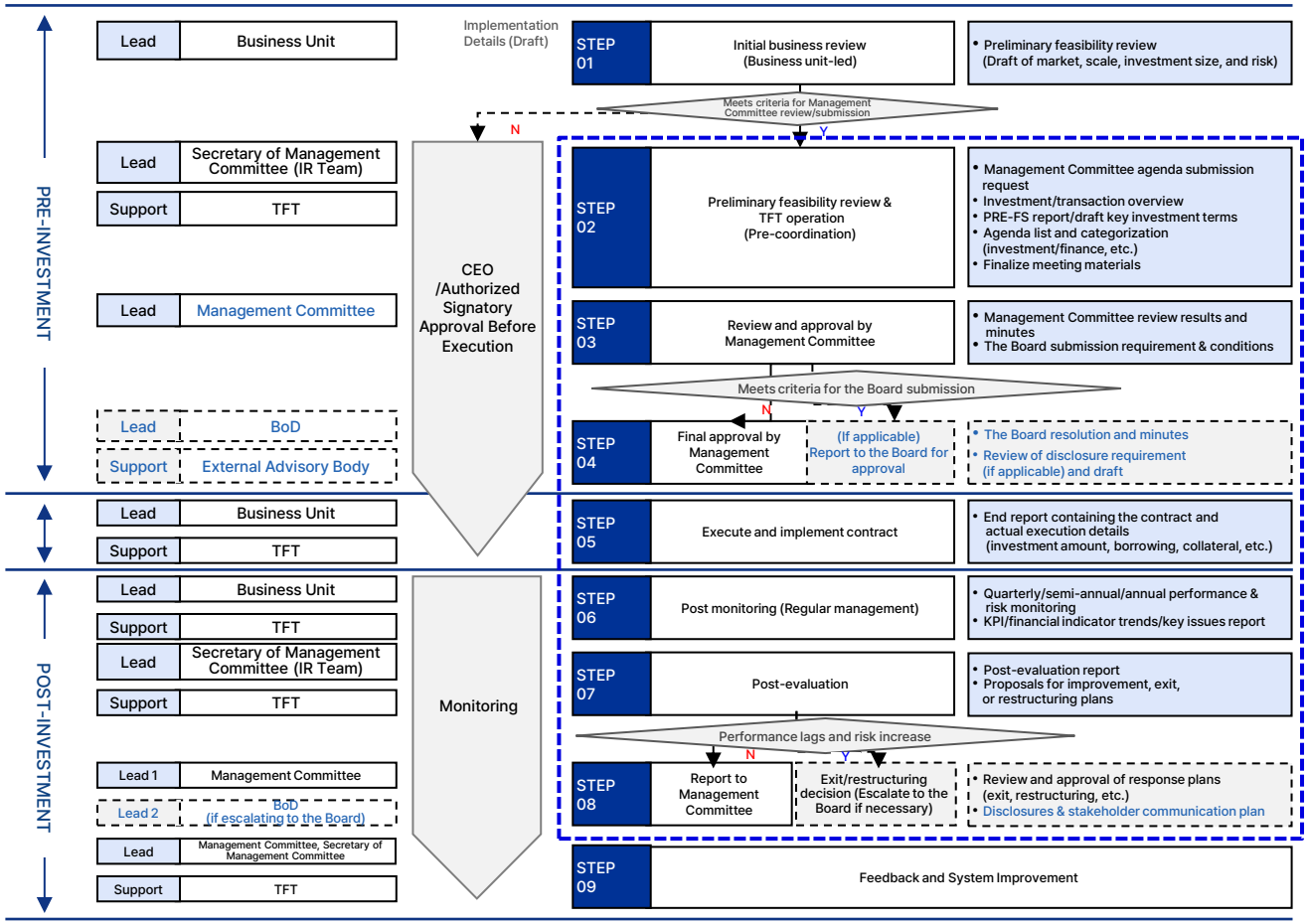
- Throughout the investment lifecycle, enhance the review system, standardize evaluation criteria, and formalize step-by-step verification to establish transparent governance and minimize risks

Investment Review and Operation Process

Category	Step	Department	Key Points
Pre-Investment	Step 1 Review business unit	-	- Review business potential, financial impact, technology, market, regulations, etc. - Design basic investment structure
	Step 2-1 Review pre-feasibility (Operational Layer)	TFT*	- Joint review by various bodies, such as Strategy, Finance, Legal, ESG, and Risk - Assess investment suitability via financial risk and alternative analysis
	Step 2-2 Committee review and approval	Management Committee	- HQ Management Committee reviews and approves corporate-wide investment and financial matters exceeding 1.0% of equity
	Step 3 Report to the Board for approval (if applicable)	BoD	- Board-submitted matters (per rules, articles, or Board regulations) are presented after Management Committee review
Post-Investment	Performance Monitoring	TFT*	- Review performance and risks of investments above a certain scale at least once a year
	Follow-Up Evaluation	TFT*	- Compare investment assumptions vs. actual results - Identify improvements at decision-making, execution, and operational stages
	Exit·Restructuring	Management Committee	- If performance lags or risks rise, the responsible department proposes exit or restructuring plans to the Management Committee for review and approval → Escalate to the Board if necessary

* TFT consists of heads of relevant departments

Detailed Process



2-6. Governance _ Improvement of the Executive Compensation Policy

KOREA ZINC

• By incorporating stakeholder and market feedback, improve the executive compensation policy to better align management rewards with shareholder value

- Integrate business performance into the compensation system and establish mid- to long-term evaluation and reward systems to enhance transparency and fairness

Improvement Background

• **Efforts to enhance governance and transparency**

- Strengthen the Board's oversight of executive compensation through the Compensation Committee led by outside directors
- Initiate the refinement of the compensation system and criteria for public disclosure of executive compensation policies in the mid- to long-term

• **Proactively incorporate best practices from market stakeholders and advisory bodies**

- Clearly link business performance to director compensation and establish transparent criteria for executive performance incentives
- Shift focus from short-term financial performance toward long-term growth and responsible management

• **Internal management environment and strategic needs**

- The current compensation structure focuses on short-term performance, limiting the evaluation of tasks that need to be executed over the mid- to long-term, such as long-term investments and ESG initiatives
- In order to recruit high-performing talent and drive results, the need to shift toward a performance-based compensation policy

Improvements

1. Alignment of business performance and compensation

- Reinforce the pay-for-performance alignment by integrating additional financial metrics and their weighting
- Strengthen evaluation criteria for performance by distinguishing between group and individual assessments
- Clearly define performance ranges by role and responsibility to differentiate compensation

2. Adoption of mid- to long-term performance compensation system

- By introducing a mid- to long-term performance compensation system, reflecting results over the next three or more years so that decision-making to enhance shareholder/enterprise value will be supported rather than short-term performance
- Encourage long-term retention by providing economic incentives tied to the company's future growth

3. Strengthen transparency and objectivity

- Executive compensation is determined by the independent Compensation Committee, composed solely of outside directors
  - Enhance objectivity by setting annual targets, approving goals, and verifying and adjusting results
  - Regularly monitor the alignment between compensation and performance to fulfill oversight responsibilities

2-6. Governance _ Improvement of the Executive Compensation Policy

KOREA ZINC

- To align executive compensation with business performance, specify the compensation structure (e.g., for executive and non-executive directors) and increase the weight of common indicators in short-term incentives for executive directors
- Integrate performance and individual incentives into short-term incentives, and introduce a three-year mid- to long-term incentive to drive tangible enterprise and shareholder value

Current (-2025)

Up to and through 2025, executive compensation consisted of base salary, individual incentives, and performance bonuses.

1) Base salary: Determined by position, job performance, nature of work, and compensation levels of peer enterprises
2) Individual incentives: Based equally on annual business performance and individual targets
3) Performance bonuses: Based on business results in line with labor union agreements and collective bargaining

Category	Performance Metrics	Payment Timing	Payment Cap
Base Salary	Individual capabilities (expertise, role, job performance, achievements, etc.)	25th of each month (salary adjustment: April)	Amount approved by the Board paid in 1/12 monthly installments
Individual Incentives	Common indicators: 50% Individual indicators: 50%	Every February	Up to 50% of contracted annual salary
Performance Bonuses	Achievement of business results	Around December each year	Up to 50% of monthly salary

Future (2026-)

Executive compensation from 2026 consists of base salary, short-term incentives, and mid- to long-term incentives.

1) Base salary: Standard monthly compensation by position and role
2) Short-term incentives: Increase the weight of common indicators for executive directors and individual indicators for non-executive directors
3) Mid- to long-term incentives: Performance-based bonuses for three-year mid- to long-term targets, paid out in three equal annual installments

Category	Executive Directors[1]	Payment Cap	Non-Executive Directors	Payment Cap
Base Salary	Same as above		Same as above	
	(Revised) Updated performance bonuses from 2026 - see detailed metrics on pp.55-56			
1 Short-Term Incentives (Individual incentives and performance bonuses combined)	Common indicators: 70% Individual indicators: 30%	Up to 100% of contracted annual salary	Common indicators: 20% Individual indicators: 80%	Up to 50% of contracted annual salary
2 (New) Mid- to Long-Term Incentives	Common indicators: 80% Individual indicators: 20%	Up to 50% of contracted annual salary *Paid out in three installments over three years	-	-

1) Max payout: 100% for business unit executive directors; 50% for non-operating unit and non-executive directors.
No executive directors in non-operating units currently.

2-6. Governance _ Short-Term and Mid-to Long-Term Incentives

KOREA ZINC

- To directly align executive compensation with corporate value and profitability, the company increased the weighting of core company metrics
- By adopting an executive compensation system that reflects management performance and corporate value over the next three years, promote shareholder and corporate value enhancement rather than short-term results

Reinforcing Pay-for-Performance Alignment

- **Increase the weighting of core company metrics in executive evaluations**
  - Up to now, core and individual metrics were weighted equally, but the revision introduces differentiated weighting and separates business vs. non-business metrics
- **Increase weighting of financial metrics with items added; exclude one-off items from operating profit**
  - Increase financial metrics weighting (20% → 40%): Reinforce the "Pay-for-Performance" compensation principle
  - Add "net profit": a metric directly linked to earnings per share, dividends, and stock price, as well as costs, SG&A, and financial expenses

Cate-gory	Area		Evaluation Metrics	Weighting (Registered Executives) From		To (Draft)	
Core	Safety		Occurrence of major accidents, accident rate, number of injured employees, etc.	20%	30%	20%	30%
	Environment		Occurrence of environmental incidents, number of administrative sanctions, etc.	10%		10%	
	Financial	Revenue	Consolidated business plan vs. Overachievement S: 115%, A: 105%, B 95%, C: 85%, D: 85%↓	5%	20%	10%	40%
		Operating Profit (Adjusted)		10%		10%	
		Net Profit (Added)		-		10%	
		Stock Price	Increase compared with KOSPI, Steel Index, and Top 10 Secondary Battery Indices*	5%		10%	
Indivi-dual	Strategy Task Achievement		Individual goal achievement rate	40%	50%	20%	30%
	Qualitative Evaluation		Professionalism, leadership, identification of future growth drivers, etc.	10%		10%	

* Stock price evaluation metrics: KOSPI 200, KRX Steel Index, KRX Top 10 Secondary Battery Indices, with weighting of 50% (KOSPI), 35% (Steel), and 15% (Secondary Battery); stock price growth is based on the period from Jan. to Dec. of the previous year, calculated as a weighted average considering trading volume; and evaluation grades are as follows: 115% for S-Rank, 105% for A-Rank, 95% for B-Rank, 85% for C-Rank, and below 85% is D-Rank

Mid- to Long-Term Performance Incentives

- **Long-term cash incentives for executives based on three-year mid- to long-term targets**
  - Mid- to long-term performance incentives are more demanding than short-term incentives
  - Incentives are paid out if performance exceeds the average revenue, operating profit, and net profit of the past three years

* Note: Incentive will not be paid if the average grade across all items is above B (80 pts.)

Category	Area		Evaluation Metrics (KPI)	Weighting	
Core	ESG		Number of items with upgraded/maintained evaluation grades compared to the previous year	10%	10%
	Financial	Revenue	Comparison against the average of the past three years, including growth rates for each of the three years * Grading criteria will be finalized by Compensation Committee in Q1 2026	30%	70%
		Operating Profit (Adjusted)		15%	
		Net Profit		15%	
		Stock Price		10%	
Individual	Strategy Task Achievement		Level of achievement for strategic tasks	30%	20%
Overall Score			Overall Score (Weighted)		

* Detailed evaluation metrics may be revised through Compensation Committee
* Performance is measured against the average of the past three years and the growth rate for each of the three years at the point of target-setting

2-6. Governance _ Strengthening Transparency and Objectivity

KOREA ZINC

- Compensation Committee will review the compensation policy for registered directors, and prevent excessive pay, thereby protecting shareholder interests
- This Implementation will reinforce the Pay-for-Performance system: variable pay will increase based on performance, and over the long-term, the portion of the variable pay is expected to rise up to 54%

Reinforcing Transparency & Objectivity of Compensation System

- Compensation for registered directors (including CEO) will be approved within the limits resolved at the General Shareholders' Meeting through resolutions of the Compensation Committee, composed entirely of outside directors

Executive Compensation Decision Process

Compensation Committee [Outside Directors]: Kim, Dohyeon; Kim, Bo Young; Kwon, Soon Bum; Chung, Tammy

(Feb/Start of year) Goal Setting → Compensation Committee Review & Approval → (Mar/Start of year) Finalization of Annual Performance Goals

Continued ... Continued

(Jan of following year) Evaluation Result Report → Compensation Committee Review → Final Compensation Decision → (Feb of following year) Payment

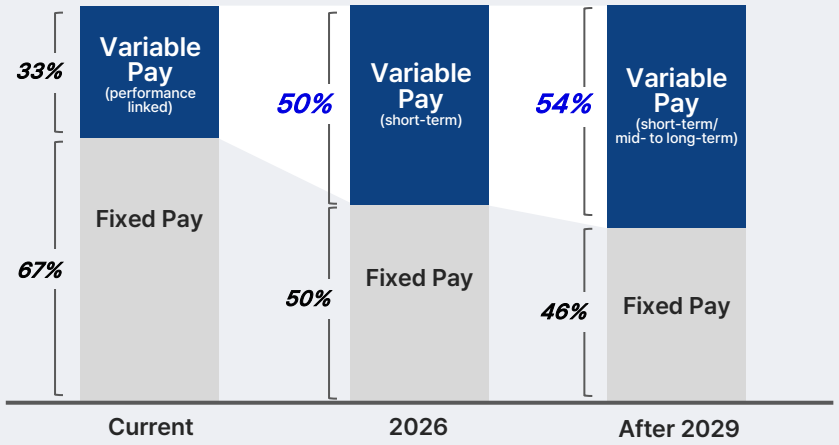
[Note] 2025 Compensation Committee Activities

- Convened three times to approve the compensation system and detailed payment standards for both inside and outside directors
- (Mar.) Director pay cap approval & outside director compensation system revision
- (Apr.) Detailed director compensation payment standards / (Nov.) Executive compensation system revision

Long-Term Compensation Policy Direction (Registered Directors)

- In the long-term, the executive compensation revision is expected to increase variable pay
  - Reinforce "Pay-for-Performance," where compensation variability will increase based on performance
  - Higher variable pay will be linked to shareholder value metrics and executive compensation

※ Revised compensation system will be effective from 2026 Annual Report



- **(Current)** Performance-linked variable pay for executives account for approx. 33% (STI up to 50%)
- **(2026)** For business executives, pay-for-performance may increase **the variable pay up to 50%**
- **(2029-)** For mid- to long-term incentives, **pay-for-performance will increase the variable pay up to 54%** (installment payments)

05.

MBK and YP's Managerial Incompetence and Governance Impairment Risk

1. MBK and YP's Managerial Incompetence and Governance Risk _ Case of Company H

KOREA ZINC

- Despite Company H's deteriorating performance, MBK prioritized debt repayment over business stabilization, undermining financial soundness and corporate value
- As a result, it led to structural governance failures, further expanding criminal and regulatory risks, including prior notice of severe disciplinary action by the Financial Supervisory Service, prosecution investigations, and perjury complaints filed by the National Assembly's Political Affairs Committee
- MBK's management takeover not only fails to align with long-term corporate value creation but also entails significant short-term risks of corporate value erosion

Process of Asset Sales and Financial Deterioration for MBK's Investment Recovery

1. Sold & leased back (S&LB) stores to repay acquisition financing	*Harmed corporate value by closing or selling & leasing back (S&LB) over 20 stores to repay KRW 4.3T acquisition debt*
2. Increased debt due to S&LB transactions, undermining financial stability	
3. Issued KRW 74.5bn in short-term bonds in 2025, worsening financial burden (continued issuance until ten days before filing for rehabilitation)	*Short-term bonds were issued up to 10 days before rehab filing to fund operations. With a credit rating drop just before maturity, rehab proceedings were filed—prioritizing LPs' interests above all*
4. Credit rating downgraded due to financial deterioration (A3 → A3-)	*Continued losses and increased debt from S&LB arrangements led to a deterioration in financial soundness and a credit rating downgrade*
5. Persistent performance decline led to corporate rehabilitation filing in Mar. 2025, with court approval initiating the process	
6. Upon entering rehabilitation, credit rating further downgraded from A3- to D	
7. Criminal investigations and internal control issues (e.g., employee sentenced to imprisonment for misuse of non-public information)	*All MBK-affiliated company employees sentenced imprisonment for illicit gains via non-public information*
8. Regulatory sanctions and complaint filed for parliamentary perjury	*Case of MBK/Company H was reassigned to Anti-Corruption Division* *National Policy Committee filed a complaint against MBK's Chairman and others for perjury*

Governance Failures Identified in the MBK Case

1. Financial Control Failures

- Performance deterioration due to the sale of key assets for short-term cash recovery
- Financial stability undermined by debt surge
- Credit rating downgrade and initiation of corporate rehabilitation

2. Regulatory and Compliance Control Failures

- FSS: While investigating whether LPs such as the National Pension Service had their interests intentionally infringed, issued prior notice of severe disciplinary measures, including suspension
  (Unfair business practices under the Capital Markets Act; violation of GP's duty to prevent conflicts of interest)
- Prosecution Service: Investigating for investor losses by filing for corporate rehabilitation after generating large-scale debt while aware of a credit rating downgrade
  (Fraud under the Act on the Aggravated Punishment of Specific Economic Crimes; violation of the Capital Markets Act)
- Convicted and sentenced to imprisonment for obtaining illicit gains through misuse of non-public information
- National Policy Committee: Filed a complaint with prosecutors against MBK's Chairman and Vice Chairman for perjury
  (Violation of the National Assembly Act on Testimony and Evidence)

Sources: Media reports; DART filings

1. MBK and YP's Managerial Incompetence and Governance Risk _ Case of Company Y

KOREA ZINC

- Limited managerial capabilities and MBK's singular focus on investment recovery, which led to management failure of Company H, were mirrored in Company Y
  Following MBK's mismanagement and the commencement of corporate rehabilitation, Company Y returned to profitability post-sale, underscoring MBK's managerial deficiencies
- Business strategies aimed at short-term investment recovery were aggressively pursued over mid- to long-term growth drivers, weakening its mid- to long-term competitiveness and leading to corporate rehabilitation
- Company Y returned to profitability one year after MBK's sale, exiting corporate rehabilitation

Company Y, Korean steel structure company

① Company Y was previously recognized as a leading firm with advanced technology for high-rise buildings and plant construction.

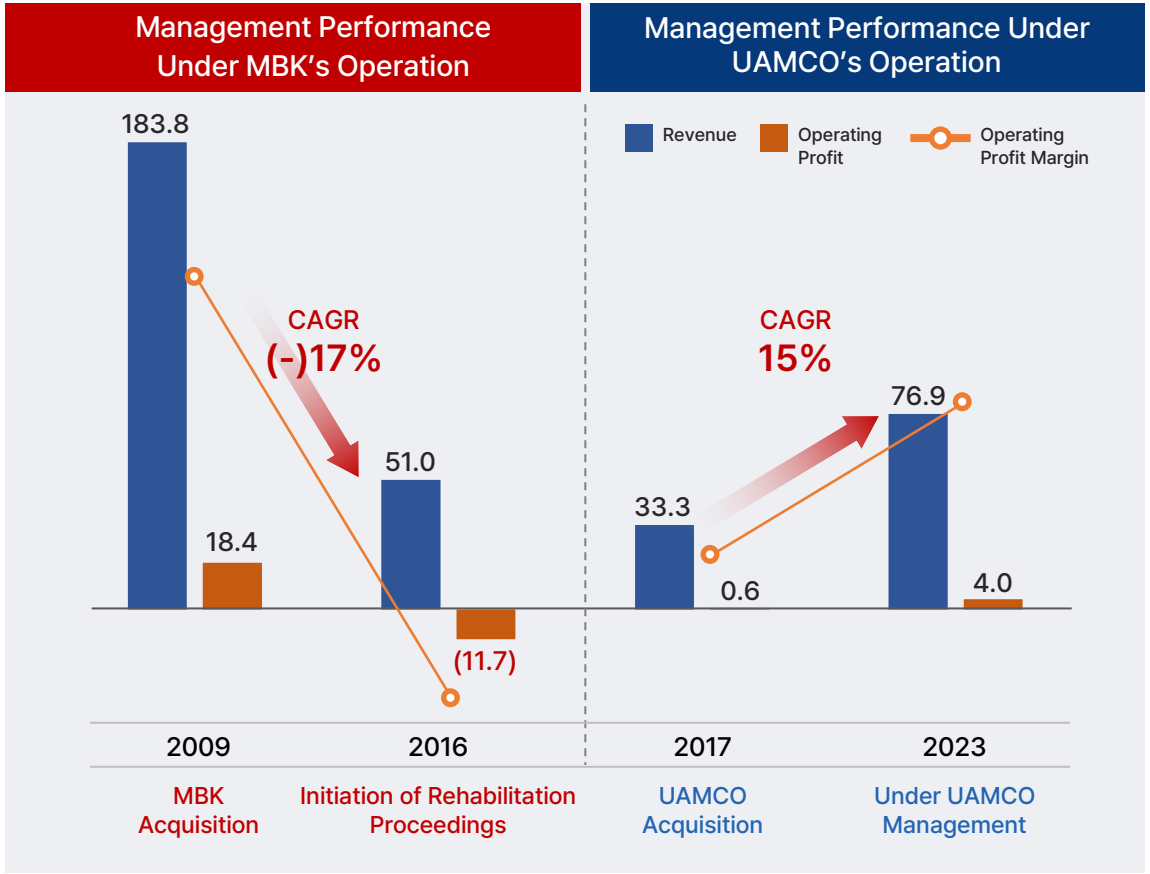
② After MBK acquired the company for KRW 100bn in 2009, Company Y focused on short-term revenue and aggressively pursued low-cost overseas contracts rather than strengthening its technological competitiveness.

However, due to an excessive overseas expansion strategy, the collapse of the low-cost contract bubble, and a downturn in the domestic construction market, Company Y's performance plummeted. After signing an agreement with the Creditor Financial Institutions Council in 2014, the company reduced its workforce by approximately 70%. The subsequent credit rating downgrade further hindered its ability to secure new contracts, creating a vicious cycle of decline.

As the situation failed to improve, Company Y entered corporate rehabilitation proceedings in 2016, and in 2017, MBK sold Company Y for KRW 49.6bn.

After undergoing business restructuring, Company Y returned to profitability in 2017 and exited the rehabilitation process just one year after the sale.

The cause of MBK's investment failures are largely attributed to a short-term focus on dividends and capital recovery.



Sources: Media reports; DART filings

1. MBK and YP's Managerial Incompetence and Governance Risk _ Cases of Other Companies

KOREA ZINC

- Ongoing concerns over excessive dividends benefiting minority investors following their acquisition, short-term restructuring to recover investment, weak operational performance, and deteriorating financial stability

Issues	
Company B, Korean chicken franchise operator	• Provided excessive dividends to minority investors following investment participation (the issue of excessive dividend payments by Company B was raised during the 2023 National Assembly government audit) • Ongoing controversies, including lawsuits with competitors and alleged abuses of power against chanchisees • Raised sunflower oil supply prices by 61% in July 2022, leading to conflicts with franchisees • Arbitrarily terminated franchise contracts without just cause and suspended product supply, resulting in fines and corrective orders for violating the Franchise Business Act Criticism from National Assembly: *"In the case of Company B, the Fair Trade Commission imposed a KRW 350M fine and a corrective order for unilaterally terminating franchise contracts and suspending product supply."*
Company I, Korean insurance company	• Despite committing to a 10-year investment, it was sold after only 5 years • Within six months of acquisition, 18 of 32 executives and over 30% of regular employees were laid off Criticism from National Assembly: *"With ING Life, they disposed of it in just five years, despite the 10-year-plus hold."* *"... In the case of Company I, 18 out of 32 executives and more than 30% of regular employees were laid off within six months of the acquisition..."*
Company N, Korean outdoor apparel company	• Since the 2013 acquisition, revenue decreased by 33%, operating profit dropped by 88%, and net profit decreased by 200% as of 2023 • Following the merger with the SPC established for the 2015 acquisition, Company N took on acquisition-related debt, causing a sharp rise in its debt ratio and further deterioration in performance • Despite poor performance, including net losses from 2017 to 2021, MBK continued to pay preferred shareholders an average dividend of KRW 47,000 per share
Company D, Korean cable TV operator	• The total acquisition cost of KRW 2.2T was fully financed with debt, and in 2008, a 93.8% stake in Company D was acquired through an LBO. As a result, excessive interest expenses led to a weakening of financial stability following the acquisition (the debt ratio increased from 388% in 2007 to 1,054% in 2023) • Despite being a leading cable TV operator, continued net losses were recorded due to insufficient understanding of and response to changing market conditions, reflecting MBK Partners' inadequate operational capabilities • In 2021, a large-scale workforce restructuring was carried out through a voluntary retirement program
Company C, Korean e-commerce company	• Acquired in 2022 and delisted in 2024

Sources: Media reports; DART filings

2. MBK and YP's Managerial Incompetence and Governance Risk _ Safety Incidents and Governance Risks

KOREA ZINC

• YP's Seokpo Smelter faces operational instability due to fines and business suspensions for their ongoing environmental pollution

- YP indicated annual environmental improvement investments of approx. KRW 100bn, but according to the Financial Supervisory Service's electronic disclosure, the environmental improvement provision for 2024 was only KRW 39bn. The average execution over the past four years was only approx. KRW 28.7bn/year, falling short of the pledged amount. In particular, the groundwater remediation provision for 2024 was recorded as "zero."
- For five consecutive years, the external audit firm has emphasized in its audit reports to "pay attention to business suspensions and financial impacts due to environmental law violations (the succeeding audit firm emphasizes the same points)
- After officially confirming that 2 out of 5 conditions of the integrated environmental permit, which must be completed by 2025 (soil contamination remediation and smelting residue disposal), remain unfulfilled, the Ministry of Climate, Energy and Environment warned of administrative sanctions, which can range stepwise from warnings to business suspension



Seokpo Smelter's History of Ongoing Environmental Violations and Business Suspensions

Oct. 1970
Construction of Seokpo Smelter

1988
CEO Chang Hyung Chin assumed position of President

1993
CEO Chang promoted to Chairman

Aug. 2013
Illegal construction discovered by Bonghwa County

2014
National Assembly raised issues on environmental pollution for Seokpo Smelter

Mar. 2015
Chairman Chang (registered executive) resigned

Feb. 2018
Wastewater discharge
(20 days of business suspension by North Gyeongsang Province)

Nov. 2019
Daegu District Court sentenced executives to imprisonment for manipulating air pollution measurements

Apr. 2019
Wastewater discharge
(60 days of business suspension by the Ministry of Environment)

Oct. 2021
Supreme Court dismissed request to nullify the sanction (10 days of business suspension upheld)

Nov. 2021
Faced its first business suspension (10 days)

Ministry of Environment imposed a KRW 28.1bn fine for illegal discharge of cadmium-contaminated wastewater

Dec. 2022
Resumes operation under conditional comprehensive environmental provision by Ministry of Environment

Jun. 2024
Daegu High Court dismissed YP's appeal and upheld the 60-day suspension

Nov. 1, 2024
Supreme Court dismissed YP's appeal (60 days of suspension finalized)

Nov. 4, 2024
Violation of ensuring proper operation and maintenance of sulfur dioxide detectors
(10-day suspension)

Feb. 26, 2025
Business suspension upon the finalization of suspension of 1 month and 30 days (from Feb. 26 to Apr. 24)

Feb. 27, 2025
Court dismissed YP's request to drop the fine imposition (KRW 28.1bn fine upheld)

Mar. 4, 2025
Business suspension date set upon the finalization of suspension for 10 days
(Apr. 25 to May 4)

Mar. 19, 2025
Indicated annual environmental improvements of approx. KRW 100bn, but according to the FSS' electronic disclosure, the environmental improvement provision for 2024 was KRW 39bn (YoY approx. 54.2%)

Mar. 19, 2025
External audit firm warned for five consecutive years in its audit reports to "pay attention to business suspensions and financial impacts due to environmental law violations

Feb. 13, 2026
MCEE warned of sanctions for failing to meet all the conditions for the integrated environmental permit by 2025

Sources: Media reports; DART filings

2. MBK and YP's Managerial Incompetence and Governance Risk _ Safety Incidents and Governance Risks

KOREA ZINC

- Safety accidents have repeatedly occurred over several years at Seokpo Smelter, resulting in the indictment and detention of two internal directors for violations of the Serious Accidents Punishment Act, causing serious damage to corporate value and shareholder value
  - Since 1997, numerous injuries have occurred, including 15 deaths
  - In 2024 alone, two fatal incidents occurred, leading to the arrest and indictment of YP's CEO and plant manager (YP inside director, CEO/COO)
  - While its representative directors were under arrest, YP signed a shareholder agreement to transfer its key asset, Korea Zinc shares, to MBK and contributed all Korea Zinc shares in kind to a new company, without shareholder consent. By doing so, YP caused serious governance damage, lacking management oversight for decision-making and disregarding ordinary shareholders' interests



Seokpo Smelter's History of Ongoing Safety Violations Resulting in 15 Fatalities

1997

Mr. Lee (welder, Leaching Team) and Mr. Yoo (site supervisor, Leaching Team, with over 15 years of service) retired due to liver disease and later died

Sulfuric acid tanker rollover: The driver died. Location: National Route 31, Goseon-ri, Socheon-myeon, Bonghwa

2001

Cadmium poisoning: Worker Choi Jae-hwan died at Kyungpook National University Hospital

2002

Sedimentation reservoir barge explosion: 4 deaths, and 1 critical injury

A worker fell to his death while cleaning a cooling tower (no safety harness or net provided)

2010

Fall accident at Foundry 1

2017

Sulfuric acid tanker rollover: The driver (male, aged 55) died. Location: Yeongwol Kim Satgat Rest Area

2018

Worker died during sediment work

2023

Acute arsenic poisoning during motor replacement at Plant 1: A worker died, and three were hospitalized (one subcontractor and two primary contractor workers)

Mar. 2024

A subcontractor died after being struck by foreign material during gypsum removal at a cooling tower at Plant 1

Aug. 2024

A subcontractor died from heatstroke

Youngpoong CEO and COO arrested for safety accidents resulting in fatalities

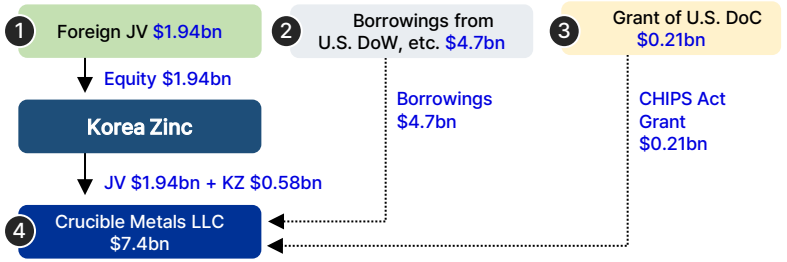
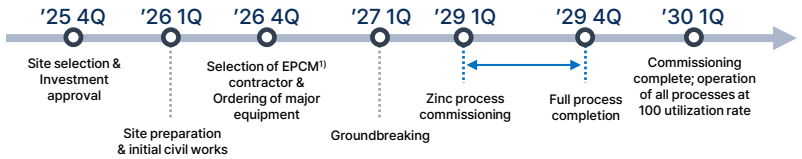
Sources: Media reports; DART filings

3. Impact of a change in control on the U.S. smelting operation _ Risk of Contract Termination

KOREA ZINC

- Project Crucible ("Crucible") is a long-term, trust-based investment project aligned with critical minerals and national security strategies of the U.S. government. Changes in management carry significant risks of contract termination and project suspension, which can materially impact corporate value
- Crucible represents a key growth driver for Korea Zinc with double-digit annual EBITDA potential; termination would harm its medium- to long-term value

Project Crucible Overview

Category	Details
Purpose	• Leveraging over 50 years of unmatched non-ferrous smelting technology and global market leadership, the Company aims to replicate its world-class Onsan Smelter operating model in the U.S. at approx. 50% of its scale • In line with U.S. efforts to build "Ex-China" supply chains, the Company, as a reliable smelting partner, is securing a strategic production base in the U.S.
Production Overview	3 types of non-ferrous metals (535k), 2 types of precious metals (1k), 8 types of rare metals (5.1k)
Investment Amount	$ 7.4bn (incl. financial cost) *in phases from 2026 to the end of 2029
Investment Structure	
Expected Profitability	Approx. 17-19% EBITDA margin *avg 2030-2050
Upcoming Schedule	

Contract Termination Risk

Crucible is a critical minerals supply chain development project, recognized as a strategic priority by the U.S. government. Management changes may give the government authority to terminate contracts and end the project

→Crucible is a core strategic initiative that will reposition Korea Zinc as a key player in the global critical minerals supply chain and national security strategy by simultaneously securing long-term business stability and medium- to long-term growth

→Based on its trust in Korea Zinc's global-level smelting competitiveness and management expertise, the U.S. government has decided to provide funding that exceeds 90% of the total CAPEX ($7.4bn)

→On the other hand, YP and MBK opposed investment in the U.S. strategic smelting platform, filing an injunction and subsequently attempting to impede the project through local lobbying via a leading U.S. law firm

→Under a management change, the U.S. government has the authority to terminate the contract due to concerns over technology transfer and governance risks

→Crucible is a long-term Korea-U.S. government-led investment, premised on "trusted allied management." If this condition is compromised, the project could be halted and equity divested

Crucible represents a key growth pillar for Korea Zinc; termination would undermine the company's mid- to long-term value

→Project Crucible is expected to deliver 17-19% annual EBITDA margins, leveraging full U.S. government support, favorable business conditions, and major tax incentives; contract termination would result in loss of mid- to long-term growth momentum, negatively impacting corporate value

3. Impact of a change in control on the U.S. smelting operation _ KOR–U.S. Alliance at Risk

KOREA ZINC

- Sustaining Korea Zinc's management control would reinforce the Korea-U.S. critical minerals supply chain and industrial partnership, simultaneously enhancing domestic industrial competitiveness and securing diplomatic and trade leverage
- Management control by MBK and YP could undermine trust in the Korea-U.S. supply chain and economic security, jeopardize Korea's strategic smelting hub, and weaken economic and diplomatic leverage with the U.S.

Korea Zinc Management Retention

"Strategic Investment in the U.S. via Korea-U.S. Supply Chain and Industrial Alliance"

1) Securing a global strategic hub for Korea's non-ferrous and resource recycling industry

- The U.S. smelter will serve as an overseas production base for Korea's non-ferrous and resource recycling sector, validating domestic technologies in the U.S. and securing the trusted asset of "Korean technology proven in the U.S."
- Supplying domestic equipment for the smelter will allow Korean component, materials, and engineering firms to achieve U.S. project-level recognition → leading to securing overseas contracts

2) Maximizing the domestic economic impact of U.S. investment

- Equipment, machinery, and materials will be supplied from Korea as exports, directly expanding the export-inducing effect
  Will also generate investment and employment opportunities in Korea
  *A 10% increase in U.S.-bound FDI is expected to raise U.S. intermediate goods exports by 0.25%

3) Gaining diplomatic and trade leverage

- The U.S. smelter will be a core asset of the Korea-U.S. supply chain alliance that will strengthen the economic security partnership between the two countries and enable Korea to strategically leverage it in future tariff negotiations, policy credibility, and supply chain security
- Through the solidification of the Korea–U.S. economic security partnership, Korea will emerge as a strategic supplier nation to the U.S.
- Strengthen Korea's influence in multilateral economic forums, such as MSP[1)] and IPEF[2)]

MBK & YP Management Takeover

"Negative Impact on the Korea–U.S. Security Alliance"

1) Undermining trust in the Korea–U.S. supply chain and economic security

- The flagship example of granting allied private companies access to strategic supply chains will be destabilized, weakening trust in the Korea–U.S. economic security cooperation model
- Weakened status as a critical minerals partner in Korea-led forums (MSP, IPEF)

2) Loss of Korea's global non-ferrous & recycling hub

- Downsizing or delaying the U.S. hub would weaken the U.S. reference for Korean tech and equipment, reducing the trusted asset of "Korean technology proven in the U.S."

3) Lower economic, trade, and diplomatic leverage in the U.S.

- Loss of the "strategic asset investment" lever for use in tariff, trade, and supply chain negotiations would reduce Korea's diplomatic and trade influence

1) MSP: Minerals Security Partnership
2) IPEF: Indo-Pacific Economic Framework for Prosperity

Appendix

[Appendix] U.S. Strategic Smelting Platform _ Overview

KOREA ZINC

- Korea Zinc plans to build an integrated smelter in the United States, in partnership with the U.S. government, to diversify global supply chain risks, respond to growing demand for non-ferrous metals and critical metals, and secure sustainable mid-to long-term growth
- U.S. smelter will involve a total investment of approx. $7.4 billion, including capital from the U.S. government and investors, and is targeting trial operations in 2029 to produce 13 non-ferrous metals, including 11 critical metals, as well as semiconductor-grade sulfuric acid

Investment Overview

1. Project Name: Project Crucible (hereinafter "Crucible")

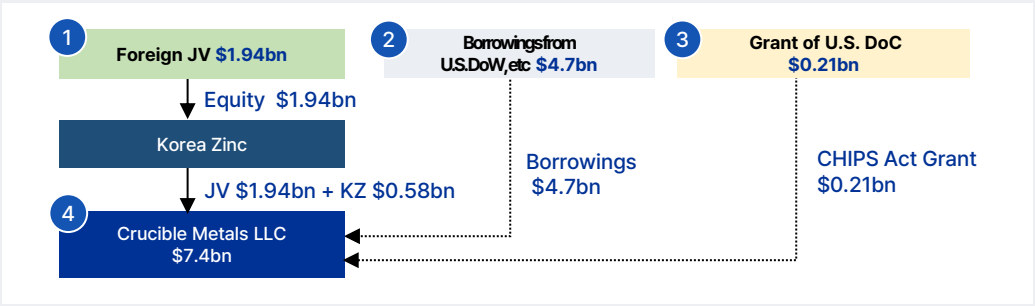
2. Purpose

- Leveraging over 50 years of unmatched non-ferrous smelting technology and global market leadership, the Company aims to replicate **its world-class Onsan Smelter operating model in the U.S. at approximately 50% of its scale**
- **In line with U.S. efforts to build "Ex-China" supply chains**, the Company, as a reliable smelting partner, is securing a strategic production base in the U.S.

3. Production : 3 types of non-ferrous metals (535k)
2 types of precious metals (1k), 8 types of rare metals (5.1k)

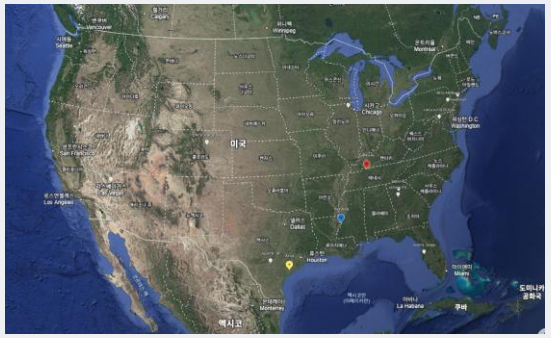
4. Total Investment Amount: $ 7.4bn * Including financial cost, to be implemented in phases from 2026 to the end of 2029

5. Structure of the investment



6. Expected Profitability(avg 2030~2050)**:** Approx. 17~19% EBITDA margin

U.S. Smelter Site



- Location : Clarksville, Tennessee, U.S
- Area : Approximately 160 acres
- Plans to utilize the Nyrstar smelter site

Key Characteristics of the Site

1. Favorable Geology and Drainage

Enhanced execution certainty, as evidenced by the existing smelter's operating track record and the results of detailed geological surveys

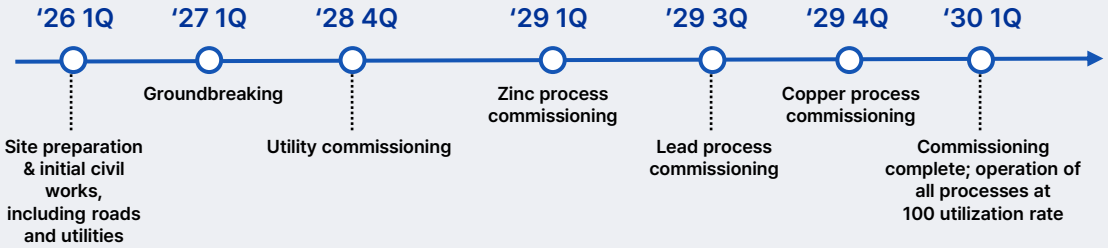
2. Stable Logistic Infrastructure

Efficient transportation of raw materials and finished products enabled by a multimodal logistics network based on waterways and rail

3. Strong industrial infrastructure and highly competitive workforce

Operational efficiency driven by low-cost power and a skilled smelter workforce

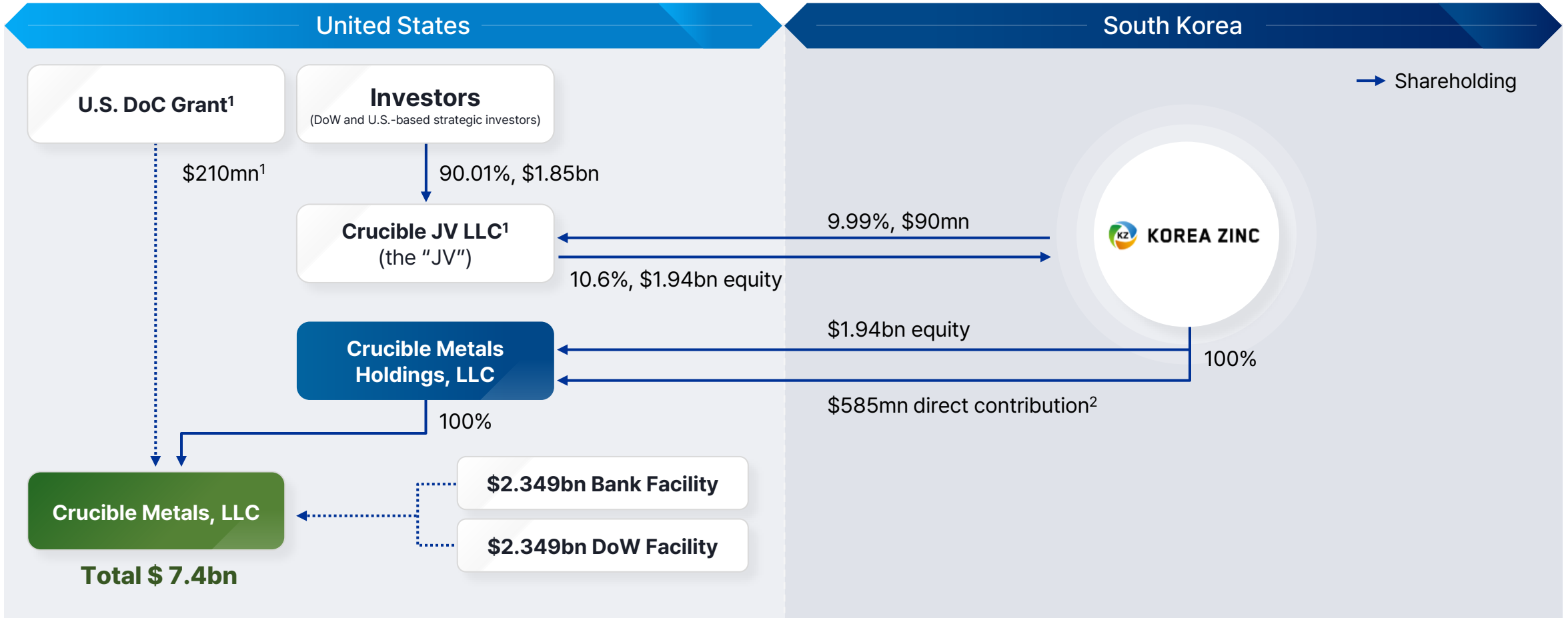
Estimated Timeline



[Appendix] U.S. Strategic Smelting Platform _ Simplified transaction and financing structure

KOREA ZINC

- U.S. government-led JV will raise approximately $1.94 billion, and Korea Zinc will contribute a total of $2.52 billion to Crucible Metals Holdings LLC by combining the JV proceeds with its own equity investment of $0.58 billion
- Over 90% of the approximately $7.4 billion project cost will be funded by the U.S. government and strategic investors through a $4.7 billion U.S. DoW loan and a $0.21 billion CHIPS Act grant, enabling the company to minimize its financial burden while maintaining operational control and technology leadership



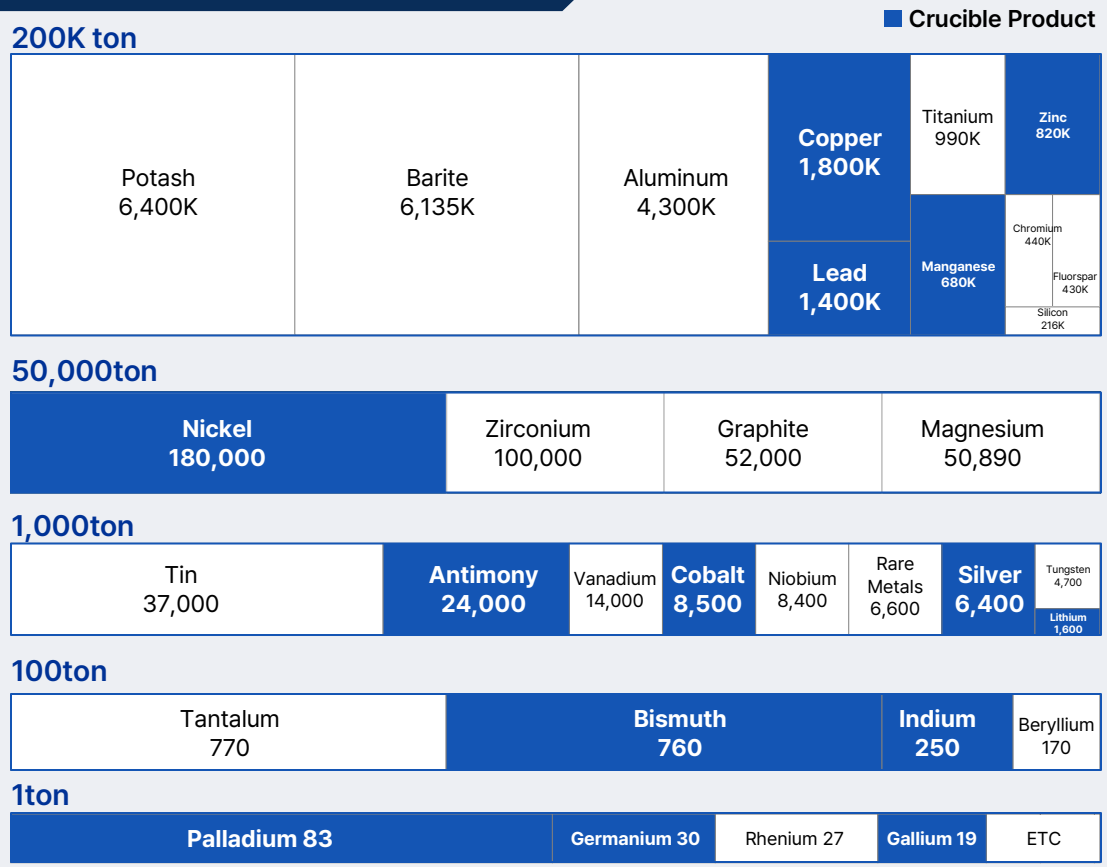
Note: 1 The $210mm CHIPS Act grant funding must be contributed directly to the Project company under U.S. law. In return, DoC will hold a membership interest in the JV proportionate to its grant contribution, which, in economic substance, represents an equity interest in Korea Zinc indirectly through the JV structure; 2 To occur sequentially

[Appendix] U.S. Strategic Smelting Platform _ U.S. Market for Critical Metals

KOREA ZINC

- United States, driven by its data center, AI, semiconductor, and defense industries, is the world's largest market for critical metals, which offers significant potential for business expansion and the need for early positioning. Over the longer term, a U.S. production base supports metal supply into wider North American markets while mitigating non-financial risks such as geopolitical volatility, export controls, and logistics disruptions
- Crucible plans to strengthen its strategic role in the U.S. supply chain diversification by producing 13 non-ferrous metals, including 11 of the 60 U.S. critical metals

U.S. Market Size of Critical Metals



1) USGS 2025 Mineral Commodity Summaries

Key Products and Production Capacity

(Unit: Ton)		U.S. Market Demand	Crucible[2)]	U.S. Import Dependency
		A	B	%
Zinc	Zn	820,000	300,000	73%
Lead	Pb	1,400,000	200,000	28%
Copper	Cu	1,800,000	35,000	45%
Silver	Ag	6,400	1,056	64%
Gold	Au	200	5.9	N/A[2)]
Indium	In	250	108	100%
Antimony	Sb	24,000	2,597	85%
Bismuth	Bi	760	442	89%
Tellurium	Te	N/A	112	N/A[2)]
Palladium	Pd	83	0.1	36%
Gallium*	Ga	19	54	100%
Germanium*	Ge	33	44	>50%
Cadmium	Cd	N/A	2,046	N/A[2)]

* Gallium and germanium demand in the U.S. is expected to reach at least 50 tons per year by 2030 due to surging defense-related demand. Reflecting this trend, the company plans to produce 54 tons of gallium and 44 tons of germanium annually starting in 2030.

[Appendix] U.S. Strategic Smelting Platform _ Nyrstar USA Acquisition

KOREA ZINC

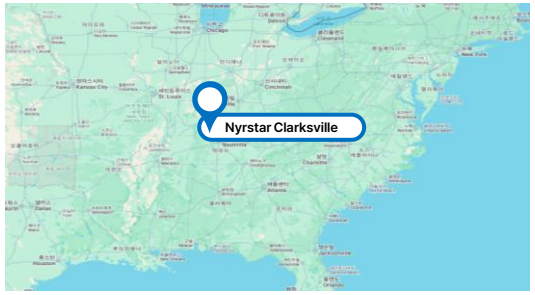
- Crucible Metals plans to acquire Nyrstar USA to enable the efficient development of a new U.S. smelter. Through this acquisition, the company will secure an optimized site with low-cost power, strong logistics infrastructure, a skilled workforce and additional value creation from by-products in the pond cake
- Metals contained in the pond cake are difficult to recover using conventional smelting technologies, but Korea Zinc can recover using the company's technology

Nyrstar USA Acquisition

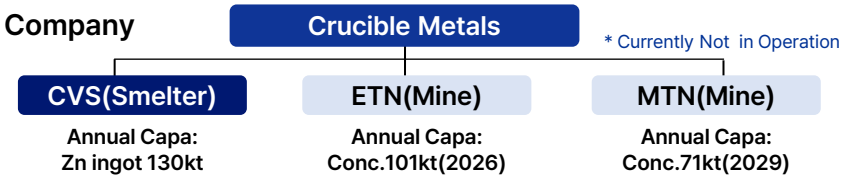
1. Nyrstar USA Smelter

- **Established in 1978, and the smelter is in Clarksville, Tennessee, as the only zinc smelter in the U.S. with a production capacity of 130 ktpa**
- Previously produced zinc, zinc alloys, sulfuric acid, cadmium, and germanium
- Nyrstar USA operates two mines (ETN and MTN) and one smelter(CVS)
- **A substantial quantity of recoverable valuable metals, including germanium, gallium, zinc, and lead, remains in the untreated pond cake**





Structure of the Company



2. Key Characteristic of the Site

- Favorable Geology and Drainage
- Stable Logistic Infrastructure
- Strong industrial infrastructure and highly competitive workforce

3. Benefits of the Acquisition

1) Cost savings through secured land and power infrastructure

- Approx. 368 acres of industrial land (including 196 acres immediately available)
- 161 kV high-voltage transmission lines, and an on-site substation

2) Reduction of Capital Expenditure (CAPEX)

- Savings through reuse of existing facilities, including rail, port, concentrate storage, conveyors, and sulfuric acid tanks

3) Additional Value Through Recovery From Residual By-Products

- Metal recovery from pond cake is expected to generate extra profits

4) Stable Raw Material Supply Base

- Medium- to long-term raw materials secured from MTN zinc ores and germanium and gallium from smelting residues

[Appendix] U.S. Strategic Smelting Platform _ Operational Plan

KOREA ZINC

- U.S. smelter will leverage existing Nyrstar mines and smelter, preemptively mitigating procurement cannibalization with the Onsan smelter while enhancing operational stability and resource utilization, thereby improving the efficiency and execution capability of the U.S. smelter project
- By fully leveraging U.S. government policy and permitting support, the company aims to accelerate the execution and completion of the project, thereby enhancing its medium- to long-term growth and profitability

Operational Plan

1) Raw Material Sourcing

Utilization of existing Nyrstar mines (MTN & ETN) and procurement from new mines in North America (U.S./Mexico)



- Zinc : ~25% U.S., ~30% Mexico, ~45% others
- Lead : ~30% Mexico, ~20% Peru, ~15% U.S., ~35% others
- Secondary feed : Cu scrap (Americas, EU) and smelting by-products

2) Process / Workforce / Infrastructure

Leverage Nyrstar expertise and infrastructure to ensure stable operations and shorten ramp-up

1. Process: Adoption of domestically proven processes
- Apply proven Korea-based processes; deploy engineers for early commissioning

2. Workforce: Retention of existing workforce
- Retain existing Nyrstar staff and supplement via Career Skills programs

3. Utilities: Utilization of existing transmission lines
- Utilize existing 2×161kV transmission lines to enable early commissioning

U.S. government Incentives and Support

[U.S. Government Incentives]

Category	Benefits	Description
Financial	IRA Tax Credits	• 10% tax credit on manufacturing costs for critical metals produced in the U.S. under IRA Section 45X
	Bonus Depreciation (OBBBA)	• Immediate expensing of CAPEX for U.S. manufacturing facilities, significantly reducing initial tax burden
	Low-interest Policy Financing	• Government-led low-interest financing (U.S. 10-year Treasury + 175 bp); * Approx. 50–125 bp below conventional financing
Strategic	Stregnthened U.S. Government Partnership	• 'Competitive advantage in long-term offtake agreements as a "trusted and reliable supplier" • Accelerated entry into national strategic industries, including defense-related sectors

※ Tax Incentives / Grants and Power Cost Savings

Government Support & Tax Benefits[1]	Total Power Cost Savings [2] (30-year total)
$1,442mn	$4,830mn
Tennessee State: $860mn IRA: $582mn	Clarksville 4.179 ¢ /kW vs. Onsan 12.8 ¢ /kW Approx. 3x ↓

1) Simple sum without considering present value; state tax benefits include local tax incentives
2) Assumes annual power consumption of 1,848,870 MWh, based on a Clarksville electricity rate of 4.179¢/kWh vs Onsan rate (KEPCO tariff) of 12.8¢/kWh

[Appendix] Troika Drive Initiatives _ Business Overview

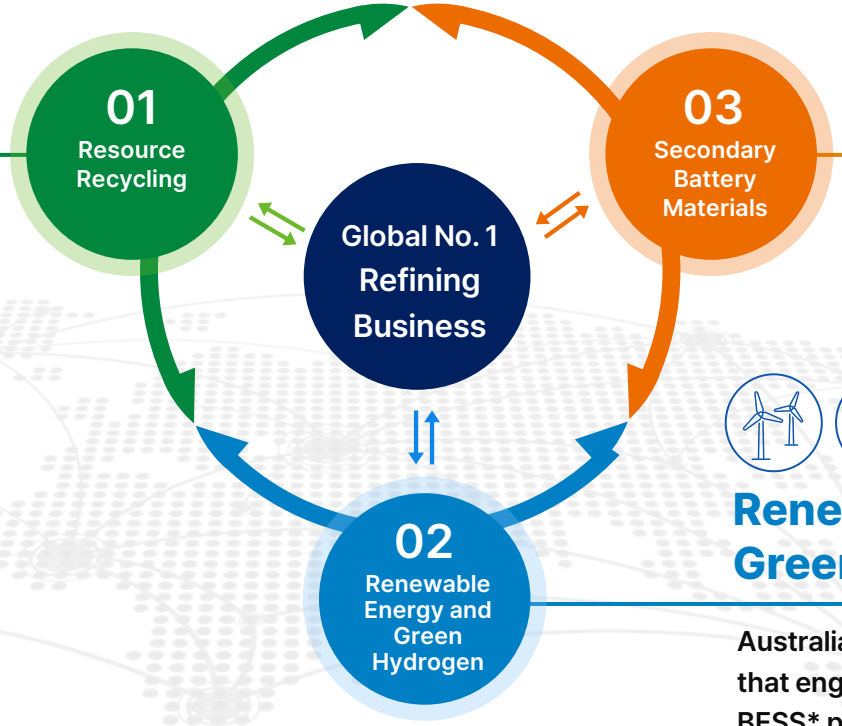
KOREA ZINC

- Troika Drive is a new growth engine that improves the competitiveness of our core smelting operations while expanding business portfolio
- Growth priorities can be adjusted with the evolving operating environment, including U.S. smelter and mid- to long-term capital allocation

Resource Recycling Business

Generating new value by recycling E-waste, solar panel waste, and EAF* dust, Providing reliable source of feedstock to recover valuable metals

* Electric Arc Furnace



Secondary Battery Materials Business

Building a full value chain encompassing nickel sulfate, precursors, copper foil production, and battery recycling

Renewable Energy and Green Hydrogen Business

Australia based renewable energy solutions provider that engages in utility-scale wind / solar farms, BESS* projects and green hydrogen production, pursuing 100% green metals with zero carbon emissions

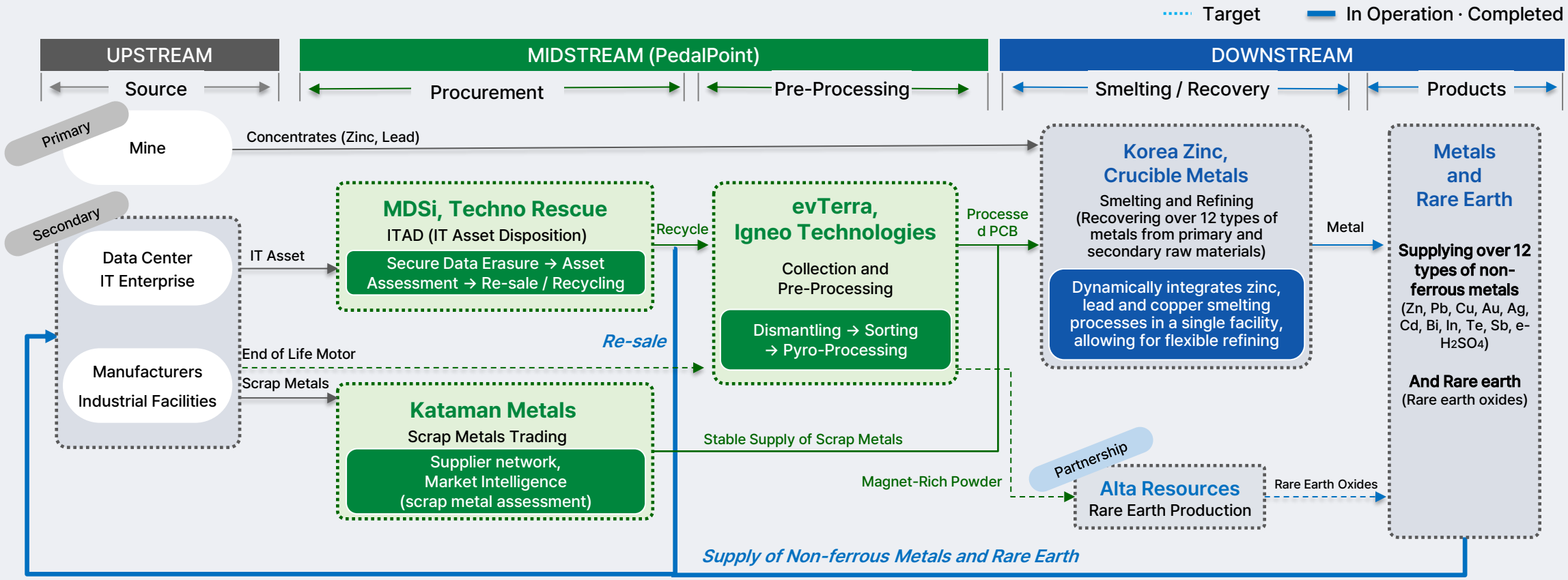
* Battery Energy Storage Systems

[Appendix] Troika Drive Initiatives _ Resource Recycling

KOREA ZINC

- The resource recycling business, anchored by PedalPoint in the U.S., is building an end-to-end circular value chain from collecting e-waste, end-of-life batteries, and other waste streams to metal recovery
- Based on a stable supply of high-quality secondary feedstock, the copper-centric model linked to the Onsan Smelter is expected to expand into critical metals and rare earths, with synergies from the U.S. smelter supporting mid- to long-term revenue growth

Resource Circulation



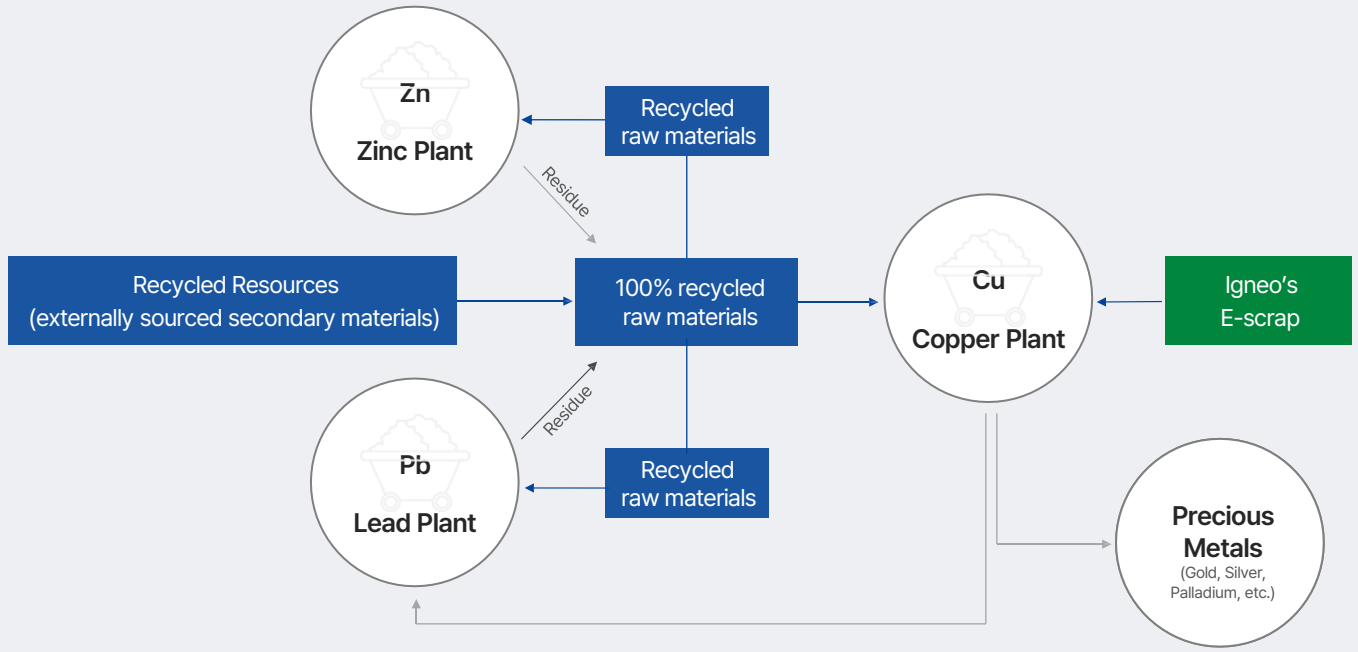
[Appendix] Troika Drive Initiatives _ PedalPoint

KOREA ZINC

- PedalPoint is the recycling pillar, operating a networked platform across North America that aggregates and pre-processes e-waste, spent batteries, and end-of-life solar panels into stable, high-quality, traceable feedstock

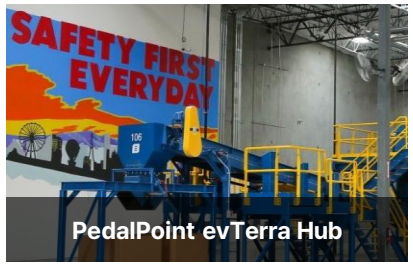
Circular-economy model for PedalPoint Holdings

- PedalPoint Holdings' circular economy network consists of evTerra recycling sites (e-waste collection), Lifecycle solutions centers (IT asset disposal), Kataman metals (scrap-metal trading platform), and IgneoTech (e-waste to metal concentrate conversion)
- Recovered materials are delivered as feedstock to the copper smelting process and used as raw materials for electrolytic copper production by smelters (e.g. Onsan refinery)



U.S. network overview







R2 CERTIFIED · e-Stewards · RIOS CERTIFIED RECYCLER · AAA CERTIFIED

Certification securing 100% data destruction

1) Since 2014, Igneo France (engaging in metal recovery) is also a subsidiary of Korea Zinc

[Appendix] Troika Drive Initiatives _ PedalPoint

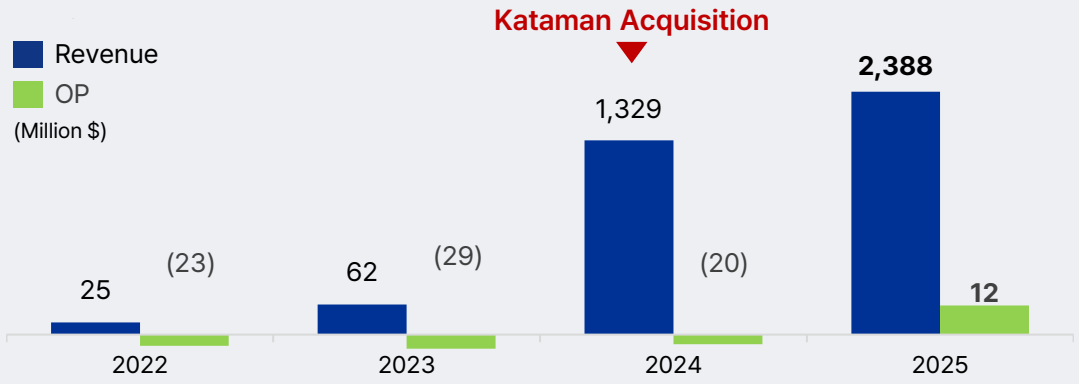
KOREA ZINC

- With the copper dry smelting facilities at the Onsan Smelter scheduled to come onstream in 2026, we will continue our efforts to secure a stable supply of various secondary raw materials, including copper scrap, to accommodate the resulting increase in copper production
- At the same time, we aim to establish a sustainable, circular resource feedstock system and, by linking this with the future U.S. integrated smelter, further enhance the scalability and synergies of the business

Operation Status

- **U.S. e-waste processing : ITAD, PCB scrap collection and pre-processing**
  - Providing end-to-end lifecycle solutions (collection–pre-processing–metal recovery–productization)
- **Expansion of secondary feedstock sourcing: end-of-life solar panels/wafers (silver, copper), spent batteries (lead, nickel, etc.)**
- **Copper scrap sourcing via subsidiary Kataman Metals (global metal trader)**
  - Differentiated capabilities focused on secondary materials (annual handling volume: ~300 kt)
- **1H Operating profit turned positive driven by higher PCB processing and strong Kataman performance**
- **Stronger waste sourcing & streamlined cost structure enhanced profitability**

[PedalPoint Earnings Trend]



Business Strategy

1. Stable copper scrap procurement by expanded e-waste volume

- Expansion of e-waste volume in the U.S. ensures stable procurement and prepares for 2026 full scale operation of Onsan copper smelter

[PedalPoint's Contribution on Copper Production]

		Target		Capacity		
		2025	2026(E)	2027	2028	2029
KZ	MT	33,001	**53,600**	93,750	150,000	150,000
PP Contribution	MT	1,200	**14,000**	16,000 ~18,000	17,000 ~20,000	18,000 ~21,000
Ratio	%	3.6%	**26%**	18~20%	11~13%	12~14%

2. Expansion and diversification of secondary raw material supply

- Increased volumes of waste solar panels/lead-acid batteries/black mass lead to higher production of lead, silver, copper, antimony, nickel. etc.

3. Synergies with the U.S. integrated smelter (Crucible Project)

- Establishing a U.S.-based recycling supply chain by utilizing PedalPoint's collected and pre-processed recycled feedstock as smelter feedstock

[Appendix] Acquisitions and Dispositions of Treasury Stock

KOREA ZINC

- Since November 2023, the Company has acquired 705,001 shares of treasury stock through a trust agreement to enhance shareholder value, of which 205,305 shares were cancelled and 19,959 shares were granted as employee performance compensation
- In response to a hostile takeover bid, 2,040,030 treasury shares were acquired via a tender offer to stabilize the stock price and protect shareholder rights and were fully retired in three installments in 2025 (June, September, and December)
- A holding and disposal plan will be set in accordance with the amended Commercial Act for the remaining treasury shares. Employee equity awards will be managed under an annual disposal plan, subject to Board resolution and approval at the AGM

Treasury Stock Holdings

Category	Board Approval Date	Acquisition Period	Acquisition Purpose	Initial Acquisition Quantity	Quantity Variance		Ending Quantity
					Disposition	Retirement	
Direct Acquisition	2024-10-02	2024-10-04 – 2024-10-23	Share price stabilization via tender offers, enhancement of enterprise value, and protection of shareholder interests (share retirement)	2,040,030	-	2,040,030	-
Acquisition through Trust Agreement	2023-11-09	2023-11-09 – 2024-05-08	Enhancement of shareholder value (share retirement)	205,305	-	205,305	-
	2024-05-03	2024-05-08 – 2024-11-08	Share retirement and employee equity awards, etc.	289,703	19,959[1)]	-	269,744
	2024-08-07	2024-08-07 – 2025-05-07	Enhancement of shareholder value, including share retirement	209,993	-	-	209,993
Total				2,745,031	19,959	2,245,335	479,737

Disposal Plan (Draft)

Category	No. of Shares	Ratio	Timing	Remarks
Total Treasury Shares Held	**479,737**	**100%**	**-**	**-**
Retirement	246,665	51.4%	Within one year	Retirement of shares in line with the amended Commercial Act
Employee Equity Awards[2)]	233,072	48.6%	Within ten years	Utilize ESOP, etc., approx. 24,000 shares/year[3)]

1) As disclosed on May 3, 2024, for employee performance compensation, 19,959 treasury shares were contributed free of charge to the ESOP account on February 5, 2025, March 13, 2025, and September 19, 2025, following Board approval, and then deposited into each member's account at Korea Securities Finance
2) While maintaining the current employee compensation system, the current "cash" payment method will now have the option of "cash" or "stock" (discretionary), and in addition to regular reward programs, "stock compensation" will be further utilized like patent applications, early completion of special projects, and other special rewards
3) Based on current estimates, the actual amounts may vary depending on employee performance evaluation results at the time of payment, share price, cash/stock selection ratio, number of eligible employees, and salary increases

[Appendix] BSM Definition and Assessment Standards

KOREA ZINC

• Established evaluation criteria to assess board candidates' skills based on BSM, recommended by international proxy advisory firms

Skill	Definition	Assessment Standards
Leadership	Proven ability to lead an organization, including strategic decision-making and crisis management experience. Must have served as a senior executive (current or former) at a publicly or privately held company, university, or organization (including subsidiaries).	- At least five years of experience as an executive or higher at a publicly or privately held company, university, or other organization.
Finance/M&A	Deep understanding of financial management principles, investment strategies, and global financial markets. Requires experience in financial planning and analysis. Expertise in mergers and acquisitions, deal structuring, and post-merger integration. Understanding of valuation methodologies. M&A experience in corporations, investment banking, or consulting is required.	- At least three years of experience as an executive or higher in finance and M&A or at least ten years of professional experience in finance and M&A. - Alternatively, at least five years of experience in finance and M&A-related work, including management and oversight, at a relevant institution, association, or organization.
Operation	Expertise in operational streamlining, efficiency improvement, and supply chain management. Knowledge of operational risk and quality control. Includes Chief Operating Officers (COOs) and individuals with current or past experience in operations or operational management (excluding accounting and risk management).	- At least five years of experience as an executive or higher in operations at a corporation, institution, association, or organization, or at least ten years of professional experience in operations-related work.
Risk	Ability to identify, assess, and mitigate potential risks. Experience with risk management frameworks and regulatory compliance (excluding Audit Committee membership qualifications).	- Experience in risk-related work at a corporation, institution, or association (excluding experience as an Audit Committee member).
Audit	Proficiency in internal and external audit procedures. Knowledge of audit standards and regulations. Includes accounting executives, certified public accountants (CPAs), audit partners, and individuals employed by audit firms or organizations.	- At least ten years of experience in internal or external auditing. - At least ten years of experience as a CPA, Audit Committee member, or in an equivalent role. - A master's degree or higher in accounting and at least five years of experience as a researcher or assistant professor (or higher) at a research institute, university, or related field. - At least five years of experience as an executive or higher in accounting or at least ten years of professional experience in accounting-related work.
International	Experience in global markets, understanding of international business practices, and cultural sensitivity. The individual must have worked outside their home country.	-At least three years of experience as an overseas resident employee or in global sales/marketing at an executive or higher position in a corporation, institution, or association. - At least three years of work experience at a foreign-based corporation, institution, or organization. - Significant research output, such as studies, papers, or reports, in global-related fields through academic institutions, organizations, or associations.
Industry/Tech	Deep knowledge of a specific industry, its trends, challenges, and key competitors. Experience working in or providing advisory services to companies within the relevant industry. Understanding of current and emerging technologies, with the ability to leverage technology to drive business growth.	- At least five years of experience as an executive or higher in the non-ferrous metals industry or at least ten years of experience working in a relevant company. - A master's degree or higher in non-ferrous metal technology or emerging technologies (e.g., metals, materials, IT) and at least five years of experience as a researcher or assistant professor (or higher) at a research institute, university, or relevant field.
Strategic Planning	Ability to develop and execute strategic plans. Experience in business development and market analysis. Includes current or former professionals in strategy, strategic planning, strategic transactions, strategic committees, or strategy consulting.	- At least ten years of experience in strategic planning-related roles. - A master's degree or higher in business strategy and at least five years of experience as a researcher or assistant professor (or higher) at a research institute, university, or relevant field.
Government	Knowledge of government regulations and policies. Experience in public sector administration or policymaking. Current or former experience working in government or government-related institutions.	- At least ten years of experience in legislative and policy-related work at a government agency, institution, or association, or equivalent professional experience.
Legal	Understanding of corporate law and legal matters related to the industry. Experience in managing legal risks. Includes individuals with experience in legal practice, government regulatory work, or legal education.	- At least five years of professional experience as a qualified attorney, including roles such as judge or prosecutor. - At least three years of experience as an executive or higher in legal roles at a corporation, institution, or association, or at least ten years of professional experience in legal-related work. - At least five years of experience in legal work, supervision, or audit-related roles. - A master's degree or higher in law and at least five years of experience as a researcher or assistant professor (or higher) at a research institute, university, or relevant field.
ESG	Understanding of ESG issues and the ability to integrate ESG factors into business strategy. Focus areas include climate, sustainability, health and safety, diversity, equity, and inclusion.	- At least ten years of experience in ESG-related work at a corporation, institution, or association, or at least five years of experience in ESG-related oversight roles. - A master's degree or higher in an ESG-related field and at least five years of experience as a researcher or assistant professor (or higher) at a research institute, university, or relevant field.
Academia	Experience in academic education or research and development. Ability to provide deep subject-matter expertise and academic insights to the board.	- A master's degree or higher in a relevant academic field and at least five years of experience as a researcher or assistant professor (or higher) at a research institute, university, or relevant field.

[Appendix] No.3 Director Election by Cumulative Voting _ Korea Zinc/Crucible JV Candidates

KOREA ZINC

	Candidate		Background		Reasons for Recommendation
Internal Director	1	**Choi, Yun Birm** • (Current) Chairman, Korea Zinc	2022-Present	Chairman, Korea Zinc	• Demonstrates outstanding industry knowledge in smelting, having been directly involved in designing and managing operations from Onsan Smelter, mines, and overseas subsidiaries to the position of Chairman • As an executive who has designed and driven mid- to long-term growth strategies and key new businesses, his reappointment as an inside director will ensure business continuity and effective strategy execution • Chairman Choi separated the combined roles of CEO and Board Chair to strengthen Board independence, adopted a Board-centered monitoring and oversight structure, and reinforced controls over capital allocation, such as implementing pre-approval and post-monitoring for new investments above a certain scale
			2021-2022	Vice Chairman, Korea Zinc	
			2019-2021	CEO, Korea Zinc	
			2014-2019	CEO, SMC (Sun Metals Cooperation) Australia	
			2012-2019	Vice President, Korea Zinc	
Outside Director	2	**Hwang, Deog Nam** • (Current) Outside Director/Board Chair/Independent Director Nomination Committee Chair/Related-Party Transactions Committee Member of Korea Zinc • (Current) Outside Director, Lotte Wellfood	2024-Present	Outside Director, Korea Zinc	• Established an independent chair system separate from the CEO and strengthened a Board-centered monitoring and oversight structure as an outside director and Chair of the Board • In the role of Chair, ensured fair and balanced decision-making, even when management and the controlling shareholder had conflicting interests • Director Hwang's reappointment is expected to secure continuity in Board leadership and governance improvement efforts, upholding fair and transparent Board practices
			2022-Present	Outside Director, Lotte Wellfood	
			2015-2023	Member, Seoul High Court Mediation Committee/Seoul Central District Court Mediation Committee	
			2017-2022	Outside Director, Hana Bank	
			2012-2017	Executive Director, Korean Society of Law	
Other Non-Executive Director	3	**Walter Field McLallen** • (Current) Managing Member, Meritage Capital Advisors • (Current) Co-Chairman, Tomahawk Strategic Solutions • (Current) Chairman, Crucible JV LLC & Aggregator	2019-Present	Director, OneSpaWorld Holdings Limited	• A global finance and investment expert with 35 years of experience across finance, private equity, and restructuring, with extensive expertise in structuring major investment projects, raising capital, and managing risk • Has served as an outside director and committee member at U.S.-listed companies, including chairing audit and compensation committees and participating in audit- and governance-related committees, and is capable of providing practical insights on capital allocation, performance-based compensation, and conflict-of-interest management
			2019-Present	Director, The Lovesac Company	
			2016-Present	Director, Timeless Wine Company	
			2014-Present	Co-Chairman, Tomahawk Strategic Solutions	
			2012-Present	Director, adMarketplace Inc.	
			2004-Present	Managing Member, Meritage Capital Advisors	

[Appendix] No.3 Director Election by Cumulative Voting _ YPC/Youngpoong/MBK Candidates - 1/2

KOREA ZINC

Candidate		Background	
Candidate for Other Non-Executive Director			
1	**Park, Byung Wook**	2020-Present	Outside Director, Youngpoong
		2018-2024	Cheong Accounting Firm
		2009-2010	CEO, Kumho Life Insurance (currently KDB Life Insurance)
Candidate for Other Non-Executive Director			
2	**Choi Yeon Seok**	2026-Present	Auditor, Eagle Five Yudonghwa 1st
		2026-Present	Director, Korea Retail Card Holdings
		2023-Present	Director, Danwon Holdings
		2023-Present	Director, Nexflex
		2022-Present	Director, Dongjin Textile
		2022-Present	Director, Kyungjin Textile
		2021-Present	Director, Yeonam Holdings
		2018-Present	Director, Young Hwa Holdings
		2008-Present	MBK Partners

Matters of Concern

- During tenure as outside director and Audit Committee Chair at Youngpoong (YP), **the company was under regulatory review for potential accounting standard violations, with possible "intentional" misconduct**
  - Alleged failure to record provisions for soil remediation and waste disposal costs at Seokpo Smelter
- **Questions over oversight as Chair amid repeated environmental law violations and operational suspensions at Seokpo Smelter**
  - Incidents included violations of the Water Environment Conservation Act, such as wastewater discharge into the Nakdong River, and multiple other breaches, with insufficient Board-level pre-approval controls and post-incident responses
- **Served on the Board during the 2025 conviction of former CEO and former plant manager for a major industrial accident, raising concerns over supervisory diligence**
  - On Nov. 4, 2025, Daegu District Court sentenced CEO Park Young-min and Plant Manager Bae Sang-yoon to 18 months in prison and 3 years probation, respectively, and fined YP KRW 200M
- **Since 2021, YP's performance deteriorated, TSR lagged industry peers, and contributions to shareholder value were limited**

- Simultaneously serves as director of seven MBK portfolio companies and auditor of one, **raising fiduciary concerns**
- **All positions are within MBK portfolio companies, creating structural conflicts and risking impairment of independence**
  - **Excessive ties to a specific private equity interest may prioritize certain shareholders over the company and others**
- **Past failures in managing consumer safety, ethics, and ESG risks raise concerns about board ethics and accountability**
  - Failed Board oversight of the nickel contamination in ice water purifiers while serving as Coway non-executive director
  - Allegedly tolerated concealment of defects during major consumer safety incidents, causing significant reputational and liability risk to the company

[Appendix] No.3 Director Election by Cumulative Voting _ YPC/Youngpoong/MBK Candidates - 2/2

KOREA ZINC

Candidate		Background		Matters of Concern
Outside Director Candidate				
3	**Oh, Young**	2022-2024	Advisor, Law Firm The East Asia	• **Repeated audit failures & internal control lapses during tenure as head of multiple accounting firms, raising potential shareholder value risk** - **Audit failures related to Daewoo Group accounting fraud: Faced regulatory business suspension in 2000 while serving as head of Sandong Accounting Firm, and in 2006 was sentenced to 6 months imprisonment with 1-year probation for false audit reports** - **Additional sanctions by the SFC (Securities and Futures Commission) for listed company accounting violations** **: 1-year restriction on audit work in 2020, due to understatement of impairment losses and inadequate disclosures at Isu Chemical and Initech** - **Auditor independence violations and gross negligence sanctions: Independence** breach due to inadequate internal controls; gross negligence sanction confirmed by the SFC in June 2024
		2015-Present	Auditor, Work Together Foundation	
		2008-2022	CEO & Advisor, Yale Accounting Corporation	
Outside Director Candidate				
4	**Choi, Byung Il**	2025-Present	Advisor, Bae, Kim & Lee LLC	• **Currently serving as legal counsel/advisor at BKL LLC, which represents Youngpoong/MBK, creating significant conflicts of interest and undermining board independence** • **Lacks corporate experience, including serving as a director of a listed company, limiting practical ability to effectively perform oversight** **Board expertise will be particularly limited in matters related to U.S. integrated smelter construction, including U.S. investment and policy responses**
		2024-Present	Professor Emeritus, Ewha Womans University	
		2020-2024	Secretary-General, Korea Foundation for Advanced Studies	
Outside Director Candidate				
5	**Lee, Sun Sook**	2009-Present	Law Firm Minju	• **Currently serving as legal counsel/advisor at BKL LLC, which represents Youngpoong/MBK, creating significant conflicts of interest and undermining board independence** • **Lacks corporate experience, including serving as a director of a listed company, limiting practical ability to effectively perform oversight** **Board expertise will be particularly limited in matters related to U.S. integrated smelter construction, including U.S. investment and policy responses**
		1999-2008	Bae, Kim & Lee LLC	

[Appendix] No. 4-5 Appointment of Outside Directors as Audit Committee Members _ Proposal by KOREA ZINC

- Candidates Kim Bo Young and Lee Min Ho are expected to effectively balance the Audit Committee's key oversight functions, leveraging their expertise in internal control, risk management, and corporate governance.
- Following recent Commercial Act amendments tightening checks and balances on management, they will enhance shareholder protection through strengthened compliance and greater Audit Committee transparency.

Candidate		Background		Significance
1	**Kim, Bo Young** • Professor, School of Business, Hanyang University • Chairwoman, Korean Academy of International Business Management • SNU ESG Council Member • Chair of ESG Committee & Compensation Committee Member, Korea Zinc	2025-Present	Chairwoman, Korean Academy of International Business Management	• As a professor of business administration, the candidate brings extensive expertise in global business, finance, and management, enabling an independent and systematic review of financial reporting and overall internal control and risk management systems. • With strong academic independence and professional expertise, the candidate is expected to strengthen governance, enhance Audit Committee transparency, and contribute to protecting shareholder interests.
		2021-Present	Outside Director, Korea Zinc	
		2010-Present	Professor, School of Business, Hanyang University	
		2018-2021	Outside Director, Korea Gas Technology Corporation	
2	**Lee, Min Ho** • Advisor & Director of ESG Research Center, Yulchon • Outside Director, POSCO (ESG Committee Chair, Audit Committee Member) • SNU ESG Council Member • Chair of Related-Party Transactions Committee & ESG Committee Member, Korea Zinc	2022-Present	Outside Director, Korea Zinc	• As an ESG expert, the candidate possesses extensive public service experience and prior outside director roles in related industries, and is expected to provide the Board with professional advisory capabilities on governance and policy matters. • As a current Audit Committee member, the candidate is expected to play a central role in strengthening the company's compliance management system, including ensuring effective board oversight and accountability.
		2022-Present	Outside Director, POSCO	
		2020-Present	Director, ESG Research Center of Yulchon	
		2019-2023	Adjunct Professor, ISUS of University of Seoul	
		2018-2023	Vice President & Auditor, Korean Society of Environmental Impact Assessment	
		2016-2017	Deputy Minister of Policy Planning, Ministry of Environment	

[Appendix] Progress Report of Value up Initiatives

KOREA ZINC

01 Strengthened Communication

- **The 1st Governance NDR is being held in 2H25**
- Investor website has been renewed
- Reported Value-Up Progress to the Board
- **Increased C-level investor engagement**
  -(2023) 20 times → (2024) 54 times
  *1H25: 53 times
- Expanded scope of English disclosures

1H25 Record	Participants	# of meetings
C-level Meeting[1)]	Outside Director, CEO, CFO	53
Earnings Call	CFO, IRO * Counted as one if any of the above is present.	6
IR Meetings	IR Team	165

02 Incorporating Investors Voice

Investor's opinions	Company's Response
Balanced Board Structure is needed	Three YP·MBK Directors were appointed
International viewpoint is required in the Board	Foreign Outside director was appointed
Sharing notable managerial issues would be helpful	A separate website has been launched to address key managerial issues.
Active communication with C-Level & Board directors needed	C-Level Engagement Doubled

03 Progress Report on Value-Up Plan

Progress Report on Value-Up Plan('25.09)

	Target	1H25	'33(T)
Mid to long Financial Targets	OPM	6.9%	12%
	Revenue	7.6tn	25tn
	TD revenue ratio	29%	50%

	Target	'25(E)	'24~26(T)
Shareholder Return/ Profitability	Shareholder Return Ratio*	202.0%	40%
	Reserve Ratio*	7,699%	8,000%↓
	ROE*	10% range	Avg. 9%
	Net debt/EBITDA*	2.2x	2.0x ↓
Governance	Value-Up progress report to the Board	Completed	
	Enhancing BSM (Board Skill Matrix)	Completed	
	Strengthening 'C-Level' communication	Completed	

* Based on annualized 1H25 results
- Shareholder return ratio / reserve ratio: Net income(1H25 × 2), reflecting KRW 1.67tn share cancellation, assuming average dividend per share remains at KRW 17,500(2022~2024)
- ROE: Based on net income of 1H25 × 2
- Net debt/EBITDA : 2025 Company's annual estimate
  Net Debt = Total borrowings - (Cash & equivalents + Short-term investments + Short-term deposits)
  EBITDA (1H25 x 2)

1) Including institutional and overseas investors

[Appendix] Timeline of Hostile Takeover

KOREA ZINC

- Since the announcement of the tender offer, Youngpoong has repeatedly filed a series of injunctions against Korea Zinc.
- Most were dismissed by the court or voluntarily withdrawn by Youngpoong, while a small number remain pending before the court.

Korea Zinc

Oct. 2, 2024

1. (9:02)
   Court dismisses YP's injunction to prohibit share buyback
2. (10:00)
   KZ Board resolves to conduct a share buyback tender offer (KRW 830,000)

Oct. 11-21, 2024

1. (Oct. 11) KZ raises tender offer price from KRW 830,000 to KRW 890,000
2. (Oct. 21) Court dismisses YP's second injunction to prohibit share buyback

Oct. 23, 2024

1. KZ completes share buyback, acquiring 11.26% stake in Korea Zinc (approx. 2.33M shares)

Jan. 22-23, 2025

1. (Jan. 22)
   SMC acquires 10.33% of YP (approx. 190,000 shares), triggering voting restrictions under cross-shareholding structure
2. (Jan. 23) EGM results
   - AOI Approval: Executive directors, maximum number of directors, par value split, outside director as chair, record date change, introduction of quarterly dividends (Rejection: Executive directors, minority shareholder protection)
   - Directors Approval: 7 KZ candidates (outside directors) appointed (Rejection: MBK's all 14 candidates)

Mar. 7-12, 2025

1. (Mar. 7)
   Court partially grants injunction on EGM items (relating to SMC corporate form)
   → EGM resolutions (excluding cumulative voting) temporarily suspended (suspension of amendments to the articles of incorporation and suspension of directors' duties)
2. (Mar. 12)
   SMH acquires YP shares as a dividend from SMC

Mar. 27-28, 2025

1. (Mar. 27)
   Court rejects injunction allowing voting rights (YP's voting restrictions upheld)
2. (Mar. 28) SMH acquires additional YP shares
3. (Mar. 28) AGM results
   - AOI Approval: DoB size limit, outside director as chair, record date, quarterly dividends (Rejection: Separate election)
   - Directors Approval: Appointment of 5 KZ candidates (outside directors) and 3 MBK candidates (Kim, Gwang Il/Kang, Sung Doo/Kwon, Kwang Seok)

MBK & YP

Sept. 13-26, 2024

1. (Sept. 13)
   MBK launches a tender offer with YP in a hostile takeover attempt (KRW 660,000)
2. (Sept. 13)
   YP files for injunction to block KZ's share buyback following the tender offer announcement
3. (Sept. 26)
   Tender offer price raised from KRW 650,000 to KRW 750,000

Oct. 2-4, 2024

1. (Oct. 2)
   Court dismisses YP's injunction
2. (Oct. 2, 10:52)
   YP files a new injunction within two hours of the court ruling, repeating most of the claims from its previous filing
3. (Oct. 4)
   MBK raises tender offer price from KRW 750,000 to KRW 830,000

Oct. 14, 2024

1. MBK completes tender offer, acquiring additional 5.34% stake in Korea Zinc (approx. 1.1M shares)

Oct. 28, 2024

1. MBK requests convening of Korea Zinc's EGM

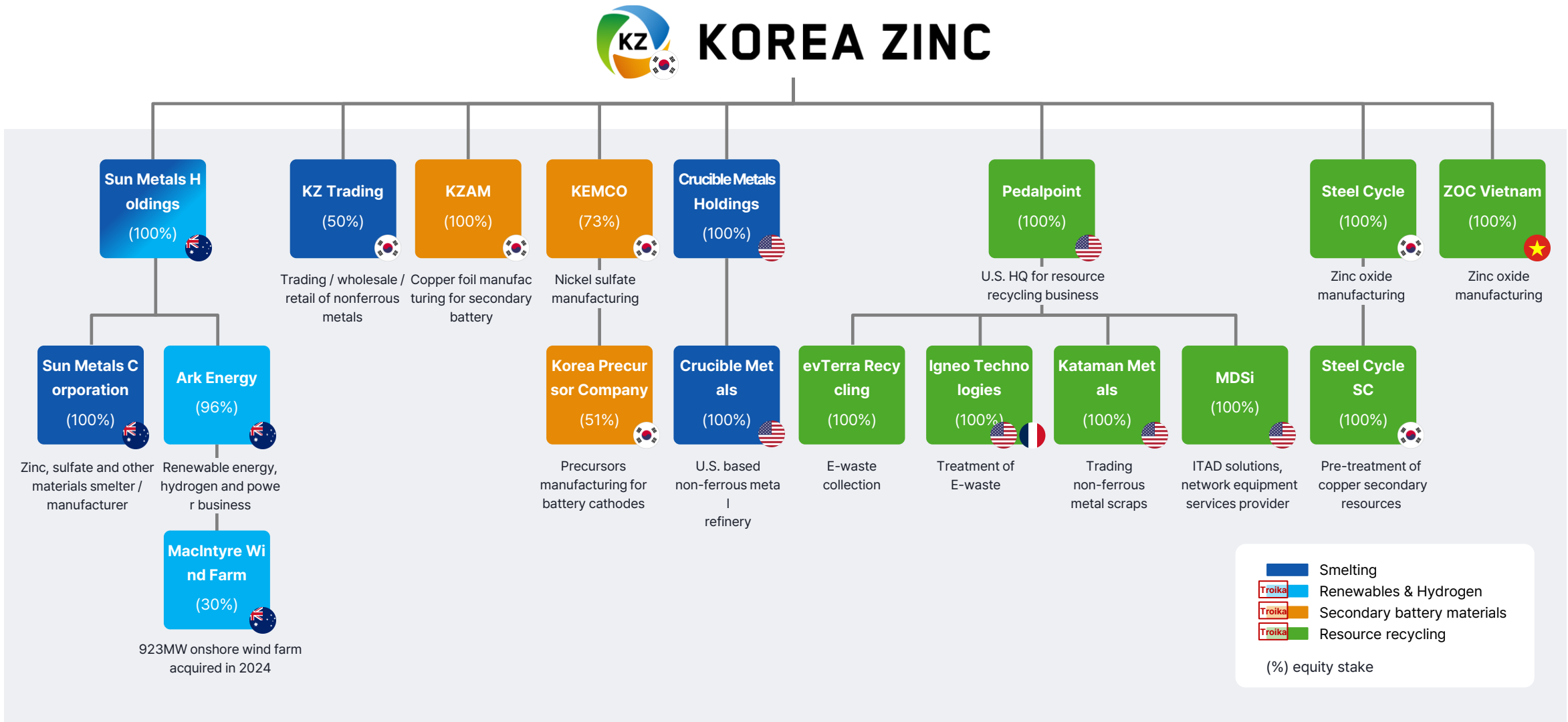
Jan. 31, 2025

1. MBK files for injunction to suspend the effectiveness of resolutions passed at EGM

Mar. 14-27, 2025

1. (Mar. 14)
   YP announces in-kind contribution of its KZ shares to YPC
2. (Mar. 17)
   MBK & YP file for injunction to allow voting rights
3. (Mar. 27)
   YP distributes shares as dividend

[Appendix] Korea Zinc and Subsidiaries





World's Leading
Green Energy and Material Provider

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