

# Corporate Governance

WE ARE COMMITTED TO EARNING THE TRUST OF ALL OUR STAKEHOLDERS—FROM SHAREHOLDERS AND CUSTOMERS TO EMPLOYEES, PARTNERS, AND COMMUNITIES. OUR GOVERNANCE STRUCTURE GIVES US A SOLID FOUNDATION FROM WHICH TO EARN THAT TRUST AND GENERATE GREATER VALUE AS WE AIM FOR A HIGHER LEVEL OF PERFORMANCE.



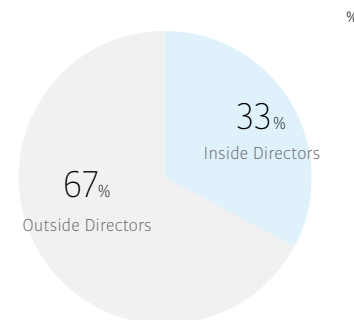
## Board of Directors

Our board is comprised of six directors, four of which are outside directors nominated by the Outside Director Nominating Committee and elected at the annual general shareholders' meeting. The board consults on and conducts oversight of all major business activities and has final decision-making authority and responsibility in all business matters. In addition to ensuring all decisions benefit shareholders, the board's objective is to maximize corporate value from a long-term perspective. In 2016, the board met 10 times to decide on a total of 32 major agenda items.

## Board Committees

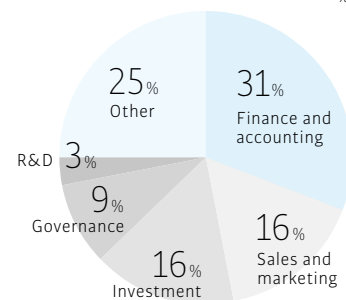
Outside directors hold over half of the board seats to enhance the board's independence and professional expertise. The board also operates two committees to aid its mission. The Audit Committee plays a key internal control role, elevating transparency in management and credibility in financial disclosures. The Outside Director Nominating Committee identifies, screens, and nominates qualified professionals to serve on the board through a fair and impartial process. In 2016, the committees met 3 times and 1 time, respectively.

### Board Structure



### Board Agenda Overview

Area	Items
Finance and accounting	10
Sales and marketing	5
Investment	5
Governance	3
R&D	1
Other	8
<b>Total</b>	<b>32</b>



## Governance Structure

<b>Chairman</b>			
Chan-koo Park			
<b>Board of Directors</b>			
<b>2 Inside Directors</b>		<b>4 Outside Directors</b>	
Chan-koo Park · Seong-chaе Kim		Yong-man Rhee · Jin-ho Chung · Ok-rial Song · Myoung-kee Jang	
<b>Audit Committee</b>		<b>Outside Director Nominating Committee</b>	
<b>3 Outside Directors</b>		<b>2 Outside Directors</b>	
Yong-man Rhee · Jin-ho Chung · Ok-rial Song		Yong-man Rhee · Jin-ho Chung	

### Outside Director Attendance

	Yong-man Rhee	Jin-ho Chung	Ok-rial Song	Myoung-kee Jang
<b>Board Meetings</b>	80%	90%	90%	100%
<b>Audit Committee Meetings</b>	100%	100%	67%	
<b>Outside Director Nominating Committee Meetings</b>	100%	100%		




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**Inside Director**
**Chan-koo Park**

Chairman & CEO  
Kumho Petrochemical

Chairman and CEO Chan-koo Park chairs the board. He graduated from Iowa State University in the United States with a degree in statistics and began his career at KKPC. He has previously served as CEO of several KKPC group companies, including KKPC and Kumho Mitsui Chemicals. During his more than four decades at KKPC, he has played a key decision-making role while contributing to company growth. He also served as chair of the International Institute of Synthetic Rubber Producers from 2010 to 2011.

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**Inside Director**
**Seong-chaе Kim**

President & CEO  
Kumho Petrochemical

President Seong-chaе Kim graduated from Yonsei University in Korea with a degree in chemical engineering and began his career at KKPC. During his career, he has accumulated a vast amount of experience and expertise in the synthetic rubbers industry while serving in a variety of sales and management positions at home and abroad. He has served as president and CEO since 2010.

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**Outside Director**
**Yong-man Rhee**

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

Director Yong-man Rhee previously served as a secretary in Korea's presidential secretariat as well as minister of the Korean Ministry of Strategy & Finance, gaining extensive experience in the fields of finance and policy. In his outside director role, he also serves on both the Audit Committee and the Outside Director Nominating Committee.

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**Outside Director**
**Jin-ho Chung**

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

Director Jin-ho Chung has had an extensive career in the financial and investment industries, including stints at Nomura Securities and as CEO of Prudential Investment & Securities. He is currently chairman and CEO of The Wells Investment. In his outside director role, he also serves on both the Audit Committee and Outside Director Nominating Committee.

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**Outside Director**
**Ok-rial Song**

Member, Audit Committee  
Professor, Seoul National University School of Law

Director Ok-rial Song has an extensive career in the legal field. An LL.D. graduate of Harvard Law School, he has previously worked as an attorney at Korea's largest law firm. He currently teaches law at the Seoul National University School of Law. In his outside director role, he also serves on the Audit Committee.

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**Outside Director**
**Myoung-kee Jang**

Former Director, Korea Exchange Bank  
Chairman & CEO, Fidelis Partners

Director Myoung-kee Jang has an extensive career in the banking industry. He has served as a deputy director of major Korean financial institutions including Shinhan Bank and Korea Exchange Bank. He is currently chairman of Fidelis Partners. In his outside director role, he provides valuable insights and guidance on decisions related to fund management policy.