

# 02 Management Review

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## Corporate Governance

At KKPC, our modern, board-centric governance structure enables us to practice responsible, ethical, and transparent management. We are committed to earning the trust of all our stakeholders—from shareholders and employees to customers and communities.

### Board of Directors

Our board is composed of a total of seven 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 has the objective of maximizing corporate value from a long-term perspective. To enhance the independence of the board and professional knowledge, over half of the board seats are held by outside directors. The board has three committees: the Audit Committee, Outside Director Nominating Committee, and Management Advisory Committee. The board met a total of 11 times in 2011 to decide a number of major agenda items, including the approval of additional investments to expand the production capacity of our synthetic rubbers business.

### Audit Committee

The Audit Committee plays a key role in elevating transparency in management and credibility in financial disclosures. Composed entirely of outside directors to ensure independence, the committee can, if necessary convene an extraordinary shareholders' meeting and request a business report from the board. The committee also has the authority to investigate and review the status of major assets and work in progress.

### Board of Directors

Inside Directors		
<b>Chan-Koo Park</b> Chairman & CEO Kumho Petrochemical Co., Ltd.	<b>Suh-Hyung Lee</b> President & CEO Kumho Petrochemical Co., Ltd.	<b>Seong-Chae Kim</b> President & CEO Kumho Petrochemical Co., Ltd.
Outside Directors		
<b>Ki-Ro Pan</b> Director, Audit Committee Former CEO, Korea Infrastructure Investments Asset Management	<b>Jun-Bo Lee</b> Director, Audit Committee Attorney, Kim Chang & Lee	<b>Yong-Man Rhee</b> Director, Audit Committee Member, President's Senior Advisory Council
<b>Yong-Whan Kim</b> Director Attorney, Kim Yong Whan		