

# Shareholder Proposals and 2026 AGM Agenda Briefing Materials

March 2026

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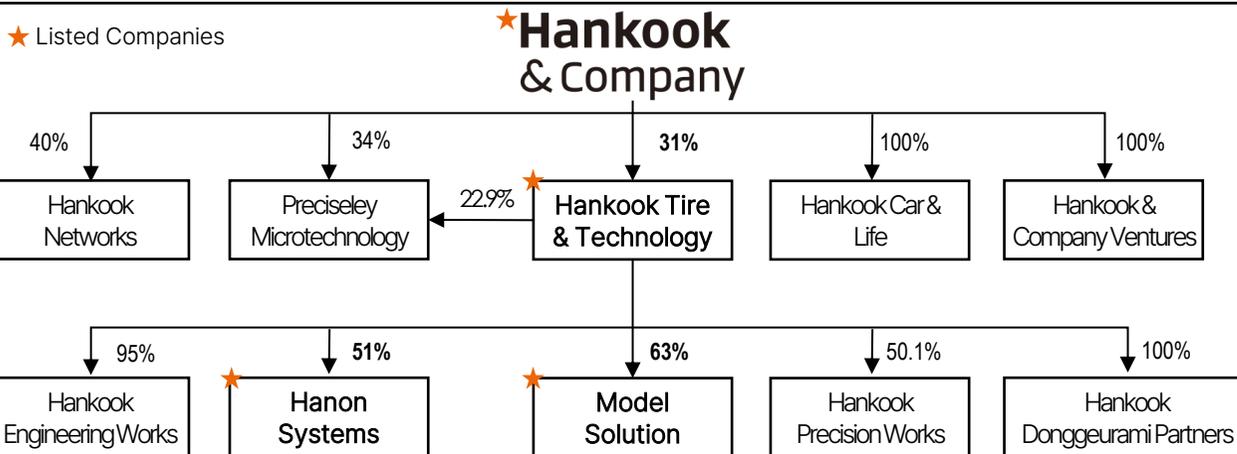
## Company history and group structure

The Company was established as a holding company in September 2012 through an spin-off of Hankook Tire & Technology, which assumed the tire operating business. It was renamed Hankook & Company in December 2020 and, following its merger with Hankook AtlasBX in April 2021, re-launched as an operating holding company.

### Company milestones



### Group structure (ownership stakes)

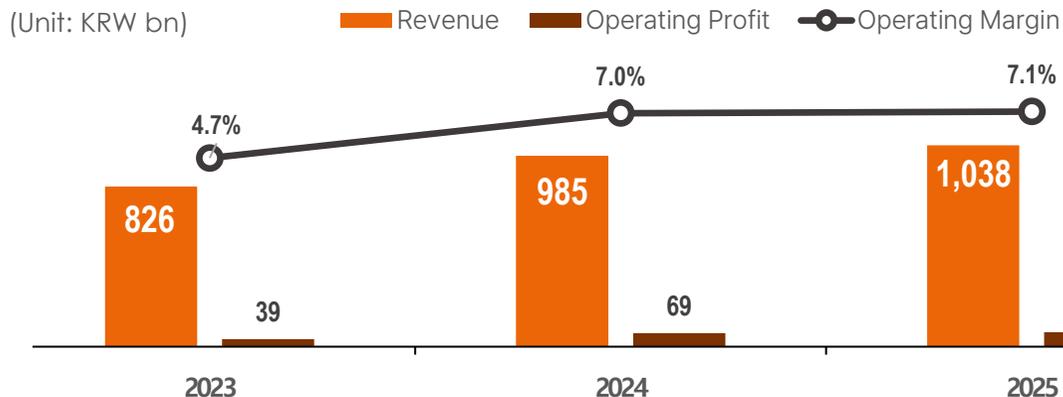


- As an operating holding company, the Company recognizes profits from subsidiaries primarily as equity-method income, in addition to its battery business.
- Equity-method income represents approximately 25%–30% of reported sales.
- The principal cash-generating subsidiary is Hankook Tire & Technology, a leading global tire manufacturer, accounting for the majority of equity-method income.
- In January 2025, Hankook Tire & Technology secured ≥51.07% of Hanon Systems, becoming the controlling shareholder and consolidating Hanon Systems.

## Company overview and business description

Following the 2021 merger with Hankook AtlasBX, the Company has operated its lead-acid battery business directly. Operating margin improved materially in 2024, and earnings growth is expected to continue, supported by favorable industry conditions.

### Battery segment performance



#### Business Overview

- The battery segment is the core operating business of the Company as an operating holding company; operated since the 2021 merger with a subsidiary business.
- As of 3Q25 YTD, the battery segment accounts for ~70% of consolidated revenue.
- Approximately No. 7 global share in lead-acid batteries; ~90% of sales are exports.

#### Recent Performance

- Revenue has grown steadily since 2020, exceeding KRW 1.0 trillion in 2025.
- Electrification trends are lifting demand for higher-performance batteries as electronics content increases beyond BEVs
- **Increasing AGM demand (higher-margin than conventional batteries) has improved product mix and supported continued margin expansion.**
- The business model is driven by replacement demand over vehicle life cycles ("battery replacement demand → recurring sales"), supported by advanced automation and vertical integration.

#### Outlook

- In a favorable AGM market, the Company is actively expanding and converting AGM capacity, supporting additional revenue and profit growth.

### Key Products



- ✓ **AGM(Absorbent Glass Mat)**
  - Superior starting performance; high energy efficiency and durability
  - Structural beneficiary of EV growth and increasing vehicle electrification/electronics content
  - ~20% of Company sales in 2025; expected to expand further



- ✓ **EFB(Enhanced Flooded Battery)**
  - Extends the life of standard MF lead-acid batteries by 2x+; lower cost than AGM
  - Strong heat resistance
  - Often used in cost-sensitive mass-market vehicles
  - ~6% of Company sales in 2025



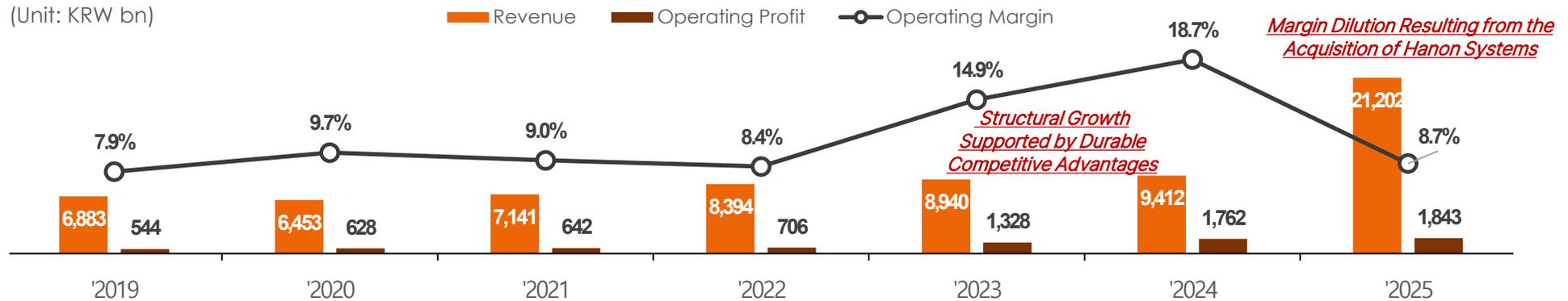
- ✓ **MF(Maintenance Free)**
  - The most widely used maintenance-free lead-acid battery category
  - Replacement demand for aging vehicles remains resilient; continues to serve as the Company's primary cash-generating product base
  - ~73% of Company sales in 2025

## Company overview and business description

# The majority of the Company's equity-method income is generated from subsidiary Hankook Tire & Technology, which has delivered steady growth in revenue and margins since 2020

## Hankook Tire & Technology: revenue / operating profit / operating margin

(Unit: KRW bn)



### ✓ Company profile

- Hankook Tire & Technology manufactures and sells automotive tires; the Company holds a 30.67% stake.
- The group's principal cash-generating subsidiary; accounts for most of the Company's equity-method income.
- ~No. 7 global market position; >10% share in certain regions.

### ✓ Tire segment review and outlook

- Despite adverse conditions in '20-'22 (pandemic-related demand weakness), revenue scale continued to expand.
- In '23-'24, normalization of logistics costs and raw materials, together with a higher mix of high-margin products (larger rim-size tires; EV/SUV-focused tires), drove material margin expansion. In '24, OPM increased temporarily due to anti-dumping duty refunds; even excluding refunds, OPM remained in the mid-teens.
- Portfolio mix has structurally improved toward higher rim-size products, supporting a structurally stronger profitability phase.
- Growth is expected to continue supported by EV product expansion and resilient OE and replacement demand.

### ✓ Acquisition of Hanon Systems in 2025

- Consolidated revenue increased materially following the acquisition; however, company-wide operating margin deteriorated due to acquisition-related costs and increased low-margin sales mix.

## Key Competitive Advantages

1

- ✓ **First dedicated EV tire brand "iON"**
  - Launched a dedicated, higher-margin EV brand in 2022 to capture early-mover benefits
  - Supplies OE tires to leading automotive brands

2

- ✓ **High rim-size strategy and high replacement (RE) mix**
  - 18-inch+ tires (higher margin): 47.8% of mix
  - ~70% of sales from the replacement market, which is less cyclical than OE

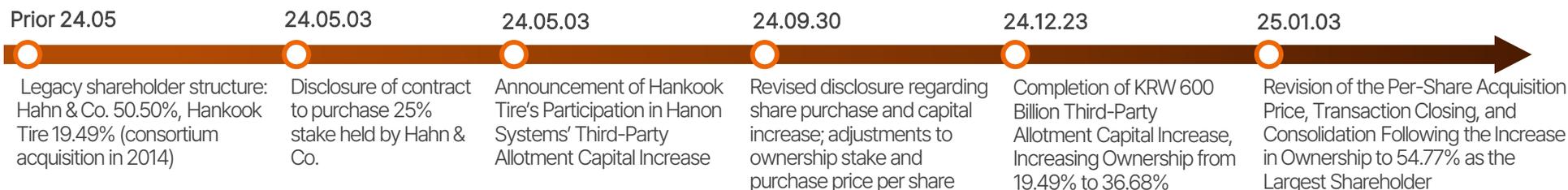
3

- ✓ **Diversified global manufacturing footprint**
  - Capacity expansions in key hubs (e.g., Tennessee, Hungary) to mitigate tariff risks and reduce costs
  - Distribution network spanning ~120 countries

## Company overview and business description

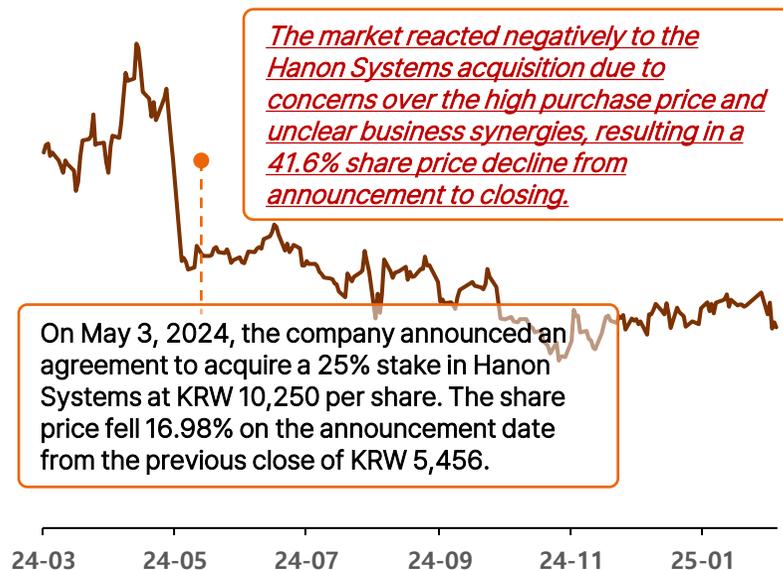
**Despite concerns raised by shareholders and parts of the board, Hankook Tire & Technology completed the acquisition of automotive HVAC supplier Hanon Systems in January 2025. Given reported opposition at the time, questions remain as to whether acquisition rationale and investment diligence were sufficiently reviewed and challenged**

### Hanon Systems Acquisition Timeline



### Issues with the Hanon Systems Acquisition (1): Excessive Acquisition Price

Hankook Tire & Technology Share Price Trend (Mar 2024 – Feb 2025)



#### ✓ Excessive Acquisition Price per Share

- At the time of the initial transaction announcement, Hanon Systems' share price was in the KRW 5,000 range, while Hankook Tire announced an acquisition price of KRW 10,250 per share.
- At closing, the acquisition price remained KRW 9,904 per share, while Hanon Systems' share price was in the KRW 3,000 range, raising concerns that the price was excessive even after considering a control premium.

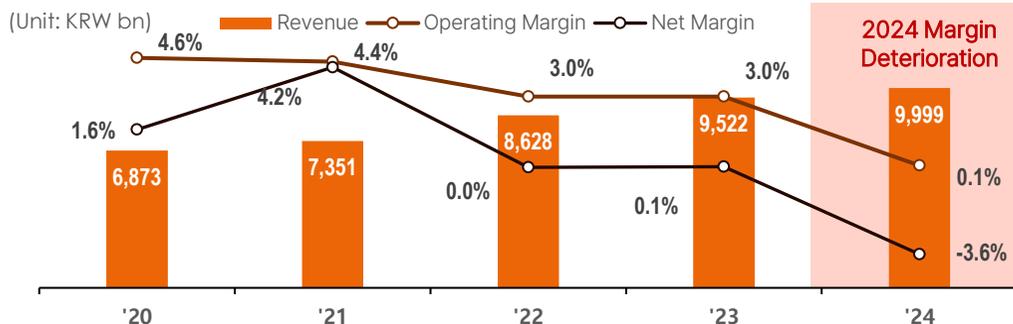
#### ✓ Governance and Process Concerns Surrounding the Acquisition

- The acquisition proceeded despite opposition from certain shareholders and members of the board, driven largely by Chairman Cho Hyun-bum's strong commitment to the transaction.
- At the time, Hanon Systems faced weak operating performance and an unfavorable industry environment. Given the close relationship between Hahn & Co. CEO Sang-won Hahn and Chairman Cho Hyun-bum<sup>1</sup>, concerns were raised that the transaction may have facilitated Hahn & Co.'s exit using company funds.
- Additional concerns were raised that the acquisition may have been pursued aggressively in an effort to elevate the group's standing among Korean conglomerates, despite the need for more rigorous investment review.

# In addition to valuation concerns, Hanon Systems' weak financial profile and limited strategic overlap with Hankook Tire raise further questions about acquisition diligence and board oversight.

## Issues with the Hanon Systems Acquisition (2): Ongoing Negative Impact on Hankook Tire & Technology's Profitability

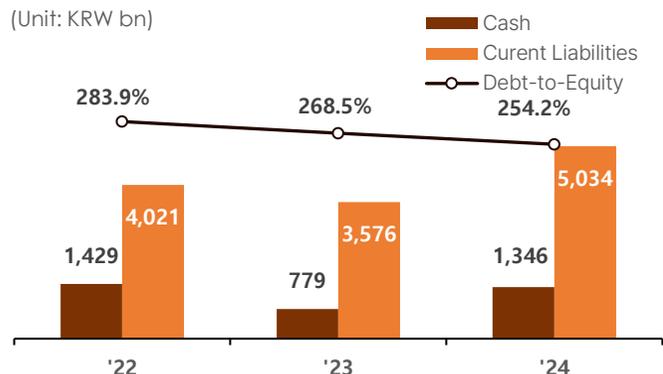
### 1. Hanon Systems Earnings Trend



Hanon Systems' earnings have deteriorated consistently since '21

- Despite higher sales, OPM kept falling, reaching 0.1% in 2024, while NPM turned negative at -3.6%.
- This reflects **structural weakness**—including loss of market position, OEM vertical integration and intensified competition—suggesting **recovery will not be easy**.
- Following the acquisition, Hankook Tire & Technology's OPM fell sharply from 18.7% in 2024 to 8.7% in 2025, indicating that the **Hanon acquisition is undermining the profitability of a business that was otherwise in a growth phase**.

### 2. Hanon Systems Financial Health



#### Deteriorating Hanon's Financials

- Debt-to-equity remains above 250%, and current liabilities are more than three times larger than cash and cash equivalents.
- In 2024, Hanon Systems' credit outlook was revised to "Negative," and with profitability recovery proving difficult, balance-sheet repair is unlikely to be easy.

### 3. Whether Inter-Business Synergies Exist

Industry	Tires	Thermal Management
<b>Manufacturing Process</b>	Equipment-based industry mixing rubber and chemical additives	Precision-assembly industry combining precision parts
<b>Distribution Structure</b>	Replacement sales through dealer channels are the key profit driver; sold directly to end customers	Entirely dependent on contracts with automakers

Acquired on the premise of synergies, but with limited evidence of synergies

- The stated rationale was to build an integrated EV solution by combining the tire and thermal-management businesses.
- However, tires and climate-control systems differ fundamentally in both manufacturing processes and distribution structures, and analysts have questioned whether any meaningful synergy exists.

**A large-scale M&A transaction such as the Hanon Systems acquisition has material business and financial implications for the Company and therefore requires robust investment review and prior Board review/approval. It is questionable whether that process was properly undertaken.**

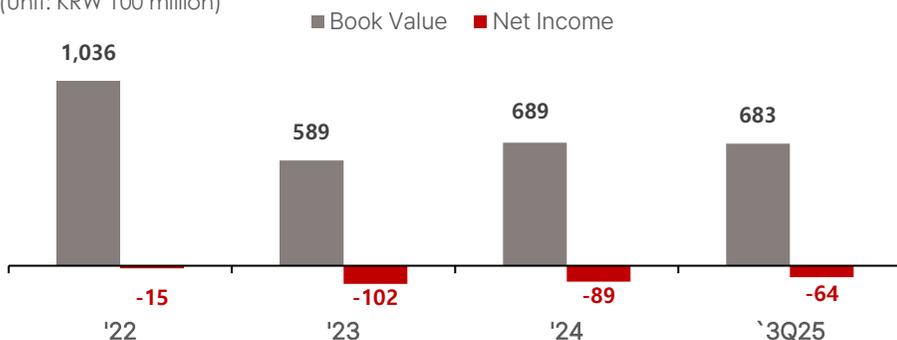
## Company overview and business description

# In addition to the Hanon Systems transaction, other equity investments also raise questions about the adequacy of the investment-review and board-approval process.

In 2022, the Hankook Tire Group acquired a Canadian designer of ultra-small precision electromechanical components in the name of business diversification and new-business expansion, yet the company has posted net losses every year since the acquisition and its carrying value has fallen by more than 30%. Moreover, investments in stocks and funds unrelated to the core business have continued, and even the credibility of related disclosures is in question, raising serious questions as to whether the investment-review and board-approval process was sufficiently robust.

## Questions Regarding the Acquisition of a Canadian Autonomous-Driving Company

(Unit: KRW 100 million)



## Preciseley Microtechnology Questions over Acquisition Rationale

- In February 2022, Hankook & Company and Hankook Tire & Technology acquired Preciseley Microtechnology Corporation, a Canadian designer and manufacturer of ultra-small precision electromechanical components.
- The stated rationale was business diversification and entry into new businesses through optical-communications components, with more than KRW 100 billion of company funds invested.
- However, it remains **unclear** whether the transaction followed **adequate due diligence and board approval**. Since the acquisition, the company's carrying value has declined from approximately KRW 100 billion to KRW 68.3 billion, and it has recorded recurring **net losses for nearly four years (cumulative net loss: ~KRW 27 billion)**.

## Continued Non-Core Investments

Fund / Entity	Amount (KRW mn)	Date
LG Multi-Strategy Professional Private Investment Trust No. 1	10,008	18.01.18
Macquarie Infrastructure	5,120	18.08.08
SmartStream-WE Untact Fund No. 3	4,480	21.09.07
SiLC Technologies	2,777	22.11.23
iTruck	1,000	23.04.07
JR Energy Solution	9,000	24.07.24

## Equity and Fund Investments with Unclear Strategic Rationale

- Since 2019, when Chairman Cho served as an inside director, Hankook & Company has made several investments in stocks, funds, and unlisted companies. However, a comparison of initial acquisition dates with contemporaneous **Board resolutions makes it unclear whether any formal investment review or Board approval process existed**.
- A review of annual and quarterly reports from 2019 through 3Q25 also indicates that the acquisition dates of certain non-core investments were not disclosed, raising concerns about **the reliability of the company's disclosures**.
- Moreover, there appears to be no clear business rationale for a company engaged in lead-acid batteries and tires to invest in specific funds and unlisted entities, underscoring **the need for stronger governance and Board oversight to monitor and prevent potential misuse of corporate assets**.

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# Former CEO Cho Hyun-bum received guilty verdicts in two separate cases (2020 and 2025), highlighting material governance concerns for the Company.

Cho Hyun-bum served as an inside director of Hankook & Company from March 2019 to February 2026 and as CEO from November 2020. During that time, he was twice convicted on charges including embezzlement and breach of trust. Yet despite repeated detention, release on bail, and re-detention, and despite now serving a prison sentence following a guilty verdict on appeal, he remained CEO until February 2026, highlighting significant governance risks at the Company.

## Former CEO Cho Hyun-bum – Convictions for Embezzlement / Breach of Trust

### 1 Occupational Embezzlement, Receipt of Illegal Benefits

#### 19.12 Indicted and Detained

- Criminal allegations were identified during a special tax audit by the National Tax Service.
- Prosecutors indicted **inside director Cho Hyun-bum on charges including receipt of illegal benefits and occupational embezzlement.**
- **Amount involved: KRW 878 million.**

#### 20.04 Convicted at First Instance

- Convicted on all charges  
– Sentenced to three years in prison, suspended for four years, and forfeiture of KRW 615 mn.

#### 20.11 Appeal Dismissed

- The Seoul Central District Court dismissed the appeal, leaving the original ruling intact.

### 2 Occupational Embezzlement / Breach of Trust, Receipt of Illegal Benefits

#### 23.03 Indicted and Detained

- Indicted and detained on embezzlement and breach of trust charges.
- **Total amount involved: KRW 15.38 billion.**

#### 20.04 Convicted at First Instance

- Convicted on occupational embezzlement / breach of trust and receipt of illegal benefits, excluding **certain breach of trust and Fair Trade Act counts; sentenced to three years in prison.**

#### 20.11 Convicted on Appeal

- Conviction for occupational embezzlement / breach of trust and receipt of illegal benefits upheld; sentenced to two years in prison.

#### Key Facts

- 1 From 2008 to 2018, he received a **total of KRW 615 million**, in 12 monthly payments of KRW 5 million, from a subcontractor's CEO in exchange for maintaining supply transactions, etc. (**receipt of illegal benefits**).
- 2 From 2008 to 2017, created **off-books funds totaling KRW 260 million** by diverting KRW 2–3 million per month from Hankook Tire affiliates on 102 occasions (**occupational embezzlement**).
- 3 Used **borrowed-name accounts** under the names of acquaintances' relatives and the father of an employee at an entertainment venue in order to **conceal money** received from affiliates and subcontractors.

#### Key Facts

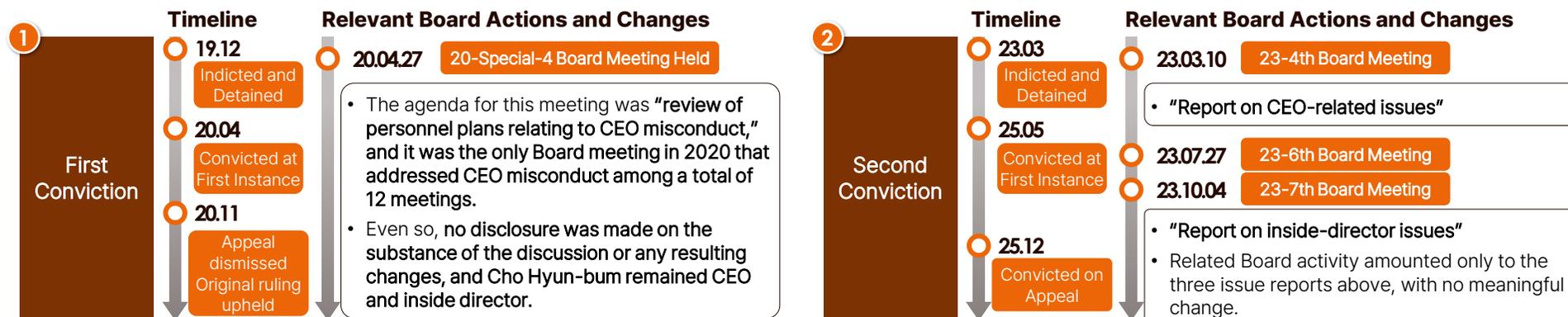
- 1 From 2017 to 2022, he **embezzled KRW 7.55 billion of company funds**, including personal use of company vehicles, payment of moving expenses, payment of furniture costs and private lending of affiliate funds. (**Occupational embezzlement, breach of trust and receipt of illegal benefits**)
- 2 He was acquitted of allegations that, from February 2014 to 2017, he caused Hankook Tire to pay above-market prices for approximately KRW 87.5 billion of tire mold purchases from affiliate MKT (Precision Works), thereby making decisions favorable to MKT and unfavorable to Hankook Tire.

## Governance concerns

# Despite two major controller-related governance events, the Board appears to have taken no meaningful corrective action, raising questions as to whether board oversight functioned effectively.

At the time of Cho Hyun-bum's two convictions, the Board discussed agenda items such as "review of personnel plans relating to CEO misconduct" and "report on CEO-related issues," but no concrete details or follow-up actions were disclosed, and he remained both CEO and inside director. This raises serious doubts as to whether the Company's internal-control system was functioning. Even afterwards, Cho remained unable to participate normally in many important Board decisions due to detention. The Board should not have treated these issues as isolated legal violations, but as a major governance problem requiring a more active response.

## Related Board Activity Following Cho Hyun-bum's Embezzlement / breach of trust Misconduct



### Key Board Resolutions of Hankook & Company in 2020

Meeting Agenda	Result	Inside Director		Outside Director		
		Cho Hyun-sik	Cho Hyun-bum	Kim Soon-ki	Jeon Byung-jun	Kim Han-gyu
20-Regular-1: Measures to strengthen corporate governance and ethical management	Approved	Support	Absent	Support	Support	Support
20-Special-4: Review of personnel plans relating to CEO misconduct		Support	Absent	Support	Support	Support
20-Special-8: Payment of executive incentives		Support	Support	Support	Support	Support

### Key Board Resolutions of Hankook & Company, 2023–2025

Meeting Agenda	Result	Inside Director			Outside Director			Other Non-Executive Director
		Cho Hyun-bum	Ahn Jong-sun	Park Jae-wan	Jeon Byung-jun	Kim Han-gyu	Min Se-jin	Park Jong-ho
23-4: Report on CEO-related issues	Received	Absent	Support	Support	Support	Support	-	Support
23-5: Progress report on issues related to inside directors		Absent	Support	Support	Support	Support	Support	Support
23-6: Progress report on issues related to inside directors		Absent	Support	Support	Support	Support	Support	Support

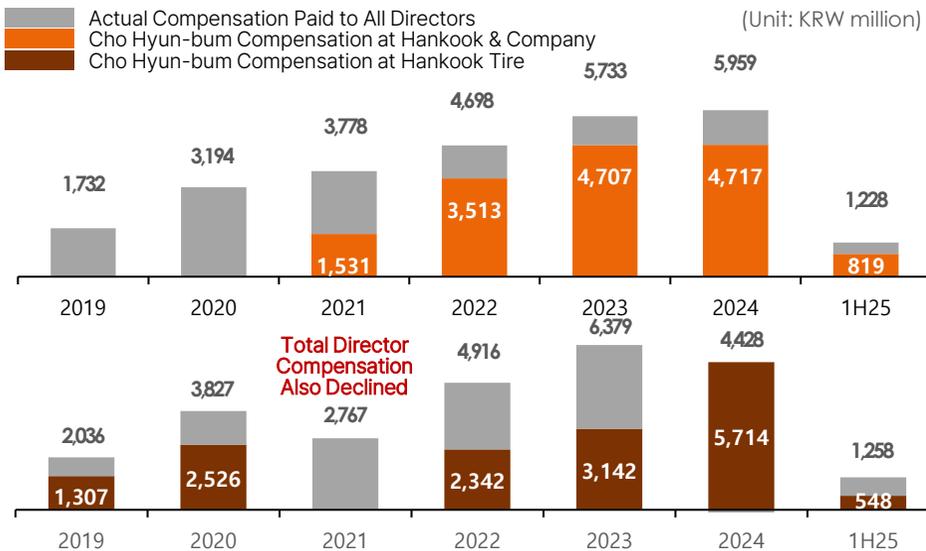
*Indeed, former CEO Cho Hyun-bum was re-elected as an inside director at the 2022 and 2025 annual general meetings and continued serving his term.*

## Governance concerns

# Despite repeated controller-related governance events, the Board appears not to have taken meaningful corrective action, raising further questions about oversight effectiveness.

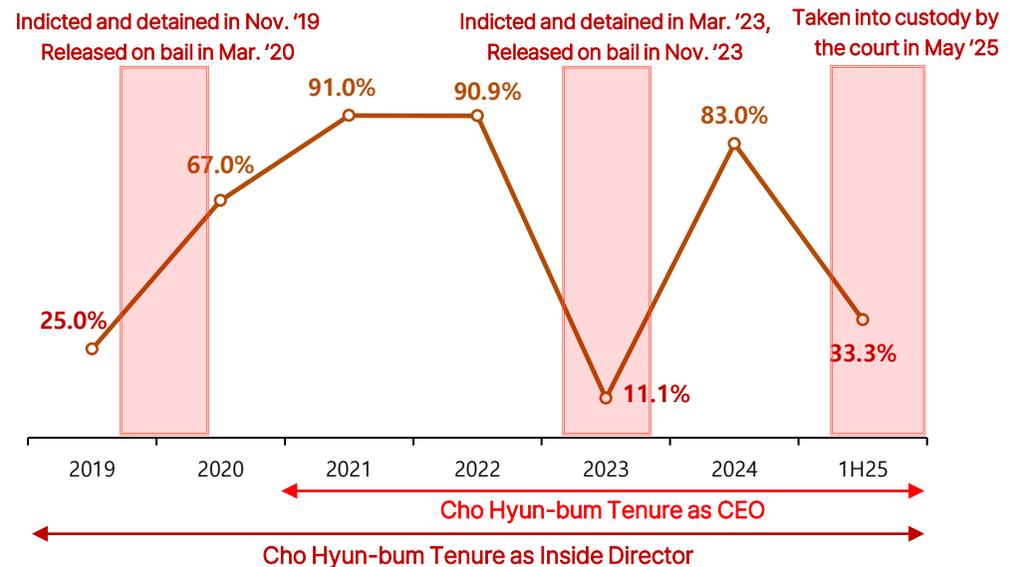
Despite being convicted twice and repeatedly cycling through detention, release on bail, renewed detention and court custody, Cho Hyun-bum remained unable to perform his duties normally as an inside director / CEO, yet still received at least KRW 28 billion of compensation from Hankook & Company and Hankook Tire during 2020–2024, accounting for roughly 70% of total director compensation over that period. Notably, even though his Board attendance in 2019, 2023 and 1H25 was well below 50%, he retained his director positions, further suggesting that the Company was effectively run as Cho Hyun-bum’s personal company.

### Cho Hyun-bum Compensation by Company and Share of Total Director Compensation<sup>1)</sup>



- Although Cho Hyun-bum was unable even to attend Board meetings properly in 2019, 2020 and 2023 due to imprisonment and related circumstances, he nonetheless received at least KRW 28 billion of compensation from Hankook & Company and Hankook Tire during 2020–2024, representing roughly 70% of all director compensation over that period.
- In 2021, his compensation was not disclosed because, immediately after his first conviction became final (Nov. 2020), he fell below the threshold for individual disclosure of compensation above KRW 500 million. However, the concurrent decline in total director compensation suggests that this was only temporary.

### Former CEO Cho Hyun-bum’s Attendance Rate at Hankook & Company Board Meetings



- Cho Hyun-bum remained an inside director throughout the roughly six-year period marked by detention, release on bail, re-detention, release on bail and court custody, and also served concurrently as CEO from November 2020.
- Unsurprisingly, his Board attendance during this period was extremely low, clearly demonstrating that he was unfit to serve as either inside director or CEO.

## Governance concerns

**Cho's sudden resignation as an inside director on February 20, 2026 occurred only after the shareholder proposal notice, cure, and service process had already unfolded, and thus cannot be credibly characterized as a voluntary governance-improvement measure. The deck also raises doubts about the capability of the remaining Board.**

Based on the foregoing, it is reasonable to conclude that the Board of Hankook & Company has failed to perform its core internal-control function, and that independent and credible directors are urgently needed to monitor both the Board and the Company. Moreover, excluding Cho Hyun-bum, who resigned on February 20, 2026, all five remaining directors can reasonably be viewed as accommodative directors operating under his influence. The current Board skill matrix also shows serious gaps in legal and risk-management expertise. Cho's resignation on February 20, 2026, ostensibly for personal reasons, came after the court's first-instance decision canceling the AGM resolution and after service of this shareholder coalition's proposal, raising suspicion that he resigned as a registered officer to avoid a cut in the director compensation cap while continuing to receive compensation as an unregistered executive.

### Current Board Skill Matrix at Hankook & Company

#### *Insufficient Legal, Risk-Management and ESG Expertise*

Current Board Skill Matrix at Hankook & Company		Industry Expertise	Corporate Value	Finance & Accounting	Legal	Risk Management	ESG	Notes
Resigned Feb. 20, '26								
Inside Director (19.03 ~ 26.02)	Cho Hyun-bum	●						<ul style="list-style-type: none"> <li>Resigned in February 2026 for personal reasons</li> <li>Principal party responsible for two cases of embezzlement and breach of trust</li> </ul>
Inside Director (22.03 ~ 26.03)	Park Jong-ho	●	●					<ul style="list-style-type: none"> <li>Accommodative director who served throughout Cho Hyun-bum's second conviction period (Mar. 2023 – Dec. 2025)</li> <li>Capabilities are concentrated in finance and accounting, with insufficient legal / risk-management / ESG expertise</li> </ul>
Outside Director (22.03 ~ 26.03)	Park Jae-wan		●	●				
Outside Director (23.03 ~ 26.03)	Min Se-jin			●				
Outside Director (24.03 ~ 26.03)	Lee Ho-young			●			●	
Outside Director (24.03 ~ 26.03)	Lee Sang-hoon		●	●				
Total		1	3	4	0	0	1	

#### Why the Current Directors Should Be Viewed as Accommodative Directors

- At the 2025 AGM, Cho Hyun-bum voted in favor of the proposal to approve the director compensation cap that effectively set his own compensation limit, and the proposal passed.
- However, this was unlawful under Supreme Court precedent that a person with a special interest in an AGM resolution may not exercise voting rights. In January 2026, the Suwon District Court canceled the AGM resolution approving the compensation cap.
- If the current Board were independent, it should have sought return of compensation already paid to Cho rather than appeal the ruling. Instead, the Company filed its appeal brief on February 12, 2026 and paid litigation costs on February 27, 2026.

***By choosing to spend unnecessary legal costs in order to appeal for Cho Hyun-bum's director compensation, the current Board should itself be viewed as a set of accommodative directors and a governance risk.***

## Governance concerns

# If only company-nominated director candidates join the Board, the deck argues that capability gaps and lack of independence will persist; electing the shareholder-nominated candidate is presented as necessary to address deficiencies

If only company-nominated candidates are elected, the Board's current weaknesses would not be meaningfully addressed and the skills matrix would remain concentrated in a narrow set of capabilities.

## Change in the Board Skill Matrix if Only Company Nominees Are Elected

Existing Board Members : Company Nominees

### Why We Recommend Opposing the Company Nominees

BSM if Company Nominees Are Elected		Industry Expertise	Corporate Value	Finance & Accounting	Legal	Risk Management	ESG
Inside Director (26.03 ~ 29.03)	Kim Jun-hyun		●	●			
Inside Director (25.03 ~ 28.03)	Park Jong-ho	●	●				
Inside Director (26.03 ~ 29.03)	Park Jeong-su		●	●			
Outside Director (25.03 ~ 28.03)	Park Jae-wan		●	●			
Outside Director (24.03 ~ 27.03)	Lee Ho-young			●			●
Outside Director (24.03 ~ 27.03)	Lee Sang-hoon		●	●			
Outside Director (26.03 ~ 29.03)	Lee Haeng-hee		●				●
Outside Director (26.03 ~ 29.03)	YeoChi-Kyung				●	●	
Total		1	3→6	3→5	0→1	0→1	1→2

- No improvement in the legal and risk-management capabilities that were already lacking**
  - Hankook & Company remains exposed to undervaluation due to legal risk and failures in risk management, making stronger capabilities in these areas essential.

- Continued Weakness in Board Independence**
  - If only company nominees are elected, the ratio of inside to outside directors would change from 2:4 to 3:5.
  - The higher proportion of inside directors would weaken Board independence.

*Moreover, because there is a reasonable basis to suspect that both the current and proposed Boards remain under Cho Hyun-bum's effective influence, a shareholder-nominated candidate is needed to supervise and check the Board as a whole.*

**Governance concerns**

**Absent the inclusion of the shareholder-nominated candidate, concerns regarding the Board’s capability and independence are likely to persist. The company’s proposal on Board size also appears designed to constrain minority-shareholder representation.**

To address the Board’s current skill gaps and strengthen independence, election of the shareholder nominee is warranted. This may represent the most meaningful near-term opportunity to do so, particularly if the proposed reduction in the board-size cap limits the future practical impact of cumulative voting.

**Change in the Board Skill Matrix if the Shareholder Nominee Is Elected**

◻ : Existing Board Members   ◻ : Company Nominees

Why We Recommend Supporting the Shareholder Nominee		<i>* The career details of the shareholder nominee are provided later in the presentation</i>					
BSM if Company Nominees Are Elected		Industry Expertise	Corporate Value	Finance & Accounting	Legal	Risk Management	ESG
Inside Director (25.03 ~ 28.03)	Park Jong-ho	●	●				
Outside Director (25.03 ~ 28.03)	Park Jae-wan		●	●			
Outside Director (24.03 ~ 27.03)	Lee Ho-young			●			●
Outside Director (24.03 ~ 27.03)	Lee Sang-hoon		●	●			
Outside Director (26.03 ~ 29.03)	Kim Eunice Kyonghee				●	●	●
Total		1	3	3	0→1	0→1	1→2

- |   |   |
|---|---|
| <p>1. <u>The previously weak legal and risk-management capabilities can be meaningfully strengthened.</u></p> <ul style="list-style-type: none"> <li>The shareholder nominee is a U.S.-qualified lawyer and former Ewha Law School professor with outside-director experience at listed companies including financial holding companies, and is a seasoned risk-management expert.</li> </ul> | <p>2. Board independence would improve.</p> <ul style="list-style-type: none"> <li>The ratio of inside to outside directors would improve from 2:4 to 1:4.</li> </ul> |
|---|---|

*To fully address governance risk, a shareholder-nominated candidate—not a company nominee—is required. The shareholder-proponent group intends to continue monitoring the Board and management following this proposal.*

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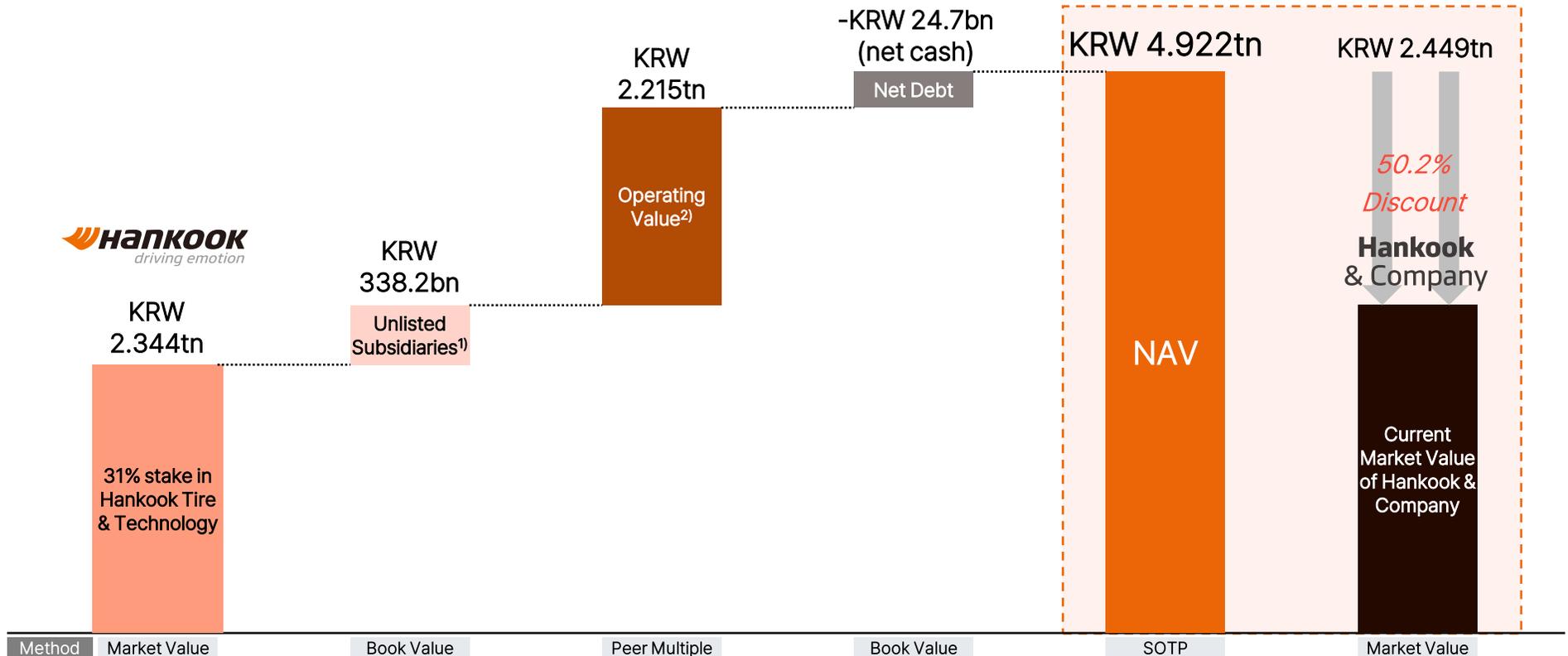
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## Significant undervaluation

# Hankook & Company trades at a NAV discount of more than 40%, and governance-related concerns at Hankook Tire & Technology may further depress the look-through value of its stake.

As of Mar. 3, 2026, the Company traded at approximately 0.65x P/B, a level we view as indicating material undervaluation. Given its operating business, 30.67% stake in Hankook Tire & Technology and holdings in several unlisted subsidiaries, we used an NAV / SOTP framework to assess the magnitude of the discount more precisely. Even the market value of the Company's stake in Hankook Tire & Technology alone broadly explains its current market capitalization. The stock trades at a 50.2% discount to NAV, and because much of the persistent holding-company discount appears to reflect governance risk, we believe this discount could materially narrow with governance improvement.

## Breakdown of Hankook & Company NAV

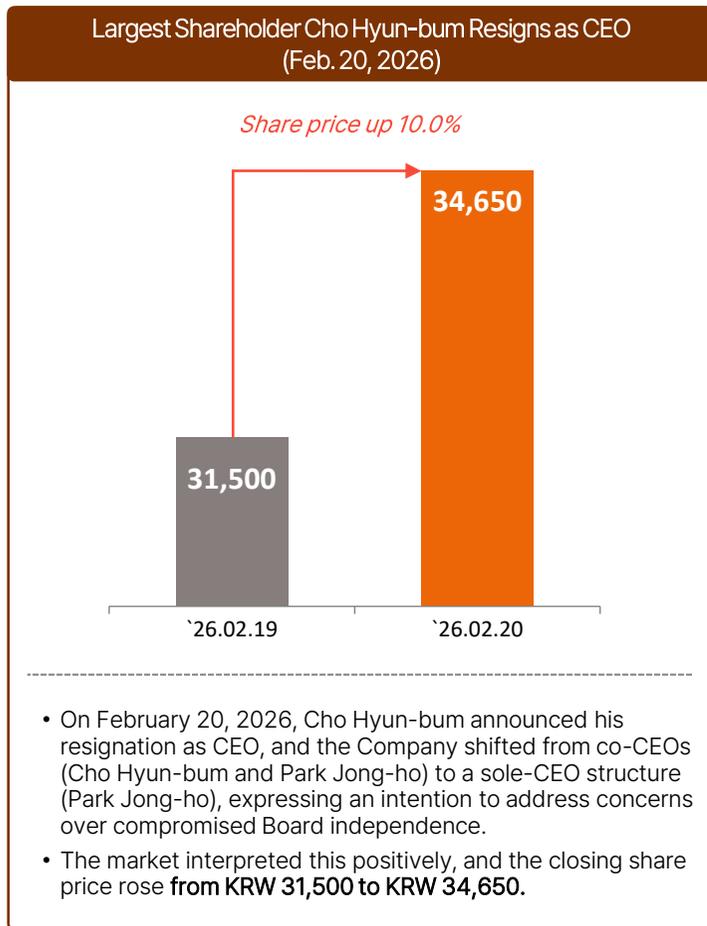


**HANKOOK & COMPANY '26 AGM MATERIAL** SOURCE: Valuation date: Mar. 5, 2026 1) Book value of unlisted subsidiaries including Hankook Networks (40%), Hankook Car & Life and Hankook & Company Ventures 2) Operating value based on peer EV/EBITDA for ES Industry and the average multiple of 11 domestic and international lead-acid battery companies (including Sebang Global Battery, ABM Fujiya Berhad, EnerSys, FDK and Chaowei).

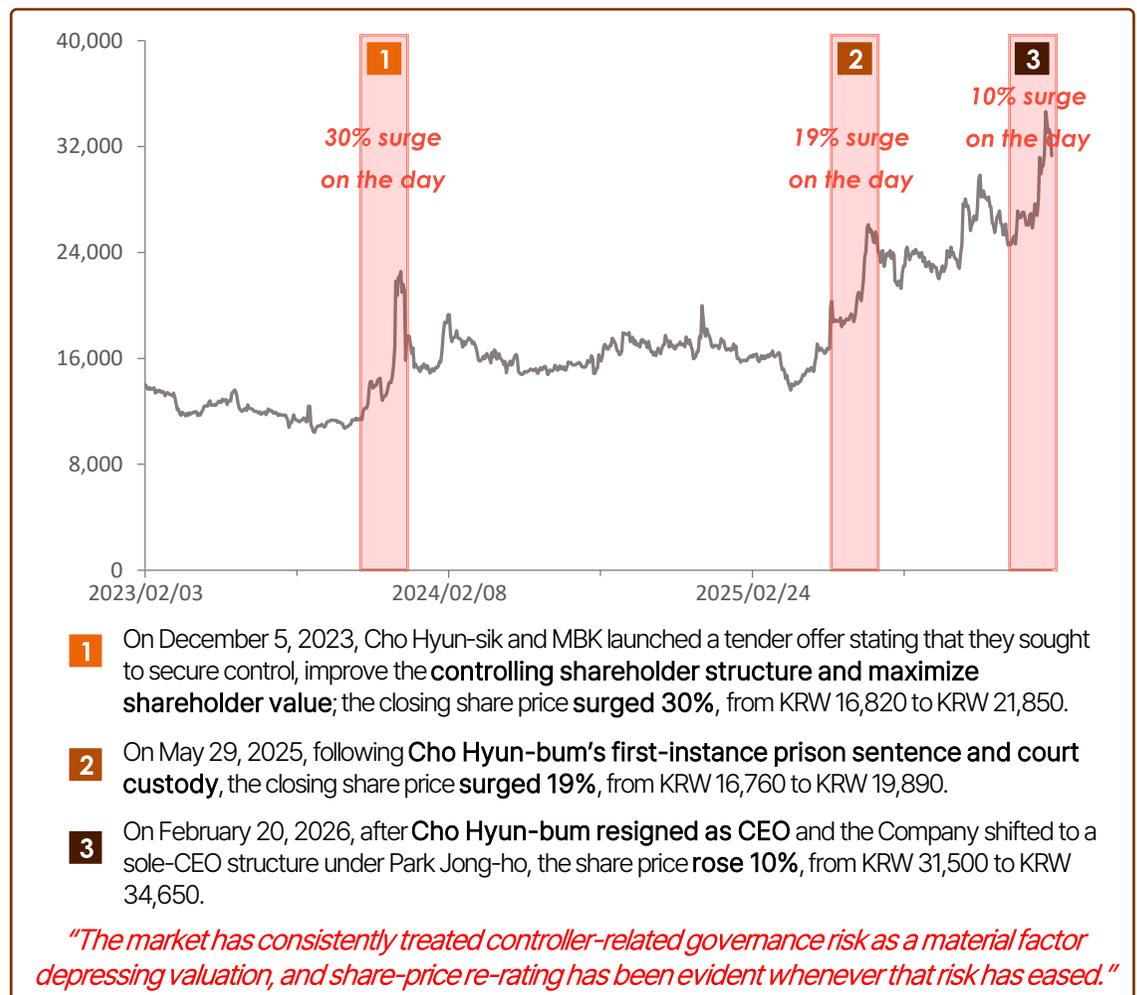
## Significant undervaluation

This undervaluation is not merely a holding-company discount. Given the repeated share-price recovery each time controller-related governance risk surrounding Chairman Cho Hyun-bum eased, we believe there is substantial scope for further re-rating if governance normalizes

### Prospect of Structural Resolution of controller-related governance risk



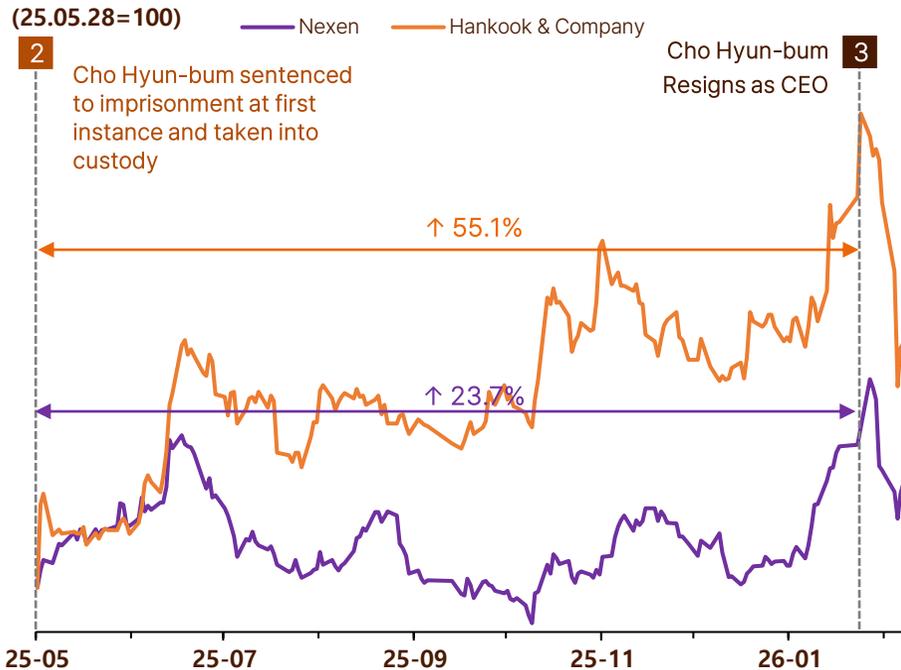
### Share Price Performance as Controller-related governance risk Eased



## Significant undervaluation

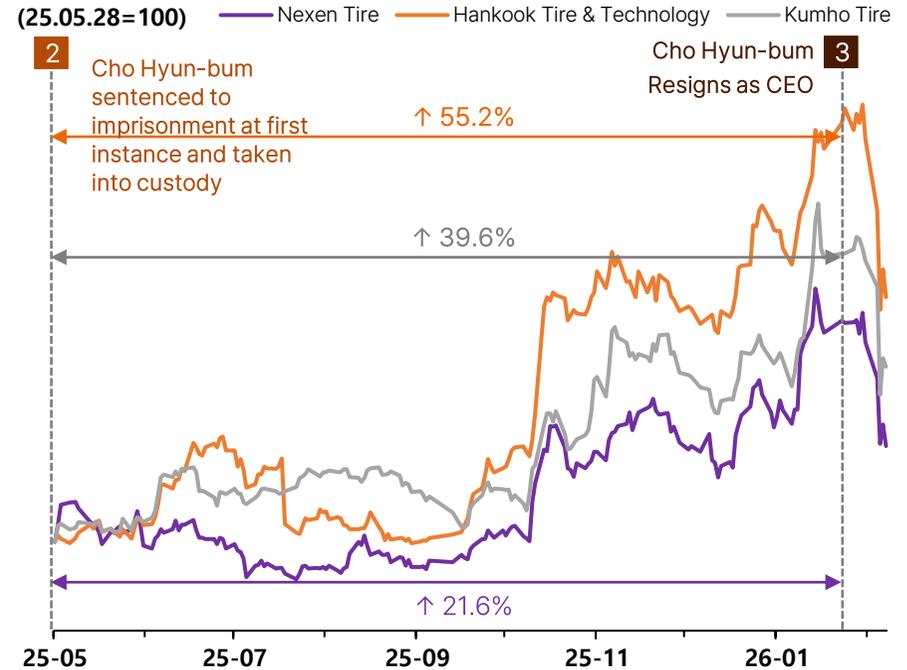
Given that the share price responded more positively than peers during periods of Cho Hyun-bum's detention and management exit, the market appears to have recognized governance risk as a factor impairing corporate value

### Peer Share Price Comparison After Cho Hyun-bum's Detention – Hankook & Company



- Nexen is a holding company with Nexen Tire as its subsidiary and therefore has a governance and business structure similar to that of Hankook & Company.
- Comparing share-price appreciation during periods when Hankook & Company's governance improved through Cho Hyun-bum's detention and resignation, the Company outperformed by roughly a factor of two, suggesting that governance risk had been a real source of undervaluation within the industry.

### Peer Share Price Comparison After Cho Hyun-bum's Detention – Hankook & Company



- Nexen Tire and Kumho Tire are industry peers of Hankook Tire & Technology, the Company's key subsidiary.
- As with Hankook & Company, Hankook Tire's relative outperformance versus peers following events 2 and 3 further supports the view that governance risk at Hankook Tire & Technology and Hankook & Company is real.

## HANKOOK & COMPANY '26 AGM MATERIAL

SOURCE: The sharp share-price declines and rebounds in early March 2026 were driven by heightened volatility resulting from the Iran-Israel war and therefore are not separately reflected as company-specific events.

# Table of Contents

1. Company overview and business description
2. Governance concerns
3. Significant undervaluation
- 4. Shareholder proposals and voting recommendations**

## The shareholder proposals submitted for the 2026 AGM are as follows

### 1 Election of an Outside Director to Serve as an Audit Committee Member (Elected Separately)

#### Proposal

- Nominate Kim Eunice Kyonghee as a candidate for outside director

#### Rationale

- In March 2026, the term of Min Se-jin, the separately elected outside director serving on the Board, expires, requiring the election of a new outside director.
- The criminal judgments against Cho Hyun-bum confirmed allegations that he misappropriated company funds for personal use, demonstrating that the Company's compliance and control framework is so weak that it failed to prevent even the most basic form of controlling-shareholder embezzlement.
- To secure genuine monitoring and oversight of management, the Company must appoint an outside director who is independent from current management and the controlling shareholder and who can effectively monitor and check overall management based on expertise and accountability.

### 2 Determination of Director Cho Hyun-bum's Compensation

 Automatically Withdrawn Following Cho Hyun-bum's Resignation

#### Proposal

- Set director Cho Hyun-bum's 2026 compensation at KRW 0

#### Rationale

- Cho Hyun-bum continues to receive compensation despite having been convicted and imprisoned on charges including embezzlement and breach of trust against the Company.
- The court that canceled the relevant AGM resolution also found grounds for cancellation and specifically criticized the fact that, even while detained, the controlling shareholder-director had effectively set his own compensation excessively by approving a high compensation cap for all directors.
- The Company has not sought clawback despite the litigation. Accordingly, it is necessary for this AGM to address the compensation issue directly.

### 3 Amendment to the Articles of Incorporation

#### Proposal

- Director disqualification and automatic retirement grounds (including company-duty misconduct or criminal conviction history)

#### Rationale

- Where grounds exist that make it inappropriate for a person to serve as an officer of the Company—such as criminal punishment for misconduct related to the Company's business or causing serious social controversy—it is desirable, for stronger internal controls and greater Board transparency, to prohibit such a person from taking office as a director or to require automatic retirement upon the occurrence of such grounds. Accordingly, an amendment to the Articles is necessary.

## Hankook & Company 2026 AGM Voting Recommendations

Item	Agenda	Proponent	Recommendation
Item 1	Approval of the 72nd-term financial statements (including the statement of appropriation of retained earnings) and consolidated financial statements	Board	FOR
Item 2	<b>Amendment to the Articles of Incorporation</b>		
Item 2-1	Amendment to the Articles of Incorporation to Revise Certain Provisions, Including the Terminology for Independent Directors	Board	
Item 2-2	Introduce Electronic Shareholders' Meetings	Board	
Item 2-3	Deletion of the provision excluding cumulative voting	Board	FOR
Item 2-4	Changes to Audit Committee composition	Board	
Item 2-5	Introduce Voting Restrictions for the Appointment and Dismissal of Audit Committee Members	Board	
Item 2-6	Change the Number of Directors	Board	AGAINST
Item 2-7	<b>Addition of director disqualification and automatic retirement grounds</b>	Shareholder Proposal	FOR
Item 3	<b>Election of Inside Directors</b>		
Item 3-1	Appointment of Kim Jun-hyun as Inside Director	Board	AGAINST
Item 3-2	Appointment of Park Jeong-su as Inside Director	Board	
Item 4	<b>Election of Outside Directors to Serve on the Audit Committee</b>		
Item 4-1	Appointment of Lee Haeng-hee as an Outside Director to Serve on the Audit Committee	Board	AGAINST
Item 4-2	Appointment of Yeo Chi-kyung as an Outside Director to Serve on the Audit Committee	Board	
Item 4-3	<b>Appointment of KIM EUNICE KYONGHEE (Kim Eunice Kyonghee) as an Outside Director to Serve on the Audit Committee</b>	Shareholder Proposal	FOR
Item 5	Approval of the Director Compensation Cap	Board	FOR

## Hankook & Company 2026 AGM Voting Recommendations: Proposals 1 and 2

Item	Agenda	Proponent	View	Recommendation
Item 1	Approval of the 72nd-term financial statements (including the statement of appropriation of retained earnings) and consolidated financial statements	Board		<a href="#">FOR</a>
Item 2	Amendment to the Articles of Incorporation			
Item 2-1	Amendment to the Articles of Incorporation to Revise Certain Provisions, Including the Terminology for Independent Directors	Board	Recommend support in light of the amended Commercial Act's goal of strengthening Board composition and independence	<a href="#">FOR</a>
Item 2-2	Introduce Electronic Shareholders' Meetings	Board		<a href="#">FOR</a>
Item 2-3	Deletion of the provision excluding cumulative voting	Board		<a href="#">FOR</a>
Item 2-4	Changes to Audit Committee composition	Board		<a href="#">FOR</a>
Item 2-5	Introduce Voting Restrictions for the Appointment and Dismissal of Audit Committee Members	Board		<a href="#">FOR</a>

## Hankook & Company 2026 AGM Voting Recommendations: Proposal 2

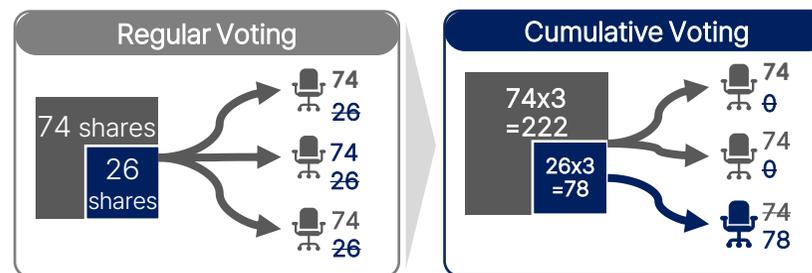
Item	Agenda	Proponent	View	Recommendation
Item 2	Amendment to the Articles of Incorporation			
Item 2-6	Change the Number of Directors	Board	Oppose, as this proposal appears intended to reduce the number of directors, dilute the effect of cumulative voting and reduce minority shareholders' ability to elect directors through future shareholder proposals	<b>AGAINST</b>
Item 2-7	Addition of director disqualification and automatic retirement grounds	Shareholder Proposal	Support, because where grounds exist that make it inappropriate for a person to serve as an officer—such as criminal punishment for company-related misconduct or causing serious social controversy—it is desirable, for stronger internal controls and greater Board transparency, to prohibit such a person from becoming a director or to require automatic retirement when such grounds arise	<b>FOR</b>

### Rationale for Opposing Proposal 2-6 (Reduction in the Number of Directors)

- Under the current Articles of Incorporation, the Board consists of 4 to 15 directors, with independent directors comprising a majority of the Board.
- Given the mechanics of cumulative voting, **the proposed amendment appears intended to reduce its effectiveness, thereby limiting minority shareholders' ability to nominate and elect additional independent directors through shareholder proposals.**
- Introducing cumulative voting under Proposals 2 and 3 while simultaneously reducing the number of directors effectively dilutes its impact, creating a contradiction and conflicting with the governance guidelines of major proxy advisors, including ISS and the Korea ESG Standards Institute.
- Notably, ISS guidelines explicitly recommend voting against proposals that exclude or restrict cumulative voting, and the proposed amendment effectively constitutes such a restriction.

### What Is Cumulative Voting?

- Under cumulative voting, each shareholder receives voting rights equal to the number of shares held multiplied by the number of directors to be elected.
- Voting is conducted **simultaneously for all candidates, and the candidates receiving the most votes are elected.**



## Hankook & Company 2026 AGM Voting Recommendations: Proposals 3 and 4

Item	Agenda	Proponent	View	Recommendation
<b>Item 3</b>	<b>Election of Inside Directors</b>			
<b>Item 3-1</b>	Appointment of Kim Jun-hyun as Inside Director	Board	<p>Kim Jun-hyun is a certified public accountant who spent more than 90% of his career at CJ Corp. and CJ CheilJedang, and only joined Hankook &amp; Company in 2025, suggesting that his appointment would not materially address the Board's most acute skill gaps.</p> <p>His core expertise—finance and accounting—is already represented on the current Board and does not appear to rank among the Company's highest-priority capability needs.</p>	<b>AGAINST</b>
<b>Item 3-2</b>	Appointment of Park Jeong-su as Inside Director	Board	<p>Park Jeong-su is a finance expert who has worked in the Hankook Tire Group's finance and accounting functions since 2014. However, because those capabilities are not the most pressing gaps on the current Board, we recommend opposing his appointment.</p>	<b>AGAINST</b>
<b>Item 4</b>	<b>Election of Outside Directors to Serve on the Audit Committee</b>			
<b>Item 4-1</b>	Appointment of Lee Haeng-hee as an Outside Director to Serve on the Audit Committee	Board	<p>Lee Haeng-hee is a former CEO of Korea Corning and former outside director at POSCO International and Musinsa, but is not a legal or risk-management specialist.</p> <p>Likewise, a Company-nominated outside director cannot be regarded as fully independent from Cho Hyun-bum's effective influence, and is therefore relatively weaker from an independence perspective. We recommend opposing her appointment.</p>	<b>AGAINST</b>
<b>Item 4-2</b>	Appointment of Yeo Chi-kyung as an Outside Director to Serve on the Audit Committee	Board	<p>While Director Nominee Yeo Chi-kyung possesses legal expertise and experience in risk management, the candidate was nominated by the Company and may not be fully independent from the controlling influence of Chairman Cho Hyun-bum. Accordingly, the candidate appears relatively weaker in terms of independence, and we recommend voting against the nomination.</p>	<b>AGAINST</b>

## Hankook & Company 2026 AGM Voting Recommendations: Proposals 3 and 4

Item	Agenda	Proponent	View	Recommendation
Item 4	Election of Outside Directors to Serve on the Audit Committee			
Item 4-3	Appointment of KIM EUNICE KYONGHEE (Kim Eunice Kyonghee) as an Outside Director to Serve on the Audit Committee	Shareholder Proposal	<p>Kim Eunice Kyonghee is a specialist in legal matters, risk management and shareholder value enhancement, and is expected to strengthen independent Board oversight and better align management with minority shareholder interests.</p> <p>(continued on next page)</p>	FOR
Item 5	Approval of the Director Compensation Cap	Board	<p>This shareholder coalition submitted a proposal to set director Cho Hyunbum's compensation at KRW 0, but the proposal was automatically withdrawn following Cho's voluntary resignation.</p> <p>We believe he resigned as a registered officer with the intention of continuing to receive compensation as an unregistered executive, and we intend to prevent further leakage of Company resources through continued monitoring.</p>	FOR

## Shareholder proposals and voting recommendations

**Kim Eunice Kyonghee is a specialist in legal matters, risk management and shareholder value enhancement, and is expected to strengthen independent Board oversight and better align management with minority shareholder interests.**

### Introduction to Outside Director Candidate Kim Eunice Kyonghee

*With substantial legal, risk-management and ESG experience, the candidate appears well positioned to support improvements in internal controls and governance at Hankook & Company.*



#### BSM Expertise

Industry	-	Legal	●
Corporate Value	-	Risk	●
Finance	-	ESG	●

#### Key Career Highlights

(Current) New York State Attorney  
(Current) CEO, Wooyoung Industrial  
(Former) Outside Director, Samsung Biologics  
(Former) Professor, Ewha Womans University Law School  
(Former) Outside Director, KB Financial Group  
(Former) EVP, Hana Financial Group (CLO)  
(Former) Deputy President, Citibank Korea / Japan  
(Former) Managing Director, Citigroup Global Markets Securities (CLO)  
(Former) Vice President, Franklin Templeton Asset Management

#### Core Competencies and Board Service Plan

**Possesses Board oversight and audit capabilities appropriate for service on the Audit Committee, grounded in global compliance and internal-control expertise**

- **Institutionalize ex-ante legal and compliance review** across major decisions and monitor internal-control KPIs and reporting lines at the Board level, thereby shifting **compliance risk management** from reactive to preventive.
- **Embed ESG into the Board agenda not as a matter of reputational management but as a core risk and cost-of-capital issue**, with consistent oversight of disclosure, policy and medium-term roadmaps to enhance external credibility and ratings stability.
- **Through real Board independence and oversight**, reinforce a virtuous cycle of governance normalization → restored market trust → corporate re-rating, while proactively managing key issues from the perspective of institutional investors and proxy advisers.
- Independently review related-party transactions, internal transactions and compensation frameworks and enhance transparency to structurally **prevent conflicts of interest and recurring controller-related governance risk**, while supporting accountable management on major issues such as financing and capital allocation.

#### Candidate Activities and Articles

- **Former Ewha Law School professor Kim Eunice: "Boards around the world pursue gender diversity..."** (Asia Economy, Oct. 24, 2023)
  - Moderated a session at the 2023 Women Leaders Forum.
  - Positively assessed the increase in female outside director appointments following amendments to the Capital Markets Act.
- **"Why Samsung Biologics recruited a female legal expert"** (Korea Economic Daily, Mar. 18, 2020)
  - Her appointment as outside director (the company's first female director since founding) was intended to enhance corporate transparency through financial-industry compliance expertise.
- **"Rules on paper, practices in reality ... stronger compliance culture urgently needed"** (Naeil Newspaper, Dec. 16, 2013)
  - She assessed Korean financial-sector internal controls as "advanced hardware, beginner-level software."
  - She argued that top management must be held accountable when issues occur because strong commitment from senior leadership is essential to building internal-control systems.
- **"Eunice Kim, the banker with a lawyer's background at Hana Financial Group"** (Economic Review, May 1, 2009)
- **"Compliance is the brain and conscience of a financial institution"** (Hankyung Money, Jan. 15, 2009)
  - Emphasized the importance of building a compliance framework to protect customers and strengthen asset soundness.