AGENDA ANALYSIS AND RECOMMENDATIONS ON KOREA ZINC'S MARCH 24 AGM

February 2026

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Executive Summary (1/2)

- Since the 2025 Annual General Meeting ("AGM"), Korea Zinc (the "Company") has continued to exhibit significant governance shortcomings previously highlighted by the MBKP–Young Poong Consortium (the "MBKP-YP Consortium," or the "Consortium"). These include undisciplined capital deployment coupled with rising debt leverage, and actions that disadvantage minority shareholders while increasing legal and regulatory risk.
- These concerns are especially salient in 2026, widely viewed as a major inflection point for governance standards in South Korea as recent Commercial Act reforms begin to materially reshape board accountability and strengthen minority shareholder protections, making close shareholder scrutiny of Korea Zinc's governance and board actions all the more necessary.
- The Consortium approaches the 2026 AGM with a strong focus on restoring capital discipline, enhancing transparency, and maximizing long-term shareholder value. The Consortium's 2026 AGM voting recommendations are guided by a simple and clear standard: **support proposals that enhance shareholder value and returns, and oppose measures intended to obstruct overdue board and governance reform or to entrench Chairman Choi's control.**
- Agenda items **PROPOSED** by the MBKP-YP Consortium:
  - Agenda Item 2-9: Stock Split and Amendment to the Articles of Incorporation for Stock Split
    - Given the Company's elevated share price, a stock split is expected to enhance shareholder value by improving trading liquidity. Although approved at the January 2025 EGM, the proposal's effectiveness was frustrated by unlawful voting restrictions arising from cross-shareholding in violation of the Fair Trade Act. The Consortium is resubmitting the proposal to ensure these shareholder-value benefits are realized.
  - Agenda Items 2-10 - 2-13: Amendments to the Articles of Incorporation
    - Propose to (i) establish safeguards enabling the Board to prevent indiscriminate share issuances intended to entrench management at the expense of shareholder value (Agenda Item 2-10), (ii) introduce an executive officer system to strengthen governance by separating execution from oversight (Agenda Item 2-11), (iii) address structural risks of unfair and one-sided administration of shareholder meetings as witnessed in previous meetings by requiring the Chairperson of the Board to preside over the shareholder's meeting as the Chairperson (Agenda Item 2-12), and (iv) improve board effectiveness by ensuring sufficient pre-meeting review time for agenda items (Agenda Item 2-13).
  - Agenda Item 7: Approval for Amendment to the Executive Severance Payment Policy
    - Propose to amend the executive severance pay policy to exclude Honorary Chairman, since the current Honorary Chairmen continue to receive the second-highest executive compensation within Korea Zinc with no obvious contribution to shareholder value.

Executive Summary (2/2)

- Agenda items **OPPOSED** by the MBKP-YP Consortium:
  - Agenda Item 2-8: Amendment to Articles of Incorporation to Expand Separate Election of Audit Committee Members
    - While the Consortium acknowledges the direction and necessity of this amendment under the revised Commercial Act, we oppose its adoption **at this meeting, solely because** doing so would effectively enable the appointment of nominee Lee, Min Ho, whose track record as an Audit Committee member and an Independent Director raises serious concerns on his ability to exercise effective oversight.
  - Agenda Item 3-2-1, 3-3-1: Appointment of Choi, Yun Birm as Inside Director
    - The Consortium recommends voting against the nominee. Chairman Choi has been central to the Company's ongoing governance failures. Leveraging his influence, he is alleged to have misappropriated corporate assets and engaged in other unlawful acts aimed at entrenching management, which have resulted in investigations by the Prosecutors' Office and the Fair Trade Commission (FTC), and an accounting inspection by the Financial Supervisory Service ("FSS").
  - Agenda Item 4: Appointment of Audit Committee Member (Kim, Bo Young)
    - The Consortium recommends voting against the nominee. The nominee failed to exercise meaningful board oversight or control during her tenure as the Independent Director, while multiple unlawful acts occurred at the Company.
  - Agenda Item 5: Election of Independent Director to Serve as Separately Elected Audit Committee Member (Lee, Min Ho)
    - The Consortium recommends voting against the nominee. During his past four years of tenure as an Independent Director and Audit Committee member, he failed to prevent or address multiple unlawful acts, including alleged accounting irregularities related to the One Asia Partners investment and the Igneo Holdings acquisition, which are currently under review by the Financial Supervisory Service for potential deliberate accounting fraud.
- As the Company's largest shareholder, the Consortium believes shareholders delivered a clear mandate for stronger oversight by electing three Consortium-nominated directors at the last AGM. However, the board remains dominated by Chairman Choi's allies, who continue to obstruct meaningful reform and perpetuate serious governance failures. **Consequently, the Consortium opposes Chairman Choi's re-election, and urges shareholders to elect additional Consortium-nominated directors** with the expertise and independence required to restore accountability and safeguard shareholder value.
- We believe the capital markets now recognize the need for meaningful reform of Korea Zinc's governance structure centered around Chairman Choi. We will devote our full efforts to delivering the change shareholders deserve.

1. Persistent Governance Failures at Korea Zinc

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Unresolved and Escalating Governance Failures

- Under Chairman Choi, Korea Zinc has exhibited a recurring pattern of governance failures. Corporate assets were deployed in ways that raised concerns, reflecting persistently weak discipline. Value-destructive entrenchment tactics and governance engineering heightened legal and regulatory risk, undermining trust and shareholder value.
- Amid rising expectations for corporate governance following revisions to Commercial Act to reshape board accountability and strengthen minority shareholder protections, Chairman Choi's governance failure runs counter to market direction.
- Despite repeated warnings by the Consortium and the election of three Consortium-nominated directors at the last AGM, meaningful change remains constrained as the board is still controlled by directors nominated by Chairman Choi.

Overview of Governance Failures under Chairman Choi

		Recap	New Developments
Mis-appropri-ation of Company Assets	**One Asia Partners Fund**	■ Investment in a newly established fund based on Chairman Choi's personal relationship without board approval	■ New evidence suggesting **more serious misappropriation and breach of fiduciary duty** related to Chungho Comnet
	Igneo Holdings	■ Acquisition of a capital-impaired U.S. company without sufficient board review of due diligence or valuation	■ **U.S. court approval of a Section 1782 discovery process,** opening the gates for further investigation into any wrongdoing
	The Metals Company ("TMC")	■ N/A	■ **Investment** in a U.S. company with uncertain commercial viability and potential international law violations **without prior board approval**
	Sale of Hanwha Shares	■ Alleged sale of Hanwha shares **below fair value**	
Managerial Entrenchment Despite Erosion of Shareholder Value		■ **Shareholder dilution** for friendly ownership ■ **General offering** attempt and debt-funded, high-price **self-tender**	■ Under investigation for **potential violations of Korea's Capital Markets Act** – two rounds of search and seizure conducted last year
Escalating Legal and Regulatory Risks		■ Repeated creation of **circular-shareholding structures** to restrict the largest shareholder's voting rights–Governance "engineering" that increases legal challenge and regulatory scrutiny	
Compromised Shareholder Integrity		■ **Failure to pay interim dividends** due to cash constraints stemming from the self-tender, despite amendments to the AoI allowing quarterly-dividend payments proposed by the Company in January ■ **Paid minority-shareholder mobilization and vote-solicitation concerns in connection with ACT** raising allegations of improperly influencing the exercise of shareholder voting rights	

Source: Media reports

Ongoing Criminal Procedures Facing Chairman Choi

	Allegations Under Investigation	Criminal Allegation	Progress
One Asia Partners[1]	■ Investment of Company's fund to a new fund run by Mr. Ji Chang-bae, a long-time acquaintance of Chairman Choi, which incurred substantial loss	■ Violation of the Act on the Aggravated Punishment, etc. of Specific Economic Crimes (Breach of fiduciary duty)	■ Investigation by the Prosecutors' Office ■ Accounting inspection and related disciplinary proceedings by the FSS
Igneo Holdings	■ Acquisition of Igneo for W582 bn, despite having negative equity at acquisition ■ Extraordinarily excessive gains of Igneo's investors at the expense of Korea Zinc's shareholders	■ Breach of fiduciary duty	■ Investigation by the Police Agency ■ Accounting inspection and related disciplinary proceedings by the FSS ■ 1782 discovery process by the SDNY[2]
Cross-shareholding Formation	■ Formation of unlawful cross-shareholding structure at the last EGM and AGM, leveraging Korea Zinc's Australian subsidiaries (SMC[5] and SMH[6])	■ Breach of fiduciary duty ■ Violation of the Fair Trade Act	■ Investigation by the Prosecutors' Office and the KFTC[3]
Self-Tender / General Public Offering	■ Conducting an undisclosed, pre-planned general public offering during the self-tender offer period, thereby deceiving public market investors and causing a significant price drop	■ Violation of the Capital Markets Act (fraudulent unfair trading)	■ Investigation by the Prosecutors' Office following a fast-track referral from the FSC[4] ■ Two rounds of search and seizure at Korea Zinc and engaged financial institutions (Apr. '25 and Nov. '25)
ACT	■ Market manipulation through collusion with the minority shareholder platform ACT to interfere with shareholder voting rights using corporate funds	■ Breach of fiduciary duty ■ Violation of the Commercial Act	■ Investigation by the Police Agency

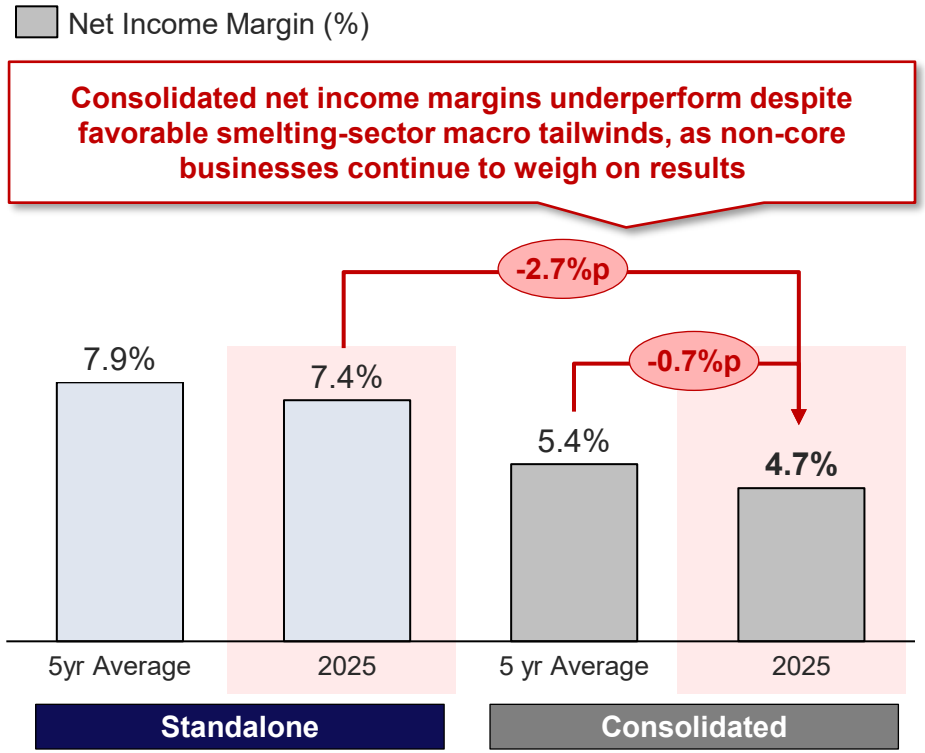
(1) In addition, according to media reports, there are allegations that Korea Zinc's funds were utilized in connection with Chungho Comnet's sale of Sewon, one of its subsidiaries; (2) U.S. District Court for the Southern District of New York; (3) Korea Fair Trade Commission; (4) Financial Services Commission; (5) Sun Metals Corporation; (6) Sun Metals Holdings.

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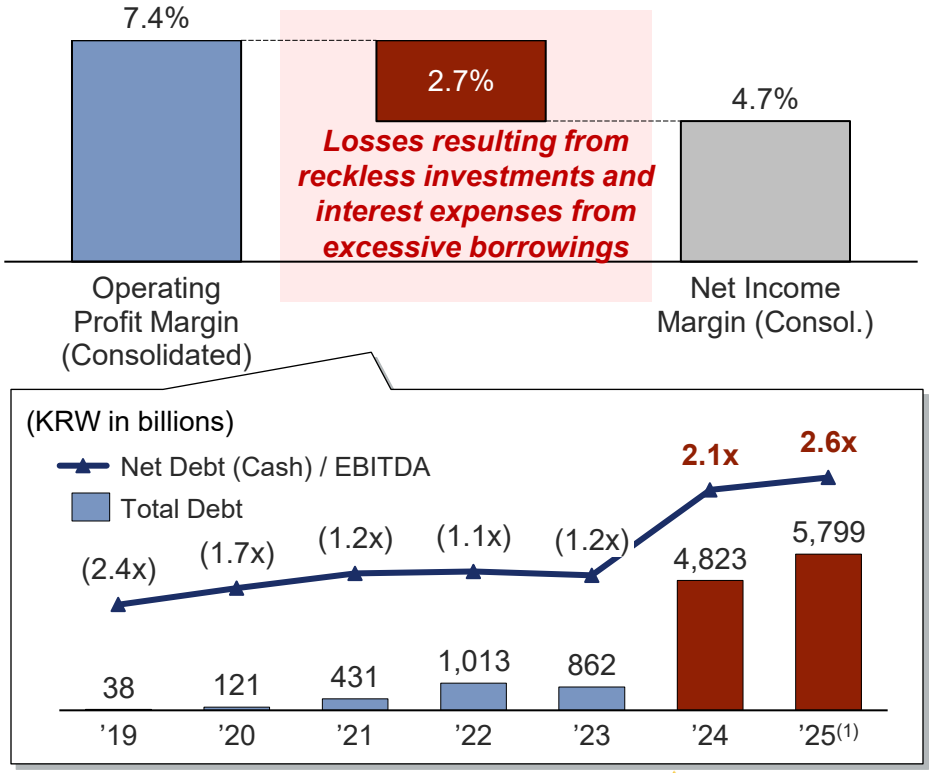
Deteriorating Financial Stability Due to Governance Failures

- In 2025, consolidated net income margins continued to underperform despite favorable smelting-sector macro tailwinds, as non-core businesses continue to weigh on results. In fact, 2025 net income margin recorded 4.7%, materially lower than (i) last five years' average of 5.4% and (ii) 2025 standalone net income margin of 7.4%.
- Increased debt and interest expenses from the self-tender offer and mounting losses from failed new business investments continue to erode profits generated by the Company's core smelting business. As of 2025, the consolidated operating margin is 7.4%, whereas the consolidated net profit margin stands at only 4.7%.

Net Income Margin Trend



2025 Operating Margin vs. Net Income Margin



(1) Calculated excluding the KRW2.8 trillion in equity issuance proceeds received at year-end.

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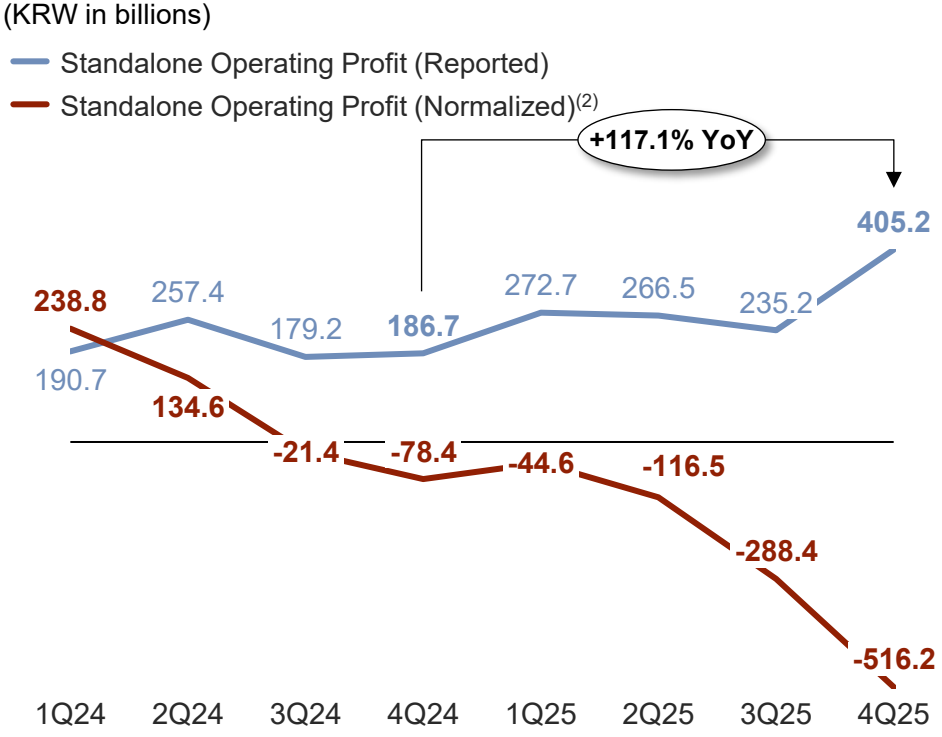
Weak Underlying Fundamentals

- In 2025, the Company reported standalone operating profit of KRW1,180 billion, representing a year-over-year growth of 44.9%. While the Company's reported standalone financials appear strong due to U.S. dollar appreciation and unprecedented surges in gold and silver prices (up 2.3x and 2.9x, respectively, since 2023), its underlying operating performance has remained weak. After normalizing for these macro factors, operating profit has already turned negative since 3Q 2024.
- To fully capitalize on favorable macro tailwinds and sustain resilient performance when the cycle turns, it becomes increasingly critical for the board to more rigorously scrutinize and monitor unnecessary cash leakage and risk factors arising from the use of corporate resources.

Gold & Silver Prices and US$/KRW FX Rate Trend



Normalized Performance Excluding Macro Effects



Source: LBMA (London Bullion Market Association), Seoul Money Brokerage

(1) The 2025 annual average US$/KRW FX rate was 1,422.2, surpassing the previous record high annual average of 1,394.9 recorded during the 1998 Asian financial crisis.

(2) Adjusted using the 2023 average US$/KRW FX rate of 1,305.0 and 2023 metal price levels (zinc, lead, gold, silver, copper), before the sharp price increase.

2. Governance Progress Driven by MBKP–YP Intervention Since the 2025 AGM

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Post-AGM Governance: Early Improvements, Persistent Gaps

- With the support of shareholders, three MBKP-YP consortium-nominated directors were elected at last year's AGM. Their active board engagement helped restore checks and balances, delivering initial progress on governance reform.
- However, the board is still controlled by directors nominated by Chairman Choi, limiting the consortium's ability to fully resolve the governance issues it has raised; many of the same problems were recurring throughout 2025.

Post-March 2025 AGM: Initial Board Governance Progress, Significant Gaps Remain

	Legacy Practices	Key Changes Since the 2025 AGM	Remaining Gaps
Board Participation	■ Largely a "rubber-stamping" board, with limited challenges and debates taking place	■ Elevated the level of engagement, initiating in-depth discussions and follow-up requests on important agenda items	■ Incumbent directors ***remain passive*** ■ ***Lack of support and culture*** *of conducting thorough review*
Operating Performance Oversight	■ Financial information reviewed primarily at a bird's-eye view, without diving into the details	■ Requested more detailed performance reporting and challenged results with detailed questions, prompting real discussions within the board	■ Reporting remains ***ineffective***, and follow-up on corrective actions ***still inconsistent***
Capital and Asset Oversight	■ Brief ex-post reporting with limited prior board discussions, even for large-scale investments ■ Minimal board discussions and scrutiny	■ Pushed for prior board review and approval of material investments ■ Highlighted the need for thorough board review and supervision over potential expenses benefiting specific shareholders ■ Pushed for maximizing shareholder returns, including treasury stock retirement and interim dividend declarations	■ Major investments(1) were ***presented to the board ex-post, limiting the board's ability to conduct thorough review*** ■ Despite repeated information requests, ***critical information was withheld***

(1) Includes investments in TMC (The Metals Company), MDSi and TSG. The TMC investment comprises US$85.2 million in upfront investment and a three-year warrant to purchase additional shares for US$48.3 million. The combined maximum commitment is US$133.2 million, equivalent to 2.4% of Korea Zinc's 2024 consolidated net equity. The MDSi and TSG investments combined entailed US$99.4 million of cash payment.

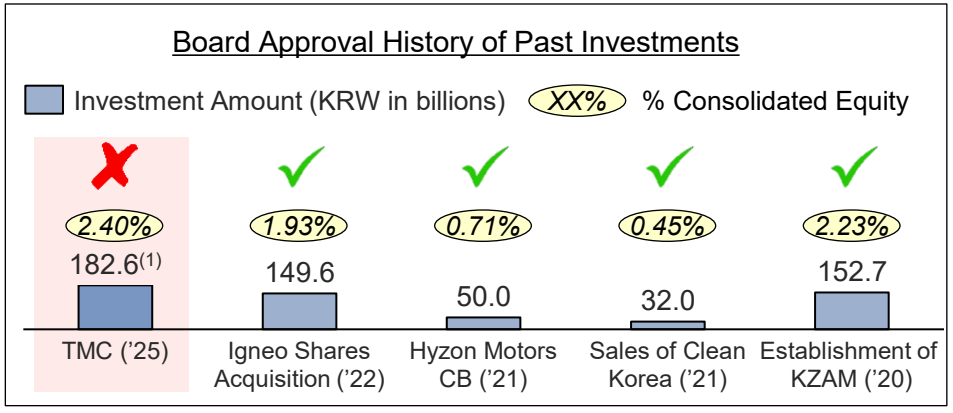
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The Consortium's Board Engagement (1/2)

- The Consortium repeatedly sought explanations on key issues, including the questionable TMC investment, deteriorating profitability, misuse of corporate funds through commission expenses and the alleged collusion with ACT.
- However, Korea Zinc's management consistently responded defensively and passively, without providing clear answers.

Limited Board Engagement to Key Matters

Issues	The Consortium's Claims	Management's Response
Questionable TMC Investment	▪ Following Iceberg Research's report on the uncertainty of TMC's business prospects and potential commercial and legal risks, the Consortium directors sent multiple requests for answers from management. ▪ In particular, the Consortium raised concerns that the investment—an economically uncertain new business representing 2.4% of consolidated equity—was executed without board approval, even though smaller investments had come to the board for approval.	▪ Management repeatedly responded that the investment was appropriate and they were not legally obligated to seek board approval since it fell below the 2.5% consolidated equity threshold. However, under Supreme Court precedents, the Commercial Act and Korea Zinc's board bylaws, matters of material importance require board approval irrespective of whether they fall below the applicable monetary threshold. ▪ In addition, the investment was reported to the board only after it had already been decided, precluding meaningful review and leaving the Company to bear the full regulatory and business risks.



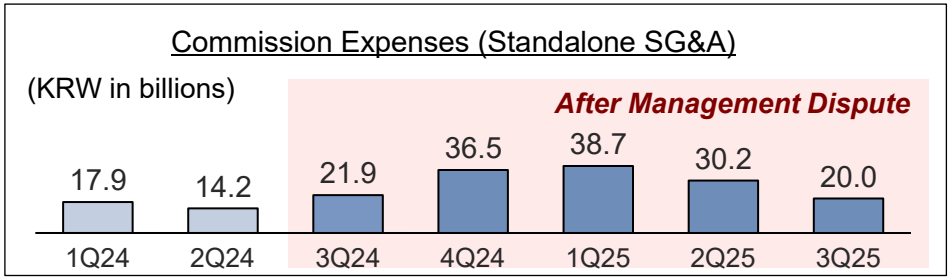
Source: Company disclosure, Media reports

(1) The amount includes warrants and assumes the US$/KRW FX rate of 1,370.27 applied at the time of the initial equity investment.

The Consortium's Board Engagement (2/2)

- The Consortium repeatedly sought explanations on key issues, including the questionable TMC investment, deteriorating profitability, misuse of corporate funds through commission expenses and the alleged collusion with ACT.
- However, Korea Zinc's management consistently responded defensively and passively, without providing clear answers.

Limited Board Engagement to Key Matters (cont'd)

Issues	The Consortium's Claims	Management's Response
Sharp Increase in Commission Expenses	■ Standalone commission expenses increased sharply from 3Q24 amid the management dispute, leading to an earnings deterioration and the company's first-ever net loss in 4Q24. ■ The increase was due to legal/litigation and public relations costs incurred to defend Chairman Choi's control, which were improperly charged to the Company. 	■ Despite a clear increase in expenses since the onset of the management dispute, management claimed that the losses were attributable to foreign exchange losses and that the expenditures were incurred for the benefit of the Company.
Alleged Collusion with ACT	■ By using Korea Zinc's resources to enter into an advisory contract for management entrenchment and attacks on Young Poong, the Company may have acted in violation of the Commercial Act's ban on voting-related benefits and engaged in conduct amounting to breach of fiduciary duty.	■ Management argued that it was merely an AGM advisory contract with a proxy consulting firm and provided no detailed information on the contract.

Source: Company disclosure, Media reports

Positive Shifts in the AGM Agenda Following the Consortium's Engagement and Advocacy

- Following the Consortium's proactive shareholder engagement, the Company, previously responsible for value-destructive actions, has proposed several initiatives to enhance shareholder value at the 2026 AGM.
- In particular, the proposed amendments to (i) implement quarterly dividends and transfer of discretionary reserves to retained earning to fund dividends and (ii) introduce directors' duty of loyalty into the Articles of Incorporation reflect the outcome of our efforts over the past year.

Overview of the Shift in Company-proposed AGM Agenda Resulting from the Consortium's Efforts

Last 5 Years

- The Company's last five years of shareholder meetings have been confined to routine matters (i.e., approval of financial statements, the election of directors, the determination of director remuneration limits, retirement benefit regulations) or limited amendments to the Articles of Incorporation necessitated by changes in applicable laws and regulations.
- Over the past five years, the Company has **not proposed any agenda items from the standpoint of shareholder rights protection.**

vs

2026 AGM

- At this Annual General Meeting, the **Company has proactively proposed certain agenda items that can contribute to improving shareholder value.**

[Agenda 1-3] Amendment of the AoI to Implement Quarterly Dividends and the Conversion of Voluntary Reserves

- The Consortium **had pointed out that the Company was unable to make distributions last year due to insufficient distributable profits following the self-tender**, despite the introduction of quarterly dividend policy.
- The current proposal by the Company to convert sufficient amount of voluntary reserves to ensure shareholder returns **reflects the outcome of these efforts by the Consortium**.
- Since the **board's proposed agenda is expected to achieve the objective of the Consortium's shareholder proposal**, which is to secure retained earnings for the full cancellation of treasury shares and quarterly dividends, the Consortium decided to withdraw the proposal.

[Agenda 2-1] Amendments to the AoI Regarding Protection of Minority Shareholders

- While the Company has **previously shown little regard for minority shareholder protection**, most notably through its attempted general offering following the self-tender, it has now proposed to expressly incorporate minority shareholder protection into its Articles of Incorporation.
- The Consortium believes this change is a **direct result of the Consortium's sustained efforts and consistent advocacy against shareholder value dilution**.

3. Analysis and Recommendations on Agenda Items

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Analysis and Recommendations on Agenda Items (1/3)

Item	Agenda	Proposer	The Consortium's Comments	Rec.
Item 1. Approval of the Fiscal Year Consolidated and Separate Financial Statements (Including Statement of Appropriation of Retained Earnings)				
1-1	Approval of Consolidated and Separate Financial Statements (Excluding Statement of Appropriation of Retained Earnings)			**For**
1-2	Approval of Dividend Distribution (Cash Dividends of KRW20,000 per Common Share)	Board	We recommend voting for the proposal as a means to returning value to shareholders. However, since the payout ratio has declined year-over-year, the Company should seek to enhance the payout ratio going forward, including paying quarterly dividends.	**For**
1-3	Approval of Statement of Appropriation of Retained Earnings			
1-3-1	Conversion of KRW917,695,440,000 of Voluntary Reserve into Retained Earnings	Board	We recommend voting for the proposal. The conversion of voluntary reserves is required for the retirement of treasury shares and payment of quarterly dividends.	**For**
Item 2. Amendments to the Articles of Incorporation				
2-1	Codification in the Articles of Incorporation Regarding Protection of Minority Shareholders	Board	We recommend voting for the proposal since it is in the interest of shareholders.	**For**
2-2	Amendment to Articles of Incorporation to Introduce Electronic Shareholders' Meeting System	Board	We recommend voting for the proposal since it complies with relevant laws and it is in the interest of shareholders.	**For**
2-3	Correction of Error	Board	We recommend voting for the proposal since it is in the interest of shareholders.	**For**
2-4	Clarification of Independent Director Qualification Requirements and Change of Independent Director Title	Board	We recommend voting for the proposal since it complies with relevant laws and it is in the interest of shareholders.	**For**
2-5	Amendment to Articles of Incorporation to Introduce Directors' Duty of Loyalty	Board	We recommend voting for the proposal since it complies with relevant laws and it is in the interest of shareholders.	**For**
2-6	Amendment to Articles of Incorporation Regarding Quarterly Dividends	Board	We recommend voting for the proposal since it complies with relevant laws and it is in the interest of shareholders.	**For**
2-7	Amendment to Articles of Incorporation Regarding Voting Rights Restrictions for Appointment and Dismissal of Audit Committee Members	Board	We recommend voting for the proposal since it complies with relevant laws and it is in the interest of shareholders.	**For**
2-8	Amendment to the Articles of Incorporation to Increase the Number of Separately Elected Audit Committee Members	Yumi Develop-ment	While we recognize the intent of this amendment under the revised Commercial Act, we recommend voting against it **at this meeting**. Doing so, it would effectively facilitate the appointment of nominee Lee, Min Ho, whose record as an Audit Committee member raises serious concerns about his ability to provide effective oversight.	**Against**
2-9	Stock Split and Amendment to Articles of Incorporation for Stock Split	Consortium	We recommend voting for the proposal. A stock split would improve accessibility and liquidity, thereby enhancing shareholder value.	**For**

Analysis and Recommendations on Agenda Items (2/3)

Item	Agenda	Proposer	The Consortium's Comments	Rec.
Item 2. Amendments to the Articles of Incorporation (Continued)				
2-10	Amendment to the Articles of Incorporation to Introduce Directors' Duty of Loyalty in Issuance of New Shares	Consortium	We recommend voting for the proposal as a safeguard against third-party share issuances that may undermine shareholder value, particularly in light of the series of new share issuance attempts by Chairman Choi.	**For**
2-11	Amendment to Articles of Incorporation to Introduce Executive Officer System	Consortium	We recommend voting for the proposal. Adopting an executive officer system enhances corporate governance by separating execution and oversight, which is particularly important given the Company's current major shareholder composition (e.g., the Consortium, Choi family and the U.S. government).	**For**
2-12	Amendment to Articles of Incorporation to Change Chairperson of Shareholders' Meeting	Consortium	We recommend voting for the proposal. It is necessary to structurally address and remedy the risks of unfair administration of shareholders' meetings observed in prior instances, including the prohibition of shareholders' lawful rights at last year's EGM and AGM.	**For**
2-13	Amendment to Articles of Incorporation to Change Board of Directors Meeting Convocation Procedures	Consortium	We recommend voting for the proposal. It enables the board to effectively fulfill its deliberative role by ensuring sufficient review time for directors.	**For**
Item 3. Election of Directors by Cumulative Voting				
3-1	**Determination of Number of Directors to Be Appointed by Cumulative Voting**			
3-1-1	Election of Five Directors	Yumi Develop-ment	We recommend voting against the proposal. It presumes the appointment of Lee Min Ho, a candidate with a record of harming shareholder value, as a separately elected Audit Committee member.	**Against**
3-1-2	Election of Six Directors	Consortium	We recommend voting for the proposal. Appointing six directors would allow for a balanced board that effectively serves the interests of all shareholders.	**For**
3-2	**Appointment of Five Directors by Cumulative Voting**			
3-2-1 to 2	Two Directors Nominated by the Board	Board	Choi, Yun Birm: Given that Chairman Choi engaged in multiple unlawful acts and misappropriation of the Company's assets for management entrenchment during his tenure as CEO of Korea Zinc, which have led to ongoing investigations and legal proceedings by the Korea Fair Trade Commission, the Financial Supervisory Service and the Prosecutors' Office, we recommend voting against Choi, Yun Birm.	**Against**
		Board	Hwang, Deog Nam: We leave the final decision to each shareholder.	**N/A**
3-2-3	One Director Nominated by Crucible JV	Crucible JV	Walter Field McLallen: We recommend voting for the appointment. His representation at the Board would contribute to the success of Project Crucible.	**For**
3-2-4 to 8	Four Directors Nominated by the Consortium	Consortium	We recommend voting for the candidates recommended by the Consortium. Their appointments will enhance the balance of the board and promote the interest of all shareholders.	**For**

Analysis and Recommendations on Agenda Items (3/3)

Item	Agenda	Proposer	The Consortium's Comments	Rec.
Item 3. Election of Directors by Cumulative Voting				
3-3	**Appointment of Six Directors by Cumulative Voting**			
3-3-1 to 2	Two Directors Nominated by the Board	Board	Choi, Yun Birm: Given that Chairman Choi engaged in multiple unlawful acts and misappropriation of the Company's assets for management entrenchment during his tenure as CEO of Korea Zinc, which have led to ongoing investigations and legal proceedings by the Korea Fair Trade Commission, the Financial Supervisory Service and the Prosecutors' Office, we recommend voting against Choi, Yun Birm.	**Against**
		Board	Hwang, Deog Nam: We leave the final decision to each shareholder.	N/A
3-3-3	One Director Nominated by Crucible JV	Crucible JV	Walter Field McLallen: We recommend voting for the appointment. His representation at the Board would contribute to the success of Project Crucible.	**For**
3-3-4 to 8	Four Directors Nominated by the Consortium	Consortium	We recommend voting for the candidates recommended by the Consortium. Their appointments will enhance the balance of the board and promote the interest of all shareholders.	**For**
Item 4. Appointment of Audit Committee Member				
	Nominee: Kim, Bo Young	Board	We recommend voting against Kim, Bo Young, given the lack of effective oversight during her tenure as the Independent Director.	**Against**
Item 5. Election of Independent Director to Serve as Separately Elected Audit Committee Member				
	Nominee: Lee, Min Ho	Board	We recommend voting against Lee, Min Ho, due to his inadequate oversight of management during his tenure as an Independent Director and a member of the Audit Committee. In particular, concerns have been raised regarding (i) alleged accounting irregularities related to the investment in the One Asia Partners / Igneo Holdings and (ii) alleged violations of the Capital Markets Act with the self-tender offer and public offering. His reappointment as a member of the Audit Committee materially undermines shareholder value.	**Against**
Item 6. Approval of Director Remuneration Limit				
	Approval of Director Remuneration Limit to KRW12.0 billion	Board	We recommend voting against the proposal. Doing so, it would effectively increase compensation for a few inside directors (e.g., Choi, Yun Birm and Park, Ki-Deok), particularly given the reduction in the number of standing directors (from three to two executives).	**Against**
Item 7. Approval of Amendment to Executive Severance Payment Policy				
	Approval of Amendment to Executive Severance Payment Policy	Consortium	We recommend voting for the proposal to exclude honorary chairmen from the scope of executive severance payment benefits, as Honorary Chairmen do not hold any day-to-day management positions within the Company.	**For**

[Agenda 2-8] Amendment to the Articles of Incorporation
Increase the Number of Separately Elected Audit Committee Members

Consortium's Recommendations — Against

- Pursuant to the amended Commercial Act, the Company is required to maintain at least two separately elected Audit Committee members by September 2026. The Consortium agrees with the need for Yumi Development's proposed amendment to the Articles of Incorporation to ensure compliance.
- However, we oppose adoption of the proposal **at this AGM**, solely because it would effectively facilitate the appointment of Lee, Min Ho, the Company's nominee for the separately elected Audit Committee seat. During his four-year tenure as an independent director and Audit Committee member, Lee, Min Ho failed to provide effective oversight of the current management.

Yumi Development's Proposal

Article 34-3 (Audit Committee)
①–② (Omitted)
"*③ The Company shall, after electing directors at a shareholders' meeting, appoint Audit Committee members from among the elected directors. In such event,* ***two members of the Audit Committee shall be elected by a separate resolution of the shareholders' meeting****, distinct from the election of other directors."* *(Newly Added)*

Yumi Development's Rationale for the Proposal

"Pursuant to the amendment of the Commercial Act, propose to increase the number of separately elected Audit Committee members from one to two"

Summary of the Consortium's View

The Consortium is AGAINST Mr. Lee's Reappointment

- The proposal's immediate implementation, despite the statutory effective date of September 10, 2026, appears intended to enable Lee, Min Ho, as a separately elected Audit Committee member under Agenda Item 5.
- Given Mr. Lee's failure to adequately perform oversight functions, we oppose Agenda Item 5 and, accordingly, Agenda Item 2-8.

Lee, Min Ho is Accountable for Governance Failures

- During his tenure as Independent Director and member of the Audit Committee, Mr. Lee maintained a passive "no opinion" stance despite multiple governance issues at the Company.
- Particularly, during his tenure as Independent Director, Korea Zinc continued to invest in One Asia Partners and conducted a self-tender offer and a public offering, subsequently becoming subject to an accounting review by the FSS and an investigation by the Prosecutors' Office.

[Agenda 2-9] Amendment to the Articles of Incorporation

Stock Split and Amendment to Articles of Incorporation for Stock Split

Consortium's Recommendations — For

- The Consortium proposes reducing the par value per share from KRW5,000 to KRW500 to enhance share liquidity.
- With the current share price at KRW2,030,000(1), trading accessibility and market liquidity for retail investors remain limited. A stock split would improve trading convenience and liquidity, ultimately contributing to enhanced shareholder value.

Reasons for Proposing Stock Split

Enhance-ment of Share Market-ability

- With the high share price limiting accessibility for retail investors, a stock split would enhance market accessibility and improve liquidity.
- Increased trading volume may reduce implicit transaction costs, potentially generating a liquidity premium and contributing to higher corporate value.

Share-holder Diversi-fication

- By increasing the total number of shareholders and expanding retail ownership, the shareholder base can be diversified.
- This may help foster a broader range of stakeholders capable of restraining concentrated control by specific shareholders or management, thereby contributing to improved corporate governance.

Company's Opposition and the Consortium's Rebuttal

Company Claim

The stock split amendment was approved at the last EGM, but its effect is suspended due to an injunction filed by Young Poong; Young Poong should instead withdraw the injunction to restore its effectiveness.

- The item was approved at the last EGM but **its effect was suspended after the court recognized unlawful voting restrictions related to cross-shareholdings**. The Consortium sought the injunction to seek judicial review of the voting restriction, and **withdrawing it could be misconstrued as acknowledging that the restriction was lawful**.
- Approval at the AGM allows execution of the stock split, regardless of **whether the injunction to suspend the EGM is withdrawn.**
- If Chairman Choi truly supports a stock split to enhance shareholder value, he should approve it at this AGM; **opposing it highlights a contradiction between its stated position and its true intentions.**

(1) As of 02/27/2026.

[Agenda 2-10] Amendments to the Articles of Incorporation

Introduce Directors' Duty of Loyalty in Issuance of New Shares

Consortium's Recommendations — For

- Chairman Choi has repeatedly attempted share issuances infringing shareholder interests. This proposal is to institutionally prevent further share issuances driven by management for the benefit of specific shareholders and to restore market trust.
- Issuing New shares to entities other than existing shareholders may unreasonably infringe upon the interests of current shareholders. Therefore, the proposed amendment to the Articles of Incorporation is also consistent with the board director's duty of loyalty to all shareholders under the amended Commercial Act.

Repeated New Share Issuances

- Chairman Choi has repeatedly pursued new share issuances that appear misaligned with the interests of the Company and its shareholders, raising concerns that they were intended to entrench *his control.* Despite directors' fiduciary duties in effect, Chairman Choi proceeded with a value-dilutive third-party share issuance, which warrants a stricter standard.
- *In particular, the issuance of new shares to the U.S. subsidiary of Hyundai Motors* was nullified pursuant to a court ruling.

General Public Offering (Oct '24)	Korea Zinc announced a W2.5 tn public offering, which was later withdrawn amid criticism that its unfair pricing (-25% discount to self-tender offer price) would dilute shareholder value.
New Shares to Non-Shareholders (Aug '22, Aug '23)	Issued new shares through third-party allotments in violation of the AoI to a U.S. subsidiary of Hanwha Group (5.2%(1)) and a U.S. subsidiary of Hyundai Motors (5.2%(1)).
New Shares to Crucible JV (Dec '25)	Despite issuing 10.5% of new shares and reviewing a mega-transaction worth W11 trillion, the Board convened abruptly, which limited adequate review and discussion and constrained the ability to pursue a more optimized transaction.

Proposal Consistent with the Amended Commercial Act

Commercial Act Article 382-3 (Duty of Loyalty by Directors)
① Directors shall perform their duties in good faith for the interest of the company **and its shareholders** in accordance with statutes, and the articles of incorporation.
② Directors shall protect the interests of all shareholders and shall treat the interests of all shareholders fairly and equitably in performing his or her duties. *(Newly Added)*

- To prevent conflicts of interest that disadvantage certain shareholders, **the Commercial Act was recently amended to expand directors' duty of loyalty to include shareholders**. The amendment clarifies that **directors owe duty of loyalty to both the company and its shareholders and must treat all shareholders fairly and equitably**.
- This amendment establishes a **board-level safeguard** against **third-party issuances** that may **undermine shareholder rights** and **impair shareholder value**.

(1) Based on the total issued shares before the new shares issuance.

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[Agenda 2-11] Amendment to the Articles of Incorporation
Introduce Executive Officer System

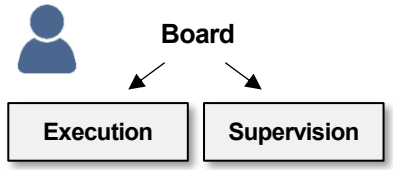
Consortium's Recommendations — For

- The concentration of executive and supervisory authority within a single body weakens checks and balances and increases the risk of abuse of power. The executive officer system addresses this concern by separating oversight from management.
- In Korea Zinc's case, where major shareholder groups (e.g., the Consortium, Choi family and the U.S. government) are represented on the board, it is particularly desirable for the board to focus on oversight, while professional executive officers manage day-to-day operations.

Reasons for Proposing Executive Officer System

Existing Board Structure

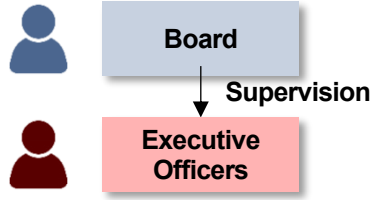
Registered directors are part of both the board of directors and the management team, resulting in the simultaneous execution and supervision of business operations



vs.

Executive Officer System

The board of directors will focus exclusively on supervising operations, while executive officers, elected by the Board, will be responsible for executing the company's business operations



- The separation of the board and management enhances independence and objectivity by creating a balanced system of checks and cooperation, enhancing shareholder value.
- With clearly defined and distinct responsibilities between the board and executive officers, organizational transparency is enhanced.

Company's Opposition and the Consortium's Rebuttal

Company Claim

The introduction of the executive officer system was voted down at the EGM in January 2025 following opposition from the Young Poong side.

- The Consortium's opposition to the proposal to introduce the executive officer system at the EGM was an **unavoidable measure taken in protest against the unlawful restriction of the largest shareholder's voting rights.**
- The Consortium proposed the agenda last EGM and **fully supports the executive officer system**, which enhances board oversight, and thus, corporate governance.

Company Claim

With respect to the proposal to introduce an executive officer system, it is unjustified in that it prohibits dual service as an executive officer and a director without any reasonable basis.

- Prohibiting concurrent service of executive officers and directors is **necessary to prevent self-supervision.**
- Strong board oversight is not management disruption, but a **fundamental element of sound corporate governance.**

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[Agenda 2-12] Amendment to the Articles of Incorporation
Change Chairperson of Shareholders' Meeting

Consortium's Recommendations — For

- The Consortium proposes to amend the Articles of Incorporation so that the Chairperson of the Board, rather than the CEO, serves as the Chair of the Shareholders' Meeting.
- The proposal is necessary to structurally address and remedy the risks of unfair administration of shareholders' meetings. During last year's EGM and AGM, the Consortium's shareholder rights were unlawfully prohibited by the chairperson of shareholders' meeting, Park, Ki-deok.

Unlawful Prohibition of the Consortium's Voting Rights

2025/01/22 6:00 PM — Surprise disclosure of cross-shareholding, utilizing Korea Zinc's Australian subsidiary, SMC.

Unlawful Restriction of the Consortium's Voting Rights

2025/01/23 Date of EGM — The CEO, Mr. Park, Ki-deok, who served as EGM's Chairman, unilaterally invalidated Young Poong's voting rights and proceeded with the EGM, ignoring the Consortium's protest. The Consortium immediately filed injunction.

2025/03/7 — The Court ruled in favor of the Consortium and determined the invalidation of Young Poong's 31.5% voting rights were indeed unlawful.

Illegal Cross-shareholding Formation

2025/03/28 Date of AGM — At the 2025 AGM, Korea Zinc re-established an illegal cross-shareholding structure shortly before the meeting, and Park, Ki-deok invalidated Young Poong's voting rights again, utilizing SMH.

Continued risk of unlawful or unfair administration of shareholders' meeting unless the meeting is chaired by the independent chairperson of the board

Recommendations of Major Governance Institutions

ACGA(1) — *"Investors could push companies to amend their AoIs to stipulate the chair of the board must preside over AGMs, and that independent directors attend…"*

KCGF(2) — *"…given Korea Zinc's recent general meetings that were unable to operate properly, it is right for the purposes of shareholder protection that its shareholder meetings be chaired by a chairperson of the board, rather than by a CEO who is at risk of facing conflicts of interest…"*

Company's Opposition and the Consortium's Rebuttal

Company Claim — *We oppose the proposal, as the current articles of incorporation facilitate smooth conduct of the meeting, including prompt responses to questions raised by shareholders.*

- The chair of the shareholders' meeting holds key procedural authority, and any conflict of interest raises serious concerns about fairness. **Neutrality of the chairperson is therefore essential to procedural legitimacy**.
- The **chair of the general meeting of shareholders serves as a facilitator and does not need to respond to company matters**. Given the presence of multiple shareholder groups, neutrality and independence of the chairperson are more critical.

(1) Asia Corporate Governance Association; (2) Korea Corporate Governance Forum.

[Agenda 3] Election of Directors

- Since the Consortium's launch of the public tender offer in September 2024, the Consortium has consistently pointed out countless examples of serious oversight failure of the current board, including its inaction to stop Chairman Choi's private benefit-seeking behaviors and failure to fulfil other necessary supervisory functions.
- Such material oversight failure became even more evident when, the series of actions conducted under Chairman Choi led to investigation by the Prosecutors' Office for alleged violation of the Capital Markets Act (self-tender / general public offering), an investigation by the Korea Fair Trade Commission into potential violations of the Fair Trade Act (cross-shareholding) and accounting inspection by the FSS (One Asia Partners and Igneo Holdings).
- The incumbent board's behavior effectively amounts to complicity, making current directors "accomplice-like directors" and causing serious harm to Korea Zinc, including deliberate negligence regarding unlawful circular cross-shareholding structure.

Current Board's Problems

Failures in the Oversight of Management

- Approval or complicity in the destructive self-tender offer and general public offering.
- Lack of board resolutions and follow-up supervisory actions regarding investments unrelated to Korea Zinc, such as One Asia Partners.
- Inaction in the face of a series of unlawful management entrenchment efforts.

Destruction of Company and Shareholder Value

Lack of Independence from the Second Largest Shareholder

- Prioritization of the current management's defense of its control without consideration of shareholder value.
- Complicity in conflict-of-interest issues, including lack of any follow-ups on the series of transactions related to One Asia Partners and Chungho Comnet, which allegedly constitute a breach of fiduciary duty.

Excessive Concentration of Power to Chairman Choi

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Analysis and Recommendations on Board-proposed Nominees

Candidate	Proposer	The Consortium's Comments	Rec.
Inside Director Choi, Yun Birm(1)	Board	■ Leveraging his influence at the Company, the candidate allegedly misappropriated the Company's assets and committed multiple unlawful acts for the sole purpose of management entrenchment, which led to investigations by the Prosecutors' Office and the Fair Trade Commission, and accounting inspection by FSS. ■ Through a series of actions, including (i) unjustifiable investments (e.g., One Asia Partners and Igneo Holdings) and (ii) the execution of a self-tender offer and general public offering right after the self-tender offer and (iii) unlawful establishment of circular cross-holding structure during last year's EGM and AGM, Choi, Yun Birm has undermined shareholder value. ■ While he is a managerial agent holding 1.5% of issued shares(2), Chairman Choi effectively privatized control of the Company, raising a significant agency problem.	**Against**
Independent Director Hwang, Deog Nam(1)	Board	■ We leave the final decision to each shareholder.	N/A

(1) Up for re-election; (2) As of 12/31/2025.

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Analysis and Recommendations on Shareholder-proposed Nominees

Candidate	Proposer	The Consortium's Comments	Rec.
Non-Executive Director **Walter Field McLallen**	Crucible JV	■ The Consortium supports the appointment of a director representing Crucible JV, a 10.6% shareholder of the Company, in order to ensure the successful execution of the significant strategic U.S. project.	**For**
Non-Executive Director **Park, Byung Wook**	Consortium	■ The candidate is a finance and management expert who has led risk management and the enhancement of internal control. ■ Drawing on experience as Audit Committee Chairman at Young Poong and as CEO of an accounting firm, the candidate is expected to strengthen internal control and board oversight to protect shareholder value at Korea Zinc.	**For**
Non-Executive Director **Choi, Yon Sog**	Consortium	■ As an expert in M&A and investment strategy, the candidate can contribute to maximizing Korea Zinc's corporate value based on value-creation expertise. ■ Leveraging global capital market experience, the candidate can support the development of Korea Zinc's mid- to long-term growth strategy and capital structure optimization.	**For**
Independent Director **Choi, Byung-il**	Consortium	■ The candidate possesses extensive expertise in international negotiations and trade, with significant experience in developing and executing national-level strategies, as well as a deep understanding of the global policy landscape. ■ With a Ph.D. in Economics from Yale University, the candidate has expertise in corporate finance, capital allocation and governance and experience leading policy discussions as President of the Korea Economic Research Institute. The candidate will strengthen Korea Zinc corporate governance in line with global standards. ■ Leveraging strong trade policy expertise, the candidate can provide valuable strategic insights to support Korea Zinc's global business initiatives.	**For**
Independent Director **Lee, Sun Sook**	Consortium	■ With more than 20 years of legal experience, the candidate is an expert in capital markets and investment structuring, with strong command of international regulatory frameworks. ■ The candidate is well-positioned to reinforce capital market credibility and enhance board oversight by ensuring proactive regulatory compliance and thorough scrutiny of investment structures.	**For**

Improved Board Proposed by the Consortium (Board Skills Matrix)

- To strengthen the board's oversight and reinforce corporate governance, the Consortium proposes five director nominees, each with deep expertise in one or more of the following areas: value creation, capital markets, law, and corporate governance.
- In particular, we aim to substantially enhance the board's risk management capabilities, one of its most persistent shortcomings.

Board Skills Matrix (BSM) Proposed by the Shareholders

	Existing Board									Shareholder-nominated Directors				
	Inside	Non-Executive	Independent							Non-Executive			Independent	
	Park, Ki-deok	Kang, Sung Doo	Kim, Gwang Il	Kim, Bo Young	Suh, Dae Won	Kwon, Soon Bum	James Andrew Murphy	Chung, Tammy	Kwon, Kwang Seok	Walter Field McLallen	Park, Byung Wook	Choi, Yon Sog	Choi, Byung-il	Lee, Sun Sook
Industry Expertise	●	●												
Value Creation			●						●	●	●	●	●	●
M&A Investment		●	●				●		●	●		●		
Finance/ Accounting	●	●	●		●		●		●	●	●	●		
Legal			●			●								●
Risk Management								●			●		●	
ESG				●					●					
Global			●				●		●	●		●	●	●
Diversity				●				●						●

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[Agenda 5] Election of Independent Director to Serve as Audit Committee Member (Nominee: Lee, Min Ho)

Consortium's Recommendations — Against

- Over the past four years, Mr.Lee served as an Independent Director, and most recently as an Audit Committee member, during which time significant governance failures have occurred including alleged accounting irregularities related to the One Asia Partners investment and the Igneo Holdings acquisition, both of which are currently under review by the FSS for potential deliberate accounting fraud.

Grounds for Disqualification

Acquies-cence in Corporate Governance Failures	▪ Lee, Min Ho served as an Independent Director from March 23, 2022. During his tenure, he remained silent on serious governance failures, including misappropriation of corporate assets and managerial entrenchment, contributing to serious shareholder value dilution. ▪ More recently as an Audit Committee member since March 2025, he has further breached shareholders' trust by neglecting his oversight duties, acquiescing in material legal and governance risks, and disregarding the board's request to review excessive expenses.
Lack of Expertise	▪ Lee, Min Ho, appointed to the Audit Committee at the 2025 AGM to replace Sung, Yong-Rak, lacks the expertise and experience of his predecessor.
Conflict of Interest	▪ His independence is in question because he currently leads an ESG research center at Yulchon LLC, a key adviser to Korea Zinc.

Corporate Governance Failure during Mr. Lee's Tenure

Failed to Fulfill Oversight Duties as an Independent Director

- **Misappropriation of Corporate Assets**: Corporate assets deployed without discipline, including investments in (i) One Asia Partners, (ii) Igneo Holdings and (iii) sale of Hanwha shares at below fair value.
- **Managerial Entrenchment Despite Erosion of Shareholder Value**: Value-destructive entrenchment tactics and governance engineering, including general offering and self-tender, which heightened legal and regulatory risk.

Failed to Fulfill Duties as an Audit Committee Member

1. Failed to (i) review the details of the inspection, (ii) report the potential impact to the board, or (iii) prepare preventive measures amid the accounting inspection by the FSS.
2. Turned a blind eye to the illegal cross-shareholder structure, which posed legal and reputational risk to the Company.
3. Remained silent on (i) unreasonable investment in The Metals Company ("TMC") and (ii) alleged unlawful collusion with ACT.
4. Continued to take the position that excessive advisory fees and advertising expenses pose no issue despite the board's request for review.

[Agenda 5] Election of Independent Director to Serve as Audit Committee Member (Nominee: Lee, Min Ho) (Cont'd)

- Since March 2025, Mr. Lee has served as a member of the Audit Committee. The corporate governance failures that occurred during his tenure indicate that the Audit Committee's oversight responsibilities were not adequately fulfilled.

Details of the Nominee's Failure to Fulfill His Duties as an Audit Committee Member in 2025

1 Failure to Respond to the FSS Inspection

- **10/15/2024** FSS launched an account review of Korea Zinc
- **11/28/2024** FSS converted the review to accounting inspection
- **2/12/2026** FSS delays the announcement of decision on accounting inspection to March 5, 2026

Issue #1 — One Asia Partners

- Inspection allegedly on <u>whether losses from investment in One Asia Partners fund were properly reflected</u> in the financial statements;
  - ➢ One Asia Partners funds Grey #1 and Tangerine #1 recorded -73% and -72% losses, respectively, within less than two year since the initial investment.
  - ➢ Despite the significant drop in fair value of the funds, Korea Zinc maintained its book value.

Issue #2 — Igneo Holdings

- Inspection allegedly on <u>whether the valuation recorded at the time of the acquisition of Igneo Holdings was overstated</u>;
  - ➢ Korea Zinc acquired electronic waste recycling company, Igneo Holdings at KRW582.0 billion, which was negative equity at acquisition.

Despite significant risk, Lee, Min Ho failed to report to the board or implement preventive measures upon the initiation of the FSS accounting inspection.

Other Failures as an Audit Committee Member

2 Deliberate Negligence of Cross-shareholding Structure

- The nominee took no action, in response to Korea Zinc's on-going unlawful circular cross-shareholding structures, which was utilized to invalidate Young Poong's voting rights, exposing the Company to legal and reputational risks.

3 TMC / ACT

- Korea Zinc invested US$133 million in TMC without prior board reporting despite significant regulatory, financial, and ESG risks.
- Management allegedly colluded with the minority shareholder platform ACT to interfere with shareholder voting rights using corporate funds.
- Despite the Consortium-nominated directors' repeated request for more information on both, the nominee failed to take action as an Audit Committee member.

4 Silent on Board Request to Review

- Despite the Consortium-nominated directors' repeated concerns that the rising advisory fees and advertising expenses may have been incurred for Chairman Choi's personal management entrenchment, the Audit Committee, including the nominee, took no action or further review and, even in response to formal requests for review, maintained that there was no issue with such expenditures.

[Agenda 6] Approval of Director Remuneration Limit

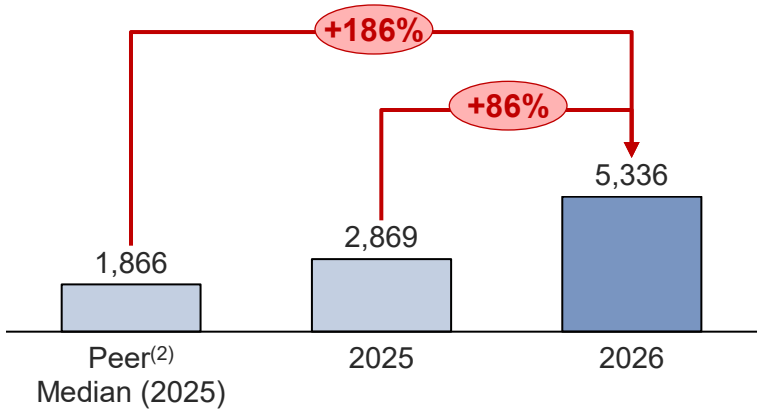
Consortium's Recommendations — Against

- The Board has proposed increasing the director remuneration limit by 20%, from KRW10 billion to KRW12 billion in 2026 to reward management for record-high performance in 2025 and increase compensation accordingly.
- A substantial portion of director compensation is already concentrated among a small number of standing directors with a track record of undermining shareholder value. Therefore, the proposed increase appears excessive, particularly as the number of standing directors as executives is expected to decrease following the annual general meeting.

Excessive Increase of Remuneration Limit

- The expected remuneration limit per inside director(1) for 2026 is W5.3 bn, representing an 86% increase compared to 2025 and 186% higher than the peer(1) median.
- Given Jung, Tae-woong is expected to step down following the AGM, the number of eligible recipients would decline, effectively increasing compensation per remaining director.

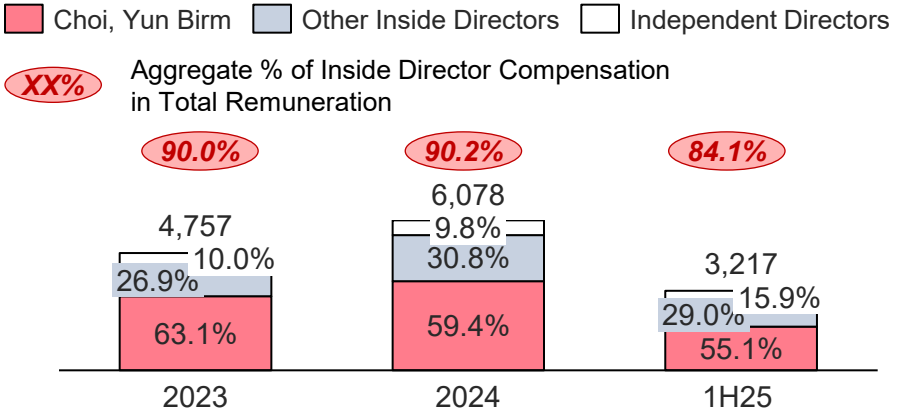
Remuneration Limit per Inside Director (KRW in millions)



Further Concentration on Specific Inside Directors

- Of the total remuneration for directors, over 84% of executive compensation is allocated to three standing directors who have been central to actions that have undermined shareholder value.
- Among the three, approximately 60% of payment is concentrated on Chairman Choi, a key figure of shareholder value infringement.

Total Annual Remuneration by Director Type (KRW in millions)



(1) Calculated as (Total compensation limit – payments to independent directors and Audit Committee members) / number of inside directors. Estimated payments in 2025 is based on data through 1H 2025; (2) Non-ferrous metals and steel companies including Young Poong, Poongsan, POSCO, Hyundai Steel and SeAh Besteel.

[Agenda 7] Approval of Amendment to Executive Severance Payment Policy

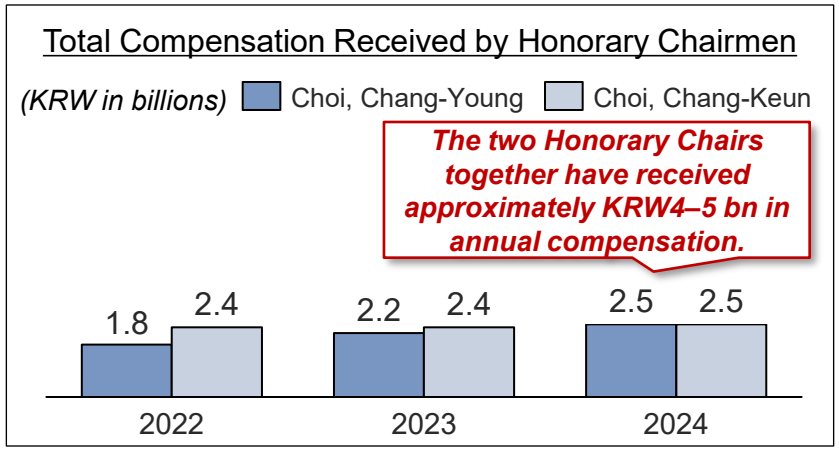
Consortium's Recommendations

For

- We propose to amend the executive severance payment policy to exclude the honorary chairmen from the executive retirement benefit program.
- This measure is necessary to prevent the diversion of corporate assets to a specific shareholder family and to ensure the policy remains reasonable and appropriate.

Background of the Consortium's Proposal

- The Honorary Chairmen, family members of Chairman Choi, already receive one of the highest levels of compensation in the Company (second only to the Chairman himself).
- The 2023 amendment (i) increased the Chairman's retirement multiplier from 3x to 4x, and (ii) commenced retirement benefit program for the Honorary Chairman, applying the same retirement multiplier as the Chairman.
- Generally, applying the highest multiplier to a role that is largely symbolic or advisory lacks reasonable proportionality between duties and compensation.



Company's Opposition and the Consortium's Rebuttal

Company Claim

The current executive retirement benefit policy was approved at the 2023 annual general meeting.

Amending it now, as proposed by the Consortium, is unreasonable, since it effectively undermines the substantive roles and contributions of the Honorary Chairmen.

- Honorary Chairmen Choi, Chang-Young and Choi, Chang-Keun are **non-registered executives who do not bear the same legal responsibilities as registered directors**. Given their limited roles as former chairmen, their compensation lacks reasonable proportionality to their actual roles.
- Both also hold concurrent inside director positions at other subsidiaries, raising questions about their full-time commitment to Korea Zinc. **Recognition for their long service could have been sufficiently considered in the retirement benefits granted upon stepping down as Chairman**.

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Appendix

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A. Detailed Profiles of the Consortium-Nominated Candidates

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Non-executive Director

Candidate Park, Byung Wook



Key Strengths

- The candidate served as CEO of Asiana Airport Service and Kumho Life Insurance, **leading risk management, organizational efficiency, financial soundness, and internal control enhancement.**
- As an Independent Director of Young Poong and Chairman of its Audit Committee, the candidate oversaw financial integrity and legal compliance.
- The candidate supervised audit, tax, and advisory services, **strengthening expertise in financial diagnostics and the assessment of the financial soundness of management decisions.**

Board Skill Matrix

Industry Expertise	
Value Creation	●
M&A Investment	
Finance/Accounting	●
Legal	
Risk Management	●
ESG	
Global	
Diversity	

Key Education and Experience

Education

- Hanyang University | Ph.D. in Business Administration
- Yonsei University | B.A. in Commerce and Business

Experience

- **2020 – 2026** Independent Director | Young Poong
- **2018 – 2024** CEO | Chung Accounting Corporation
- **2008 – 2010** President & CEO | Asiana Airport Service
- **2004 – 2007** President & CEO | Kumho Life Insurance
- **1995 – 1999** Vice President | Kumho Investment Bank
- **1993 – 1995** Director | Asia Merchant Bank

Work Plan

- As an accounting, finance, and tax expert, the candidate will analyze the impact of investments on the financial structure and help maintain financial soundness.
- Leveraging Audit Committee experience, the candidate will assess the effectiveness of internal accounting and control systems and support transparent and reliable financial disclosure.
- Based on executive leadership experience, the candidate will evaluate management strategies and capital allocation plans and provide oversight aligned with enhancing corporate and shareholder value.

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Non-executive Director

Candidate Choi, Yon Sog



Key Strengths

- Currently a Partner at MBK Partners, the candidate played **a key role in major domestic investments,** including Coway, DIG Airgas, DN Solutions, Dongjin Textile, and Nexflex.
  - Coway is widely recognized as a landmark value-creation case, and the candidate also contributed to operational improvements and growth strategies in manufacturing investments such as DN Solutions.
- Previously at J.P. Morgan Securities in New York, the candidate gained experience in large-scale capital markets transactions, corporate financing, and M&A, developing **a strong understanding of global capital markets.**

Board Skill Matrix

Industry Expertise	
Value Creation	●
M&A Investment	●
Finance/Accounting	●
Legal	
Risk Management	
ESG	
Global	●
Diversity	

Key Education and Experience

Education

- Harvard Business School | MBA
- Seoul National University | Economics (B.A.)

Experience

- **2008 – Present** Partner | MBK Partners
- **2006 – 2008** Associate | J.P. Morgan Securities New York

Work Plan

- Based on experience in M&A and value creation, the candidate will support strategies to enhance Korea Zinc's long-term growth, competitiveness, and corporate value.
- Drawing on diverse board experience, the candidate will contribute informed perspectives to strategic decision-making.
- The candidate will analyze and evaluate Korea Zinc's investments and financing transactions to support capital deployment aligned with the interests of the company and its shareholders.
- Leveraging experience in collaborating with portfolio company management and employees, the candidate will provide effective oversight of management and offer constructive board-level guidance.

Independent Director

Candidate Choi, Byung-il



Key Strengths

- **As an international negotiations/trade expert,** the candidate led on national negotiation strategies, serving as Korea's Chief Negotiator for the WTO Basic Telecommunications Agreement and contributing to the Korea–U.S. FTA.
- Bridging academia and policy, the candidate specializes **in macroeconomic, industrial policy and corporate governance reform.**
- As head of the International Trade Strategy & Innovation Hub at Bae, Kim & Lee LLC, the candidate **advises on trade risks including tariffs, export controls, and international compliance.**

Board Skill Matrix

Industry Expertise	
Value Creation	●
M&A Investment	
Finance/Accounting	
Legal	
Risk Management	●
ESG	
Global	●
Diversity	

Key Education and Experience

Education

- Yale University | Economics (Ph.D.)
- Yale University | Economics (M.A.)
- Seoul National University | Economics (B.A.)

Experience

- **2025 – Present** Head | International Trade Strategy & Innovation Hub, Bae, Kim & Lee LLC
- **2008 – Present** Vice President | United Nations Association of the Republic of Korea
- **2011 – 2014** President | Korea Economic Research Institute
- **2006 – 2010** Policy Advisory Member | Ministry of Foreign Affairs and Trade
- **1997 – 2024** Professor | Graduate School of International Studies, Ewha Woman's University
- **1994 – 1997** Chief Negotiator for Korea | WTO Basic Telecommunications Negotiations

Work Plan

- Adequate to Korea Zinc's increasing global business exposure, the candidate will proactively assess the impact of changes in the international trade environment on the company's mid- to long-term investments.
- In relation to the Project Crucible, the candidate will systematically review trade-related risks—including tariffs, foreign investment regulations, and subsidy policies—and present strategic directions.
- Drawing on experience bridging academia and policy, the candidate will foster constructive dialogue and provide balanced perspectives in board discussions.
- Leveraging expertise in corporate finance, capital allocation, and governance, along with policy discussion experience, the candidate can enhance governance in line with global standards.

Independent Director

Candidate Lee, Sun Sook



Key Strengths

- With over 20 years of legal practice across corporate law, investment banking, finance, and administrative matters, the candidate possesses **strong expertise in capital markets regulatory compliance and in structuring and reviewing large-scale investments and joint ventures.**
- Through experience at the Korea Government Legal Service and in advising public sector entities, the candidate developed a deep understanding of policy and regulatory environments and is well positioned to **address legal risks arising in dealings with public stakeholders.**

Board Skill Matrix

Industry Expertise	
Value Creation	●
M&A Investment	
Finance/Accounting	
Legal	●
Risk Management	
ESG	
Global	●
Diversity	●

Key Education and Experience

Education

- New York University School of Law | LL.M
- Passed the 38th Judicial Examination, completed the 28th Class of Judicial Research and Training Institute.
- Seoul National University | LL.B. in Public Law
- Seoul National University | B.A. in French Language and Literature

Experience

- **2009 – Present** Attorney | Minju Law Firm
- **2008 – 2009** Attorney | Korea Government Legal Service
- **1999 – 2008** Attorney | Bae, Kim & Lee LLC
- **2006 – 2010** Member | Compensation Deliberation Committee, Anti-Corruption and Civil Rights Commission

Work Plan

- Leveraging expertise in capital markets, corporate law, and administrative regulation, the candidate will review the legal and procedural soundness of board agenda.
- The candidate will oversee major overseas investments and complex capital transactions with a focus on shareholder value and financial impact.
- Applying the interests of the company and all shareholders as the primary standard, the candidate will maintain independent and objective judgment while proactively identifying regulatory and policy risks to support long-term value creation.

B. Summary of Consortium’s Board Activities in 2025

Summary of Consortium's Board Activities in 2025 (1/3)

- Substantive Board Activity
- Investment & Risk control
- Expense Transparency/Asset Protection
- Board Independence/Conflict of Interest
- Shareholder Returns
- Governance

Meeting	Consortium's Demands/Proposals	Intended Impact
Extraordinary Board Meeting (Apr. 16, 2025)	■ Rearrange the board's committees in line with the board's expansion/reorganization as decided in the 2025 EGM/AGM. ■ Circulate discussion materials in advance and organize pre-meeting briefs to allow directors sufficient time to review materials.	● Implement the "will of the shareholders" as revealed in the shareholders meetings. Strengthen committee governance so that reappointing directors is not merely a formality. ● Enable substantive board discussions.
Regular Board Meeting (May. 8, 2025)	■ Circulate board materials in advance (repeated demand). ■ Explain the reasons behind the surge in advertising and promotion expenses and service fees. ■ Report financial performance of major affiliates separately, explain invested amount and recovery plans for financial investments such as the investments into One Asia Partners. ■ Confirm whether there were any plans to dispose treasury shares (including lending/borrowing voting rights) rather than canceling them. ■ Explain (i) allegations of using company resources on lobbyists/PR agencies and (ii) prosecutorial searches and seizures involving Korea Zinc, its officers and employees. ■ The Consortium opposed appointing an individual under criminal investigation as CEO.	● Enable substantive board discussions. ● Enhance cost control and oversight of potential shareholder value erosion. ● Strengthen oversight of capital allocation and improve transparency of reporting. ● ● Manage compliance and reputational risk. ● Oversee and prevent potential shareholder value erosion. ● ● Strengthen oversight of potential shareholder value erosion by misappropriation of company's funds and legal risks.

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Summary of Consortium's Board Activities in 2025 (2/3)

- Substantive Board Activity
- Investment & Risk control
- Expense Transparency/Asset Protection
- Board Independence/Conflict of Interest
- Shareholder Returns
- Governance

Meeting	Consortium's Demands/Proposals	Intended Impact
Extraordinary Board Meeting (Jul. 4, 2025)	■ Explain key risks, including economic feasibility, patents, contracts, regulatory conditions and ESG issues related to the TMC investment (pointed out insufficient verifications). ■ Explain why the investment proposal proceeded without board or investment review committee procedures; report to the board and seek approval before making material investments.	Control large-scale investment risks and enforce meaningful due diligence.
Regular Board Meeting (Aug. 6, 2025)	■ Explain reason behind sharp increase in SG&A expenses. ■ Explain the rationale behind additional investments in loss-making foreign subsidiaries (criticized the practice of ex-post reporting). ■ Report internal transactions to allow objective, arms-length review. ■ Report items involving shareholders' interest, such as quarterly dividends under the value-up program. ■ Provide more clarity in management's plans to recover investments in One Asia Partners. ■ Provide the same level of information and pre-meeting briefs to non-executive directors as with outside directors.	Enhance cost control and oversight of potential shareholder value erosion. Strengthen oversight of capital allocation and enforce transparent reporting. Enable substantive board discussions. Strengthen oversight of potential shareholder value erosion. Strengthen oversight of capital allocation and enforce transparent reporting. Enable substantive board discussions.

MBK PARTNERS

Summary of Consortium's Board Activities in 2025 (3/3)

- Substantive Board Activity
- Investment & Risk control
- Expense Transparency/Asset Protection
- Board Independence/Conflict of Interest
- Shareholder Returns
- Governance

Meeting	Consortium's Demands/Proposals	Intended Impact
Extraordinary Board Meeting (Sep. 19, 2025)	■ Provide materials necessary to review the feasibility of domestic investments. ■ Explain the risk of violating international law in connection with the TMC investment, thoroughly review any other legal and ESG risks.	Enable substantive board discussions. Control large-scale investment risks.
Regular Board Meeting (Nov. 5, 2025)	■ Provide an early recovery plan for corporate funds invested in a One Asia Partners fund involved in criminal activities. ■ Explain whether service commissions and advertising/promotion expenses were used to benefit specific individuals in connection with the audit committee review of these expenses. ■ Address concerns regarding location, regulation and possibility of excessive investment in connection with the new R&D center, provide additional reporting. ■ Address questions regarding dividends, i.e., record date, source of funding, etc. to ensure sufficient funding for future dividend payments.	Enhance oversight of potential shareholder value erosion and legal risks. Enhance cost control and enforce transparent reporting. Enable substantive board discussions. Enhance oversight of potential shareholder value erosion.

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