2026 Extraordinary General Meeting Investor Presentation

Korea Zinc Co., Ltd.

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Disclaimer

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Executive Summary

01

EGM Agenda
(Sep 2026)

Item No.	Agenda	Voting Method	Proposer	Board Position
No. 1 : Partial Amendment to the Articles of Incorporation (Amendment to the AOI to Increase the number of separately elected Audit Committee members)		Special Resolution	Korea Zinc	For
No. 2 : Election of Four Directors by Cumulative Voting		Ordinary Resolution	Yumi Development, MBK·YP·YPC	-
No.2-1	Election of **Hyung-Kyu Lee** as an Independent Director	Ordinary Resolution	Korea Zinc	For
No.2-2	Election of **Eun-Sook Seo** as an Independent Director	Ordinary Resolution	Korea Zinc	For
No.2-3	Election of **Jun-Bong Lee** as an Independent Director	Ordinary Resolution	MBK·YP·YPC	-
No.2-4	Election of **Hye-Seop Shim** as an Independent Director	Ordinary Resolution	MBK·YP·YPC	-
No. 3 : Election of an Independent Director Who will Serve as a Member of the Audit Committee (Agenda Items No. 3-1 and No. 3-2 will be voted on collectively, and if more than one agenda item satisfies the requirements for an ordinary resolution, the agenda item receiving the greater number of votes will be deemed approved. In other words, Agenda Item No. 3-1 and Agenda Item No. 3-2 are separate agenda items, and shareholders may therefore exercise their voting rights by voting in favor of both agenda items or against both agenda items.)				
No.3-1	Election of **In-Kyu Back** as a Member of the Audit Committee	Ordinary Resolution (Combined 3% voting rule)	Korea Zinc	For
No.3-2	Election of **Yoo-Kyung Park** as a Member of the Audit Committee	Ordinary Resolution (Combined 3% voting rule)	MBK·YP·YPC	-

※ Cumulative Voting: For the election of four directors at this Extraordinary General Meeting of Shareholders, shareholders may cast votes equal to four times their shareholdings. Shareholders may concentrate their votes on a specific candidate or distribute them among multiple candidates.

02

Proven Track Record

- Korea Zinc has grown into a global critical metal company by leveraging 52 years of accumulated smelting technology and operational excellence.
  - · Building on advanced metal recovery technologies, the Company has expanded beyond its traditional smelting business to increase the share of high-value-added products, delivering superior profitability and stable earnings generation relative to global peers.
- Korea Zinc, since quarterly earnings disclosure became mandatory, has recorded operating profits for 106 consecutive quarters, while maintaining 44 consecutive years of annual operating profitability and 38 consecutive years without a labor dispute.
  - · Despite external uncertainties—including raw-material procurement, metal-price volatility, and economic cycles—Korea Zinc has established a resilient and sustainable earnings base, underpinned by decade of accumulated production expertise and operational excellence.
- In 2025, Korea Zinc achieved record-high results, with consolidated revenue of KRW 16.6 trillion and operating profit of KRW 1.23 trillion. In the first half of 2026, the Company achieved record first-half operating profit of KRW 1.33 trillion, supported by continued product portfolio diversification and expanded production capacity.
- Over the past half-century, Korea Zinc has consistently delivered differentiated performance across key financial and shareholder return metrics, including growth, profitability, cash generation, and total shareholder return (TSR).
  - · Under the current management team, revenue growth and shareholder value creation have accelerated, with Korea Zinc delivering an industry-leading TSR of 193% and a revenue CAGR of 16.3% since 2019.
  - · **The Company's sustainability management framework—encompassing environmental and safety management, responsible supply-chain practices, corporate governance, and stakeholder engagement—is aligned with leading global standards.** The Company has maintained the highest ratings across all ISS ESG assessment and became the first Korean non-ferrous metals company to be included in the Dow Jones Best-in-Class Indices.

03

Board-Led Governance for Sustainable Shareholder Value

[Governance] Strengthening governance through greater Board independence, enhanced shareholder rights, and robust internal controls

- Strengthening board independence, expertise, and diversity

· Appointed an independent director as Chair, reinforcing Board independence and establishing a clear separation between management and Board oversight.
· Enhanced expertise and diversity through Board Skills Matrix (BSM)-based director appointments and increased foreign and female directors.

- Advancing shareholder participation and shareholder-rights protection

· Proactively introduced and implemented cumulative voting ahead of the amendments to the Commercial Act, expanding minority shareholders' abilities in Board election.
· Introduced a open shareholder-nomination process for candidates for separately elected Audit Committee members. Disclosed candidate-screening criteria and procedures in advance to enhance transparency, fairness, and independence of the Committee.

- Enhancing Board effectiveness through independent evaluations

· Conducted Board evaluations by an independent external advisor and incorporated identified improvement initiatives into Board practices.

- Strengthening internal controls and management accountability

· Established a Management Committee to strengthen oversight of major strategic and investment decisions
· Introduced an executive compensation framework linking financial performance, aligning management incentives with shareholder interests.

- Achieving full compliance with key corporate governance indicators

· Achieved 100% compliance with all 15 core corporate governance indicators disclosed in 2025 Corporate Governance Report.

[Shareholder Returns] Enhancing shareholder value through a predictable shareholder-return policy and treasury share cancellation

- Enhancing dividend visibility and predictability

· Pre-determined and disclosed a year-end dividend of KRW 20,000 per share for FY2025, providing shareholders with greater dividend visibility
· Continued to exceed the target consolidated TSR ratio of at least 40%, while introducing quarterly dividends, with KRW 5,000 per share paid for each of the first and second quarters.

- Enhancing shareholder value through displined treasury-share cancellation

· Completed the cancellation in 2025 of all 2.04 million treasury shares acquired through the tender offer, with cancellations executed in three tranches in June, September, and December 2025, and plans to cancel an additional 246,665 previously held treasury shares by Feb 2026.

- Improving share liquidity and accessibility through a stock split

· Despite its suspension due to litigation initiated by MBK, the Company remains committed to pursuing the stock split approved at the 2025 EGM.

[Communication] Building investor trust through transparent communication and expanded senior-level engagement

- Communicating the Company's long-term growth strategy and corporate value enhancement plan

· Continued to provide transparent updates on the Value-up Plan while regularly communicating the Company's long-term growth strategy and shareholder value enhancement priorities to domestic and global investors.

- Expanding C-suite and independent director engagement with investors * C-Level Meetings : (2024) 54 → (2025) 81 → (261H) 44

01.

2026 EGM Agenda

1. 2026 EGM Agenda

KOREA ZINC

- The primary purpose of EGM is to amend the AOI to comply with the revised Commercial Act, specifically by expanding the number of audit committee members elected separately from other directors. The proposal resubmits the amendment that was rejected at the AGM in March due to opposition from MBK·YP. Its purpose is to ensure that the Company lawfully satisfies the statutory requirements for the composition of its audit committee
- In addition, the agenda includes the election of 4 directors through cumulative voting and an independent director who will serve as the audit committee member

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No. 1. Partial Amendment to the Articles of Incorporation (Amendment to the AOI to Increase the number of separately elected Audit Committee members)		Special Resolution	Korea Zinc	For
No. 2. Election of Four Directors by Cumulative Voting			Yumi Development/MBK·YP·YPC	
No. 2-1	Election of Hyung-Kyu Lee as an Independent Director	Ordinary Resolution (Cumulative Voting)	Korea Zinc	For
No. 2-2	Election of Eun-Sook Seo as an Independent Director	Ordinary Resolution (Cumulative Voting)	Korea Zinc	For
No. 2-3	Election of Jun-Bong Lee as an Independent Director	Ordinary Resolution (Cumulative Voting)	MBK·YP·YPC	-
No. 2-4	Election of Hye-Seop Shim as an Independent Director	Ordinary Resolution (Cumulative Voting)	MBK·YP·YPC	-
No. 3. Election of an Independent Director Who will Serve as a Member of the Audit Committee[1)]				
No. 3-1	Election of In-Kyu Back as a Member of the Audit Committee	Ordinary Resolution (Combined 3% voting rule)	Korea Zinc	For
No. 3-2	Election of Yoo-Kyung Park as a Member of the Audit Committee	Ordinary Resolution (Combined 3% voting rule)	MBK·YP·YPC	-

1 Resolutions No. 3-1 and No. 3-2 will be voted on as a single ballot. If more than one resolution satisfies the ordinary-resolution threshold, the resolution receiving the highest number of votes will be deemed approved.
(In other words, Agenda Item No. 3-1 and Agenda Item No. 3-2 are separate agenda items; therefore, shareholders may exercise their voting rights by voting in favor of both agenda items or against both agenda items.)

No. 1. Partial Amendment to the Articles of Incorporation

KOREA ZINC

- At the 2026 AGM, MBK·YP's opposition led to the rejection of Korea Zinc's proposed amendment for the separate election of Audit Committee members
- Korea Zinc was the only one of 124 companies to have its proposal rejected, making approval at an EGM before Sep 10 necessary for compliance
- MBK·YP displayed contradictory behavior by firmly opposing the AOI amendment through a shareholder proposal even before the agenda was officially disclosed, while simultaneously demanding the convocation of a separate EGM

EGM Agenda

Proposed Amendment	• **Increase the number of Audit Committee members to be elected separately from other directors from one to two.** • The amendment will take effect immediately upon approval at the Company's Extraordinary General Meeting of Shareholders on September 9, 2026.
Rationale for Approval	• Under Article 542-12(2) of the amended Commercial Act, Korea Zinc, as a large listed company, must have at least two separately elected Audit Committee members by September 10, 2026 • **Failure to comply would result in non-compliance with statutory Audit Committee composition requirements and create legal risks regarding the validity of the Audit Committee's formation and operations**

(March 2026 AGM) The Proposed Amendment was Rejected

Of 124 companies that proposed such amendments at their 2026 AGMs, 123 companies (99.2%) approved the expansion of separately elected Audit Committee members. **Korea Zinc was effectively the only company that did not meet both the Articles amendment and two-member separate-election requirements**

The market generally views this amendment as a necessary update to comply with the amended Commercial Act

A proposal with the same purpose was approved at YP's shareholders' meeting with 97.8% support

Inconsistency in MBK·YP's Position

Shareholder Proposal (Feb,2026)

MBK and YP had opposed the expansion of separately elected Audit Committee members even before any specific director candidate was nominated, through a shareholder proposal submitted in Feb 2026

[Excerpt from the Original Shareholder Proposal]

"The proposing shareholders make clear their opposition should an Articles amendment to increase the number of separately elected Audit Committee members be submitted at this shareholders' meeting. They believe that the proposed amendment and the additional election of a separately elected Audit Committee member may instead be addressed at a separate extraordinary general meeting before September this year, for example by causing one director currently subject to a suspension of duties to resign....(omitted)"

No. 2. Election of Directors by Cumulative Voting

- The Independent Director candidates recommended by the Committee, Mr. Hyung-Kyu Lee and Ms. Eun-Sook Seo, are expected to support shareholder value and sustainable growth through their expertise and independent oversight. Mr. Lee will strengthen legal and governance expertise, while Ms. Seo will enhance financial strategy and capital allocation, supporting balanced Board decision-making

Item No.	Director Type	Candidate	Proposer	Background	Key Benefits of Appointment
No.2-1	Independent Director	 Hyung-Kyu Lee (1955.10.)	**Korea Zinc** Independent Director Nomination Committee	• Current) Professor Emeritus, Hanyang University School of Law • Current) Member, Human Rights Violation Mediation Committee, National Human Rights Commission of Korea • Current) Independent Director, Incheon City Gas Co., Ltd • Former) Professor, Hanyang University College of Law / School of Law • Former) Member, Securities Dispute Mediation Committee, KRX Advisory Committee Member, KICA Association, KOSDAQ Listed Companies Association • Former) Member, Personal Information Dispute Mediation Committee, Ministry of Information and Communication Human Rights Violation Mediation Committee, Anti-Corruption and Civil Rights	**The Independent Director Candidate Recommendation Committee nominated Mr. Hyung-kyu Lee to strengthen legal and governance expertise and enhance regulatory capabilities** • **Assess legal and governance risks in decision-making** - Legal expertise as a former law professor and Professor Emeritus • **Strengthen sustainability, human rights, privacy and compliance** - Experience on judicial and prosecutorial nomination committees • **Strong expertise in governance and shareholder rights** - Experience with key corporate governance organizations (KISA, KRX)
No.2-2	Independent Director	 Eun-Sook Seo (1968.04.)	**Korea Zinc** Independent Director Nomination Committee	• Current) Professor, School of Economics and Finance, Sangmyung Univ. • Current) Independent Director, NH Investment & Securities Co., Ltd. • Current) Member, Military Welfare and Military Pension Fund Management Deliberation Committee, Ministry of National Defense • Current) Member, Overseas Business Risk Management Committee, Busan Port Authority • Former) Independent Director, NH NongHyup Financial Group • Former) Member, Consumer Protection Subcommittee, Financial Supervisory Advisory Committee, Financial SupervisoryService Chair, Financial Consumer Protection Subcommittee, Financial Services Commission	**The Independent Director Candidate Recommendation Committee believes Ms. Eun-sook Seo can strengthen Board oversight of financial and investment decisions** • **Strong expertise in economics, finance, and investor protection** - Advisory experience with government and financial regulators • **Oversight of financial strategy & capital allocation & risk mgmt.** - Expertise in economics/finance, with financial-sector board experience. • **Strong stewardship and shareholder protection experience** - Independent Director at NH Investment & Securities and NH Nonghyup Financial Group

No. 3. Election of an Audit Committee Member

KOREA ZINC

- Mr. In-Kyu Baek is an accounting and audit professional who previously served on the Board of Deloitte Anjin LLC and as a Senior Advisor.
- Drawing on his practical audit experience, he has a strong understanding of financial oversight and internal controls.
- He possesses the accounting and auditing expertise required of an Audit Committee member and is therefore considered fully qualified to serve at Audit Committee

Audit Committee Candidate

In-Kyu Baek (1968.02.)

Professional Experience	• Accounting and financial advisory at Sejin Accounting Corporation (since April 2026) • Professor, Data Knowledge Service Engineering, Dankook University (since March 2025) • Holds Korean and U.S. CPA licenses and served as a partner at Deloitte Anjin for 28 years - Audit Division and M&A Financial Advisory Division (November 1996–June 2020) - Professional Advisor, Deloitte Anjin LLC (May 2024–March 2026) • Former Head of the Deloitte Group ESG Center, with experience advising on ESG management strategy and governance - Head of the Korea Deloitte Group ESG Center (March 2021–March 2026) - Chairman of Deloitte Hanmaeum Sharing, a non-profit incorporated association
Independence	• No independence concerns, including no provision of major services by Deloitte Anjin for 3 yrs • Meets the statutory qualifications for 'an accounting and finance expert' under Article 37(2)(1) of the Enforcement Decree of the Korean Commercial Act
Board Experience	• Chairman of the Korea Deloitte Group Board of Directors (June 2020–May 2024) - Deloitte Asia Pacific Board Member and Chair of ESG Committee

Audit Committee Qualifications

30 Years of Accounting and Audit
Audit Expertise Required to Serve on an Audit Committee

ESG and M&A Advisory Experience
Global M&A Advisory and Investment Due Diligence.

No Statutory Disqualifications
No disqualifying grounds under the Korean Commercial Act

Global capabilities
Fluent in English, with U.S. working experience and a U.S. CPA

Extensive Board & Governance Experience
Chair of Deloitte Group Board and Deloitte Asia Board Member

[Appendix] Board Skills Matrix Reflecting New Director Nominees

- New director nominees recommended by the company enhance Board strength in Financial/M&A, Risk, Audit, International and Public-Affairs Expertise
- Proposed Hyung-Kyu Lee and Eun-Sook Seo, whose extensive experience in finance, M&A, and public affairs is expected to further enhance key board skill gaps

Board Skills Matrix(BSM)

Proposed Nominees

	Inside Director		Independent Director								Independent Director (Proposed Nominees)				Audit Committee (Proposed Nominees)		Non-Executive Director					
Skills/Background	Yun-Birm Choi	Ki-deok Park	Deog-Nam Hwang	Bo-Young Kim	Soon-Bum Kwon	Dae-Won Suh	James Andrew Murphy	Tammy Chung	Kwang-Seok Kwon	Seon-Sook Lee	Hyung-Kyu Lee	Eun-sook Seo	Jun-Bong Lee	Hye-Seop Shim	In-Kyu Baek	Yoo–Kyung Park	Walter F. McLallen	Yon-Sog Choi	Sung-Doo Kang	Gwang-Il Kim	Specialty Percentage	
Leadership	●	●	●																●	●	26%	
Financial/M&A		●					●		●			●			●	●	●	●		●	42%	Improved
Operations	●	●																			11%	
Risk								●				●			●						16%	Improved
Audit						●		●							●		●				21%	Improved
International	●	●		●			●				●					●	●				37%	Improved
Industry/Tech	●	●																	●		16%	
Strategic Planning	●	●					●														16%	
Public Affairs			●		●	●	●	●			●	●									37%	Improved
Legal	●		●		●					●	●		●	●						●	42%	
ESG				●					●						●	●					16%	

[Appendix] Independent Director Nominees Proposed by MBK·YP·YPC

KOREA ZINC

Item No.	Director Type	Candidate	Proposer	Background	Concerns regarding the candidates
No.2-3	Independent Director	Jun-Bong Lee (1963.02.)	MBK·YP·YPC	• Current) Professor, Sungkyunkwan University Law School • Former) President, Korean Tax Law Association • Former) Chair, International Fiscal Association Korea Branch • Former) Non-Standing Judge, Tax Tribunal • Former) Attorney-at-Law, Shin & Kim LLC • Former) Outside Director, STX Offshore & Shipbuilding ('08.3~'12.3)	• **Mr. Lee served as an independent director and audit committee member of STX Offshore & Shipbuilding from 2008 to 2012**, a period during which accounting irregularities, including the preparation of false financial statements, occurred at the company. The related shareholder damages liability was ultimately confirmed by the Supreme Court.
No.2-4	Independent Director	Hye-Seop Shim (1979.07.)	MBK·YP·YPC	• Current) Principal Attorney, Hye-Seop Shim Law Office • Current) Outside Director, Baekgeum T&A ('26.3~) • Current) Principal Member, Korea Coporate Governance Forum • Former) Attorney-at-Law, Damwoo Law Firm and Shin & Kim LLC • Former) Statutory Auditor, Namyang Dairy Productso., Ltd ('23~'26.3)	• As Mr. Shim highlights shareholder activism and the exercise of minority-shareholder rights as core capabilities, it should be assessed whether he can consider the **interests of all shareholders in a balanced manner,** rather than being aligned with a particular shareholder or perspective.
No.3-2	Independent Director (Audit Committee Member)	Yoo-Kyung Park (1969.03.)	MBK·YP·YPC	• Current) Outside Director and Chair of the Audit Committee, Tara Climate Foundation • Current) Advisory Member, Korea Coporate Governance Forum • **Former) APG Asset Management Managing Director <u>('09~'25)</u>** - Head of EME(Emerging Markets Equities) - Head of APAC Responsible Investment & Governance • Former) Senior Analyst, Good Morning Securities / Citi Global Markets • Former) Analyst, ING Barings / Baring Securities / (KEB) Salomon Smith Barney Securities • **Former) Member, ESG Committee, National Pension Service <u>('23~'25)</u>** • Former) Member, Association for Sustainable & Responsible Investment in Asia	• **Ms. Park worked at APG through 2025. APG has continuously exercised voting rights at Korea Zinc's shareholders' meetings.** Under major pension funds' voting guidelines, she may fall within categories that raise independence concerns: **1. A person who has been a full-time employee within the past five years of an entity with a material shareholding or business relationship with the Company; or 2. A person whose independence as an outside director could be impaired due to interests arising from legal, management-advisory with the Company.** • **Her service on the NPS's ESG Committee from 2023 to 2025** should also be reviewed for any potential independence concerns. • She does not satisfy **the Company's BSM Audit/finance competency criteria** (at least 10 years of experience in internal/external related roles, At least 10 years of relevant professional experience as a CPA, A master degree or higher in accounting with five years of experience, 5 years serving as executive management position, etc)

[Appendix] Board Statement on EGM Agenda Items

KOREA ZINC

- Board approval of the September 2026 EGM agenda to comply with the amended Commercial Act and strengthen Board expertise
- The Board recommends FOR to the expansion of separately elected Audit Committee members and the election of Hyung-Kyu Lee, Eun-Sook Seo and In-Kyu Back to comply with the amended Commercial Act and to enhance the expertise of the Board

Board Recommendation

Item No.	Agenda	Board Position	Rationale
No. 1	Amendment to the AOI to increase the number of separately elected Audit Committee members	FOR	Comply with the amended Commercial Act requiring large listed companies to appoint at least two separately elected Audit Committee members by September 10, 2026
No. 2	Election of Four Directors by Cumulative Voting	FOR	Hyung-Kyu Lee and Eun-Sook Seo were recommended through a rigorous and independent nomination process by the Independent Director Nomination Committee Both nominees bring expertise relevant to the Company's sustainable growth
No. 3	Election of an Independent Director Who will Serve as a Member of the Audit Committee	FOR	In-Kyu Baek was recommended to support compliance with the amended rules and ensure stable expansion of separately elected Audit Committee members

Board Statement (Full Version)

Despite the hostile M&A attempt by YP and MBK Partners, the Company has demonstrated the strength of its core business by achieving an exceptional record of profitability for 106 consecutive quarters. In addition, the Company continues to strengthen its long-term growth drivers and enhance shareholder value through strategic initiatives, including the construction of an integrated smelter in the United States.

This Extraordinary General Meeting of Shareholders has been convened to comply with the Company's statutory obligations under Article 542-12(2) of the Korean Commercial Act, which requires large listed companies to secure at least two Audit Committee members elected separately by September 10, 2026, and to further enhance the transparency of the Company's corporate governance.

Accordingly, the Board has proposed an amendment to a portion of the Articles of Incorporation (Agenda Item No. 1) to increase the number of separately elected Audit Committee members in full compliance with applicable legal requirements. In addition, to establish a stable Board structure that ensures legal compliance and facilitates the appointment of additional separately elected Audit Committee members, the Board has submitted proposals for the election of four directors through cumulative voting (Agenda Item No. 2) and the election of an independent director who will serve as an Audit Committee member (Agenda Item No. 3). The Board also considered shareholder proposals regarding the election of an independent director candidate and an independent director candidate to serve as an Audit Committee member.

The Company's Independent Director Recommendation Committee conducted a rigorous and impartial evaluation and has recommended Mr. Hyung-Kyu Lee and Ms. Eun-Sook Seo as candidates for Independent Director, and Mr. In-Kyu Baek as a candidate for Independent Director to serve as a member of the Audit Committee. The Committee believes that these nominees possess the expertise and independence required to strengthen the Board's oversight function and effectively support the Company's new business initiatives and shareholder return policies, thereby contributing to the Company's sustainable long-term growth.

To ensure compliance with applicable legal requirements, further enhance the stability of the Company's corporate governance framework, and establish a foundation for long-term growth, the Board respectfully recommends that shareholders vote FOR the following proposals: Agenda Item No. 1, the partial amendment to the Articles of Incorporation; Agenda Items No. 2-1 and No. 2-2, the election of Mr. Hyung-Kyu Lee and Ms. Eun-Sook Seo as Independent Directors; and Agenda Item No. 3-1, the election of Mr. In-Kyu Baek as an Independent Director to serve as a member of the Audit Committee.

02.

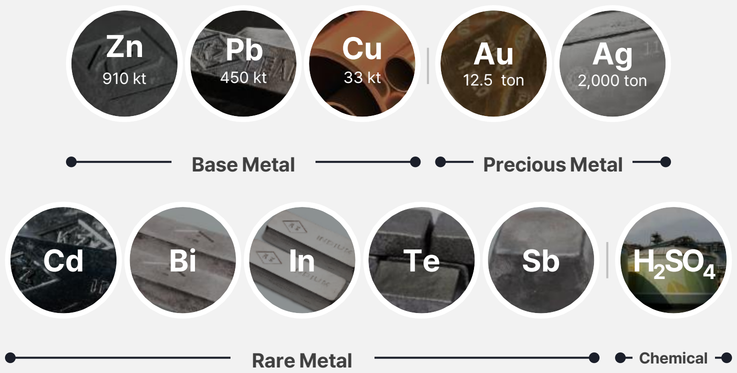
Proven Track Record and Shareholder Returns

1. Business Performance _ Outperforming Global Peers

KOREA ZINC

- Korea Zinc produces over 1.2 million tons of 20+ non-ferrous metals and critical minerals annually, supported by world-class technology and strict environmental standards
- With its unmatched technological edge, the company has reported 44 consecutive years of operating profits and 106 consecutive quarters since quarterly reporting was introduced in 2000 and has maintained a strike-free workplace for 38 straight years

Supplying over 1.2 million tons[1] of 20+ types of non-ferrous metals annually

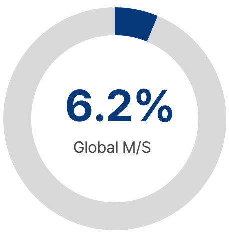


Revenue[2] (2025)	KRW 16.6 trillion
Top-line growth (2023-2025 CAGR)	30.7%
EBITDA margin (2023-2025 average)	9.5%

The World's Largest Smelter (Zinc/Lead)

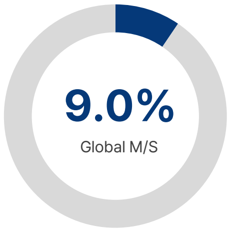
2025 Zinc Production Market Share[3)]

#1



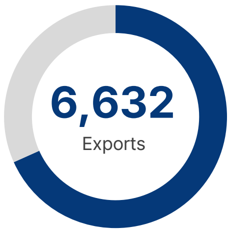
2025 Lead Production Market Share

#1



Overseas Sales Proportion in 2025
(unit: KRW bn)

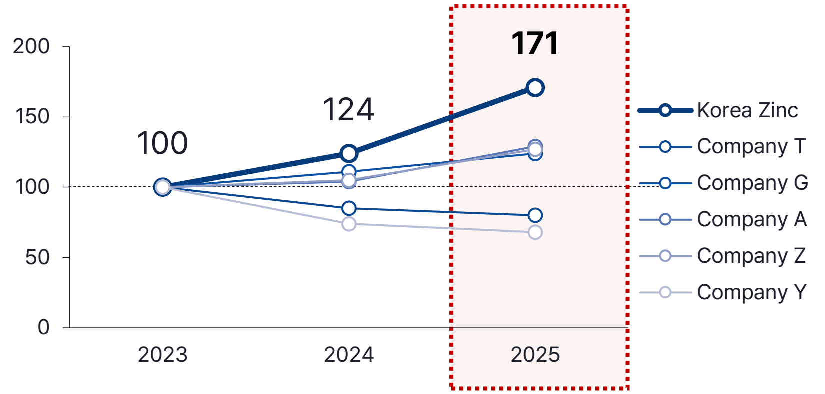
62.9%[4)]



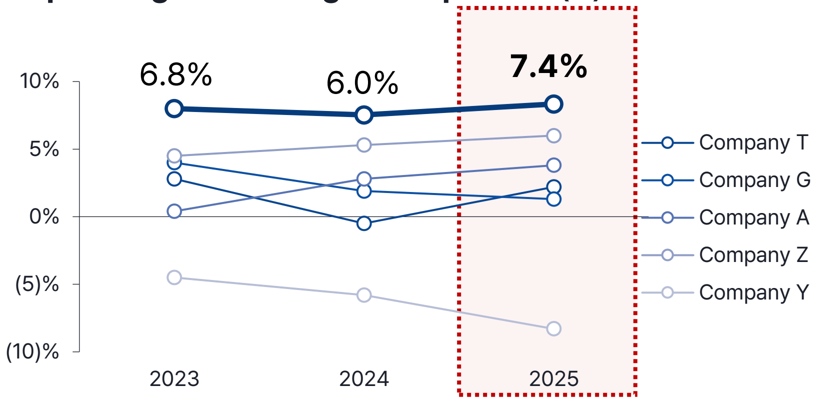
Total Employees
(As of December 2025)

2,054 Employees[4)]

Net Sales Growth Comparison (indexed=2023)



Operating Profit Margin Comparison (%)

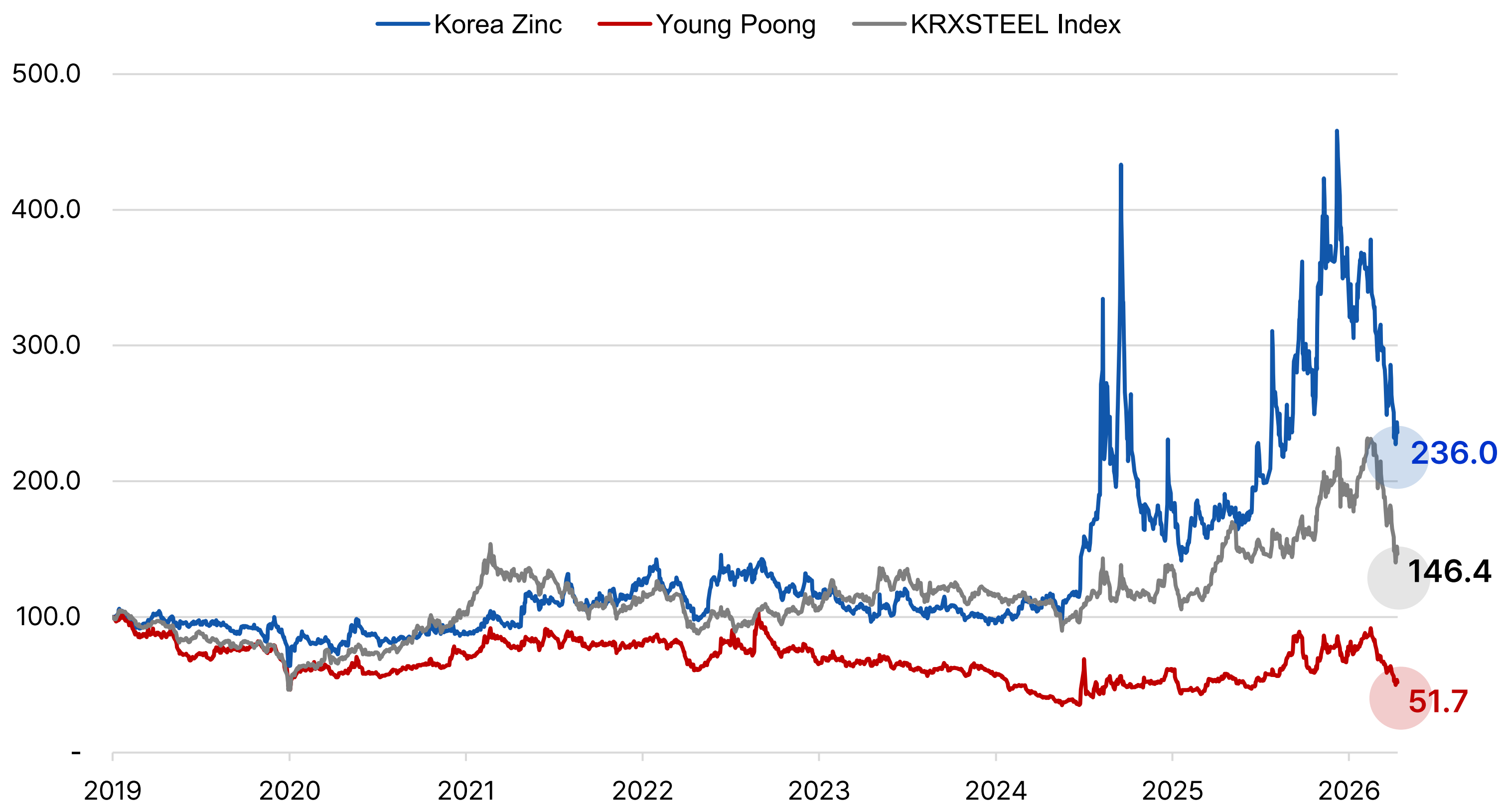


1) 2025 Production Base, including SMC Refinery, 2) Consolidated Basis
3) Including SMC Refinery, Global Zinc Production Ranking, Wood Mackenzie 2025. 4) Korea Zinc Separate Basis (excluding subsidiaries)

2. Business Performance _ Share price performance and TSR

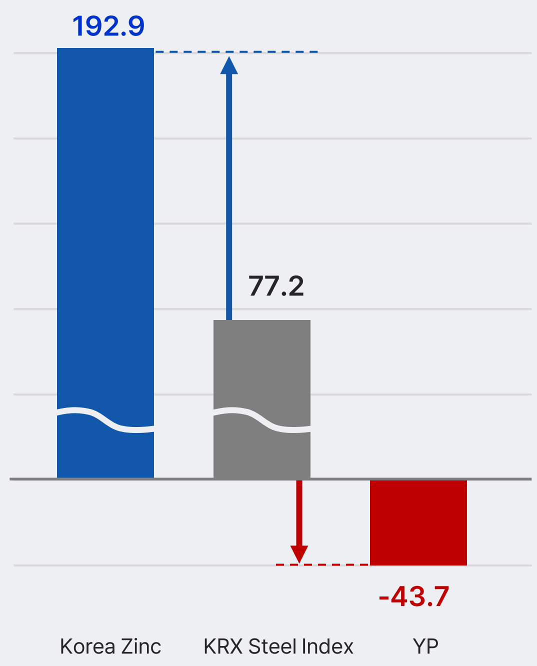
• Since Chairman Yun B. Choi took office in 2019, Korea Zinc's share price and TSR have significantly outperformed domestic peers and industry indices

Share Price* (2019.03.22-2026.06.30, Indexed=2019)



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

Total Shareholder Return* (%, 2019.03.22-2026.06.30)

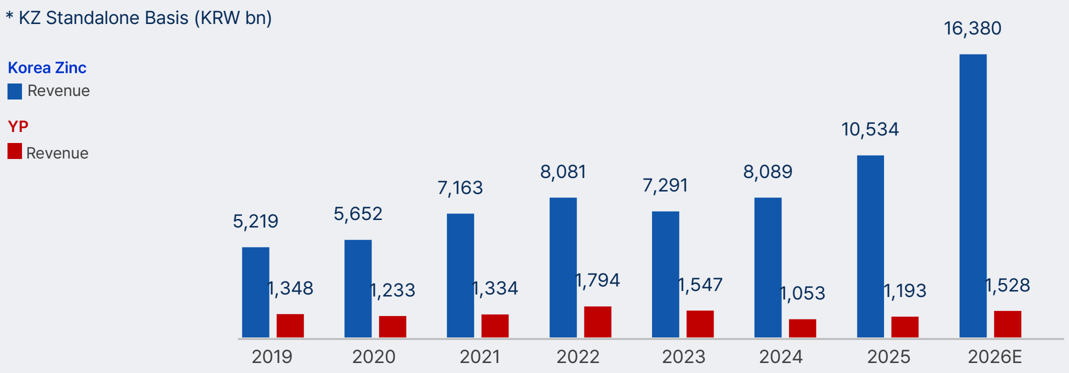


*TSR: [(current price - purchase price)+dividends]/purchase price
*Start date: the date Chairman Choi Yun Birm assumed the CEO position

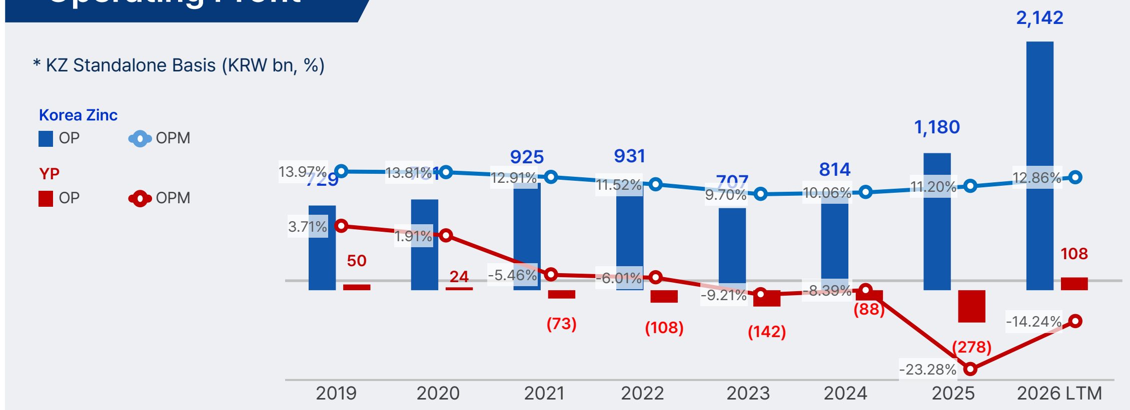
3. Business Performance _ Key Financial Metrics

- Over the past decade, Korea Zinc has consistently outperformed YP, driven by superior technology, diversified portfolio, and stable material sourcing capabilities
- This advantage is reflected not only in stronger revenue growth, but also in sustained outperformance in operating profit, ROE, and ROIC

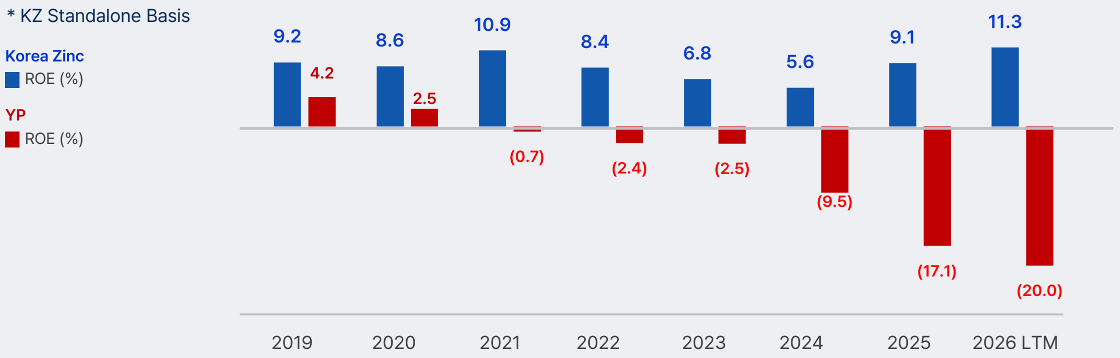
Revenue[1]



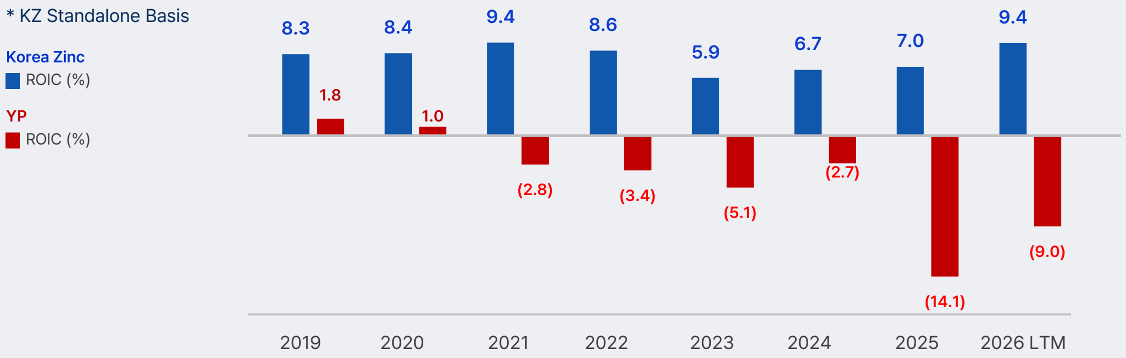
Operating Profit[1]



ROE[2]



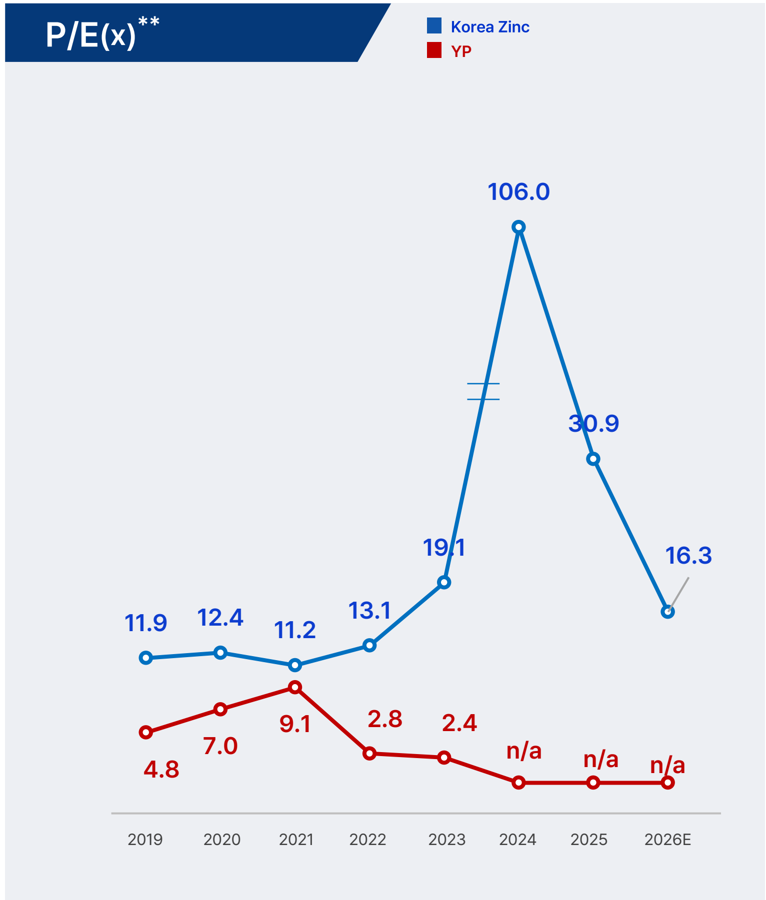
ROIC[2]

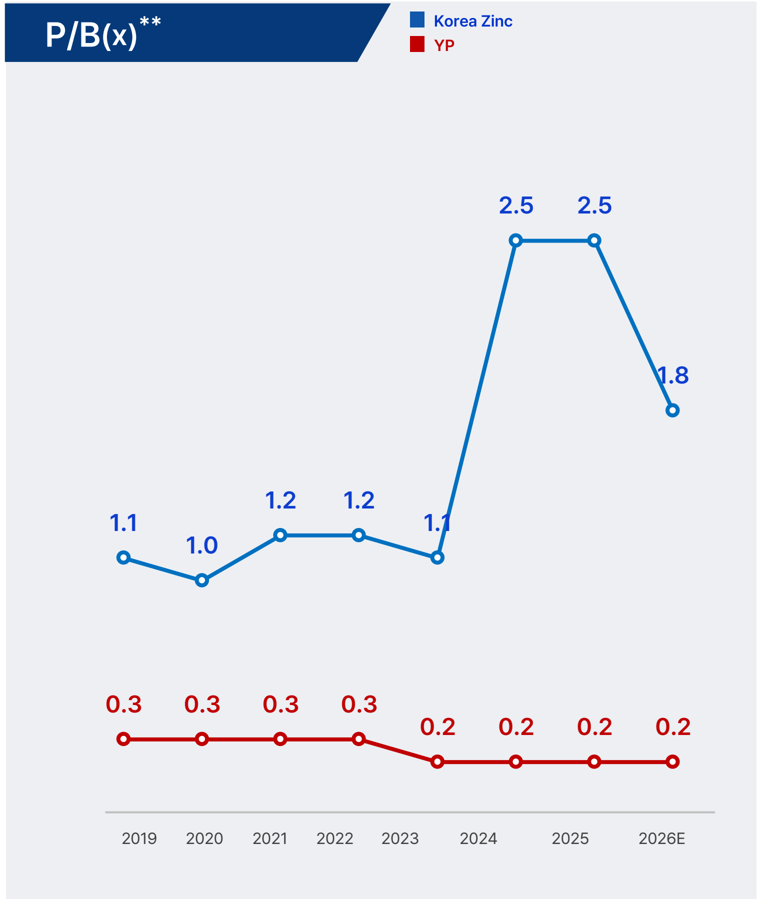


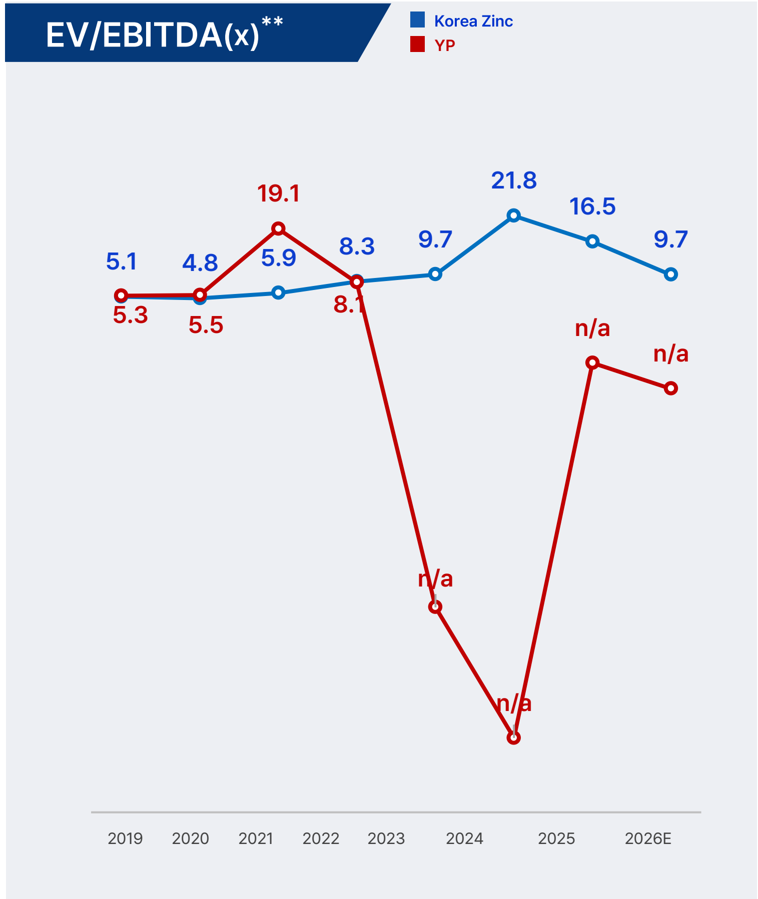
Source: DART filings, Bloomberg
1) 2026 Consensus, for YP, 1Q26 results are annualized (1Q26 × 4) due to the absence of analyst consensus estimates
2) ROE, ROIC are based on LTM figures as of June 30, 2026

KOREA ZINC

- Korea Zinc has maintained a significant valuation premium driven by strong profitability, growth track record, and proactive engagement with the market, whereas YP has experienced a deterioration in valuation amid a prolonged period of weak operating performance



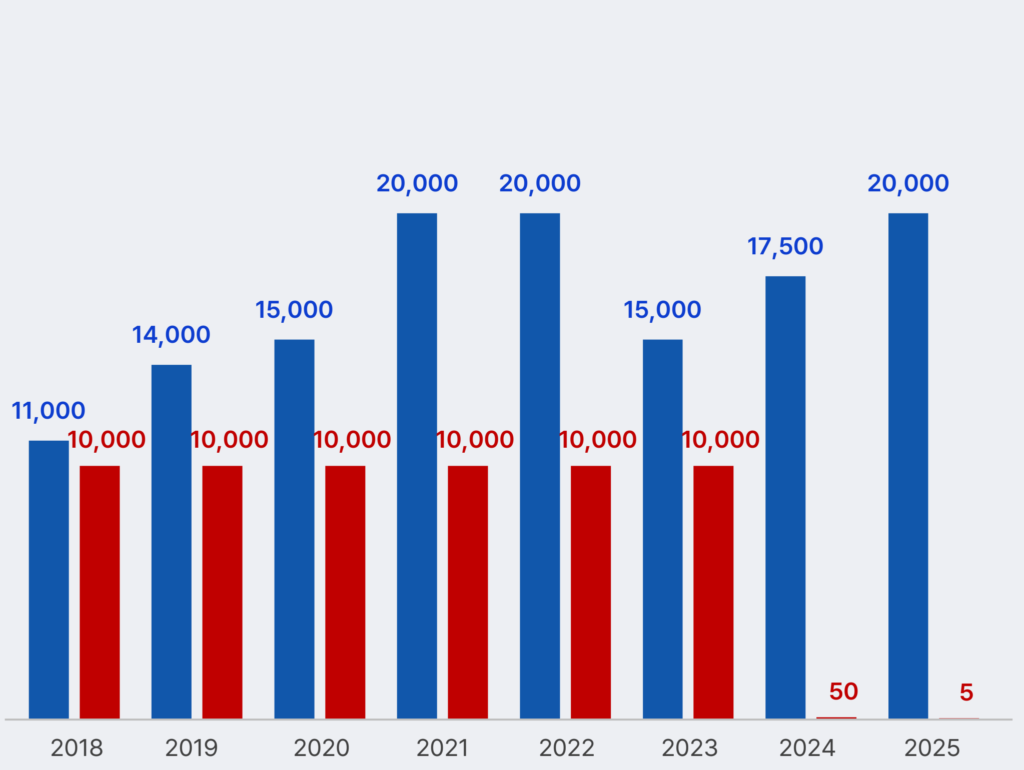




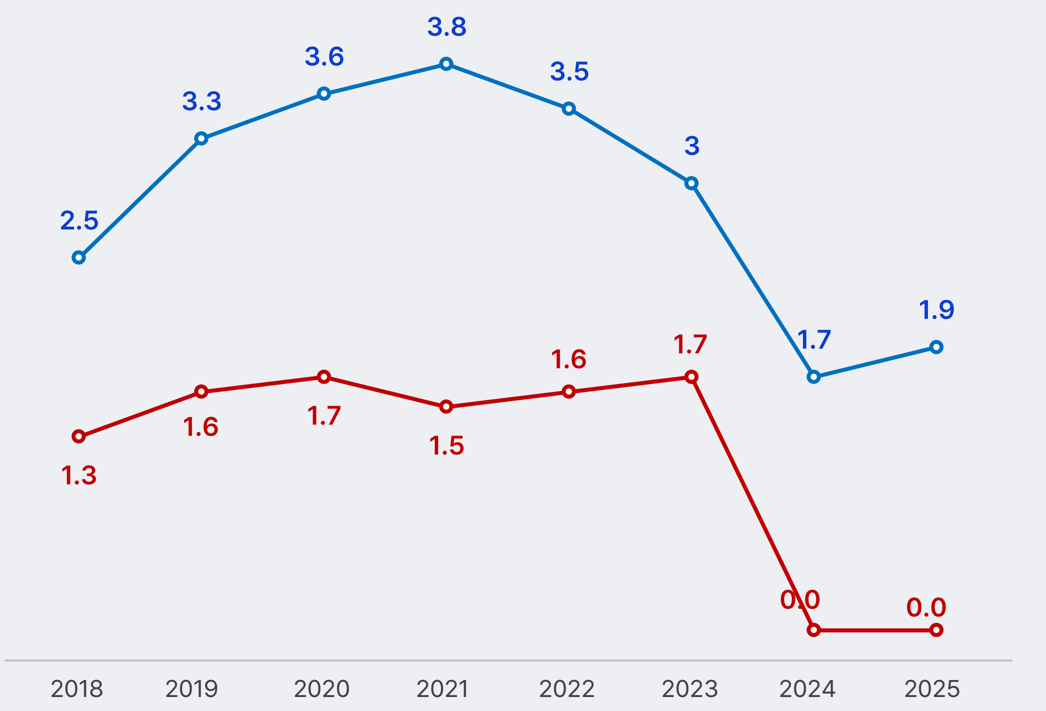
* Source: DART filings, Bloomberg
** Forward basis (6/30 Stock price), as YP has no analyst coverage or 2026 consensus estimates, annualized 1Q26 results (1Q26 × 4) were used

- Korea Zinc has consistently delivered industry-leading shareholder returns through a stable and proactive dividend policy, while YP has sharply reduced dividends in recent years, resulting in a significant gap in shareholder returns

DPS



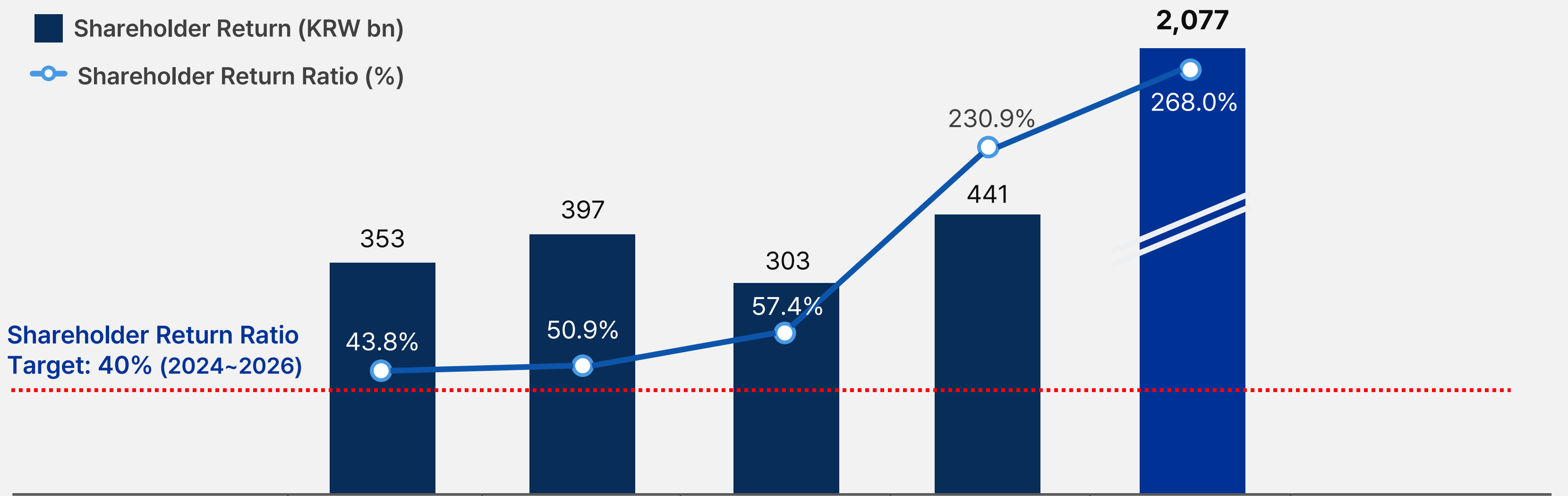
Dividend Yield[1]



* Source: DART filings, Bloomberg
1) YP's dividend yields for 2024 and 2025 round to 0.0%; YP conducted a 1:10 stock split in 2024.

KOREA ZINC

- Korea Zinc targets a shareholder return ratio of at least 40%, including full cancellation of shares repurchased via the tender offer
- By announcing a preliminary dividend and introducing quarterly dividends, dividend predictability has been improved



(KRW bn)	2021	2022	2023	2024	2025	2026 1Q	2026 2Q
Total Dividend(a)	353.5	397.3	302.7	341.8	407.9	102.0	102.0
DPS(b)	KRW 20,000	KRW 20,000	KRW 15,000	KRW 17,500	KRW 20,000	KRW5,000	KRW5,000
Cancellation of Shares[1](c)	-	-	-	99.0	1,668.9	-	-
Shareholder Return(a+c)	353.5	397.3	302.7	440.8	2,076.8	102.0	102.0
Shareholder Return Ratio (consolidated basis)	43.8%	50.9%	57.4%	230.9%	268.0%	-	-

1) Treasury share cancellation reflected based on the actual completion date

Shareholder Return Highlights

Shareholder Return

- Maintain consolidated total shareholder return ratio of 40% or higher on a three-year average basis (2024-2026)
- Completed cancellation of all 2,040,030 treasury shares acquired through the 2024 tender offer in 2025
- 246,665 treasury shares to be cancelled within a year
  - Board approved the plan on Feb 23rd, 2026
  - Shares will be cancelled within one year

Dividends

- Quarterly dividends introduced from 2026
  - **1Q26 dividend of KRW 5,000 per share paid in June**
- 2Q26 Quarterly dividend resolved at the regular Board meeting in August
  - **Dividend per share:** KRW 5,000
  - **Record date:** Aug 20, 2026
  - **Dividend Payment date:** Sep 4, 2026

KOREA ZINC

- The stock split approved with strong shareholder support at the Jan 2025 EGM was put on hold due to litigation by MBK·YP, but its validity was confirmed following the withdrawal of the lawsuit after approximately 18 months of litigation
- Reinitiating the stock split is expected to improve investor accessibility, enhance liquidity through an increased number of shares outstanding, broaden the shareholder base, and support long-term shareholder value creation

Reinitiating the Stock Split

(2025 EGM) Stock Split Approval

At the Jan 2025 EGM, the stock split proposal was approved with 69% of votes in favor, driven by strong support from foreign · institutional investors

- Enhance liquidity and shareholder value by increasing shares outstanding without diluting existing ownership.

MBK·YP's Lawsuit to Suspend EGM Resolution Effectiveness

MBK ·YP opposed the proposal and filed a lawsuit and injunction immediately after the EGM.

- After opposing and litigating the 2025 stock split, MBK·YP proposed the same item in 2026, causing confusion in the market and shareholders.

Seoul Central District Court recommended Settlement (Jul.30)

MBK·YP Withdraw Lawsuit After 18 Months

Stock Split Resolution Confirmed Valid

Key Benefits & Next Steps

Key Benefits

1. Improved Accessibility for Investors
- Lower share price enables broader participation by investors

2. Enhanced Liquidity
- Higher liquidity through increased shares and trading

3. Enhanced Shareholder Value
- Broader investor base to support long-term shareholder value

Next Steps

Approximately two months will be required after the Board's re-approval for the stock split to take effect

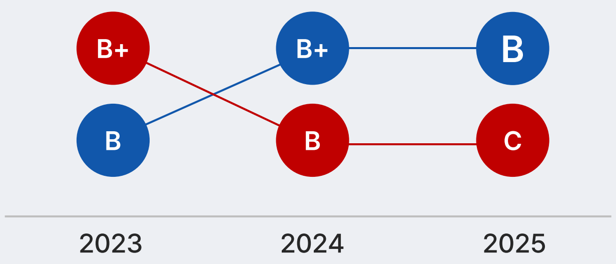
Board Approval → Regulatory Consultation Pre-listing Procedures → Stock Split Effective Trading Resumes

- Korea Zinc has developed and continues to enhance a sustainability management strategy that integrates financial performance with environmental, social, and governance factors. In governance, it is driving structural reforms by actively adopting global standards, including a cumulative voting system, a restructured executive compensation framework, and a formalized board evaluation process
  - Korea Zinc was recognized in 2024 as a "Leading ESG Company in the second half" and the "#1 company in the non-ferrous metals sector" by the three major domestic ESG rating agencies, including Sustinvest and the Korea ESG Research Institute.
  - Korea Zinc received the Climate Change Carbon Management Special Award(score B) at the 2022 CDP Korea Awards in recognition of
  - its response to the CDP initiative, and is also responding to the EcoVadis initiative, which focuses on supply chain management
  - Korea Zinc maintains a top Decile 1 score across all ESG pillars(E/S/G) under the ISS QualityScore as of 2026

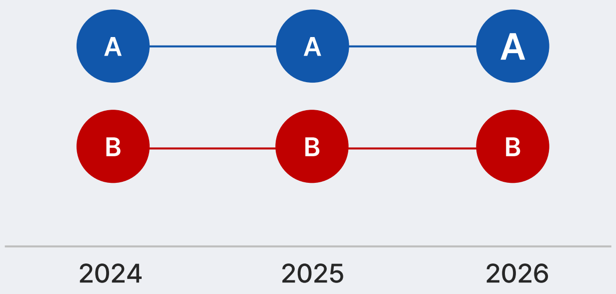
KZ YP

Korean Institutions

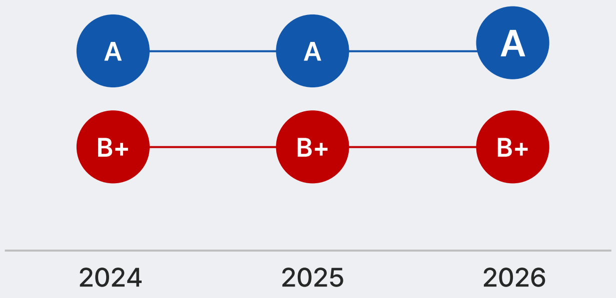
Korea Institute of Corporate Governance and Sustainability(KCGS)



Sustinvest (SUSTINVEST)

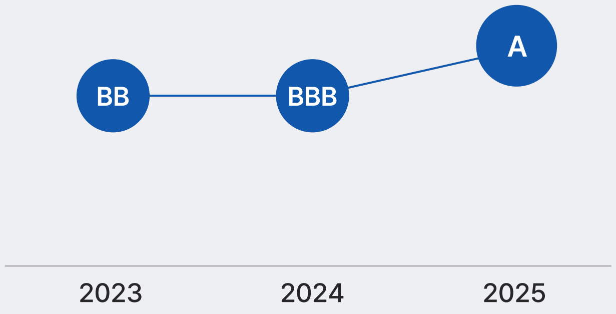


Korea ESG Research Institute(KRESG)

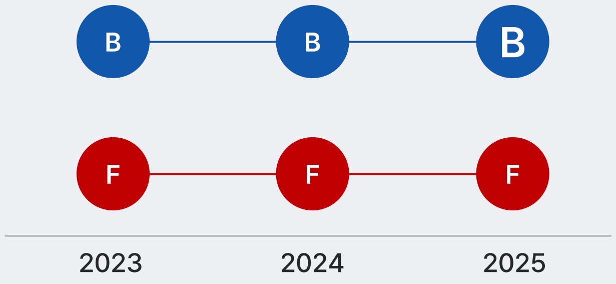


Global Institutions

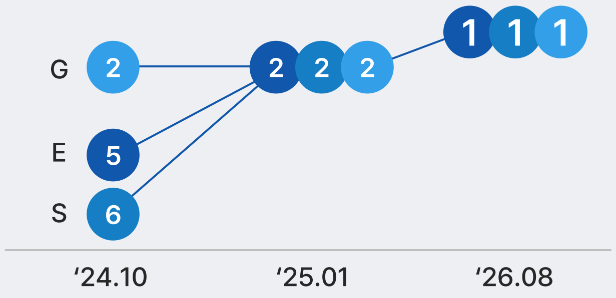
MSCI ESG



CDP(Climate)



ISS QualityScore*(E/S/G)



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

03.

Governance Enhancement and Shareholder Value Creation

1. Summary of Governance Enhancement Initiatives

KOREA ZINC

2023~2024

01 Governance

1. Strengthening Independence of the Committee
- Committees are composed entirely of Independent directors
- Transitioned ESG Committee into the Board

2. Establishment of Legal and Compliance System
- Appointed a compliance officer and implemented compliance control regulations

02 Shareholder Return

3. Announcement of Total Shareholder Return Policy
- Revised dividend policy from a 30% separate-basis payout ratio to a 3-year average total shareholder return > 40% (Consolidated, 2024-2026)

03 Communication

4. Mid/Long-Term Growth Strategy & Value-Up Plan
- Hosted the 1st Investor Day(2023)
- Disclosed Corporate Value-Up Plan
  1) Shareholder return plan(mid/long),
  2) Profit enhancement, 3) Governance improvement

2025

1. Enhancement of the Board Structure
- Appointed Independent director as chairperson
- Proportion of Independent directors stands at 68%, higher than 51% average among Korea listed companies
- Broader representation of foreign/female directors

2. Board's Expertise and Risk Management Framework
- Appointed new directors based on the BSM[1)]
- Adopted annual board evaluation by a specialist firm to improve transparency of the Board
- Management Committee was established to proactively mitigate strategic and investment risks
- Conducted Board training sessions and roundtables

3. Strengthening Executive Compensation Policy
- Reinforcing the pay-for-performance alignment by integrating additional financial metrics and their weighting
- Increased weight on long term incentive plan to align with shareholder and enterprise value

5. Treasury Share Cancellation
- Cancelled 2,040,030 shares from 2024 tender offer
- Confirmed 2025 year-end dividend payout to meet the requirements for separate taxation requirements on dividend income
- Confirmed the pre-announced dividend(KRW 20,000 per share) aligning the amended articles of incorporation

6. Expanding Executive-led Dialogues with Shareholders
- Substantial Increase in Leadership Engagement
  : 20 meetings in 2023 → 54 meetings in 2024
  → 81 meetings in 2025

2026~

1. 100% Compliance Rate with KRX Governance Indicators
- Korea Zinc's compliance rate with the KRX Key Governance Indicators stands at 100%

2. Enhancing Board Diversity and Expertise
- Pursuant to the revised Commercial Act, the company is expanding the number of separately elected audit committee members from one to two.
- Invited shareholders to recommend preliminary candidates for independent directors to enhance shareholder participation and protect shareholder rights.

3. Incorporating Board Evaluation Feedback
- Extended the board meeting notice period from 1 day to 3 days to allow sufficient time for agenda review
- Expanded the onboarding training program for both newly appointed and previous independent directors

4. Quarterly Dividend & Further Treasury Share Cancellation
- Paid quarterly dividend for Q1 (KRW 5,000 per share)
- Planned cancellation of 246,665 treasury shares within one year, approved by the board on Feb 23th
- Target to maintain a consolidated shareholder return ratio of 40% or higher
- Enhancing dividend predictability by finalizing the year-end dividend within the year

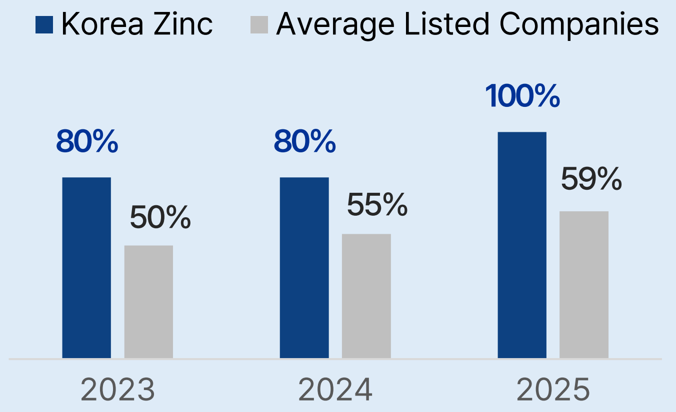
5. Elevating Shareholder Engagement
- Disclosed Progress Report on Value-Up Plan in Feb
- Expanded C-Level meetings (1H26 – 44 Meetings)
- Domestic and International Governance NDR(3 Sessions)

1) BSM (Board Skills Matrix): A structured framework that systematically maps and evaluates the professional competencies, experience, and expertise of board members, including inside and independent directors

KOREA ZINC

- In 2026, Korea Zinc's compliance rate for the KRX Corporate Governance Key Indicators reached 100%, significantly above the listed company average of 59%
- Improved 3 areas: holding the AGM outside of peak concentration dates, issuing convocation notice at least 4 weeks in advance, and enhancing cash dividend predictability

Higher key indicator compliance rate[1] compared to listed companies



Compliance Rate: 80% in 2024 → 100% in 2025
Key Indicators improved, achieving full compliance

1. All key indicators were met at 2026 AGM
- Unmet items from 2025 were temporary, full compliance achieved at the 2026 AGM

2. Independent director appointed as chair of the board

3. Cumulative Voting was implemented for the minority

Achieved in 2026 | Achieved in 2025

Key Governance Indicator	Average Compliance Rate		Korea Zinc		
	2023	2024	2023	2024	2025
Procedures for internal auditors to access material management information	97%	98%	O	O	O
Inclusion of accounting or finance expert on the internal audit team	87%	88%	O	O	O
Implementation of electronic voting	78%	81%	O	O	O
Implementation of internal control policies, including risk management	75%	76%	O	O	O
Convocation of AGM on days other than peak days	66%	72%	O	X	O
Having policies to prevent the appointment of executives responsible for damaging company value or infringing on shareholder rights	56%	59%	O	O	O
Quarterly meetings between the internal audit team and the external auditor	55%	63%	O	O	O
Board composition includes directors of more than one gender	50%	53%	O	O	O
Establishment of an independent internal audit team	46%	49%	O	O	O
Notification of the dividend policy and dividend execution plan at least once a year	41%	47%	O	O	O
Establishment and implementation of a CEO succession policy	31%	35%	O	O	O
AGM Convocation Notice Issued at Least Four Weeks in Advance	29%	39%	O	X	O
Provision of predictability of cash dividends	17%	42%	X	X	O
Appointment of the Independent director as Board Chair	13%	14%	X	O	O
Adoption of a cumulative voting system	3%	3%	X	O	O

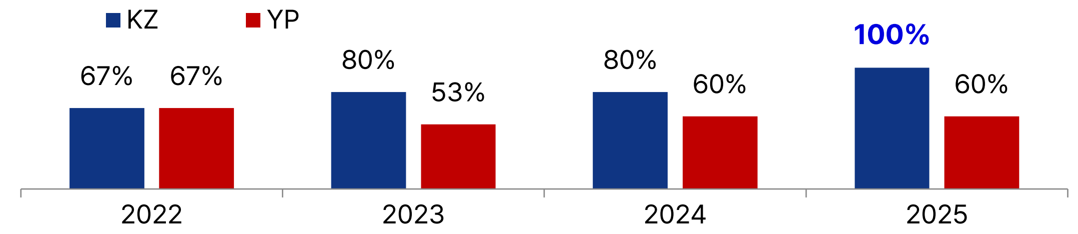
1) Source: PwC Korea Governance Focus (Aug. 2025), Yulchon Legal Update (Jun. 2026); excludes companies with no prior submission history

2-1. Governance _ KRX Key Governance Indicators (Korea Zinc vs. YP)

KOREA ZINC

- Korea Zinc achieves full compliance with the KRX Key Governance Indicators, while YP complies with only 60%
  - YP limits the impact of the revised Commercial Act by extending director terms and rejecting minority shareholder proposals

Comparison between KZ vs. YP (O : Met, X : Unmet)



2025 Governance Key Indicators	KZ	YP
Compliance Rate	**100%**	**60%**
Having policies to prevent the appointment of executives responsible for damaging company value or infringing on shareholder rights	O	X
Establishment and implementation of a CEO succession policy	O	X
Ensuring Cash Dividend Predictability	O	X
Adoption of a cumulative voting system	O	X
AGM Convocation Notice Issued at Least Four Weeks in Advance	O	X
Convocation of AGM on days other than peak days	O	X
Implementation of electronic voting	O	O
Notification of the dividend policy and dividend execution plan at least once a year	O	O
Implementation of internal control policies, including risk management	O	O
Appointment of an Independent Director as Board Chair	O	O
Board Composition Includes Directors of More Than One Gender	O	O
Establishment of an independent internal audit team	O	O
Inclusion of accounting or finance expert on the internal audit team	O	O
Quarterly meetings between the internal audit team and the external auditor	O	O
Procedures for internal auditors to access material management information	O	O

YP : Focused on maintaining the existing governance structure

- **At YP's 2026 AGM, proposals aimed at maintaining the existing governance**

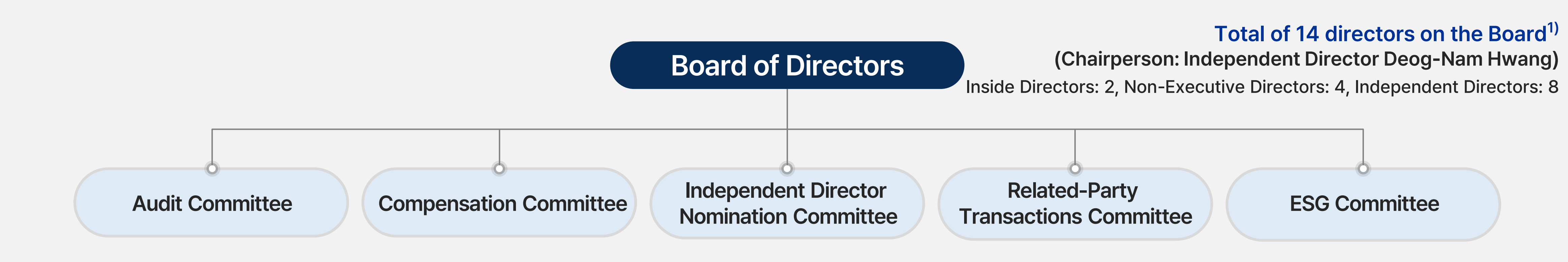
Proposer	Agenda	AGM Results	Explanation
YP	Extension of Directors' Terms from One Year to Two Years	**Passed**	The simultaneous resignation and reappointment of all incumbent directors, combined with the term extension, appears designed to preserve the existing board composition and authority structure
Shareholder	Removal of the Provision Restricting the Scope of Proxies at Shareholders' Meetings	**Rejected**	The proposal to remove proxy restrictions under the Articles of Incorporation was rejected, so no improvement was made to proxy voting convenience for institutional, foreign, or retail shareholders
Shareholder	Elevation of the ESG Committee to a Board-Level Committee	**Rejected**	The proposal to upgrade ESG discussions into a formal board committee was rejected, leaving the existing advisory and working-level structure in place
Shareholder	Implementation of Cash and Quarterly Dividends	**Rejected**	The proposal to diversify dividend methods and payout timing to expand shareholder returns was also rejected

- **At YP, an executive director concurrently chairs both the Independent Director Nomination Committee and the ESG Committee**, which may raise ongoing market concerns over the independence and oversight effectiveness of these key committees

"Under the same regulatory environment, Korea Zinc continues to strengthen its governance, achieving 100% compliance with key indicators, while YP prioritizes maintaining its existing structure, widening the gap with investor expectations"

• Korea Zinc continuously enhances its board structure, operations, and frameworks to strengthen stakeholder trust and create sustainable corporate value

Board Structure



Enhancement of Board Operations and Decision-Making Framework

- Extended the board meeting advance notice period from 1 to 3 days, ensuring sufficient time for agenda review and deliberation
- Identified and implemented board improvement initiatives based on external expert evaluations, incorporating findings into the board's operational plan to enhance efficiency and transparency

Proactive Institutional Reforms

- Revised the AOI and Board Regulations to reflect the revised Commercial Act
  - Updated frameworks covering treasury shares, electronic shareholder meetings, independent directors, and directors' fiduciary duties
- Resubmitting the AOI amendment to increase the number of separately elected Audit Committee members
  - To strengthen governance transparency through enhanced Audit Committee independence and oversight

Enhancement of Board Training

- Implemented regular, structured training based on the annual training roadmap
  - Common Training(1 time), Special Training, Smelter Visit 1 time, etc
- Ongoing improvement of the training framework based on independent director feedback

1) One Audit Committee member is expected to be appointed at the 2026 Extraordinary General Meeting

2-3. Governance _ Enhancing Board Diversity and Expertise

KOREA ZINC

- At the March 2026 AGM, three new directors with international and financial/M&A expertise were appointed based on the Board Skills Matrix (BSM)
- Walter McLallen was appointed to enhance Board diversity and strengthen its ability to address Project Crucible-related risks

Board Skills Matrix(BSM)

	Inside Director		Independent Director							Newly Appointed: Independent Director	Newly Appointed: Non-Executive Director		Non-Executive Director			
Skills/Background	Yun-Birm Choi	Ki-Deok Park	Deog-Nam Hwang	Bo-Young Kim	Soon-Bum Kwon	Dae-Won Suh	James Andrew Murphy	Tammy Chung	Kwang -Seok Kwon	Seon-Sook Lee	Walter F. McLallen	Yon-Sog Choi	Sung-Doo Kang	Gwang-Il Kim	Expertise Coverage	
Leadership	●	●	●										●	●	36%	
Financial/M&A		●					●		●		●	●		●	43%	Improved
Operations	●	●													14%	
Risk								●							7%	
Audit						●		●			●				21%	Improved
International	●	●		●			●				●				36%	Improved
Industry/Tech	●	●											●		21%	
Strategic Planning	●	●					●								21%	
Public Affairs			●		●	●	●	●							36%	
Legal	●		●		●					●				●	36%	Improved
ESG				●					●						14%	

• Korea Zinc has strengthened the Board committee expertise by appointing newly elected Independent directors to the committees based on the BSM

Committee Composition & Profile

Reappointed

Chair of Nomination Committee

Deog-Nam, Hwang — Appointment 2026.03.24

Former judge with strong legal expertise
Experienced board chair and director

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

Chair of Audit Committee

Dae-Won Suh — Appointment 2025. 03. 28

Former Deputy NTS Commissioner
Strong accounting and auditing background

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

Newly Appointed

Seon-Sook Lee — Appointment 2026.03.24

Strong Legal Expertise,
Extensive experience in Law Firm

- (Current) Attorney, MinJu Law Firm
- Auditor, Space Service Co., Ltd
- Attoney, Bae, Kim & Lee Law Firm

Chair of ESG Committee

Bo-Young Kim — Appointment 2025. 03. 28

Expertise in global business and
Private sector/ESG policies

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

Soon-Bum Kwon — Appointment 2025. 03. 28

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

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

Chair of Related-Party Committee

Tammy Chung — Appointment 2025.03.28

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

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

Kwang-Seok Kwon — Appointment 2025.03.28

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

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

James Andrew Murphy — Appointment 2025.03.28

Senior advisor at a consulting firm
with expertise in global business

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

- Korea Zinc opened shareholder nominations to secure qualified independent director candidates for separately elected Audit Committee roles
- The open nomination process will enhance candidate diversity and shareholder participation, strengthening the Board's competitiveness

Background and Benchmark Cases

Background

- On May 6, 2026, the Audit Committee requested the identification of qualified and independent audit committee candidates for nomination at a future EGM, in preparation for the expanded separate election requirements
- Accordingly, the Independent Director Nomination Committee decided to invite shareholder nominations to build a strong pool of prospective Independent directors who can support sustainable growth and enhance corporate value.

"Shareholder nominations for prospective Independent directors to support sustainable growth and enhance corporate value"

Benchmark Cases

Company	Introduction and Effective Date	Shareholder Qualification	Submission Period	Result
KT	Introduced in May 2023 (Conducted twice, In 2023 and 2025)	1 share held for 6 months	8 days	3 out of 7 Nominees from shareholders were elected
Hyundai Mobis	Introduced in 2020 (Conducted every year)	Owned share as of the date	26 days	1 out of 2 Nominees from shareholders were elected
BNK Financial Group	Introduced in 2026 (Conducted one time)	1 share held for 6 months, or ownership of 3% or more	15 days	3 out of 5 Nominees from shareholders were elected

Overview of the Nomination and Timeline

Nomination for Independent Director for Audit Committee

Purpose	• To promote shareholder interests and build a diverse, qualified pool of Independent director candidates through shareholder nominations
Shareholder Qualifications	• Shareholders who have held at least 0.1% of the total issued shares for six months or more or who hold at least 1% of the total issued shares
Mandatory Candidate Requirements	• An accounting or finance expert under Article 37(2) of the Enforcement Decree of the Commercial Act, with expertise in at least one of the following areas: (i) legal/regulatory affairs, (ii) industry knowledge, (iii) global experience, or (iv) risk management/internal controls.
Submission Period	• June 2nd Tuesday, 2026 ~ June 30th Tuesday, 2026 * 28 Days
Selection Process	• Subject to the Articles amendment and implementation of the revised Commercial Act, the Nomination Committee will review and approve the candidate for final nomination at an EGM as a separately elected Audit Committee Member

Nomination Timeline

June	July	July	July	Sep
Nomination Period (June 2nd~30th)	**Candidate Vetting & Selection Process** (Approx. 2 weeks)	**Convening of the Nomination Committee** Agenda: Nomination of a Separately Elected Audit Committee Candidate	**Board Meeting to Convene the EGM**	**EGM**

KOREA ZINC

- Reflecting the 2025 Board evaluation, the Company has established a 2026 annual training roadmap and is expanding Board education
- External expert-led training on governance, capital markets, regulation, and ESG has been added to supplement traditional business-focused sessions

Current Training Program (~ 2025)

- **Introduced training on business and industry trends**
- Conducted briefings on Board and shareholder meeting agenda items
- **Formalized regular training to strengthen Board expertise**

Category	Training	Schedule	Note
Company and Industry Training	Overview of Company History, Mission, Products, and Markets	Once a year	Conducted as Onboarding Training
Visit to Onsan Smelter	Understanding of Key Production Processes and Smelter Operations	Once a year	To enhance on-site understanding of Smelter Operations
Briefings on Agenda Items	Board and Shareholder Meeting Agenda Items and Q&A	Regular· Ad hoc	Average 4 hours Briefing sessions
Independent Director Roundtable	Key Management Updates and Q&A	Regular· Ad hoc	Gathering feedback from Directors

Improvement Plan

- Beginning in 2026, the Company formalized its Board training program, adding industry-focused, external expert-led and online sessions.
- Improvement is to reflect evaluation feedback and to strengthen the Board

Category	Training	Schedule	Note
1 Company/Industry/ Special Training	External Training in Legal/ Accounting/Regulatory/ESG	Regular· Ad hoc	Trainings from FKI, Korea Listed Companies, PWC Governance Academy etc
2 Online Learning	SERICEO	Ad hoc	Business/Economy /Leadership
	LinkedIn Learning	Ad hoc	Global Business/ Industry/Leadership
Visit to Smelter	Maintained from Current Program		
Briefings on Agenda Items	Maintained from Current Program		
Independent Director Roundtable	Maintained from Current Program		

3. 2026 Governance Enhancement Plans

KOREA ZINC

01 Board Operation

- **Expanded onboarding for new Independent Directors, including company overview session**
  - 3 specialized lectures on the revised Commercial Act, IFRS, and disclosure, and one site visit
- **Continued identifying and implementing Board initiatives based on evaluations results**

02 Shareholder Return

- **Implemented Quarterly Dividend** (1st Quarter Dividend : 5,000 KRW per share, Paid in June)
- **Plans to cancel 246,665 treasury shares within one year** (Board approved on February 23)
- Aims to maintain a consolidated shareholder return ratio of at least 40%, enhancing dividend predictability through pre-determined dividend amounts to continuously enhance shareholder value

03 Governance Enhancement

- **Achieved 100% compliance with key Corporate Governance Report indicators for 2025**
- Expanding separately elected audit committee members from 1 to 2 in comply with Commercial Act
- Completed institutional improvements on treasury shares, electronic general meetings, independent directors, and directors' fiduciary duty of loyalty

04 Investor Communication

- **Continuously expanded investor communication led by Independent Directors and C-Level executives**
  - 54 meetings in 2024 → 81 meetings in 2025 → 44 meetings in 1H26
- Engaged with investors through Governance NDRs (Feb./Mar. completed; Aug. scheduled) and incorporated feedback
- Enhanced foreign investors' access to information by expanding the scope of English disclosures

04.

Managerial Concerns Regarding MBK·YP

1-1. Managerial Concerns Regarding MBK·YP _ Case of Company H

KOREA ZINC

- Despite Company H's deteriorating performance, MBK prioritized debt repayment over business stabilization, undermining financial soundness and corporate value
- As a result, this led to structural governance failures, further expanding criminal and regulatory risks, including prior notice of severe disciplinary action by the Financial Supervisory Service, prosecution investigations, and perjury complaints filed by the National Assembly's Political Affairs Committee
- MBK's management approach, focused on short-term investment recovery rather than long-term value creation, poses significant risks of corporate value erosion

A series of reported events raising concerns over MBK·YP investments

1. Sold & leased back(S&LB) stores to repay acquisition financing

Closing or selling & leasing back(S&LB) over 20 stores to repay KRW 4.3T acquisition debt

2. Increased debt due to S&LB transactions, undermining financial stability

3. Issued KRW 74.5bn in short-term bonds in 2025, worsening financial burden (continued issuance until ten days before filing for rehabilitation)

Short-term bonds were issued up to 10 days before rehab filing to fund operations. With a credit rating drop just before maturity, rehab proceedings were filed

4. Credit rating downgraded due to financial deterioration (A3 → A3-)

Continued losses and increased debt from S&LB arrangements led to a deterioration in financial soundness and a credit rating downgrade

5. Persistent performance decline led to corporate rehabilitation filing in Mar. 2025, with court approval initiating the process

6. Upon entering rehabilitation, credit rating downgraded from A3- to D

7. Regulatory sanctions and complaint filed for parliamentary perjury

Case of MBK/Company H was reassigned to Anti-Corruption Division

National Policy Committee filed a complaint against MBK's Chairman and others for perjury

Types of concerns raised from past investment

1. Financial Control Failures

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

2. Regulatory and Compliance Control Failures

- FSS: While investigating whether LPs such as the National Pension Service had their interests intentionally infringed, issued prior notice of severe disciplinary measures, including suspension
(Unfair business practices under the Capital Markets Act; violation of GP's duty to prevent conflicts of interest)
- Prosecution Service: Investigating for investor losses by filing for corporate rehabilitation after generating large-scale debt while aware of a credit rating downgrade
(Fraud under the Act on the Aggravated Punishment of Specific Economic Crimes; violation of the Capital Markets Act)
- Convicted and sentenced to imprisonment for obtaining illicit gains through the misuse of non-public information
- National Policy Committee: Filed a complaint with prosecutors against MBK's Chairman and Vice Chairman for perjury
(Violation of the National Assembly Act on Testimony and Evidence)11

Sources: Media reports; DART filings

1-2. Managerial Concerns Regarding MBK·YP _ Case of Company L

KOREA ZINC

- Company L was acquired by MBK Partners and Woori Bank in 2019. MBK Partners remains the controlling shareholder with a 60% stake.
- Since the acquisition, Company L has faced repeated failure in fraud control, cyber risk, and regulatory compliance

Company L Under MBK's Control

- **2019** : MBK acquired control of Company L through a consortium transaction worth KRW 1.38tn
- **2023 : A KRW 10.5 bn embezzlement case exposed failures in vendor management and internal controls**
- **2026 : A cyber breach affecting 2.97m customer led to a 4.5month business suspension and a KRW 5bn fine.**
- **Company L came to symbolize repeated governance and risk-management failures under MBK**

Failed Internal Control : Embezzlement in 2023

- Two Company L employees colluded with a vendor to execute a flawed contract, causing the company to pay KRW 10.5 billion between October 2020 and May 2023
- KRW 6.6 billion was allegedly siphoned through shell companies and family-linked entities for personal uses, including real-estate investment, vehicles, and gift certificate purchases
- **Regulators found serious failures in contract review and internal controls, suggesting weak managerial oversight rather than an isolated employee issue**

Homplus Risk Migrating to Company L

- Company L's KRW 793 bn exposure to Company H has been classified entirely as "estimated loss," reflecting long-overdue purchase-card and corporate card receivables
- Company H purchase-card transactions at Company L and left part of the receivables un-securitized, resulting in credit risk directly borne by Company L
- **With Company H' restructuring delayed and Company L facing regulatory suspension, asset quality and earnings pressure have increased, raising questions about MBK's group-wide risk management and conflicts of interest between affiliates.**

Cyber-Risk Failure : Data-Breach Sanction in 2026

- **In 2026, Korean regulators imposed a 4.5-month business suspension and a KRW 5 billion fine after a cyber incident exposed the personal data of 2.97 million customers**
- About 3 million customers has payment-critical information, including customer card number, validity period, CVC, exposed, creating potential fraud risk
- The proposed sanction would restrict new member recruitment, new card issuance, and new card-loan origination, rather than shutting down all operations. A multi-month halt in new customer acquisition would still weigh on earnings recovery and could further weaken momentum

Sources: Media reports

1-3. Managerial Concerns Regarding MBK·YP _ Case of Company o

KOREA ZINC

- Company 'O' Implant has been controlled by the MBK–UCK consortium since a 2023 tender offer, giving the PEFs effective influence over strategy and capital allocation
- Operating profit reportedly declined sharply while sizable dividends have been paid, intensifying scrutiny of MBK's balance between leverage, payouts and reinvestment
- Against this financial backdrop, Company 'O' has launched large-scale organizational changes that are now at the center of HR and governance risk debates

Workforce and R&D : Impact on Long-Term Competitiveness

- **Media and employee representatives describe recent programs as targeting a meaningful portion of Company O's 2,800-person workforce and consolidating R&D, sales and support units, while the company denies any formal headcount-reduction plan**
- The key investor question is whether these measures preserve, or undermine, Company O's long-term product pipeline, clinical support capabilities and international sales coverage relative to peers.
- For a PE-owned medical device company, sustained innovation and field support are core value drivers; any perception of over-contraction in these areas feeds into human-capital and execution-risk assessments.

Allegations Around Coercive Resignations of Employees

- **Multiple reports claim that some staff were removed from their roles, placed into training or "standby" pools and repeatedly offered severance, with employees characterizing this as de facto coercive resignations; Company O describes the actions as lawful job reassignment**
- Certain accounts state that pregnant employees and staff returning from parental leave were among those affected, which, if substantiated, would raise serious questions under Korean labor-protection and anti-discrimination norms; the company denies any unlawful or discriminatory intent.

Governance Scrutiny and Lessons from Company H

- The Company H case has already triggered regulatory scrutiny and calls for reform of MBK's practices, including investigations into bond issuance, investor protection and PE governance standards
- In that context, Company O is seen by some observers as another data point suggesting a "cost-cutting-first" pattern that may not always align with long-term operating resilience and stakeholder protection
- **For institutional investors, the central issue is not restructuring itself, but whether MBK's portfolio-wide governance framework can produce sustainable value creation while adequately managing HR, legal and reputational risks.**

Company H-Style Risk Migrating to Company O

- **Media and undisclosed sources explicitly compare Company O's restructuring pattern to the earlier Company H case, suggesting a shared "cost-cutting-first" playbook under MBK**
- Employees worry that MBK is prioritizing rapid value extraction and exit timing over sustainable growth, employee retention and reputational stability at Company O
- As scrutiny of PEF practices intensifies after Company H, Company O has become another focal point for debate on MBK's stewardship standards across its portfolio companies

Sources: Media reports

1-4. Managerial Concerns Regarding MBK·YP _ Case of Company Y

KOREA ZINC

- The same pattern of management failure seen in Company H was repeated in Company Y; following MBK's divestiture, Company Y successfully returned to profitability through business restructuring, clearly demonstrating the limitations of MBK's management approach
- As a PE fund, MBK is structurally compelled to prioritize fund returns within a fixed investment horizon, which fundamentally limits its suitability as a long-term steward of corporate and shareholder value

Company Y, Korean steel structure company

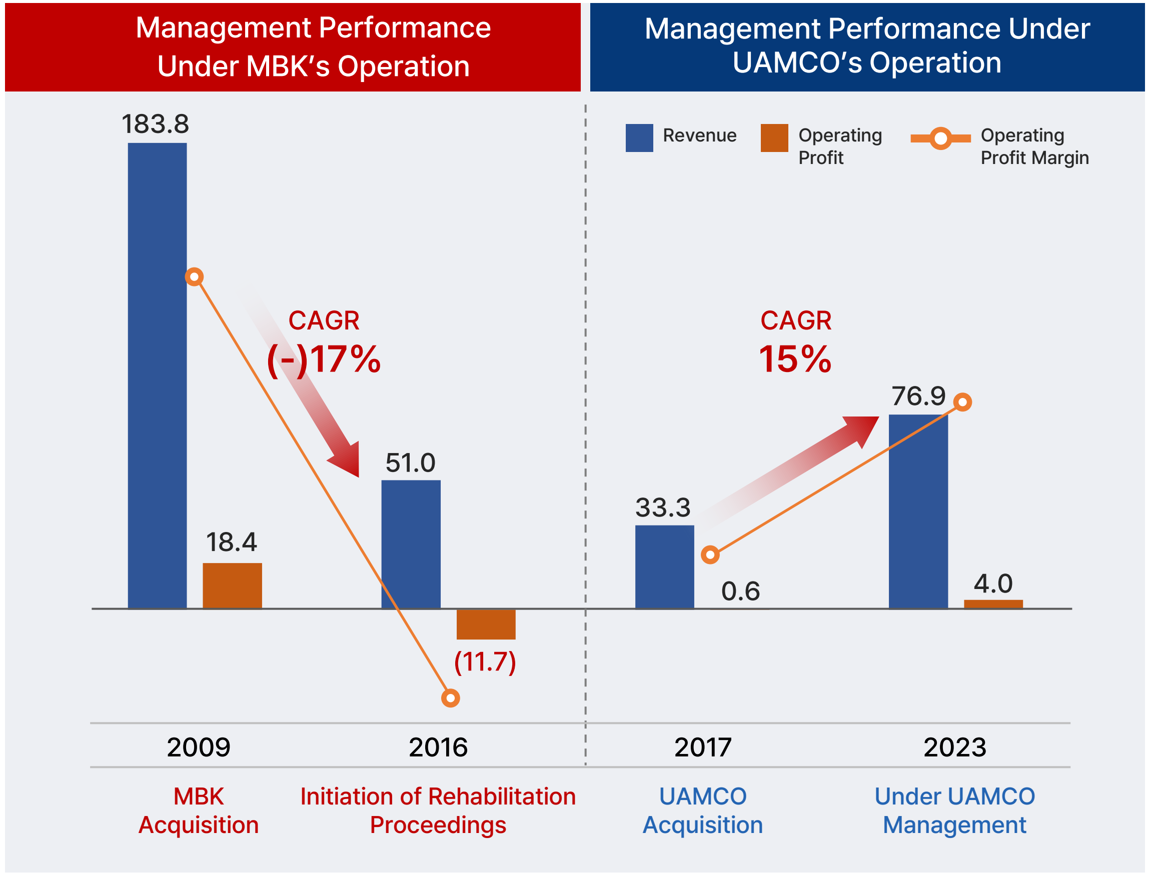
Company Y was previously recognized as a leading firm with advanced technology for high-rise buildings and plant construction.

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

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

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

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



Sources: Media reports; DART filings

1-5. Managerial Concerns Regarding MBK·YP _ Cases of Other Companies

KOREA ZINC

• A consistent pattern has emerged across MBK-acquired companies: excessive dividends benefit select investors, short-term restructuring for investment recovery, weak operational performance, deteriorating financial stability, and shareholder value erosion

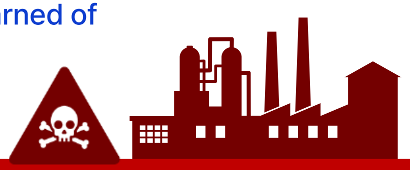
Issues	
Company B, Korean chicken franchise operator	• Provided excessive dividends to minority investors following investment participation(the issue of excessive dividend payments by Company B was raised during the 2023 National Assembly government audit) • Ongoing controversies, including lawsuits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

Sources: Media reports; DART filings

2-1. Managerial Concerns Regarding MBK·YP _ Ongoing Environmental Violation Risks

• YP's Seokpo Smelter faces persistent business suspension risks due to repeated environmental law violations, posing a direct threat to corporate value

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



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

Oct. 1970 Construction of Seokpo Smelter	**Aug. 2013** Illegal construction discovered by Bonghwa County	**Feb. 2018** Wastewater discharge (20 days of business suspension by North Gyeongsang Province)	**Oct. 2021** Supreme Court dismissed request to nullify the sanction (10 days of business suspension upheld)	**Jun. 2024** Daegu High Court dismissed YP's appeal and upheld the 60-day suspension	**Feb. 26, 2025** Business suspension upon the finalization of suspension of 1 month and 30 days (from Feb. 26 to Apr. 24)	**Mar. 19, 2025** Indicated annual environmental improvements of approx. KRW 100bn, but according to the FSS' electronic disclosure, the environmental improvement provision for 2024 was KRW 39bn (YoY approx. -54.2%)
1988 Chang Hyung Chin appointed as CEO and President	**2014** National Assembly raised issues on environmental pollution for Seokpo Smelter	**Nov. 2019** Daegu District Court sentenced executives to imprisonment for manipulating air pollution measurements	**Nov. 2021** Faced its first business suspension (10 days) Ministry of Environment imposed a KRW 28.1bn fine for illegal discharge of cadmium-contaminated wastewater	**Nov. 1, 2024** Supreme Court dismissed YP's appeal (60 days of suspension finalized)	**Feb. 27, 2025** Court dismissed YP's request to drop the fine imposition (KRW 28.1bn fine upheld)	**Mar. 19, 2025** External audit firm warned for five consecutive years in its audit reports to "pay attention to business suspensions and financial impacts due to environmental law violations
1993 CEO Chang promoted to Chairman	**Mar. 2015** Chairman Chang (registered executive) resigned	**Apr. 2019** Wastewater discharge (60 days of business suspension by the Ministry of Environment)	**Dec. 2022** Resumed operation under conditional integrated environmental permit by Ministry of Environment	**Nov. 4, 2024** Violation of ensuring proper operation and maintenance of sulfur dioxide detectors (10-day suspension)	**Mar. 4, 2025** Business suspension date set upon the finalization of suspension for 10 days (Apr. 25 to May 4)	**Feb. 13, 2026** MCEE warned of sanctions for failing to meet all the conditions for the integrated environmental permit by 2025

Sources: Media reports; DART filings

2-2. Managerial Concerns Regarding MBK·YP _ Safety Incidents and Governance Risks

KOREA ZINC

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

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

1997

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

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

2001

Cadmium poisoning: Worker Mr. Cho died at Kyungpook National University Hospital

2002

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

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

2010

Fall accident at Foundry 1

2017

Sulfuric acid tanker rollover: The driver died.
Location: Yeongwol Kim Satgat Rest Area

2018

Worker died during sediment work

2023

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

Mar. 2024

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

Aug. 2024

A subcontractor died from heatstroke

YP CEO and COO arrested for safety accidents resulting in fatalities

Sources: Media reports; DART filings

Appendix

[Appendix] Summary of the Securities and Futures Commission's Accounting Review

KOREA ZINC

- The review findings are best understood as matters of accounting judgment, not as intentional misstatement or management misconduct, and relate to the timing of recognition, valuation assumptions, period allocation, and disclosure processes for impairment losses on investments and subsidiaries
- The Company will continue to strengthen its internal control, improve employees' understanding of accounting standards, and formalize internal investment management processes to further enhance the objectivity and reliability of its accounting judgments

Key Issues and Improvement Measures

Background

- On June 10, 2026, the Securities and Futures Commission decided on regulatory measures against Korea Zinc for violations of accounting standards.1) On July 15, 2026, the Financial Services Commission finalized the fine at KRW 8.43B
- This case does not involve intentional accounting fraud, illegal investment decisions, embezzlement, or misuse of corporate funds. The main issues are the timing of impairment loss recognition and the appropriateness of valuation assumptions and disclosures.

Findings from Audit Review

Findings	Company's Explanation
1. Understatement of valuation losses and impairment losses on investment assets : Certain impairment losses on investment assets should have been recognized earlier in 2023	• **Impairment loss was already recognized both in FY2023 and FY2024,** and the difference in perspective arises from the timing of recognition and judgment on period allocation, not the recognition itself.
2. Omission of related party share transactions : Omission of Certain Related-Party Transaction Disclosures Involving a Subsidiary	• **Some related party share transactions related to minority interests were not fully captured.** The Company has completed the necessary adjustments in the 2024 financial statements, and the identified issue is limited in scale compared with the Company's total assets and revenue.
3. Delay and understatement in impairment loss on goodwill and business-related assets: An impairment assessment and recognition of impairment losses were required at year-end 2022, shortly after the acquisition.	• **The impairment loss related to goodwill and business-related assets was recognized after the acquisition, based on the results of valuation at the end of 2022.** The external auditor pointed out that the timing could have been earlier, which is essentially a difference in judgment on valuation timing and period allocation
4. Internal control procedures for impairment testing : Deficiencies in impairment review and related-party identification procedures, and failure to provide certain audit evidence	• **The external auditor issued an unqualified opinion on the internal accounting control system.** The failure to provide certain materials relates to externally held documents and is fundamentally different in nature from intentional obstruction of the audit.

Improvement Measures

1. Strengthening internal control

- **Establish management procedures** for investment asset and goodwill impairment testing, including key valuation assumptions, major estimation processes, and external review steps
- **Enhance reporting to and oversight by the Audit Committee** on key accounting judgments
- **Reinforce pre-closing communication and review procedures** with auditors on key accounting issues

2. Training on accounting standards

- **Provide regular training** on finance, accounting, and investment personnel on K-IFRS, with a focus on impairment testing and related party transaction
- **Improve understanding of accounting standards** among stakeholders involved in closing procedures

3. Reinforcing investment management process

- **Introduce an investment checklist** to ensure that key governance and accounting considerations are reviewed prior to investment decisions
- **Systematize processes** for identifying related parties and reviewing disclosure notes

1) Key measures include: a fine for gross negligence, a 3-year designation of auditor, recommendation for dismissal and 6-month suspension of the responsible executive, and a corrective order

[Appendix] Comparison of Regulatory Review Findings: Korea Zinc vs. YP

KOREA ZINC

- The SFC concluded that YP had intentionally misstated its financial statements by repeatedly under-accruing remediation-related provisions over a four-year period and by applying arbitrary impairment assessments. These violations were ultimately determined to constitute deliberate accounting fraud, not merely differences in accounting estimates.

Comparison of Korea Zinc vs. YP

Korea Zinc

- **Final SFC Ruling : Gross Negligence**
- The case centered on judgment differences over when to recognize impairment losses and how to disclose them, not intentional fraud or management misconduct
- **Penalties** : Corrective Order, KRW 8.4 billion fine for company, KRW 763.2 million for executives and a 3-year auditor designation

Allegations	Details
1. Understatement of Valuation and Impairment Losses on Investment Assets	• Understatement of valuation and impairment losses despite declines in the fair value of financial instruments and investments
2. Omission of related party share transactions	• Failure to Disclose Related-Party Transactions
3. Understatement of Impairment Losses on Subsidiary Goodwill & Assets	• Failure to recognize impairment losses on goodwill and the subsidiary despite a decline in the recoverable amount of the overseas subsidiary
4. Material Weaknesses in Internal Control over Financial Reporting	• Material weaknesses in internal control over financial reporting arising from inadequate reviews of investment losses and impairment and deficiencies
5. Interference with Audit	• Interference with the external audit by withholding information regarding convertible bonds by a subsidiary

YP

- **Final SFC ruling: Intentional Violation[1] (Level I~II)**
- SFC determined the breaches were deliberate fraud, not mere estimation differences.
- **Penalties included a KRW 20.4741 billion fine[2] for the company, KRW 1.5115 billion for four former executives**, a 3-year auditor designation, dismissal/suspension recommendations, and corrective orders.

Allegations	Details
1. Understatement of the provision for soil remediation	• **Despite a legal obligation, no provision was recognized in 2021–2022.** • In 2023–2024, the provision was understated by applying a remediation, not permitted under applicable laws and regulations.
	• Despite the obligation to **remediate contaminated soil in the forest areas surrounding the smelter, no provision was recognized in 2023–2024.**
	• Despite the obligation to remediate contaminated soil beneath the buildings of Plants 1 and 2 at the smelter, no provision was recognized.
2. Understatement of the groundwater remediation provision	• **Despite the legal remediation obligation arising from the 2019 groundwater contamination prevention order, only the actual contracted amount was reflected**, and the full amount of future remediation costs was not recognized as a provision.
3. Understatement of PPE impairment loss	• **In the 2022 impairment assessment, historical estimates of the profit-and-loss impact of operational suspension were used instead of the best estimates available.** In 2023, the profit-and-loss impact of the operational suspension was arbitrarily excluded, resulting in an understatement of the impairment loss.

1) Intentional violation represents the highest level of sanction in accounting reviews, and YP's violations were ultimately determined to constitute deliberate accounting fraud amounting to hundreds of billions of KRW, not merely differences in accounting estimates
2) The KRW 20.4741 billion fine represents the largest ever imposed for a single accounting violation case, reflecting four years of understated provisions

[Appendix] Establishment of a Management Committee to Strengthen Internal Oversight

KOREA ZINC

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

Strategy and Investment Review Process

New Process

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

Onsan Refinery investments

01 Feasibility review by relevant departments

02 Review and approval by Investment Review Committee

All investment other than Onsan (New Business)

01 Feasibility review by relevant departments

02 Review and approval by the Management Committee

New Committee will report directly to the CEO

Upon meeting Board agenda requirements

03 Board report and approval

04 Performance monitoring

05 Follow-up report to the Board

※ Criteria for Review, Board Reporting, and Resolution

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

Definition of Terms

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

[Appendix] Independent Evaluation of the Board

KOREA ZINC

- Leading governance guidelines, institutional investors, and proxy advisors-including ISS, Glass Lewis, and KCGS- recommend independent external Board evaluations to enhance transparency, professionalism, and governance practices
- Korea Zinc introduced an evaluation system for the Board through an external institution, with 2025 results incorporated into operational improvements

* Strengthening of Board Training in 2026, Extended the board meeting notice period from 1 day to 3 days to allow sufficient time for agenda review

Improvement to the Board Evaluation Plan

As-is

- Annual evaluation of the Board and committees, led by Board Secretariat (2023)
- Note that overall score is disclosed on Sustainability Report. However, item-level scores were not disclosed.

Proxy advisors ISS, Glass Lewis, and KCGS, as well as investors BlackRock and Vanguard, recommend independent Board evaluations by external experts.

01 Planning Report	02 Selection of the Specialized Firm	03 Selection and Validation of Evaluation Metrics	04 Evaluation & Analysis	05 Results Report
Board Evaluation by External Institution • Advance evaluation practices and enhance objectivity and transparency by leveraging an external independent institution	**Daishin Economic Research Institute** • A leading domestic advisor in ESG with expertise in corporate governance • Selected based on its track record and expertise in conducting board evaluations for listed companies in Korea	**Selection of Metrics** • Metrics selected based on 24 indicators and guidelines[1] from global and domestic institutions, including the NPS **Validation by an expert** (Former Chair of the National Pension Service's Expert Committee on Voting Rights) • Prof. Jong-ho Kwon, Konkuk University • Prof. Sung-min Kim, Hanyang University	**Selection of Specialized Survey Agency** • Selected Korea Data Network, a third-party survey firm, to ensure data integrity and respondent anonymity **Evaluation Conducted** • Conducted anonymous online evaluations • Board, its committees, and individual directors	**Evaluation Report** • Report on evaluation scores[2] for the Board, its committees, and individual directors, as well as key findings **Report on Improvements** • Report on improvements identified through the evaluations
• Regular Board Report (Aug, 2025)	• Extraordinary Board Report (Sep 2025)	• Regular Board Report (Nov 2025)		• Board Report (Feb 2026)

① Selected Daishin Economic Research Institute for its expertise in Korean corporate practices and the domestic governance environment

② Separated questionnaire development, validation, and survey administration across independent external parties to ensure objectivity, independence, and prevent conflicts of interest

③ Disclosed evaluation results in the 2025 Corporate Governance Report (June 1st) and Sustainability Report (June 30th), after Board reporting

1) MSCI, KCGS, Korea ESG Research Institute, UK Financial Reporting Council, NYSE, Basel Committee on Banking Supervision, CalPERS, APG, OECD, National Pension Service, Citigroup, J.P. Morgan, PwC, Deloitte, KPMG, and others
2) 2025 overall evaluation scores: Board 77, committees 86, and directors 72

[Appendix] Timeline of Hostile Takeover

KOREA ZINC

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

Korea Zinc

Oct. 2, 2024
1. (9:02) Court dismisses YP's injunction to prohibit share buyback
2. (10:00) KZ Board resolves to conduct a share buyback tender offer (KRW 830,000)

Oct. 11-21, 2024
1. (Oct. 11) KZ raises tender offer price from KRW 830,000 to KRW 890,000
2. (Oct. 21) Court dismisses YP's second injunction to prohibit share buyback

Oct. 23, 2024
1. KZ completes share buyback, acquiring 11.26% stake in Korea Zinc (approx. 2.33M shares)

Jan. 22-23, 2025
1. (Jan. 22) SMC acquires 10.33% of YP(approx. 190,000 shares), triggering voting restrictions under cross-shareholding structure
2. (Jan. 23) EGM results
   - AOI Approval: Executive directors, maximum number of directors, par value split, outside director as chair, record date change, introduction of quarterly dividends (Rejection: Executive directors, minority shareholder protection)
   - Directors Approval: 7 KZ candidates (outside directors) appointed (Rejection: MBK's all 14 candidates)

Mar. 7-12, 2025
1. (Mar. 7) Court partially grants injunction on EGM items (relating to SMC corporate form)
   → EGM resolutions (excluding cumulative voting) temporarily suspended(suspension of amendments to the articles of incorporation and suspension of directors' duties)
2. (Mar. 12) SMH acquires YP shares as a dividend from SMC

Mar. 27-28, 2025
1. (Mar. 27) Court rejects injunction allowing voting rights (YP's voting restrictions upheld)
2. (Mar. 28) SMH acquires additional YP shares
3. (Mar. 28) AGM results
   - AOI Approval: DoB size limit, outside director as chair, record date, quarterly dividends (Rejection: Separate election)
   - Directors Approval: Appointment of 5 KZ candidates (outside directors) and 3 MBK candidates (Kim, Gwang Il/Kang, Sung Doo/Kwon, Kwang Seok)

MBK & YP

Sept. 13-26, 2024
1. (Sept. 13) MBK launches a tender offer with YP in a hostile takeover attempt(KRW 660,000)
2. (Sept. 13) YP files for injunction to block KZ's share buyback following the tender offer announcement
3. (Sept. 26) Tender offer price raised from KRW 650,000 to KRW 750,000

Oct. 2-4, 2024
1. (Oct. 2) Court dismisses YP's injunction
2. (Oct. 2, 10:52) YP files a new injunction within two hours of the court ruling, repeating most of the claims from its previous filing
3. (Oct. 4) MBK raises tender offer price from KRW 750,000 to KRW 830,000

Oct. 14, 2024
1. MBK completes tender offer, acquiring additional 5.34% stake in Korea Zinc (approx. 1.1M shares)

Oct. 28, 2024
1. MBK requests convening of Korea Zinc's EGM

Jan. 31, 2025
1. MBK files for injunction to suspend the effectiveness of resolutions passed at EGM

Mar. 14-27, 2025
1. (Mar. 14) YP announces in-kind contribution of its KZ shares to YPC
2. (Mar. 17) MBK & YP file for injunction to allow voting rights
3. (Mar. 27) YP distributes shares as dividend

Mar. 24, 2026
1. AGM Results
   - AOI Amendments Approved: Minority shareholder protection, virtual AGMs, directors' duty of loyalty, and quarterly dividends
   - AOI Amendment Rejected: Increase in separately elected Audit Committee members
   - Directors Elected: 2 KZ, 1 Crucible JV, and 2 MBK s (Yon-Sog Choi, Sun-sook Lee)

[Appendix] Election of Four Directors by Cumulative Voting

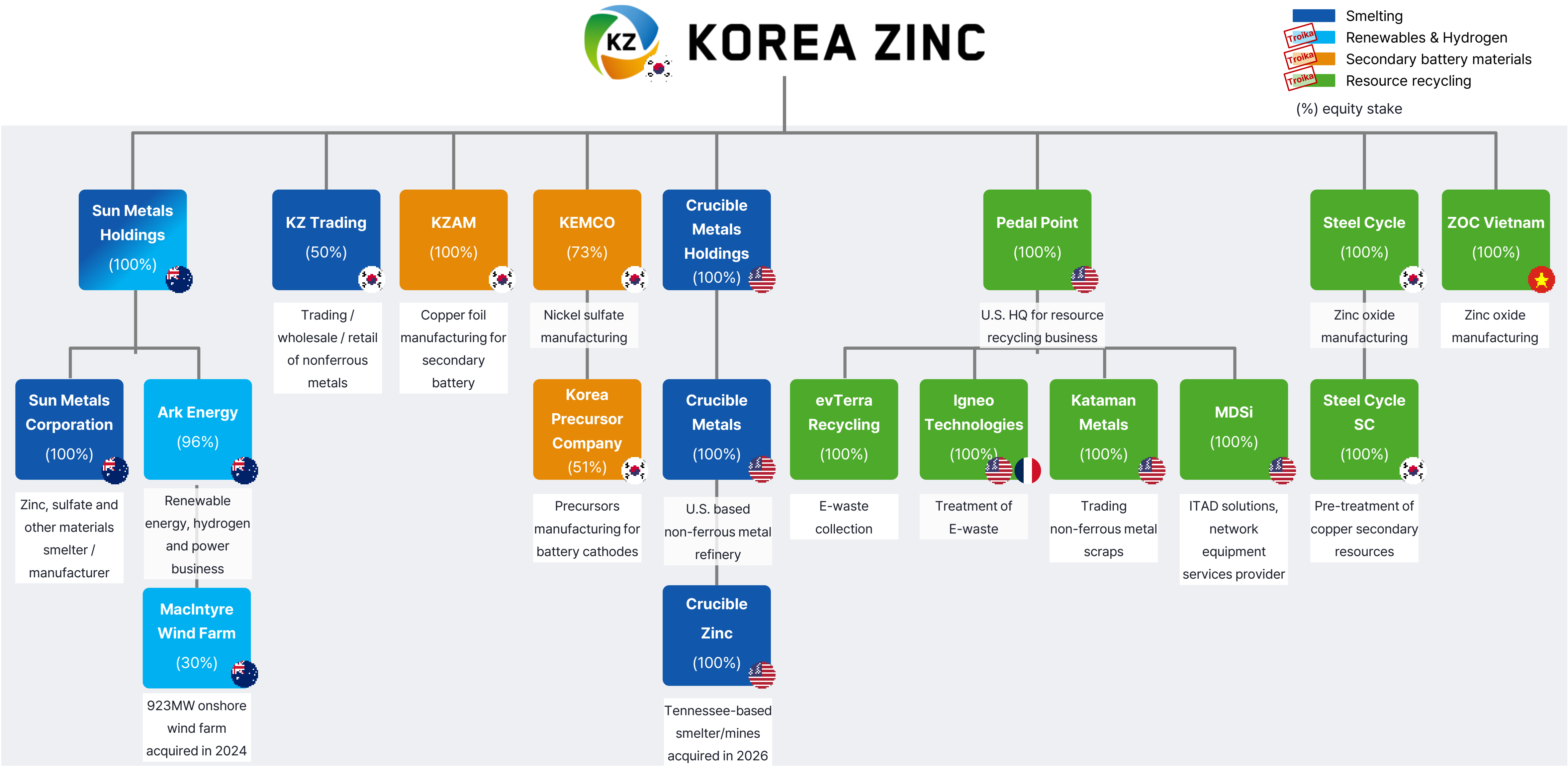
KOREA ZINC

- Although four directors are being elected from four nominees, cumulative voting is required under shareholder proposal and the Articles, not at the Company's discretion.
- The Company will conduct the director election through cumulative voting, in line with shareholder proposal rights and the Articles, to ensure a fair and transparent process.

Implications of Cumulative Voting	
Protection of Shareholder Proposal Rights under the AOI	Reflecting the shareholder's cumulative voting request in line with the AOI and applicable procedures, while **respecting shareholder proposal and director election rights**
Fair and Transparent Director Elections	**Ensuring a fair election process by providing all shareholders equal voting opportunities**, regardless of Company discretion or expected outcomes
Shareholder Preferences Reflected in Board Composition	Shareholders may concentrate or distribute votes among nominees, **allowing support for each nominee to be directly reflected in the election results**
Proactive Response to Governance Standards	Cumulative voting supports minority shareholder representation and aligns with market expectations for **greater Board independence and accountability**

Basis for Cumulative Voting	
Shareholder Proposal	**In July 2026, the requesting shareholder proposed the election of four directors by cumulative voting at the EGM and requested that the election be conducted using cumulative voting.**
Cumulative Voting Provision in AOI	The Company removed the provision excluding cumulative voting at the 2025 EGM, **and the current AOI permits it. Cumulative voting was also adopted at the March 2026 AGM.**
Company's Procedural Implementation	The Company is conducting the election by cumulative voting in accordance with the shareholder request and the AOI, **in full compliance with applicable procedures.**

[Appendix] Korea Zinc and Subsidiaries



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