



**(Reference Material)**

# **The 52<sup>nd</sup> Annual General Meeting of Shareholders**

(Fiscal Year: January 1, 2024 ~ December 31, 2024)

March 19, 2025, 9AM KST

**Cheil Worldwide Inc.**

President & CEO Kim, Jonghyun

Note : These are reference materials relating to convening of the 52nd Annual General Meeting of Shareholders in accordance with Article 542-4 of Commercial Law.

All the numbers in this document are prepared according to Korean International Financial Reporting Standards (K-IFRS), adopted by Cheil Worldwide since 2011.

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# I . Notice of Annual General Meeting of Shareholders

## 1. Meeting Schedule

- Date/Time : March 19<sup>th</sup>, 2025 at 9AM KST
- Venue : i-Seminar Hall, 11F, Cheil Bldg., 222 Itaewon-ro, Yongsan-gu, Seoul, South Korea

## 2. Items to be Reported

- Auditor's Report
- Business Report
- Assessment of the Internal Accounting Management System

## 3. Agendas

- Item 1: Approval of Audited Financial Statements for the 52nd fiscal year  
(Jan.1 2024~Dec.31 2024) including Statement of Appropriation of Retained Earnings & Consolidated Financial Statements
  - ※ Dividend per Common Share (Plan): KRW 1,230 upon approval at the AGM
- Item 2: Approval of Amendments to the Articles of Incorporation
  - Amendments related to electronic securities (Article 12, Article 13)
  - Amendments related to the operation of the Board of Directors (Article 32)
- Item 3: Appointment of Independent Director (Chang, Byoungwan /Re-nominated)
- Item 4: Approval of the Remuneration Limit for Directors for 53rd fiscal year
- Item 5: Approval of the Remuneration Limit for Internal Auditors for 53rd fiscal year

## II. Reference for Agendas

### Item 1: Approval of Audited Financial Statements for the 52<sup>nd</sup> fiscal year (Jan.1 2024~Dec.31 2024) including Statement of Appropriation of Retained Earnings & Consolidated Financial Statements

- Business Report for the 52<sup>nd</sup> fiscal year
- Financial Statements for the 51<sup>nd</sup> fiscal year
- Dividend History and Scheduled Dividend Declaration
  - Dividend History (Year 2021 - Year 2023)
    - FY2021: KRW 990 per share, Payout Ratio: 60.6%
    - FY2022: KRW 1,150 per share, Payout Ratio: 60.1%
    - FY2023: KRW 1,110 per share, Payout Ratio: 60.0%
  - Shareholder Return Policy 2023~2024 (announced on January 31<sup>st</sup>, 2023) :  
“We will determine our shareholder return policy within a dividend payout ratio of 60% based on consolidated net income for the two-year period from 2023 to 2024, taking into account large-scale investments such as M&A, working capital, and the business environment.”
  - Dividend Plan for FY2024 : Payout Ratio 60.0%, KRW 1,230 per share

### Item 2: Approval of Amendments to the Articles of Incorporation

The proposed amendments aim to refine certain provisions related to electronic securities and the operation of the Board of Directors to enhance regulatory compliance and governance standards. Specifically, the Company seeks to amend Article 12, Article 13, Article 32, and Supplementary Provision 4 of its Articles of Incorporation.

Each amendment will be subject to a separate vote. However, if any of the proposed amendments is rejected, the entire Item 2 shall be considered rejected.

#### 1) Amendments related to electronic securities (Article 12, Article 13)

- Article 12 (Preparation and Maintenance of the Shareholder Register)
  - Reflects Article 31 of the Enforcement Decree of the Electronic Securities Act, which governs the periodic preparation of ownership records.
- Article 13 (Record Date)
  - Removes provisions related to the closure of the shareholder register, as such procedures are no longer required following the adoption of the electronic securities system.

#### 2) Amendments related to the operation of the Board of Directors (Article 32)

- Article 32 (Composition and Convening of the Board of Directors)
  - Aligns with the Korea ESG Foundation’s Corporate Governance Best Practices and corporate governance evaluation criteria.
  - \* Extends the minimum notice period for convening Board meetings from 24 hours to at least 7 days to enhance operational efficiency and decision-making processes.

<Comparison between Original and Revised Provisions>

Original	Revised	Remark
<p>Article 12 (Deleted)</p>	<p>Article 12 (Preparation and Maintenance of the Shareholder Register)</p> <p><u>(1)The Company shall prepare and maintain the shareholder register by recording the details and the date of notification upon receiving ownership information from the electronic registration institution.</u></p> <p><u>(2) The Company may request the electronic registration institution to prepare ownership details when necessary.</u></p>	<p>Amendment related to electronic securities</p>
<p>Article 13 (Closure of Shareholder Register and Record Date)</p> <p>(1) The Company shall suspend the transfer of stock ownership, registration or cancellation of pledge rights, and indication or cancellation of trust assets for one month from the day following the last day of each fiscal year. However, if necessary, the Company may adjust the suspension period within a limit of three months and shall announce such changes at least two weeks in advance via public notice.</p> <p>(2) The Company shall recognize shareholders recorded in the shareholder register as of December 31 each year as those entitled to exercise rights at the annual general meeting for that fiscal year.</p> <p>(3) In case of an extraordinary general meeting or other necessary circumstances, the Board of Directors or a delegated committee may suspend changes to the shareholder register for a certain period not exceeding three months or designate a record date for determining shareholders' rights. The Company shall announce such changes at least two weeks in advance.</p>	<p>Article 13 (Closure of Shareholder Register and Record Date)</p> <p><del>(Deleted) (1) The Company shall suspend the transfer of stock ownership, registration or cancellation of pledge rights, and indication or cancellation of trust assets for one month from the day following the last day of each fiscal year. However, if necessary, the Company may adjust the suspension period within a limit of three months and shall announce such changes at least two weeks in advance via public notice.</del></p> <p>(1) The Company shall recognize shareholders recorded in the shareholder register as of <u>the last day of each fiscal year</u> as those entitled to exercise rights at the annual general meeting for that fiscal year.</p> <p>(2) <u>In case of an extraordinary general meeting or other necessary circumstances, the Board of Directors or a delegated committee may designate a record date for determining shareholders' rights. The Company shall announce such changes at least two weeks in advance.</u></p>	<p>Amendment related to electronic securities</p>
<p>Article 32 (Composition and Convening of the Board of Directors)</p> <p>(3) The Chairperson shall convene Board meetings and notify all Directors and Auditors of the meeting schedule at least 24 hours in advance via written notice, electronic document, or verbal communication. However, if all Directors consent, the notification procedure may be omitted.</p>	<p>Article 32 (Composition and Convening of the Board of Directors)</p> <p>(3) The Chairperson shall convene Board meetings and provide notice to all Directors and Auditors <u>at least 7 days</u> in advance via written notice, electronic document, or verbal communication. <u>However, in urgent circumstances, the notification period may be reduced to a minimum of 24 hours. If all Directors and Auditors unanimously consent, the notification procedure may be waived.</u></p>	<p>Amendment related to Board meeting notification period</p>

### Item 3: Appointment of Independent Directors

The directors are to be appointed in accordance with Article 382 of Commercial Code and Article 27 of Cheil's Incorporation. The Board currently consists of two independent directors and three executive directors. The total number of executive directors and the composition of the board remain the same.

#### • Appointment of Independent Director

The Board has re-nominated Chang, Byoungwan as an independent director

※ Please refer to the attachment 1 for Profile of the Candidate

<Board of Directors>

#### 1) Independent Directors

Before AGM	Tenure	Change	After AGM
Chang, Byoungwan	2022.03~2025.03	Term will be expired	Chang, Byoungwan
Chang, Seunghwa	2024.03~2027.03	-	Chang, Seunghwa

※ Mr. Chang Byoungwan appointed as a Senior Independent Director on 27<sup>th</sup> October of 2023

#### 2) Executive Directors

Before AGM	Tenure	Change	After AGM
Kim, Jonghyun	2024.03~2027.03	-	Kim, Jonghyun
Kang, Wooyoung	2023.03~2026.03	-	Kang, Wooyoung
Kim, Taihai	2024.03~2027.03	-	Kim, Taihai

※ The total number of executive directors and the composition of the board remain the same.

#### **Item 4: Approval of the Remuneration Limit for Directors for the 53<sup>rd</sup> fiscal year**

The remuneration to be paid to directors during the 53<sup>rd</sup> fiscal year is to be approved in accordance with Article 388 of Commercial Code and Article 41 of Articles of the Incorporation.

The Board recommends maintaining the same level of general compensation limit in FY2025 from FY2024.

- The ceiling amount of the remuneration for the 52<sup>nd</sup> fiscal year: KRW 9,500 million
  - The actual paid amount of the remuneration for the 52<sup>nd</sup> fiscal year: KRW 4,829 million
  - The Board recommends the ceiling amount for the 53<sup>rd</sup> fiscal year: KRW 8,000 million
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- ※ The remuneration plan for executive directors consists of 1) base salary(including that for independent directors), 2) bonus(annual incentives and long term incentive), 3) retirement pay for any resigned executive director and other compensation. The remuneration plan for independent directors consists of base salary. As a result, the total paid amount of remuneration may change depending on the company's performance and the retired directors of the year.
  - ※ Please refer to the attachment 2 for Compensation policy and structure.

#### **Item 5: Approval of the Remuneration Limit for Internal Auditor for the 53<sup>rd</sup> fiscal year**

The remuneration to be paid to directors during the 53<sup>rd</sup> fiscal year is to be approved in accordance with Article 415 of Commercial Code and Article 41 of Articles of the Incorporation.

The Board recommends maintaining the same level of general compensation limit in FY2025 from FY2024.

- The ceiling amount of the remuneration for the 52<sup>nd</sup> fiscal year: KRW 500 million
- The actual paid amount of the remuneration for the 52<sup>nd</sup> fiscal year: KRW 248 million
- The Board recommends the ceiling amount for the 53<sup>rd</sup> fiscal year: KRW 400 million

## [Attachment 1] Profile of the Candidates

### *Byoungwan, Chang - A Candidate of Independent Directors*

- **Personal**

- DoB: May 05, 1952

- **Career**

- 2006 ~ 2008, Minister of Ministry of Planning and Budget
- 2008 ~ 2010, President of Honam University
- 2010 ~ 2020, Member of the National Assembly
- 2020 ~ Current, Honored Professor of Honam University

※ Passed the 17th Public Administration Examination

- **Recommendations from The Board**

- Mr. Byoungwan Chang is an expert in administration who proved qualified capabilities during his service as the Minister of Planning and Budget, Honam University President and a member of the National Assembly. The board expects that his contribution will be far-reaching to the company from formulating company policies to participating in the board's decision-making process and enhancing corporate values with transparent and objective perspectives.
- Furthermore, since first being appointed as an independent director in 2022, the candidate was additionally appointed as the lead independent director in October 2023. With a deep understanding of the company's operations accumulated over several years and a track record of 100% attendance and active participation in board meetings, the candidate has consistently contributed to the board's effectiveness. In pursuit of a transparent and sound governance structure, we hereby nominate the candidate for reappointment as an independent director.

- **Details of transaction with the company for the recent three years: None**

- **Relationship with the largest shareholder: None**

- **Whether or not the candidate is (i)under the position of tax arrears or (ii)executives from an insolvent company: None**

- **Whether or not the candidate is in breach of any applicable laws or regulations: None**

## [Attachment 2] Compensation policy for directors and structure in detail

- Compensation Policy for Inside Directors \* approved by compensation committee on 2024 Feb.

Item	Policy
Base Salary	- Figures are decided by roles, positions, and results performed in the previous year.
Incentives	
Holiday Incentive	- 100% of the monthly base salary is paid twice a year for Lunar New Year Day and Thanksgiving Day
Target Achievement Incentive (TAI)	- The range from 0 to 200% of the monthly base salary is paid twice a year depending on the performance results for every six months - The incentive is fixed by the evaluation results, and thus the incentive will be different for each organization. - The incentive plan is reviewed and fixed by the CEO at the final
Performance Incentive (OPI)	- If the company exceeds its annual target, then the company could utilize max 20% of its profit for employees' OPI under the approval of the CEO - The range from 0 to 50% of the annual base salary is paid once a year depending on personal performance results
Long-Term Incentive (LTI)	- Evaluation indexes are ROE, EPS, and profit before tax for three years - The LTI is calculated based on the annual salary considering the limit of the director's remuneration - The payment is made over three years evenly (33%)

- Compensation Structure

- ① Registered Director's Salary (Inside directors) \* Approved by the compensation committee  
√ Set based on performance results for previous year, personal expertise, and positions and roles to be assigned, and expertise
- ② TAI/OPI  
√ Set based on the performance results according to the compensation policy
- ③ Long-term Incentive  
√ Set based on finance and management results - The results during the period from FY2020 to FY2022 was ① 27% of ROE, ② 20.0% of the ratio of profits before tax 20.0%, ③ 3% of the share price increase  
√ The payment is made evenly during the period from FY2023 to FY2025