

# Management Review

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## Corporate Governance

At KKPC, we are committed to earning the trust of all our stakeholders—from shareholders and customers to employees, partners, and communities. Today, our modern, board-centric governance structure enables us to practice responsible, ethical, and transparent management as we strive to create greater value for all stakeholder groups.

### Board of Directors

Our board is composed of a total of five directors, three of which are outside directors nominated by the Outside Director Nominating Committee and elected at the annual general shareholders' meeting. The board consults on and conducts oversight of all major business activities and has final decision-making authority and responsibility in all business matters. In addition to ensuring all decisions benefit shareholders, the board has the objective of maximizing corporate value from a long-term perspective. The board met a total of 13 times in 2012 to decide a number of major agenda items, including the approval of investments to expand production capacity in several of our businesses.

### Board Committees

Over half of the board seats are held by outside directors to enhance both the independence and professional expertise of the board. The board also operates three committees to aid it in its mission. The Audit Committee plays a key internal control role, elevating transparency in management and credibility in financial disclosures. The Outside Director Nominating Committee identifies, screens, and nominates qualified professionals to serve on the board. The Management Advisory Committee aids the board in thorough, timely decision-making on major pending business issues.