

Public Notice on the Exercise of Minority Shareholders' Rights

Pursuant to paragraph (2) of Article 41 of the Act on the Corporate Governance of Financial Companies, KB Financial Group Inc. ("KB Financial Group") hereby provides public notice on the exercise of rights by its minority shareholders as set forth below:

1. Related disclosure

- Public Notice on the Exercise of Minority Shareholders' Rights (October 12, 2017)

2. Main contents of the minority shareholders' rights exercised

- (1) Minority shareholders' rights: Shareholders' rights to make proposals pursuant to Article 363-2 of the Commercial Code
- (2) Date of receipt of proposal: Thursday, September 21, 2017
- (3) Proposing shareholders: 2,132 shareholders including the Labor Union of Kookmin Bank, a chapter of the Korean Financial Industry Union (the "Labor Union of Kookmin Bank")
- (4) Main contents of the proposal
 - ① Partial amendment of the Policy of the Corporate Governance Committee
 - ② Partial amendment of the Articles of Incorporation and policies under the supervision of the Board of Directors
 - ③ Appointment of a non-executive director

3. Response measures

- (1) After a review of applicable laws and discussions among members of the Board of Directors, KB Financial Group decided to add "Partial amendment of the Articles of Incorporation" and "Appointment of a non-executive director," as proposed by its shareholders, as agenda items for the extraordinary general meeting of shareholders.
- (2) On October 26, 2017, the Board of Directors of KB Financial Group resolved to include the above two proposals as agenda items for the extraordinary general meeting of shareholders scheduled to be held on November 20, 2017.
- (3) Accordingly, the agenda items for the extraordinary general meeting of shareholders of KB Financial group are set forth as follows:

Agendum 1. Appointment of an executive director

- Executive director candidate: Mr. Jong Kyoo Yoon

Agendum 2. Appointment of a non-standing director

- Non-standing director candidate: Mr. Yin Hur

Agendum 3. Appointment of a non-executive director (proposed by the Labor Union of Kookmin Bank and others)

- Non-executive director candidate: Mr. Seung Soo Ha

Agendum 4. Amendment of the Articles of Incorporation (proposed by the Labor Union of Kookmin Bank and others)

4. Details of the agenda items proposed by shareholders

- (1) Agendum 3. Appointment of a non-executive director (proposed by the Labor Union of Kookmin Bank and others)

Name	Date of Birth	Term of Office	Career (including current position)	Nominating Entity
Seung Soo Ha (New appointment)	December 1968	2 years	<ul style="list-style-type: none"> • Co-head, Solidarity for Proportional Democracy (Current) • Steering Committee Member, the Center for Freedom of Information and Transparent Society (Current) • Director, Pressian Cooperative (Current) • Associate professor, Jeju National University Law School • Head, the Center for Freedom of Information and Transparent Society • Lawyer, Certified Public Accountant 	Shareholders' proposal (by the Labor Union of Kookmin Bank and others)

- (2) Agendum 4. Amendment of the Articles of Incorporation (proposed by the Labor Union of Kookmin Bank and others)

Current	Proposed Amendment	Reasons for Amendment
<p>Article 48 (Committees)</p> <p>(1)(Omitted)</p> <ol style="list-style-type: none"> 1. Risk Management Committee; 2. Evaluation and Compensation Committee; 3. Non-executive Director Nominating Committee; 4. Audit Committee Member Nominating Committee; 5. Corporate Governance Committee; and 6. Audit Committee <p>(2) (Omitted) (3) (Omitted) (4) (Newly added)</p>	<p>Article 48 (Committees)</p> <p>(1) (Omitted)</p> <ol style="list-style-type: none"> 1. Risk Management Committee; 2. Evaluation and Compensation Committee; 3. Non-executive Director Nominating Committee; 4. Audit Committee Member Nominating Committee; 5. Corporate Governance Committee; and 6. Audit Committee <p>(2) (Omitted) (3) (Omitted) <u>(4) The chief executive officer shall not be a member of the committees set forth in paragraph (1) above and the chairperson of each committee set forth in Items 3 to 5 of paragraph (1) above shall be the non-executive director who is the chairman of the board of directors.</u></p>	Shareholders' proposal (by the Labor Union of Kookmin Bank and others)

5. Additional explanation regarding the agenda items proposed by shareholders

- (1) **Agendum 3: Appointment of a non-executive director (proposed by the Labor Union of Kookmin Bank and others)**

The Non-executive Director Nominating Committee of KB Financial Group continuously

maintains and verifies a pool of non-executive director candidates in accordance with relevant internal regulations including the Policy of the Non-executive Director Nominating Committee and recommends candidates in a fair and transparent manner after taking into account the candidates' expertise and diversity. Moreover, the Non-executive Director Nominating Committee performs additional verification procedures to check whether those non-executive director candidates recommended meet the qualifications for appointment as a non-executive director pursuant to applicable laws.

Mr. Seung Soo Ha is a non-executive director candidate recommended by the Labor Union of Kookmin Bank and others in a shareholders' proposal, and is thus not included in the candidate pool continuously maintained by the Non-executive Director Nominating Committee. Accordingly, Mr. Ha was included as a non-executive director candidate after additional verification procedures to check whether he meets the qualifications set forth under applicable laws.

(2) Agendum 4: Amendment of the Articles of Incorporation (proposed by the Labor Union of Kookmin Bank and others)

The Labor Union of Kookmin Bank and others proposed to amend the Articles of Incorporation of KB Financial Group so as to, among others, prevent the chief executive officer (the "CEO") from becoming a member of any of the committees of the Board of Directors and to specify that the chairperson of each of the Non-executive Director Nominating Committee, the Audit Committee Member Nominating Committee and the Corporate Governance Committee shall be the non-executive director who is the chairman of the Board of Directors.

(The CEO's Activities in the Committees of the Board of Directors)

The CEO of KB Financial Group is currently a member of the Corporate Governance Committee (Standing) (the "Standing Committee") and the Non-executive Director Nominating Committee, and is not a member of the following four committees: the Audit Committee, the Risk Management Committee, the Evaluation and Compensation Committee and the Audit Committee Member Nominating Committee.

Within the Standing Committee, the CEO is the chairperson of "the Standing Committee that maintains, verifies and confirms the candidate pool for CEOs of the subsidiaries of KB Financial Group," but is only a member and not the chairperson of "the Standing Committee that maintains, verifies and confirms the candidate pool for the Group CEO." In addition, the CEO may not participate in a vote if there exists a conflict of interest (for example, if the CEO himself/herself is a candidate).

The Non-executive Director Nominating Committee of KB Financial Group is currently comprised of three non-executive directors and one executive director (the CEO), in accordance with paragraph 3 of Article 16 of the Act on the Corporate Governance of Financial Companies, which requires that a majority of such committee consist of non-executive directors.

(Chairpersons of the Committees of the Board of Directors)

Currently, the chairperson of each of the committees of the Board of Directors is appointed autonomously within each committee in accordance with internal rules and regulations, as set forth below:

- The chairperson of each of the Audit Committee, the Non-executive Director Nominating Committee and the Risk Management Committee is appointed by each respective committee from among its members who are non-executive directors.
- For the Evaluation and Compensation Committee and the Audit Committee Member Nominating Committee, which consist of non-executive directors only, the chairperson is appointed by each respective committee from among its members.
- The Corporate Governance Committee operates on a dual track comprising the Standing Committee and the Corporate Governance Committee (Extended) (the “Extended Committee”), each chaired by a different chairperson. Within the Standing Committee, the chairperson of “the Standing Committee that maintains, verifies and confirms the candidate pool for the Group CEO” is appointed from among members of the committee who are non-executive directors, and the chairperson of “the Standing Committee that maintains, verifies and confirms the candidate pool for CEOs of the subsidiaries of KB Financial Group” is the CEO. For the Extended Committee, which consists of all of the non-executive directors of KB Financial Group, the chairperson is appointed by the committee from among its members.