

KOREA ELECTRIC POWER CORP  
Form 6-K  
June 27, 2018

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**For the Month of June 2018**

**KOREA ELECTRIC POWER CORPORATION**

**(Translation of registrant's name into English)**

**55 Jeollyeok-ro, Naju-si, Jeollanam-do, 58217, Korea**

**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82- .

This Report of Foreign Private Issuer on Form 6-K is deemed filed for all purposes under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

### **Corporate Governance Report**

KEPCO has prepared this report in accordance with Article 8-7-2 of the Enforcement Rules of KOSPI Market Disclosure Regulation of Korea Exchange in order to provide investors with further information to help them better understand KEPCO's corporate governance system.

This is a summary in English of the Corporate Governance Report originally prepared in Korean. In the translation process, some parts of the report have been reformatted, rearranged or summarized for the convenience of readers. Nonmaterial or previously disclosed information may also have been omitted or abridged.

Unless expressly stated otherwise, this report reflects KEPCO's corporate governance structure as of March 31, 2018.

## **I. Corporate Governance**

### **1. Corporate Governance Basic Principles and Policy**

KEPCO regards enhancing shareholder value and protecting shareholder rights as among its highest priorities, and, since becoming a public company, has continuously made efforts to uphold a system of corporate governance that reflects its corporate ethos. In that connection, KEPCO plans to further promote the interest of its shareholders through responsible management based on trust and communication and by embedding in its operations a focus on serving the shareholders.

In order to effect transparency in its corporate governance, KEPCO actively discloses the guidelines, procedures and results related to conducting its affairs in regards to corporate governance. Anyone interested in KEPCO's corporate governance practice can access, at KEPCO's website, KEPCO's Articles of Incorporation, Regulations Concerning the Board of Directors, Regulations Concerning the Operations of the Board of Directors, the Regulations Concerning the Audit Committee and KEPCO's other internal regulations related to corporate governance.

### **2. Organizational Structure**

KEPCO's major governing bodies are as follows:

The following table sets forth KEPCO's major shareholders as of March 15, 2018, the date KEPCO last closed our shareholders' registry:

<b>Title of Class</b>	<b>Identity of Person or Group</b>	<b>Shares Owned</b>	<b>Percentage of Class <sup>(1)</sup> (%)</b>
Common stock	Government	116,841,794	18.2
	Korea Development Bank <sup>(2)</sup>	211,235,264	32.9
	Subtotal	328,077,058	51.1
	National Pension Corporation	36,460,422	5.7
	Employee Stock Ownership Association		
	Directors and executive officers as a group		
	Public (non-Koreans)	192,639,015	30.0
	Common shares	156,960,303	24.4
	American depository shares	35,678,712	5.6
	Public (Koreans)	84,787,582	13.2
	Total	641,964,077	100.0

*Notes:*

(1) Percentages are based on issued shares of common stock.

(2) Korea Development Bank is a Government-controlled entity.

### **3. Key Characteristics of KEPCO's Corporate Governance Structure**

#### **(1) Organization of the Board of Directors**

The Board of Directors is composed of seven standing directors (including the CEO) and eight non-standing directors. The chairman of the Board of Directors is appointed from among non-standing directors for fair and transparent operation of the Board of Directors. Non-standing directors are elected from candidates with ample industrial or professional knowledge and experience so as to respond flexibly and expertly to the changing business environment.

#### **(2) Director Appointment Process**

Directors are appointed in accordance with the Act on the Management of Public Institutions and the Articles of Incorporation of KEPCO. The CEO is appointed by the President of the Republic of Korea upon the motion of the Ministry of Trade, Industry and Energy following the nomination by the Director Nomination Committee, the review and resolution of the Public Agencies Operating Committee pursuant to the Act on the Management of Public Institutions and an approval at the general meeting of shareholders. The standing director who concurrently serves as a member of the Audit Committee is appointed through the same appointment process applicable to the CEO, except that the motion for appointment is made by the Ministry of Strategy and Finance instead of the Ministry of Trade, Industry and Energy. Standing directors other than the CEO or those who concurrently serve as members of the Audit Committee are appointed by the CEO with the approval at the general meeting of shareholders. Non-standing directors

must be appointed by the minister of the Ministry of Strategy and Finance following the review and resolution of the Public Agencies Operating Committee from a pool of candidates recommended by the Director Nomination Committee. The term of the CEO is three years, while that of directors (standing or non-standing, but not the CEO) is two years.

(3) Diversity of the Board of Directors

To ensure balanced and diverse membership for its Board of Directors, KEPCO relies on a variety of institutions that recommend director candidates. For example, KEPCO encourages and nurtures recruitment of female directors by having the Nomination Committee to constantly monitor and seek female director candidates. Also, KEPCO seeks to maintain balanced views within its Board of Directors by appointing directors with profound knowledge and expertise in a variety of fields including law, finance, academics and labor relations.

(4) Independence of the Board of Directors

KEPCO ensures the independence of its Board of Directors so that the directors can carry out their duties of checks and balances in a responsible manner. KEPCO also strictly scrutinizes whether a non-standing director candidate has any related party transactions that would disqualify such candidate from directorship under the Korean Commercial Code. Moreover, KEPCO has reinforced the decision-making power of its non-standing directors by requiring that a majority of the board be appointed from non-standing directors and the chairman of the board be appointed from among the non-standing directors.

(5) Expertise of the Board of Directors

In order to enhance the expertise of its Board of Directors, KEPCO requires that personal expertise be considered when screening out director candidates and has actively recruited experts in the power industry. In addition, following appointments, KEPCO strives to nurture and expand the expertise of its directors by arranging site visits and on-ground training at power facilities, domestic and abroad, and regularly provides them with informational updates on major industry trends and business issues.

**4. Organizations**

	<b>Number of Members</b>	<b>Chairman</b>
<b>Board of Directors</b>	8 non-standing directors (total 15 directors)	Vacant (Non-Standing Director)
<b>Director Nomination Committee</b>	3 to 8 non-standing directors (total 5~15 directors)	Appointed from among Non-Standing Directors
<b>Audit Committee</b>	2 non-standing directors (total 3 directors)	Cho, Jeon-Hyeok (Non-Standing Director)

## II. Shareholders

### 1. Shareholders Rights

#### (1) Calling for the General Meeting of Shareholders

KEPCO announces the time, place, agenda and other details of the General Meeting of Shareholders at least two weeks before the date of meeting. KEPCO's General Meeting of Shareholders in the past two years were held as follows.

Type	Date of Resolution	Date of Notice	Date of Meeting	Place
Extraordinary General Meeting	Mar. 26, 2018	Mar. 26, 2018	Apr. 10, 2018	KEPCO
Annual General Meeting	Feb. 23, 2018	Mar. 15, 2018	Mar. 30, 2018	
Annual General Meeting	Feb. 17, 2017	Mar. 6, 2017	Mar. 21, 2017	Headquarters
Extraordinary General Meeting	Nov. 18, 2016	Dec. 26, 2016	Jan. 10, 2017	

#### (2) Resolutions and Voting at the General Meeting of Shareholders

At the Extraordinary General Meeting of Shareholders held on Apr. 10, 2018, 309.5 million shares were voted by proxy or through proxy solicitation, while 6.2 million shares were voted through electronic voting. Holders of 116.8 million shares attended in person at the meeting.

At the Annual General Meeting of Shareholders held on Mar. 30, 2018, 406.2 million shares were voted by proxy or through proxy solicitation, while 5.2 million shares were voted through electronic voting. Holders of 116.8 million shares attended in person at the meeting.

In order to promote shareholders' rights, KEPCO has adopted electronic voting and does not exclude concentrated voting.

A list of the agenda voted at the General Meetings of Shareholders in the past two years is provided below.

Date of Meeting	Resolution	Agenda	Shares For	Approval Rate*
Apr. 10, 2018	Ordinary	Election of President and CEO	430,394,444	99.51%
	Ordinary	Approval of consolidated and separate financial statements for the fiscal year 2017	524,629,257	99.31%
Mar. 30, 2018	Ordinary	Approval of the maximum aggregate amount of remuneration for directors in 2018	422,261,017	79.93%



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<b>Mar. 21, 2017</b>	Ordinary	Approval of consolidated and separate financial statements for the fiscal year 2016	512,271,351	97.21%
	Ordinary	Approval of the maximum aggregate amount of remuneration for directors in 2017	511,942,129	97.15%
	Ordinary	Election of President and CEO	512,229,285	97.21%
<b>Jan. 10, 2017</b>	Ordinary	Appointment of Standing Director	500,529,892	95.26%

\* Approval Rate : the percentage of shares for to the shares present at the meeting

**(3) Dividend**

In accordance with specified provisions in the Korean Commercial Code, Articles of Incorporation of KEPCO, and the KEPCO Act, KEPCO is entitled to pay out dividends. Also, KEPCO is authorized to pay preferential dividends on shares held by holders other than the Government. Pursuant to a proposal from the Government, its majority shareholder, KEPCO paid out differential dividends to the Government as compared to non-Government shareholders, but has not done so since 2001 as there has been no such proposal from a shareholder.

Details of KEPCO's dividend payments in the past three years are as follows.

<b>Fiscal Year</b>	<b>Share Dividend</b>	<b>Cash Dividend</b>		<b>Dividend Yield*</b>
		<b>Dividend Per Share (KRW)</b>	<b>Payout Ratio (%)</b>	
<b>2017</b>		790	33.7	2.1
<b>2016</b>		1,980	29.8	4.5
<b>2015</b>		3,100	19.6	6.2

\* Dividend Yield ratio is based on closing price of KEPCO shares at the fiscal year end.

**2. Fair and Equitable Treatment of Shareholders****(1) Issued Shares**

Currently, KEPCO's authorized share capital is 1,200,000,000 shares, of which par value is Won 5,000 per share. As of March 15, 2018, the last day on which KEPCO's shareholders' registry was closed for purposes of identifying shareholders of record, 641,964,077 common shares had been issued and no non-voting preferred shares had been issued.

**(2) Investor Relations (IR) Activities**

KEPCO holds various IR meetings, including in relation to quarterly earnings releases in February, May, August and November. Moreover, following the relocation of its headquarters to Naju city, KEPCO holds IR meetings in Seoul every Friday with institutional investors. KEPCO announces the schedule for the earnings release through the corporate disclosure system of Korea Exchange as well as through public filings on the SEC website; KEPCO also posts its IR schedule on its company website.

\* <http://home.kepco.co.kr/kepco/KE/E/htmlView/KEEDHP0030101.do?menuCd=FN27030101>

(3) Disclosure of Company Information

KEPCO makes its company information publicly available through its company website(<http://www.kepco.co.kr>), DART(<http://dart.fss.or.kr>) and KIND (<http://kind.krx.co.kr>). KEPCO also makes its company information available in English through the SEC website (<http://www.sec.gov>).

(4) Related Party Transactions and the Internal Control System

KEPCO has put in effect several internal regulations, including the Code of Conduct and Guidelines for Practice, for its executives and employees so as to prevent self-dealings and other improper activities that promote private interests among its executives and employees.

Under the Code of Conduct, employees whose conduct harms the proper performance of his or her duties become subject to disciplinary actions. Also, the Code of Conduct prohibits employees from engaging in transactions based on information obtained in the course of employment. In addition, KEPCO strictly enforces the Code of Ethics in order to prevent any self-dealings or other prohibited related party transactions by the executives or the employees, and has instituted an internal control system to identify and appropriately disclose related party transactions between KEPCO and its related parties.

Under the Act on External Audit of Stock Companies, the Board of Directors is authorized to establish and modify KEPCO's internal control system. KEPCO's Regulations Concerning the Board of Directors also contains the same provisions as well as separately provides for the establishment of internal control standards and evaluation system. KEPCO also conducts an annual evaluation of the effectiveness of its internal control system.

(5) English Filings

Since listing its American Depositary Receipts on the New York Stock Exchange in October 1994, KEPCO makes English disclosures available on the SEC website by way of the EDGAR system. KEPCO currently does not make similar English disclosures available through the corporate disclosure system in the domestic exchange, but may do so upon further deliberation. In the meanwhile, the English filings KEPCO makes to the SEC is available by accessing <http://www.sec.gov>, clicking the Company Filings button and entering Korea Electric Power Corporation in the Company Name search field.

### **III. Board of Directors**

#### **1. Functions**

(1) Matters Subject to Review and Resolutions by the BOD; BOD Reporting Matters

A. Matters for BOD Review and Resolutions

Setting business objectives, budget, financing plans and operational plans;

Use of reserve funds and budget carryover;

Settlement of annual accounts;

Acquisition, addition and disposal of generation facilities in excess of 200,000 kW capacity and fixed assets valued at more than Won 30 billion (other than generation facilities and transmission and substation facilities);

Long-term planning for electricity transmission and substation;

Long-term borrowings, corporate debenture issuance and repayments thereof;

Electricity tariff rates;

Disposition of surplus funds;

Investment in or in-kind contributions to other entities;

Debt Guarantee for other entities;

Amendment of the Articles of Incorporation;

Establishment and amendment of major internal regulations;

Calling of the general meeting of shareholders and determination of the agenda therefor;

Issuance of new shares and disposition of forfeited shares and fractional shares;

Capital increase and decrease;

Approval of asset revaluation amounts;

Corporate dissolution;

Research and development plans;

Merger, dissolution and guarantee of investee companies;

Composition of the Director Nomination Committee and determination of the criteria for evaluating director nominees;

Management contract with the CEO;

Request for dismissal of the CEO; and

Other matters deemed necessary by the CEO or the Board of Directors.

B. Matters Subject to Reporting to the BOD

Settlement of accounts for the first half of the fiscal year;

Matters noted during the National Assembly audit, audits by accountants performed pursuant to the Act on the Management of Public Institutions, and the audit by the Board of Audit and Inspection pursuant to the Act on the Management of Public Institutions, as well as plans for corrective measures and the results thereof;

Outcome of collective bargaining and estimated budget;

Performance of the audit committee and accounting audit results;

Explanation for non-standing director's request pursuant to the Article 20 of the Act on the Management of Public Institutions;

Annual performance of the internal accounting control management system; and

Any other matters which the Board of Directors requires reporting from the CEO.

(2) Scope of Delegation

In accordance with the Regulations Concerning the Board of Directors, the Board of Directors may delegate to the CEO to decide on matters that are subject to BOD review and resolutions to the extent that such matters are deemed to be insignificant. In addition, under the Regulations, the CEO may act on urgent matters first and then promptly request for ratification by the Board of Directors to the extent that time did not permit holding a BOD meeting or the BOD meeting otherwise could not be held. However, if the Board of Directors decides not to ratify the emergency measures undertaken by the CEO, such measures will have no further force and effect.

(3) CEO Nomination Committee

The CEO Nomination Committee consists of five to fifteen members. To ensure transparency, non-standing directors must comprise a majority of the committee and the chairman of the committee must be selected from among non-standing directors. The CEO Nomination Committee recommends eligible candidates that meet the criteria stipulated in the Guidelines for Personnel Management of Public Institutions and Operational Regulations of Director Nomination Committee. The eligibility criteria for a CEO candidate are as follows:

Professional knowledge and experience regarding the electric power industry;

Competence in managing organizational and corporate affairs;

Commitment and competence to initiate reform;

Strategy and vision as the chief executive officer; and

Integrity, morality and a strong sense of corporate ethics.

## 2. BOD Composition and Appointment of Directors

### (1) Organization of the Board of Directors

Pursuant to the Act on the Management of Public Institutions and Articles of Incorporation of KEPCO, KEPCO's Board of Directors consists of not more than 15 directors. Of such directors, no more than seven can be standing directors (including the CEO), and no more than eight can be non-standing directors. The standing directors (including the CEO) cannot constitute the majority of the Board of Directors.

The following tables sets forth the members of the Board of Directors as of April 13, 2018.

Name	Title	Outside Occupation	Position Held Since
JongKap Kim	President, Chief Executive Officer and Standing Director	None	April 13, 2018
Lee, Sung-Han	Standing Director and Member of the Audit Committee	Chaired Professor of College of Social Sciences, Dongguk University	May 2, 2016
Kim, Si-Ho	Standing Director and Executive Vice President of Domestic Operations	None	August 27, 2015
Vacant	Standing Director and Executive Vice President of Overseas Operations	None	
Hyun, Sang-Kwon	Standing Director and Executive Vice President, Chief Financial Officer and Strategy Officer	None	August 27, 2015
Vacant	Standing Director and Executive Vice President & Chief Sales Officer	None	
Moon, Bong-Soo	Standing Director and Executive Vice President & Chief Power System Officer	None	January 10, 2017
Choi, Ki-Ryun	Non-Standing Director	Professor of Energy Systems Research, Ajou University	August 12, 2014
Sung, Tae-Hyun	Non-Standing Director	Professor of Electrical Engineering, Hanyang	August 12, 2014



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		University	
Kim, Ju-Suen	Non-Standing Director and Chairman of the Audit Committee	Representative of Kim, Ju-Suen Law Office	August 6, 2015
Kim, Ji-Hong	Non-Standing Director	None	May 16, 2016
Kim, Chang-Joon	Non-Standing Director	Chairman of the Sport for All subcommittee, Korean Sport and Olympic Committee	March 19, 2018
Yang, Bong-Ryull	Non-Standing Director	None	April 4, 2018
Kim, Jwa-Kwan	Non-Standing Director	Professor of Environmental Engineering, Catholic University of Pusan	April 4, 2018
Jung, Yeon-Gil	Non-Standing Director	Professor of New Materials Engineering, Changwon University	April 4, 2018

(2) Director Eligibility Requirements and Appointment Process

KEPCO's directors satisfy all statutory eligibility requirements, including under the Act on the Management of Public Institutions, the Public Service Ethics Act and the Korean Commercial Code. In addition, following appointment of directors, KEPCO periodically monitors whether the directors are compliant with the eligibility criteria, including in relation to the eligibility criteria applicable to outside directors under the Korean Commercial Code.

A. Eligibility

KEPCO considers the qualification requirements under the Guidelines for Personnel Management of Public Institutions and selects qualified candidates with practical abilities and competence. The qualifications required of executive directors include knowledge and experience in the relevant field, leadership and organizational management capabilities, ethical behavior based on integrity and morality and other qualifications required in light of KEPCO's special characteristics and environment.

B. Director Appointment Process

Pursuant to the Act on the Management of Public Institutions, the KEPCO Act and the Articles of Incorporation of KEPCO, standing directors other than the CEO or those who concurrently serve as members of the audit committee are appointed by the CEO with the approval at the general meeting of our shareholders.

In the case of standing directors other than the CEO or those who concurrently serve as members of the audit committee, the appointment process does not involve the Director Nomination Committee in accordance with the Act on the Management of Public Institutions; however, such directors are appointed from among candidates who pass the evaluation under Regulation Concerning Evaluation of Standing Directors for Public Institutions.

**3. Non-Standing Directors**

In order to ensure fairness and transparency in the appointment of non-standing directors, KEPCO carries out such appointments in strict compliance with the specified procedures set out in the Operational Regulations of Director Nomination Committee for nomination of non-standing director candidates and after careful scrutiny for any statutory reasons for disqualification, including under the Korean Commercial Code.

All of KEPCO's current non-standing directors satisfy the qualification requirements under relevant laws and KEPCO's internal regulations.

KEPCO supports the performance of duties by the Board of Directors, including the non-standing directors, through the executive office of the Board of Directors.

#### 4. BOD Operation

According to the Regulations Concerning the Board of Directors, the Board of Directors is required to hold regular meetings on a monthly basis and non-regular meetings as needed.

Meetings of the Board of Directors are convened upon the request of the chairperson or of more than one third of the Directors. Notice of the meeting is required at least seven days before the meeting. The Korean Commercial Code permits attendance by teleconference or video conference.

KEPCO prepares minutes for each board meeting, specifying the agenda, main discussion points, results of the resolutions, the opposing directors and the reasons for opposition; such minutes are signed by each director present at the meeting and made publicly available through KEPCO's corporate website and All Public Information In-One website.

In 2017, fourteen board meetings were held, which were attended in average by 91.2% of the directors. As of May 23, 2018, seven board meetings were held which were attended in average by 83.7% of the directors.

The following table sets forth the details of the board meetings held from January 2017 to May 2018.

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
Jan 19, 2017	Approval of contribution to KEPCO Medical Corporation	Conditionally approved	Resolution
	Approval of the plan to establish an ICT backup center	Approved as proposed	Resolution
	Approval of amendment to the rules on employment	Approved as proposed	Resolution
Feb 17, 2017	Approval of the maximum aggregate amount of remuneration for directors in 2017	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2016	Approved as proposed	Resolution
	Approval of a call for the annual general meeting of shareholders for the fiscal year 2016	Approved as proposed	Resolution
	Approval of expanding the target business to invest in to secure financial resources required for the Energy Valley Dream Plan	Approved as amended	Resolution
	Report on the annual management of commercial papers in 2016	Accepted as reported	Report
		Accepted as reported	Report

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Report on internal control over financial reporting for the fiscal year 2016

Evaluation report on internal control over financial reporting for the fiscal year 2016

Accepted as reported

Report

Report on the audit result for 2016

Accepted as reported

Report

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
Mar 3, 2017	Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2016	Approved as proposed	Resolution
Mar 17, 2017	Approval of guarantee for the solar energy project in Colorado, U.S.A., according to the change of business structure	Approved as proposed	Resolution
	Approval of forming the Director Nomination Committee and evaluation standards for non-standing director candidates	Approved as proposed	Resolution
Apr 21, 2017	Approval of amendments to the regulation for employee remuneration and welfare	Approved as proposed	Resolution
	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
	Approval of payment guarantee for foreign currency-denominated borrowings in relation to the Bylong coal mine in Australia	Approved as proposed	Resolution
Jun 16, 2017	Approval of the establishment of a new regional office	Approved as proposed	Resolution
	Report on results of external and internal audits for the first quarter of 2017	Accepted as reported	Report
Jun 30, 2017	Approval of mid-to-long term financial management plan (2017-2021)	Approved as proposed	Resolution
Jul 21, 2017	Approval of amendments to the regulation for employee remuneration and welfare	Approved as proposed	Resolution
	Approval of contribution to a special purpose company for renewable energy project Phase II in Guam, the United States	Approved as proposed	Resolution
Aug 18, 2017	Approval of sponsorship for the 2018 Pyeongchang Olympic Winter Games	Approved as proposed	Resolution
	Approval of the mid-to-long term management target (2018-2022)	Approved as proposed	Resolution
	Report on the earnings results for the first half of fiscal year 2017	Accepted as reported	Report
Sep 15, 2017	Approval of investment in the Intra-company Employee Welfare Fund in 2017	Approved as proposed	Resolution
			Resolution

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Approval of establishment of an annexed building of KEPCO headquarter	Approved as proposed	
Approval of establishment of and contribution to a special purpose company for the Hanlim offshore wind power project in Jeju	Approved as proposed	Resolution
Approval of investment in a floating photovoltaic plant in Hapcheon lake	Deferred	Resolution
Approval of contribution to a special purpose company for a solar power project in California, the United States	Approved as proposed	Resolution

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
	Approval of personnel increase	Approved as proposed	Resolution
	Report on results of external and internal audits for the second quarter of 2017	Accepted as reported	Report
	Approval of integrated logistics center construction plan	Accepted as reported	Report
Oct. 20, 2017	Approval of amendments to the regulation for employee remuneration and welfare	Approved as proposed	Resolution
	Approval of investment in a floating photovoltaic plant in Hapcheon lake	Approved as proposed	Resolution
Nov. 17, 2017	Approval of establishment of a new integrated office in Sejong	Approved as proposed	Resolution
	Approval of investment in the Encourage Fund for Rural communities in 2017	Approved as proposed	Resolution
	Approval of amendments to Basic Investment Contract of the new energy business fund	Approved as proposed	Resolution
	Approval of payment guarantee for foreign currency-denominated borrowings in relation to the Bylong coal mine in Australia	Approved as proposed	Resolution
	Report on results of external and internal audits for the third quarter of 2017	Accepted as reported	Report
	Report on negotiation results of Grand Partnership in construction business of nuclear power plant in UAE	Accepted as reported	Report
Dec. 15, 2017	Approval of closure of the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
Dec. 28, 2017	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
	Approval of R&D plan in 2018	Approved as proposed	Resolution

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	Approval of budget plan and borrowings in 2018	Approved as proposed	Resolution
	Approval of Agreement on Management Performance Assessment for the President	Approved as proposed	Resolution
	Composition of and approval of standards for examining candidates for Director Nomination Committee to recommend candidates for a President & CEO	Approved as proposed	Resolution
Feb. 8, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution



<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
Feb. 23, 2018	Approval of the maximum aggregate amount of remuneration for directors in 2018	Approved as proposed	Resolution
	Approval of the relocation plan of materials center in Gyeonggi District Division	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2017	Approved as proposed	Resolution
	Approval to call for the annual general meeting of shareholders for the fiscal year 2017	Approved as proposed	Resolution
	Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry (2018-2019)	Accepted as reported	Report
	Report on the annual management of commercial papers in 2017	Accepted as reported	Report
	Report on internal control over financial reporting for the fiscal year 2017	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2017	Accepted as reported	Report
	Report on the audit result for 2017	Accepted as reported	Report
Feb. 27, 2018	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
Mar. 15, 2018	Approval of amendments to investment structure and guarantee for Nghi Son II coal-fired power plant in Vietnam	Conditionally Approved	Resolution
	Approval of liquidation of KEPCO Canada Energy(KCE), a subsidiary located in Canada	Approved as proposed	Resolution
	Approval of the construction of a new Integrated Gangwon District Division Office Building	Approved as proposed	Resolution

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	Approval of the Statement of Appropriation of Retained Earnings for the fiscal year 2017	Approved as proposed	Resolution
Mar. 26, 2018	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2018	Approved as proposed	Resolution
Apr. 20, 2018	Approval of amendments to the regulation for employee remuneration and welfare	Approved as proposed	Resolution
	Composition of and approval of standards for examining candidates for Director Nomination Committee to recommend candidates for a non-standing director	Approved as proposed	Resolution
	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
May 18, 2018	Composition of and approval of standards for examining candidates for Director Nomination Committee to recommend candidates for a standing director and member of the Audit Committee	Approved as proposed	Resolution
	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Approval of amendment to the rules on employment	Approved as proposed	Resolution
	Report on results of external and internal audits for the first quarter of 2018	Accepted as reported	Report

The following tables set forth the attendance and voting records of KEPCO's non-standing directors from January 2017 to May 2018.

<b>Date</b>	<b>Agenda</b>	<b>Ahn, Choong- Yong</b>	<b>Lee, Gang- Hee</b>	<b>Cho, Jeon- Hyeok</b>	<b>Choi, Ki- Ryun</b>	<b>Sung, Tae- Hyun</b>	<b>Koo, Ja- Yoon</b>	<b>Kim, Joo- Suen</b>	<b>Kim, Ji- Hong</b>
Jan 19, 2017	Approval of contribution to KEPCO medical corporation	For	For	For	For	For	For	For	Against
	Approval of plan to establish ICT backup center	For	For	For	For	For	For	For	For
	Approval of amendment to the rules on employment	For	For	For	For	For	For	For	For
Feb 17, 2017	Approval of the maximum aggregate amount of remuneration for directors in 2017	For	For	For	For	For	For	For	Absent
	Approval of consolidated and separate financial statements for the fiscal year 2016	For	For	For	For	For	For	For	Absent
	Approval to call for the annual general meeting of shareholders for the fiscal year 2016	For	For	For	For	For	For	For	Absent
	Approval to expand target business to invest in to secure financial resources required for the Energy Valley Dream Plan	For	For	For	For	For	For	For	Absent
	Report on the annual management of commercial papers in 2016	For	For	For	For	For	For	For	Absent
	Report on internal control over financial reporting for the fiscal year 2016	For	For	For	For	For	For	For	Absent

Evaluation report on internal control over financial reporting for the fiscal year 2016

Agenda for Report

Report on the audit result for 2016

Agenda for Report

Mar 3, 2017	Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2016	For	For	For	For	For	For	For	For	For
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<b>Date</b>	<b>Agenda</b>	<b>Ahn, Choong- Yong</b>	<b>Lee, Gang- Hee</b>	<b>Cho, Jeon- Hyeok</b>	<b>Choi, Ki- Ryun</b>	<b>Sung, Tae- Hyun</b>	<b>Koo, Ja- Yoon</b>	<b>Kim, Joo- Suen</b>	<b>Kim, Ji- Hong</b>
Mar 17, 2017	Approval of guarantee for the solar energy project in Colorado, U.S.A., according to the change of business structure	For	For	For	For	For	For	For	For
	Approval of forming Director Nomination Committee and evaluation standard for the candidate of non-standing directors	For	For	For	For	For	For	For	For
Apr 21, 2017	Approval of amendments to the regulation for employee remuneration and welfare	Absent	For	For	For	For	For	For	For
	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Absent	For	For	Against	For	For	For	For
	Approval of payment guarantee for foreign currency-denominated borrowings in relation to the Bylong coal mine in Australia	Absent	For	For	For	For	For	For	For
Jun 16, 2017	Approval of the establishment of a new regional office	Absent	For	For	For	For	For	For	For
	Report on results of external and internal audits for the first quarter of 2017								Agenda for Report
Jun 30, 2017	Approval of mid-to-long term financial management plan (2017-2021)	For	For	For	For	For	For	For	For
Jul 21, 2017	Approval of amendments to the regulation for employee remuneration and welfare	For	For	For	For	For	For	For	For
	Approval of contribution to a special purpose company for renewable energy project Phase II in Guam, the United States	For	For	For	For	For	For	For	For

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Aug 18, 2017	Approval of sponsorship of the 2018 Pyeongchang Olympic Winter Games	For	For	For	For	For	For	For	For
	Approval of the mid-to-long term management target (2018-2022)	For	For	For	For	For	For	For	For
	Report on the earnings results for the first half of fiscal year 2017								Agenda for Report

<b>Date</b>	<b>Agenda</b>	<b>Ahn, Choong- Yong</b>	<b>Lee, Gang- Hee</b>	<b>Cho, Jeon- Hyeok</b>	<b>Choi, Ki- Ryun</b>	<b>Sung, Tae- Hyun</b>	<b>Koo, Ja- Yoon</b>	<b>Kim, Joo- Suen</b>	<b>Kim, Ji- Hong</b>
Sep 15, 2017	Approval to invest in Intra-company Employee Welfare Fund in 2017	For	For	Absent	For	Absent	For	For	For
	Approval to establish annexed building of KEPCO headquarter	For	For	Absent	For	Absent	For	For	For
	Approval to establish and contribute to a Special Purpose Company for Hanlim offshore wind power project in Jeju	For	For	Absent	For	Absent	For	For	For
	Approval of investment floating photovoltaic plant in Hapcheon lake					Deferred			
	Approval of contribution to a special purpose company for solar power project in California, the United States	For	For	Absent	For	Absent	For	For	For
	Approval of personnel increase	For	For	Absent	For	Absent	For	For	For
	Report on results of external and internal audits for the second quarter of 2017					Agenda for Report			
	Approval of integrated logistics center construction plan					Agenda for Report			
Oct 20, 2017	Approval of amendments to the regulation for employee remuneration and welfare	Absent	For	For	For	For	For	For	For
	Approval of investment in a floating photovoltaic plant in Hapcheon lake	Absent	For	For	For	For	For	For	For
Nov 17, 2017	Approval of establishment of a new integrated office in Sejong	For	For	For	For	Absent	For	For	For
		For	For	For	For	Absent	For	For	For

Approval of investment in the  
Encourage Fund for Rural  
communities in 2017

Approval of amendments to basic  
investment contract for the new  
energy industry fund

For For For For Absent For For For

Approval of payment guarantee for  
foreign currency-denominated  
borrowings in relation to the Bylong  
coal mine in Australia

For For For For Absent For For For



Date	Agenda	Ahn, Choong- Yong	Lee, Gang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Yoon	Kim, Joo- Suen	Kim, Ji- Hong				
	Report on results of external and internal audits for the third quarter of 2017					Agenda for Report							
	Report on negotiation results of Grand Partnership in construction business of nuclear power plant in UAE					Agenda for Report							
Dec 15, 2017	Approval of closure of the shareholders registry for extraordinary general meeting of shareholders	For	For	Absent	For	For	For	Absent	For				
Dec 28, 2017	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	For	For	For	Abstain	For	For	For	For				
	Approval of R&D plan in 2018	For	For	For	For	For	For	For	For				
	Approval of budget plan and borrowings in 2018	For	For	For	Abstain	For	For	For	For				
	Approval of Agreement on Management Performance Assessment for the President	For	For	For	For	For	For	For	For				
	Composition of and approval of standards for examining candidates for Director Nomination Committee to recommend candidates for a President & CEO	For	For	For	For	For	For	For	Against				
2018	Agenda	Ahn, Choong- Yong	Lee, Gang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Yoon	Kim, Joo- Suen	Kim, Ji- Hong	Kim, Chang- Joon	Yang, Bong- Ryull	Kim, Jwa- Kwan	Jun, Yeo- Gi
		For	For	For	For	Absent	For	For	For				

											Before Appointment	Before Appointment	Before Appointment	Before Appointment
	Approval of amendments to the Electricity Usage Agreement and Rules for Operation													
3, 2018	Approval of the maximum aggregate amount of remuneration for directors in 2018	For	For	For	For	For	For	For	For	For				

Date	Agenda	Ahn, Choong- Yong	Lee, Gang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Yoon	Kim, Joo- Suen	Kim, Ji- Hong	Kim, Chang- Joon	Yang, Bong- Ryull	Kim, Jwa- Kwan	Jung, Yeon- Gil
	Approval of the relocation plan of materials center in Gyeonggi District Division	For	For	For	For	For	For	For	For				
	Approval of consolidated and separate financial statements for the fiscal year 2017	For	For	For	For	For	For	For	For				
	Approval to call for the annual general meeting of shareholders for the fiscal year 2017	For	For	For	For	For	For	For	For				
	Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry (2018-2019)												Agenda for Report

Report on the annual management of commercial papers in 2017

Agenda for Report

Report on internal control over financial reporting for the fiscal year 2017

Agenda for Report

Evaluation report on internal control over financial reporting for the fiscal year 2017

Agenda for Report

Report on the audit result for 2017

Agenda for Report

Feb 27, 2018	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Absent	For	Absent	Absent	Absent	For	For	For
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Date	Agenda	Ahn, Choong- Yong	Lee, Gang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Yoon	Kim, Joo- Suen	Kim, Ji- Hong	Kim, Chang- Joon	Yang, Bong- Ryull	Kim, Jwa- Kwan	Jung, Yeon Gil
Mar 15, 2018	Approval of amendments to investment structure and guarantee for Nghi Son II coal-fired power plant in Vietnam	For	For	For	For	Absent	Absent	For	For				
	Approval of liquidation of KEPCO Canada Energy (KCE), a subsidiary in Canada	For	For	For	For	Absent	Absent	For	For				
	Approval of the construction of a new Integrated Gangwon District Division Office Building	For	For	For	For	Absent	Absent	For	For				
	Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2017	For	For	For	For	Absent	Absent	For	For				
Mar 26, 2018	Approval to call for the extraordinary general	For	For	For	For	Absent	Retirement	For	Absent	For			

meeting of  
shareholders  
for the fiscal  
year 2018

Date	Agenda	Ahn, Choong- Yong	Lee, Gang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Yoon	Kim, Joo- Suen	Kim, Ji- Hong	Kim, Chang- Joon	Yang, Bong- Ryull	Kim, Jwa- Kwan	Jun, Yeon- G
Apr. 20, 2018	Approval of amendments to the regulation for employee remuneration and welfare	Retirement	Retirement	Retirement	Absent	For		For	For	For	For	For	For
	Composition of and approval of standards for examining candidates for Director Nomination Committee to recommend candidates for a non-standing director				Absent	For		For	For	For	For	For	For
	Approval to close the shareholders registry for extraordinary general meeting of shareholders				Absent	For		For	For	For	For	For	For
May 18, 2018	Composition of and approval of standards for examining candidates for Director Nomination Committee to recommend candidates for a standing				For	For		For	For	Absent	For	For	For

director and member of the Audit Committee

Approval to close the shareholders registry for extraordinary general meeting of shareholders

For For For For Absent For For For

Approval of amendment to the rules on employment

For For For For Absent For For For

Report on results of external and internal audits for the first quarter of 2018

For For For For Absent For For For

## 5. Subcommittees

### (1) Establishment of Subcommittees

Under the Board of Directors, there are two subcommittees, namely, Audit Committee and Director Nomination Committee. In accordance with the Act on the Management of Public Institutions, market oriented public enterprises such as KEPCO must have an Audit Committee. In accordance with the Act on the Management of Public Institutions, KEPCO must have a Director Nomination Committee for recommendation of candidates for the positions of the CEO, standing directors who concurrently serve as audit members, and non-standing directors, and for discussion of management contract with the CEO.



**(2) Organization and Activities of the Subcommittees****A. Director Nomination Committee**

The Director Nomination Committee is convened on an ad-hoc basis depending on the need for new appointment of directors. The Committee members consist of non-standing directors and others selected by the Board of Directors and must be not less than five and not more than fifteen persons, of which the Board of Directors elects less than one-half of the members.

The Committee members selected by the Board of Directors are from various fields, such as law, economics, academia, media and labor relations, and are required under the applicable regulations to include one person who acts as a spokesperson for KEPCO.

The Chairperson of the Director Nomination Committee is elected from among the committee members who are non-standing directors by the vote of the members of the Director Nomination Committee.

The following table sets forth the activities of the Director Nomination Committee from January 2017 to May 2018.

<b>Activities</b>	<b>Date</b>	<b>Members</b>	<b>Attendance(%)</b>
Nomination of the Candidate for Non-Standing Director	Jan. 9, 2018	3 Non-Standing Directors,	60
	Jan. 25, 2018	2 External Committeemen	100
Nomination of the Candidate for Non-Standing Directors	Jan. 12, 2018	3 Non-Standing Directors,	80
	Jan. 31, 2018	2 External Committeemen	100
Nomination of the Candidate for President and CEO	Feb. 26, 2018	4 Non-Standing Directors,	86
	Mar. 9, 2018		100
	Mar. 12, 2018	3 External Committeemen	100
Nomination of the Candidate for Non-Standing Directors	Apr. 25, 2018	3 Non-Standing Directors,	80
	May 8, 2018	2 External Committeemen	100

In order to ensure transparency and fairness in the director nomination process, KEPCO strictly adheres to its internal regulations and relevant laws regarding the eligibility criteria and appointment process for directors.

Moreover, KEPCO enlists the assistance of the Ministry of Gender Equality and Family and other organizations to recruit women candidates and thereby foster a more gender-balanced representation in its Board of Directors.

**6. Evaluation and Compensation of Non-Standing Directors**

The term of office for non-standing directors is two years, which can be renewed by an increment of one year at the discretion of the Minister of Ministry of Strategy and Finance pursuant to the Act on the Management of Public Institutions.

Evaluation of the non-standing directors is conducted in accordance with the Act on the Management of Public Institutions. Evaluation is done regularly once every six months and two months prior to the expiry of the director's term. Evaluation includes the attendance rates, participation level and contribution to KEPCO.

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Compensation for the non-standing directors is publicly announced periodically. The following table sets forth the compensation for non-standing directors in 2017 and first quarter of 2018.

<b>Period</b>	<b>Number of non-standing directors</b>	<b>Total amount of remuneration</b>	<b>Average remuneration per director</b>
2017	8	240 million Korean Won	30 million Korean Won
2018.1Q	8	60 million Korean Won	7.5 million Korean Won

## IV. Audit

### 1. Internal Audit

#### (1) Audit Committee

##### A. Organization

KEPCO maintains an Audit Committee pursuant to the Act on the Management of Public Institutions, and the composition, responsibilities and authorities of the Audit Committee are provided in the Operational Regulations Concerning the Audit Committee.

The Audit Committee consists of three directors, two of who are required to be non-standing directors. The chairperson of the committee is required to be a non-standing director. At least one member of the committee must be an accounting or financial expert pursuant to the Enforcement Decree of the Korean Commercial Code.

One member of Audit committee is a standing director, and such director is appointed based on the recommendation of Director Nomination Committee and by the resolution of General Meeting of Shareholders. The other members of the Audit Committee who are non-standing directors are appointed from among the non-standing directors by the resolution of General Meeting of Shareholders; the members of the Audit Committee independently and separately conduct an audit on management.

The following table sets forth the current members of the Audit Committee

Name	Standing / Non-Standing	Title	Position Held Since	Accounting or Financial Expert
<b>Cho, Jeon-Hyeok</b>	Non-Standing	Chairman	Mar. 14, 2014	Financial Expert
<b>Kim, Ju-Suen</b>	Non-Standing	Member	Oct. 24, 2016	
<b>Lee, Sung-Han</b>	Standing	Member	May 2, 2016	

\* Cho, Jeon-Hyeok's term as a non-standing director and a member of the audit committee expired on March 24, 2017. Under Korean law, Cho, Jeon-Hyeok retains the rights and is subject to obligations as a member of the audit committee and a non-standing director, to the extent such rights and obligations are connected to performance of his duties as a member of the audit committee, until his successor to take his place at our audit committee is approved and appointed at a general meeting of shareholders.

##### B. Authority and Responsibilities of the Audit Committee

The Audit Committee's authority and responsibilities are as follows:

The committee conducts an audit on KEPCO's business and accounting, and report the results to the Board of Directors.

The committee may request the directors to report on KEPCO's business and may inspect the business and assets of the company.

The committee may on behalf of KEPCO seek an injunction against a director if the director's activities contravene KEPCO's articles of incorporation or relevant laws and such activities are suspected of causing irreversible harm.

The committee may, as necessary to carry out its duties, request a subsidiary to report on its business, and if the subsidiary does not promptly provide a report and, if the content of such report must be confirmed, inspect the business and assets of such subsidiary.

The committee represents KEPCO in case of a conflict of interests between KEPCO and its CEO.

The committee carries out its duties as stipulated in the relevant laws and Articles of Incorporations of KEPCO and further as delegated by the Board of Directors.

#### C. Operation and Functions of the Audit Committee

The Audit Committee holds regular meetings on a quarterly basis and also on an as-needed basis. Notice of the meeting specifying the time, place, purpose and agenda must be provided to the members of the committee at least seven days prior to the date of the meeting. The quorum for the committee meeting is a simple majority, and resolutions are made by the majority of the members present.

Matters subject to the review and resolutions by the Audit Committee are as follows:

Request to hold an extraordinary general meeting of shareholders;

Inspect the agenda and related documents for the general meeting of shareholders;

Report to the Board of Directors regarding a director's contravention of laws and Articles of Incorporation;

Prepare an audit report on the financial statements to be submitted to the general meeting of shareholders;

Seek an injunction against a director if the director's activities contravene KEPCO's articles of incorporation or relevant laws and such activities are suspected of causing irreversible harm;

Request the directors to report on the status of the business

Represent KEPCO in case of a conflict of interest (including a lawsuit) between KEPCO and the directors;

Establish the annual audit plan;

Establish, amend or abolish KEPCO's Code of Ethics and its related guidelines;

Approve the appointment, change and dismissal of outside accounting firms;

Negotiate the compensation contract with outside accounting firms;

Approve any non-audit work to be performed by outside accounting firms;

Decide on the scope of matters that require consultation with outside experts;

Establish, modify and abolish the Operating Regulations Concerning the Audit Committee and the Internal Regulations for Auditing; and

Any other matters deemed necessary by the Audit Committee or other matters delegated to the Audit Committee by the Board of Directors or by law.

The Audit Committee shall receive reports on the following:

Report by directors on business and operations

Results of the following audits:

Audit by the Board of Audit and Inspection

Comprehensive and special audits to the extent the results have a material effect on KEPCO's business and management;

Annual audit results; and

Audit results requested by two or more non-standing directors

Annual audit training plan

Report from outside accounting firms on a director's illegal act or any improper behavior in the course of performance of his or her duties

Report from outside accounting firms on KEPCO's violation of accounting standards and policy

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Report from outside accounting firms on the audit and related reporting

Evaluation of the auditing activities by outside accounting firms

Design, performance and potential improvements related to the internal control system

Review of the appropriateness of critical accounting policies and estimates

Review of the soundness of financial activities and the accuracy of financial reporting

Review of the appropriateness of public disclosure

Breach of the Management Instruction stipulated in the Audit Standard of Public Institutions and Quasi-Governmental Institutions

Any other matters deemed necessary by the Audit Committee.



The following table sets forth the details of the meetings of the Audit Committee from January 2017 to May 2018.

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
Jan 19, 2017	Audit plans for 2017	Approved as proposed	Resolution
	Audit training plan for 2017	Approved as reported	Report
Feb 17, 2017	Report on the audit result for fiscal year 2016	Approved as reported	Report
	Report on internal control over financial reporting for the fiscal year 2016	Approved as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2016	Approved as reported	Report
Mar 17, 2017	Auditor's report on the agendas for the annual general meeting of shareholders	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Prior approval for non-audit service for subsidiaries by the independent auditor	Accepted as proposed	Resolution
	Independent auditor's report on the auditing results for the consolidated and separate financial statements for the fiscal year 2016	Accepted as reported	Report
Apr 21, 2017	Approval of selection of independent auditors of subsidiaries	Accepted as proposed	Resolution
	Report on the Form 20-F for the fiscal year 2016 to be filed with the U.S. Securities and Exchange Commission	Accepted as reported	Report
	Auditor's report for fiscal year 2016 in accordance with U.S. accounting principles	Accepted as reported	Report
May 17, 2017	Amendments to guidelines for internal audit regulations	Accepted as proposed	Resolution
	Amendments to code of conduct for KEPCO executives and staff members	Accepted as proposed	Resolution

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	Amendments to the guidelines for disciplinary actions	Accepted as proposed	Resolution
Jun 16, 2017	Amendments to the guidelines for the whistleblowing process and whistleblower protection	Accepted as proposed	Resolution
	Report on results of external and internal audits during the first quarter of 2017	Accepted as reported	Report
	Independent auditor's report on the audit plans for the fiscal year 2017	Accepted as reported	Report

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
Aug 18, 2017	Amendments to guideline for practice for KEPCO executives and staff members	Accepted as proposed	Resolution
	Prior approval for non-audit service for subsidiaries by the independent auditor	Accepted as proposed	Resolution
	Independent auditor's report on the auditing results for both non-consolidated and consolidated financial statements for the first half of fiscal year 2017	Accepted as reported	Report
Sep 15, 2017	Prior approval for non-audit service for subsidiaries by the independent auditor	Accepted as proposed	Resolution
	Report on results of external and internal audits during the second quarter of 2017	Accepted as reported	Report
Nov 17, 2017	Report on results of external and internal audits during the third quarter of 2018	Accepted as reported	Report
Dec 28, 2017	Amendments to guidelines for internal audit regulations	Accepted as proposed	Resolution
	Amendments to code of conduct and guideline for practice for KEPCO executives and staff members	Accepted as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries	Accepted as proposed	Resolution
Jan 19, 2018	Audit plans for 2018	Approved as proposed	Resolution
	Education plans for auditors for 2018	Approved as reported	Report
Feb 23, 2018	Amendments to Code of Conduct and Guideline for Practice for KEPCO executives and staff members	Approved as proposed	Resolution
	Report on the audit result for 2017	Approved as reported	Report
	Report on internal control over financial reporting for the fiscal year 2017	Approved as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2017	Approved as reported	Report
Mar 15, 2018	Auditor's report on the agendas for the annual general meeting of shareholders	Approved as proposed	Resolution

Approval of selection of independent auditors of subsidiaries

Approved as proposed Resolution

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
	Independent auditor's report on the auditing results for the consolidated and separate financial statements for the fiscal year 2017	Approved as reported	Report
Apr 6, 2018	Auditor's report on the agendas for the extraordinary general meeting of shareholders	Approved as proposed	Resolution
Apr 20, 2018	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Report on the Form 20-F for the fiscal year 2017 to be filed with the U.S. Securities and Exchange Commission	Approved as reported	Report
	Auditor's report for fiscal year 2017 in accordance with U.S. accounting principles	Approved as reported	Report
May 18, 2018	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Report on results of external and internal audits during the first quarter of 2018	Approved as reported	Report

The Audit Committee closely cooperates with KEPCO's outside auditor, Samjong KPMG, through constant communication regarding the internal control system and accuracy of financial statements. Also, the outside auditor attends the Audit Committee on a quarterly basis to report on the adequacy of accounting treatments, the validity of accounting standards and recent IFRS issues.

The Audit Committee annually evaluates the functions and roles of the Board of Directors, the Audit Committee and the internal auditors, and discloses the result of such evaluation by attaching it to the business report being filed on the Financial Supervisory Service disclosure system, which is publicly accessible.

## (2) Audit Support

KEPCO has established an internal audit body, which directly reports to the Audit Committee. This body is an independent headquarters audit support team separate from the other executive teams. KEPCO also has installed internal audit teams in 15 district divisions, three construction divisions and five specialized business departments.

These internal audit teams are composed of members with special expertise in marketing, contracts, finance, procurement, transmission, distribution, IT, telecommunication, construction and civil engineering as well as financial experts with background as CPA and AICPA.

The internal audit teams carry out comprehensive audits, ordinary audits and extraordinary audits based on the annual audit plan approved by the Audit Committee at the beginning of the year and regularly report the results of these audits to the Audit Committee and the Board of Directors. The entirety of these audit results are accessible from KEPCO's corporate website.

## **2. Outside Auditor**

### **(1) Independence of Outside Auditors**

As a listed company, KEPCO appoints the same outside auditor as its auditor for three consecutive fiscal years in compliance with the Article 4-2 of the Act on External Audit of Stock Companies. The Audit Committee approves the appointment of such outside auditor.

The outside auditor selection process involves a general competitive bidding, followed by negotiation of the engagement agreement. In order to be an eligible bidder, the outside auditor must be a domestic accounting firm registered with the U.S. PCAOB and is thoroughly knowledgeable about U.S. accounting standards, or a domestic accounting firm affiliated with a professional organization, and must be a firm with no issues regarding independence.

The Audit Committee comprehensively considers the following qualities when approving the selection of outside auditor: financial condition, familiarity with KEPCO, allocation and proposed management of professionals, project implementation plan, audit quality and the availability of other accounting services.

The Audit committee evaluates annually the audit performance of outside auditor based on the adequacy of audit procedures, cooperation with the internal audit teams, and any sanctions by the regulatory authorities.

In limited circumstances, the Audit Committee may selectively authorize the outside auditor to engage in non-audit services (such as tax adjustment services) that outside auditor must perform as required under relevant laws, but only after finding that there are no significant independence issues as well as confirming full compliance with Section 201 of U.S. Sarbanes-Oxley Act, the Code of Ethics for Korean Certified Public Accountants and Operational Regulations of Audit Committee. The Audit Committee also considers any detriment to independence caused by such engagement, the need for a separate engagement agreement and the appropriateness of the fees being paid.

On January 11, 2016, the Audit Committee approved the appointment of Samjong KPMG as KEPCO's outside auditor for fiscal years 2016 to 2018. KEPCO's engagement of Samjong KPMG involves only audit services (including in relation to NYSE listing) but no non-audit services. On April 21, 2017, Samjong KPMG reported to the Audit Committee the results of KPMG's audit of the financial statements for fiscal year 2016. On August 18, 2017, Samjong KPMG reported to the Audit Committee the results of KPMG's review of the financial statements for the first half-year of 2017. On March 15 and April 20, 2018, Samjong KPMG reported to the Audit Committee as to the audit results for fiscal year 2017 according to K-IFRS and PCAOB Auditing Standards, the audit quality management system and the status of non-audit services.

The Audit committee receives direct reporting from, and exchanges views with, Samjong KPMG at least on a semi-annual basis as to KEPCO's critical accounting policy, review of the half-year financial statements, annual audit results and any illegal or improper act of KEPCO employees in the course of employment.

## **V. Other Key Aspects of Corporate Governance**

### **1. Fulfillment of Corporate Social Responsibility**

KEPCO strives to the best of its abilities to fulfill its corporate social responsibility, by being sensitive and responsive to the demands of its shareholders, customers, local communities and other stakeholders.

To this end, KEPCO pursues harmonious integration of economic trustworthiness, environmental sensibilities and social responsibilities and as part of these efforts, KEPCO shares with its shareholders and the public at large its progress on these fronts by publishing an annual sustainability report, something KEPCO has done every year since its entry to United Nations Global Compact in 2005. The sustainability report is prepared based on the Global Reporting Initiative (GRI) guideline, ISO 26000 and the Principles of the UN Global Compact, and discusses the achievements and future plans in a wide range of areas, including economic, environmental and social after assessing the materiality of major issues and conducting interviews with interested parties. KEPCO's sustainability report has won the gold prize in the 2016 Vision Awards (Annual Report Competition) organized by the League of American Communication Professionals. In addition, in relation to its assessment of sustainable achievements, KEPCO also has been named for four consecutive years as one of the notable companies (Asia-Pacific) in the Dow Jones Sustainability Indices, a world-renowned metric for sustainability global investment and evaluation.

### **2. Compensation of Executives and Employees**

#### **(1) Performance-Oriented HR Management (MBO)**

KEPCO measures the performance of its executives and employees based on the management by objectives (MBO) system and applies a standard set of procedures and methodology to all employees with respect to their performance results and work capabilities. The evaluation results are considered in the quantitative aspect of promotion decisions and are used in broad aspects of human resources management, such as incentive pay rates and employee training.

#### **(2) Fair and Rational Compensation System**

KEPCO's employee compensation is generally comprised of basic annual salary, position-based wages, additional annual pay, non-salary pays, performance pay and severance reserve payments. The basic annual salary and performance pay are determined based on the MBO-based performance evaluations and organizational assessments. In order to further rationalize its pay system so as to place a greater emphasis on employee performance, KEPCO has been continuing to increase the portion of the performance pay and offers incentive pay to employees who have contributed to the overall management performance, troubleshooting and national events.



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The following table sets forth KEPCO's employee compensation in 2017 and the first quarter of 2018.

(In thousands of Won)

<b>Period</b>	<b>Number of employees</b>	<b>Average continuous service year</b>	<b>Total salaries</b>	<b>Average salaries per person</b>
17.1.1~ 17.12.31	22,196	17.0	1,805,098,105	81,325
18.1.1~ 18.3.31	21,663	16.9	471,869,531	21,782

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Kim, Jong-soo  
Name: Kim, Jong-soo  
Title: Vice President

Date: June 27, 2018