

KAKAO CORP.

**KRW230,000,000,000 U.S. Dollar-Settled
Zero Coupon Guaranteed Exchangeable Bonds due 2021
Exchangeable into Common Shares of Kakao Corp. (the “Bonds”)**

NOTICE

March 11, 2020

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL, United Kingdom
Fax no.: +44 20 7964 2509
Attention: Trustee Administration Manager

With a copy to:

The Bank of New York Mellon, Hong Kong Branch
Level 24, Three Pacific Place
1 Queen’s Road East
Hong Kong
Fax no.: +852 2295 3283
Attention: Global Corporate Trust

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-3 rue Eugène Ruppert
L-2453 Luxembourg
Fax no.: + 352 24 524 204
Attention: Corporate Trust Administration

Kookmin Bank
84, Namdaemun-ro
Jung-gu, Seoul, Korea
Fax no.: +82 2 2073 3226
Attention: M&A / Structured Finance Team

Reference is made to the Trust Deed dated May 11, 2016 (the “Trust Deed”) by and among Kakao Corp. (the “Company”), Kookmin Bank (the “Guarantor”) and The Bank of New York Mellon, London Branch (the “Trustee”), pursuant to which the Bonds were issued. Capitalized terms used herein without definition have the meanings given to them in the Trust Deed.

1. Pursuant to Clause 9.8 and 9.14 of the Trust Deed, Conditions 8.2.1, 8.10 and 17 of the Bonds and Clause 8.1 of the Agency Agreement, the Company hereby furnishes to the Trustee a form of notice to be provided to Bondholders, attached hereto as Exhibit A, regarding (i) the redemption of the Bonds at the Option of the issuer, and accordingly (ii) the Bondholders' Exchange Right.

2. Pursuant to Clause 9.8 of the Trust Deed, the Company hereby requests that the Trustee notify the Company of its approval of the notice to Bondholders in the form set forth in Exhibit A by no later than March 13, 2020, as the Company expects to provide such notice to Bondholders by no later than March 16, 2020.

For further information, please contact Lena Choi, Manager, at lena.c@kakaocorp.com.

KAKAO CORP.

By: _____
Name: 242, Cheomdan-ro, Jeju-si,
Jeju-do, Korea
Title: CEO Min Soo Yeo
Soo Yong Cho



FORM OF THE NOTICE TO BONDHOLDERS

KAKAO CORP.

**KRW230,000,000,000 U.S. Dollar-Settled
Zero Coupon Guaranteed Exchangeable Bonds due 2021
Exchangeable into Common Shares of Kakao Corp. (the “Bonds”)
ISIN: XS1402169764**

NOTICE TO BONDHOLDERS

March 16, 2020

Reference is made to the Trust Deed dated May 11, 2016 (the “Trust Deed”) by and among Kakao Corp. (the “Company”), Kookmin Bank (the “Guarantor”) and The Bank of New York Mellon, London Branch (the “Trustee”), pursuant to which the Bonds were issued. Capitalized terms used herein without definition have the meanings given to them in the Trust Deed.

Pursuant to Clause 9.14 of the Trust Deed, Conditions 8.2.1, 8.10 and 17 of the Bonds and Clause 8 of the Agency Agreement, the Company hereby notifies the Bondholders of the following:

- (a) The Closing Price of the Shares for over 20 Trading Days in the period of 30 consecutive Trading days immediately prior to the date of this notice was at least or above 130% of the Exchange Price as of the date of this notice, which satisfies the conditions for the redemption of the Bonds in whole at the option of the Issuer under Condition 8.2.1. Therefore, pursuant to Condition 8.2.1, the Company elects to redeem the aggregate principal amount of Bonds outstanding as of April 16, 2020 in whole, which date is no less than 30 days from the date of this notice.
- (b) Pursuant to Condition 8.10 of the Bonds, the Company specifies certain matters as follows:
 - (1) Exchange Price (as at the date of this notice): KRW128,223 per Share. Pursuant to the Conditions 6.2.3 (ii) and 6.3.4 (ii) of the Bond, however, this Exchange Price may be subject to a Retroactive Adjustment as of January 1, 2020 with respect to the Company’s proposed cash dividend of Won 127 per Share, which was first announced on February 25, 2020, upon approval by the general meeting of shareholders scheduled to be held on March 25, 2020. If such Retroactive Adjustment is made, the

Exchange Price will be adjusted to KRW 128,128 per Share, effective as of January 1, 2020.

- (2) Closing Price (as at the latest practicable date prior to the publication of the notice): KRW 159,000 per Kakao Share as of March 13, 2020.
 - (3) The Date for Redemption: April 16, 2020 (KST, the “Redemption Date”).
 - (4) The manner in which redemption will be effected: Upon redemption at the option of the Company, a Bondholder will receive the U.S. Dollar Equivalent of 100.00% of the aggregate principal amount of its Bonds being redeemed. Such payment will be made by transfer of funds through Euroclear or Clearstream, as applicable (the “Clearing System”), which will be initiated on the Redemption Date. The redeemed Bonds will be cancelled in accordance with the relevant provisions of the Trust Deed and the Bonds.
 - (5) The aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice:
KRW222,800,000,000 (as of March 13).
- (c) Pursuant to Condition 6.1.1 of the Bond, Bondholders will continue to be able to exercise their Exchange Rights up to April 3, 2020 (CET), which date is seven (7) business days (in Luxembourg) prior to the Redemption Date. As such, a Bondholder that wishes to exercise its Exchange Right must complete and provide such Bondholder’s Exchange Notice in accordance with the requirements and procedures under Condition 6.2.1 of the Bond, such that its Deposit Date will be April 6, 2020 (KST) at the latest. Bondholders will not be able to exercise their Exchange Rights after April 3, 2020 (CET). Please consult your custodial entity or customer service agent at the applicable Clearing System ahead of time that all conditions in Condition 6.2.1 of the Bond are satisfied, including the accuracy of information provided in the Exchange Notice.
- (d) The names and addresses of the Paying Agents are as follows:
- THE BANK OF NEW YORK MELLON, LONDON BRANCH
One Canada Square, London E14 5AL, United Kingdom
Facsimile: +44 20 7964 6369,
Attention: Trustee Administration manager
Email 1: ITS.Puts.and.Calls@bnymellon.com
Email 2: CONVTRAN@bnymellon.com

With a copy to:

THE BANK OF NEW YORK MELLON, SEOUL BRANCH

29F, One IFC, 10 Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul, 07326, Korea
Email: CTSEOULGCS@bnymellon.com
Attention: Global Corporate Trust

For further information on exercising your Exchange Rights, please contact your custodial entity or customer service agent at the applicable Clearing System.

KAKAO CORP.