

LG Chem, Ltd.

LG Twin Tower, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Korea
T.+82-2-3777-1114 www.lgchem.com

Dear esteemed shareholders,

I would like to express my deepest gratitude to you for your unwavering affection and support to LG Chem.

The Company will hold the 21st Annual General Meeting of Shareholders on March 23rd, 2022. The agenda for the upcoming AGM has been publicly disclosed, however, we have prepared this letter to provide more details behind each agenda item to facilitate your understanding.

The Company hopes that this would help you in exercising your voting rights and please feel free to contact our IR Team if you need further explanations or discussions.

The Company asks for your support and encouragement as we endeavor to proactively engage with our shareholders in the future.

[Agenda for the 21st Annual General Meeting of Shareholders]

- Item 1: Approval of the 21st Financial Statements
- Item 2: Appointment of the Directors
 - Item 2-1: Inside Director, 'Shin, Hak Cheol'
 - Item 2-2: Non-Standing Director, 'Kwon, Bong Seok'
 - Item 2-3: Outside director, 'Lee, Hyunjoo'
 - Item 2-4: Outside director, 'Jho, Whasun'
- Item 3: Appointment of the Members of the Audit Committee
 - Item 3-1: Audit Committee member, 'Lee, Hyunjoo'
 - Item 3-2: Audit Committee member, 'Jho, Whasun'
- Item 4: Approval of Remuneration Limit for Directors

February 25th, 2022

LG Chem CEO
CEO Shin, Hak Cheol



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Item 1: Approval of the 21st Financial Statements

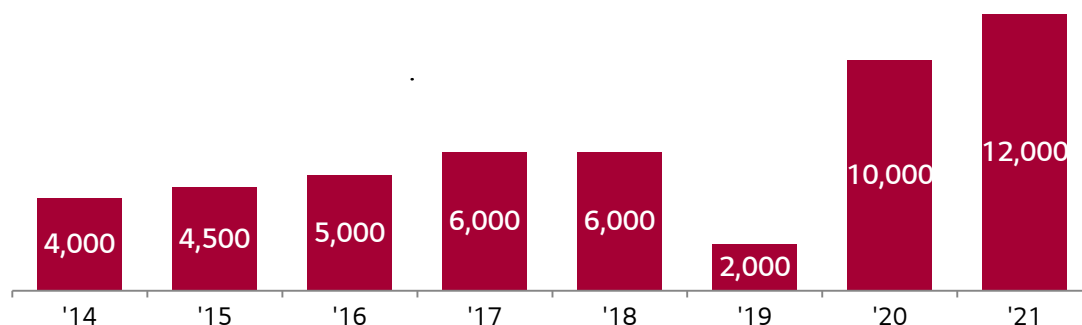
For detailed information on the Company's financial statements, please refer to the previously disclosed financial statements. Currently, the external audit is still in progress and the final audit report is scheduled to be disclosed in the second week of March.

The Company seeks to maintain 30% payout ratio based on the net income (excluding one-off non-recurring gains) of consolidated financial statements. For this year's dividend payment, the Company has decided to set the payout ratio at 28.8% based on funds, which excludes one-off non-recurring gains such as the payment from the sale of the polarizer business from the 3.7 trillion Won of net income attributable to ownership interest. This translates to Dividend Per Share at 12,000 Won for Common Shares and 12,050 Won for Preferred Shares. Once the dividend amount is confirmed through the resolution of the Annual General Meeting of the Shareholders, payment will take place within 1 month from the date of the AGM.

While we expect challenges in the business environment at home and abroad this year, through continued growth in Petrochemical, Advanced Materials and Life Science businesses along with the growth in LG Energy Solution's battery business, the Company will exert great efforts to realize continued performance with the aim of delivering enhanced shareholder value.

Dividend Per Share(DPS) Trend (Common Shares)

Unit: Won



※ The 2021 dividend amount is subject to BOD approval and to be confirmed following the approval by the 21st AGM.

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Item 2: Appointment of the Directors**[Item 2-1: Reappointment of 'Shin, Hak Cheol' as Inside Director]**

Director candidate, Shin, Hak Cheol, is a professional manager who was the former Executive Vice Chairman of the global innovative company 3M. As CEO of LG Chem for the past 3 years, Shin has been playing a pivotal role in the Company's growth by achieving the best-ever earnings performance last year through the optimization of business portfolio and creation of a healthy business structure as well as the implementation of the mid-to-long-term growth strategy.

The Company would like to reappoint Shin, Hak Cheol as the Board's Inside Director because he is the right person to spearhead the Company's sustainable growth in the future.

- Key experiences: Born in 1957 / Male

'84 ~ '94 : 3M Korea

'95 ~ '97 : GM, 3M Philippines

'98 ~ '01 : Director, 3M's Office Supplies/Abrasive Material Business Division

'02 ~ '05 : Vice President

Head of 3M's Battery Material and Adhesive/Tape Business Division

'06 ~ '10 : Executive Vice President, Head of 3M's Industrial Business

'11 ~ '17 : Executive Vice President, 3M's International Operations

'17 ~ '18 : Vice Chair & Executive Vice President, Global R&D,

Strategy & Business Development, Supply Chain, IT, 3M

'19 ~ present: Vice Chairman & CEO of LG Chem

[Item 2-2: New appointment of 'Kwon, Bong Seok' as Non-Standing Director]

Director candidate, Kwon, Bong Seok, has been instrumental in LG Electronics' business portfolio optimization and business structure improvement as CEO of LG Electronics. He was also former head of LG Electronics' many business divisions including overseas manufacturing entities, product planning, etc.

The Company would like to newly appoint Kwon, Bong Seok as the Board's Non-Standing Director since he is expected to play a critical role as a member of the Company's Board based on his insight and expertise as CEO and his long experience at LG Electronics.

- Key experiences: Born in 1963 / Male

'11 ~ '12 : Head of Media Business Division, LG Electronics

'12 ~ '14 : Head of MC Product Planning Group, LG Electronics

'14 ~ '19 : Head of HE Business Division, LG Electronics

'20 ~ '21 : CEO of LG Electronics

'21 ~ present : Vice Chairman & COO of LG Corp

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▪ Item 2: Appointment of the Directors**[Item 2-3: New Appointment of 'Lee, Hyunjoo' as Outside Director]**

Director candidate, Lee, Hyunjoo, is Professor of Department of Chemical and Biomolecular Engineering at KAIST and a highly esteemed academic engaged in active research and industry-academia cooperation activities.

The Company would like to newly appoint Lee, Hyunjoo as the Board's Outside Director based on her expertise in petrochemical process and sustainability business area. Moreover, Lee has a deep understanding of the Company's business areas with wide-ranging research in biomass, carbon neutrality, environmentally-friendly areas, etc. As an expert in the chemical sector, she is expected to play a critical role in the Company's decision-making as it pursues sustainable growth.

- Key experiences: Born in 1976 / Female

'05 ~ '07 : Post doctorate at UC Berkeley

'07 ~ '14 : Assistant/Associate Professor of Department of Chemical Engineering at Yonsei University

Present : Professor of Department of Chemical and Biomolecular Engineering at KAIST

- Status of candidate's concurrent position as Registered Director: None**[Item 2-4: New Appointment of 'Jho, Whasun' as Outside Director]**

Director candidate, Jho, Whasun, is Professor of Department of Political Science and International Studies at Yonsei University and actively carrying out research in the changes in politics and society from technology development. She is a renowned expert in the science technology policy and future governance research.

The Company would like to newly appoint Jho, Whasun as the Board's Outside Director since he is expected to play a critical role in the advisory and decision-making of the Company's business direction by bringing a new perspective based on her insights in politics and science technology.

- Key experiences: Born in 1966 / Female

'03 ~ '05 : Senior Researcher, National Information Society Agency

'05 ~ '06 : Assistant Professor, Graduate School of Public Policy & Information Technology at Seoul National University of Science & Technology

'13 ~ '14 : Non-Standing Director, Korea District Heating Corporation

'17 ~ '19 : Non-Standing Director, Korea Expressway Corporation

'17 ~ '20 : Director, Institute of State Governance Studies at Yonsei University

'18 ~ '20 : Policy Advisor, Ministry of Personnel Management

'19 ~ '21 : Advisor, Anti-Corruption & Civil Rights Commission

Present : Professor, Department of Political Science and International Studies at Yonsei University

- Status of candidate's concurrent position as Registered Director: Outside Director of Kia Corp

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Item 2: Appointment of the Directors

With the appointment of 2 female directors, the BOD's diversity is expected to be further reinforced and the new Board will be comprised of following members (draft):

Classification	Name	Gender	Initial Appointment	Term of Appointment
Non-Standing Director (1 person)	Kwon, Bong Seok	Male	2022.03 ~	Until AGM in 2025
Inside Director (2 people)	Shin, Hak Cheol	Male	2019.03 ~	Until AGM in 2025
	Cha, Dong Seok	Male	2020.03 ~	Until AGM in 2024
Outside Director (4 people)	Jeong, Dong-Min	Male	2017.03 ~	Until AGM in 2023
	Kim, Mun Su	Male	2018.03 ~	Until AGM in 2024
	Lee, Hyunjoo	Female	2022.03 ~	Until AGM in 2025
	Jho, Whasun	Female	2022.03 ~	Until AGM in 2025

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▪ Item 3: Appointment of the Members of the Audit Committee

[Item 3-1: New Appointment of 'Lee, Hyunjoo' as Member of the Audit Committee]

Lee, Hyunjoo is Professor of Department of Chemical and Biomolecular Engineering at KAIST and has a deep understanding of the industry with her engagement in active research and industry-academia cooperation activities.

The Company would like to newly appoint Lee, Hyunjoo as a member of the Audit Committee since she is deemed to faithfully audit the Company's affairs independently from the Company and the management, including making sure the Audit Committee fulfills its role of providing checks and balances for the Company to realize compliant and sustainable business management.

- Key experiences: Born in 1976 / Female

'05 ~ '07 : Post doctorate at UC Berkeley

'07 ~ '14 : Assistant/Associate Professor of Department of Chemical Engineering at Yonsei University

Present : Professor of Department of Chemical and Biomolecular Engineering at KAIST

[Item 3-2: New Appointment of 'Jho, Whasun' as Member of the Audit Committee]

Jho, Whasun, is Professor of Department of Political Science and International Studies at Yonsei University and actively carrying out research in the changes in politics and society from technology development. She is a renowned expert in the science technology policy and future governance research.

The Company would like to newly appoint Jho, Whasun as a member of the Audit Committee based on her experiences as Non-Standing Director of Korea Testing Laboratory, Korea District Heating Corporation, and etc. As a director, she performed her duties in a transparent and impartial manner and is expected to faithfully carry out her duties as a member of the Audit Committee to supervise and advise the Company with an independent and objective perspective.

- Key experiences: Born in 1966 / Female

'03 ~ '05 : Senior Researcher, National Information Society Agency

'05 ~ '06 : Assistant Professor, Graduate School of Public Policy & Information Technology at Seoul National University of Science & Technology

'13 ~ '14 : Non-Standing Director, Korea District Heating Corporation

'17 ~ '19 : Non-Standing Director, Korea Expressway Corporation

'17 ~ '20 : Director, Institute of State Governance Studies at Yonsei University

'18 ~ '20 : Policy Advisor, Ministry of Personnel Management

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Present : Professor, Department of Political Science and International Studies at Yonsei University

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Item 3: Appointment of the Members of the Audit Committee

When Lee, Hyunjoo and Jho, Whasun are appointed as new members of the Audit Committee to replace 1 outgoing member in March 2022, there will be a total of 4 members (draft) in the Audit Committee.

The new Audit Committee will be comprised of 4 outside directors to not only raise the independence and status of the Audit Committee externally but also to strengthen the internal watchdog function.

Classification	Name	Gender
Audit Committee (4 people)	Jeong, Dong-Min	Male
	Kim, Mun Su	Male
	Lee, Hyunjoo	Female
	Jho, Whasun	Female

※ The Audit Committee is fully comprised of outside directors and Kim, Mun Su serves as the expert in accounting and finance.

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- Item 4: Approval of Remuneration Limit for Directors

The Company seeks approval of 8 billion Won as the Maximum Remuneration of Directors, which is the same amount as the previous year.

In 2021, 4.34 billion Won was spent out of the 8 billion Won limit approved by the Annual General Meeting of Shareholders.

Through a comprehensive assessment of quantitative metrics such as financial performance and qualitative metrics such as the assessment of key initiatives and progress on the future long-term plan, the Company calculates the actual remuneration for its directors. In light of the uncertain global business environment, the remuneration limit for directors is calculated based on the maximum amount that can be enforced.

We regularly disclose the details of the actual amount paid and its calculation basis. Details on the 2021 1H expenditure are in the 2021 Half Yearly Report, and the 2021 full year expenditure will be included in the 2022 Business Report scheduled to be disclosed on March 15th, 2022.

[Approved Directors' Remuneration Limit & Expenditure]

Classification	2021	2022
Approved Remuneration Limit (No. of Directors)	8 Billion Won (7 people)	8 Billion Won (7 people)
Actual Expenditure	4.34 Billion Won	-

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[Appendix]

LG Chem's Declaration on Net-Zero by 2050, responding to the climate crisis

Carbon Neutral Growth By 2030 and Net-Zero by 2050

LG Chem, in July 2020, was the first Korean chemical company to declare carbon neutral growth. In order to pursue sustainable growth, we promised that we would cap the annual carbon emission to 10 million tons to the 2019 level in 2050, and that we would operationalize plans and collaborate with wide ranging stakeholders through strong commitment and leadership.

Since then, in order not to merely stop with a declarative meaning, we have continuously contemplated the speed of implementation of sustainability across all business areas and the materialization of a reduction roadmap.

As a result of these considerations, on February 8, 2022, LG Chem went a step further from the previous goal, and raised the target to achieve carbon neutral growth 20 years earlier from 2050 to 2030 and to achieve Net-Zero in 2050.

Achieving zero carbon emissions by 2050 is a huge challenge that entails a reduction of 20 million tons compared to BAU, but we are preparing to carry it out through thorough technology development and planning. We are implementing a sophisticated Action Plan in three reduction strategies: Directly reduce carbon emissions through the introduction of innovative processes and conversion of eco-friendly fuels and raw materials, Indirectly reduce (Avoid) by expanding the use of renewable energy such as RE100, and Compensate for unavoidable carbon emissions.

Furthermore, by performing LCA (Life Cycle Assessment), which quantitatively evaluates the environmental impact from the collection of raw materials to the manufacturing and shipment of products, the cause and degree of environmental impacts of each product are identified and strategically improved. LCA performance is also necessary to rigorously verify that the products we produce are actually low-carbon products. LG Chem is performing LCA at the fastest rate in the domestic industry, and we would complete LCA for all domestic products within the third quarter of this year and for all domestic and foreign products by the second quarter of next year, raising our low-carbon competitiveness to the next level. At the same time, it is expected that this would be of great help in resolving the pain points of our customers' production of carbon-neutral products.

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To solve the challenging tasks toward Net-Zero, global cooperation is mandatory. As LG Chem's CEO, I was invited as a panelist for the Davos Agenda, which is a pre-event of the Davos Forum, for the first time as a Korean businessman in 2021 to promote public-private partnership. I presented on the solutions to the climate crisis. As Korea's first and only representative from Asia, I am currently a member of the Alliance of CEO Climate Leaders. I am working with leaders from around the world to identify decarbonization measures such as Net Zero and Scope 3. I am also promoting the agenda to the international community. Furthermore, LG Chem would coordinate with various stakeholders.

I deeply agree with our shareholders' noble efforts to bring about global cooperation. As the CEO of LG Chem and a member of the Board of Directors, I would continue to conduct consistent and decisive management of strategies to respond to the climate crisis and to reduce carbon emissions.

After the establishment of the ESG Committee as a subordinate body of the board of directors last year, LG Chem has been discussing sustainability strategies and implementation plans in general management with the board of directors, and a new Chief Sustainability Officer (CSO) was appointed this year. In addition, by listening to internal and external voices calling for change and action to respond to the climate crisis, we are conducting an essential check on strengthening sustainability in the growth strategies of all business divisions, including raising the target to 2050 Net-Zero. We are filling the first step in making changes to reduce carbon emissions.

We sincerely ask for your interest and support for our activities towards sustainable growth, including responding to the climate crisis, and we would continue to actively communicate with various stakeholders including shareholders.

Thank you.

LG Chem CEO

Hak Cheol Shin