

LG Chem, Ltd.

LG Twin Tower, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Korea
T.+82-2-3773-1114 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 23rd Annual General Meeting of Shareholders on March 25th, 2024. 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 23rd Annual General Meeting of Shareholders]

- Item 1: Approval of the 23rd Financial Statements
- Item 2: Approval of Amendment of the Articles of Incorporation
- Item 3: Appointment of the Inside Director, 'Cha, Dong Seok'
- Item 4: Appointment of the Outside Director &
Member of the Audit Committee, 'Lee, Young Han'
- Item 5: Approval of the Remuneration Limit for Directors

February 26, 2024

LG Chem

CEO Shin, Hak Cheol



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Item 1: Approval of the 23rd 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.

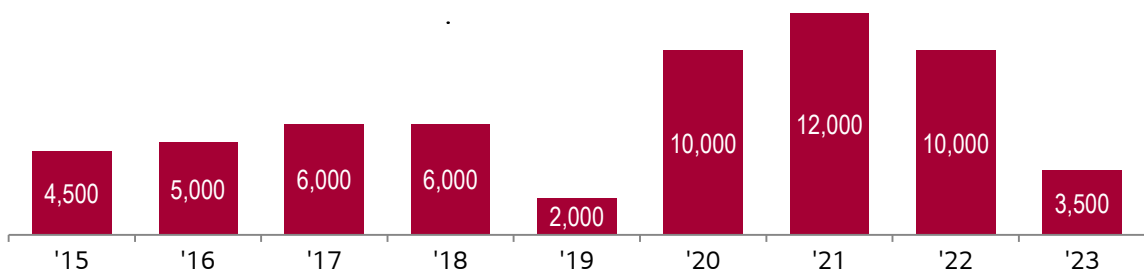
As disclosed on December 15th 2023, for the next three years (FY2023~FY2025), we aim to set the dividend payout ratio at 20% or higher based on consolidated net income (excluding one-time nonrecurring income) given that intensive investments are needed in the 3 future growth engines.

For this year's dividend payment, we have decided to set the payout ratio at 20.5% based on 1.3 trillion Won of net income attributable to ownership interest. This translates to Dividend Per Share at 3,500 Won for Common Shares and 3,550 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 to continue this year, it will be an inflection point for growth and profitability as we consistently focus on fostering 3 new growth engines including battery materials. Even in a challenging market, we will achieve enhancement in both sales and profitability through intense internal efficiency improvements, businesses expansion in high-value-added products and new growth engines, while maintaining financial stability. In so doing, the Company will exert great efforts to improve performance with the aim of delivering enhanced shareholder value.

Dividend Per Share(DPS) Trend (Common Shares)

Unit: Won



※ The 2023 dividend amount is subject to BOD approval and to be confirmed following the approval by the 23rd AGM. For more information on our dividend policy, please refer to the DART disclosure and our website.

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• Item 2: Approval of Amendment of the Articles of Incorporation (AOI)

In January 2023, the Financial Services Commission announced its new authoritative interpretation of the Commercial Act, allowing a dividend record date to be set 'after the date the amount of dividends has been determined', rather than 'at the end of the settlement period', as part of its plan to improve rules regarding dividends in line with global standards.

While the dividend record date for LG Chem was 'the end of the settlement period' according to its Articles of Incorporation, we already have increased the predictability of dividends with its transparent disclosures of dividend policies prior to the end of the settlement period.

Now, in consideration of the Financial Services Commission's plan, we intend to amend the dividend record date-related provisions in its Articles of Incorporation.

Specifically, if we amend the dividend record date to be determinable by the Board resolution, it is possible to set the date to be after the amount of dividends have been determined. Then, shareholders could make investment decisions after the dividend amounts of the last fiscal year have been decided upon.

If this item on the Articles of Incorporation amendments is approved, it will start to apply effectively to the dividends for the fiscal year of 2024.

There will also be further revisions to the Articles of Incorporation, including the deletion of provisions that have become unnecessary following amendments in laws.

Please refer to the following for major amendments and details.

[Major Amendments]

Classification	Amendments	Amended in AOI
Dividend record date	<ul style="list-style-type: none"> - Amending the date to be determined through the Board of Directors' resolutions, other than the 'end of each fiscal year' based on the authoritative interpretation of the Commercial Act. - Amending related provisions on convertible bonds and more, to be in line with the dividend record date changes 	<p>Article 35 and more</p> <p>Article 10-2 and more</p>
Closing of the register of shareholders	<ul style="list-style-type: none"> - Deleting the provisions on the procedures of the closing of the register of shareholders, which has become unnecessary with an electronic registration system in place 	Article 13
Quorum for Audit Committee Appointments	<ul style="list-style-type: none"> - Amendment related to the appointment of audit committee members, based on the relaxed Commercial Act requirement on AGM resolutions when voting rights are conducted electronically 	Article 29
Others	<ul style="list-style-type: none"> - Phrase Refinement 	Article 31

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[Details of the AOI] : Dividend Record Date

- Amending to permit the Board of Directors to select a dividend record date to be set after the amount of dividend payments have been determined, not 'the end of each fiscal year'.

Current	Amendment (Draft)
Article 35. (Dividends) ① Dividends may be paid in cash or in shares. ② In case the dividends are distributed in shares, when the Company has issued several classes of shares, such distribution may be made through shares of different classes by a resolution of a general meeting of shareholders. ③ Dividends under Paragraph 1 shall be paid to the shareholders or registered pledgees in the register of shareholders as of the end of each fiscal year.	Article 35. (Dividends) ① ~ ② (No amendments) ③ <u>The Board of Directors may select a dividend record date on which the list of shareholders to receive dividend payments under paragraph 1 is finalized, by making an advance announcement 2 weeks prior to such dividend record date.</u>
Article 35-1 (Interim Dividends) ① The Company may pay interim dividends, as provided in Article 165-12 of the Financial Investment Services and Capital Market Act, to the shareholders registered in the register of shareholders as of 0 a.m. of 1st of July. ② Distribution of interim dividends pursuant to Paragraph 1 above shall be decided by a resolution of the Board of Directors; provided that, the detailed method, limit of dividend, etc., shall be in accordance with the Financial Investment Services and Capital Market Act. ③ If the Company issues new shares (including conversion of reserve into capital, stock dividend, request of conversion of convertible bonds and exercise of warrant attached to bonds with warrant) between the commencement date of the fiscal year concerned and the record date referred to in Paragraph 1 above, the newly issued shares shall be deemed to have been issued at the end of the immediately preceding fiscal year for the purpose of interim dividends. ④ For interim dividends, the same dividend rate as that for the common shares shall apply to the preferred shares.	Article 35-1 (Interim Dividends) ① ~ ② (No amendments) ③ <u>(Deletion)</u> ④ (No amendments)

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- Amending the provisions on convertible bonds and new shares, based on the amendment to the dividend record date

Current	Amendment (Draft)
<p>Article 10-2. (Issuance of Convertible Bonds)</p> <p>① The Company may issue convertible bonds to persons other than shareholders of the Company, in order to achieve the Company's operational objectives, such as introduction of new technologies and improvement of financial structures, etc., provided that the aggregate face value of the convertible bonds so issued shall not exceed one trillion (1,000,000,000,000) Won.</p> <p>② The convertible bonds referred to in Paragraph 1 above may be issued by the resolution of the Board of Directors with partial conversion rights under which the rights of bondholders to demand conversion may be limited to a certain percentage of the aggregate face value of the convertible bonds.</p> <p>③ The shares to be issued upon conversion shall be either common shares to the extent that the aggregate face value of the bonds so converted shall not exceed five hundred billion (500,000,000,000) Won, or preferred shares to the extent that the aggregate face value of the bonds so converted shall not exceed five hundred billion (500,000,000,000) Won, and the conversion price shall be determined by the Board of Directors at the time of issuance of the bonds so that it is equal to or greater than the face value of the shares.</p> <p>④ The period during which conversion rights may be exercised shall be determined by the Board of Directors at the time of the issuance of the relevant bonds and shall occur within the period commencing on the date three months after the issuance date of the relevant convertible bonds and ending on the date one day immediately preceding the redemption date thereof.</p> <p>⑤ With respect to the distribution of dividends or interest on the shares issued upon conversion of the convertible bonds described in Paragraph 1, the convertible bonds shall be deemed to have been converted into shares at the end of the fiscal year immediately preceding the fiscal year in which the relevant conversion rights are exercised.</p> <p>⑥ Article 11 shall apply mutatis mutandis in case a convertible bond is issued.</p>	<p>Article 10-2. (Issuance of Convertible Bonds)</p> <p>① ~ ④ (No amendments)</p> <p>⑤ <u>For convertible bonds that have been converted into shares, the Company shall only pay the interests that have become due and payable prior to such conversion.</u></p> <p>⑥ (No amendments)</p>

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Current	Amendment (Draft)
<p>Article 10-3. (Issuance of Bonds with Warrants)</p> <p>① The Company may issue bonds with warrants to persons other than shareholders, in order to achieve the Company's operational objectives, such as introduction of new technologies and improvement of financial structures, etc., provided that the aggregate face value of the bonds with warrants so issued shall not exceed five hundred billion (500,000,000,000) Won.</p> <p>② The aggregate value of new shares which may be subscribed to by warrant holders shall be determined by the Board of Directors, but shall not exceed the aggregate face value of the bonds with warrants.</p> <p>③ The shares to be issued upon conversion shall be either common shares to the extent that the aggregate face value of the bonds so converted shall not exceed two hundred fifty billion (250,000,000,000) Won, or non-voting, preferred shares to the extent that the aggregate face value of the bonds so converted shall not exceed two hundred fifty billion (250,000,000,000) Won, and the issue price shall be determined by the Board of Directors at the time of issuance of the bonds so that it is equal to or greater than the face value of the shares.</p> <p>④ The period during which warrants may be exercised shall be determined by the Board of Directors at the time of the issuance of the relevant bonds with warrants and shall occur within the period commencing on the date three (3) months from the issuance date of the relevant bonds with warrants and ending on the date one day immediately preceding the redemption date thereof.</p> <p>⑤ With respect to the distribution of dividends or interest on the shares issued upon exercise of warrants described in Paragraph 1, such shares shall be deemed to have been issued at the end of the fiscal year preceding the fiscal year in which the warrant holder exercises warrants for the new shares.</p> <p>⑥ Article 11 shall apply mutatis mutandis in case a bond with warrants is issued.</p> <p>.</p>	<p>Article 10-3. (Issuance of Bonds with Warrants)</p> <p>① ~ ④ (No amendments)</p> <p>⑤ (Deletion)</p> <p>⑥ (No amendments)</p>
<p>Article 10-4 (Distribution of Dividends on New Shares)</p> <p>With respect to the distribution of dividends on the shares issued upon rights issue, bonus issue and stock dividends, such shares shall be deemed to have been issued at the end of the fiscal year preceding the fiscal year in which such shares are issued.</p>	<p>Article 10-4 (Equal dividend payments per share)</p> <p>The Company <u>shall make equal dividend payments per share, for all shares of a given class that have been issued as of the dividend record date (including those converted), regardless of the dates of their issuance.</u></p>

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[Details of the AOI] : Procedures of Closing of the Register of Shareholders

- Amending procedures of Closing of the Register of Shareholders based on the standard articles of relevant provisions by the Listed Companies Association, following the electronic registration system of share certificates from 2019

Current	Amendment (Draft)
<p>Article 13. (Closing of Register of Shareholders and Reference Date)</p> <p>① The Company shall suspend any entry into the register of shareholders, such as registration, alteration or cancellation of pledges, and indication and cancellation of trust assets thereof during the period from the date following the last day of each fiscal year to January 31.</p> <p>② The Company shall consider the shareholders listed in the final register of shareholders on December 31 of every year as the shareholders that may exercise their rights at the general meeting of shareholders on that fiscal year.</p> <p>③ The Company may suspend any alterations to the register of shareholders regarding rights, or consider the shareholders listed on a day decided by a resolution of the Board of Directors as the shareholders who may exercise their rights, for a set period not exceeding 3 months by an extraordinary general meeting of shareholders or, when necessary, by resolution of the Board of Directors, and the Board of Directors may suspend any alterations to the register of shareholders and also designate a reference date at the same time when deemed necessary. The Company must provide notice of such 2 weeks in advance.</p>	<p>Article 13. (Closing of Register of Shareholders and Reference Date)</p> <p>① <u>(Deletion)</u></p> <p>② (No amendments)</p> <p>③ The Company, in the convocation of the extraordinary general meetings of shareholders or as otherwise necessary, may <u>consider, as the shareholders who may exercise the rights, the shareholders listed on the register of shareholders on a day decided by resolution of the Board of Directors</u>, and the Company <u>must provide advance notice of such 2 weeks prior to such day decided upon by the resolution of the Board of Directors.</u></p>

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[Details of the AOI] : Audit Committee Quorum and Others

- Amending and revising language
based on the standard articles of incorporation of the Listed Companies Association

Current	Amendment (Draft)
<p>Article 29. (Composition of Audit Committee) ① ~ ⑤ (Omitted) (Newly added)</p>	<p>Article 29. (Composition of Audit Committee) ① ~ ⑤ (No amendments) ⑥ An audit committee member shall be appointed with the affirmative vote of at least half of the attending shareholders, who collectively hold one fourths or more of the total issued and outstanding shares. Provided however, in accordance with Article 368-4(1), if it is determined that voting rights can be exercised by electronic means, the appointment of a committee member requires only the affirmative vote of at least half of the attending shareholders.</p>
<p>Article 31. (Severance Allowance for Directors) The severance allowance for the persons described below shall be determined in accordance with the Regulation on Severance Allowances for Officers as separately adopted. ① the directors ② the persons who conduct the duties of the directors</p>	<p>Article 31. (Severance Allowance for Directors) The severance allowance for the <u>persons described below either</u> shall be determined in accordance with the Regulation on Severance Allowances for Officers as separately adopted. <u>1.</u> the directors <u>2.</u> the persons who conduct the duties equivalent to those of the persons identified in <u>paragraph 1</u></p>
<p>[Newly added]</p>	<p>Addendum (2024.03.25) Article 1 (Enforcement Date) The Articles of Incorporation shall enter into force on March 25, 2024, provided, however, that the amendments to Article 35 will apply to the dividends for the 2024 business year and onwards.</p>

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• Item 3: Appointment of the Inside Director, 'Cha, Dong Seok'

The Company would like to reappoint Cha, Dongseok, Inside Director, whose term will expire in March 2024.

Dong Seok Cha, the Inside Director candidate, has been serving as LG Chem's CFO since September 2019. Prior to joining LG Chem, Mr. Cha was the CFO at S&I Corp from 2018 to 2019, and Serveone from 2014 to 2018.

With a wealth of experience in finance, he has played a key role in improving LG Chem's financial stability and internal processes. Furthermore, he has focused on fostering 3 new growth engines and financing them on the basis of deep understanding of our business strategy. In the future, Mr. Cha is expected to continue playing a critical role in strategic performance management and risk management. As such, the Company would like to reappoint Dong Seok Cha as LG Chem's Inside Director.

- **Key experiences:** : Born in 1963 / Male
 - '08 ~ '10 : LG Corp, Finance Team Leader
 - '11 ~ '13 : LG Chem, Jeongdo Management TFT, Head of Diagnosis 1
 - '14 ~ '18 : SERVEONE, CFO
 - '18 ~ '19 : S&I Corporation, CFO & SERVEONE, CFO
 - '19 ~ Present : LG Chem, CFO

After the appointment, the new BOD 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 Cha, Dong Seok	Male Male	2019.03 ~ 2020.03 ~	Until AGM in 2025 Until AGM in 2027
Outside Director (4 people)	Jho, Whasun Lee, Hyunjoo Chun, Kyunghoon Lee, Younghwan	Female Female Male Male	2022.03 ~ 2022.03 ~ 2023.03 ~ 2024.03 ~	Until AGM in 2025 Until AGM in 2025 Until AGM in 2026 Until AGM in 2027

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• Item 4: Appointment of the Outside Director & Member of the Audit Committee, 'Lee, Young Han'

The Company would like to newly appoint Lee, Young Han as an Outside Director to serve as a member of the Audit Committee to replace 1 outgoing member in March 2024.

Director candidate, Lee, Young Han, is a professor of major of Tax Accounting at University of Seoul and a dean of the Graduate School of Science in Taxation where he conducts active research and academic activities.

He is an expert in accounting, taxation, and finance through his various experiences as a Certified Public Accountant, his service in government agencies such as an international tax auditor at the National Tax Service and a member of the Supervisory Committee under the Financial Services Commission, and as a member of the Market Committee of the KRX's KOSDAQ.

As such, he is expected to faithfully carry out his duties as an Outside Director for the the Audit Committee member to supervise and advise the Company with an independent and objective perspective.

- **Key experiences:** Born in 1973 / Male
'96. 12 : Certified Public Accountant
'17 ~ '19 : NTS - Jungbu Regional Office, International Tax Auditor
'18 ~ '22 : FSC - Supervisory Committee, Committee member
'06 ~ present : University of Seoul, Professor of Tax Accounting
'22 ~ present : University of Seoul,
Dean of the Graduate School of Science in Taxation

- **Status of candidate's concurrent position as Registered Director:**
Hyundai Engineering , Outside Director (Expiration of Term: March, 2026)

After the appointment, the new Audit Committee will be comprised of following members (draft):

Classification	Name	Gender
Audit Committee (4 people)	Jho, Whasun	Female
	Lee, Hyunjoo	Female
	Chun, Kyunghoon	Male
	Lee, Younghan	Male

※ The Audit Committee is fully comprised of outside directors and Lee, Younghan will serve as the expert in accounting and finance.

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• Item 5: Approval of the Remuneration Limit for Directors

The Company seeks approval of 7 billion Won as the Maximum Remuneration of Directors, which is the lower amount than the previous year.

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.

However, we realistically adjust remuneration limit given that reduction in this year's upcoming incentives due to underperformance in financial targets last year amid challenging business conditions.

In 2023, 5.13 billion Won was spent out of the 8 billion Won limit approved by the Annual General Meeting of Shareholders.

We regularly disclose the details of the actual amount paid and its background.

Details on the 2023 1H expenditure are in the 2023 Half Yearly Report, and the 2023 full year expenditure will be included in the 2023 Business Report scheduled to be disclosed in the 3rd week of March, 2024.

[Approved Directors' Remuneration Limit & Expenditure]

Classification	2023	2024
Approved Remuneration Limit (No. of Directors)	8 Billion Won (7 people)	7 Billion Won (7 people)
Actual Expenditure	5.13 Billion Won	-