

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 24th Annual General Meeting of Shareholders on March 24th, 2025. 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 24th Annual General Meeting of Shareholders]

- Item 1: Approval of the 24th Financial Statements
- Item 2: Approval of Amendment of the Articles of Incorporation
 - Item 2-1: Amendment of the AOI to reflect improvements in dividend procedure
 - Item 2-2 : Amendment of the AOI regarding the establishment of branches, etc.
- Item 3: Appointment of Directors
 - Item 3-1: Appointment of Inside Director, 'Shin, Hak Cheol'
 - Item 3-2: Appointment of Non-Standing Director, 'Kwon, Bong Seok'
 - Item 3-3: Appointment of Outside Director, 'Jho, Whasun'
 - Item 3-4: Appointment of Outside Director, 'Lee, Hyunjoo'
- Item 4: Appointment of Audit Committee Members
 - Item 4-1: Appointment of Audit Committee Member, 'Jho, Whasun'
 - Item 4-2: Appointment of Audit Committee Member, 'Lee, Hyunjoo'
- Item 5: Approval of the Remuneration Limit for Directors

February 17, 2025

LG Chem

CEO Shin, Hak Cheol



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• Item 1: Approval of the 24th 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 first week of March.

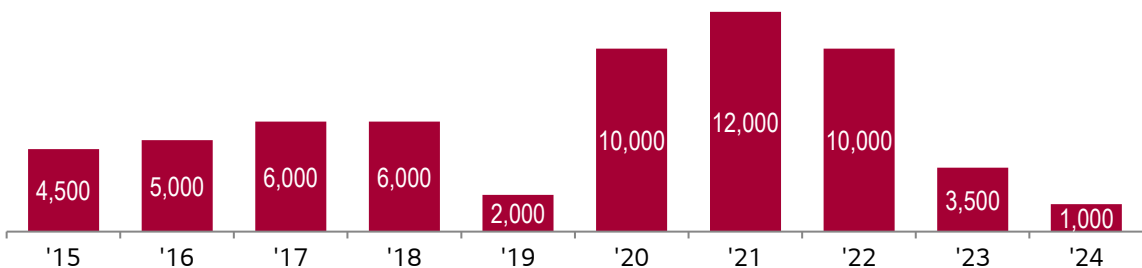
Our company aims for a dividend payout ratio of more than 20% based on consolidated net profit (based on controlling interest, excluding non-recurring, non-ordinary gains). While no distributable profit was calculated for FY 2024 under our dividend policy, we have decided on a dividend of 1,000 KRW per common share and 1,050 KRW per preferred share in line with our commitment to enhancing shareholder value.

At the 23rd AGM, we amended the Articles of Incorporation to reflect improvements to the dividend procedure (determining the dividend amount in advance and setting the dividend record date afterward). As a result, the dividend record date for FY 2024, has been set to be March 31, 2025, and the dividend 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, we will continue to strengthen our structural competitiveness by portfolio-rebalancing and quality enhancement for the 3 future growth drivers. Additionally, we will achieve financial stability through intense internal efficiency improvements and refined investment priorities. 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



※ FY 2024 dividend amount is subject to BOD approval and to be confirmed following the approval by the 24th AGM.

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• Item 2: Approval of Amendment of the Articles of Incorporation

At the 23rd AGM, we amended the Articles of Incorporation regarding the fiscal year-end dividend record date in accordance with the Financial Services Commission's proposed improvements to the dividend process (determining the dividend amount in advance and setting the dividend record date afterward).

As a result, the dividend record date for FY 2024, has been set to be March 31, 2025, after the scheduled AGM where the final dividend amount will be determined.

Following the flexibility introduced for the fiscal year-end dividend record date last year, similarly for interim dividends, we intend to amend the dividend record date to be determinable by the Board resolution allowing shareholders to make investment decisions after the dividend amounts have been decided upon.

If this item on the AOI amendment is approved, it will start to apply effectively from 2025, but only in cases where interim dividends are declared.

There will also be further revision to the AOI to refine phrases 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	- Amending the interim dividends record date to be determined through the Board of Directors' resolutions, other than the 'Oam of 1 st of July'	Article 35-1
Phrase Refinement	- Amending the provisions regarding the establishment of branches, etc., to reflect the standard articles of incorporation of the Listed Companies Association	Article 3 ②

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[Item 2-1 : Amendment of the AOI to reflect improvements in dividend procedure]

- Amending to permit the Board of Directors to select interim dividends record date to be set after the amount of dividend payments have been determined, not '0am of 1st of July'.

Current	Amendment (Draft)
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 1 st 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 (Deleted) 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 The company may, by a <u>resolution of the board of directors</u> , declare an interim dividend in accordance with relevant laws and regulations. <u>The interim dividend shall be paid in cash.</u> ② <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> ③ <u>Specific matters concerning interim dividends shall be governed by the provisions of relevant laws and regulations.</u> ④ (Same as current)

[Item 2-2 : Amendment of the AOI regarding the establishment of branches, etc.]

- Phrase Refining based on the standard articles of incorporation of the Listed Companies Association

Current	Amendment (Draft)
Article 3. (Location of Head Office and Establishment of Branches) ② The Company may establish domestic or overseas branch office, sub branch office, and overseas subsidiaries by resolution of the Board of Directors in any location as it deems necessary.	Article 3. (Location of Head Office and Establishment of Branches) ② The Company may establish branches by a resolution of the Board of Directors, as necessary.
[Newly added]	Addendum (2025.03.24) Article 1 (Effective Date) The Articles of Incorporation shall enter into force on March 24, 2025, provided

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- **Item 3: Appointment of Directors**

[Item 3-1: Appointment of Inside Director, 'Shin, Hak Cheol']

Director candidate, Shin, Hak Cheol, is a professional manager who was the former Executive Vice Chairman of the global innovative company 3M. Over the past six years, as the CEO of LG Chem, he has played a key role in advancing business structure centered around the 3 future growth drivers and strengthening R&D capabilities. His efforts have greatly contributed to expanding the company's growth and enhancing its differentiated competitiveness, even in a challenging market environment. 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 ~ '18 : Executive Vice Chair, 3M's International Operations

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

[Item 3-2: Appointment of Non-Standing Director, 'Kwon, Bong Seok']

Director candidate, Kwon Bong-seok has served as a member of our board since March 2022 with his experience as CEO at LG Electronics and extensive expertise across the entire value chain, covering new business planning, corporate management, strategy, and production. Based on his outstanding insights and business expertise, derived from his rich experience in a corporate group, we expect him to continue playing a significant role as a Non-Standing director. Therefore, we propose his reappointment.

- **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 of LG Corp

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[Item 3-3: Appointment of Outside Director, 'Jho, Whasun']

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 international political economy and future governance research. With her expertise and insight, she has played a key role in the decision-making process of our board as an outside director over the past three years. The Company would like to reappoint her because she is expected to continue to provide valuable advice on business direction, decision-making, and contribute to our extensive external network based on understanding of our business.

- 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 ~ '15 : 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 ~ '22 : Policy Advisor, The Ministry of Personnel Management

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

'24 : President, Korean Political Science Association

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

- Attendance in BOD for past 3 Years: 100% (During the term, attended all 29 board meetings)

Over the past three years, the candidate has attended all of the board meetings with a perfect attendance rate of 100%, actively contributing to the board's activities. We believe she will continue to perform her duties diligently as an outside director in the future.

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

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[Item 3-4: Appointment of Outside Director, 'Lee, Hyunjoo']

Director candidate, Lee, Hyunjoo, is Professor of Department of Chemical and Biomolecular Engineering at KAIST, where she is an active researcher and engages in extensive academic and industry collaboration. She is a recognized scholar with expertise in petrochemical processes and sustainability business sectors. With a broad focus on areas such as biomass, carbon neutrality, and eco-friendly technologies, since March 2022, she has served as an outside director of our company and has played a key role in board decision-making during a period when the chemical industry paradigm was rapidly changing. Based on her understanding of our business and extensive insight, we expect her to continue providing valuable advice regarding our sustainability business direction. Therefore, we propose her reappointment as an outside director.

- **Key experiences:** Born in 1976 / Female
'05 ~ '07 : Post doctorate at UC Berkeley
'07 ~ '14 : Assistant/Associate Professor of Department of Chemical and Biomolecular Engineering at Yonsei University
'21 ~ present : Member of the National Academy of Engineering of Korea
'25 ~ present : Director of the Korean Institute of Chemical Engineers
Present : Professor of Department of Chemical and Biomolecular Engineering at KAIST

- **Attendance in BOD for past 3 Years: 100%** (During the term, attended all 29 board meetings)
Over the past three years, the candidate has attended all of the board meetings with a perfect attendance rate of 100%, actively contributing to the board's activities. We believe she will continue to perform her duties diligently as an outside director in the future.

- **Status of candidate's concurrent position as Registered Director:** None

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 2028
Inside Director (2 people)	Shin, Hak Cheol Cha, Dong Seok	Male Male	2019.03 ~ 2020.03 ~	Until AGM in 2027 Until AGM in 2027
Outside Director (4 people)	Jho, Whasun Lee, Hyunjoo Chun, Kyunghoon Lee, Younghan	Female Female Male Male	2022.03 ~ 2022.03 ~ 2023.03 ~ 2024.03 ~	Until AGM in 2028 Until AGM in 2028 Until AGM in 2026 Until AGM in 2027

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- **Item 4: Appointment of Audit Committee Members**

[Item 4-1: Appointment of Audit Committee Member, 'Jho, Whasun']

We propose the reappointment of Jho Whasun as an Audit Committee member, with her current term expiring in March 2025.

Jho, Whasun, is Professor of Department of Political Science and International Studies at Yonsei University and actively carrying out research in international political economy and future governance. The candidate has served as a Non-Standing director at institutions such as the Korea District Heating Corporation and the Korea Expressway Corporation, where she performed her duties in a transparent and impartial manner. With her valuable experience, she has served on our Audit Committee, diligently fulfilling her role in overseeing and monitoring major management matters over the 3 years. Based on her experience and understanding of our business, we believe she will continue to perform her role as an independent and objective member of the Audit Committee, providing valuable oversight and advice. Therefore, we propose her reappointment.

- 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 ~ '15 : 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 ~ '22 : Policy Advisor, The Ministry of Personnel Management

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

'24 : President, Korean Political Science Association

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

- Attendance in Audit Committee for past 3 Years: 100% (During the term, attended all 18 audit committee meetings) Over the past three years, the candidate has attended all of the audit committee meetings with a perfect attendance rate of 100%, actively contributing to the audit committee's activities. We believe she will continue to perform her duties diligently as an Audit Committee member in the future.

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

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[Item 4-2: Appointment of Audit Committee Member, 'Lee, Hyunjoo']

We propose the reappointment of Lee Hyun-joo as an Audit Committee member, with her current term expiring in March 2025.

Lee, Hyunjoo is Professor of Department of Chemical and Biomolecular Engineering at KAIST, where she is actively engaged in research and academic-industry collaboration industry-academia cooperation activities. She has a strong understanding of the petrochemical and sustainability sectors and has diligently carried out her role as an Audit Committee member since March 2022 ensuring that the committee fulfills its role of oversight and balance for the compliance management and sustainable management. Based on her experience and understanding of our business over the past three years, we believe she will continue to perform her role as an Audit Committee member, effectively overseeing and monitoring key management matters. Therefore, we propose her reappointment.

- **Key experiences:** Born in 1976 / Female
 - '05 ~ '07 : Post doctorate at UC Berkeley
 - '07 ~ '14 : Assistant/Associate Professor of Department of Chemical and Biomolecular Engineering at Yonsei University
 - '21 ~ present : Member of the National Academy of Engineering of Korea
 - '25 ~ present : Director of the Korean Institute of Chemical Engineers
 - Present : Professor of Department of Chemical and Biomolecular Engineering at KAIST
- **Attendance in Audit Committee for past 3 Years: 100%** (During the term, attended all 18 audit committee meetings) Over the past three years, the candidate has attended all of the audit committee meetings with a perfect attendance rate of 100%, actively contributing to the audit committee's activities. We believe she will continue to perform her duties diligently as an Audit Committee member in the future.
- **Status of candidate's concurrent position as Registered Director:** None

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 serves as the expert in accounting and finance.

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[Audit Committee Activities of Jho Whasun & Lee Hyunjoo over the Past 3 Years]

Year	Date	Details	Attendance	
			JHO	LEE
2022	22.04.27	Approval of the appointment of the Audit Committee Chair, progress report on external auditor review, and report on Q122 financial statements	Y	Y
	22.07.27	Progress report on external auditor review, report on 1H22 financial statements, and report on 1H22 management diagnosis	Y	Y
	22.09.23	Approval of amendments to the guidelines for the selection criteria and procedures for external auditors	Y	Y
	22.10.25	Agreement on the evaluation of the head of the Audit Committee's support department, progress report on external auditor review, and report on the Q322 financial statements	Y	Y
	22.10.31	Approval of the selection of external auditors	Y	Y
2023	23.01.31	Report on the operation of the internal accounting management system for 2022, report on 2H22 management diagnosis, progress report on external auditor review, report on the 22nd Annual Report, the 22nd financial statements, and the operation of the compliance control system	Y	Y
	23.02.20	Report on the progress of the final audit by external auditors for 2022, approval of the appointment of the head of the Audit Committee support department, approval of the Audit Committee's evaluation opinion on internal control mechanisms, approval of the evaluation report on the operation of internal accounting management system, and approval of the audit report on the 22nd financial statements and annual report	Y	Y
	23.04.26	Report on Q123 external auditor review and Q123 financial statements	Y	Y
	23.07.26	Report on the progress of 1H23 review, the 1H23 financial statements, and 1H23 management diagnosis	Y	Y
	23.10.30	Report on the Q323 financial statements, the progress of the Q323 external auditor review, And agreement on the evaluation of the head of the Audit Committee's support department	Y	Y
	23.11.17	Report on the external auditor selection results	Y	Y
2024	24.01.31	Report on the operation of internal accounting management system for 2023, the 2H23 management diagnosis, and the approval of amendments to internal control regulations, progress report on external auditor review, report on the 23rd Annual Report, and report on the 23rd financial statements	Y	Y
	24.02.23	Report on the final audit by external auditors for 2023, approval of the Audit Committee's evaluation opinion on internal control mechanisms, the evaluation report on the operation of internal accounting management system, and the audit report on the 23rd financial statements and annual report	Y	Y
	24.04.29	Report on the Q124 financial statements, approval of the appointment of the Audit Committee Chair, and progress report on external auditor review	Y	Y
	24.07.22	Report on the progress of 1H24 review, the 1H24 financial statements, and 1H24 management diagnosis	Y	Y
	24.10.28	Report on the Q324 financial statements, progress report on the Q324 external auditor review, and agreement on the evaluation of the head of the Audit Committee's support department	Y	Y
2025	25.02.03	Report on external auditor review progress, 2H24 management diagnosis, the 24th financial statements and annual report, and the operation of internal accounting management system for 2024	Y	Y
	25.02.17	Report on the final audit by external auditors for 2024, approval of the evaluation report on the operation of internal accounting management system, approval of the Audit Committee's evaluation opinion on internal control mechanisms, and approval of the audit report on the 24th financial statements and annual report	Y	Y

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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 same amount as 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.

The remuneration limit for directors is determined based on historical performance, the expected outcomes for the current year, and the business environment.

In 2024, we realistically adjusted remuneration cap from 8 billion Won to 7 billion Won given that underperformance in financial targets amid challenging business conditions, and 3.69 billion Won was executed.

For 2025, amid the ongoing expansion of uncertainty in the global economy, the Company plan to maintain the remuneration limit at the previous year's level of 7 billion Won.

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

Details on the 2024 1H expenditure are in the 2024 Half Yearly Report, and the 2024 full year expenditure will be included in the 2024 Business Report scheduled to be disclosed in the 2nd week of March, 2025.

[Approved Directors' Remuneration Limit & Expenditure]

Classification	2023	2024	2025 (Before Approval)
Approved Remuneration Limit (No. of Directors)	8 Billion Won (7 people)	7 Billion Won (7 people)	7 Billion Won (7 people)
Actual Expenditure (Execution rate relative to the limit)	5.13 Billion Won (64%)	3.69 Billion Won (53%)	-