

Corporate Governance Report 2021



We have prepared this report to help investors understand the current state of governance in accordance with Article 24-2 of the Securities Market Disclosure Regulations. This report describes the current state of governance as of December 31, 2021, and any changes since the report's submission date are described separately. All governance-related activities documented in this report are based on the disclosure period (January 1 to December 31, 2021), and if a distinct timeframe is specified in the guidelines, the relevant information has been provided.

*This English version report is a translation of the original report in Korean that was disclosed on May 31, 2022

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I. Overview

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▶ **Reference date: December 31, 2021**

▶ **Company profile**

Largest shareholders¹⁾	LG Corp. and 3 others	% of largest shareholders¹⁾	30.09% ²⁾	
		% of minor shareholders²⁾	56.14% ²⁾	
Business type (Financial / Non-financial)	Non-financial	Major products	ABS, rechargeable battery materials, etc.	
“Business group” under the Monopoly Regulation and Fair Trade Act (Applicable / Not applicable)	Applicable		Act on the Management of Public Institutions (Applicable / Not applicable)	Not applicable
Business group name	LG			
Summarized financial status (in KRW 100 million)				
	2021	2020	2019	
Revenue (consolidated)	426,547	300,589	273,332	
Operating income (consolidated)	50,255	18,054	8,317	
Profit from continuing operations (consolidated)	36,549	5,838	4,240	
Net income (consolidated)	39,539	6,824	3,761	
Total assets (consolidated)	511,353	413,889	340,244	
Total assets (separate)	309,292	258,502	270,271	

1) As of the time when the recent business report was published

2) Indicated up to two decimal places (rounded off to the nearest thousandth)

II. Corporate Governance Status

1. Corporate Governance Policy

1) Governance Principles and Policy

LG Chem aspires to ensure the transparency, stability, and soundness of its corporate governance in order to increase shareholders' value and protect their rights and interests, as well as to have an active and efficient corporate governance, thus achieving sustainable growth and becoming an industry leader.

To ensure transparent governance, we publish on our website the complete text of all corporate rules pertaining to corporate governance, including the articles of incorporation as well as the regulations on the Board of Directors (BOD), the Audit Committee, the Management Committee, and the ESG Committee. The establishment and operation of corporate governance are handled in accordance with the procedures and principles outlined in our corporate rules.

We separate and delegate the management decision-making rights and business execution rights of the BOD and the management according to the BOD regulations and related corporate rules so as to ensure stable and sound governance through checks and balances among members. The "diversity principle" ensures that the ratio of outside directors in the BOD is at least 50 percent (4 out of 7) and that outside directors do not share a specific common background or represent a specific set of interests, ensuring that they are effectively carrying out their duties of checks on the management's business execution rights. The Outside Director Nomination Committee nominates outside directors in a transparent and equitable manner, in which two-thirds of the committee are outside directors. The outside directors are experts in diverse fields, ranging from industrial technology to finance and accounting, law, and management advisory services. They engage in extensive deliberation on the BOD's agenda and conduct effective monitoring of the management's business execution.

In addition, we conduct a preliminary report on the directors prior to the meeting through a separate BOD secretariat and relevant departments so that the directors can make the best management decisions possible and are provided with adequate information on the agenda's specific content. We also installed a Management Committee within the BOD to facilitate efficient corporate governance. The committee takes charge of approving matters that do not require collective decision-making by all directors.

The Audit Committee audits the accounting and operations of the company, and has the right to investigate the company's business affairs and property status. All committee members are outside directors who qualify under the Commercial Act.

Through the aforementioned policies and devices, we aim to build corporate governance that enables the BOD, the management, and outside directors to function as checks and balances while making the best possible management decisions.

2) Characteristics of Governance

A) BOD composed of majority of outside directors

Four out of seven directors (57 percent) of our BOD are outside directors. This is to increase efficiency by incorporating outside personnel with diverse expertise and backgrounds into the BOD, and to strengthen the checks on the management through a number of outside directors with verified independence. In particular, all four outside directors make up the Audit Committee, which exercises internal control over business execution. To ensure fairness in appointing outside directors, two of the three members of the Outside Director Nomination Committee must be outside directors.

B) Committee-centered operation within the BOD

The Audit Committee, the Internal Transaction Committee, the ESG Committee, the Management Committee, and the Outside Director Nomination Committee are operational as of December 31, 2021. In addition to the roles and authorities of the committees specified by laws and regulations, we are enhancing the professionalism, independence, and efficacy of the BOD by defining the precise scope of each committee's rights in our regulations. Consequently, the Audit Committee carries out active roles and functions in terms of internal control, including not only approving and reporting legal obligations, but also reporting non-recurring incidents and external auditors' auditing. The Management Committee votes on matters requiring prompt decision-making, such as approval of individual company loans, payment guarantees below a certain threshold, and board-delegated matters. The Management Committee's agenda is communicated to each director and reported to the BOD at least every six months in order to prevent the committee from undermining the board's control function. The ESG Committee, in particular, was established on April 28, 2021, with the objective of achieving sustainable growth by bolstering management in environmental, social, and corporate governance. The Internal Transaction Committee, installed on July 1, 2021, is responsible for increasing the transaction fairness and the company's management transparency.

C) Strengthening outside directors' expertise

Our outside directors are experts in industrial technology, finance and accounting, law, and management advisory services. Relevant departments conduct interviews and pre-verification procedures on candidates for outside director positions to select the most qualified ones. In order to build the BOD's competence by maximizing the expertise of each outside director, the company actively listens to outside directors' requests for information regarding decision-making through the BOD Secretariat and related departments. We also facilitate a pre-reporting procedure prior to board meetings so that we can carefully examine crucial issues and come up with the best decision.

The BOD receives quarterly reports on the status of the company's primary businesses to ensure that all outside directors fully understand the company's businesses. Additionally, seminars for new outside directors are held annually at the LG Group level.

2. Shareholders

1) Shareholder Rights

(Key Principle 1) All shareholders must be provided with sufficient information to exercise their rights in a timely manner and must be able to do so through appropriate procedures.

(1) General meetings of shareholders

(Detailed Principle 1-①) The company should provide shareholders with sufficient notice of the date, location, and agenda of a general meeting of shareholders.

■ General meetings of shareholders

LG Chem holds annual general meetings of shareholders (AGMs) within three months of the end of each fiscal year, with extraordinary general meetings (EGMs) held as needed. Since January 1, 2020, we have held a total of three AGMs and one EGM. Details of the general meetings of shareholders are as follows.

[Details of General Meetings of Shareholders]

(Jan. 1, 2020 – May 31, 2022)

	21st AGM	20th AGM	2020 EGM	19th AGM
Date of resolution on convocation	February 22, 2022	March 4, 2021	September 17, 2020	February 25, 2020
Date of convocation notice	February 22, 2022	March 4, 2021	October 14, 2020	February 25, 2020
Date of convocation	Wednesday, March 23, 2022 9 AM	Thursday, March 25, 2021 9 AM	Friday, October 30, 2020 9 AM	Friday, March 20, 2020 9 AM
Number of days between convocation notice date and convocation date	29 days prior to the general meeting	21 days prior to the general meeting	16 days prior to the general meeting	24 days prior to the general meeting
Venue / region	B1, Main Auditorium, LG Twin Tower, East Building 128, Yeoui-daero, Yeongdeungpo-gu, Seoul	B1, Main Auditorium, LG Twin Tower, East Building 128, Yeoui-daero, Yeongdeungpo-gu, Seoul	B1, Main Auditorium, LG Twin Tower, East Building 128, Yeoui-daero, Yeongdeungpo-gu, Seoul	B1, Main Auditorium, LG Twin Tower, East Building 128, Yeoui-daero, Yeongdeungpo-gu, Seoul
Matters pertaining to notifying shareholders of the general meeting	Post a convocation notice via the e-disclosure systems of the Financial Supervisory Service and Korea Exchange, as well as send a notice to major shareholders	Post a convocation notice via the e-disclosure systems of the Financial Supervisory Service and Korea Exchange, as well as send a notice to major shareholders	Post a convocation notice via the e-disclosure systems of the Financial Supervisory Service and Korea Exchange, as well as send a notice to major shareholders	Post a convocation notice via the e-disclosure systems of the Financial Supervisory Service and Korea Exchange, as well as send a notice to major shareholders
Matters pertaining to notifying foreign shareholders of the general meeting	Send key foreign shareholders an email written in English to inform them of the general meeting	Send key foreign shareholders an email written in English to inform them of the general meeting	Send key foreign shareholders an email written in English to inform them of the general meeting	Send key foreign shareholders an email written in English to inform them of the general meeting

Details	Attendance of board members	Two out of seven	Three out of seven	Two out of seven	Three out of seven
	Attendance of auditors	One out of three	One out of three	One out of three	One out of three
	Comments from major shareholders	1) Shareholders who commented: - Majority shareholders 2) Gist of their comments: Agreement and re-appointment of the agenda	1) Shareholders who commented: - Eight individual shareholders and majority shareholders 2) Gist of their comments: - Inquiries related to the feasibility of the agenda, direction of the surviving company, and measures to improve shareholder value (eight individual shareholders) - Agreement and re-appointment of the agenda (Majority shareholders)	1) Shareholders who commented: - Majority shareholders 2) Gist of their comments: Agreement and re-appointment of the agenda	1) Shareholders who commented: One individual shareholder and majority shareholders 2) Gist of their comments: - Inquiries on the agenda and opinions on company business (one individual shareholder) - Agreement and re-appointment of the agenda (Majority shareholders)

■ Matters concerning to whether the general meeting details were provided in a timely manner (four weeks ahead of the meetings)

We disclosed all the information related to this year’s general meeting of shareholders on the electronic disclosure system (DART) of the Financial Supervisory Service four weeks in advance, allowing shareholders to exercise their voting rights after reviewing the agenda in sufficient detail. In accordance with Articles 363 and 542-4 of the Commercial Act, and Article 14-2 of the Articles of Incorporation of the company, all the information related to the general meeting of shareholders, including the date, venue, and agenda, are disclosed on DART, and a convocation notice is sent to major shareholders with voting rights and more than 1 percent of the total number of issued shares. In addition, the power of attorney is posted on the company website to provide details of the general meeting of shareholders, and we also sent key foreign shareholders an email in English explaining the meeting’s crucial agenda items. As a result, the attendance rate of foreign shareholders at the general meeting of shareholders has been greater than 69 percent over the past three years, and 74.4 percent at the recent 21st AGM. We disclose all the meeting results through DART.

(2) Matters pertaining to the exercise of voting rights in general

(Detailed Principle 1-②) The company should allow its shareholders to participate in the general meeting of shareholders and voice their opinions to the extent possible.

■ Avoiding the concentrated AGM days to hold the company's AGM

The general meeting dispersion compliance program initiated by the Korea Listed Companies Association and Korea Exchange was adopted on February 5, 2018 as part of an initiative to revitalize the general meetings of shareholders. We volunteered to participate in the program in 2018, 2019, 2021, and 2022, and avoided holding a shareholders' meeting on days when the majority of companies were expected to do so. In 2020, however, despite our intention to avoid the AGM-concentrated days, we were unable to do so due to the COVID-19 outbreak. Taking into account the time required to close the year and undergo an external auditor's accounting audit, as well as pre-planned internal and external schedules, we inevitably had to choose one of the major AGM days to ensure smooth operation. The details are outlined below.

[AGMs held and not held on major AGM days]

	21st AGM	20th AGM	19th AGM
Date of AGM concentration	March 25, 2022 March 30, 2022 March 31, 2022	March 26, 2021 March 30, 2021 March 31, 2021	March 13, 2020 March 20, 2020 March 26, 2020 March 27, 2020
Company's AGM date	March 23, 2022	March 25, 2021	March 20, 2020
Avoided concentration date	Yes	Yes	No
Written voting	No	No	No
Electronic voting	Yes	Yes	No
Proxy voting solicitation	Yes	Yes	Yes

■ Introduction of a written or electronic voting system

Because the company does not utilize a written voting system, our BOD resolved to adopt an electronic voting system on September 17, 2020 to facilitate shareholders in exercising their voting rights. Beginning with the EGM in 2020, shareholders exercised their voting rights via the electronic system without having to attend the meeting in person. As a result of soliciting shareholders to exercise their rights by proxy, 76 percent of voting shares have been exercised over a three-year period, allowing us to achieve the same result as a written voting system. As such, we intend to consider a variety of factors to assist shareholders in exercising their voting rights.

■ **Voting results at general meetings of shareholders**

We solicit shareholders to exercise their voting rights in proxy as part of our efforts to secure a quorum for voting and ensure shareholders’ convenience. For this purpose, we prepare a proxy form and reference documents, which are then posted on the electronic-disclosure systems, in accordance with the Financial Investment Services and Capital Markets Act two days before starting solicitation.

A total of 55,986,336 shares, which represents 79.7 percent of 70,224,814 voting shares outstanding, attended the 21st AGM held on March 23, 2022, including proxy attendance. All items on the 21st AGM’s agenda were ordinary resolutions, in which they were approved as proposed after meeting the resolution requirements.

A total of 56,852,555 shares, including those represented by proxy, were present at the 20th AGM on March 25, 2021, which accounts for 81.1 percent of 70,127,501 voting shares outstanding. Ordinary resolutions for the 20th AGM were *items 1, 3, 4, and 5*, while *item 2* was a special resolution. All the items were approved as proposed, after the resolution requirements were satisfied according to the voting results.

The number of shares represented at the EGM held on October 30, 2020 was 59,710,796, including proxy attendance. This accounts for 77.5 percent of the total 77,086,297 voting shares outstanding. The agenda covered the approval of the spin-off plan, in which it was approved by the majority of shareholders.

52,684,126 shares attended the 19th AGM held on March 20, 2020, representing 76.4 percent of 68,939,926 voting shares outstanding. All agenda items were ordinary resolutions, which were approved as proposed with the voting results satisfying the resolution requirements. Detailed pros and cons of the agenda items are listed below.

[Pros and cons of each agenda item at general meetings of shareholders]

(Jan. 1, 2021 – May 31, 2022)

Annual	21st AGM		March 23, 2022				
Agenda	Type of resolution	Description	Voting result	Total voting shares outstanding (㉑) ¹⁾	Number of shares that exercised voting rights out of ㉑ (A) ²⁾	Number of shares in favor (B) (ratio) ³⁾	Number of shares in opposition or abstention (C) (ratio) ⁴⁾
<i>Item 1</i>	Ordinary	Approval of the financial statements for the 21st fiscal	Approved	70,224,814	55,986,336	50,108,045 (89.5%)	

			year (Estimated dividend per share: Common: KRW 12,000, preferred: KRW 12,050)				5,878,291 (10.5%)
<i>Item 2</i>	2-1	Ordinary	Appointment of Hak-cheol Shin as an inside director	Approved	70,224,814	55,986,336	48,763,870 (87.1%)
							10,666,479 (12.9%)
	2-2	Ordinary	Appointment of Bong-seok Kwon as a non-executive director	Approved	70,224,814	55,986,336	54,288,885 (97.0%)
							1,697,451 (3.0%)
	2-3	Ordinary	Appointment of Hyun-joo Lee as an outside director	Approved	70,224,814	55,986,336	55,284,185 (98.7%)
							702,151 (1.3%)
	2-4	Ordinary	Appointment of Hwa-sun Cho as an outside director	Approved	70,224,814	55,986,336	55,283,974 (98.7%)
							702,362 (1.3%)
<i>Item 3</i>	3-1	Ordinary	Appointment of Hyun-joo Lee as an Audit Committee member ⁵⁾	Approved	46,107,067	31,868,588	31,170,944 (97.8%)
							697,644 (2.2%)
	3-2	Ordinary	Appointment of Hwa-sun Cho as an Audit Committee member ⁵⁾	Approved	46,107,067	31,868,588	31,170,861 (97.8%)
							697,727 (2.2%)
<i>Item 4</i>	Ordinary	Approval of limits on directors' remuneration	Approved	70,224,814	55,986,336	54,932,295 (98.1%)	
						1,054,041 (1.9%)	

Annual	20th AGM	March 25, 2021
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Agenda	Type of resolution	Description	Voting result	Total voting shares outstanding (㉠) ¹⁾	Number of shares that exercised voting rights out of ㉠ (A) ²⁾	Number of shares in favor (B) (ratio) ³⁾ Number of shares in opposition or abstention (C) (ratio) ⁴⁾
<i>Item 1</i>	Ordinary	Approval of the financial statements for the 20th fiscal year (Estimated dividend per share: Common: KRW 10,000, preferred: KRW 10,050)	Approved	70,127,501	56,852,555	53,001,348 (93.2%) 3,851,207 (6.8%)
<i>Item 2</i>	Special	Revisions to the Articles of Incorporation	Approved	70,127,501	56,852,555	56,616,087 (99.6%) 236,468 (0.4%)
<i>Item 3</i>	Ordinary	Appointment of Dong-seok Cha as an inside director	Approved	70,127,501	56,852,555	48,872,367 (86.0%) 7,980,188 (14.0%)
<i>Item 4</i>	Ordinary	Appointment of outside director Mun-su Kim as an Audit Committee member ⁵⁾	Approved	43,907,370	30,632,424	26,056,019 (85.1%) 4,576,405 (14.9%)
<i>Item 5</i>	Ordinary	Approval of limits on directors' remuneration	Approved	70,127,501	56,852,555	56,430,186 (99.3%) 422,369 (0.7%)

1) For the agenda item concerning the appointment of an Audit Committee member, the number of shares with restricted voting rights is excluded from the total shares.

2) Number of shares (A) = number of shares (B) + number of shares (C)

3) Ratio of number of shares in favor (%) = (B/A) × 100

4) Ratio of number of shares in opposition or abstention (%) = (C/A) × 100

5) In accordance with Article 542-12 of the Commercial Act, a shareholder holding in excess of 3 percent of the total number of voting shares with voting rights may not exercise his or her voting rights with respect to the excess shares when appointing an Audit Committee member. Therefore, shares held by shareholders with shareholdings in excess of 3 percent are not included in the number of attending shares.

■ Measures taken to ensure maximum shareholder attendance

As described and explained in the preceding section, the company takes measures to secure a quorum for voting and make it easier for shareholders to exercise their voting rights. We have been encouraging their attendance in the general meetings of shareholders since the adoption of the electronic voting system and proxy solicitation. We intend to look into a variety of options for suggesting shareholders with simpler ways to exercise their voting rights.

(3) Matters concerning shareholder proposals

(Detailed Principle 1-③) The company should allow shareholders to propose agenda items at general meetings of shareholders, and to freely ask questions and request explanations on the agenda.

■ Informing shareholders about proposal procedures and internal standards

No shareholder has exercised the right to make a proposal in accordance with Articles 363-2 and 542-6 of the Commercial Act during any of the general meetings held from January 1, 2020 until today. Consequently, no details on the exercise of this right are provided herein. The Commercial Act prescribes shareholders' right to make proposals to protect the rights of common shareholders, in which shareholders who hold a certain percentage or more of the shares required by law may propose that certain matters be raised as agenda items for a general meeting of shareholders at least six weeks prior to the date set for the meeting. With sufficient information on the system described in the said Act, the company does not inform shareholders of the details on a separate channel, such as the website. However, unless it violates the Commercial Act or the Articles of Incorporation or other grounds for refusal of shareholder proposals prescribed by the Presidential Decree, we allow shareholders to exercise their rights to make proposals at least six weeks before the general meeting date. Moreover, all matters proposed by a shareholder are immediately reported to the BOD so that they are addressed at the board meeting to call a general meeting of shareholders, which takes place three to four weeks, on average, prior to the actual meeting. Besides this, shareholders are allowed to freely pose questions and request clarifications on the proposed agenda items at the general meetings of shareholders.

We have internal standards and procedures in place so that shareholders can exercise their right to make proposals with ease, but none have yet been exercised so far. If this right is exercised according to appropriate procedures in the future, we intend to operate the general meetings of shareholders in compliance with the Commercial Act, as well as the operating procedures of the BOD and general meetings of shareholders.

(4) Dividend and mid- to long-term shareholder return policy

(Detailed Principle 1-④) The company should develop a mid- to long-term shareholder return policy and plan, including dividends, and communicate them to shareholders.

■ Shareholder return policy and plans

The company may distribute profits in either cash or stock in accordance with its Articles of Incorporation, and a policy governing such distributions is in place. When determining dividends, we take into account investments, cash flow, financial structure, and dividend stability so as to increase shareholder value and return. Dividend stability refers to avoiding a reduction in the dividend per share, but it can be applied flexibly towards sustainable growth and enhancement of shareholder value by reviewing the changes in the business environment and management strategies, such as future investment plans. We announced the following mid- to long-term dividend policy on October 14, 2020 to enhance dividend stability and shareholder value.

- Aiming for maintaining a dividend payout ratio at 30 percent or higher of net income (excluding one-off non-recurring profits) on the consolidated financial statements in order to apply the same standards in terms of financial resources as before the spin-off
- Seeking to pay out a cash dividend of at least KRW 10,000 per common share for the next three years (2020 – 2022) to eliminate any uncertainty and increase shareholder value in a stable manner

No discussions or decisions have been made regarding shareholder return policy, except for dividends. The company aims at ensuring sustainable growth in each of its business areas by not only expanding its business in the petrochemical sector, where it has differentiated competitiveness, but also by preoccupying demands in downstream markets by investing in the advanced materials business, as well as bolstering R&D in the biotech industry. Our plans for the future include enhancing our corporate value through increased profits, along with the company's growth, while also increasing the size of dividends in the mid- to long-term.

■ How shareholders are informed about shareholder return policy

The BOD announces its decision on dividend payout before an AGM is held through the DART system and a pop-up window on the company's website. Specifics of the dividends to be allocated in the following year are provided at least once a year through a conference call to present the company's quarterly business results.

We ensure that every shareholder has access to sufficient dividend-related information. The company's dividend policy and status can be found in the link below.

- ◆ <https://www.lgchem.com/company/investment-information/stock-information/dividends>

We published our mid- to long-term dividend policy on DART on October 14, 2020, and sent all shareholders a letter containing the same information.

(5) Matters concerning shareholder return in general

(Detailed Principle 1-(5)) The company should respect shareholders' right to receive an appropriate level of dividends in accordance with the shareholder return policy and plans.

■ Shareholder returns

In 2021, the company paid out KRW 12,000 per common share and KRW 12,050 per preferred share pursuant to its dividend policy announced on October 14, 2020. The table below shows the specifics of dividend payouts over the past three years.

[Shareholder returns over the past three years]

(Jan. 1, 2019 – May 31, 2022; in shares, KRW, %)

Year	Closing month	Type of shares	Stock dividend	Cash dividend					
				Face value	Dividend per share ¹⁾	Total dividends	Dividend yield ²⁾	Payout ratio ³⁾	
								Consolidated basis	Non-consolidated basis
2021	DEC	Common	None	5,000	12,000	842,697,768,000	1.9	25.5	37.2
		Preferred	None	5,000	12,050	92,577,245,950	4.0		
2020	DEC	Common	None	5,000	10,000	701,275,010,000	1.2	151.8	- ⁴⁾
		Preferred	None	5,000	10,050	77,107,941,600	2.7		
2019	DEC	Common	None	5,000	2,000	137,879,852,000	0.6	49.0	42.0
		Preferred	None	5,000	2,050	15,728,487,650	1.2		

1) The total amount of dividends paid out per share in each year

2) The ratio of dividends per share to the arithmetic mean of the closing prices formed on the exchange market during the previous week from two transaction days prior to the closing date of the shareholder register

3) Total dividends / consolidated or separate net income

4) The payout ratio for 2020 cannot be calculated on a separate basis as the company reported a separate net loss of KRW 98,223 million for the year

■ Unequal dividends, quarterly dividends, and interim dividends

Although cash dividends have been paid for the past three consecutive years, we have not paid out any unequal, quarterly, and interim dividends due to factors including the industry's supply-and-demand cycle, business uncertainty, and seasonality.

2) Fair Treatment of Shareholders

(Key Principle 2) The voting rights of shareholders should be proportional to the number and type of shares they own, and the company should make efforts to build a system that makes company information available to all shareholders in a fair manner.

(1) Issued shares and communication with shareholders to provide company information

(Detailed Principle 2-①) The company must ensure that shareholders' voting rights are not violated and must also provide shareholders with timely, adequate, and unbiased information on the company.

■ Issued shares

The total number of shares granted in our Articles of Incorporation is 292,000,000 (KRW 5,000 per share). The total number of shares issued as of December 31, 2016 was 73,900,021, and 4,381,122 shares (4,321,243 common shares and 59,879 preferred shares) were issued on January 2, 2017 due to the merger with LG Life Sciences. At present, the total number of shares issued is 78,281,143, with 70,592,343 registered common shares and 7,688,800 registered preferred shares.

[Issued shares]

(As of May 31, 2022)

		Number of authorized shares ¹⁾	Number of shares issued ²⁾	Issuance rate ³⁾	Remarks
Common		292,000,000	70,592,343	24.18%	Treasury shares: 367,529
Classified	Preferred		7,688,800	2.63%	Treasury shares: 6,041 No voting rights

1) The number of authorized shares is not broken down by stock class, as stated in Article 5 of the Articles of Incorporation

2) Total number of shares issued until the as-of date - total number of shares decreased (through reduction or retirement until the as-of date)

3) Number of shares issued / number of authorized shares x 100 (rounded off to the thousandth)

■ Matters concerning classified shares

Each shareholder has one voting right per share that they own according to the Articles of Incorporation. Preferred shares, however, do not carry voting rights and receive an annual cash dividend that is 1 percent higher (based on the face value) than common shares. Dividends for preferred share are non-cumulative and non-participating. In addition, no type of shareholder meeting has occurred to date, and therefore no relevant information is covered herein

As described above, the company grants shareholders voting rights proportional to the number and type of shares they hold.

■ Communication with shareholders

We conduct quarterly conference calls on investor relations (IR) for business briefing via web casting on our website (<https://www.lgchem.com>). We consider holding the briefing sessions via live streaming or in person, in some instances. The presentations are held in both Korean and English to provide Korean and foreign shareholders with accurate information in a fair manner. The materials, also available in both languages, are posted on the Korean and English websites. Furthermore, we ensure fairness in information provision through measures such as suspending IR activities for a certain period between the end of a quarter and the date of presentation, as well as disclosing (provisional) business results in a timely and fair manner, which are all part of our efforts to provide company information in an equitable manner.

We disclose IR contact information to minority shareholders via the Financial Supervisory Service, Korea Exchange, and the Korea Fair Trade Commission. We have made individual inquiries possible through our website since 2019, allowing minority shareholders to communicate with the IR officer at any time.

We hold IR events for Korean and foreign institutional investors occasionally, and publish information about the company's major IR activities on our website (available in both Korean and English), as well as the DART system. Primary IR activities conducted since January 1, 2021 are as follows.

[Quarterly IR conference calls]

(Jan. 1, 2021 – May 31, 2022)

Date	Target	Format	Highlights	Venue
January 27, 2021	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for 4Q 2020	Virtual
April 28, 2021	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for 1Q 2021	Virtual
July 29, 2021	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for 2Q 2021	Virtual
October 25, 2021	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for 3Q 2021	Virtual
February 8, 2022	Korean and foreign investors, securities analysts, and media	Online Live Streaming	LG Chem Investor Day: Earnings results for 4Q 2021 and presentations about mid- to long-term strategy and vision	Virtual
April 27, 2022	Korean and foreign investors, securities analysts, and media	Conference call and webcasting	Earnings results for 1Q 2022	Virtual

[NDRs and conferences held abroad]

(Jan. 1, 2021 – May 31, 2022)

Date	Target	Format¹⁾	Highlights	Venue
February 3 – 5, 2021	Foreign institutional investors	NDR	Earnings results for 4Q 2020, key aspects of management and strategies	Virtual
February 19, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
February 25, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
March 4, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
March 9, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
March 16, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
March 31, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
May 6 – 13, 2021	Foreign institutional investors	NDR	Earnings results for 1Q 2021, key aspects of management and strategies	Virtual
May 14, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
May 18, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
June 2, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
June 30, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
August 5 – 11, 2021	Foreign institutional investors	NDR	Earnings results for 2Q 2021, key aspects of management and strategies	Virtual
August 25, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
September 1 – 2, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual

September 14 – 17, 2021	Foreign institutional investors	NDR	Earnings results, key aspects of management and strategies	New York, Boston
November 1 – 3, 2021	Foreign institutional investors	NDR	Earnings results for 3Q 2021, key aspects of management and strategies	Virtual
November 8 – 12, 2021	Foreign institutional investors	NDR	Earnings results, key aspects of management and strategies	London
December 3, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
December 6, 2021	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
February 15 – 17, 2022	Foreign institutional investors	NDR	Earnings results for 4Q 2021, key aspects of management and strategies	Virtual
February 21, 2022	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
March 3, 2022	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
March 7, 2022	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
March 10 – 11, 2022	Foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
May 23 – 27, 2022	Foreign institutional investors	NDR	Earnings results for 1Q 2022, key aspects of management and strategies	London, Paris

1) NDR : Non-Deal Roadshow

[NDRs and conferences held in Korea]

(Jan. 1, 2021 – May 31, 2022)

Date	Target	Format¹⁾	Highlights	Venue
January 28 – February 2, 2021	Korean institutional investors	NDR	Earnings results for 4Q 2020, key aspects of management and strategies	Virtual
February 17, 2021	Korean/foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Yeouido
April 30 – May 4, 2021	Korean institutional investors	NDR	Earnings results for 1Q 2021, key aspects of management and strategies	Virtual
May 27, 2021	Korean institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
June 1, 2021	Korean institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
August 2 – 4, 2021	Korean institutional investors	NDR	Earnings results for 2Q 2021, key aspects of management and strategies	Virtual
August 19, 2021	Korean/foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Yeouido
September 29, 2021	Korean institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
October 27 – 29, 2021	Korean institutional investors	NDR	Earnings results for 3Q 2021, key aspects of management and strategies	Virtual
November 9, 2021	Korean/foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Yeouido
November 11, 2021	Korean/foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Yeouido
December 7, 2021	Korean institutional investors	Conference	Earnings results, key aspects of management and strategies	Virtual
February 10 – 14, 2022	Korean institutional investors	NDR	Earnings results for 4Q 2021, key aspects of management and strategies	Virtual
April 29 – May 3, 2022	Korean institutional investors	NDR	Earnings results for 1Q 2022, key aspects of management and strategies	Yeouido, Gwanghwamun, Virtual
May 12, 2022	Korean/foreign institutional investors	Conference	Earnings results, key aspects of management and strategies	Yeouido

May 31, 2022	Korean institutional investors	Conference	Earnings results, key aspects of management and strategies	Yeouido
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1) NDR: Non-Deal Roadshow

Face-to-face meetings have been restricted since the COVID-19 outbreak. Nevertheless, we actively engaged in IR activities in 2021 by attending more than 600 meetings (including virtual meetings) like the quarterly performance briefing conference calls described above, overseas NDRs and conferences, and domestic NDR and conferences. In addition, we have provided ample opportunities for engagement with Korean and foreign shareholders by holding meetings with each business division's management, if necessary, in order to facilitate communication with shareholders and improve investors' understanding of the company's businesses.

More information about the company is available on our website (<https://www.lgchem.com>), as well as electronic disclosure systems such as DART (<http://dart.fss.or.kr>) and KIND (<https://kind.krx.co.kr>). We publish sustainability reports, business reports, audit reports, and more on the website, including our management information such as members and operating status of the BOD, shares and shareholders, and financial information. The entire content of electronic disclosures is also found on the website.

■ Availability of IR Division's contact details

The contact details of the company's IR Division and officer are made available via the Financial Supervisory Service, Korea Exchange, and the Fair Trade Commission, and the IR Division's phone number has been posted on the company website since 2019 to accept shareholders' inquiries, including a 1:1 chat, at any time.

■ Availability of information for foreign shareholders

Although the company does not submit any English version of public disclosure in the DART system, we periodically deliver the company's overall financial and business management information via our English website (<https://www.lgchem.com/main/index>). Here we publish our business reports, audit reports, and sustainability reports in English. As part of our efforts to provide foreign shareholders with significant corporate information and business-related matters occurring throughout the year in a timely manner, we disseminate press releases to foreign media outlets, as well as send emails to key shareholders abroad. In addition, as shown in the table above (NDRs and conferences held abroad), we spare no effort to make all relevant information available to foreign shareholders by participating in overseas NDRs and conferences 10 times on average per year. Although we have been restricted from meeting foreign shareholders in person since COVID-19, we make all possible efforts to share major issues via conference calls, video calls, and written correspondence.

[Disclosures in English]

(Jan. 1, 2021 – May 31, 2022)

Date of disclosure	Title	Highlights
June 22, 2021	Details of Corporate Governance Report	Matters regarding corporate governance

■ Fair disclosure

The company discloses all relevant information in a timely and fair manner when information subject to fair disclosure under Article 15 of the Securities Market Disclosure Regulations is given.

We endeavor to ensure that shareholders are provided with sufficient corporate information in a timely and equitable manner through diverse IR activities as described above. Details of information submitted to the DART system for fair disclosure from January 1, 2021 to the present as follows.

[Details of fair disclosure]

(Jan. 1, 2021 – May 31, 2022)

Date of disclosure	Title	Highlights
January 27, 2021	Prospects for business performance based on consolidated financial statements (fair disclosure)	Sales forecast for 2021
March 4, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for 4Q 2020, including revenue, operating income, and net income
April 28, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for 1Q 2021, including revenue, operating income, and net income
July 14, 2021	Future business, management plans (fair disclosure)	Mid- to long-term strategy for LG Chem's sustainable growth
July 29, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for 2Q 2021, including revenue, operating income, and net income
October 25, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for 3Q 2021, including revenue, operating income, and net income
December 7, 2021	Matters related to ad hoc disclosure obligations (fair disclosure)	Announcement of phase 3 clinical trial results for diabetes treatment Gemidapa Tab.
February 8, 2022	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for 4Q 2021, including revenue, operating income, and net income
February 8, 2022	Prospects for business performance based on consolidated financial statements (fair disclosure)	Sales forecast for 2022
April 27, 2022	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for 1Q 2022, including revenue, operating income, and net income

■ Designation as a corporation that has made unfaithful disclosure

We have engaged in public disclosure faithfully and therefore has never been designated as an “unfaithful disclosure corporation,” so no separate descriptions regarding the matter are provided herein. We were recognized as a company of excellence in public disclosure in 2019 for our Corporate Governance Report 2018.

As stated above, the company endeavors to continue to provide shareholders with timely, adequate, and accurate corporate information.

(2) Controls over internal transactions and self-dealings

(Detailed Principle 2-②) The company should develop and implement mechanisms to safeguard shareholders from unfair internal transactions and self-dealings by other shareholders, including controlling shareholders.

■ Internal control system for related-party and self-dealing transactions

Various policies are in place as part of our efforts to comply with applicable statutes and regulations and thus strengthen our control over internal transactions and self-dealings. Article 14 of the BOD Regulations stipulates “approval of transactions between directors and the company” as a board resolution in order to prevent management and controlling shareholders from engaging in internal transactions and self-dealings for their private interests. A director with special interests is prohibited from exercising his or her voting rights. Article 542-9(3) of the Commercial Act also prescribes that if the annual transaction volume with LG Corp., the largest shareholder, or persons with special relations with LG Corp. and the company exceeds 5 percent of the total assets or revenue, or if the transaction size per case exceeds 1 percent of the total assets or revenue, prior approval from the BOD shall be obtained. Moreover, transactions with LG Corp., the major shareholder, and its subsidiaries, and subsidiaries in which LG Corp. owns 50 percent or more of the shares, as well as companies with a potential conflict of interest due to the concurrent position of the CEO, are required to obtain the board’s approval pursuant to Article 398 of the Commercial Act. The Monopoly Regulation and Fair Trade Act mandates that the BOD shall decide and disclose large-scale internal transactions with affiliates for an amount exceeding KRW 5 billion. Accordingly, as a subsidiary of the LG Group, we disclose all such transactions in a legal manner once approved by the BOD. The relevant information is also accessible via DART. We also installed an Internal Transaction Committee under the BOD on July 1, 2021 aimed at improving the fairness of transactions and the transparency of management by bolstering the company’s internal control over internal transactions.

■ Matters concerning comprehensive board resolutions related to internal transactions with affiliates, and self-dealings with management or controlling shareholders

As described above, Article 542-9(3) of the Commercial Act prescribes that if the annual transaction volume with LG Corp., or persons with special relations with LG Corp. and the company exceeds 5 percent of the total assets or revenue, or if the transaction size per case exceeds 1 percent of the total assets or revenue, prior approval from the BOD shall be obtained. Moreover, transactions with LG Corp. and its subsidiaries, and subsidiaries in which LG Corp. owns 50 percent or more of the shares, as well as companies with a potential conflict of interest due to the concurrent position of the CEO, are required to obtain the board’s approval pursuant to Article 398 of the Commercial Act.

For a reasonable and efficient operation of the BOD in terms of internal transactions with affiliates and self-dealings with management or controlling shareholders, we have set a limit for certain transaction size as a requested limit for the anticipated same/similar transaction with the counterparty, before obtaining comprehensive board approval. In addition, if the amount of transactions with affiliates disclosed after the BOD’s approval increases by at least 20 percent, the board must approve any changes to goods or services transactions with affiliates.

The following are details of comprehensive board approval from the beginning of the fiscal year to the date of the report’s submission.

[Details of comprehensive board approval]

(Jan. 1, 2021 – May 31, 2022)

Session	Agenda		Voting result	Regular / ad-hoc	Date convened	Date the agenda was notified	Attendance / quorum
3rd	Resolution	Approval of changes in product or service transactions with affiliates	Approved	Regular	March 25, 2021	March 24, 2021	7/7
6th	Resolution	Approval of changes in product or service transactions with affiliates	Approved	Regular	July 29, 2021	July 23, 2021	7/7
9th	Resolution	Approval of the limit on the total amount of transactions with parties of special interests	Approved	Regular	November 25, 2021	November 19, 2021	6/6
		Approval of self-dealings with affiliates, etc.	Approved				
		Approval of product or service transactions with affiliates	Approved				

Matters regarding the BOD agenda are available under “VI. Matters concerning the BOD and Other Organizations of the Company.”

■ Transactions with stakeholders including controlling shareholders

We disclose details of transactions with stakeholders, including controlling shareholders, in periodic reports, and the following lists the transactions with stakeholders from the Business Report 2021. For additional specifics, see “X. Transactions with Major Shareholders” of the same report published in DART on March 15, 2022.

[Transfer of assets with stakeholders]

(Period: Jan. 1 – Dec. 31, 2021, in KRW million)

Counterparty	Relationship	Transaction type	Transaction date	Transaction object	Purpose	Amount	Remarks
LX HAUSYS, LTD.	Affiliate	Asset acquisition from party with special interests	February 19, 2021	Land, building/structure, etc.	To secure a stable business base for the life sciences division’s Onsan plant	20,827	BOD approval on November 26, 2020
FARM HANNONG CO., LTD.	Affiliate	Asset acquisition from party with special interests	February 24, 2021	Technology license	To acquire technology license according to the transfer of joint research project	3,550	Executed following an internal product approval by the CEO due to noncompliance with the board’s conditions
FARM HANNONG CO., LTD.	Affiliate	Asset acquisition from party with special interests	March 1, 2021	Research apparatus	To acquire research apparatus according to the transfer of joint research project	207	Executed following an internal product approval due to noncompliance with the board’s conditions
LX SEMICON CO., LTD.	Affiliate	Asset acquisition from party with special interests	October 22, 2021	Equity, related research facilities, etc.	Sales due to a change in strategic direction	7,000	BOD approval on October 22, 2021
LG ELECTRONICS INC.	Affiliate	Asset acquisition from party with special interests	November 1, 2021	Sales acquisition, etc.	To secure business basis related to separator	525,000	BOD approval on July 29, 2021
FARM HANNONG CO., LTD.	Affiliate	Asset acquisition from party with special interests	November 23, 2021	Research apparatus	To acquire research apparatus according to the transfer of joint research project	107	Executed following an internal product approval due to noncompliance with the board’s conditions
LG ENERGY SOLUTION, LTD.	Affiliate	Asset acquisition from party with special interests	December 13, 2021	Research apparatus	To sell unused assets according to the relocation of the company’s analysis laboratory	365	Executed following an internal product approval due to noncompliance with the board’s conditions

[Business transactions with stakeholders]

(Period: Jan. 1 – Dec. 31, 2021, in KRW million)

Company name	Relationship	Transaction type	Transaction period	Details	Amount
LG Chem America, Inc.	Subsidiary	Sales, purchases, etc.	January – December 2021	Sales of acrylic/SAP, ABS, etc.	1,049,660

1) Cases where the transaction value of products (assets) or services with the major shareholder exceeds 5/100

(KRW 1,023,552 million) of the prior fiscal year's sales

(K-IFRS separate sales for 2021: KRW 20,471,044 million).

2) As of December 1, 2020, LG Energy Solution Co., Ltd. was split off from the company, and transactions between LG Energy Solution and its subsidiaries after the split-off was omitted.

(3) Shareholder protection against changes in ownership structure or major businesses

(Detailed Principle 2-③) The company should devise measures to protect its shareholders, such as by collecting the opinions of minority shareholders and protecting the rights of opposing shareholders during changes to the company's ownership structure or principal businesses, which involve mergers, business transfers, spin-offs, and comprehensive stock exchange and transfer.

■ Description of the company's policy to protect shareholders from mergers, business transfers, spin-offs, comprehensive exchange and transfer of stocks, and other factors by collecting opinions of minority shareholders and protecting the rights of opposing shareholders whose actions result in significant changes to the company's ownership structure or principal businesses, or, if none exists, the rationale and future plan

In case of a matter causing significant changes to the ownership structure or principal businesses, the company makes shareholder-related decisions through disclosure, a general meeting of shareholders, and the granting of share purchase rights to opposing shareholders, in accordance with applicable laws.

To protect opposing shareholders, the current Commercial Act and the Financial Investment Services and Capital Markets Act guarantee appraisal rights. In some instances, however, appraisal rights are not recognized, such as in the case of small-scale mergers or split-offs. We currently do not develop or implement additional policies beyond the scope of applicable laws and systems.

■ Description of the implementation and plans for shareholder protection, including minority shareholder opinions and the protection of opposing shareholder rights, if there has been a merger, business transfer, spin-off, or comprehensive exchange or transfer of stocks that can cause material changes in ownership structure or principal businesses, or a specific plan subject to disclosure during the fiscal year

The company did not have any mergers, business transfers, spin-offs, comprehensive exchanges, or stock transfers that resulted in significant changes to its ownership structure or major businesses in 2021, the period subject to disclosure.

3. Board of Directors (BOD)

3) Functions of the BOD

(Key Principle 3) The Board of Directors should determine the company’s business objectives and strategies for the benefit of the company and its shareholders, and effectively supervise management activities.

(1) BOD’s function in business operations and relevant systems

(Detailed Principle 3-①) The Board of Directors should effectively carry out its roles as a decision-maker and a business supervisor.

■ Support for the BOD’s operations and matters to be discussed and decided by the BOD as outlined in the Articles of Incorporation and the Board Regulations

In order to facilitate the effective performance of the BOD’s operations, we hold a separate briefing session prior to each board meeting through the BOD Secretariat in order to report the agenda items submitted to the BOD and provide additional explanations. We also facilitate the board’s efficient deliberation of the agenda by incorporating board members’ comments during the preliminary briefing session. In addition, institutional systems are in place to enhance the board members’ understanding of the company’s business operations and thus aid in the board operation in a more professional way, such as holding seminars or workshops once a year that include visits to business sites in and out of Korea.

[BOD-supporting organizations]

(As of May 31, 2022)

Organization	Members	Key tasks
BOD Secretariat	<ul style="list-style-type: none"> - Members: 4 in total - Position (date of joining): <ul style="list-style-type: none"> ① 1 executive director (Dec. 2020) ② 1 team leader (Jun. 2001) ③ 1 manager (Jun. 2021) ④ 1 associate (Jul. 2018) - Period of serving as supportive staff for the board: <ul style="list-style-type: none"> ① 1 executive director (Dec. 2020) ② 1 team leader (Dec. 2019) ③ 1 manager (Apr. 2022) ④ 1 associate (Jul. 2018) 	<ul style="list-style-type: none"> - Collect and organize of board agenda items, as well as analyze laws and regulations related to grounds for submissions and resolutions - Explain the agenda to directors in advance and respond to questions and discussions - Run board proceedings, write minutes, and communicate matters for disclosure to related departments - Conduct external activities to improve directors’ understanding of business operations, such as visiting business sites in and out of Korea and hosting seminars

The BOD, as the highest-level decision-making body pursuant to the Commercial Act, resolves on important matters that require the board’s approval according to relevant laws and the Articles of Incorporation, significant financial matters exceeding a certain amount, mid- to long-term strategies and business policies, HR and remuneration of executive officers, and major committee-related matters. Article 24 of the Articles of Incorporation and Article 14 of the Board Regulations outline the specific matters for consideration and resolution by the company’s BOD, which are summarized as below.

Matters that require board approval																										
Matters to be resolved by the BOD under the Commercial Act and the Articles of Incorporation	<ul style="list-style-type: none"> · Convocation of a general meeting of shareholders · Approval of business reports · Approval of financial statements · Appointment or dismissal of the CEO · Decision on the co-CEO · Appointment or dismissal of managers [Delegated to the Management Committee] · Installation, relocation or closing of a branch [Delegated to the Management Committee] · Invitation to the subscription of bonds, etc. [Delegated to the Management Committee: Issuance of bonds and individual borrowing within the annual limit approved by the BOD] 																									
Matters concerning agenda items to be submitted to a general meeting of shareholders	<ul style="list-style-type: none"> · Transfer of the whole or an important part of the company’s business · Lending of the entire business or delegating business management · Conclusion, alteration, or cancellation of contracts on sharing with a third party all business profits and losses or any similar contracts · Acquisition of all or part of another company’s operations that has a significant impact on the company’s operations · Stock dividends · Reduction of capital · Exemption of a director’s liabilities for the company 																									
Matters concerning significant financial affairs	<ul style="list-style-type: none"> · Asset revaluation · Important and large-scale facility investments or other investments · Acquisition or disposal of an asset worth a certain level or higher, borrowing of funds, or provision of a collateral for another party · Large-scale internal transactions under the Monopoly Regulation and Fair Trade Act <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Classification</th> <th style="width: 33%;">Type</th> <th style="width: 33%;">Criteria for submission</th> </tr> </thead> <tbody> <tr> <td>Facility investment</td> <td>New and increased investments</td> <td>KRW 100 billion or more per transaction</td> </tr> <tr> <td>Investment</td> <td>Investments and acquisition of shares of other companies</td> <td>KRW 100 billion or more per transaction</td> </tr> <tr> <td>Asset acquisition</td> <td>Acquisition of assets, excluding facility investments and other investments</td> <td>KRW 100 billion or more per transaction</td> </tr> <tr> <td rowspan="2">Asset disposal</td> <td>Sale of shares</td> <td>KRW 100 billion or more per transaction</td> </tr> <tr> <td>Partial transfer of assets and businesses</td> <td>KRW 100 billion or more per transaction</td> </tr> <tr> <td rowspan="2">Borrowing</td> <td>Bonds</td> <td>Setting and increasing annual limits</td> </tr> <tr> <td>Borrowings</td> <td>(Excluding borrowings secured by accounts receivable)</td> </tr> <tr> <td>Provision of a collateral or guarantee for another party</td> <td>Subsidiaries and other companies</td> <td>KRW 100 billion or more per transaction</td> </tr> </tbody> </table>	Classification	Type	Criteria for submission	Facility investment	New and increased investments	KRW 100 billion or more per transaction	Investment	Investments and acquisition of shares of other companies	KRW 100 billion or more per transaction	Asset acquisition	Acquisition of assets, excluding facility investments and other investments	KRW 100 billion or more per transaction	Asset disposal	Sale of shares	KRW 100 billion or more per transaction	Partial transfer of assets and businesses	KRW 100 billion or more per transaction	Borrowing	Bonds	Setting and increasing annual limits	Borrowings	(Excluding borrowings secured by accounts receivable)	Provision of a collateral or guarantee for another party	Subsidiaries and other companies	KRW 100 billion or more per transaction
Classification	Type	Criteria for submission																								
Facility investment	New and increased investments	KRW 100 billion or more per transaction																								
Investment	Investments and acquisition of shares of other companies	KRW 100 billion or more per transaction																								
Asset acquisition	Acquisition of assets, excluding facility investments and other investments	KRW 100 billion or more per transaction																								
Asset disposal	Sale of shares	KRW 100 billion or more per transaction																								
	Partial transfer of assets and businesses	KRW 100 billion or more per transaction																								
Borrowing	Bonds	Setting and increasing annual limits																								
	Borrowings	(Excluding borrowings secured by accounts receivable)																								
Provision of a collateral or guarantee for another party	Subsidiaries and other companies	KRW 100 billion or more per transaction																								

	[Delegated to the Management Committee] - Issuance of bonds and individual borrowing within the annual limit approved by the BOD (excluding borrowings secured by accounts receivables) - Provision of a collateral and guarantee between KRW 50 billion and less than KRW 100 billion per transaction
Matters concerning mid-to long-term strategies and business policies	<ul style="list-style-type: none"> · Setting strategic business directions · Assessing current year's performance, and developing business plans and reaching an agreement on goals for the following year
HR-related matters	<ul style="list-style-type: none"> · Matters concerning HR policies and remuneration for executive officers · Appointment of a chief financial officer · Appointment or dismissal of the chief ES&H officer
Matters concerning directors, board members, and committees	<ul style="list-style-type: none"> · Approval of transactions between directors and the company · Installation, operation and abolition of committees under the BOD · Appointment or dismissal of committee members under the BOD · Enactment or abolition of regulations of the BOD and committees under the board
Other matters	<ul style="list-style-type: none"> · Other matters specified by relevant laws and the Articles of Incorporation, matters delegated by the general meeting of shareholders, and matters deemed necessary by the BOD chairperson or the CEO

■ Existence of any matters requiring board deliberation and resolution that are not mandatory under the applicable laws (e.g. deliberation and resolution matters that are voluntary added, higher monetary standards) and main contents and effects thereof

In addition to fulfilling legal obligations under applicable laws and regulations, the company submits critical business matters to the BOD to ensure that its supervisory and business execution functions are carried out faithfully. Matters regarding the appointment, discipline, and compensation of management (executive) executives in accordance with the Board Regulations and the HR Regulations for Executive Officers (first BOD meeting in 2020: “Approval for the appointment of advisors and full-time consultants” / first BOD meeting in 2020: “Reporting of the disciplinary results for executive officers in 2019” / third BOD meeting in 2020: “Approval for the bonus payment for executive officers” / first BOD meeting in 2021: “Approval for the appointment of advisors” / third BOD meeting in 2021: “Approval for the incentive payment for executive officers”) are submitted or reported to the BOD for approval in an effort to faithfully fulfill the BOD’s function as a business supervisor for the company’s management (executive) officers. The BOD also receives a report on the progress to monitor the already-approved matters. For instance, we reported the progress of the disposal of assets above a certain size that was previously approved by the BOD (fifth BOD meeting in 2020: “Approval for the disposal of polarizing plate business for LCDs”) again at a board meeting (ninth BOD meeting in 2020: “Report on the polarizer business sale progress”). Furthermore, the company actively carries out process standardization and informatization/intelligence as part of its business innovation activities. With the significant rise in risks as a result of system-based business performance in all sectors, we conducted cybersecurity enhancement activities and reported the matter to the BOD (seventh BOD meeting in 2021: “Report on the cybersecurity progress”). We also shared the direction of sustainability management with the board following the changes in the company’s petrochemical business (fourth BOD meeting in 2022: “Report on the strategic business implementation to secure

sustainability in the petrochemical sector”).

■ Among the board’s authorities, matters delegated to the committees under the BOD and the CEO (or representative executive officer)

Article 24-1(1) of the Articles of Incorporation and Article 13(1) of the Board Regulations state that committees necessary for the BOD operation may be established in addition to an audit committee and a committee for recommending candidates for outside director, as mandated by the Commercial Act. A part of the board’s authorities may be delegated to a BOD subcommittee to the extent that such delegation does not violate applicable laws and the Articles of Incorporation pursuant to Article 13(2) of the Board Regulations. In order to improve the board operation efficiency, we have delegated certain significant financial affairs to the Management Committee in accordance with Article 14(1)3 of the Board Regulations. We notify each director of the resolutions and share the Management Committee’s resolutions with the BOD at least once every six months pursuant to Article 13 of the Management Committee Regulations, thus contributing to establishing a board-level control mechanism. In addition, Article 14 of the Management Committee Regulations requires the BOD to convene a meeting if the matters deliberated and decided by the Management Committee fall significantly outside the scope of delegation from the board or are contrary to the purpose of the delegation, and stipulates that the board may redetermine the matters decided by the Management Committee. Refer to “8) Committees under the BOD” for details on the authorities delegated to each BOD subcommittee.

As described above, our BOD effectively fulfills its role as a supervisor and decision-maker by clarifying the board’s deliberated or decided matters per the Articles of Incorporation and the Board Regulations, operating committees within the BOD according to the committee system mandated by relevant laws and regulations, and supporting all related affairs through the BOD Secretariat.

(2) CEO succession policy

(Detailed Principle 3-②) The Board of Directors should prepare and operate a CEO succession policy (including an emergency appointment policy) and continue to update and improve these policies.

■ CEO appointment and succession policy

We operate an internal process for the succession of the CEO. Every year, a pool of CEO candidates is selected from among our key executives and outside personnel, and we proceed with the nomination following a review of the candidates.

■ Principal department for the development and enforcement of succession policy

Article 23 of the Articles of Incorporation and Article 7 of the Board Regulations stipulate that the BOD has the authority to select a CEO, and it is the HR department that develops and runs an internal process for the CEO's succession. The BOD validates the qualifications of each candidate, taking into account their experiences and capabilities regarding businesses or duties they are likely to perform as CEO, experiences and leadership required for executing mid- to long-term business strategies, and suitability at the time of appointment. The HR department devises and operates succession policies in partnership with the department in charge of developing entrepreneurs and other relevant departments.

■ Main contents of the succession policy, including the selection, management, and training of candidates (pool)

① Selection and management of CEO candidates (pool)

CEO candidates are divided into those who can be appointed immediately (for the next term) and those who can be appointed three to five years later (long-term). We review and update the candidates annually. Top management and HR executives consult with one another each year to select candidates based on their qualifications.

② Training program for candidates

As part of its efforts to ensure a smooth succession for the CEO, the company discovers and develops talents with the temperament, competencies, and potential as an entrepreneur. We offer systematic training programs designed to help candidates make up for and develop capabilities they may be lacking in. We also cooperate with a group of educational institutions to continuously enhance and supplement the programs, as well as to foster entrepreneurial competence. Candidates for 2021 participated in "Talent Session," a meeting to discuss the competency building of candidates, as well as "Innovate Program," "EnDP: Entrepreneur Development Program," and "Presidents Workshop."

③ CEO succession process

Every time there is a change in the CEO the relevant issues are placed on the board agenda, and the BOD examines whether the final CEO candidates have the ability to manage and run the company in a manner consistent with shareholder interests and to perform the company's key values and vision, before deciding the CEO nominee. The management succession process concludes when a candidate confirmed by the BOD is appointed as an inside director at the general meeting of shareholders, and is subsequently appointed as the CEO following a board resolution.

To ensure management continuity and safety, candidates are required to prepare for succession until they are appointed as internal directors through a general meeting of shareholders and a board meeting. Moreover, we ensure that the succession takes place as seamlessly as possible, where the preceding CEO may be appointed as an advisor.

As for management succession in the event of an emergency, the Articles of Incorporation and the Board Regulations prescribe an acting CEO system, which takes effect in times when the CEO becomes unavailable for any reason. As the regulations suggest, should the CEO is absent or unable to perform his or her duties, a person with a higher rank among internal directors, a person in the order of other non-executive directors, or a person directly designated by the BOD shall act in his or her place.

(3) Internal control policy

(Detailed Principle 3-③) The Board of Directors should prepare and operate internal control policies (including risk management, compliance management, internal accounting management, and disclosure information management) and continue to update and improve these policies.

■ Risk management policies, including risk recognition and control, and its operating status

The company's internal risk management and control is mostly carried out by the Audit Committee to guarantee objectivity and expertise. The Audit Committee (i) develops, executes, and evaluates internal audit plans and presents review opinions to the management after receiving quarterly reports on the company's financial statements, progress of external auditor's audit, financial risks discovered through the audit, and actions taken against the risks. The committee also (ii) comprehensively monitors business activities by evaluating and approving the internal accounting management system and internal monitoring system in accordance with applicable laws, such as the Act on External Audit of Stock Companies and the Financial Investment Services and Capital Markets Act. The Audit Committee (iii) receives reports on the operation status of the compliance controlling system and the results of its effectiveness evaluation, and oversees the company's ethical and compliance management. (vi) In the event of a significant non-recurring incident that may have a negative impact on the company's image and reputation, an ad-hoc committee meeting is convened to report the incident's details and seek ways to mitigate risks.

Aside from the Audit Committee, LG Chem appointed a CRO in May 2021 and established a company-wide organization for risk management to identify potential risks and events that may affect business operations in advance and to develop and implement comprehensive management and response plans. The organization, together with other bodies responsible for each major risk (environmental safety, quality, information security, compliance, labor-management, logistics/commercial tariffs, purchasing, and finance), carries out risk management activities to prevent crises in normal times. It has established response procedures, including a radio wave/reporting system and operation of an emergency response committee, as its efforts to confirm the adequacy of the procedures through simulation training. As for building an integrated risk management system, we published company-wide risk management regulations that outline risk management policies/principles, responsibilities and authorities, as well as processes to raise employee awareness of risk management and build leadership. We also hold regular risk management committee meetings supervised by the CRO as part of our major decision-making and communication processes.

■ Compliance management policy and its operating status

The company adopted a compliance officer system by appointing a compliance officer and enacting compliance controlling standards in April 2012. The appointed compliance officer takes charge of compliance control in accordance with compliance controlling standards, and conducts compliance checks on company businesses and employees, as well as improvement activities for internal standards and potentially unlawful behaviors. The LG Chem Compliance Guideline outlines the key compliance principles that every employee must adhere to, and the LG Code of Ethics encourages all employees to abide by a set of standards of conduct and criteria for value judgment. The Compliance Guideline and the LG Code of Ethics are available on the LG Chem website.

- ♦ LG Chem Compliance Guideline: <https://www.lgchem.com/sustainability/compliance-management>
- ♦ LG Code of Ethics: <https://www.lgchem.com/company/company-information/lgway/degreemanagement>

■ Internal accounting management policy and its operating status

Based on the Act on External Audit of Stock Companies and the Best Practices for the Internal Accounting Management System, we updated our internal accounting management regulations in 2019, and an internal accounting management system is under operation. Our internal accounting management regulations include the overall design and operation of the internal accounting management system to provide reasonable assurance in terms of preparing and disclosing financial statements, as well as the roles and responsibilities of the CEO, Audit Committee, and external auditors. A dedicated organization operates the internal accounting management system, designs company-wide, process-level, and general computer-level controls to improve and supplement the control measures based on the management environment and business changes. It also conducts annual evaluations to determine and monitor the accounting management system's efficiency. The CEO reports the system's operating status at a general meeting of shareholders, board meeting, and Audit Committee meeting every year. The Audit Committee proceeds with the system evaluation and reports its findings to the BOD, ensuring the committee's comprehensive monitoring of business activities. The operating report for the system is disclosed in the company's annual business reports.

Responsible members of the organizations related to the management and operation of the internal accounting management system are outlined below. More details are available in the Internal Accounting Management Operations Report attached to the Business Report 2021, which was disclosed on March 15, 2022.

[Responsible members of organizations related to managing and operating the internal accounting management system]

(As of Dec. 31, 2021)

Division/organization	Name of the responsible person	Position	Tasks related to the internal accounting management system
Audit (Committee)	Young-ho Ahn	Audit Committee Chairman	- Evaluates the operating status of the internal accounting management system and reports to the BOD
BOD	Dong-seok Cha	Internal accounting controller	- Oversees the assignment of roles within the internal accounting management organization and reports the system's operating status to the BOD and the Audit Committee
Accounting	Kyung-suk Kim	In charge of accounting	- Processes, checks, and stores accounting information in accordance with the Financial Accounting Standards and the Internal Accounting Management Regulations
IT System Operations	Min-ki Han	Business Process innovation	- Maintains computerized accounting data processing systems to meet the internal accounting management standards
Fund Operations	Jae-su Lee	In charge of Finance	- Raises and executes funds
Other related divisions	Hae-jung Park	In charge of Personnel management	- Takes disciplinary action against persons who violate the Internal Accounting Management Regulations

■ Disclosure management policy and its operating status

We, as a corporation listed on the stock exchange and affiliated with a business group with restrictions on mutual investment, are committed to impartially disclosing corporate information through prompt disclosure of business activities within the time limit in compliance with the pertinent laws and regulations of the Financial Supervisory Service, Fair Trade Commission, and Korea Exchange. We designate one disclosure officer and two disclosure managers and register them to Korea Exchange, as stipulated in Article 88 of the Securities Market Disclosure Regulations. We also take part in a number of training programs, including regular programs prescribed in the Enforcement Rules of the Securities Market Disclosure Regulations, as well as disclosure and system-related training hosted by the Financial Supervisory Service, Fair Trade Commission, and Korea Listed Companies Association, and carry out disclosure duties. The IR team of the organization in charge of IR oversees the disclosure affairs and devises disclosure information management regulations and disclosure business guidelines governing disclosure-related tasks and procedures, as well as disclosure information management. Our disclosure

system ensures that the IR team is provided with pertinent information in advance during the review phase of key management issues.

4) Composition of the BOD

(Key Principle 4) The Board of Directors should be organized in a way that enables efficient decision-making and oversight of the management. Directors should be appointed through a transparent process that can adequately reflect the diverse opinions of shareholders.

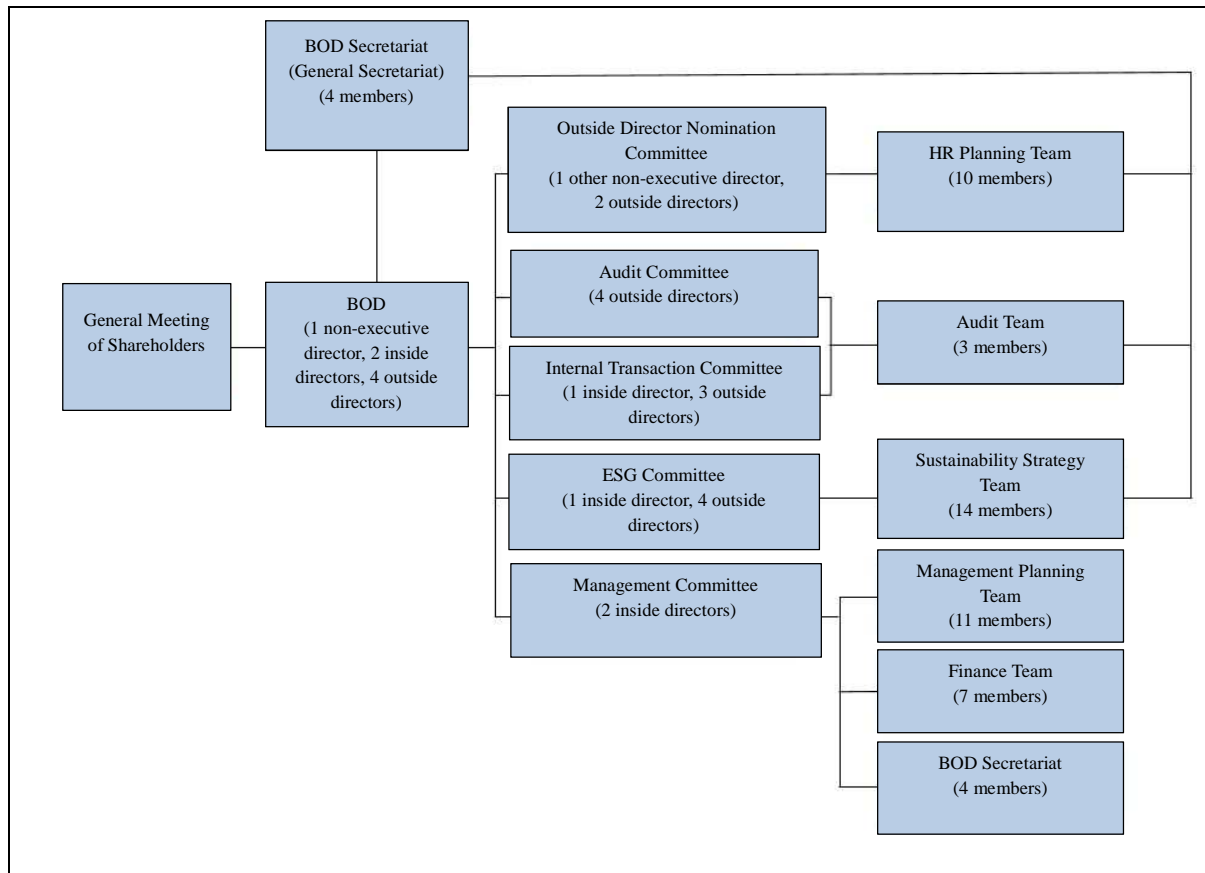
(1) Compositions of the BOD and its committees

(Detailed Principle 4-①) The Board of Directors should be organized in a way that enables effective and thorough discussions and decision-making, and should have a sufficient number of outside directors who will function independently from executives and controlling shareholders.

■ Details and status of the BOD and its committees

The company's BOD may consist of three to 11 directors. The minimum number is set at three to comply with the minimum requirement of directors (Article 383(1) of the Commercial Act), whereas the maximum is set to 11 because more than 12 directors may raise such problems as a delay in collecting opinions among directors, undermining the efficiency of board operations. Article 542-8 of the Commercial Act prescribes that a listed company with assets of at least KRW 2 trillion shall have three or more outside directors and the number of outside directors shall account for more than half of the total number of directors. Accordingly, the company's BOD consists of three inside directors and four outside directors, according for a total of seven directors, as of the end of 2021. The number also complies with the Commercial Act, where outside directors represent the majority at 57 percent of the entire board members. As of May 31, 2022 when this report was submitted, the BOD has seven members in total: two inside directors, one non-executive director, and four outside directors, with the latter constituting the majority. There are a total of four outside directors, two of whom were appointed on March 23, 2022.

[Organizational chart: BOD]



1) The above chart lists the number of board members, committees under the BOD, and supporting departments as of May 31, 2022.

2) The Outside Director Nomination Committee is a standing organization comprised of one non-executive director and two outside directors.

3) The ESG Committee was established on April 28, 2021, with one internal director and four external directors.

4) The Internal Transaction Committee was installed on July 1, 2021, with one inside director and three outside directors as the members.

[Composition of the BOD]

The BOD members as of the report’s due date of May 31, 2022, are Bong-seok Kwon, Hak-cheol Shin, Dong-seok Cha, Dong-min Jung, Mun-su Kim, Hwa-sun Cho, and Hyun-joo Lee.

(As of May 31, 2022)

Title	Name	Gender (Age)	Position	Date appointed ¹⁾	Expected expiry date of the term	Area of expertise	Career background
Non-executive director	Bong-seok Kwon	Male (58)	Outside Director Nomination Committee member	March 23, 2022	Until the AGM in March 2025	Business administration in general	CEO of LG Electronics
CEO	Hak-cheol Shin	Male (64)	BOD Chairman, Management Committee Chairman, ESG Committee member	March 15, 2019	Until the AGM in March 2025	Business administration in general	Vice Chairman and Executive Vice President of 3M
Inside director	Dong-seok Cha	Male (59)	Management Committee member, Internal Transaction Committee member	March 20, 2020	Until the AGM in March 2025	Business administration in general	CFO of Serveone
Outside director	Dong-min Jung	Male (61)	Audit Committee member, Internal Transaction Committee member, ESG Committee member	March 17, 2017	Until the AGM in March 2025	Legal affairs (lawyer)	Chief Prosecutor of Seoul Western District Prosecutor’s Office
Outside director	Mun-su Kim	Male (67)	Audit Committee Chairman, Internal Transaction Committee member, Outside Director Nomination Committee member, ESG Committee member	March 23, 2018	Until the AGM in March 2025	Accounting /taxation	Vice Commissioner of National Tax Service
Outside director	Hwa-sun Cho	Female (56)	Audit Committee member, Internal Transaction Committee member, Outside Director Nomination Committee member, ESG Committee member	March 23, 2022	Until the AGM in March 2025	Politics/economy /society	Professor, Department of Political Science and International Studies, Yonsei University
Outside director	Hyun-joo Lee	Female (45)	Audit Committee member, ESG Committee Chairman	March 23, 2022	Until the AGM in March 2025	Chemistry	Professor, Department of Chemical and Biomolecular Engineering, KAIST

1) The table above indicates the initial appointment date for reappointed directors.

2) Hak-cheol Shin was reappointed as an inside director at the General Meeting of Shareholders on March 23, 2022. Bong-seok Kwon, Hwa-sun Cho, and Hyun-joo Lee are newly appointed directors.

[Compositions of committee under the BOD]

(As of May 31, 2022)

Committee	Composition					Major roles	Remarks
	Position	Type	Name	Gender	Concurrent position		
Outside Director Nomination Committee (3 members) A	Member	Non-executive director	Bong-seok Kwon	Male	-	1. Develops, checks, and supplements principles for appointing outside directors 2. Recommends outside directors to be appointed at the general meeting of shareholders 3. Manages and validates a pool of outside director candidates	-
	Member	Outside director	Mun-su Kim	Male	B,C,E		
	Member	Outside director	Hwa-sun Cho	Female	B,C,E		
Audit Committee (4 members) B	Chairman	Outside director	Mun-su Kim	Male	A,C,E	1. Supervises the activities of directors and management 2. Approves the selection of an external auditor 3. Other audit-related matters specified in the Articles of Incorporation or bylaws	-
	Member	Outside director	Dong-min Jung	Male	C,E		
	Member	Outside director	Hwa-sun Cho	Female	A,C,E		
	Member	Outside director	Hyun-joo Lee	Female	E		
Internal Transaction Committee (4 members) C	Chairman	Outside director	Mun-su Kim	Male	A,B,E	1. Deliberates matters pertaining to internal transactions, including transactions with persons with special interest that require board approval under statutes such as the Commercial Act and the Monopoly Regulation and Fair Trade Act	-
	Member	Outside director	Dong-min Jung	Male	B,E		
	Member	Outside director	Hwa-sun Cho	Female	A,B,E		
	Member	Inside director	Dong-seok Cha	Male	D		
Management Committee (2 members) D	Chairman	Inside director	Hak-cheol Shin	Male	E	1. Deliberates matters concerning efficient board operations and regular business management affairs 2. Deliberates and resolves matters delegated by the board to the Management Committee, as well as other regular business management affairs	-
	Member	Inside director	Dong-seok Cha	Male	C		
ESG Committee (5 members) E	Chairman	Outside director	Hyun-joo Lee	Female	B	1. Devises basic policies and strategies for ESG management 2. Sets mid- to long-term ESG goals 3. Other matters delegated by the board or matters deemed essential by the committee	-
	Member	Outside director	Dong-min Jung	Male	B,C		
	Member	Outside director	Mun-su Kim	Male	A,B,C		
	Member	Outside director	Hwa-sun Cho	Female	A,B,C		

	Member	Inside director	Hak-cheol Shin	Male	D	
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1) When an Outside Director Nomination Committee chairman resigns, a new chairman is appointed through a resolution of the committee, but no chairperson has been appointed as of May 31, 2022, since no meeting has been held.

■ Separation of the CEO from the BOD chairman

The company's CEO was separated from the BOD chairman as of the end of 2020; however, the positions have not been segregated as of the date this report was submitted.

As described above, our BOD is structured in a way that enables effective and prudent discussions and decision-making, and we make sure that the majority of the board members are from outside so that they can operate independently from the management and controlling shareholders.

(2) Expertise and accountabilities of the BOD

(Detailed Principle 4-②) The Board of Directors should be comprised of competent persons with expertise and accountabilities in different fields in terms of knowledge and career accomplishments so that they can make substantial contributions to corporate management.

■ Current status of the BOD

Our BOD is comprised of both inside and outside directors with expertise in the industries, management consulting, law, accounting, and taxation. In the case of outside directors, the Outside Director Nomination Committee selects candidates with a wealth of experience and insight, and a system is in place that ensure the board operation in a professional way from multiple vantage points. Two female outside directors currently serve as board members, ensuring the board's diversity in composition. Taking into account expertise, accountability, and diversity in the board composition, our BOD is comprised of a management expert in the same or a similar industry, an industrial technology expert, a financial and accounting expert, a legal expert, and a management advisory expert that contribute to the company's major decisions. In addition, we emphasize the board's significance through programs that educate newly appointed directors on their roles and responsibilities.

Directors with a variety of backgrounds, skills, and accountabilities make up the board members, and their careers, appointments, and replacements are detailed below.

[Career background of directors]

(As of May 31, 2022)

Name	Career background	Name	Career background
Bong-seok Kwon (Non-executive director)	Aalto University (formerly Helsinki University of Economics) (Master's degree) Former Head of MC Product Planning Group, LG Electronics Former Head of HE Business Division, LG Electronics Former CEO of LG Electronics Current CEO of LG Corp. (COO)	Hak-cheol Shin (Inside director)	Mechanical Engineering, Seoul National University Former President and CEO of 3M Philippines Former Executive Vice President of 3M Support Organization Current CEO and Vice Chairman of LG Chem
Dong-seok Cha (Inside director)	Accounting, Kyungpook National University Former CFO of Serveone Former CFO of S&I Corp. Current CFO of LG Chem	Dong-min Jung (Outside director)	Law, Korea University Former Chief Prosecutor, Daejeon District Prosecutors' Office Former Chief Prosecutor, Seoul Western District Prosecutor's Office Current lawyer of Barun Law Firm
Mun-su Kim (Outside director)	Economics, Korea University Master of Economics, American University Graduate School Ph.D. in Taxation, University of Seoul Former Vice Commissioner of National Tax Service Current non-standing judge, Tax Tribunal	Hwa-sun Cho (Outside director)	Political Science and International Studies, Yonsei University Former assistant professor, Graduate School of Public Policy and Information Technology, Seoul National University of Science and Technology Current Policy Advisory Committee member, Ministry of Personnel Management Current Advisory Committee Member, Anti-Corruption and Civil Rights Commission Current member of the Korean Academy of Science and Technology (Faculty of Policy) Current professor, Department of Political Science and International Studies, Yonsei University
Hyun-joo Lee (Outside director)	Chemical Engineering, Seoul National University Master's/Ph.D. in Chemical Engineering, Caltech Postdoctoral program, UC Berkeley Former assistant/associate professor, Department of Chemical and Biomolecular Engineering, Yonsei University Current professor, Department of Chemical and Biomolecular Engineering, KAIST		

[Director appointments and changes]

(Jan. 1, 2020 – May 31, 2022)

	Name	Date of initial appointment	Expected expiry date of the term	Date of change	Reason for change	Incumbency
Inside director	Jin-soo Park	March 16, 2012	March 20, 2020	March 20, 2020	Resigned	Retired
	Ho-young Jung	March 18, 2016	March 20, 2020	March 20, 2020	Term expired	Retired
	Hak-cheol Shin	March 15, 2019	Until the AGM in March 2025	March 23, 2022	Reappointed	Incumbent
	Dong-seok Cha	March 20, 2020	Until the AGM in March 2025	March 25, 2021	Reappointed	Incumbent
Outside director	Young-ho Ahn	March 18, 2016	Until the AGM in March 2025	March 15, 2019	Reappointed	Retired
	Kuk-heon Cha	March 18, 2016	Until the AGM in March 2025	March 15, 2019	Reappointed	Retired
	Dong-min Jung	March 17, 2017	Until the AGM in March 2025	March 20, 2020	Reappointed	Incumbent
	Mun-su Kim	March 23, 2018	Until the AGM in March 2025	March 25, 2021	Reappointed	Incumbent
	Hwa-sun Cho	March 23, 2022	Until the AGM in March 2025	March 23, 2022	Newly appointed	Incumbent
	Hyun-joo Lee	March 23, 2022	Until the AGM in March 2025	March 23, 2022	Newly appointed	Incumbent
Non-executive director	Young-su Kwon	March 20, 2020	Until the AGM in March 2025	November 11, 2021	Resigned	Retired
	Bong-seok Kwon	March 23, 2022	Until the AGM in March 2025	March 23, 2022	Newly appointed	Incumbent

(3) Fairness and independence in director nomination

(Detailed Principle 4-③) Fairness and independence should be ensured in the process of nominating and appointing directors.

■ Nomination of director candidates

The company's directors are evaluated from a pool of candidates in diverse fields based on the criteria for disqualification of outside directors as required by relevant laws, such as Article 382(3) and 542-8(2) of the Commercial Act, and a thorough verification process centering on interviews with related departments and documents to prove their ability to make a significant contribution as a director based on their practical experience and expertise. Outside directors, in particular, are presented as outside director candidates at a general meeting of shareholders after the Outside Director Nomination Committee undergoes recommendation and resolution processes.

The Outside Director Nomination Committee consists of one non-executive director and two outside directors as of May 31, 2022, and the ratio of outside directors is maintained at 66.7 percent. Please refer to "8)-(2)-[BOD committee meetings held]-(A) Outside Director Nomination Committee" for details.

Although the company does not currently have an inside director nomination committee, the BOD, of which the majority consists of outside directors, makes recommendations based on a thorough evaluation of the career and abilities of inside director candidates, as well as their potential to contribute to the company's growth as directors.

■ Providing shareholders with information on candidates for directorship

We make public announcements to disclose and provide detailed information about candidates for directorship at least three weeks prior to the general meeting of shareholders so that they have enough time to review the candidates. Directors are elected in the standard approach of one vote per share in accordance with Article 20(4) of the Articles of Incorporation. In case of reelecting a candidate, we document and disclose their past activities in the BOD in the general meeting convocation notice, as well as our quarterly business reports. This is how we make relevant information available as reference documents when appointing candidates for directorship.

[Information on director candidates provided for general meetings of shareholders]

(Jan. 1, 2021 – May 31, 2022)

Date provided	Date convened	Director candidate		Details of information	Remarks
		Type	Name		
March 4, 2021 (21 days before the general meeting)	March 25, 2021	Inside director	Dong-seok Cha	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career summary, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's job performance plan (limited to outside directors) 5. BOD's reason for recommending the candidate	
		Outside director	Mun-su Kim		
February 22, 2022 (29 days before the general meeting)	March 23, 2022	Inside director	Hak-cheol Shin	1. Candidate's name, date of birth, referee, relationship with the largest shareholder, and whether he or she is a candidate for outside director 2. Candidate's main occupation, career summary, and transactions with the corporation concerned for the past three years 3. Whether the candidate has any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification 4. Candidate's job performance plan (limited to outside directors) 5. BOD's reason for recommending the candidate	-
		Non-executive director	Bong-seok Kwon		
		Outside director	Hwa-sun Cho		
		Outside director	Hyun-joo Lee		

■ Cumulative voting system

The company may not currently have a cumulative voting system in accordance with Article 20 of the Articles of Incorporation, but we are actively employing the proxy solicitation system to ensure that minority shareholders' opinions are reflected to the extent possible. No plans to implement a cumulative voting system to operate the BOD in the long-term perspective rather than short-term growth are currently in the works.

As stated above, we installed the Outside Director Nomination Committee per applicable laws and regulations, and since shareholders are provided with sufficient information on director candidates ahead of time, fairness and independence are ensured in the process of nominating and appointing directors.

(4) Director appointments and policy thereof

(Detailed Principle 4-④) Anyone who is responsible for damaging company value or violating shareholder rights should not be appointed as a director.

■ Directors

As of the date of this report, the total number of directors (including the unregistered) is as follows.

Name	Gender	Position	Registered /unregistered	Executive /non-executive	Responsibilities
Bong-seok Kwon	Male	Vice Chairman	Registered	Non-executive	Outside Director Nomination Committee member
Hak-cheol Shin	Male	Vice Chairman	Registered	Executive	Representative Director, CEO, BOD Chairman Management Committee Chairman ESG Committee member
Dong-seok Cha	Male	Executive Vice President	Registered	Executive	CFO-cum-CRO Management Committee member Internal Transaction Committee member
Dong-min Jung	Male	Outside director	Registered	Non-executive	Audit Committee member ESG Committee member Internal Transaction Committee member
Mun-su Kim	Male	Outside director	Registered	Non-executive	Audit Committee Chairman ESG Committee member Outside Director Nomination Committee member Internal Transaction Committee Chairman
Hyun-joo Lee	Female	Outside director	Registered	Non-executive	Audit Committee member ESG Committee member
Hwa-sun Cho	Female	Outside director	Registered	Non-executive	Audit Committee member Internal Transaction Committee member Outside Director Nomination Committee member ESG Committee member
Jee-woong Son	Male	President	Unregistered	Executive	Head of Life Sciences Business
Sung-min Kim	Male	Executive Vice President	Unregistered	Executive	CHO
Jeong-dae Kim	Male	Executive Vice President	Unregistered	Executive	Jeong-Do (right-path) management
Chul Nam	Male	Executive Vice President	Unregistered	Executive	Head of Advanced Materials Business
Kook-rae Noh	Male	Executive Vice President	Unregistered	Executive	Head of Petrochemicals Business
Ji-young Yoo	Male	Executive Vice President	Unregistered	Executive	CTO-cum-CSO
Sung-woo Hur	Male	Executive Vice President	Unregistered	Executive	Head of Global Business Development (Petrochemicals)
Mu-yong Kim	Male	Senior Vice President	Unregistered	Executive	Head of Primary Care Division
Sang-min Kim	Male	Senior Vice President	Unregistered	Executive	Head of Acrylates/SAP Division

Sung-hyun Kim	Male	Senior Vice President	Unregistered	Executive	Head of Separator Business
Steven Kim	Male	Senior Vice President	Unregistered	Executive	Head of Engineering Materials Division
Young-hwan Kim	Male	Senior Vice President	Unregistered	Executive	CSEO
Kyung-hwa Min	Male	Senior Vice President	Unregistered	Executive	Head of the IP Center
Hae-jung Park	Male	Senior Vice President	Unregistered	Executive	HR
Jung-sik Seo	Male	Senior Vice President	Unregistered	Executive	Head of HPM Division
Seung-man Son	Male	Senior Vice President	Unregistered	Executive	Head of Future Technology Research Center
Kyu-seok Shim	Male	Senior Vice President	Unregistered	Executive	Head of ABS Division
Sun-min Yang	Male	Senior Vice President	Unregistered	Executive	Head of NCC Division
Myeong-hoon Yoon	Male	Senior Vice President	Unregistered	Executive	Executive in Residence at Yeosu Plant
Su-hee Yoon	Female	Senior Vice President	Unregistered	Executive	Head of Specialty Care Division
Gun-joo Lee	Male	Senior Vice President	Unregistered	Executive	Head of the Global Production Center (Petrochemicals)
Kyu-ho Lee	Male	Senior Vice President	Unregistered	Executive	Head of Legal Affairs Office
Dong-soo Lee	Male	Senior Vice President	Unregistered	Executive	Head of Life Sciences Business
Jong-koo Lee	Male	Senior Vice President	Unregistered	Executive	Head of Petrochemicals R&D Center
Hyeon Lee	Male	Senior Vice President	Unregistered	Executive	Head of Purchasing (Petrochemicals)
Hyang-mok Lee	Male	Senior Vice President	Unregistered	Executive	Head of Cathode Materials Division
Jun-hyeong Cho	Male	Senior Vice President	Unregistered	Executive	Head of new business development (Advanced Materials)
Min-ki Han	Male	Senior Vice President	Unregistered	Executive	General Manager of Process Innovation
Seong-hun Kang	Male	Vice President	Unregistered	Executive	Cathode materials and process development
Kyung-deok Ko	Male	Vice President	Unregistered	Executive	Product planning and business development (IT Materials)
Myeong-hwan Ko	Male	Vice President	Unregistered	Executive	General Manager of the China Region
Min-han Kwak	Male	Vice President	Unregistered	Executive	Engineering materials development
Young-shin Kwak	Male	Senior Research Fellow	Unregistered	Executive	Senior Research Fellow for New Drug Research Center (Life Sciences)
Hye-jin Kwon	Female	Vice President	Unregistered	Executive	Talent nurturing
Noma Kim	Male	Senior Research Fellow	Unregistered	Executive	Acrylates/SAP development
Do-kyun Kim	Male	Vice President	Unregistered	Executive	Executive in Residence at Daesan Plant
Dong-chun Kim	Male	Vice President	Unregistered	Executive	Semiconductor materials business
Mi-young Kim	Female	Vice President	Unregistered	Executive	Head of clinical development (Life Sciences)
Beom-sik Kim	Male	Vice President	Unregistered	Executive	Daesan NCC Plant Manager (Global Production, Petrochemicals)
Yang-han Kim	Male	Vice President	Unregistered	Executive	Environment and safety
Jung-min Kim	Female	Vice President	Unregistered	Executive	LGCM Subsidiary President
Tae-hun Kim	Male	Vice President	Unregistered	Executive	Government affairs (No. 3) for Yeosu Plant (Petrochemicals)
Hyang-myeong Kim	Male	Vice President	Unregistered	Executive	Government affairs for LGCYX
Hye-ja Kim	Female	Vice President	Unregistered	Executive	Head of Aesthetics Division
Ho-keun Kim	Male	Vice President	Unregistered	Executive	Head of purchasing / in charge of purchasing strategies
Ki-soon Park	Male	Vice President	Unregistered	Executive	Daesan Production General Manager (Global Production, Petrochemicals)
Byeong-cheol Park	Male	Vice President	Unregistered	Executive	Head of customer service (Petrochemicals)
Saeng-geun Park	Male	Vice President	Unregistered	Executive	Yeosu ABS Plant Manager (Global Production, Petrochemicals)
Jin-yong Park	Male	Vice President	Unregistered	Executive	Digital transformation (DX)
Hong-gyu Park	Male	Vice President	Unregistered	Executive	LGWU Subsidiary President
Hee-sul Park	Male	Vice President	Unregistered	Executive	Management strategies (Life Sciences)
Sang-deok Baek	Male	Vice President	Unregistered	Executive	In charge of sales (NCC)
Ji-hong Sunwoo	Male	Vice President	Unregistered	Executive	LGCYX Subsidiary President

Dong-ryeol Sung	Male	Senior Research Fellow	Unregistered	Executive	Senior Research Fellow for Platform Technology Research Center
Byeong-geun Song	Male	Vice President	Unregistered	Executive	LGCHZ Subsidiary President
Bu-geon Shin	Male	Senior Research Fellow	Unregistered	Executive	Senior Research Fellow for Future Technology Research Center
In-ho Shin	Male	Vice President	Unregistered	Executive	Arcylates/SAP sales
Jeong-heon Ahn	Female	Senior Research Fellow	Unregistered	Executive	New Materials R&D Center under Petrochemicals R&D Center
Se-woo Yang	Male	Vice President	Unregistered	Executive	Head of Platform Technology Research Center
Cheol-ho Yang	Male	Vice President	Unregistered	Executive	CNT business
Tae-hun Yang	Male	Senior Research Fellow	Unregistered	Executive	Senior Research Fellow for Future Technology Research Center
Sang-hyun Oh	Male	Vice President	Unregistered	Executive	General Manager of Production (Life Sciences)
Su-jin Oh	Male	Vice President	Unregistered	Executive	Head of Purchasing (Advanced Materials)
Ki-won Yoo	Male	Vice President	Unregistered	Executive	Government affairs (Petrochemicals)
Seong-cheol Yoo	Male	Vice President	Unregistered	Executive	Head of Process Risk Evaluation TF (Petrochemicals)
Hyun-seok Yoon	Male	Vice President	Unregistered	Executive	IRO(Investor Relations Officer)
Kyeong-ryeol Lee	Male	Vice President	Unregistered	Executive	LGCCI, in charge of Shanghai sales (Petrochemicals)
Dong-cheol Lee	Male	Vice President	Unregistered	Executive	LGCPN Subsidiary President
Dong-hun Lee	Male	Senior Research Fellow	Unregistered	Executive	Materials development (IT Materials)
Myeong-seok Lee	Male	Vice President	Unregistered	Executive	Management planning
Sang-ok Lee	Male	Vice President	Unregistered	Executive	Customer value innovation
Sang-hyeob Lee	Male	Vice President	Unregistered	Executive	Management strategies
Yoon-ho Lee	Male	Vice President	Unregistered	Executive	Yeosu Plant Environmental Safety 2 Manager (Global Production, Petrochemicals)
Jae-su Lee	Male	Vice President	Unregistered	Executive	Finance manager
Jae-myung Lee	Male	Vice President	Unregistered	Executive	Purchasing 1 (Petrochemicals)
Jong-ho Lee	Male	Vice President	Unregistered	Executive	Overseas sales (ABS)
Jun-ho Lee	Male	Vice President	Unregistered	Executive	Business management (Advanced Materials)
Ji-woong Lee	Male	Vice President	Unregistered	Executive	M&A
Ji-eun Lee	Female	Senior Research Fellow	Unregistered	Executive	Senior Research Fellow for Clinical Development (Life Sciences)
Chang-hyun Lee	Male	Vice President	Unregistered	Executive	New business development and global marketing (Advanced Materials)
Chung-hun Lee	Male	Senior Research Fellow	Unregistered	Executive	PO development
Hyun-gyu Lee	Male	Vice President	Unregistered	Executive	Yeosu and Naju Plant Manager (Global Production, Petrochemicals)
Ho-kyung Lee	Male	Vice President	Unregistered	Executive	Technology planning
Ho-woo Lee	Male	Vice President	Unregistered	Executive	General Manager of Sustainability (Petrochemicals)
Hwa-young Lee	Male	Vice President	Unregistered	Executive	Head of PO Division
Hee-bong Lee	Male	Vice President	Unregistered	Executive	Head of CMC Center (Life Sciences)
Ye-hun Lim	Male	Senior Research Fellow	Unregistered	Executive	Senior Research Fellow for Platform Technology Research Center
Do-gi Jang	Male	Vice President	Unregistered	Executive	Head of IT Materials Division
Young-rae Jang	Female	Vice President	Unregistered	Executive	Head of Analytical Sciences Center
Jeong-hun Jang	Male	Vice President	Unregistered	Executive	Quality and innovation (Global Production, Petrochemicals)
Ok-young Jung	Male	Vice President	Unregistered	Executive	General Manager of Cathode Materials Production
Un-tae Jung	Male	Senior Expert Member	Unregistered	Executive	Head of NCMA mass production TDR and technology (Cathode Materials)
Jong-eun Jung	Male	Vice President	Unregistered	Executive	Public affairs
Ji-hu Jung	Female	Vice President	Unregistered	Executive	LGCCI, in charge of Gwangju sales (Petrochemicals)
Cheol-ho Jung	Male	Vice President	Unregistered	Executive	Head of Product Development Center (Life Sciences)
Dong-hyun Cho	Male	Vice President	Unregistered	Executive	Catalyst business
Sung-bok Cho	Male	Vice President	Unregistered	Executive	LGCBH Subsidiary President
Young-do Cho	Male	Vice President	Unregistered	Executive	General Manager of Production Technology (Petrochemicals)
Eun-jeong Joo	Female	Vice President	Unregistered	Executive	Yeosu and Gimcheon SAP Plant Manager (Global Production, Petrochemicals)
Jae-gu Joo	Male	Vice President	Unregistered	Executive	Yeosu Chemical Products Plant Manager (Global Production, Petrochemicals)

Kwang-wook Choi	Male	Senior Research Fellow	Unregistered	Executive	Senior Research Fellow for Future Technology Research Center
Young-min Choi	Male	Vice President	Unregistered	Executive	General Manager of Cathode Materials Development
Jong-wan Choi	Male	Vice President	Unregistered	Executive	Executive in Residence at Cheongju/Ochang Plants
Ho-yeol Choi	Male	Vice President	Unregistered	Executive	Daesan HPM Plant Manager (Global Production, Petrochemicals)
Dong-yeob Han	Male	Vice President	Unregistered	Executive	Yeosu Production Plant Manager (Global Production, Petrochemicals)
Seok-hee Han	Male	Vice President	Unregistered	Executive	PO and Sales 1
Hoon Hyung	Male	Vice President	Unregistered	Executive	RO filter business and ETS
Kyoung-eob Ho	Male	Vice President	Unregistered	Executive	Public relations
Kyung-ki Hong	Male	Vice President	Unregistered	Executive	General Manager of Production (IT Materials)
Sung-won Hong	Male	Vice President	Unregistered	Executive	LGCBL Subsidiary President
Sun-beom Hong	Male	Vice President	Unregistered	Executive	Business management (Petrochemicals)
Young-shin Hwang	Male	Vice President	Unregistered	Executive	Head of PVC/Plasticizer Division

This following table summarizes the list of directors.

Classification		Number of persons
Registered	Non-executive director	1
	Inside director	2
	Outside director	4
		7
Unregistered		112
Total		119

1) More details on the directors as of every quarter end are available in the quarterly reports, semi-annual reports, and business reports disclosed in the DART system.

■ Policy of preventing appointment of those responsible for damaging company value or violating shareholders' rights

When appointing outside directors, the company evaluates a pool of director candidates in diverse fields based on the criteria for disqualification of outside directors as required by relevant laws, such as Article 382(3) and 542-8(2) of the Commercial Act, and undergoes a thorough verification process centering on interviews with related departments and documents to prove their ability to make a significant contribution as a director based on their practical experience and expertise. The directors are presented as outside director candidates at a general meeting of shareholders after the Outside Director Nomination Committee undergoes recommendation and resolution processes.

In addition to the requirements prescribed by applicable laws and regulations, we make a close and thorough review to make sure that anyone who is responsible for undermining corporate value or infringing upon shareholder rights, such as receiving any administrative or judicial sanctions for a violation of laws, will not be appointed as a director of the company. We submit candidates to general meetings of shareholders after validating the expertise and personal competences of all candidates that are required to make substantial contributions to business management.

As for an unregistered director candidate, their achievements, expertise, and growth potential are taken into consideration comprehensively, and board approval is obtained before he or she is appointed as a director. In order to prevent anyone who is responsible for undermining corporate value or infringing upon shareholder rights from being appointed as a director, we exclude from the selection process any candidates who have issues in terms of *Jeong-Do* (“right path”) Management or LG’s Code of Ethics, or candidates who have caused a problem in terms of quality, environment, or safety. Furthermore, those who have been penalized with a suspension or a more severe form of disciplinary action in accordance with the company’s disciplinary policies are banned from promotion or appointment into any position for a certain period of time.

■ **History of appointing anyone with a criminal record or currently facing charges of embezzlement, breach of trust, or unfair trade practices under the Financial Investment Services and Capital Markets Act**

As the company enforces the director appointment policy described above, there have been no cases where a person convicted for, or currently facing charges of, embezzlement, breach of trust or unfair trade practices under the Financial Investment Services and Capital Markets Act was appointed as a director.

■ **Adoption of an executive officer system**

Although we have not adopted an executive officer system as outlined in Article 408-2 of the Commercial Act, we strive for efficiency through the collective exercise of prudent decision-making, supervisory and executive authority through the BOD and the CEO. Therefore, we currently have no plans to implement the executive officer system in the future.

5) Responsibilities of Outside Directors

(Key Principle 5) Outside directors should be able to independently participate in decision-making regarding the company’s important business management policies, and supervise and support the management as a member of the BOD.

(1) Outside director appointment procedures and existence of relationship of interests

(Detailed Principle 5-①) An outside director of a company should not have any important relations of interest with that company, and the company should identify the existence of any such relationship during the selection process.

■ Interest between outside director and the company

To ensure fairness and transparency in the appointment process, we check if outside director candidates have any disqualifications through close reviews of publicly available information and data about them. We also validate the candidates thoroughly against qualifications required in the Commercial Act, Public Service Ethics Act, and other applicable laws as well as such key qualifications as expertise, occupational fairness, ethical accountability, and faithfulness by conducting interviews with the candidates by relevant departments (e.g. legal affairs, HR) and reference checks. As mentioned above regarding director qualifications, all our outside directors meet the qualifications defined by relevant laws and the company bylaws.

We select candidates who have no relations of interest with the company through meticulous interviews and a validation process. We also check with incumbent outside directors individually about the existence of any such important relationship on a continuous basis. Also, there is no outside director who has been in service longer than six years (nine years if time of service for an affiliate is included) as of the end of 2021. The following table summarizes the relationships between our currently active outside directors and our company or affiliates as of the date of this report.

[Relationships between incumbent outside directors and the company or affiliates]

(As of May 31, 2022)

Name	Previous positions held at LG Chem or its affiliates by outside director		Transactions between LG Chem or its affiliates and outside director (or company of which the outside director is the largest shareholder)		Transactions between LG Chem or its affiliates and outside director (or company ²⁾ of which the outside director is serving as an executive/employee)	
	LG Chem	LG Chem's affiliates	LG Chem	LG Chem's affiliates	LG Chem	LG Chem's affiliates
Dong-min Jung	None	None	None	None	None	None
Mun-su Kim	None	None	None	None	None	None
Hwa-sun Cho	None	None	None	None	None	None
Hyun-joo Lee	None	None	None	None	None	None

1) Information on a director who had served the company or any of its affiliates is based on the period from the foundation date of LG Chem (Apr. 4, 2001) until the date of writing this report.

2) The definition of “company” mentioned above refers to companies established in accordance with the Commercial Act.

[Years of service of incumbent outside directors and reasons for holding office longer than six years (nine years if affiliates included)]

(As of May 31, 2022)

Name	LG Chem		Affiliates included	
	Years of service	Reason for holding the office for more than six years	Years of service	Reason for holding the office for more than nine years
Dong-min Jung	Five years and three months	-	Five years and three months	-
Mun-su Kim	Four years and three months	-	Four years and three months	-
Hwa-sun Cho	Three months	-	Three months	-
Hyun-joo Lee	Three months	-	Three months	-

As described above, we try our best to verify that there is no significant interest between an outside director and the company and to appoint a person who has no relationship of interest.

(2) Matters concerning the performance of duties by outside directors

(Detailed Principle 5-②) Outside directors should put in sufficient time and effort to fulfill their duties faithfully.

■ Positions held concurrently by outside directors

LG Chem is a listed company. As such, an outside director of the company may serve as an outside director for another company in accordance with Article 34 of the Commercial Act. We continue to check with outside directors individually about their concurrent jobs and conduct a legal review on disqualification as an outside director due to any matter concerning concurrent services. Among our incumbent outside directors are Mun-su Kim serving as an Audit Committee member of Hanjin Transportation, Hwa-sun Cho serving as an Audit Committee member and a Sustainability Committee member of Kia Corp., but the disqualification provisions of the Commercial Act do not apply to these cases.

[Positions held concurrently by incumbent outside directors]

(As of May 31, 2022)

Name (Audit Committee member)	Date of initial appointment	Expected expiry date of the term	Current job	Information on concurrent jobs			
				Organization concurrently serving ¹⁾	Concurrent job	Years of service for concurrent organization	Concurrent organization listed/not listed
Dong-min Jung (Audit Committee member)	March 17, 2017	Until the AGM in March 2023	Partner lawyer for Barun Law Firm	N/A	N/A	N/A	N/A
Mun-su Kim (Audit Committee member)	March 23, 2018	Until the AGM in March 2024	Non-standing judge, Tax Tribunal	Hanjin Transportation Co., Ltd.	Outside director Audit Committee member	March 27, 2019 – present	Listed (on KOSPI)
Hwa-sun Cho (Audit Committee member)	March 23, 2022	Until the AGM in March 2025	Professor, Department of Political Science and International Studies, Yonsei University	Kia Corp.	Outside director Audit Committee member Sustainability Management Committee member	March 22, 2021 – present	Listed (on KOSPI)
Hyun-joo Lee (Audit Committee member)	March 23, 2022	Until the AGM in March 2025	Professor, Department of Chemical and Biomolecular Engineering, KAIST	N/A	N/A	N/A	N/A

1) Organizations outside directors are serving concurrently include non-profit organizations and foundations.

The company's outside directors put in sufficient time and efforts to fulfill their duties. They record high attendances not only in board meetings but also in separate meetings (exclusive for outside directors) where they are briefed on the agenda from executives or working-level staff and discuss the items among themselves prior to a board meeting. For more details on their activities, please see "5)-(3)-[Meetings held exclusively for outside directors]" and "7)-(2)".

As described above, the concurrent jobs that the company's outside directors hold do not go against the provisions of the Commercial Act, and they are putting in sufficient time and efforts to fulfill their duties.

(3) Company's support for outside directors to fulfill their duties

(Detailed Principle 5-③) The company should provide outside directors with sufficient information and resources necessary for them to fulfill their duties.

■ Support for outside directors to fulfill their job duties

We set up the Board Secretariat in accordance with Article 17 of the Board Regulations to support the smooth operation of the BOD and its committees. The Board Secretariat is composed of one executive, one team-lead, and two working-level persons. The working-level members perform specific tasks under the supervision of their higher-ups, such as providing outside directors with introduction to the company, presenting reports on BOD agenda items prior to board meetings, providing support to obtain and send management information deemed necessary, and any other support requested by the outside directors that are necessary for them to fulfill their duties.

To help outside directors adapt to performing their job duties, we hold a seminar, immediately after their appointment, to inform them of the company's business structure, business performance, and other information related to the board and the Audit Committee that are deemed necessary. We also hold a BOD workshop once a year to provide the directors opportunities to visit key business sites in and out of Korea and get hands-on experiences through on-site reports and factory line tours. In 2020, however, this workshop was not held due to the pandemic.

Subsequently, we held a workshop in March 2022 to assist outside directors in understanding the company's business sites. This workshop included a briefing of Yeosu Plant and a factory line tour of Yongseong Complex 2. We report the statuses and issues of the company's primary businesses to the BOD every quarter to ensure that all outside directors fully grasp the company's businesses.

■ Meetings held exclusively for outside directors

The company holds meetings where only outside directors participate, without inside directors, to be pre-briefed on the agenda items from executives or working-level staff and discuss them among themselves. The following table shows the meetings held to report to outside directors prior to board meetings, from the starting business year of the target disclosure period until the day of filing disclosure documents.

[Meetings held exclusively for outside directors]

(Jan. 1, 2021 – May 31, 2022)

Session	Regular / ad-hoc	Date convened	Attending outside directors / total outside directors	Discussion items	Remarks
1st	Regular	January 22, 2021	4/4	Agenda items of the January board meeting	-
2nd	Regular	February 19, 2021	4/4	Agenda items of the February board meeting	-
3rd	Regular	March 17, 2021	4/4	Agenda items of the March board meeting	-
4th	Ad-hoc	March 29, 2021	4/4	Agenda items of the March ad-hoc board meeting	-
5th	Regular	April 23, 2021	4/4	Agenda items of the April board meeting	-
6th	Regular	July 23, 2021	4/4	Agenda items of the July board meeting	
7th	Regular	October 19, 2021	4/4	Agenda items of the October board meeting	
8th	Ad-hoc	October 26, 2021	4/4	Agenda items of the October ad-hoc board meeting	
9th	Regular	November 19, 2021	4/4	Agenda items of the November board meeting	
10th	Ad-hoc	December 6, 2021	4/4	Agenda items of the December ad-hoc board meeting	
1st	Regular	January 25, 2022	4/4	Agenda items of the January board meeting	
2nd	Regular	February 18, 2022	4/4	Agenda items of the February board meeting	
3rd	Regular	March 18, 2022	4/4	Agenda items of the March board meeting	
4th	Regular	April 25, 2022	3/4	Agenda items of the April board meeting	

As mentioned above, we provide outside directors with sufficient information and resources required to fulfill their duties, including support to help newly appointed outside directors understand the status of business management as early as possible, visits to Korean and overseas business sites in person, and briefing on board agendas through the Board Secretariat (dedicated organization).

6) Assessment of Outside Directors' Activities

(Key Principle 6) In efforts to motivate outside directors to carry out their duties more aggressively, their activities should be fairly assessed, and their compensations and reappointment should be determined based on the assessment results.

(1) Assessment of outside directors

(Detailed Principle 6-①) Outside directors should be assessed based on their individual performance, and assessment results should be reflected into the decision of their reappointment.

■ Assessment of outside directors' activities

For an outside director whose term is approaching expiration, the Board Secretariat and HR department conduct a comprehensive assessment based on the director's record of attendance in board meetings, whether the director has made close reviews and practical suggestions on agenda items presented at such meetings, and whether he or she has provided appropriate advice on major business decisions as an expert in the industry, as well as his or her ability to internally control the company's significant financial risks as an Audit Committee member, and contributions to the operation of the supervisory monitoring system.

We assure fairness in assessment by having the Outside Director Nomination Committee recommend outside director candidates to the general meeting of shareholders pursuant to Article 542-8 of the Commercial Act.

[Assessment of outside directors' activities]

(Jan. 1, 2021 – May 31, 2022)

Name	Date of initial appointment	Appointment history	End of tenure	Assessment date	Incumbency
Mun-su Kim	March 23, 2018	Reappointed (once)	March 15, 2024	March 3, 2021	Incumbent

(2) Compensation for outside directors

(Detailed Principle 6-②) Compensation for outside directors should be determined at an appropriate level by taking into account the assessment results as well as responsibilities and risks faced by outside directors in carrying out their duties.

■ Compensation for outside directors

Compensation is paid in equal amounts (KRW 90 million as of 2021) to all outside directors within the total limits for director compensation approved by the general meeting of shareholders, pursuant to Article 388 of the Commercial Act. The compensation does not include any merit-based pay that reflects the assessment of an outside director's activities or any expense items that are by nature reimbursements of expenses on an actual-cost basis, such as job activity expenses, travel expenses, or meeting allowances. The company's compensation for outside directors does not include stock options, either.

■ Appropriateness of compensation for outside directors

We maintain a policy of paying compensation for outside directors at the industry's average. Outside director assessment results are used as reference data for making reappointment decisions. However, as a way of ensuring independence for outside directors, we do not differentiate compensation based on assessment results, and have no plans to determine compensation according to assessment results in the future.

7) Operation of the BOD

(Key Principle 7) The Board of Directors should be operated in a reasonable and efficient manner to make the best management decisions possible in the interests of the company and shareholders.

(1) Overall BOD operation status

(Detailed Principle 7-①) In principle, board meetings should take place regularly, and BOD operating regulations should be established, stipulating the roles and responsibilities as well as board operating procedures in detail.

■ Regulations on and status of regular board meetings

In accordance with Article 8 of the company's Board Regulations, the BOD should meet every quarter. From January through March, however, board meetings are held every month to meet the requirements of Article 447-3 of the Commercial Act, which include the duty to submit financial statements to the Audit Committee six weeks before the general shareholders' meeting and attain board approval for the statements, the duty to obtain prior board approval for agenda items to be approved at the general meeting, and the duty to convene an annual general meeting of shareholders in March. In addition, an ad-hoc board meeting may be held whenever necessary, such

as when something comes up for board approval irregularly, but the timing does not allow it to be included in the agenda for a regular board meeting.

■ **Board meetings held during the reporting period and meeting convocation notice**

The chairman calls each board meeting in accordance with Article 9(1) of the Board Regulations, and he or she should notify each director at least 12 hours before the meeting’s convening, as stipulated in Article 10(1) of the same Regulations. If agreed upon by the entire board, this convocation procedure may be omitted.

[Board meetings held]

(Jan. 1, 2021 – May 31, 2022)

Session	Agenda		Approval	Regular / ad-hoc	Date convened	Date the agenda was notified	Attendance / quorum
	Category	Description					
1st	Items to report	Report on the business performance for 4Q 2020	Reported	Regular	January 27, 2021	January 26, 2021	7/7
		Report on the operational status of the internal accounting management policy in 2020	Reported				
	Items to be approved	Approval of the financial statements for the 20th fiscal year	Approved				
		Approval of the 20th business report	Approved				
		Approval of the appointment of an advisor	Approved				
		Approval of the appointment of a compliance officer	Approved				
		Approval of asset transactions with an affiliate	Approved				
		Approval of an OHS plan	Approved				
2nd	Items to report	Report on the results of assessing the internal accounting management policy operational status	Reported	Regular	March 4, 2021	March 3, 2021	7/7
		Report on the compliance control system operational status	Reported				
	Items to be approved	Approval of amendments to the financial statements for the 20th fiscal year	Approved				
		Approval of amendments to the 20th business report	Approved				
		Approval of the convocation of a general meeting of shareholders	Approved				
		Approval of the agenda items of the general meeting of shareholders	Approved				

3rd	Items to be approved	Approval of the execution of director compensation	Approved	Regular	March 25, 2021	March 24, 2021	7/7
		Approval of amendments to the HR Regulations for Executive Officers	Approved				
		Approval of the payment of a special bonus to executive officers	Approved				
		Appointment of an Outside Director Nomination Committee member	Approved				
		Approval of changes in product or service transactions with affiliates	Approved				
4th	Items to report	Report on the progress related with LG Energy Solution's battery litigation	Reported	Ad-hoc	March 30, 2021	March 29, 2021	7/7
5th	Items to report	Report on the business performance for 1Q 2021	Reported	Regular	April 28, 2021	April 26, 2021	7/7
	Items to be approved	Approval of the investment and payment guarantee for a domestic joint company	Approved				
		Approval of the KBE Fund investment	Approved				
		Approval of amendments to the Board Regulations and the Audit Committee Regulations	Approved				
		Approval of the installation of an Internal Transaction Committee	Approved				
		Approval of the installation of an ESG Committee	Approved				
		Approval of changes in outside director compensation	Approved				
		Approval of changes in business plan for 2021	Approved				
6th	Items to report	Report on the business performance for 2Q 2021	Reported	Regular	July 29, 2021	July 23, 2021	7/7
		Report on the matters resolved at the Management Committee meeting in the first half of 2021	Reported				
		Report on the results of convening an Internal Transaction Committee meeting	Reported				
	Items to be approved	Approval of the CEM sales transfer	Approved				
		Approval of the POE investment	Approved				
		Approval of the PBAT investment	Approved				
		Approval of the appointment of an executive officer (draft)	Approved				
		Approval of changes in product or service transactions with affiliates	Approved				
7th	Items to report	Report on investments in an overseas joint company (draft)	Reported	Regular	October 22, 2021	October 22, 2021	7/7
		Report on the business performance for 3Q 2021	Reported				
		Report on the progress of promoting cybersecurity	Reported				
		Report on the results of convening Internal Transaction Committee and ESG Committee meetings	Reported				
	Items to be approved	Approval of the investment in a new domestic corporation	Approved				
		Approval of disposal of equity	Approved				
		Approval of a disposition of treasury stock acquired by exercising the appraisal right	Approved				
		Approval of the investment in an overseas joint company	Approved				
8th	Items to be approved	Approval of the investment in an overseas joint company	Approved	Ad-hoc	October 27, 2021	October 26, 2021	7/7

9th	Items to report	Annual report on treatment for retired executives	Reported	Regular	November 25, 2021	November 19, 2021	6/6
		Report on the results of convening an Internal Transaction Committee meeting	Reported				
	Items to be approved	Approval of personnel decision of executive director (draft)	Approved				
		Appointment of an Outside Director Nomination Committee member	Approved				
		Approval of business plan for 2022	Approved				
		Approval of the limit on the total amount of transactions with parties of special interests	Approved				
		Approval of self-dealings with affiliates, etc.	Approved				
		Approval of product or service transactions with affiliates	Approved				
		Approval of real estate lease contracts	Approved				
		Approval of setting an annual limit on borrowings	Approved				
10th	Items to be approved	Approval of an asset acquisition	Approved	Ad-hoc	December 7, 2021	December 6, 2021	6/6
1st	Items to report	Report on the results of sanctions on executive directors in 2021	Reported	Regular	February 8, 2022	January 25, 2022	6/6
		Report on the operational status of the internal accounting management policy in 2021	Reported				
		Report on the amendments to the internal accounting management regulations	Reported				
		Report on the business performance for 4Q 2021	Reported				
		Report on the matters resolved at the Management Committee meeting in the second half of 2021	Reported				
		Report on the results of convening an Outside Director Nomination Committee meeting	Reported				
	Items to be approved	Approval of the financial statements for the 21st fiscal year	Approved				
		Approval of the 21st business report	Approved				
		Approval of the amendments to the Board Regulations (draft)	Approved				
		Approval of the appointment of the highest executive in charge of OHS	Approved				
2nd	Items to report	Report on the results of assessing the internal accounting management policy operational status	Reported	Regular	February 22, 2022	February 18, 2022	6/6
		Report on the compliance control system operational status	Reported				
	Items to be approved	Approval of the investment in re-building the Yeosu ABS Plant	Approved				
		Approval of the convocation of the general meeting of shareholders	Approved				
		Approval of the agenda items of the general meeting of shareholders	Approved				
		Approval of the OHS plan	Approved				

3rd	Items to report	Report on the results of convening an Internal Transaction Committee meeting	Reported	Regular	March 23, 2022	March 18, 2022	7/7
	Items to be approved	Appointment of the BOD chairman	Approved				
		Appointment of the CEO	Approved				
		Approval of the execution of director compensation	Approved				
		Approval of the amendments to the HR Regulations for Executive Directors	Approved				
		Approval of the payment of performance incentives for executive directors	Approved				
		Approval of changes in the use contract for the LG trademark	Approved				
		Appointment of Outside Director Nomination Committee members	Approved				
		Appointment of Internal Transaction Committee members	Approved				
		Appointment of ESG Committee members	Approved				
4th	Items to report	Report on the business performance for 1Q 2022	Reported	Regular	April 27, 2022	April 25, 2022	7/7
		Report on the sustainability business implementation in the petrochemical sector	Reported				
		Report on the results of convening an ESG Committee meeting	Reported				

As part of our efforts to enable directors to make the best decisions possible in deliberation and approval for proposed agenda items, we provide face-to-face briefings and Q&A sessions on each agenda item seven to one day before the day of the board meeting. We also promptly respond to the directors' requests for additional data up until before the meeting date, which helps substantialize the board's deliberation of agenda items and raise board operation efficiency.

We hold board meetings regularly as described above, and enforce well-structured Board Operational Regulations.

(2) Recordkeeping of board meeting minutes and activities of individual directors

(Detailed Principle 7-②) The Board of Directors should write detailed minutes for each meeting and disclose activity details including the attendance of individual directors and their votes for/against each item.

■ Recordkeeping of minutes for board meetings

The Board Secretariat records the proceedings of each board meeting in accordance with Article 391-3(1) of the Commercial Act, in which the minutes include the agenda, gist of the progress, deliberation results, and dissenters and their reasons for dissension. As for transcripts, based on our judgment that the current business process ensures board discussions and resolutions to be recorded and preserved in detail, we do not prepare transcripts separately, and we have no plans to do so in the near future.

■ Details of activities by director

We held a total of 10 board meetings in 2021 and a total of four board meetings in 2022 up until the date of submitting this report. The BOD has addressed a total of 84 agenda items (57 approved, 27 reported) between 2021 and the date of this report. The average attendance of directors during this period is 100 percent in 2021 and 100 percent in 2022 until the date of this reporting.

[Attendance by directors]

(Jan. 1 – Dec. 31, 2021)

Type	Session	1st	2nd	3rd	4th	5th	Remarks
	Date convened	January 27, 2021	March 4, 2021	March 25, 2021	March 30, 2021	April 28, 2021	
Non-executive	Young-su Kwon	Present	Present	Present	Present	Present	
Inside director	Hak-cheol Shin	Present	Present	Present	Present	Present	
	Dong-seok Cha	Present	Present	Present	Present	Present	
Outside director	Young-ho Ahn	Present	Present	Present	Present	Present	
	Kuk-heon Cha	Present	Present	Present	Present	Present	
	Dong-min Jung	Present	Present	Present	Present	Present	
	Mun-su Kim	Present	Present	Present	Present	Present	

Type	Session	6th	7th	8th	9th	10th	Remarks
	Date convened	July 29, 2021	October 22, 2021	October 27, 2021	November 25, 2021	December 7, 2021	
Non-executive	Young-su Kwon	Present	Present	Present	N/A	N/A	Resigned before the 9th meeting
Inside director	Hak-cheol Shin	Present	Present	Present	Present	Present	
	Dong-seok Cha	Present	Present	Present	Present	Present	
Outside director	Young-ho Ahn	Present	Present	Present	Present	Present	
	Kuk-heon Cha	Present	Present	Present	Present	Present	
	Dong-min Jung	Present	Present	Present	Present	Present	
	Mun-su Kim	Present	Present	Present	Present	Present	

(Jan. 1, 2022 – present)

Type	Session	1st	2nd	3rd	4th	Remarks
	Date convened	February 8, 2022	February 22, 2022	March 23, 2022	April 27, 2022	
Non-executive	Bong-seok Kwon	N/A	N/A	Present	Present	Appointed from the 3rd meeting onwards
	Hak-cheol Shin	Present	Present	Present	Present	
	Dong-seok Cha	Present	Present	Present	Present	
Outside director	Young-ho Ahn	Present	Present	N/A	N/A	Retired before the 3rd meeting
	Kuk-heon Cha	Present	Present	N/A	N/A	Retired before the 3rd meeting
	Dong-min Jung	Present	Present	Present	Present	
	Mun-su Kim	Present	Present	Present	Present	
	Hwa-sun Cho	N/A	N/A	Present	Present	Appointed from the 3rd meeting onwards
	Hyun-joo Lee	N/A	N/A	Present	Present	Appointed from the 3rd meeting onwards

[Attendance and percentage of “for” votes of individual directors for the past three business years]

Name	Type	Term of service	Attendance (%)				“For” votes (%)				
			Average of the past three years	Past three years ¹⁾			Average of the past three years	Past three years			
				2021	2020	2019		2021	2020	2019	
Hak-cheol Shin	Inside director	March 15, 2019 – present	100	100	100	100	100	100	100	100	100
Dong-seok Cha	Inside director	March 20, 2020 – present	100	100	100	-	100	100	100	100	-
Young-su Kwon	Non-executive	March 20, 2020 – November 1, 2021	100	100	100	-	100	100	100	100	-
Young-ho Ahn	Outside director	March 18, 2016 – March 23, 2022	100	100	100	100	100	100	100	100	100
Kuk-heon Cha	Outside director	March 18, 2016 – March 23, 2022	96	100	100	89	100	100	100	100	100
Dong-min Jung	Outside director	March 17, 2017 – present	100	100	100	100	100	100	100	100	100
Mun-su Kim	Outside director	March 23, 2018 – present	93	100	80	100	100	100	100	100	100

1) Among the past three years, years not included in a director’s term of office are indicated with “-”.

2) Non-executive director Bong-seok Kwon, outside director Hwa-sun Cho, and outside director Hyun-joo Lee have been appointed at the general meeting of shareholders dated March 23, 2022, and are not applicable in relation with the attendance rate in the past three business years.

■ Recording minutes at an individual-director level

In terms of taking minutes of meetings, the company prepares minutes by documenting what has been discussed and resolved at board meetings, but we have not recorded them on a director-specific basis for the past three years. When directors have objections, however, we plan to record their objections separately for each director, as required by Article 391-3(2) of the Commercial Act.

8) Committees under the BOD

(Key Principle 8) In order to facilitate its efficient operation, the Board of Directors should establish committees under it and have them perform specific functions and roles.

(1) Establishment and composition of board committees

(Detailed Principle 8-①) Each committee under the Board of Directors should have outside directors comprise the majority, with the Audit Committee and the Compensation (Remuneration) Committee being entirely made up of outside directors.

■ Committees under the board

The company has a total of five committees under its BOD (“board committees”) as of December 31, 2021: Outside Director Nomination Committee, ESG Committee, Audit Committee, Internal Transaction Committee, and Management Committee. For more details on the composition and roles of each board committee, please refer to “4)-(1)-[Compositions of committee under the BOD]”.

■ Percentage of outside directors in board committees

The Outside Director Nomination Committee has three members in total, two of whom are outside directors. Four of the five members of the ESG Committee are outside directors, whereas the entire Audit Committee members are outside directors. Articles 542-11 and 415-2 of the Commercial Act and our Audit Committee Regulations require outside directors to account for at least two-thirds of the members, but we make up the entire Audit Committee with outside directors in order to secure independence for the members, which is stricter than required by relevant regulations. Three out of four outside directors make up the Internal Transaction Committee.

(2) Board committee operational regulations and meetings held

(Detailed Principle 8-②) All matters concerning the organization, operation, and authorizations of each committee should be expressly stipulated in writing, and each committee should report its resolutions to the Board of Directors.

■ Board committee regulations

Information on the board committees, that is, Audit Committee, Internal Transaction Committee, ESG Committee, Outside Director Nomination Committee, and Management Committee is available under “VI. Matters concerning the BOD and Other Organizations of the Company” of our Business Report. This information includes the purposes of establishing the respective committees, their respective rights and responsibilities, activities and performance evaluations during the disclosure period, and their appointment and dismissal. Documents for the respective committee regulations (Audit Committee Regulations, Outside Director Nomination Committee Regulations, and Management Committee Regulations) are found on our website, and they are also attached to this report under 5. Other Matters of Importance.

- ◆ LG Chem committee regulations:

<https://www.lgchem.com/company/investment-information/management-information/committee>

■ Reporting committee resolutions to the BOD

In accordance with Article 393-2(4) of the Commercial Act, Article 10 of the Audit Committee Regulations, Article 3 of the Internal Transaction Committee Regulations, Article 3 of the ESG Committee Regulations, and Article 13 of the Management Committee Regulations, all committee resolutions are reported to the directors.

■ Meetings held by each committee and attendances of individual directors

The following tables show meetings held by each committee from January 1, 2021 until the present. For details on Audit Committee meetings, please refer to “9)-(2)-[Audit Committee meetings and attendance details and rates]”.

[Board committee meetings]

(A) Outside Director Nomination Committee

(i) Meetings held

(Jan. 1, 2021 – May 31, 2022)

Session	Date convened	Attendance / quorum	Agenda		Approval
			Classification	Description	
1st	March 4, 2021	3/3	Items to be approved	Nomination of an outside director candidate (draft)	Approved
1st	January 25, 2022	3/3	Items to be approved	Approval of the appointment of the Outside Director Nomination Committee chairman (draft)	Approved
			Items to be reported	Deliberation of an outside director candidate	Reported
2nd	February 22, 2022	3/3	Items to be approved	Nomination of an outside director candidate (draft)	Approved

(ii) Attendances of individual directors for the past three business years

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Outside director	Young-ho Ahn	100	100	100	-
Outside director	Kuk-heon Cha	100	100	100	-
Outside director	Dong-min Jung	100	-	-	100
Outside director	Mun-su Kim	100	-	-	100
Non-executive	Young-su Kwon	100	100	-	-
Inside director	Jin-soo Park	100	-	100	100

1) Among the past three years, years not included in a director's term of office are indicated with "-".

2) The Outside Director Nomination Committee had been an ad-hoc organization up until February 2019. As such, it was organized with members selected whenever necessary, and was established as a standing organization in March 2019. As of the date of this report, the committee members are Hwa-sun Cho, Bong-seok Kwon, and Mun-su Kim.

3) When an Outside Director Nomination Committee chairman resigns, a new chairman is appointed through a resolution of the committee, but no chairperson has been appointed as of May 31, 2022, since no meeting has been held.

(B) Management Committee

(i) Meetings held

(Jan. 1, 2021 – May 31, 2022)

Session	Date convened	Attendance / quorum	Agenda		Approval
			Classification	Description	
1st	January 25, 2021	2/2	Items to be approved	Issuance of LG Chem's non-secured bonds (Nos. 54-1, 54-2, 54-3, 54-4, and 54-5)	Approved
2nd	May 6, 2021	2/2	Items to be approved	Issuance of LG Chem's non-secured private bonds (Nos. 55-1 and 55-2)	Approved
3rd	May 25, 2021	2/2	Items to be approved	SMBC foreign currency loan of USD 200 million	Approved
4th	June 21, 2021	2/2	Items to be approved	Approval of the issuance of foreign currency bonds	Approved
				Foreign currency loan of USD 200 million	Approved
5th	October 21, 2021	2/2	Items to be approved	KDB Korean currency loan of KRW 300 billion	Approved
				BOA Korean currency loan of KRW 150 billion	Approved
6th	November 29, 2021	2/2	Items to be approved	KDB loan of USD 250 million	Approved

(ii) Attendances of individual directors for the past three business years

Type	Name	Average of the past three years	Attendance (%)		
			Past three years ¹⁾		
			2021	2020	2019
Inside director	Jin-soo Park	100	-	-	100
Inside director	Hak-cheol Shin	100	100	(Not held)	100
Inside director	Dong-seok Cha	100	100	(Not held)	-
Inside director	Ho-young Jung	100	-	-	100

1) Among the past three years, years not included in a director's term of office are indicated with "-".

2) The Management Committee was established on July 18, 2017; there were no activities performed by the committee in 2020. As of the date of this report, the Management Committee is made up of inside directors Hak-cheol Shin and Dong-seok Cha.

(C) ESG Committee

(i) Meetings held

(Jan. 1, 2021 – May 31, 2022)

Session	Date convened	Attendance / quorum	Agenda		Approval
			Classification	Description	
1st	October 19, 2021	5/5	Items to be approved	Approval of the appointment of the ESG Committee chairman	Approved
			Items to be reported	Report on the status of implementing ESG management	Reported
1st	April 25, 2022	5/5	Items to be approved	Approval of the appointment of the ESG Committee chairman	Approved
			Items to be reported	Report on the status of implementing ESG management	Reported

(ii) Attendances of individual directors for the past three business years

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Outside director	Young-ho Ahn	100	100	N/A	N/A
Outside director	Kuk-heon Cha	100	100	N/A	N/A
Outside director	Dong-min Jung	100	100	N/A	N/A
Outside director	Mun-su Kim	100	100	N/A	N/A
Inside director	Hak-cheol Shin	100	100	N/A	N/A

1) The ESG Committee was formed on April 28, 2021, with one inside director and four outside directors. As of the date the report was submitted, Chairman Hyun-joo Lee, Dong-min Jung, Mun-su Kim, Hwa-sun Cho, and Hak-cheol Shin make up the committee.

(D) Internal Transaction Committee**(i) Meetings held**

(Jan. 1, 2021 – May 31, 2022)

Session	Date convened	Attendance / quorum	Agenda		Approval
			Classification	Description	
1st	July 23, 2021	4/4	Items to be approved	Approval of the appointment of the Internal Transaction Committee chairman	Approved
				Approval of the CEM sales transfer	Approved
				Approval of changes in product or service transactions with affiliates	Approved
			Items to be reported	Report on the internal transactions executed in the first half of 2021	Reported
				Report on the deliberation standards and procedures for internal transactions (draft)	Reported
2nd	October 19, 2021	4/4	Items to be approved	Approval of disposal of FJC equity	Approved
3rd	November 19, 2021	4/4	Items to be approved	Approval of real estate lease contract	Approved
				Approval of the limit on the total amount of transactions with parties of special interests	Approved
				Approval of self-dealings with affiliates, etc.	Approved
				Approval of product or service transactions with affiliates	Approved
			Items to be reported	Report on the estimated internal transaction execution details in 2021	Reported
				Report on the “Review of Evaluation Risks” related with transactions subject to regulations against illegal profit-taking in 2022	Reported
1st	March 16, 2022	3/4	Items to be approved	Approval of changes in the use contract for the LG trademark	Approved

(ii) Attendances of individual directors for the past three business years

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Outside director	Young-ho Ahn	100	100	N/A	N/A
Outside director	Dong-min Jung	100	100	N/A	N/A
Outside director	Mun-su Kim	100	100	N/A	N/A
Inside director	Dong-seok Cha	100	100	N/A	N/A

1) Established on July 1, 2021, the Internal Transaction Committee has one inside director and three outside directors. As of the date this report was submitted, its members are Chairman Mun-su Kim, Dong-min Jung, Hwa-sun Cho, and Dong-seok Cha.

4. Audit Bodies

9) Internal Audit Bodies

(Key Principle 9) Internal audit bodies, such as the Audit Committee and auditors, should perform audit activities faithfully from a position independent from the management and controlling shareholders. The primary activities of internal audit bodies should be publicly disclosed.

(1) Composition and operation of internal audit bodies

(Detailed Principle 9-①) Internal audit bodies, such as the Audit Committee and auditors, should ensure independence and expertise.

■ Composition and appointment of internal audit bodies, including the Audit Committee and auditors

Pursuant to 415-2 and 542-11 of the Commercial Act and Article 4 of the Audit Committee Regulations, the Audit Committee should be composed of three directors or more, two-thirds of whom should be outside directors and at least one should be an expert in accounting or finance. As of the date this report was submitted, the company's Audit Committee consists entirely of four outside directors, including accounting and legal experts who present independent opinions regarding the management's reasonable business judgments.

[Composition of the internal audit body]

(As of May 31, 2022)

Composition			Auditing career experiences and qualifications	Remarks
Position	Type	Name		
Chairman	Outside director	Mun-su Kim	<ul style="list-style-type: none"> - Graduated from Korea University, major in economics - Master of Economics, American University Graduate School - Ph.D. in Taxation, University of Seoul - Former Vice Commissioner of National Tax Service (Nov. 2010 – Jun. 2012) - Former Auditor of HanExpress Co., Ltd. (Mar. 2015 – Mar. 2018) - Former outside director/Audit Committee Chairman of Shinsegae International Inc. (Mar. 2015 – Mar. 2019) - Current outside director/Audit Committee Chairman of Hanjin Transportation Co., Ltd. (Mar. 2019 – present) - Former adjunct professor, Graduate School of Science in Taxation, University of Seoul - Current non-standing judge, Tax Tribunal 	Accounting and finance expert
Member	Outside director	Dong-min Jung	<ul style="list-style-type: none"> - Graduated from Korea University, major in law - Former Chief Prosecutor, Daejeon District Prosecutors' Office - Former Chief Prosecutor, Seoul Western District Prosecutors' Office (Jul. 2012 – Apr. 2013) - Former Commissioner of Korea Immigration Service under the Ministry of Justice (Apr. – Dec. 2013) - Current partner lawyer for Barun Law Firm (Feb. 2014 – present) 	-
Member	Outside director	Hwa-sun Cho	<ul style="list-style-type: none"> - Political Science and International Studies, Yonsei University - Former assistant professor, Graduate School of Public Policy and Information Technology, Seoul National University of Science and Technology - Current Policy Advisory Committee member, Ministry of Personnel Management - Current Advisory Committee member, Anti-Corruption and Civil Rights Commission - Current member of the Korean Academy of Science and Technology (Faculty of Policy) - Current professor, Department of Political Science and International Studies, Yonsei University 	-

Member	Outside director	Hyun-joo Lee	<ul style="list-style-type: none"> - Chemical Engineering, Seoul National University - Master's in Chemical Engineering, Caltech - Ph.D. in Chemical Engineering, Caltech - Postdoctoral program, UC Berkeley - Former assistant/associate professor, Department of Chemical and Biomolecular Engineering, Yonsei University - Current professor, Department of Chemical and Biomolecular Engineering, KAIST 	-
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■ Policies for ensuring independence and expertise of internal audit bodies

In order to ensure independence and expertise for the Audit Committee, the company nominates outside directors from a pool of candidates validated by the Outside Director Nomination Committee. Furthermore, we have institutional mechanisms in place that virtually exclude such directors from the Outside Director Nomination Committee in effort to prevent the committee from getting involved directly in management or prevent an outside director whose term is about to expire from having him/herself nominated. We implement the appointment process by employing these institutional systems to select Audit Committee members from a pool of independent and knowledgeable outside directors. This enables Audit Committee members to perform their natural roles as auditors ensuring the company's smooth operation of businesses and accounting processes. Also, the company validates eligibility requirements rigorously, taking into account the composition of the Audit Committee and the roles of each member at the time of the appointment process, so that the most optimal in terms of independence and expertise can be selected.

■ Operation of the Audit Committee

The Audit Committee audits accounting and other major business management activities, assesses the operational status of the internal accounting management policy as well as the internal supervisory monitoring system, and supervises directors and the management in fulfilling their duties, thereby ensuring that they make reasonable management decisions. The company strives to secure the Audit Committee's independence by communicating with external auditors every quarter, without the management present. The Audit Committee Regulations ensure that the committee maintains objectivity from an independent position from the BOD, management, and other business execution bodies when performing their duties as auditors. The Audit Committee Regulations are available on our website.

◆ LG Chem Audit Committee Regulations:

<https://www.lgchem.com/company/investment-information/management-information/committee>

The specific roles of Audit Committee members are defined as follows, under Article 11 of the Audit Committee Regulations.

Classification	Items submitted
Matters concerning general meetings of shareholders	<ul style="list-style-type: none"> · Call to convene an EGM · Statements on proposed agenda items for a general meeting of shareholders and related documents
Matters concerning the BOD and directors	<ul style="list-style-type: none"> · Obligation to report to the BOD · Preparation and submission of an audit report · Injunction against an unlawful act committed by a director · Request for a director to provide a business report · Matters delegated by the BOD · Call to convene a board meeting
Matters concerning audits	<ul style="list-style-type: none"> · Investigation of business assets · Investigation of subsidiaries · Acceptance of reports from directors · Representation of the company in a lawsuit between a director and the company · Decision on the filing of a lawsuit upon receiving a request by minority shareholders against a director · Reviews for the purpose of selecting an auditor · Request to select, change or dismiss an auditor · Acceptance of reports from auditors on any misconduct or material facts that violate relevant laws and regulations or the Articles of Incorporation · Acceptance of reports from auditors on any violations of accounting processing standards and rules by the company · Evaluation of audit plans and results as well as auditors' audit activities and check of corrective action taken based on audit results · Feasibility review of changes in material accounting processing standards or accounting estimates · Enactment of or amendment to internal accounting management regulations · Assessment of the internal accounting management policy operational status · Assessment of the internal supervisory monitoring system operational status · Consent to the appointment or dismissal and evaluation of the head of an Audit Committee supporting department
Others	<ul style="list-style-type: none"> · Other matters prescribed in the laws or the Articles of Incorporation or matters delegated by the BOD as well as matters required to address these matters · Other important matters that the CEO considers necessary to report to the Audit Committee

■ Availability of education required for the Audit Committee to fulfill its duties

We hold an Audit Committee workshop once a year to brief the members on the contents of applicable laws and their amendments, including the Act on External Audit of Stock Companies, as well as to train them in such matters as ways of strengthening internal control, external auditors' activities, and plans for running the committee. Through these educational programs, the company emphasizes the roles and responsibilities of Audit Committee members and supports the members to fulfill them.

Date / duration	Education provided by	Attending members	Key contents
January 23, 2020 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Progress of the year-end audit for 2019 and requirements for communication with governing bodies in the Auditing Standards Guide
February 21, 2020 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Progress of the year-end audit for 2019 and requirements for communication with governing bodies in the Auditing Standards Guide
April 27, 2020 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Explanation on the financial statements for 1Q 2020
June 25, 2020 / 4 hours	Samil PwC and LG Chem's finance-related departments, including Accounting Management Team and Consolidated Accounting Team	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Understanding of internal control activities, trends of Audit Committee operations and changes in related systems, operations of the internal accounting management policy, and auditors' and investors' feedback
July 24, 2020 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Explanation on the financial statements for 2Q 2020
October 14, 2020 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Explanation on the financial statements for 3Q 2020
January 22, 2021 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Progress of the year-end audit for 2020 and requirements for communication with governing bodies in the Auditing Standards Guide
April 28, 2021 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Explanation on the financial statements for 1Q 2021
May 11, 2021 / 4 hours	Samil PwC and LG Chem's finance-related departments, including Accounting Management Team	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Key considerations for the Audit Committee for 2021, ESG trends, and progress of LG Chem's sustainability activities
July 23, 2021 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Explanation on the financial statements for 2Q 2021

October 19, 2021 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Explanation on the financial statements for 3Q 2021
January 25, 2022 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Progress of the year-end audit for 2021 and requirements for communication with governing bodies in the Auditing Standards Guide
February 18, 2022 / 1 hour	Samil PwC	Young-ho Ahn (Chairman), Dong-min Jung, Mun-su Kim	Explanation on the financial statements for 2021
April 25, 2022 / 1 hour	Samil PwC	Mun-su Kim (Chairman), Dong-min Jung, Hwa-sun Cho, Hyun-joo Lee	Explanation on the financial statements for 1Q 2022
May 17, 2022 / 1 hour	Samil PwC	Mun-su Kim (Chairman), Dong-min Jung, Hwa-sun Cho, Hyun-joo Lee	Roles of and key considerations for the Audit Committee

■ Matters concerning investigation into fraudulent acts of management

Pursuant to Article 19-2 of the Audit Committee Regulations, if an external auditor notifies the Audit Committee of a violation of the company's accounting standards, the committee can appoint external auditors to investigate the issue at the company's expense. It receives reports on the investigation results and requests the CEO to take corrective actions. Moreover, the Audit Committee has the right to request relevant employees and external auditors to attend its meetings and make statements or provide necessary information. The committee can also seek experts' advice at the company's expense according to Article 13 of the Audit Committee Regulations, if deemed necessary to fulfill its duties.

■ Organization supporting internal audit bodies

As of December 31, 2020, the company runs an organization that supports internal audit bodies called Accounting Audit Part under the *Jeong-Do* Management Officer (a total of two members equipped with hands-on career experience in accounting and audit) to support the Audit Committee in their efforts to fulfill its roles and responsibilities assigned by relevant laws and regulations, including the evaluation of the operational status of the internal accounting management policy and the internal supervisory monitoring system. Although this supplementary organization is assured of independence as it reports directly to the Audit Committee, it falls under the CEO in terms of organizational structure, and the Audit Committee does not have control over HR and budgetary matters. Hence, the board amended the Audit Committee Regulations by a resolution at its 5th Board Meeting on April 28, 2021 to reinforce the committee's independence as part of internal efforts to improve the governance structure. The amended Regulations award the Audit Committee the right to consent to the appointment and evaluation of the head of the Audit Committee-supporting organization. A proposal to create another supplementary organization (staffed by three persons including the team lead) for the Audit Committee

was approved at the 4th Audit Committee Meeting on May 11, 2021, which was convened to further strengthen the committee's rights and independence. Hence, it has been decided to run the organization starting in the first half of 2021 (see table below). Also, external experts will be commissioned to evaluate the internal accounting management policy operations, in which the results will be reported directly to the Audit Committee.

Department (Team)	Members	Major tasks
Audit Support Team	3	<ol style="list-style-type: none"> 1. Support the assessment of the internal accounting management policy operational status 2. Support the assessment of the internal supervisory monitoring system operational status 3. Support the audit report reviews 4. Support the selection and evaluation of auditors 5. Send a convocation notice of an Audit Committee meeting, document agenda items submitted to the Audit Committee, write minutes, and take follow-up action on the agenda items submitted 6. Other tasks assigned by the Committee

■ **Audit Committee's access to management information**

Article 3 of the Audit Committee Regulations stipulates that the Audit Committee can request directors, at any time, if deemed necessary to carry out its duties, to provide a report about the company's business operations, or can investigate the status of the company's businesses or assets.

■ **Compensation policy for Audit Committee members**

The company's Audit Committee consists entirely of outside directors, and we pay the same amount of compensation to outside directors. Therefore, there is no difference in compensation between outside directors who are Audit Committee members and who are not. As a way of securing independence in fulfilling roles and responsibilities as Audit Committee members and ensuring their faithful performance of duties, we created a supporting organization and institutional mechanisms, rather than differentiating compensation levels, allowing the committee members to perform their duties professionally in ways that fit their roles and responsibilities.

As stated above, the company has secured independence and expertise in its internal audit organizations to a sufficient level, and meets all the requirements prescribed in applicable laws and regulations.

(2) Audit Committee activities

(Detailed Principle 9-②) Internal audit bodies, such as the Audit Committee and auditors, should perform auditing tasks faithfully through such measures as holding regular meetings, and disclose their activities in a transparent manner.

■ Audit activities

The Audit Committee held a total of seven committee meetings in 2021, and three meetings in 2022 up until the day of this reporting. The committee has handled a total of 35 agenda items (9 approved, 26 reported) between 2021 and 2022.

Chairman Mun-su Kim (as of the report submission date) served as a former Vice Commissioner of National Tax Service, and based on his extensive experience and knowledge of financial management and accounting in general, we reviewed the adequacy of the company's quarterly financial statements and the external auditor's audit status report to ensure that the Audit Committee is able to fulfill its responsibilities as an internal audit organization.

One of the members Dong-min Jung has made diverse contributions to the committee operation as a legal expert who served as a prosecutor for 26 years, and he is currently a lawyer for Barun Law Firm. Jung has reviewed the company's primary internal regulations, including the Board Regulations and the Audit Committee Regulations, for completeness; presented opinions on measures to improve the regulations; and expressed his legal views on extraordinary incidents.

Hwa-sun Cho, another member, supervises and advises the company from an objective and independent standpoint based on her knowledge of science and technology policy and future governance research, as well as her experience as a non-executive director at the Korea Institute of Industrial Technology and the Korea District Heating Corp.

Member Hyun-joo Lee offers a variety of insights not only into the technical aspects, but also into the company management and Audit Committee's operation on the basis of her extensive knowledge and experience in the petrochemical process and industry. Lee audits the company's work in an impartial manner.

More details of the internal audit bodies' audit activities are provided in the following tables below, under [Audit Committee meetings and attendance details and rates].

■ Appointment of external auditors and assessment of the operational status of internal accounting management policy

Pursuant to Article 10 (Appointment of Auditors) of the Act on the External Audit of Stock Companies, which was amended in November 2018, we enacted Audit Committee bylaws to allow the Audit Committee to select external auditors. We have applied these revised provisions to the process of appointing external auditors for three business years since 2020.

The Audit Committee approved Samil PwC as an external auditor for three consecutive business years from 2020 at the 6th Audit Committee Meeting on October 29, 2019.

By referring to the operational status reports on the internal accounting management policy the company's CEO and the internal accounting manager submitted to the Audit Committee, the committee assessed the effectiveness of the design and operation of the company's internal accounting management system in terms of its roles in preventing and identifying errors or fraudulent acts that may distort financial statements, so as to ensure the preparation and disclosure of reliable financial statements. The Audit Committee concluded that, as of December 31, 2021, the company's internal accounting management policy is operating effectively, from the perspective of materiality, judging from the "conceptual framework for the design and operation of internal accounting management policy."

You can find more details about the evaluation reports and resolutions regarding the internal accounting management policy operational status in the tables below under [Audit Committee meetings and attendance details and rates].

[Audit Committee meetings and attendance details and rates]

(i) Audit Committee meetings held

(Jan. 1, 2021 – May 31, 2022)

Year	Session	Date convened	Attendance / quorum	Agenda		Approval
				Classification	Description	
2021	1st	January 27	3/3	Items to report	Progress report on the external auditor's audit	Reported
					Report on the financial statements for the 20th fiscal year	Reported
					Report on the 20th business report	Reported
					Report on the operational status of the internal accounting management policy in 2020	Reported
					Report on management diagnosis for the second half of 2020	Reported
	2nd	March 4	3/3	Items to report	Progress report on the external auditor's year-end audit for 2020	Reported
					Report on amendments to the financial statements for the 20th fiscal year	Reported
					Report on amendments to the 20th business report	Reported
				Items to be approved	Approval of the auditor's report on the 20th financial statements and business report (draft)	Approved
	3rd	April 28	3/3	Items to report	Progress report on the external auditor's review	Reported
					Report on the financial statements for 1Q 2021	Reported
	4th	May 11	3/3	Items to be approved	Approval of the appointment of the head of the Audit Committee supporting department	Approved
	5th	July 29	3/3	Items to report	Progress report on the external auditor's review	Reported
					Report of the semi-annual financial statements for 2021	Reported
Report on management diagnosis for the first half of 2021					Reported	
6th	August 10	3/3	Items to report	Report on the amendments to the semi-annual financial statements for 2021	Reported	
7th	October 22	3/3	Items to report	Progress report on the external auditor's review	Reported	
2022	1st	February 8	3/3	Items to report	Progress report on the external auditor's audit	Reported
					Report on the financial statements for the 21st fiscal year	Reported
					Report on the 21st business report	Reported
					Report on the operational status of the internal accounting management policy in 2021	Reported
					Report on management diagnosis for the second half of 2021	Reported
					Report on the amendments to the internal accounting management regulations	Reported
					Report on the compliance control system operational status	Reported
				Items to be approved	Consent to the evaluation of the head of the Audit Committee supporting department	Approved
	2nd	February 22	3/3	Items to be approved	Progress report on the external auditor's year-end audit for 2021	Reported
					Approval of the assessment report on the internal accounting management policy operational status (draft)	Approved
					Approval of the auditor's report on the 21st financial statements and business report	Approved
	3rd	April 28	4/4	Items to report	Progress report on the external auditor's review	Reported
					Report on the financial statements for 1Q 2022	Reported
				Items to be approved	Approval of the appointment of the Audit Committee chairman	Approved

(ii) Details of directors who attended Audit Committee meetings

Type	Year	2021							2022			Remarks
	Session	1st	2nd	3rd	4th	5th	6th	7th	1st	2nd	3rd	
	Date convened	January 27	March 4	April 28	May 11	July 29	August 10	October 22	February 8	February 22	April 27	
Outside director	Young-ho Ahn	Present	Present	Present	Present	Present	Present	Present	Present	Present	-	Retired before the 3rd meeting
	Dong-min Jung	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	
	Mun-su Kim	Present	Absent	Present	Present	Present	Present	Present	Present	Present	Present	
	Hwa-sun Cho	-	-	-	-	-	-	-	-	-	Present	Appointed from the 3rd meeting onwards
	Hyun-joo Lee	-	-	-	-	-	-	-	-	-	Present	Appointed from the 3rd meeting onwards

1) Among the past three years, years not included in a director's term of office are indicated with "-".

(iii) Attendance rate of Audit Committee meetings for the past three years, by director

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Outside director	Young-ho Ahn	100	100	100	100
Outside director	Dong-min Jung	100	100	100	100
Outside director	Mun-su Kim	93	100	80	100

1) Hwa-sun Cho and Hyun-joo Lee were appointed as new members of the Audit Committee on March 23, 2022, and there is no pertinent concern regarding their attendance at Audit Committee meetings over the past three years.

■ Audit Committee Regulations, meeting minutes, and reporting procedures for general meetings of shareholders

The Audit Committee Regulations are in place as an institutional basis for the Audit Committee to discuss matters concerning the company's business and audit whenever necessary. Pursuant to Article 14 of the Regulations, the company not only prepares, preserves, and manages meeting minutes but also has institutionalized its internal processes and procedures to report matters concerning results of assessing the operational status of the internal accounting management policy to the board prior to convening an AGM, ensuring that the matters are reported appropriately during the meeting.

In addition, in accordance with Article 413 of the Commercial Act, the Audit Committee reviews agendas and documents to be submitted by directors to the general meetings of shareholders, and presents its opinions to the general meetings regarding any violations of laws or the Articles of Incorporation, as well as any significant unreasonable matters.

■ Faithful performance of audit-related duties by internal audit bodies

As written above, the company's Audit Committee performs its audit duties faithfully by convening committee meetings periodically in attendance of its entire members, and faithfully providing deliberation of accounting audits, assessment of operational status of the internal accounting management policy, and business audits.

10) External Auditors

(Key Principle 10) An external auditor should perform audits fairly from a position that is independent of the company being audited, its management, and controlling shareholders, to ensure that the company's accounting information is regarded as trustworthy by shareholders and other users.

(1) Appointment and operation of external auditors

(Detailed Principle 10-①) The company's internal audit body should develop and enforce policies for securing independence and expertise when appointing an external auditor.

■ Appointment standards and procedures that assure auditor's independence and expertise

The Audit Committee enacted committee bylaws on auditor selection criteria and procedures to ensure that an external auditor equipped with independence and expertise is selected, in consideration of the capabilities of external auditors, the capabilities of their audit teams, the appropriateness of audit execution procedures, and audit service fees.

To guarantee a member's independence as an external auditor, non-auditing tasks that an external auditor may perform for the company are restricted to those that have received prior consent or consultation from the Audit Committee as they are considered not to undermine the external auditor's independence. The Audit Committee looks comprehensively into compliance of such tasks with Article 21 (Restrictions on Functions) of the Certified Public Accountant Act and Article 14 (Restrictions on Functions) of the Enforcement Decree of the same Act and potential damage to independence as well as the need for a contract and the appropriateness of the contract amount.

■ Meetings for appointing an external auditor

The Audit Committee approved Samil PwC as an external auditor for three consecutive business years from 2020 at the 6th Audit Committee Meeting on October 29, 2019.

■ Evaluation of an external auditor on the faithful implementation of an audit plan

The external auditor discussed its audit schedules and requested data and documents with the company ahead of time to ensure that the audit process would go appropriately, thereby fulfilling the duties faithfully according to the agreed-upon plan. There was no request for unnecessary information in the course of the audit, and the company's external audit director showed active participation to make sure that the audit process would go smoothly. When the external auditor submits an audit report, we check if all the items agreed to in writing (including audit service fee, duration, and resources required for the audit) have been complied with.

■ Non-audit services provided by any of the external auditor's subsidiaries

As of the date of submitting this report, the company has not received any non-audit services, including management consulting, through any of the external auditor's subsidiaries. However, we do have an agreement with the current external auditor on certain non-audit services, which include the filing of corporate tax returns on its behalf. Particulars of such services are stated in detail under "V. Auditor's Opinions" in our quarterly business reports, which are disclosed in the DART system.

As mentioned earlier, we enforce policies designed to secure independence and expertise when selecting an external auditor.

(2) Communication between internal audit bodies and external auditors

(Detailed Principle 10-②) Internal audit bodies of the company should communicate periodically with its external auditors at every step of the external audit and audit reporting process.
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■ Meetings and discussions between Audit Committee and external auditor without management present

The Audit Committee receives the external auditor's reviews on the company's important accounting standards as well as audit and review on financial statements for every quarter, half-year, and year-end, aiming to identify any critical violations by the management in the course of executing their duties or any other violations of relevant laws or the Articles of Incorporation. They also exchange opinions on key points of the submitted reports. The external auditor reported accounting audits and reviews on the financial statements for the two consecutive business years from 2020 and for the first quarter of 2022 at the Audit Committee meetings held for two consecutive business years from 2021. Main contents of the reports at each meeting are summarized below.

<2021>

Date	Audit Committee Meeting	Reported to	Agenda	Reported by
January 27, 2021	1st	Audit Committee	1. Progress report on the external auditor's audit (accounting audit results for the financial statements for 2020)	Samil PwC
April 28, 2021	3rd	Audit Committee	1. Progress report on the external auditor's review (accounting review results for the financial statements for 1Q 2021)	Samil PwC
July 29, 2021	5th	Audit Committee	1. Progress report on the external auditor's review (accounting review results for the financial statements for the first half of 2021)	Samil PwC
October 22, 2021	7th	Audit Committee	1. Progress report on the external auditor's review (accounting review results for the financial statements for 3Q 2021)	Samil PwC

<2022>

Date	Audit Committee Meeting	Reported to	Agenda	Reported by
February 8, 2022	1st	Audit Committee	1. Progress report on the external auditor's audit (accounting audit results for the financial statements for 2021)	Samil PwC
April 27, 2022	3rd	Audit Committee	1. Progress report on the external auditor's review (accounting review results for the financial statements for 1Q 2022)	Samil PwC

■ **Procedures for notifying internal audit bodies of external auditor's key findings**

If notified of violations of the company's accounting standards, which were found by the external auditor in the course of an audit, the Audit Committee should appoint external experts to investigate the facts of violation at the company's expense and, depending on the results, should demand the CEO to take corrective actions. Results of the investigation and corrective actions should be submitted immediately to the Securities and Futures Commission as well as the external auditor. The Audit Committee should also notify the external auditor of fraudulent acts committed by a director while fulfilling his or her duties, or any material facts that violate relevant laws or the Articles of Incorporation.

■ **Submission of pre-audit financial statements and pre-audit consolidated financial statements to the external auditor six weeks and four weeks, respectively, before the AGM**

We submitted pre-audit separate financial statements and pre-audit consolidated financial statements to the external auditor, Samil PwC, on February 8, 2022, six weeks before the AGM, and February 16, 2022, which is at least four weeks before the AGM, respectively. The respective AGM was convened on March 23, 2022.

As described in this section, the Audit Committee and the external auditor communicate periodically.

5. Other Matters of Importance

The company makes every effort to fulfill its corporate social responsibilities by responding actively to the demands of internal and external stakeholders, which include shareholders, customers, and the community. To this end, we publish a Sustainability Report every year, which covers such topics as corporate governance, corporate ethics, and safety and environment. The reports for each year are available on our website.

- ♦ LG Chem’s Sustainability Reports: <https://www.lgchem.com/sustainability/sustainability-reports>

Moreover, we share our business philosophies of “creating value for customers” and “respecting human dignity” in accordance with the LG Code of Ethics and promotes self-regulated management based on autonomy and responsibility according to the spirit of its Management Charter. We also aim to maintain our status as a world-class company by adhering to the free market system that pursues free and fair competition, as well as by seeking growth for all stakeholders based on mutual trust and cooperation. The LG Code of Ethics in particular stipulates our responsibilities toward the country and society-at-large. As such, we seek to protect shareholders’ interests and contribute to the nation’s prosperity and the growth of society by advancing into a more robust company through reasonable business development and expansion.

- ♦ LG Code of Ethics: <https://www.lgchem.com/company/company-information/lgway/degreemanagement>

Note, that the company has not been subjected to official restrictions or been involved in a lawsuit concerning corporate governance for the past three years. Our regulations relevant to this report are attached as follows:

- ♦ Appendix 1. Articles of Incorporation
- ♦ Appendix 2. Board Regulations
- ♦ Appendix 3. Outside Director Nomination Committee Regulations
- ♦ Appendix 4. Audit Committee Regulations
- ♦ Appendix 5. Management Committee Regulations
- ♦ Appendix 6. ESG Committee Regulations
- ♦ Appendix 7. Internal Transaction Committee Regulations
- ♦ Appendix 8. LG Code of Ethics

	Key Index	(Reporting period) Compliance		Explanations about the tick marks under Compliance	(Previous reporting period) Compliance		Remarks
		O	X		O	X	
Shareholders	① A convocation notice was published four weeks before the general meeting of shareholders*	√		The convocation notice was made on February 22, 2022 (29 days before the AGM) - See Detailed Principle 1-① (p. 5) for more details.		√	
	② An electronic voting system was adopted*	√		Electronic voting has been used since the EGM of 2020 - See Detailed Principle 1-② (p. 7) for more details.	√		
	③ A general meeting of shareholders was held on a date other than major AGM dates when the majority of companies hold their general shareholders' meetings*	√		The 21st AGM was held on March 23, 2022 (major AGM dates in 2022 were March 25, 30 and 31) - See Detailed Principle 1-② (p. 7) for more details.	√		
	④ Shareholders were notified of dividend policy and dividend payout plan at least once a year**	√		Details were provided in various ways and channels, including the company's website, performance briefing, and public disclosure - Complying with the requirements, as described under Detailed Principle 1-④ (p. 12)	√		
BOD	⑤ A CEO succession policy (including an acting CEO policy) is in operation	√		A CEO succession policy and a dedicated department are in place - See Detailed Principle 3-② (p. 29) for more details.	√		
	⑥ An internal control policy is in operation	√		Internal control policy regulations and systems in the fields of risk management, compliance, and internal accounting management are in place - Complying with the requirements, as described under Detailed Principle 3-③ (p. 30)	√		
	⑦ Positions for BOD chairman and CEO have been separated		√	BOD chairman and CEO are not segregated - See Detailed Principle 4-① (p. 37) for more details.	√		

	⑧	A cumulative voting system was adopted	√	Excluded according to the Articles of Incorporation - See Detailed Principle 4-③ (p. 42) for more details.	√		
	⑨	There exists a policy to prevent persons responsible for undermining corporate value or infringing upon shareholder rights from being appointed as executives	√	Multiple internal validation process and regulations are in place - Complying with the requirements, as described under Detailed Principle 4-④ (p. 45)	√		
	⑩	There is no outside director who has been in service exceeding six years	√	There is no outside director exceeding six years in service - Complying with the requirements, as described under Detailed Principle 5-① (p. 48)	√		
Audit bodies	⑪	Internal audit bodies are trained at least once a year**	√	Training sessions were provided six times in 2020, five in 2021, and four in 2022 - Complying with the requirements, as described under Detailed Principle 9-① (p. 70-71)	√		
	⑫	There is an independent internal audit department (internal audit-supporting organization) installed	√	An independent internal audit department is in full operation - See Detailed Principle 9-① (p. 71-72) for more details.	√		
	⑬	There exist an accounting or finance expert in internal audit bodies	√	1 person (Mun-su Kim, outside director) - Complying with the requirements, as described under Detailed Principle 9-① (p. 67)	√		
	⑭	A meeting between internal audit body and external auditor was held without the management present at least once a year**	√	Held once a quarter or more often - Complying with the requirements, as described under Detailed Principle 10-② (p. 78-79)	√		
	⑮	There are procedures that provide internal audit bodies access to critical	√	Provisions (Articles 3 and 13) were added to the Audit Committee Regulations - Complying with the requirements, as described under Detailed Principle 9-① (p. 67)	√		

	management information						
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- The Data As-of date for this table is the date of submitting this report (May 31, 2022).

* However, asterisked items (*) are as of the date of the Annual General Meeting of Shareholders immediately before the date of submission of this report.

** Double-asterisked items (**) indicate that the requirements were compiled within the public disclosure period.