



The 5th Annual General Meeting of Shareholders

# Reference Material

## Notice on the 5th AGM and Agenda

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**Date/Time**    March 20, 2025, Thursday, KST 09:00 am  
**Place**            B1 Connect Hall, LG Twin Towers, 128, Yeoui-daero, Yeongdeungpo-gu, Seoul

### Agenda for Resolution

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## Approval for Financial Statements for the 5th Fiscal Year (2024.1.1~2024.12.31)

### Key Highlights

- In 2024, the battery industry faced challenges due to increased volatility in the EV market amidst various uncertain business environments. Although shipments in North America increased, the consolidated revenue declined by 24% YoY to around KRW 25.6 trillion. This was primarily due to reduced sales from a slowdown in Europe and ASP decrease in line with metal price trends. Additionally, the burden increase in fixed costs from slower sales and reduced utilization rates resulted in around KRW 0.6 trillion (including the IRA Tax Credit) of consolidated operating profit, down by 73% YoY.
- Meanwhile, on a non-consolidation basis, the accumulated deficit in 2024 amounted to about KRW 1.9 trillion, including a net loss of KRW 0.9 trillion for the current year and the accumulated deficit carried over from the previous year.

### Summarized Consolidated Financial Statements

(Unit: KRW billion)

	2024	2023	YOY
Revenue	25,620	33,745	-24.1%
Operating Profit/Loss*	575	2,163	-73.4%
Net Profit/Loss	339	1,638	-79.3%

\* Including IRA Tax Credit

Total Assets	60,307	45,437	+32.7%
Total Liabilities	29,340	21,064	+39.3%
Total Equity	30,967	24,374	+27.0%

### Summarized Separate Financial Statements

(Unit: KRW billion)

	2024	2023	YOY
Revenue	7,927	12,288	-35.5%
Operating Profit/Loss*	(2,305)	(319)	-622.8%
Net Profit/Loss	(938)	(66)	-1,327.4%

\* Including IRA Tax Credit

Total Assets	27,641	23,546	+17.4%
Total Liabilities	11,924	6,944	+71.7%
Total Equity	15,717	16,601	-5.3%

## Approval for Financial Statements for the 5th Fiscal Year (2024.1.1~2024.12.31)

### [Reference] Audit Opinion for the Last 3 Years

2024	2023	2022
Unqualified Opinion	Unqualified Opinion	Unqualified Opinion

### [Reference] Audit Report Details

- Audit Report to be disclosed in March 5, 2025 (Kor) and March 6, 2025 (Eng)
- Where to find Audit Report:

Category		Report Title/Search Path
DART	<a href="https://englishdart.fss.or.kr/">https://englishdart.fss.or.kr/</a>	Submission of Audit Report
Homepage	<a href="https://www.lgensol.com/en/index">https://www.lgensol.com/en/index</a>	IR>IR Materials>Audit Report

## About Dividends

- The company can decide on dividend distribution through resolutions by the Board of Directors and the General Meeting of Shareholders, in accordance with Articles 44 and 45 of the Articles of Incorporation. Despite proactive measures to address rapidly changing market conditions, various external uncertainties have negatively impacted demand. As a result, it was difficult to improve the deficit situation on a non-consolidation basis in 2024. Consequently, there are currently no distributable profits available for dividends under Article 462 of the Commercial Act.
- The company is currently focused on strengthening the foundation for qualitative growth to secure fundamental competitive advantages, thus enhancing shareholder value. As previously communicated to shareholders via Corporate Value-up Plan, we aim to achieve our mid to long-term financial goals by doubling sales by 2028 compared to the 2023 level and securing an EBITDA margin of over mid-10%, excluding the IRA Tax Credit effects, laying the groundwork for generating stable free cash flow.
- When resources available for dividends are secured under the Commercial Act, we plan to comprehensively review a shareholder return policy, considering factors such as business performance, investment plans, and the business environment. Once finalized, we will communicate the details through various channels, including public disclosures, earnings conference, and corporate website.

## Appointment of Directors

- All of the director appointments are for reappointment, thus leaving the BoD composition unchanged.

### Composition of the BoD After the 5<sup>th</sup> AGM


Name	Roles within the Board	Tenure	Gender	Expertise	Female Director Ratio
Dong-myung Kim	Inside Director	1yr	M	Management / Business	29% (2 out of 7)
Chang-sil Lee	Inside Director	5yrs	M	Management / Finance	Outside Director Ratio
Bong-seok Kwon	Non-standing Director	3yrs	M	Management / Business	57% (4 out of 7)
Mee-nam Shin	Outside Director	4yrs	F	Industry (Energy)	
Mee-sook Yeo	Outside Director	4yrs	F	Legal	
Seung-soo Han	Outside Director	4yrs	M	Accounting	
Jin-kyu Park	Outside Director	2yrs	M	Trade & Commerce	

### BoD / Committee Composition (As of end of 2024)

Category	Chair	Committee Members	
		Inside/ Non-standing Director	Outside Director
BoD	Bong-seok Kwon (Non-standing)	Dong-myung Kim, Chang-sil Lee	Mee-nam Shin, Mee-sook Yeo, Seung-soo Han, Jin-kyu Park
Audit	Seung-soo Han(Outside)	-	Mee-nam Shin, Mee-sook Yeo, Jin-kyu Park
Nomination for Outside Directors	Jin-kyu Park(Outside)	Bong-seok Kwon	Mee-nam Shin
ESG	Mee-nam Shin(Outside)	Dong-myung Kim	Mee-sook Yeo, Seung-soo Han, Jin-kyu Park
Internal Trade	Mee-sook Yeo(Outside)	Chang-sil Lee	Mee-nam Shin, Seung-soo Han
Management	Dong-myung Kim(Inside)	Chang-sil Lee	-

## Appointment of Non-standing Director Bong-seok Kwon

### Nominee Information

	Birth Date	1963.09.09
	Nominator	LG Energy Solution BoD
	Tenure	3yrs (Until the AGM in March 2028)
	Type of appointment	Reappointment
	Relation with the major shareholders	Executive of affiliated company, LG Corp.
	Transaction with the company (recent 3yrs)	None
	Arrears in payment / Being involved in an insolvent company management	None
	Disqualification under the law	None
Major Career	2022 ~ Current Vice Chairman, COO (Representative Director) of LG Corp. Non-standing Director of LG Energy Solution Non-standing Director of LG Chem 2021 ~ Current Vice Chairman, COO of LG Corp. Non-standing Director of LG Electronics 2019 President, CEO (Representative Director) of LG Electronics 2015 Head of LG Electronics HE Business Division	
Education	· Masters' Degree, Aalto University (formerly Helsinki Univ.) of Economics · Bachelor's Degree, Seoul National Univ. of Industrial Engineering	

## Appointment of Non-standing Director Bong-seok Kwon

### About the recommendation

- After joining LG Electronics in 1987, Bong-seok Kwon held several key positions, including Head of the Media Business Unit, Head of the Product Planning Group, and Head of the Home Entertainment Business Division, before becoming CEO. During his tenure, Mr. Kwon demonstrated strong business management skills and problem-solving expertise by achieving record-high sales and operating profits through optimizing the business portfolio, even amidst COVID-19.
- As the COO of LG Corporation, Mr. Kwon is actively leading the development and execution of future strategies for the sustainable growth of the LG Group and playing a key role in strengthening synergies among subsidiaries and enhancing the overall corporate value of the group.
- Based on these capabilities, the candidate was appointed as a non-standing director of the company in March 2022. He has contributed to the board's strategic decision-making in management by offering insights on efficient business portfolio management, future strategic direction, and synergy creation within the automotive electronics sector of the LG Group.
- The board recommends his reappointment as a non-standing director, as he is anticipated to continue contributing to the company's sustainable corporate value by leveraging his insights into mid to long-term growth strategies.


### Attendance Record of Bong-seok Kwon at the Board and Committee

Category	Role	Attendance Rate (Attendance/Meeting)			Total
		2024	2023	2022	
BoD	Chair	100% (8/8)	100% (9/9)	100% (7/7)	100% (24/24)
Nomination Committee for Outside Directors	Member	100% (2/2)	100% (2/2)	100% (1/1)	100% (5/5)

\* The above-mentioned attendance records of the board and committee meetings only reflects those that have been held since the candidate was appointed as a director and a member of the relevant committee (Mar, 2022).

## Appointment of Inside Director Chang-sil Lee

### Nominee Information

	Birth Date	1964.12.16
	Nominator	LG Energy Solution BoD
	Tenure	3yrs (Until the AGM in March 2028)
	Type of appointment	Reappointment
	Relation with the major shareholders	Executive of affiliated company, LG Energy Solution.
	Transaction with the company (recent 3yrs)	None
	Arrears in payment / Being involved in an insolvent company management	None
	Disqualification under the law	None
Major Career	2020 ~ Current Executive Vice President, CFO of LG Energy Solution 2019 Battery Business Management, Senior Vice President of LG Chem 2018 Corporate Development, Vice President of LG Electronics 2017 North America Planning & Management, Vice President of LG Electronics 2015 Investor Relations, Vice President of LG Electronics	
Education	· Masters' Degree, Aalto University (formerly Helsinki Univ.) of Economics · Bachelor's Degree, Kyung Hee Univ. of Industrial Engineering	



## Appointment of Inside Director Chang-sil Lee

### About the recommendation

- Chang-sil Lee joined LG Electronics in 1988, where he held various roles including the Head of Investor Relations, Head of North America Planning & Management, and Head of Corporate Development. Later, as the Head of Battery Business Management at LG Chem, Mr. Lee acquired extensive experience across all aspects of finance.
- As the company's first CFO, he successfully led the IPO and has played a critical role in ensuring financial stability by enhancing management systems and improving the profit structure.
- The candidate was appointed as a director upon the foundation of the company in 2020 and was reappointed in March 2022 thanks to his significant contributions. Throughout his tenure, he has diligently fulfilled his responsibilities as a director. His work on the board has been instrumental in establishing a foundation for qualitative growth and securing fundamental competitive advantages. As a member of the Internal Transactions Committee and the Management Committee, he has played a key role in enhancing management transparency and making timely decisions in response to changing environments.
- The board recommends his reappointment as an internal director so that he can continue to play an essential role in the company's qualitative growth and the enhancement of shareholder value.

### Attendance Record of Chang-sil Lee at the Board and Committee

Category	Role	Attendance Rate (Attendance/Meeting)			Total
		2024	2023	2022	
BoD	Director	100% (8/8)	100% (9/9)	100% (10/10)	100% (27/27)
Internal Trade Committee	Member	100% (4/4)	100% (1/1)	67% (2/3)	88% (7/8)
Management Committee	Member	100% (1/1)	100% (2/2)	-	100% (3/3)

\* Management Committee was established with BoD approval on May 26, 2023

## Approval for Directors' Remuneration Ceiling

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### Remuneration Ceiling Proposal (FY 2025)

- Taking into account the expected changes in the composition of registered directors' job positions in 2025, the business environment where demand is fluid, and the overall management conditions this year, the remuneration ceiling for directors in the fiscal year 2025 has been proposed at KRW 6 billion, down by 25% YoY.

\* The performance incentives for the 2024 business results is to be reflected in the payouts for 2025.

### Remuneration Ceiling Proposal (FY 2025)

Category	FY 2025 (This meeting's proposal)
Number of BoD (Number of Outside Directors)	7 (4)
Remuneration Ceiling	KRW 6 billion

### Remuneration Results (FY 2024)

- The total amount of director remuneration executed for the fiscal year 2024 was KRW 5.1 billion, which represents 64% of the remuneration ceiling approved at the previous AGM.

### Remuneration Results (FY 2024)

Number of BoD (Number of Outside Directors)	Ceiling Amount	Actual Payout Amount	Payout Ratio
7 (4)	KRW 8 billion	KRW 5.1 billion	64%

- The actual payout amount includes performance incentives for inside directors based on the 2023 business results and performance, as well as the payment of a former inside director's compensation for the three months until the resignation.
- The remuneration results include only fixed salaries and performance incentives, excluding severance pay.
- Detailed information on actual compensation results and calculation criteria are available through Semi-Annual and Annual Reports. The execution details for the fiscal year 2024 are to be disclosed in the Annual Report scheduled for March 12, 2025.

## Approval for Directors' Remuneration Ceiling

### [Reference] 3 Years' Record of AGM-approved Remuneration Ceiling

FY 2024	FY 2023	FY 2022
KRW 8 billion	KRW 8 billion	KRW 8 billion

### [Reference] Recent 3 Years' Consolidated Performance Trends

(Unit: KRW billion)

Category	2024	2023	2022
Revenue (YoY)	25,620 (-24.1%)	33,745 (+31.8%)	25,599 (+43.4%)
Operating Profit/Loss * (YoY)	575 (-73.4%)	2,163 (+78.2%)	1,214 (+57.9%)
Net Profit/Loss (YoY)	339 (-79.3%)	1,638 (+110.0%)	780 (-16.1%)

\* Including IRA Tax Credit

### [Reference] Directors' Remuneration Criteria

Category	Criteria
Base Salary	In accordance with the executive compensation policy approved by the board of directors, a monthly base salary is paid, along with a role-based compensation based on the duties and responsibilities of each job position.
Performance Incentive	In accordance with the performance incentive terms within the executive compensation policy approved by the board of directors, both quantitative indicators, such as the previous year's financial performance, and qualitative indicators, such as the achievement of key tasks and future readiness, are evaluated. Based on this evaluation, the board determines the incentive amount, which can range from 0% to 150% of the annual salary.

