

LG Energy Solution
The 3rd Annual General Meeting of Shareholders

Reference Material

Notice and Agenda

Date/time

9:30 AM on March 24(Fri), 2023, KST

Place

B1 Auditorium, LG Twin Towers, 128, Yeoui-daero, Yeongdeungpo-gu, Seoul

Agenda

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Agenda 1

Approval of Financial Statements for the 3rd Fiscal Year

Key Highlights

In 2022, we reached a record-high revenue showing 40% growth year-on-year on a consolidated basis, backed by battery shipment increase across all product line-ups in our proactive response to robust demand for Electric-Vehicles (EV), Light Electric Vehicles (LEVs), and power grid energy storage systems(ESS) in North America.

With economy of scale, enhanced productivity and reflection of incremental costs into battery selling prices, we logged a more enhanced operating profit compared to the previous year.

Consolidated Result

(Unit: KRW billion)

	2022	2021	YoY
Revenue	25,599	17,852	+43%
Operating Profit	1,214	768	+58%
Net Income	780	930	-16%

Non-consolidated Result

(Unit: KRW billion)

	2022	2021	YoY
Revenue	10,582	8,387	+26%
Operating Profit	(677)	(354)	-91%
Net Income	(528)	(103)	-413%

Audit Report Submission

- Korean Audit Report by March, 8, 2023
- English Audit Report by March, 9, 2023
- Audit Report Search Directory
- DART (<https://englishdart.fss.or.kr>) > Search LG Energy Solution > Submission of Audit Report
- Company website (<https://www.lgensol.com/en/index>) > IR > Audit Report

Dividend Related Matters

- In 2022, the company recorded a net loss on a non-consolidated income statement basis, thus profit not available for distribution of dividends pursuant to Article 462 of the Commercial Act.

Agenda 2

Appointment of Outside Director Jin-kyu Park

Information on Nominee

- Born in April, 1966
- **Education:** PhD in Economics, Graduate School, University of Birmingham
- **Major Career**
 - Collaboration Professor of Korea University Research Institute Industry Collaboration Center ('22~Current)
 - Vice Minister of Ministry of Trade, Industry and Energy ('20~'22)
 - Secretary for Trade, Senior Secretary for Economic Affairs, Presidential Affairs ('18~'20)
 - Director of Planning and Coordination Office, Ministry of Trade, Industry and Energy ('17~'18)
 - Trade Policy Officer of Ministry of Trade, Industry and Energy ('16~'17)
 - Director General of the Trade Policy Bureau, Ministry of Trade, Industry and Energy ('15~'16)
 - Director General of Trade Investigation, Korea Trade Commission ('13~'15)

Rationale for Recommendation

The Candidate was recommended by the Nomination Committee for Outside Director.

Amid the recent global trend towards protecting the domestic electric vehicle market with more stringent policies and regulations, the macro uncertainties are growing in the battery/raw materials industry.

Jin-kyu Park, outside director candidate, has expertise in trade and commerce with more than 20 years' experience in the Ministry of Trade, Industry and Energy.

We expect his extensive experience and insights to play an important role in our efforts to grow into a global leading company amidst uncertainties.

Upon the appointment, referring to the advice and feedback from the candidate, the company will be better positioned to respond to trade policy trend more preemptively, thus ensuring stable operation as well as strengthening our global competitiveness for continuous growth.

Others

- Relation with the Major Shareholders: None
- Transaction with the Company (recent 3 years): None
- If the candidate has arrears in payment, or any experience of being involved in an insolvent company management, or any reasons for disqualification under the law: No

Agenda 3

Approval of Ceiling Amount of Remuneration for Directors

Proposal for Remuneration Ceiling in the Fiscal Year 2023

- Considering the performance improvement expected this year (Revenue target +25~30% growth YoY, etc), the actual execution amount within the limit on directors' remuneration is expected to increase compared to the last year's performance. Therefore, the company recommends setting the same level as last year's.

Year	2023
Number of BOD (Number of Outside Director)	7(4)
Ceiling Amount	KRW 8.0 billion

Actual Remuneration Results for Directors in the Fiscal Year 2022

- The company's director remuneration includes the executives' fixed salaries and performance incentives, but excluding their severance pays.
- The director remuneration for the Fiscal Year 2022 did not include the performance incentives of the executive directors for 2022. Thus, incentives for 2022 will be reflected in the remuneration for the Fiscal Year 2023 as of the date of payment.
- In addition, the director remuneration results in the Fiscal Year 2022 included only part of one executive director's incentive pay¹, and as one outside director resigned midway due to personal reasons², the remuneration for the resigned director was included only for the corresponding period. Given that, the actual payment was executed less than originally expected.

Year	2022
Number of BOD (Number of Outside Director)	7(4 → 3 ²)
Ceiling Amount	KRW 8.0 billion
Actual Compensation	KRW 2.9 billion

1 Young-Soo, Kwon was appointed in Nov, 2021. Thus, the incentive was granted only for the corresponding period in the office (Nov, 2021 ~ Dec, 2021).

2 Duk-Geun, Ahn resigned in May, 2022. The total period in the office was 5 months.

