

# 2019 LG Electronics Corporate Governance Report

## LG Electronics Inc.

Our company has compiled this Report in order to help investors understand the current status of our corporate governance in accordance with Article 24, Paragraph 2 of the Regulations on Issuance and Public Disclosure, etc., of Securities. The Report contains the status of corporate governance as of December 31, 2019 and any changes in the Report as of the date of its submission are separately outlined.

The details of activities related to corporate governance in the Report are those applicable to the public disclosure period (January 1, 2019 - December 31, 2019), except those with a different period specified in the guideline.

※Note: The original document is written in Korean. And it is translated for stakeholders to understand our status on corporate governance. So this document can be used solely as a reference.

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# I . Overview

▶ **Company name: LG Electronics Inc.**

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▶ **Date of report: December 31, 2019**

▶ **Company overview**

<b>Largest Shareholders</b>	LG Corporation and one other	<b>Share Percentage of Largest Shareholders<sup>1)</sup></b>	<b>33.67%<sup>3)</sup></b>
		<b>Share Percentage of Minority Shareholders<sup>2)</sup></b>	<b>58.18%<sup>3)</sup></b>
<b>Field (financial/non-financial)</b>	Manufacturing of electronic components, computers, and video, audio, and communication equipment (non-financial)	<b>Main Products</b>	<b>Refrigerators, washing machines, TVs, mobile terminal equipment, automobile components, etc.</b>
<b>Classification as Corporate Group in Accordance with Monopoly Regulation and Fair Trade Act (Classified/Not Classified)</b>	Classified	<b>Applicability of Act on the Management of Public Institutions (Applicable/Not Applicable)</b>	<b>Not Applicable</b>
<b>Corporate Group Name</b>	LG		
<b>Summary of Financial Status (unit: 100 million won)</b>			
	<b>2019<sup>4)</sup></b>	<b>2018<sup>4)</sup></b>	<b>2017<sup>4)</sup></b>
<b>Consolidated Sales</b>	623,062	613,417	613,963
<b>Consolidated Profit</b>	24,361	27,033	24,685
<b>Consolidated Profit from Continuing Operations</b>	5,286	20,086	25,581
<b>Consolidated Net Profit</b>	1,799	14,728	18,695
<b>Consolidated Total Assets</b>	448,599	443,284	412,210
<b>Separate Total Assets</b>	274,749	278,655	281,598

1) As of the date of report (based on ordinary shares)

2) As of the final day of the business year

3) Rounded to the nearest hundredth

4) Most recent business years

## II. Current Status of Corporate Governance

### 1. Corporate Governance Policy

#### 1) Corporate Governance Principles

Our company considers it essential to practice sound and transparent corporate governance in order to secure our continuous growth, increase company value, and protect the rights and interests of our shareholders. To this end, we implement “BOD-centered management” so as to ensure the soundness and transparency of corporate governance. We recruit independent directors, who form more than 50% of the BOD, from various fields of expertise in order to prevent the BOD from disproportionately leaning toward certain mutual backgrounds or fields. In addition, our company provides the directors with sufficient support such that they can fulfill their duties.

As outlined above, more than 50% of the board members (four out of a total of seven board members) are independent directors so as to enable the BOD to effectively carry out its function of keeping the authority of management, in terms of conducting business, in check. Furthermore, our independent directors are transparently and fairly elected by the Independent Director Candidate Recommendation Committee (where independent directors have a majority) such that a thorough examination can be carried out regarding whether there are any legal reasons for disqualification or any potential relationship of interest with our company.

Our company complies with the “principles of diversity” in terms of forming the BOD in order to prevent a majority of board members from sharing a particular common background or representing certain interests. When it comes to the actual operation of the BOD, our company is striving to recruit people from various areas of expertise so as to prevent the BOD from leaning disproportionately toward particular backgrounds or professions. Since the independent directors are composed of experts from the industrial, financial/accounting, and administrative fields, and since the board members have various personal backgrounds and offer various areas of expertise, the BOD is capable of robustly deliberating the agenda items put forward, while also efficiently monitoring how management conducts business. Moreover, our company has established a business management committee under the BOD. This committee is entrusted with the power to approve any issues that do not require collective decision-making by all the board members, thereby contributing to the efficient implementation of corporate governance.

At the same time, our company supports the board members in order to enable them to make the best business decisions by holding preliminary briefing sessions prior to BOD meetings and by, through the BOD Secretariat, providing sufficient information regarding the details of agenda items.

#### 2) Governance Features

##### A) Structure of BOD with Independent Directors Having Majority

The BOD, as the highest decision making body, appoints legitimate external personnel who display various kinds of expertise and backgrounds as independent directors in order to improve the efficiency of the BOD and strengthen the BOD’s ability, through multiple independent directors whose independence has been verified, to keep management in check. At present, out of the seven board members, the number of independent directors stands at four (accounting for 57% of the total), thus comprising a majority.

##### B) BOD Led by Committees

Under the BOD there are three committees that have been established and are currently operating: the Audit Committee; the Business Management Committee; and the Independent Director Candidate Recommendation Committee. In 2019, a total of 20 committee meetings were held. From among these three committees, the Independent Director Candidate Recommendation Committee and the Audit Committee were both established in compliance with the obligation as stipulated by the relevant laws. The Business

Management Committee deliberates and makes decisions on matters delegated to it by the BOD.

### C) Enhancing Expertise of Independent Directors

Our company's independent directors are composed of experts from the industrial, financial/accounting, and administrative fields. In order to recruit the most suitable independent directors for our company, we select a set of candidates according to very strict standards through a process, conducted by the relevant divisions, of interviews and a pre-screening for examining potential reasons for disqualification (existence of delinquencies, management of an insolvent company, legal reasons for disqualification, etc.). The BOD Secretariat supports independent directors in such a way that enables them to fulfill their duties. Specifically, the Secretariat holds a preliminary briefing session before each BOD meeting in order for the directors to be able to preemptively review major issues in detail, and provides internal and external training, and periodic visits to main business sites, etc., so as to facilitate the swift adaptation of newly elected independent directors to our company's BOD-led corporate culture.

## 3) Current Status of Governance

As of the date of this report, our company's current status of governance (the BOD and committees under the BOD) is as follows:

Internal Body	Composition (no. of independent directors/no. of members)	Chairperson (committee president) (executive director/independent director)	Main Responsibilities
Board of Directors	4/7	Kwon Young-su (Non-executive director)	<ul style="list-style-type: none"> <li>• Approving BOD resolutions in accordance with laws and the Articles of Incorporation</li> <li>• Approving agenda items to be proposed at the general shareholders meetings</li> <li>• Approving main financial issues</li> <li>• Approving mid/long-term strategies and business policies</li> <li>• Approving personnel issues etc.</li> </ul>
Audit Committee	3/3	Kim Dae-hyung (Independent director)	<ul style="list-style-type: none"> <li>• Auditing overall company business including financial status</li> <li>• Supervising tasks carried out by directors and the management</li> <li>• Approving selection of external auditors and supervising their audit work</li> <li>• Assessing the actual operation status of the internal accounting management system and the operational status of the internal supervision system</li> </ul>
Independent Director Candidate Recommendation Committee	2/3	Kwon Young-su <sup>1)</sup> (Non-executive director)	<ul style="list-style-type: none"> <li>• Recommending independent directors after verifying the independence, diversity, and capability of a set of candidates</li> <li>• Managing and verifying sets of candidates for the position of independent director on a regular basis</li> </ul>
Business Management Committee	0/3	Kwon Bong-suk <sup>2)</sup> (Executive director)	<ul style="list-style-type: none"> <li>• Approving individual loans within the annual limit and issuance of company bonds and CP (corporate bills)</li> <li>• Certifying payments under a certain amount and signing or extending credit limit agreements</li> <li>• Establishing, relocating, and closing branches</li> <li>• Approving general business, and handling financial issues and other matters delegated by the BOD</li> </ul>

1) Appointed by the BOD on January 29, 2020.

2) Appointed by the BOD on March 26, 2020.

## 2. Shareholders

### (Key Principle 1) Shareholder Rights

Shareholders should be provided with sufficient information in a timely manner so as to be able to exercise their rights through appropriate procedures.

(Principle 1-①) The company should provide, a sufficient amount of time in advance, the shareholders with sufficient information regarding the date and time, location, and agenda items of the general shareholders meeting.

### A) Status of General Shareholders Meetings and Information Provision

Our company officially announces the date and time, location, agenda, etc., of general shareholders meetings through DART (Data Analysis, Retrieval and Transfer System, <http://dart.fss.or.kr>). For the previous three years, an announcement was made at least three weeks prior to each general shareholders meeting. Regular general shareholders meetings are held within three months after the closing of each business year in accordance with the Commercial Act, and extraordinary shareholders meetings are held whenever necessary. Over the past three years, our company has held three regular general shareholders meetings in total but has not held any extraordinary shareholders meetings. The details regarding our general shareholders meetings for the past three years are outlined in the table below.

▷ (Table 1-①-1) General shareholders meetings held from the start of the business year immediately before the public disclosure period up to the disclosure filing date

Classification	2019 Regular General Shareholders Meeting	2018 Regular General Shareholders Meeting	2017 Regular General Shareholders Meeting
Meeting decision date	February 28, 2020	February 18, 2019	February 22, 2018
Date of convocation notice	March 5, 2020	February 18, 2019	February 22, 2018
General shareholders meeting date	March 26, 2020 (Thu.), 9 a.m.	March 15, 2019 (Fri.), 9 a.m.	March 16, 2018 (Fri.), 9 a.m.
No. of days between date of convocation notice and general shareholders meeting date	21 days	25 days	22 days
Meeting location/venue	Main Auditorium (B1), East Wing of LG Twin Towers	Main Auditorium (B1), East Wing of LG Twin Towers	Main Auditorium (B1), East Wing of LG Twin Towers
How shareholders were notified regarding details of regular general shareholders meeting	Sent a meeting notification (to those holding 1% stake or more), made announcement on the website, and through DART of Financial Supervisory Service and Korea Stock Exchange and RNS of London Stock Exchange.	Sent a meeting notification (to those holding 1% stake or more), made announcement on the website, and through DART of Financial Supervisory Service and Korea Stock Exchange and RNS of London Stock Exchange.	Sent a meeting notification (to those holding 1% stake or more), made announcement on the website, and through DART of Financial Supervisory Service and Korea Stock Exchange and RNS of London Stock Exchange.

Whether foreign shareholders were notified of the meeting in a way they could understand and, if so, how		Made a general shareholders meeting convocation notice (attached agenda) and sent the agenda to major investors via RNS of London Stock Exchange.	Made a general shareholders meeting convocation notice (attached agenda) and sent the agenda to major investors via RNS of London Stock Exchange.	Made a general shareholders meeting convocation notice and sent the agenda to major investors via RNS of London Stock Exchange.
Details	Attendance of board members	2 out of 7 members attended.	2 out of 7 members attended.	2 out of 7 members attended.
	Attendance of Audit Committee members	1 out of 3 members attended.	1 out of 3 members attended.	1 out of 3 members attended.
	Main remarks by shareholders	1) Speakers: 1 individual shareholder 2) Main remarks: - Objected to the compensation limit for board members	No speakers	1) Speakers: 2 individual shareholders 2) Main remarks: - Requested a dividend increase for the following year - Requested continuance of the current standards and principles regarding compensation of board members

## B) Providing Information about the General Shareholders Meeting in Advance

According to the Commercial Act, the convocation notice of a general shareholders meeting must be made two weeks prior to the scheduled date of the meeting. For the past three years, our company has made an official meeting announcement at least three weeks before each general shareholders meeting. We provide sufficient information about the meetings to our shareholders including the date and time, location, and agenda of the meetings, in addition to a business overview and news related to board members. In particular, for the foreign shareholders who have difficulty reading the official announcements provided in Korean, we have provided official meeting announcements and other relevant information through RNS of London Stock Exchange and have also sent emails to our major foreign shareholders.

However, due to difficulties in managing the BOD's schedule, such as having to bring forward the February board meeting by more than one week, it is currently not easy to adopt the "4-weeks in advance notification method" as outlined in the Corporate Governance Standards of the Korea Corporate Governance Service. Moving forward, it is not possible for us to say with certainty that our company will adopt the "4-weeks in advance notification method" in the future, but we will continue to consider, when establishing schedules for the January and February board meetings and meeting announcements, adopting methods that enable us to provide, to our shareholders, information related to general shareholders meetings more promptly.

**(Principle 1-②) The company should ensure that all shareholders can actively participate and offer their opinions during general shareholders meetings.**

## A) Holding Shareholders Meetings on Dates Other Than Major Shareholders Meeting Dates

▷ (Table 1-②-1) General shareholders meetings held on dates other than major shareholders meeting dates from the start of the business year immediately before the public disclosure period up to the disclosure filing date



Classification	The 18th Regular General Shareholders Meeting	The 17th Regular General Shareholders Meeting	The 16th Regular General Shareholders Meeting
Major dates of regular general shareholders meeting	2020.03.13,20,26,27	2019.03.22,27,28,29	2018.03.23,29,30
Regular general shareholders meeting date	2020.03.26	2019.03.15	2018. 03.16
Distribution of regular general shareholders meeting	Not applicable	Applicable	Applicable
Voting in writing	No	No	No
Electronic voting	No	No	No
Proxy representation	Yes	Yes	Yes

Our company sets the date of general shareholders meetings through a consideration of external factors such as the major business activities of our registered members, internal schedules of the BOD, and the general shareholders meeting schedules of the parent companies of our shareholders. In 2020, prior to the announcement carried out by the Korea Listed Company Association regarding expected major dates for shareholders meetings, we finalized the day of our meeting to be Thursday of the final week in March in order to avoid Friday of the same week, which is usually a conventional date for shareholders meetings. However, unexpectedly, our finalized date was announced as a major date for shareholder meetings by the Korea Listed Company Association. Thus, we came to unavoidably hold our general shareholders meeting on a major date for shareholders meetings. According to the announcement made by the Korea Listed Company Association on April 2, only 38 out of the 759 listed companies that held regular general shareholders meetings this year held them on March 26, including our company. This number is only 27% of 142, which is the number of companies that held their regular general shareholders meetings on March 25, which was not designated as a major date. In addition, 42 companies held their meetings on March 24, which was also lower than the number of companies that held their meeting on the 25th. Based on these facts, we have concluded that holding a general shareholders meeting on a date which is designated as a major date for general stakeholders meetings is not a disrupting factor in terms of shareholder participation in the meeting.

As outlined in the above table 1-②-1, the regular general shareholders meetings in 2018 and 2019 were not held on major dates for general shareholders meetings. We will continue to actively participate in the general shareholders meeting distribution compliance program and do our best to avoid holding our shareholders meetings on major dates for shareholders meetings.

## **B) Implementation of Voting in Writing and Electronic Voting, and Proxy Representation**

Article 368-3 of the Commercial Act stipulates that a vote-in-writing system should be established through which shareholders can exercise their voting rights via written letters without physically attending general shareholders meetings. While our company's Articles of Incorporation also stipulate that shareholders should be able to exercise their voting rights without physically attendings meetings, we do not currently have any grounds for the establishment of a vote-in-writing system in our Articles of Incorporation and, moreover, we have never introduced an electronic voting system as outlined by Article 368-4 of the Commercial Act.

Instead, with a view to achieving the same goal without the introduction of a vote-in-writing or electronic voting system, we have established a proxy representation system (power of attorney system) in order to enable shareholders to exercise voting rights by proxy without physically attending shareholders meetings.

In 2020, many companies have adopted an electronic voting system due to the COVID-19 outbreak. However, our company has not yet implemented this kind of system as we arrived at the conclusion that electronic voting would not significantly improve the rate of participation in shareholders meetings. In continuing to consider future implementation of an electronic voting system, we will analyze the status of electronic voting implementation by other companies and the subsequent participation rates, in addition to reflecting social circumstances.

For reference, our company produces reference documents (including power of attorney forms) and officially provides them through DART in accordance with the Capital Markets Act, and also provides power of attorney forms on our company website.

### C) Proportion of For/Against Votes and Voting Outcome Details of Agenda Items at Regular General Shareholders Meetings

The proportion of for/against votes for agenda items put forward at the 18th (March 26, 2020) and 17th (March 15, 2019) regular general shareholders meetings, and whether they were passed is as follows.

▷ (Table 1-②-2) Proportion of for/against votes and voting outcome details of agenda items put forward at regular general shareholders meetings held between the start of the business year immediately before the public disclosure period up to the disclosure filing date

Regular		The 18th Regular General Shareholders Meeting				2020.3.26	
Agenda	Resolution Type	Meeting Purposes	Approval Status	No. of Shares That Have Voting Rights (①)	No. of Shares That Have Executed Voting Rights Among (A) ①	No. of Votes For (B) (Rate, %)	
						No. of Votes Against and Abstentions (C) (Rate, %)	
Item 1	Ordinary	Approving the 18th (January 1-December 31, 2019) Financial Statements	Passed	162,884,642	117,012,595	106,753,126 (91.2%)	
						10,259,469 (8.8%)	
Item 2	Special	Approving the amendment to the Articles of Incorporation	Passed	162,884,642	117,012,595	117,012,595 (100.0%)	
						0 (0.0%)	
Item 3	3-1	Ordinary	Kwon Bong-suk (executive director)	Passed	162,884,642	117,008,621 (95.1%)	
						5,720,421 (4.9%)	
	3-2	Ordinary	Bae Doo-yong (executive director)	Passed	162,884,642	117,008,621 (95.1%)	
						5,720,421 (4.9%)	
	3-3	Ordinary	Baek Yong-ho (executive director)	Passed	162,884,642	117,008,621 (95.1%)	
						5,720,421 (4.9%)	
Item 4	Ordinary	Baek Yong-ho (member of the Audit Committee)	Passed	162,884,642	56,172,992	53,765,947 (95.7%)	
						2,407,045 (4.3%)	
Item 5	Ordinary	Approving compensation limits of directors	Passed	162,884,642	117,012,595	115,503,088 (98.7%)	
						1,509,507 (1.3%)	

Regular		The 17th Regular General Shareholders Meeting				2019.3.15	
Agenda		Reso lutio n Type	Meeting Purposes	Appr oval Stat us	No. of Shares That Have Voting Rights (①)	No. of Shares That Have Executed Voting Rights Among ① (A)	No. of Votes For (B) (Rate, %)
							No. of Votes Against and Abstentions (C) (Rate, %)
Item 1	Ordin ary		Approving the 17th (January 1-December 31, 2018) Financial Statements	Pass ed	162,884,642	112,222,068	104,259,835 (92.9%)
							7,962,233 (7.1%)
Item 2	Speci al		Approving the amendment to the Articles of Incorporation	Pass ed	162,884,642	112,222,068	112,200,289 (100.0%)
							21,779 (0.0%)
Item 3	3-1	Ordin ary	Jeong Do-hyun (executive director)	Pass ed	162,884,642	112,222,068	106,666,333 (95.0%)
							5,555,735 (5.0%)
	3-2	Ordin ary	Kwon Young-su (non-executive director)	Pass ed	162,884,642	112,222,068	106,581,219 (95.0%)
							5,640,849 (5.0%)
	3-3	Ordin ary	Lee Sang-gu (independent director)	Pass ed	162,884,642	112,222,068	106,666,333 (95.0%)
							5,555,735 (5.0%)
	3-4	Ordin ary	Kim Dae-hyung (independent director)	Pass ed	162,884,642	112,222,068	106,666,333 (95.0%)
							5,555,735 (5.0%)
Item 4	4-1	Ordin ary	Baek Yong-ho (member of the Auditor Committee)	Pass ed	102,693,106	52,030,532	49,985,405 (96.1%)
							2,045,127 (3.9%)
	4-2	Ordin ary	Kim dae-hyung (member of the Auditor Committee)	Pass ed	102,693,106	52,030,532	49,985,405 (96.1%)
							2,045,127 (3.9%)

Item 5	Ordinary	Approving compensation limit of directors	Passed	162,884,642	112,222,068	97,250,475 (86.7%)
						14,971,593 (13.3%)

#### D) Taking Action to Induce Maximum Participation in General Shareholders Meetings

As outlined above, our company has not implemented a voting-in-writing or electronic voting system. However, through proxy representation, we strive to secure the quorum, enhance the convenience of shareholders in terms of exercising their voting rights, and maximize the participation of shareholders in the general shareholders meetings. Although there have been concerns regarding being able to secure the quorum due to the situation brought about by COVID-19, we enhanced our proxy representation system and made every effort to enhance the convenience of direct participation in the meetings, thereby securing a similar participation rate to that of the previous year. We will continue to review the possibility of implementing an electronic voting system, in addition to taking other measures in order to realize the shareholders' right to participate in the meetings.

**(Principle 1-③) The company should ensure that the shareholders can freely make proposals related to the agenda of the general shareholders meetings, and freely ask questions and request explanations regarding the agenda items during the meetings.**

#### A) Informing Shareholders of Procedure of Making Proposals on Website, etc., and Internal Standards and Procedure for Handling of Agenda Items Proposed by Shareholders

Although our company website currently does not provide information regarding the procedure of shareholders making proposals, we plan to continuously create opportunities to communicate with and receive proposals from the shareholders. We will review, from various angles, our approach to providing guidance on the procedures of proxy representation and shareholder proposals. In addition, there is currently no separate standards or procedure established for handling proposals made by shareholders. Since the Commercial Act already stipulates such procedures in detail, our company has no plans to establish new internal standards or procedures at the moment. However, when we receive proposals from shareholders in the future, we will endeavor to comply with the Commercial Act and follow the procedure of verifying the identity of the shareholder and assessing whether there are any violations of the Articles of Incorporation or relevant laws, and report the results at the board meeting for the convocation of the general shareholders meeting, generally held in February each year.

#### B) Proposals by Shareholders and Current Implementation Status from Start of Business Year Immediately Before Public Disclosure Period up to Disclosure Filing Date

Since there has been no shareholder proposals at general shareholders meetings for the past three years, there are no details to report with regard to the implementation of shareholder proposals.

#### C) Main Details of Open Letters from Institutional Investors and Current Implementation Status from the Start of Business Year Immediately Before Public Disclosure Period up to Disclosure Filing Date

Our company has received no open letters regarding the responsibility of institutional investors as fiduciaries in the previous three years.

#### D) Convenience of Exercising Shareholder Proposal Rights

As mentioned above, our company has not received any shareholder proposals within the past three years.

Although we are not currently providing any guidance on our website, etc., we guarantee the right of shareholders to make proposals at general shareholders meetings in accordance with the relevant laws. We will reflect all the received shareholder proposals in the agendas for general shareholders meetings through BOD resolutions, and we will continue to consider, from many angles, providing guidance on the shareholder proposal procedure.

**(Principle 1-④) The company should establish mid- to long-term policies and future plans regarding payouts such as dividend payouts and provide relevant information to the shareholders.**

#### **A) Payout Policy and Plans**

Our company makes payouts to the shareholders primarily in the form of annual dividend payouts. Every year, the amount of dividend payouts are confirmed, through the BOD, by comprehensively considering our company's annual profit level, cash flow, strategic investments in the future, and the enhancement of shareholder value in the market. Going forward, we plan to continue this payout policy.

#### **B) Payout Policy Guidance**

The aforementioned payout policy of our company is announced in the quarterly performance report data and is also posted on our company website. Every year, the BOD determines the amount of dividends in January and announces the confirmed payout date, etc., through an official announcement before the convocation notice of the general shareholders meeting. The payout amount is finalized at the general shareholders meeting, and payout is made to the shareholders within one month of the general shareholders meeting. In 2019, dividend information was disclosed through an official announcement titled "Cash and In-kind Dividends" made about eight weeks prior to the general shareholders meeting (January 29, 2020).

#### **C) Sufficient Explanation to Shareholders Regarding Dividend Payout Information**

As outlined above, our company has publicly disclosed the details of our procedure for determining, through the BOD, the amount of dividend payouts, which consists of comprehensively considering our company's annual profit level, cash flow, strategic investments in the future, and enhancement of shareholder value in the market. Additionally, we continuously provide explanations through IR activities. In the future, we may also provide such guidance and explanation about dividend payout plans in the form of public announcements.

**(Principle 1-⑤) The company should respect the shareholders' right to receive an appropriate amount of dividends based on the payout policy and future plans.**

#### **A) Payout Status of Past Three Business Years**

Our company has continuously paid out dividends for the past three years, and the details of those dividend payouts are as follows.

▷ (Table 1-⑤-1) Payout ratios (consolidated and separate), total dividends, dividend yield ratios, etc., for the past three business years

(Share, won, 100 million won, %)

Business Year	Financial Closing Month	Share Type	Share Dividend	Cash Dividend				
				Dividend per Share (won)	Total Dividends <sup>1)</sup> (100 million won)	Dividend Yield Ratio <sup>2)</sup>	Dividend Payout Ratio <sup>3)</sup>	
							Consolidated	Separate
2019	12	Ordinary share	-	750	1,222	1.0	434.4	N/A *Negative net profit during term
		Preferred share	-	800	137	2.8		
2018	12	Ordinary share	-	750	1,222	1.2	11.0	N/A *Negative net profit during term
		Preferred share	-	800	137	3.1		
2017	12	Ordinary share	-	400	652	0.4	4.2	9.6
		Preferred share	-	450	77	1.0		

1) Total dividends paid out during the business year

2) Dividend per share based on the final arithmetic mean of official closing prices formed in the exchange market for the past one week two transaction dates before the shareholder list closing date

3) Total dividends / consolidated or individual net profit

## B) Implementation and Records of Unequal Dividends, Quarterly Dividends, and Interim Dividends for Past Three Business Years

(Unequal dividends record, BOD confirmation date, dividend per share, total dividends, etc.)

Our company has continuously paid out cash dividends for the past three years and has not implemented unequal dividends, quarterly dividends, or interim dividends during that period.

## C) Respect for Shareholders' Right to Receive Appropriate Amount of Dividends

In order to improve shareholder value, our company has paid out dividends even when the term net profit (separate) or the net cash flow (consolidated) were negative. Thus, it is clear that our company respects the right of shareholders to receive an appropriate amount of dividends.

(Unit: 100 million won)	2014	2015	2016	2017	2018	2019
Net cash flow (consolidated)	Δ4,652	6,547	5,838	Δ5,054	1,005	16,239
Net profit attributable to parent (consolidated)	3,994	1,244	769	17,258	12,401	313
Net profit (separate)	Δ1,545	Δ3,558	Δ2,765	7,580	Δ48	Δ1,961
<b>Total dividends</b>	<b>729</b>	<b>729</b>	<b>729</b>	<b>729</b>	<b>1,359</b>	<b>1,359</b>
Against net cash flow (%)	-	11.1	12.5	-	135.2	8.4

\* Net Cash Flow: The sum of cash flows due to business activities, investment activities, and foreign exchange fluctuation effects

**(Key Principle 2) Fair Treatment of Shareholders**  
**The company should provide the shareholders with equal voting rights in accordance with the type and number of shares held, and make efforts to establish a system for the fair and equal provision of company information to the shareholders.**

**(Principle 2-①) The company should make every effort not to violate the shareholders' voting rights and provide the shareholders with sufficient company information in a fair and timely manner.**

**A) Status of Issuable Shares, Outstanding Shares, and Different Classes of Shares Outstanding**

Table 2-①-1 below summarizes the share issuance status. According to the Articles of Incorporation of our company, the number of issuable shares is 600,000,000 (300,000,000 each for ordinary and preferred shares, 5,000 won per share for both types). Currently, the number of outstanding ordinary shares and outstanding preferred shares stand at 163,647,814 and 17,185,992, respectively.

▷ (Table 2-①-1) Share issuance status

Classification		Issuable Shares <sup>1)</sup>	Outstanding Shares <sup>2)</sup>	Remarks
Ordinary shares		300,000,000	163,647,814	Treasury shares: 763,173
Different classes of shares	Preferred shares	300,000,000	17,185,992	Treasury shares: 4,692

1) Number of authorized shares as of the date of this report (no. of shares in the Articles of Incorporation)

2) Total number of shares issued and sold as of the date of this report - Total number of removed shares as of the date of this report (capital reduction, acquisition of own shares, etc.)

**B) Granting Voting Rights for Certain Classes of Shares and Grounds for those Rights, and General Shareholders Meetings for Certain Classes of Shareholders, etc.**

Our company has issued preferred shares in addition to ordinary shares. Preferred shares provide no voting rights, but the holders do receive dividends at an annual amount that is 1% more than dividends that are paid out for ordinary shares, on the basis of the par value. There have been no general shareholders meetings for certain classes of shares within the past three years.

**C) Equal Distribution of Voting Rights**

Our company's ordinary shares provide one voting right per share in accordance with Article 369 of the Commercial Law Act so as to enable all shareholders to exercise their voting rights in an equal manner.

**D) Status of Holding IR**

Our company makes a public disclosure of our tentatively calculated business performance in early January, April, July, and October of each year (effective since the first quarter of 2016), and holds regular conference calls for the purpose of explaining quarterly performance about three weeks after each disclosure of temporary outcome.

Conference calls are web-cast live on our company's website (<http://www.lge.co.kr/lgekor/company/ir/irMain.do>) in order for all investors to have equal access. The relevant outcomes are also publicly disclosed and provided on the website. In addition, for the purpose of transparency regarding the provision of information, we operate quiet periods from the end of each quarter to the day of announcing business performance. As summarized in Table 2-①-2, our company frequently

conducts IR activities such as attending conferences held by securities companies, attending meetings of investors, and holding conference calls, etc. Our company has conducted a total of 31 IR activities from the start of the business year immediately before the public disclosure period up to the disclosure filing date.

▷ (Table 2-①-2) Major IR activities, conference calls, and conversations with shareholders from the start of the business year immediately before the public disclosure period up to the disclosure filing date

Date	Target	Type	Major Content
2019.01.31	Investors, analysts, and press	Conference call	Announcement of business performance (4th quarter, 2018)
2019.02.08 - 02.14	Domestic institutional investors	NDR	Business performance review (4th quarter, 2018) and Q&A
2019.02.19 - 02.22	Foreign (Americas) institutional investors	NDR	
2019.02.25 - 03.01	Foreign (Asia) institutional investors	NDR	
2019.03.06	Foreign investors: Securities firm (Daiwa) conference	Conference	
2019.03.20	Foreign investors: Securities firm (BoA) conference	Conference	
2019.03.25	Foreign investors: Securities firm (Credit Suisse) conference	Conference	
2019.04.30	Investors, analysts and press	Conference call	Announcement of business performance (1st quarter, 2019)
2019.05.03 - 05.10	Domestic institutional investors	NDR	Business performance review (1st quarter, 2019) and Q&A
2019.05.13 - 05.20	Foreign (Americas) institutional investors	NDR	
2019.05.21	Foreign investors: Securities firm (Korea Investment and Securities) conference	Conference	
2019.05.23	Foreign investors: Securities firm (CLSA) conference	Conference	
2019.05.27 - 05.31	Foreign (Asia) institutional investors	NDR	
2019.07.30	Investors, analysts, and press	Conference call	Announcement of business performance (2nd quarter, 2019)
2019.08.05 - 08.09	Domestic institutional investors	NDR	Business performance review (2nd quarter, 2019) and Q&A
2019.08.19 - 08.23	Foreign (Asia) institutional investors: Securities firm (Korea Investment and Securities) conference	Conference	
2109.09.03 - 09.06	Foreign (Americas) institutional investors: Securities firm (CITI) conference	Conference	
2019.10.30	Investors, analysts, and press	Conference call	Announcement of business performance (3rd quarter, 2019)
2019.11.04 - 11.07	Domestic institutional investors	NDR	Business performance review (3rd quarter, 2019) and Q&A
2019.11.11 - 11.15	Foreign (Asia) institutional investors	NDR	
2019.11.18 - 11.22	Foreign (Europe) institutional investors	NDR	



2019.12.03 - 12.04	Foreign (Asia) institutional investors: Securities firm (Nomura) conference	Conference	
2020.01.30	Investors, analysts, and press	Conference call	Announcement of business performance (4th quarter, 2019)
2020.02.03 - 02.06	Domestic institutional investors	NDR	Business performance review (4th quarter, 2019) and Q&A
2020.02.18 - 02.20	Foreign (Asia) institutional investors	NDR	
2020.02.28	Foreign (Americas) institutional investors: Securities firm (Daiwa) conference	Conference	
2020.03.11	Foreign (Asia) institutional investors: Securities firm (JP Morgan) conference	Conference	
2020.04.29	Investors, analysts, and press	Conference call	Announcement of business performance (1st quarter, 2020)
2020.05.07 - 05.14	Domestic institutional investors	NDR	Business performance review (1st quarter, 2020) and Q&A
2020.05.15 - 05.20	Foreign (Americas/Asia) institutional investors: Securities firm (CLSA) conference	Conference	
2020.05.27 - 28	Foreign (Americas) institutional investors: Securities firm (Daiwa) conference	Conference	

#### E) IR Information on Company Website

Our company provides the “Information for Investors” menu item on our company website ([//www.lge.co.kr/lgekor/company/ir/irMain.do](http://www.lge.co.kr/lgekor/company/ir/irMain.do)). This section provides BOD-related information as well as various reports such as financial and sales reports. Emails can be sent to the IR department on the Contact IR page within this section. The phone numbers of the IR department are not provided on the website but they can be found in the official announcement on the presentation of our company’s performance, amongst other various official notifications.

#### F) Website in English for Foreign Shareholders, Disclosure of Manager Contact Information, and Public Disclosure in English

Our company currently does not provide public disclosure in English via KIND. However, we operate an English website for foreign shareholders (<https://www.lg.com/global/investor-relations>). Just as for the domestic shareholders, the site provides materials presenting our company’s performance, financial information, audit reports, and various other types of information in English, and emails can also be sent to the IR department through the website. In addition, we provide public disclosures in English through the London Stock Exchange, the contents of which is as follows.

Disclosure Date	Disclosure Title	Major Content
2019.01.08	2018 4Q Pre-earnings Guidance	Tentative performance of 4th quarter, 2018
2019.01.31	Annual Financial Report	Finalized performance of 4th quarter, 2018
2019.02.18	Notice of AGM	Confirmation of the 17th Regular General Shareholders Meeting
2019.04.13	PRE-EARNINGS GUIDANCE FOR 1Q 2019	Tentative performance of 1st quarter, 2019
2019.05.13	1st Quarter Results	Finalized performance of 1st quarter, 2019
2019.07.05	2019 2Q Pre-earnings Guidance	Tentative performance of 2nd quarter, 2019
2019.07.31	Half year Report	Finalized performance of 2nd quarter, 2019

Disclosure Date	Disclosure Title	Major Content
2019.08.14	Sustainability Report	Corporate Sustainability Report
2019.10.10	2019 3Q Pre-earnings Guidance	Tentative performance of 3rd quarter, 2019
2019.10.31	3rd Quarter Results	Finalized performance of 3rd quarter, 2019
2020.01.08	2019 4Q Pre-earnings Guidance	Tentative performance of 4th quarter, 2019
2020.01.30	Annual Financial Report	Finalized performance of 4th quarter, 2019
2020.03.05	Notice of AGM	Confirmation of the 18th Regular General Shareholders Meeting and Official Announcement
2020.04.08	2020 1Q Pre-earnings Guidance	Tentative performance of 1st quarter, 2020
2020.04.29	1st Quarter Results	Finalized performance of 1st quarter, 2020

## G) Fair Disclosures

The following are the fair disclosures made by our company from the start of 2019 to the present. For the investors, our company summarizes tentative quarterly performance and announces this performance about three weeks before each quarter.

▷ (Table 2-①-4) Fair disclosures from the start of the business year immediately before the public disclosure period up to the disclosure filing date  
(Fair disclosures submitted via KIND of the Korea Stock Exchange)

Disclosure Date	Disclosure Title	Major Content
2019.01.08	Performance (tentative) based on consolidated financial statements (fair disclosure)	Tentative performance of 4th quarter of 2018, including revenue, business profit, etc.
2019.01.31	[Corrected] Performance (tentative) based on consolidated financial statements (fair disclosure)	Revenue, business profit, profit from continuing operations before deduction of corporate tax, net profit, and net profit attributable to parent company of the 4th quarter of 2018
2019.04.05	Performance (tentative) based on consolidated financial statements (fair disclosure)	Tentative performance of 1st quarter of 2019, including revenue, business profit, etc.
2019.04.30	[Corrected] Performance (tentative) based on consolidated financial statements (fair disclosure)	Revenue, business profit, profit from continuing operations before deduction of corporate tax, net profit, and net profit attributable to parent company of the 1st quarter of 2019
2019.07.05	Performance (tentative) based on consolidated financial statements (fair disclosure)	Tentative performance of 2nd quarter of 2019, including revenue, business profit, etc.
2019.07.30	[Corrected] Performance (tentative) based on consolidated financial statements (fair disclosure)	Revenue, business profit, profit from continuing operations before deduction of corporate tax, net profit, and net profit attributable to parent company of the 2nd quarter of 2019
2019.10.07	Performance (tentative) based on consolidated financial statements (fair disclosure)	Tentative performance of 3rd quarter of 2019, including revenue, business profit, etc.

	disclosure)	
2019.10.30	[Corrected] Performance (tentative) based on consolidated financial statements (fair disclosure)	Revenue, business profit, profit from continuing operations before deduction of corporate tax, net profit, and net profit attributable to parent company of the 3rd quarter of 2019
2020.01.08	Performance (tentative) based on consolidated financial statements (fair disclosure)	Tentative performance of 4th quarter of 2019, including revenue, business profit, etc.
2020.01.30	[Corrected] Performance (tentative) based on consolidated financial statements (fair disclosure)	Revenue, business profit, profit from continuing operations before deduction of corporate tax, net profit, and net profit attributable to parent company of the 4th quarter of 2019
2020.04.07	Performance (tentative) based on consolidated financial statements (fair disclosure)	Tentative performance of 1st quarter of 2020, including revenue, business profit, etc.
2020.04.29	[Corrected] Performance (tentative) based on consolidated financial statements (fair disclosure)	Revenue, business profit, profit from continuing operations before deduction of corporate tax, net profit, and net profit attributable to parent company of the 1st quarter of 2020

## H) Designation as Unfaithful Public Disclosure Corporation

Our company has not been designated as an unfaithful public disclosure corporation.

## I) Timeliness and Fairness in Disclosing Corporate Information

Our company makes the utmost effort to provide sufficient corporate information to the shareholders in a timely and fair manner.

We make fair public disclosures in accordance with the Public Disclosure Regulations of the Financial Services Commission and Korea Stock Exchange. In order to prevent confusion from occurring within the market, we disclose our tentative performance about three weeks prior to conference calls regarding performance. Each quarter, we provide sufficient corporate information to the shareholders in a timely and fair manner via channels such as conference calls and webcasting. We also actively conduct IR activities for domestic and foreign investors whenever necessary. We are currently reviewing the possibility of combining the conference calls in which we present our performance in Korean and English, which are currently being held separately, into a single event in order to enable foreign shareholders to participate more conveniently.

In addition to the above, further corporate information can be found on our website and electronic public disclosure systems such as DART (<http://dart.fss.or.kr>) and KIND (<http://kind.krx.co.kr>). Moreover, our company's website provides the opportunity to view our corporate sustainability reports, business reports, audit reports, and management information such as the BOD members and BOD operation status, as well as status of shares and shareholders, financial information, and electronic announcements, etc. Contact information of the IR department such as email addresses and telephone numbers can be easily found on our company website or in the public disclosure materials.

In addition, we make public disclosures via the London Stock Exchange and actively communicate with foreign shareholders on all important public disclosure matters, and thus we believe that it is currently not necessary to make public disclosures in English via KIND. However, we strive to constantly listen to the opinions of foreign shareholders and, in doing so, we will continue to review the necessity of implementing public disclosures in English.

**(Principle 2-②) The company should set up and operate tools with which to protect shareholders from fraudulent internal dealings or self-dealings by the controlling shareholder or other shareholders.**

### A) Tools for Controlling Internal Dealings and Self Dealings (Policy)

In order to prevent any of the management members or the controlling shareholder from making internal dealings or self-dealings for the purpose of gaining personal benefit, our company stipulates in Article 14 of the BOD Regulations that "approval of transactions between a director and the company" must be approved in the form of a BOD resolution. In addition, we strengthen the prevention of internal dealings and self-dealings by prohibiting board directors who have a specific interest in a particular BOD resolution from exercising his/her voting rights. In accordance with Article 542-9, Clause 3 of the Commercial Act, the BOD's prior approval of transactions with interested persons is necessary if the size of the annual transactions of the interested person with LG (the largest shareholder), its affiliate persons, and our company's affiliate persons stands at more than 5% of the total assets/sales, or if the size of each transaction is more than 1% of the total assets/sales. Furthermore, under Article 398 of the Commercial Act, any transactions made with major shareholders such as LG, LG's subsidiaries of which LG holds 50% or more of the shares, daughter companies of the subsidiaries, and companies which may pose concerns in terms of a potential conflict of interest by virtue of the same person holding posts in the respective companies should be approved by the BOD. In addition, since the Fair Trade Act stipulates that large internal transactions worth more than 5 billion won with affiliated companies should be approved by the BOD and be made public, our company, as one of the LG Group companies, discloses all such transactions after legitimately passing them through the BOD approval process. Such disclosures are publicly available on DART.

### B) Transactions with Interested Parties Including Controlling Shareholder

The following are transactions with LG Group affiliates within Korea recorded in our business report in compliance with the Fair Trade Act. For more details, refer to "X. Transactions with Interested Parties" in the Business Report 2019.

#### (i) Asset transfer, etc., with LG Group affiliates

(January 1-December 31, 2019, unit: 1 million won)

Counterparty	Relationship	Transaction Type	Transaction Object	Transaction Purpose	Transaction Date	Transaction Amount	Remarks	Transaction Conditions
ZKW Holding GmbH	Affiliate	Asset transfer	Mechanical equipment, etc.	Improving efficiency in the electric parts sector	2019.12.19	1,154	Not subject to BOD approval. Executed following internal review. Transaction deficit of 6.081 billion won	Pay cash on the transaction date
LG Display Co., Ltd.	Affiliate	Asset transfer	Mechanical equipment	Selling idle equipment	2019.11.07	417	Not subject to BOD approval. Executed following internal review. Transaction profit of 31 million won	Pay cash within 90 days after the transaction date

Counterparty	Relationship	Transaction Type	Transaction Object	Transaction Purpose	Transaction Date	Transaction Amount	Remarks	Transaction Conditions
LGETR	Affiliate	Asset transfer	Mold, etc.	Mold transfer for improving production efficiency	2019.12.14	2,101	Not subject to BOD approval. Executed following internal review. Transaction profit of 1.118 billion won	Pay cash within 90 days after the transaction date
LG Chem Ltd.	Affiliate	Asset transfer	EUA (EU allowance) (130,000 tCO2)	Gaining profit by selling remaining free-allocated emissions	2019.11.06	4,375	Not subject to BOD approval. Executed following internal review. Transaction profit of 4.375 billion won	Pay by promissory note within 120 days after the date of transfer, based on the official closing price in the Korea Stock Exchange on the contract date (33,650 won)
LGETA	Affiliate	Asset transfer	Mechanical equipment, etc.	Production facilities transfer for improving production efficiency	2019.09.05	1,330	Not subject to BOD approval. Executed following internal review. Transaction profit of 19 million won	Pay cash within 80 days after the transaction date
LGEBR	Affiliate	Asset transfer	Mechanical equipment, etc.	Production facilities transfer for improving production efficiency	2019.08.14	1,160	Not subject to BOD approval. Executed following internal review. Transaction profit of 468 million won	Pay cash within 60 days after the transaction date
LGETH	Affiliate	Asset transfer	Mechanical equipment, etc.	Production facilities transfer for improving production efficiency	2019.07.02	601	Not subject to BOD approval. Executed following internal review. Transaction profit of 27 million won	Pay cash within 30 days after the transaction date
LGEVH	Affiliate	Asset transfer	Mechanical equipment, etc.	Production facilities transfer for improving production efficiency	2019.05 - 2019.11	19,469	Transaction within the limit amount of total transactions with affiliate persons, approved by the BOD on	Pay cash within 60 days after the transaction date

Counterparty	Relationship	Transaction Type	Transaction Object	Transaction Purpose	Transaction Date	Transaction Amount	Remarks	Transaction Conditions
							January 29, 2019. Transaction profit of 1.670 billion won	
LG Chem Ltd.	Affiliate	Asset transfer	EUA (EU allowance) (100,000 tCO2)	Gaining profit by selling remaining free-allocated emissions	2019.04.23	2,790	Not subject to BOD approval. Executed following internal review. Transaction profit of 2.790 billion won	Pay by promissory note within 30 days after the date of transfer, based on the official closing price in the Korea Stock Exchange on the contract date (27,900 won)
LG Innotek Co., Ltd.	Affiliate	Asset acquisition	Mechanical equipment	Purchasing equipment for improving production efficiency	2019.01 - 2019.12	1,058	Not subject to BOD approval. Executed following internal review	Issue a 120-day promissory note
LG Chem Ltd.	Affiliate	Asset acquisition	Shares in private planes and helicopters	Adjusting the share percentage	2019.03.20	8,217	Approved by the BOD on March 15, 2019	Pay cash within 10 days after the transaction date
LGENV	Affiliate	Asset transfer	Mechanical equipment, etc.	Production facilities transfer for improving production efficiency	2019.02 - 2019.05	3,196	Not subject to BOD approval. Executed following internal review. Transaction deficit of 513 million won	Pay cash within 120 days after the transaction date

**(ii) Business transactions with LG Group affiliates in Korea**

The following are business transactions with major shareholders (LG Group affiliates in Korea) each of which accounts for 5% or more of the total revenue during the recent business year.

(January 1-December 31, 2019, unit: 1 million won)

<b>Name of Affiliate</b>	<b>Relationship</b>	<b>Transaction Type</b>	<b>Transaction Period</b>	<b>Transaction Details</b>	<b>Transaction Amount</b>
Hi Plaza Co., Ltd.	Affiliate	Selling, buying, etc.	2019.1.1 - 2019.12.31	Selling and buying electronic products such as TVs, refrigerators, etc.	2,046,153

### 3. Board of Directors

**(Key Principle 3) Functions of BOD**

The BOD should determine the business goals and strategies for the benefit of the company and shareholders, and effectively supervise the management.

**(Principle 3-①) The BOD should effectively perform the functions of making management decisions and supervising the management.**

**A) Issues to be Deliberated on and Decided by the BOD**

The BOD, as the highest standing decision-making body of our company established in accordance with the Commercial Act, makes decisions on major issues that are subject to its approval in accordance with the relevant laws and the Articles of Incorporation, on important financial matters involving amounts of money that exceed certain limits, on mid/long-term strategies and business policies, on personnel issues, and on other major issues related to committees under the BOD. In addition to the regular BOD meetings held every quarter, BOD meetings may also be held whenever matters occur which require a BOD resolution. Details of matters that ought to be deliberated on and decided by the BOD are stipulated in Article 32 of the Articles of Incorporation, and Article 14 of the BOD Regulations. The main contents are as shown in the table below.

Classification	Main Issues to be Approved
BOD resolutions based on the Commercial Act and the Articles of Incorporation	<ul style="list-style-type: none"> <li>• Convoking general shareholders meetings</li> <li>• Approving business reports</li> <li>• Approving financial statements</li> <li>• Appointing and dismissing company representatives</li> <li>• Appointing and dismissing managers [delegating work to the Business Management Committee]</li> <li>• Establishing, relocating, and closing branches [delegating work to the Business Management Committee]</li> <li>• Making decisions regarding issuance of new shares, and handling of forfeited shares and fractional shares</li> <li>• Issuing new shares by ordinary public offering</li> <li>• Issuing corporate bonds</li> <li>• Making decisions regarding convertible bonds issuance</li> <li>• Making decisions regarding issuance of bonds with warrants</li> <li>• Making decisions regarding transferability of stock warrants</li> <li>• Formal capitalization of reserve</li> <li>• Approving transactions between directors, etc., and our company</li> <li>• Approving competitive business and exercising intervention rights by directors</li> <li>• Establishing, operating, and closing committees, and appointing and dismissing committee members</li> <li>• Enacting, revising, and abolishing committee operation regulations</li> <li>• Making decisions regarding short-form mergers, short-form mergers through division, small-scale mergers, and small-scale mergers through division</li> <li>• Reporting mergers and consolidations</li> <li>• Canceling stock options</li> <li>• Determining interim dividend amounts</li> <li>• Designating shareholder name transfer agents</li> <li>• Determining shareholder list closing periods and dates</li> <li>• Share retirement</li> <li>• Approving appropriation of our company's opportunities and assets</li> </ul>



Classification	Main Issues to be Approved
	<ul style="list-style-type: none"> <li>• Enacting, revising, and abolishing the compliance management standards</li> <li>• Appointing and dismissing compliance officers</li> </ul>
Agendas to be proposed at the general shareholders meetings	<ul style="list-style-type: none"> <li>• Transferring all or important parts of a business</li> <li>• Lending the entirety of a business or delegating business management</li> <li>• Signing, amending, or canceling contracts on which all operating profits and losses are shared with others or other similar contracts</li> <li>• Acquiring all or part of a business that critically affects the business of our company</li> <li>• Share dividends</li> <li>• Reducing capital</li> <li>• Amending the Articles of Incorporation</li> <li>• Appointing and dismissing directors and Audit Committee members</li> <li>• Compensation for directors</li> <li>• Assigning stock options</li> <li>• Dissolution, merger, division, merger through division, and continuation of our company</li> <li>• Issuing shares at price below par</li> <li>• Exempting directors from liability toward our company</li> <li>• Reporting transactions with interested persons including the largest shareholder and its interested persons pursuant to Article 542, Paragraph 9 of the Commercial Act</li> <li>• Other agendas to submit for consideration pursuant to relevant laws or the Articles of Incorporation</li> </ul>
Important financial issues	<ul style="list-style-type: none"> <li>• Providing guarantees or securities for other parties (The minimum limit for guarantees or securities for subsidiaries is 100 billion won.)</li> <li>• Acquiring and selling businesses and assets (Only cases worth more than 100 billion won are subject to approval.)</li> <li>• Selling investments and shares (Only cases worth more than 100 billion won are subject to approval.)</li> <li>• Investing in facilities (Only cases worth more than 100 billion won are subject to approval.)</li> <li>• Setting and increasing the annual limit of loans (excluding loans secured by receivables) and of issuing corporate bonds and CP (corporate bills)</li> <li>• Large-sized internal transactions under the Fair Trade Act</li> <li>• Approving transactions made with our company's largest shareholder (including the shareholder's affiliated persons) and affiliated persons, or approving the total amount of transactions in accordance with Article 542-9 of the Commercial Act.</li> <li>• Selling investments or shares used to incorporate, establish, or exclude subsidiaries under the Fair Trade Act</li> </ul>
Mid/long-term strategies and business policies	<ul style="list-style-type: none"> <li>• Setting strategic business directions</li> <li>• Assessing the current year's business performance, and establishing business plans and reaching agreement on goals for the next year</li> </ul>
Personnel issues	<ul style="list-style-type: none"> <li>• Personnel issues (excluding assignment to positions) related to executives and issues related to their compensation</li> <li>• Appointing the Chief Financial Officer</li> </ul>
Other matters	<ul style="list-style-type: none"> <li>• Issues defined by other relevant laws or the Articles of Incorporation, issues delegated at general shareholders meetings, and issues that the BOD chairperson deems to be necessary</li> </ul>

## **B) Matters Other Than Those Required by Relevant Laws in BOD Deliberations or Decisions**

In order for the BOD to perform its decision-making and supervisory functions for matters that are crucial to successfully managing our company, there are certain matters that, although not required by the relevant laws, are subject to the deliberation and decision-making of the BOD as per our Articles of Incorporation or the BOD

Regulations. These matters are as follows: business policies such as business plans and goals for the next year; personnel and payment management for executive officers; establishment and operation of committees within the BOD; enactment and revision of committee operation regulations; resolutions on proposals made at general shareholders meetings; and important financial issues (provision of guarantees or securities for other parties, acquisition/disposal of businesses and assets, and investments in facilities, etc.)

### **C) Delegation of BOD's Rights to Committees or President (or Company Representatives)**

Article 33, Paragraph 1 of our company's Articles of Incorporation, and Article 13, Paragraph 1 of the BOD Regulations stipulate that the Audit Committee, the Independent Director Candidate Recommendation Committee, and other necessary committees should be established so as to enable the BOD to operate in accordance with the Commercial Act. Furthermore, in accordance with Article 13, Paragraph 2 of the BOD Regulations, the BOD may delegate some of its powers to the committees under the BOD provided that such a delegation does not violate the relevant laws or the Articles of Incorporation. Therefore, with a view to enhancing the efficiency of the operation of the BOD, our company assigns some of the important financial matters defined in Article 14, Paragraph 1, Clause 3 of the BOD Regulations to the Business Management Committee. At the same time, matters subject to resolution by the Business Management Committee are notified to each director, as stipulated in Article 13 of the Business Management Committee Regulations, such that the BOD can ultimately maintain control over such matters. In addition, in accordance with Article 14 of the Business Management Committee Regulations, in the event that matters deliberated and decided on by the Business Management Committee are considerably out of the scope assigned by the BOD or are against the purpose of the delegation, the directors can request for a BOD meeting in order to re-deliberate and re-decide the matters that have already been resolved by the Business Management Committee. Refer to Table 4-①-3 below for matters to be delegated to each committee under the BOD.

### **D) Effective Functioning of BOD**

As stated above, the BOD of our company is effectively performing its decision-making and supervisory functions by clarifying matters subject to deliberation and decision-making in the Articles of Incorporation and the BOD Regulations, requiring certain crucial management matters that are not outlined in the relevant laws to be deliberated and decided on by the BOD, establishing and operating committees based on the committee policies in accordance with the relevant laws, and providing overall support through the BOD Secretariat.

**(Principle 3-②) The BOD should establish and operate a CEO succession policy (including an emergency appointment policy), and continuously improve and supplement such a policy.**

### **A) Establishment of CEO Succession Policy and Main Managing Body**

Our company has an established CEO succession policy which requires the management and directors in charge of personnel management to hold discussions when appointing CEO candidates based on the CEO qualification criteria. A replacement of the CEO is submitted to the BOD as an agenda item such that the candidates can be evaluated for their ability to manage our company in a way that promotes the best interests of our company and our shareholders, and also fulfill our core values and visions.

### **B) Main Items of CEO Succession Policy Including Candidate (Group) Selection, Management, and Education**

Each year, candidates (a candidate group) are selected from among the key executives of our company and some key external figures through a qualification process based on the CEO qualification criteria. Candidates are trained and verified through training interviews and coaching programs, etc.

### **C) Education During Public Disclosure Period**

Training interviews, leadership coaching, and opportunities to participate in executive programs were

provided.

**(Principle 3-③) The BOD should establish and operate an internal control policy (risk management, compliance management, internal accounting management, and public disclosure information management etc.), and continuously improve and supplement such a policy.**

**A) Risk Policies on Recognition and Management of Risk, etc., and Current Operation Status of such Policies**

In response to the various possible risks that may occur during management processes, the related departments take systematic and effective measures, and report important issues to the BOD for its approval.

In order to manage the risks that may arise in various areas of business, the BOD outlines, as matters to deliberate, BOD resolutions based on the Commercial Act and the Articles of Incorporation, proposals for agenda items for general shareholders meetings, important financial affairs, mid/long-term strategies and business policies, personnel issues, other matters stipulated by the related laws and the Articles of Incorporation, issues delegated at the general shareholders meetings, and other matters deemed by the BOD chairperson to be necessary. Moreover, in order to effectively monitor possible risks, the BOD receives reports on execution results of matters delegated to committees, the Audit Committee's acknowledgment of violations by the board directors of relevant laws or the Articles of Incorporation or concerns for such possible violations, results of compliance management evaluations carried out by the compliance officer, and matters regarding our company's fulfillment of our social responsibilities.

**B) Policies on Compliance Management, Internal Accounting Management, and Public Disclosure Management and Current Operation Status of such Policies**

In response to compliance risks, our company appoints a legal affairs executive as the compliance officer, in accordance with Article 542-13 of the Commercial Act, in order to assess adherence to legal compliance standards. In addition, we have a compliance office (compliance monitoring team and compliance management team) set up under the direct control of our company representatives to perform legal compliance diagnosis and inspection, and conduct preventive education.

In accordance with the Commercial Act, we stipulate, in Article 14, Paragraph 1 of the BOD Regulations, that the enactment, revision, and abolition of legal compliance standards, as well as the appointment and dismissal of compliance officers, are items subject to resolutions of the BOD. Moreover, the results of assessing adherence to legal compliance standards are reported to the BOD once a year.

As for internal accounting management, in order to provide reasonable conviction that our financial statements have been written and publicly disclosed in accordance with the K-IFRS, we have, in addition to operating the internal accounting management policy, established internal accounting management regulations which stipulate the roles and responsibilities of our company representatives, internal accounting managers, and the Audit Committee, outline the design and operation of the internal accounting management policy, etc., and reflect evaluations and reports with regard to the policy.

Our company's representatives and the internal accounting manager assess the effectiveness of the design and operation of our internal accounting management policy every business year in terms of its role in preventing and identifying errors or fraudulent acts that distort or may distort our financial statements. Our company representatives and the internal accounting manager use the "Conceptual System for Design and Operation of Internal Accounting Management Policy", presented by the Internal Accounting Management Policy Committee, in order to design and operate the internal accounting management policy. Additionally, the "Evaluation and Report Standards for Internal Accounting Management Policy" are used in assessing the current status of the design and operation of the internal accounting management policy.

Each year, our company representatives report on the operation status of the internal accounting management policy at the general shareholders meeting, and to the BOD and the Audit Committee, and the Audit Committee evaluates the reported operation status and reports on the evaluation result to the BOD. Further, our company publicly discloses the internal accounting management policy operation report in the form of an attachment to the business report.

In terms of public disclosure management, our company has a system of establishing main and assistant public disclosure managers in order to manage risks, we use our own public disclosure management system to check the public disclosure review requests made by the relevant departments and subsidiaries, and we review cases from initial stages, if necessary, so as to determine whether public disclosure can be made.

### **C) Main Content and Operation Status of Other Additional Internal Control Policies Currently in Operation**

In the wake of the outbreak of COVID-19, we have established company-wide emergency response organizations to deal with issues related to the safety of employees, facility operation, and social consequences of the disease, analyze various risks in detail, and take necessary measures. In addition to the company-wide risk management system centered around the BOD, we are thoroughly examining risks related to business, environmental safety, and personnel management, etc., at all times through the responsible management system of each head office and local headquarters.

#### **(Key Principle 4) Structure of BOD**

**The BOD should be structured so as to be able to efficiently make decisions and supervise the management, and the board directors should be appointed through transparent procedures that reflect a wide range of shareholders' opinions.**

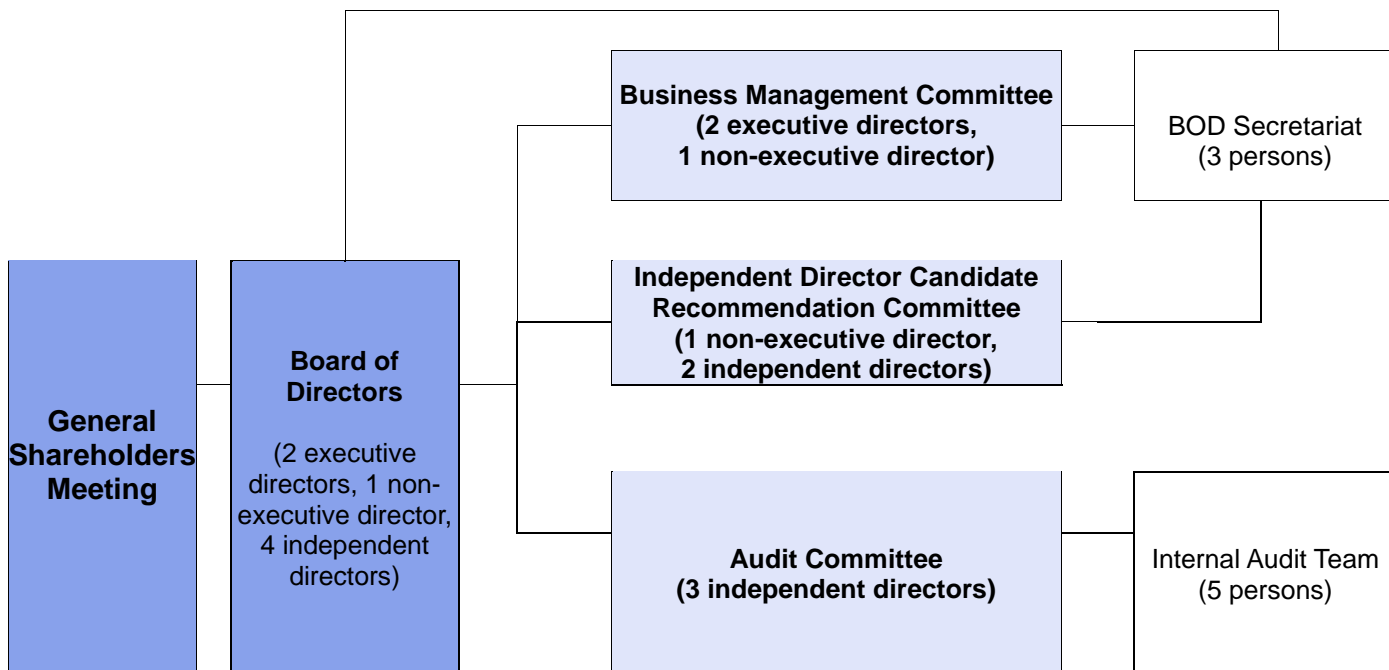
#### **(Principle 4-①)**

**The BOD should be structured so as to enable effective, prudent discussions and decision making, and so as to have a sufficient number of independent directors such that it can function independently of the management and controlling shareholder.**

## A) Organizational Chart of BOD

The BOD has three committees under it for the purpose of a more specialized operation. The relevant departments within our company support the committees according to their different tasks.

▷ (Table 4-①-1) Organizational chart of BOD as of the date of this report



## B) Structure of BOD and Committees Under BOD

Our company's BOD is composed of three to seven directors as stipulated in Article 28 of the Articles of Incorporation. In accordance with Article 383 of the Commercial Act, the BOD is made up of at least three directors, and the number could increase up to seven in order to facilitate the efficient operation of the BOD and an efficient decision-making process. The status of the board directors as of the date of this report is as follows.

▷ (Table 4-①-2) Status of BOD as of the date of report

Classification *	Name	Gender	Titles	Initial Appointment Date <sup>1)</sup>	Term Expiration Date	Area of Expertise	Career
Executive director	Kwon Bong-suk	Male	President of the Business Management Committee	2020.3.26	2023.3.25	General company management	CEO of LG Electronics Co., Ltd.
Executive director	Bae Doo-yong	Male	Member of the Business Management Committee	2020.3.26	2021.3.25	Financial affairs	CFO of LG Electronics Co., Ltd.
Non-executive <sup>2)</sup>	Kwon Young-su	Male	Chairman of the Board President of the Independent Director Candidate	2019.3.15	2022.3.14	General company management	Vice chairman of LG Group

			Recommendation Committee Member of the Business Management Committee				
Independent director	Choi Jun-keun	Male	Member of the Audit Committee Member of Independent Director Candidate Recommendation Committee	2015.3.19	2021.3.15	General company management	Former CEO and president of Hewlett-Packard Korea Ltd.
Independent director	Kim Dae-hyung	Male	President of the Audit Committee Member of Independent Director Candidate Recommendation Committee	2016.3.18	2022.3.14	Accounting, auditing (certified public accountant)	Former CFO of GE Plastics China and former CFO of GE Plastics Asia/Pacific
Independent director	Baek Yong-ho	Male	Member of the Audit Committee	2017.3.17	2023.3.25	Administration	Former Director General of Fair Trade Commission Professor at the Graduate School of Policy Science, Ewha Women's University
Independent director	Lee Sang-gu	Male	-	2019.3.15	2022.3.14	IT	Professor of Computer Science and Engineering Seoul National University

1) In the case of reappointment, the date of initial appointment is stated

2) Refers to "non-executive director." Article 317, Paragraph 2, Clause 8 of the Commercial Act stipulates that directors must be classified into executive directors, independent directors, and non-executive directors who do not engage in the business operation of our company. The same classification is used in the following tables.

※ In the BOD meeting held on March 26, 2020, directors Kwon Bong-suk and Bae Doo-yong were newly appointed as company representatives.

▷ (Table 4-①-3) Status of committees within the BOD as of the date of this report

Committee	Composition					Main Responsibilities of Committee	Remarks
	Title	Classification	Name	Gender	Concurrent Position <sup>1)</sup>		
Independent Director Candidate Recommendation Committee (3 persons) (A)	Chairperson	Non-executive	Kwon Young-su	Male	C	1. Recommending candidates for independent director to be appointed at the general shareholders meeting after verifying the independence, diversity, and capability of a group of candidates for directors 2. Managing and verifying a group of candidates for independent directors on a regular basis	
	Committee member	Independent director	Choi Jun-keun	Male	B		
	Committee member	Independent director	Kim Dae-hyung	Male	B		
Audit Committee (3 persons) (B)	Chairperson	Independent director	Kim Dae-hyung	Male	A	1. Auditing overall company business including financial status 2. Supervising work carried out by directors and the management 3. Approving selection of external auditors and supervising their audit work 4. Assessing the actual operation status of the internal accounting management system and the operational status of the internal supervision system 5. Other matters stipulated by the Articles of Incorporation or internal regulations with regards to auditing	
	Committee member	Independent director	Choi Jun-keun	Male	A		
	Committee member	Independent director	Baek Yong-ho	Male	-		
Business Management Committee (3 persons) (C)	Chairperson	Executive director	Kwon Bong-suk	Male	-	1. Approving individual loans within the annual limit and issuance of company bonds and CP (corporate bills) 2. Certifying payments under certain amount limits and signing or extending credit limit agreements 3. Establishing, relocating, and closing branches 4. Approving general business, financial issues, and other matters delegated by the BOD	
	Committee member	Executive director	Bae Doo-yong	Male	-		
	Committee member	Non-executive	Kwon Young-su	Male	A		

1) Those concurrently holding an additional post as a director on another committee are marked with a code indicating the committee within the BOD (A, B, C, etc.).

### C) Status of Independent Directors (number, ratio, reappointment)

Our company's BOD, as the highest standing decision-making body of our company, has the power to appoint and dismiss our company representatives and operates with independent directors at its center. As of the date of this report, the number of independent directors stands at four out of a total of seven board members (accounting for 57% of the total), thus comprising a majority. Outside experts having various areas of expertise and various backgrounds are recruited as board members in order to improve the efficiency of the BOD. In addition, by virtue of being composed of multiple independent directors whose independence has been verified, the BOD is able to more successfully carry out its function of keeping the management in check.

The following independent directors have been reappointed once: Choi Jun-keun, Kim Dae-hyung, Baek Yong-ho.

**D) Separation of Company Representatives and Chairperson of BOD, etc.**

Since a non-executive director serves as the chairperson of the BOD, the company representatives and chairperson of the BOD are successfully separated.

**E) Efficiency and Independence, etc., of Composition of BOD**

As stated above, our company’s BOD is composed of directors from various backgrounds and with various careers. We established robust committees and internal support organizations within the BOD such that the BOD can hold discussions and make decisions effectively and prudently. In order to support the BOD’s smooth operation, we established the BOD Secretariat as an internal support organization for carrying out tasks such as reviewing legal matters related to the BOD’s agenda items and taking any necessary measures, reporting management status to the independent directors, and meeting the independent directors’ requests concerning the performance of their duties, etc. Specifically, the Secretariat holds a preliminary briefing session before a BOD meeting in order for the directors to review, in advance, the major issues in detail, and provides internal and external training for newly appointed independent directors so as to facilitate their swift adaptation to our company’s BOD-led corporate culture.

Department (team) Name	Number of Members	Position	Main Tasks
BOD Secretariat	3	1 executive vice president, 2 managers	<ul style="list-style-type: none"> <li>- Explaining the BOD agenda to the independent directors in advance</li> <li>- Providing support for requests concerning matters necessary for the independent directors to carry out their work</li> </ul>

Further, four members of the BOD, which is a majority, are independent directors. The Audit Committee is entirely composed of independent directors, and a majority of the Independent Director Candidate Recommendation Committee are independent directors, thereby enabling the BOD to function independently of the management and controlling shareholder.

**(Principle 4-②) The BOD should be composed of competent persons in terms of knowledge and career accomplishments with various areas of expertise and responsibilities who can effectively contribute to the management of the company.**

**A) Company Policy for Securing Expertise, Responsibilities, and Diversity (appointing female directors, etc.) of Board Members, and Career History of Current Board Members**

Our company complies with the "principle of diversity" in forming the BOD in order to prevent the BOD from having a majority of members who share a specific mutual background or represent certain interests. In terms of the actual operation of the BOD, we are trying to recruit people displaying various areas of expertise without any restriction based on age or gender so as to prevent the BOD from leaning disproportionately toward specific backgrounds or professions. As the independent directors are composed of experts from the industrial, financial/accounting, and administrative fields, the BOD is capable of performing sound deliberation of the agenda items put forward to it by utilizing the various personal backgrounds and areas of expertise, and is capable of effectively monitoring how the management conducts business.

The executive and non-executive directors of our company have functioned as heads of business or finance divisions and have demonstrated proven excellent insight and experience in making decisions for our



company and, in doing so, producing meaningful outcomes. Among the independent directors who have been appointed within the previous two years, Lee Sang-gu was appointed in 2019 based on his expertise in artificial intelligence and software, and with a view to him playing a role as an adviser on the preparation of the future business of our company. Further, Baek Yong-ho, who had held positions such as the Director General of the Fair Trade Commission and Chief Presidential Secretary for Policy, etc., demonstrates a comprehensive perspective on industry and economics, and has thereby played a significant role as our company's independent director since March 2017, and was duly reappointed in 2020.

#### ※ Career History of Directors

Classification	Name	Career
Executive director	Kwon Bong-suk	Former Senior Vice President and Head of the Synergy Team of LG Group. Former President of the MC Division and HE Division of LG Electronics CEO and President of LG Electronics
	Bae Doo-yong	Former Head of Management in Europe and Vice President of LG Electronics Former President of Tax Affairs and Trade Division and Executive Vice President of LG Electronics CFO and Executive Vice President of LG Electronics
Non-executive	Kwon Young-su	Former President of Energy Solutions Company of LG Chem Former CEO of LG Uplus Corp. COO of LG Group
Independent director	Choi Jun-keun	Former CEO and President of Hewlett-Packard Korea Ltd. Former Chairperson of the International Corporation Committee of the Federation of Korean Industries Former President of the Korea Linux Conference
	Kim Dae-hyung	Former CFO of GE Plastics China Former CFO of GE Plastics Asia/Pacific
	Baek Yong-ho	Former Director General of Fair Trade Commission Former Director of the National Tax Service Professor at the Graduate School of Policy Science, Ewha Women's University
	Lee Sang-gu	Former Head of the Information Systems and Technology Department of Seoul National University Professor of Department of Computer Science and Engineering at Seoul National University Independent Director of SK Gas

#### B) Director Appointments and Changes Between Start of Business Year Immediately Before Public Disclosure Period and Present

▷ (Table 4-②-1) Director appointments and changes from the start of the business year **immediately before** the public disclosure period up to the disclosure filing date

Classification	Name	Initial Appointment Date	Term Expiration Date	Date of Change	Reason for Change <sup>1)</sup>	Currently Active or Not
Executive director	Jo Seong-jin	2016.3.18	2021.3.15	2020.3.26	Resigned	Retired
	Jeong Do-hyeon	2008.3.14	2022.3.14	2020.3.26	Resigned	Retired

	Kwon Bong-suk	2020.3.26	2023.3.25	2020.3.26	Newly appointed	Active
	Bae Doo-yong	2020.3.26	2021.3.25	2020.3.26	Newly appointed	Active
Independent director	Lee Chang-woo	2013.3.15	2019.3.15	2019.3.15	Term expired	Retired
	Choi Jun-keun	2015.3.19	2021.3.15	2018.3.16	Reappointed	Active
	Kim Dae-hyung	2016.3.18	2022.3.14	2019.3.15	Reappointed	Active
	Baek Yong-ho	2017.3.17	2023.3.25	2020.3.26	Reappointed	Active
	Lee Sang-gu	2019.3.15	2022.3.14	2019.3.15	Newly appointed	Active
Non-executive	Koo Bon-jun	2017.3.17	2020.3.16	2019.3.14	Resigned	Retired
	Kwon Young-su	2019.3.15	2022.3.14	2019.3.15	Newly appointed	Active

1) Resigned, Dismissed, Term expired, Newly appointed, Reappointed, etc., used as criteria in the Reason for Change field.

### C) Securing Diversity and Competitiveness of BOD Members

As the BOD is composed of experts from the industrial, financial/accounting, and administrative fields, it is able to perform a robust deliberation of the agenda items put forward to it by utilizing the various personal backgrounds and areas of expertise of the board members, and is also able to effectively monitor how the management conducts business.

**(Principle 4-③) During the processes of recommending and appointing directors, fairness and independence should be ensured.**

### A) Status of Independent Director Candidate Recommendation Committee (composition, activities, etc.)

Executive directors are appointed at the general shareholders meeting following recommendation by the BOD. In the case of independent directors, in order for our company to ensure fairness and independence in terms of appointments, the Independent Director Candidate Recommendation Committee strictly examines the candidates regarding their suitability for executing the work of the BOD in terms of independence and expertise, etc., based on the stipulations of the related laws such as Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act, and the regulations of the Independent Director Candidate Recommendation Committee. Following this process, the independent directors are then appointed at the general shareholders meeting. During the public disclosure period, the Independent Director Candidate Recommendation Committee was composed of executive director Jo Seong-jin (chairperson), independent director Choi Jun-keun, and independent director Baek Yong-ho, and one

committee meeting was held during which Lee Sang-gu was newly appointed as an independent director. Further, as of the date of this report, the Independent Director Candidate Recommendation Committee is composed of non-executive director Kwon Young-su (chairperson), independent director Choi Jun-keun, and independent director Kim Dae-hyung. The committee reappointed Baek Yong-ho as an independent director in March, 2020.

## B) Providing Shareholders with Information about Candidates for Director

Our company provided the shareholders with detailed information about candidates for director through official announcements at least three weeks before general shareholders meetings so as to secure a sufficient amount of time for review and consideration.

▷ (Table 4-③-1) Information provided about candidates for director prior to general shareholders meetings held between the start of the business year immediately before the public disclosure period up to the disclosure filing date

Date of Providing Information	Date of General Shareholders Meeting	Director Candidate		Information Provided about Candidate	Remarks
		Classification	Name		
2019.2.18 (25 days before general shareholders meeting)	2019.3.15	Executive	Jeong Do-hyeon	1. Name, date of birth, person who recommended candidate, relationship with the largest shareholder, and independent director candidate status 2. Main business, outline of career, and transactions with the corporation in the past three years	
		Independent	Lee Sang-gu		
			Kim Dae-hyung		
		Non-executive	Kwon Young-su		
2020.3.5 (21 days before general shareholders meeting)	2020.3.26	Executive	Kwon Bong-suk	1. Name, date of birth, person who recommended candidate, relationship with the largest shareholder, and independent director candidate status 2. Main business, outline of career, and transactions with the corporation in the past three years 3. Performance plan (independent director) 4. Whether there exists any record of delinquencies, experience of managing an insolvent company, and legal reasons for disqualification, etc. 5. BOD's reason for recommending the candidate	
			Bae Doo-yong		
		Independent	Baek Yong-ho		

(Other matters) ※ Additional explanations regarding provision of information about the candidates for director were provided where necessary.

## C) Providing Information on Past BOD Activities of Candidates for Reappointment (including executive directors)

Information on the past BOD activities of the candidates for reappointment can be found in the quarterly business reports, and the IR section of our company's website also provides information, for the previous three years, on the activities of candidates for reappointment. In addition, the BOD attendance details of the reappointed independent and non-executive directors are provided in the general shareholders meeting convocation notice. In particular, information on the BOD activity of reappointed independent directors is sufficiently provided, including BOD attendance rate, proportion of for/against votes on BOD agenda items, and activities carried out on committees under the BOD.

#### D) Adoption of Concentrated Voting System

Although our company has not adopted a concentrated voting system, we nonetheless guarantee the rights of minority shareholders to recommend director candidates in accordance with the Commercial Act. However, there has been no recommendation of director candidates from minority shareholders at the general shareholders meetings in the past three years. Since adoption of a concentrated voting system may result in a deterioration of the business performance of our company due to the pursuit of personal gain, such as domination of the BOD through speculative funds, rather than resulting in a strengthening of the rights of minority shareholders, we currently have no plans to implement such a system.

#### E) Fairness and Independence in Appointing Directors

The fairness and independence of the process of recommending and appointing candidates for director is secured by virtue of the Independent Director Candidate Recommendation Committee rigidly performing its functions and by virtue of the shareholders receiving, an appropriate amount of time prior to shareholder meetings, sufficient information about candidates for director.

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

#### A) Director Status (including unregistered directors)

**As of the date of this report, our company's total number of directors, including the unregistered directors, is 319. The following table summarizes the current status of directors.**

▷ (Table 4-④-1) Current status of directors as of the date of this report (including unregistered directors)

Name	Gender	Position	Registered/ Unregistered	Full-time/ Part-time	Responsibility
Kwon Bong-suk	Male	President	Registered	Full-time	Company Representative, CEO
Bae Doo-yong	Male	Executive vice president	Registered	Full-time	Company Representative, CFO
Kwon Young-su	Male	Vice chairman	Registered	Part-time	BOD Chairperson (non-executive director)
Kim Dae-hyung	Male	Independent director	Registered	Part-time	Audit Member
Baek Yong-ho	Male	Independent director	Registered	Part-time	Audit Member
Lee Sang-gu	Male	Independent director	Registered	Part-time	Independent Director
Choi Jun-keun	Male	Independent director	Registered	Part-time	Audit Member
Kwon Soon-hwang	Male	President	Unregistered	Full-time	President of BS Division
Park Il-pyung	Male	President	Unregistered	Full-time	CTO

Song Dae-hyun	Male	President	Unregistered	Full-time	President of H&A Division
Hong Soon-gook	Male	President	Unregistered	Full-time	Head of Production Technology Institute
Ko Myung-uhn	Male	Executive vice president	Unregistered	Full-time	President of LG Electronics Vietnam
Kim Gyeong-ho	Male	Executive vice president	Unregistered	Full-time	Head of European BS Division
Kim Sang-don	Male	Executive vice president	Unregistered	Full-time	Head of Jeong-do Management Center
Kim Joon-ho	Male	Executive vice president	Unregistered	Full-time	Head of Quality Management Center
Kim Jin-yong	Male	Executive vice president	Unregistered	Full-time	President of VS Division
Kim Hyung-nam	Male	Executive vice president	Unregistered	Full-time	Head of VS Global Operation Group
Ryu Jae-chul	Male	Executive vice president	Unregistered	Full-time	President of Living Appliance Division
Park Hyung-se	Male	Executive vice president	Unregistered	Full-time	President of HE Division
Song Seung-gul	Male	Executive vice president	Unregistered	Full-time	Asia Representative
Yoon Gyeong-seok	Male	Executive vice president	Unregistered	Full-time	President of Kitchen Appliance Division
Yoon Tae-bong	Male	Executive vice president	Unregistered	Full-time	North America Representative
Lee Kam-gyu	Male	Executive vice president	Unregistered	Full-time	President of Air Solutions Division
Lee Sang-gyu	Male	Executive vice president	Unregistered	Full-time	President of Korea Sales Division
Lee Yeon-mo	Male	Executive vice president	Unregistered	Full-time	President of MC Division
Lee Jae-sung	Male	Executive vice president	Unregistered	Full-time	Central Asia Representative
Lee Jong-sang	Male	Executive vice president	Unregistered	Full-time	Head of Legal Affairs Group
Jeon Myung-woo	Male	Executive vice president	Unregistered	Full-time	Head of Promotions/Corporate Affairs Group
Jeon Saeng-gyu	Male	Executive vice president	Unregistered	Full-time	Head of CTO Patent Center
Jeong Dae-hwa	Male	Executive vice president	Unregistered	Full-time	Head of Battery Equipment Technology Center, Production Technology Institute
Jeong Su-heon	Male	Executive vice president	Unregistered	Full-time	Head of MC Overseas Sales Group
Jeong Su-hwa	Male	Executive vice president	Unregistered	Full-time	Head of Equipment Technology Center, Production Technology Institute
Cho Joo-wan	Male	Executive vice president	Unregistered	Full-time	CSO
Choi Go-hee	Male	Executive vice president	Unregistered	Full-time	Head of CTO SIC Center
Choi Seung-jong	Male	Senior research fellow (executive vice president)	Unregistered	Full-time	CTO SIC Center Affiliate
Kang Jun-kyu	Male	Senior vice president	Unregistered	Full-time	Head of H&A Power Electronics Research Institute
Kim Gwang-ho	Male	Senior vice president	Unregistered	Full-time	President of LG Electronics Tianjin Appliances

Kim Geun-tae	Male	Senior vice president	Unregistered	Full-time	Head of VS Planning
Kim Byung-yeol	Male	Senior vice president	Unregistered	Full-time	Head of Manufacturing Innovation Center, Production Technology Institute
Kim Byung-hoon	Male	Senior vice president	Unregistered	Full-time	Head of CTO C&M Standard Research Institute
Kim Sang-yong	Male	Senior vice president	Unregistered	Full-time	Head of North America Appliance Sales
Kim Young-rak	Male	Senior vice president	Unregistered	Full-time	President of LG Electronics India
Kim Young-su	Male	Senior vice president	Unregistered	Full-time	Head of Appliance Research Institute
Kim Won-bum	Male	Senior vice president	Unregistered	Full-time	CHO
Kim Il-ju	Male	Senior vice president	Unregistered	Full-time	Head of Brand Management
Kim Jung-tae	Male	Senior vice president	Unregistered	Full-time	Head of Korea B2C Group
Kim Joon-sun	Male	Senior vice president	Unregistered	Full-time	Head of VS Purchase
Kim Jin-hong	Male	Senior vice president	Unregistered	Full-time	Head of Global Marketing Center
Nam Ho-jun	Male	Senior vice president	Unregistered	Full-time	Head of HE Research Institute
Noh Jin-seo	Male	Senior vice president	Unregistered	Full-time	Head of Robot Center
Noh Chang-ho	Male	Senior vice president	Unregistered	Full-time	Head of Design Management Center
Ryu Hye-jung	Female	Senior vice president	Unregistered	Full-time	CTO DXT Center Affiliate
Ma Chang-min	Male	Senior vice president	Unregistered	Full-time	Head of MC Products Strategy Group
Park Gyung-ryeol	Male	Senior vice president	Unregistered	Full-time	CFO Division Affiliate
Park Pyung-gu	Male	Senior vice president	Unregistered	Full-time	Head of Environment Safety
Baek Ki-moon	Male	Senior vice president	Unregistered	Full-time	President of ID Division
Baek Seung-myun	Male	Senior vice president	Unregistered	Full-time	Head of H&A Control Research Institute
Baek Seung-tae	Male	Senior vice president	Unregistered	Full-time	Head of RAC
Seo Yeong-jae	Male	Senior vice president	Unregistered	Full-time	Head of New Business Development
Shin Yong-chul	Male	Senior vice president	Unregistered	Full-time	Head of VS Green Product Development
Yang Woong-pil	Male	Senior vice president	Unregistered	Full-time	Head of VS Sales in China
Uhm Jae-woong	Male	Senior vice president	Unregistered	Full-time	Head of Strategic Purchase/GP
Oh Se-gi	Male	Senior vice president	Unregistered	Full-time	Head of H&A Research Center
Wang Chul-min	Male	Senior vice president	Unregistered	Full-time	President of Parts Solutions Division
Yoo Kyu-moon	Male	Senior vice president	Unregistered	Full-time	Head of CS Management Center
Yoon Dae-sik	Male	Senior vice president	Unregistered	Full-time	Head of Corporate Affairs
Eun Suk-hyun	Male	Senior vice president	Unregistered	Full-time	President of VS Smart Division
Lee Sam-su	Male	Senior vice president	Unregistered	Full-time	Head of LG Science Park
Lee Sang-yong	Male	Senior vice president	Unregistered	Full-time	Head of CTO A&B Center
Lee Sang-woo	Male	Senior vice president	Unregistered	Full-time	Head of HE Management Strategies
Lee Seung-chul	Male	Senior vice president	Unregistered	Full-time	Head of Business Legal Affairs
Lee Si-yong	Male	Senior vice president	Unregistered	Full-time	Head of Purchase Management Center
Lee Il-hwan	Male	Senior vice president	Unregistered	Full-time	President of LG Electronics Russia

Lee Jae-duk	Male	Senior vice president	Unregistered	Full-time	Head of CTO Sensor Research Institute
Lee Jung-su	Male	Senior vice president	Unregistered	Full-time	Head of CTO Materials Technology Center
Lee Jin	Male	Senior vice president	Unregistered	Full-time	President of LG Electronics Manaus
Lee Chun-guk	Male	Senior vice president	Unregistered	Full-time	EU Region Representative
Lee Chul-bae	Male	Senior vice president	Unregistered	Full-time	Head of Advance Design Research Institute
Lee Chul-hoon	Male	Senior vice president	Unregistered	Full-time	Head of MC Sales in North America
Lee Hyun-wook	Male	Senior vice president	Unregistered	Full-time	Head of Built-in/Cooking Business
Lee Hyun-jun	Male	Senior vice president	Unregistered	Full-time	Head of MC Advance Research
Lim Jong-rak	Male	Senior vice president	Unregistered	Full-time	Head of VS Smart Research Institute
Jang Moon-suk	Male	Senior vice president	Unregistered	Full-time	Head of CTO SW Center
Jang Won-wook	Male	Senior vice president	Unregistered	Full-time	Head of VS Sales in North America
Jang Ik-hwan	Male	Senior vice president	Unregistered	Full-time	President of IT Division
Jung Gyu-hwang	Male	Senior vice president	Unregistered	Full-time	Central and South America Representative
Jung Baek-young	Male	Senior vice president	Unregistered	Full-time	Head of H&A Next Generation HVAC Research Institute
Jung Seong-hae	Male	Senior vice president	Unregistered	Full-time	Head of Customer Quality Research Institute
Jung Eui-hoon	Male	Senior vice president	Unregistered	Full-time	Head of HE Module Purchase
Cho Taek-il	Male	Senior vice president	Unregistered	Full-time	Head of CTO E&M Center
Choi Sung-ho	Male	Senior vice president	Unregistered	Full-time	Head of CTO DXT Center
Ha Jung-wook	Male	Senior vice president	Unregistered	Full-time	Head of MC Research Institute
Ha Jin-ho	Male	Senior vice president	Unregistered	Full-time	Head of HE Planning
Huh Jae-chul	Male	Senior vice president	Unregistered	Full-time	Head of Korea B2B Group
Kim Young-su	Male	Senior research fellow (senior vice president)	Unregistered	Full-time	Appliance Research Institute Affiliate
Kim In-kyung	Male	Senior research fellow (senior vice president)	Unregistered	Full-time	MC Research Institute Affiliate
Baek Woo-hyun	Male	Senior research fellow (senior vice president)	Unregistered	Full-time	CTO SIC Center Affiliate
Andrew Mackay	Male	Vice president	Unregistered	Full-time	President of LG Electronics Nordic AB
Jaime de Jaraiz	Male	Vice president	Unregistered	Full-time	LG Electronics Iberia
Samuel Chang	Male	Vice president	Unregistered	Full-time	Head of Idea Lab
Kang Kil-sung	Male	Vice president	Unregistered	Full-time	Head of Tax Affairs
Kang Dong-jun	Male	Vice president	Unregistered	Full-time	LG Electronics USA affiliate
Kang Suk-pan	Male	Vice president	Unregistered	Full-time	Head of TV Image/Sound Quality Development Center
Kang Seung-won	Male	Vice president	Unregistered	Full-time	Head of Task Innovation
Kwak Do-young	Male	Vice president	Unregistered	Full-time	Head of H&A Overseas Sales Group
Kwon Ki-suk	Male	Vice president	Unregistered	Full-time	Head of Equipment/Manufacturing Solutions Sales at Production Technology Institute

Kwon Soon-il	Male	Vice president	Unregistered	Full-time	Head of H&A Environmental Safety/Support
Kim Kun-wook	Male	Vice president	Unregistered	Full-time	Head of MC Product Development
Kim Kyung-nam	Male	Vice president	Unregistered	Full-time	Head of Production Planning
Kim Ki-young	Male	Vice president	Unregistered	Full-time	CTO SW Center Affiliate
Kim Dong-shin	Male	Vice president	Unregistered	Full-time	CTO A&B Center Affiliate
Kim Dong-wook	Male	Vice president	Unregistered	Full-time	Head of CTO Service Platform
Kim Dong-won	Male	Vice president	Unregistered	Full-time	Head of H&A Base Technology Research Institute
Kim Dong-pil	Male	Vice president	Unregistered	Full-time	Head of ID Overseas Sales
Kim Dong-hyeon	Male	Vice president	Unregistered	Full-time	President of LG Electronics Levant
Kim Myung-su	Male	Vice president	Unregistered	Full-time	Head of Kitchen Appliances Production
Kim Min-kyo	Male	Vice president	Unregistered	Full-time	Head of Accounting
Kim Min-su	Male	Vice president	Unregistered	Full-time	Head of CTO Technology Planning
Kim Bong-suk	Male	Vice president	Unregistered	Full-time	Quality Management Center Affiliate
Kim Sang-ryeol	Male	Vice president	Unregistered	Full-time	Head of Battery Equipment Development at Production Technology Institute
Kim Sang-wook	Male	Vice president	Unregistered	Full-time	Head of Korea Mobile SKT
Kim Suk-ki	Male	Vice president	Unregistered	Full-time	President of Energy Division
Kim Sung-su	Male	Vice president	Unregistered	Full-time	President of LG Electronics Italy/Greece
Kim Sung-wook	Male	Vice president	Unregistered	Full-time	Head of Design Engineering
Kim Sung-jae	Male	Vice president	Unregistered	Full-time	Head of H&A Overseas Sales Strategies
Kim Sung-hak	Male	Vice president	Unregistered	Full-time	Head of TV Sales in Asia
Kim Sung-ho	Male	Vice president	Unregistered	Full-time	Head of BS Marketing
Kim Su-chul	Male	Vice president	Unregistered	Full-time	Head of India Planning
Kim Seung-jong	Male	Vice president	Unregistered	Full-time	VS Smart Product Development Affiliate
Kim Yang-sun	Male	Vice president	Unregistered	Full-time	Head of Part Solutions Production
Kim Young-su	Male	Vice president	Unregistered	Full-time	Head of Washing Machine R&D
Kim Yong-suk	Male	Vice president	Unregistered	Full-time	Head of MC Management Strategies
Kim Yong-jin	Male	Vice president	Unregistered	Full-time	Head of Smart Manufacturing at Production Technology Institute
Kim Woon-tae	Male	Vice president	Unregistered	Full-time	Head of Living Appliances Production
Kim E-kwon	Male	Vice president	Unregistered	Full-time	Head of H&A Planning
Kim Jae-seung	Male	Vice president	Unregistered	Full-time	President of LG Electronics Canada
Kim Jae-il	Male	Vice president	Unregistered	Full-time	Head of Refrigerator T/Freezer Center
Kim Jong-pil	Male	Vice president	Unregistered	Full-time	Head of Refrigerator R&D
Kim Ju-min	Male	Vice president	Unregistered	Full-time	Head of CTO AI R&D Center
Kim Jin-kyung	Male	Vice president	Unregistered	Full-time	Head of CTO SoC Base Technology Research Institute
Kim Jin-kyu	Male	Vice president	Unregistered	Full-time	Head of ID Products Planning
Kim Jin-hoon	Male	Vice president	Unregistered	Full-time	Head of MC Protocol Center



Kim Chang-bum	Male	Vice president	Unregistered	Full-time	Head of Appliance Control Research
Kim Tae-yeon	Male	Vice president	Unregistered	Full-time	MC TMUS KAM
Kim Tae-wan	Male	Vice president	Unregistered	Full-time	Head of H&A Purchase
Kim Pil-jun	Male	Vice president	Unregistered	Full-time	Head of Korea Mobile Group
Kim Hak-hyun	Male	Vice president	Unregistered	Full-time	LG Electronics India Affiliate
Kim Hyuk-ki	Male	Vice president	Unregistered	Full-time	Head of IT Overseas Sales
Kim Hyung-su	Male	Vice president	Unregistered	Full-time	President of LG Electronics Western Europe
Kim Hong-ju	Male	Vice president	Unregistered	Full-time	New Business Development Affiliate
Kim Hee-wook	Male	Vice president	Unregistered	Full-time	VS Green Product Development Affiliate
Kim Hee-chul	Male	Vice president	Unregistered	Full-time	Head of HE Quality Management
Nam Sung-woo	Male	Vice president	Unregistered	Full-time	President of LG Electronics Vietnam
Noh Gyu-chan	Male	Vice president	Unregistered	Full-time	Head of SW Development at Robot Center
Noh Do-yeop	Male	Vice president	Unregistered	Full-time	Head of H&A HR
Noh Sook-hee	Female	Vice president	Unregistered	Full-time	Head of H&A Marketing Communication
Noh Young-nam	Male	Vice president	Unregistered	Full-time	Head of Kitchen Appliance Overseas Sales
Noh Young-ho	Male	Vice president	Unregistered	Full-time	Head of Built-in/Cooking Sales
Noh Tae-young	Male	Vice president	Unregistered	Full-time	Head of Parts Solutions R&D
Moon Sung-hye	Female	Vice president	Unregistered	Full-time	Head of VS Customer Support
Min Dong-sun	Male	Vice president	Unregistered	Full-time	LG Electronics USA Affiliate
Min Seung-hong	Male	Vice president	Unregistered	Full-time	Head of BS in Asia
Park Gyung-ah	Female	Vice president	Unregistered	Full-time	Head of Brand Communication in Korea
Park Keun-jik	Male	Vice president	Unregistered	Full-time	Head of HE Production
Park Ki-won	Male	Vice president	Unregistered	Full-time	Head of Parts Solutions Sales
Park Nae-won	Male	Vice president	Unregistered	Full-time	Head of Strategic Distribution in Korea
Park Sang-tae	Male	Vice president	Unregistered	Full-time	Head of VS Smart Production
Park Sang-ho	Male	Vice president	Unregistered	Full-time	Head of Business Improvement
Park Su-bum	Male	Vice president	Unregistered	Full-time	VS Smart Research Institute Affiliate
Park Seung-min	Male	Vice president	Unregistered	Full-time	President of LG Electronics Indonesia
Park In-sung	Male	Vice president	Unregistered	Full-time	Head of VS Smart SW Development
Park Jung-hyun	Male	Vice president	Unregistered	Full-time	Head of Motor Research Center at H&A Power Electronics Research Institute
Park Jong-sun	Male	Vice president	Unregistered	Full-time	VS Smart Product Development Affiliate
Park Jong-won	Male	Vice president	Unregistered	Full-time	President of LG Electronics Wroclaw
Park Jun-eun	Male	Vice president	Unregistered	Full-time	VS Smart Product Development Affiliate
Park Hyung-woo	Male	Vice president	Unregistered	Full-time	Head of AV
Park Hong-ki	Male	Vice president	Unregistered	Full-time	Head of CS Overseas

Park Hee-wook	Male	Vice president	Unregistered	Full-time	Head of H&A Products Planning
Ban Byeong-sun	Male	Vice president	Unregistered	Full-time	Head of Europe Planning
Bae Kyung-hoon	Male	Vice president	Unregistered	Full-time	Head of AI at LG Science Park
Bae Jung-hyun	Male	Vice president	Unregistered	Full-time	Head of RAC R&D
Baek Kwan-hyun	Male	Vice president	Unregistered	Full-time	Head of TV Sales in Central and South America
Baek Seung-min	Male	Vice president	Unregistered	Full-time	Head of CTO Robot Advance Research Center
Baek Chan	Male	Vice president	Unregistered	Full-time	Head of Smart Production in Vietnam
Baek Tae-kwon	Male	Vice president	Unregistered	Full-time	LG Electronics Maghreb
Byeon Hyo-sik	Male	Vice president	Unregistered	Full-time	President of LG Electronics Russia
Sah Young-jin	Male	Vice president	Unregistered	Full-time	Head of CTO HR
Seo Yeong-moo	Male	Vice president	Unregistered	Full-time	Head of Production Technology
Seo Heung-kyu	Male	Vice president	Unregistered	Full-time	Head of Technology Strategies
Sung Hak-bong	Male	Vice president	Unregistered	Full-time	Head of MC Purchase
Son Dae-ki	Male	Vice president	Unregistered	Full-time	Head of HE Marketing in Korea
Son Tae-ik	Male	Vice president	Unregistered	Full-time	President of LG Electronics Nigeria
Son Hwi-chang	Male	Vice president	Unregistered	Full-time	Head of Built-in/Cooking R&D
Song Nam-jo	Male	Vice president	Unregistered	Full-time	Head of BS in Central and South America
Song Sung-won	Male	Vice president	Unregistered	Full-time	President of LG Electronics Mexico
Song Si-yong	Male	Vice president	Unregistered	Full-time	Head of Production System Solutions at Production Technology Institute
Song Jun-hyuk	Male	Vice president	Unregistered	Full-time	Head of MC Advance Sales
Song Chan-gyu	Male	Vice president	Unregistered	Full-time	B2B Competitiveness Strengthening Task Leader
Shin Suk-hong	Male	Vice president	Unregistered	Full-time	Head of Online Business
Shin Hyun-jae	Male	Vice president	Unregistered	Full-time	Head of Air Solutions Control Research
Shin Hwa-suk	Male	Vice president	Unregistered	Full-time	President of LG Electronics Columbia
Shin Hyo-sik	Male	Vice president	Unregistered	Full-time	Head of PC Development Center
zhongxun sun	Male	Vice president	Unregistered	Full-time	North China B2C
Ahn Deuk-su	Male	Vice president	Unregistered	Full-time	President of LG Electronics South Africa
Yang Hee-ku	Male	Vice president	Unregistered	Full-time	Head of Testing Technology Development at Production Technology Institute
Uhm Wi-sang	Male	Vice president	Unregistered	Full-time	Head of CTO SW Engineering Research Institute
Yeo In-kwan	Male	Vice president	Unregistered	Full-time	Head of CTO India SW Research Institute
Yeo Chang-wook	Male	Vice president	Unregistered	Full-time	Head of European ID Center
Oh Sang-jin	Male	Vice president	Unregistered	Full-time	Director of Product Quality Research at Production Technology Institute
Oh Sung-hoon	Male	Vice president	Unregistered	Full-time	Head of MC QE
Oh Se-chun	Male	Vice president	Unregistered	Full-time	Head of PR
Woo Ran-chan	Male	Vice president	Unregistered	Full-time	New Business Development Affiliate

Woo Jong-jin	Male	Vice president	Unregistered	Full-time	Head of ID R&D
Yoo Byung-kook	Male	Vice president	Unregistered	Full-time	VS Smart Division Affiliate
Yoo Byung-hun	Male	Vice president	Unregistered	Full-time	Head of Central Asia Planning
Yoo Sung-jun	Male	Vice president	Unregistered	Full-time	Head of Labor Management Relations
Yoo Jae-sup	Male	Vice president	Unregistered	Full-time	President of LG Electronics Service USA
Yoon Dong-han	Male	Vice president	Unregistered	Full-time	Head of MC Products Planning
Yoon Jung-suk	Male	Vice president	Unregistered	Full-time	VS Smart Product Development Affiliate
Lee Kang-won	Male	Vice president	Unregistered	Full-time	Head of TV SW Development
Lee Kyung-jun	Male	Vice president	Unregistered	Full-time	President of LG Electronics Cibitung
Lee Kwang-jae	Male	Vice president	Unregistered	Full-time	VS Smart Product Development Affiliate
Lee Gyu-taek	Male	Vice president	Unregistered	Full-time	Head of Operation in Korea
Lee Ki-dong	Male	Vice president	Unregistered	Full-time	Head of VS Smart Advance Development/Product Planning
Lee Dong-sun	Male	Vice president	Unregistered	Full-time	President of LG Electronics China
Lee Bum-sup	Male	Vice president	Unregistered	Full-time	President of LG Electronics Northern Europe
Lee Bum-chul	Male	Vice president	Unregistered	Full-time	Head of Management Strategies
Lee Sang-min	Male	Vice president	Unregistered	Full-time	Head of BS in Central Asia
Lee Suk-su	Male	Vice president	Unregistered	Full-time	Head of MC SW Development
Lee Sung-ho	Male	Vice president	Unregistered	Full-time	Head of HR Training
Lee Su-jong	Male	Vice president	Unregistered	Full-time	Head of H&A Quality Management
Lee Seung-gyu	Male	Vice president	Unregistered	Full-time	Head of CTO Optical Research Center
Lee Seung-ki	Male	Vice president	Unregistered	Full-time	Head of Advance Production Technology Research Center at Production Technology Institute
Lee Seung-chul	Male	Vice president	Unregistered	Full-time	President of LG Electronics Thailand
Lee Young-jae	Male	Vice president	Unregistered	Full-time	Head of Environmental Safety/Support in Incheon
Lee Young-chaе	Male	Vice president	Unregistered	Full-time	President of LG Electronics Japan
Lee Yoon-suk	Male	Vice president	Unregistered	Full-time	Head of HE Sales in North America
Lee Eun-jung	Female	Vice president	Unregistered	Full-time	Head of HR
Lee Jae-hyun	Male	Vice president	Unregistered	Full-time	Head of Chiller Business
Lee Jung-suk	Male	Vice president	Unregistered	Full-time	Head of HE Marketing Communication
Lee Jung-hee	Male	Vice president	Unregistered	Full-time	Head of Corporate Planning
Lee Jong-ho	Male	Vice president	Unregistered	Full-time	Head of Air Care Business
Lee Chun-taek	Male	Vice president	Unregistered	Full-time	Head of Air Solutions Production
Lee Chung-hwan	Male	Vice president	Unregistered	Full-time	Head of Overseas TV Sales Group
Lee Tae-jin	Male	Vice president	Unregistered	Full-time	Head of Living Appliance Overseas Sales
Lee Hyun-woo	Male	Vice president	Unregistered	Full-time	President of LG Electronics Central Europe

Lee Hyun-jin	Male	Vice president	Unregistered	Full-time	President of LG Electronics Noida
Lee Hyung-il	Male	Vice president	Unregistered	Full-time	Head of TV Products Development Center
Lim Myung-jun	Male	Vice president	Unregistered	Full-time	Head of Electronics Online Distribution in Korea
Lim Sang-moo	Male	Vice president	Unregistered	Full-time	President of LG Electronics Australia
Jang Byeong-nyeong	Male	Vice president	Unregistered	Full-time	ZKW Affiliate
Jang Bo-young	Male	Vice president	Unregistered	Full-time	Head of B2B/Training Business
Jang Suk-jin	Male	Vice president	Unregistered	Full-time	Head of CTO Smart Mobility Research Center
Jang Suk-ho	Male	Vice president	Unregistered	Full-time	Head of IT Development
Jang Se-dong	Male	Vice president	Unregistered	Full-time	Head of Air Solutions Research Center
Jang Cha-gyu	Male	Vice president	Unregistered	Full-time	Head of Appliance Builder Sales in North America
Jang Hee-chul	Male	Vice president	Unregistered	Full-time	President of LG Electronics Nanjing
Jeon Keun-sik	Male	Vice president	Unregistered	Full-time	Kitchen Appliance Division Affiliate
Jeon Bong-hwan	Male	Vice president	Unregistered	Full-time	President of LG Electronics Mexicali
Jeon Eun-jung	Male	Vice president	Unregistered	Full-time	President of LG Electronics Saudi Arabia
Jeon Hong-ju	Male	Vice president	Unregistered	Full-time	President of LG Electronics Gulf FZE
Jung Byeong-ok	Male	Vice president	Unregistered	Full-time	President of LG Electronics Mława
Jung Won-suk	Male	Vice president	Unregistered	Full-time	Head of VS Green Business
Jung Won-jin	Male	Vice president	Unregistered	Full-time	Head of Business Development in Robot Center
Jung Jae-woong	Male	Vice president	Unregistered	Full-time	Head of MC Quality Management
Jung Jae-chul	Male	Vice president	Unregistered	Full-time	Head of TV Device/Appliances Development
Jung Jin-woo	Male	Vice president	Unregistered	Full-time	President of LG Electronics Tennessee
Jung Pil-won	Male	Vice president	Unregistered	Full-time	Head of TV/CIS Sales in Europe
Jung Hae-jin	Male	Vice president	Unregistered	Full-time	Head of MC Production
Jung Ho-jung	Male	Vice president	Unregistered	Full-time	Head of CTO SW Upgrade Center
Cho Sung-gu	Male	Vice president	Unregistered	Full-time	Head of HE Design Research Center
Cho Young-sam	Male	Vice president	Unregistered	Full-time	Leader of VS Green Development in North America
Cho Jae-rae	Male	Vice president	Unregistered	Full-time	President of LG Electronics Monterrey
Cho Jung-bum	Male	Vice president	Unregistered	Full-time	Head of DX Strategies
Cho Jung-kwon	Male	Vice president	Unregistered	Full-time	PR Management Affiliate
Cho Hyun-jin	Male	Vice president	Unregistered	Full-time	Leader of VS Smart Development in North America
Cho Hwi-jae	Male	Vice president	Unregistered	Full-time	Head of CTO Patent Management Center
Joo Jong-myung	Male	Vice president	Unregistered	Full-time	Head of HE HR
Ji Hyung-sup	Male	Vice president	Unregistered	Full-time	LG Electronics India Affiliate
Jin Sim-won	Male	Vice president	Unregistered	Full-time	Head of System Air Conditioner R&D
Cha Yong-duk	Male	Vice president	Unregistered	Full-time	Head of MC Design Research Institute

Choi Gwang-yeol	Male	Vice president	Unregistered	Full-time	CTO Technology Planning Affiliate
Choi Sang-won	Male	Vice president	Unregistered	Full-time	Head of VS Design Research Institute
Choi Sung-bong	Male	Vice president	Unregistered	Full-time	Head of Dishwasher Business
Choi Seung-yoon	Male	Vice president	Unregistered	Full-time	Head of HE Purchase
Choi Yeo-hwan	Male	Vice president	Unregistered	Full-time	Head of Sales HR in Korea
Choi Jung-woong	Male	Vice president	Unregistered	Full-time	Head of Technology Strategies in LG Science Park
Choi Jin-hak	Male	Vice president	Unregistered	Full-time	President of LG Electronics Turkey
Choi Hang-suk	Male	Vice president	Unregistered	Full-time	Head of Overseas SAC Sales
Choi Hee-won	Female	Vice president	Unregistered	Full-time	CTO SW Feasibility PMO
Ha Noh-suk	Male	Vice president	Unregistered	Full-time	Head of VS Quality Management
Ha Yong-ho	Male	Vice president	Unregistered	Full-time	Head of Environmental Safety/Support in Magok
Han Jae-dong	Male	Vice president	Unregistered	Full-time	Head of Russia Planning
Han Jae-hee	Male	Vice president	Unregistered	Full-time	Head of CTO E&M Center
Huh Dong-wook	Male	Vice president	Unregistered	Full-time	Head of MC Sales in Central and South America
Huh Soon-jae	Male	Vice president	Unregistered	Full-time	President of LG Electronics Panama
Huh Young-woon	Male	Vice president	Unregistered	Full-time	Head of Sales Planning in Korea
Huh In-kwon	Male	Vice president	Unregistered	Full-time	President of LG Electronics Philippines
Huh Jung-chan	Male	Vice president	Unregistered	Full-time	Head of H&A SCM
Hong Sung-pyo	Male	Vice president	Unregistered	Full-time	Head of CTO SW Platform Research Center
Hong Ji-sam	Male	Vice president	Unregistered	Full-time	Head of Metropolitan Area System in Korea
Hong Chang-jik	Male	Vice president	Unregistered	Full-time	Head of Solar R&D
Hwang Gyu-sun	Male	Vice president	Unregistered	Full-time	Head of BS Planning
Hwang Yong-soon	Male	Vice president	Unregistered	Full-time	President of LG Electronics France
Hwang Won-yong	Male	Vice president	Unregistered	Full-time	Head of VS Smart Products Development
Hwang Jae-woo	Male	Vice president	Unregistered	Full-time	Head of CTO Planning
Hwang Jong-ha	Male	Vice president	Unregistered	Full-time	Head of H&A Smart Home Care Business
Gong Yong-taek	Male	Senior research fellow (vice president)	Unregistered	Full-time	HE Research Institute Affiliate
Kim Gyung-bok	Male	Senior research fellow (vice president)	Unregistered	Full-time	IT Division Affiliate
Kim Sung-jin	Male	Senior research fellow (vice president)	Unregistered	Full-time	CTO C&M Standard Research Institute Affiliate
Yoon Young-woo	Male	Senior research fellow (vice president)	Unregistered	Full-time	CTO C&M Standard Research Institute Affiliate

Lee Byung-chul	Male	Senior research fellow (vice president)	Unregistered	Full-time	H&A Next Generation HVAC Research Institute Affiliate
Lim Sun-kyung	Male	Senior research fellow (vice president)	Unregistered	Full-time	VS Green Product Development Affiliate
Lim Hyo-jun	Male	Senior research fellow (vice president)	Unregistered	Full-time	CTO SW Platform Research Institute Affiliate
Cho Byung-lim	Male	Senior research fellow (vice president)	Unregistered	Full-time	CTO A&B Center Affiliate
Cho Il-je	Male	Senior research fellow (vice president)	Unregistered	Full-time	Production Technology Institute Affiliate
Ji Suk-man	Male	Senior research fellow (vice president)	Unregistered	Full-time	CTO Materials Technology Center Affiliate
Choi Yoon-ho	Male	Senior research fellow (vice president)	Unregistered	Full-time	CTO Materials Technology Center Affiliate
Kim Su-yeon	Female	Senior consultant (vice president)	Unregistered	Full-time	H&A Design Research Institute Affiliate

## **B) Policy of Preventing Appointment of Those Responsible for Damaging Company Value or Violating Rights of Shareholders**

When appointing directors (including unregistered directors), the BOD, in accordance with internal regulations, carries out a comprehensive review of performance, capacity/expertise, and growth potential, etc. In order to prevent the appointment of those responsible for harming company value or for violating the rights of shareholders, we exclude from this review any candidates who have issues in the area of Jeong-Do Management (ethical/regulatory), or candidates who have caused a problem in terms of quality or the environment. In addition, those who have been penalized with a suspension or a more severe form of punishment, in accordance with disciplinary policies, are banned from promotion or any appointments for a certain period of time. We have established and are operating a disciplinary committee which monitors and manages directors so as to ensure that they fulfill their duties, and penalizes those who violate company regulations.

For independent directors, the Independent Director Candidate Recommendation Committee recommends only candidates who meet the requirements outlined in related laws such as Article 382, Paragraph 3 and Article 542-8, Paragraph 2 of the Commercial Act, in addition to the requirements outlined in the regulations of the Independent Director Candidate Recommendation Committee. Through this policy, only candidates who have been verified as having the necessary qualifications and capabilities are considered for director positions at general shareholders meetings. Further, since Article 542-8, Paragraph 2, Clause 3 of the Commercial Act stipulates that those for whom two years have not elapsed since full execution of or exemption from a sentence of imprisonment, or a more severe sentence, cannot be an independent director of a listed company, any person who has been criminally charged with embezzlement, breach of trust, or other acts of harming company value or violating the rights of shareholders is fundamentally blocked from becoming an independent director at our company.

## **C) History of Appointing Persons with Criminal Record of, or Currently Facing Charges of, Embezzlement, Breach of Trust, or Acts of Injustice as Director**

Since our internal regulations stipulate that “degrading the company’s reputation by being indicted or causing other social disruptions” is a justified cause for a heavy penalty, persons who receive any such charge cannot be promoted or recommended as a candidate for director for a certain period of time. Moreover, there are no cases of a person with a criminal record of, or currently facing charges of, embezzlement, breach of trust or acts of injustice being appointed as a director.

## D) Adopting System of Executive Directors

Although we have not adopted the system of executive directors as outlined in Article 408-2 of the Commercial Act, we strive for efficiency through the collective exercising of executive authority, such as decision-making and supervision, through the BOD and company representatives. Therefore, we have no current plans to implement a system of executive directors.

### (Key Principle 5) Responsibilities of Independent Directors

The independent directors should be able to independently participate in decision-making regarding the company's business management policies, and supervise or support the management as a member of the BOD.

(Principle 5-①) An independent director should not have an important relationship of interest with the company, and the company should identify any such relationship during the process of appointing directors.

## A) Relationship of Interest Between Independent Directors and Company

None of our currently active independent directors have held office in our company or our affiliated companies in the past, and there is no history of any transactions between our company or our affiliated companies and any of the independent directors (or companies of which the independent directors are the largest shareholder) or companies for which the independent directors are working as executives. The following table summarizes the relationships between our currently active independent directors and our company or affiliates as of the date of this report.

▷ (Table 5-①-1) Relationships between active independent directors and our company or affiliates as of the date of this report

Name	Previous Positions Held at LGE or its Affiliates by Independent Director		Transactions Between Independent Director (or companies of which the independent director is the largest shareholder) and LGE or its Affiliates		Transactions Between Companies of which Independent Director is Executive and LGE or its Affiliates	
	LGE	LGE's Affiliates	LGE	LGE's Affiliates	LGE	LGE's Affiliates
Kim Dae-hyung	None	None	None	None	None	None
Baek Yong-ho	None	None	None	None	None	None
Lee Sang-gu	None	None	None	None	None	None
Choi Jun-keun	None	None	None	None	None	None

## B) Procedure of Identifying Relationships of Interest Between Independent Directors and LGE, and Related Internal Regulations

Our company initially checks the facts regarding the above mentioned items through interviews with and questioning of the candidates for director, and then we conduct a detailed verification process through the Independent Director Candidate Recommendation Committee.

**C) Terms of Office of Independent Directors, and Independent Directors Holding Office for Longer than Six Years (9 years including affiliates)**

The following table shows the terms of office of the active independent directors as of the date of this report. There is no independent director who has held office for longer than six years (9 years including affiliates) as of the date of this report.

▷ (Table 5-①-2) Terms of office of independent directors active as of the date of this report, and reasons for holding office for longer than 6 years (9 years including affiliates)

Name	LGE		Including Affiliates	
	Term of Office	Reason for Holding Office for Longer than 6 Years	Term of Office	Reason for Holding Office for Longer than 9 Years
Kim Dae-hyung	4 years and 2 months	-	4 years and 2 months	-
Baek Yong-ho	3 years and 2 months	-	3 years and 2 months	-
Lee Sang-gu	1 year and 2 months	-	1 year and 2 months	-
Choi Jun-keun	5 years and 2 months	-	5 years and 2 months	-

**D) Important Relationship of Interest Between Independent Directors and Company, and Policy for Appointing Those with No Relationship of Interest with Company**

The human resources and legal affairs departments of our company thoroughly examine the qualifications of candidates for independent director (Article 382 and Article 542-8 of the Commercial Act, and Article 28-2 of the Articles of Incorporation) such that no persons who have a relationship of interest with our company can be appointed to the position of director. According to the qualification requirements, a candidate for independent director should not fall under any of the reasons for disqualification outlined in the Commercial Act. Further, our company should ensure the independence of management through an examination of the candidates, including an examination of their transactional relationships with our company and their degree of familiarity with the members of our management team. Finally, we must provide the necessary conditions in order to enable the independent directors to do their jobs.

**(Principle 5-②) The independent directors should put sufficient time and effort into faithfully fulfilling their duties.**

**A) Regulation Concerning Independent Directors Holding Office in Another Company**

Our company permits independent directors to hold the position of independent director in one additional company, other than our company, in accordance with Article 34 of the Enforcement Decree of the Commercial Act. There is no separate internal policy regarding this matter.

**B) Status of Independent Directors Holding Offices in Multiple Companies as of Date of Report**

▷ (Table 5-②-1) Status of independent directors holding offices in multiple companies as of the date of report



Name (audit member) <sup>1)</sup>	Initial Appointment Date	Term Expiration Date	Current Job	Status of Holding Office in Multiple Companies			
				Company <sup>2)</sup>	Position in Company	Term of Office in Company	Listing Status of Company
Choi Jun-keun (audit member)	2015.3.19	2021.3.15	-	-	-	-	-
Kim Dae-hyung (audit member)	2016.3.18	2022.3.14	-	Nasol Systems Co., Ltd.	Executive director	January 18, 2017-Present	Unlisted
Baek Yong-ho (audit member)	2017.3.17	2023.3.25	Professor of Graduate School of Policy Sciences at Ehwa Woman's University	-	-	-	-
Lee Sang-gu	2019.3.15	2022.3.14	Professor of Department of Computer Science and Engineering at Seoul National University	SK Gas Ltd.	Independent director	March 26, 2018-Present	Listed (KOSPI)

1) Audit members are stated as such beneath their name.

2) Includes non-profit corporations, foundations, etc.

### C) Independent Directors Investing Sufficient Time and Effort in order to Faithfully Execute Duties

As stated above, our company does not allow independent directors to hold offices in more than two companies simultaneously. Our independent directors are thus able to invest a sufficient amount of time and effort so as to sincerely execute their duties such as deliberating on the necessity and adequacy of agenda items to be put forward at BOD meetings and Audit Committee meetings.

**(Principle 5-③) The company should provide independent directors with the information and resources, etc., necessary for them to fulfill their duties.**

### A) Procedure of Providing Information to Independent Directors and Personal and Physical Resources, and Detailed Current Status of Such Provision

Our company informs the newly appointed independent directors of the status of our business performance through an orientation. We hold an internal orientation on the overall status of our company and matters related to the operation of the BOD, etc., under the supervision of the BOD Secretariat. In addition, the LG Economic Research Institute holds external education sessions on the roles and legal responsibilities of the directors. In April 2019, we provided external training to Lee Sang-gu who was newly appointed as an independent director in March 2019. The independent directors are continuously provided with data about our business status and provided with reports on the main agenda items to facilitate a better understanding of our company's business. We periodically provide opportunities for independent directors to visit our major domestic and overseas business sites such that they can experience and observe our business sites first-hand. In October 2018, the independent directors visited Austria in order to check the business status of ZKW

in Austria, which had been acquired by our company, share the management principles of our company with ZKW, and review the performance of our company and examine the corporate management status in Europe. They also participated in the CES2020 held in Las Vegas, US in January 2020 in order to identify the latest industry trends and be able to make more insightful management decisions.

In addition, since 2020, our company has been regularly sending clippings of LG-related news articles and market trends (business, products, and services, etc.) and other related introductory materials to the independent directors in order to help them stay up-to-date on the trends of LG and the market, as well as the latest information from news articles, etc., and enable them to utilize such materials when carrying out their duties. Refer to table 5-③-1 for a summary of meetings with the independent directors for the purpose of providing them with advanced briefings on agenda items, etc., prior to BOD meetings.

### **B) Designating Departments Responsible for Responding to Request for Information from Independent Directors**

In accordance with Article 17 of the BOD Regulations, our company established the BOD Secretariat in order to support the smooth operation of the BOD and committees under the BOD. Our company's BOD Secretariat is composed of one executive and two on-site managers and performs tasks such as providing independent directors with explanations, in advance, of BOD agenda items, and providing support based on the requests of the independent directors that are necessary for them to be able to fulfill their duties.

### **C) Regular and Extraordinary Meetings Exclusively for Independent Directors**

We hold meetings exclusively for independent directors, without executive directors, for the purpose of a prior explanation of agenda items put forward at regular BOD meetings or Audit Committee meetings. During these meetings, directors are briefed on the agenda items by the relevant executives or on-site members and afforded an opportunity to discuss the matters. Details of meetings held exclusively for the independent directors from the start of the business year immediately before the public disclosure period up to the disclosure filing date are as follows.

▷ (Table 5-③-1) Exclusive meetings for independent directors from the start of the business year immediately before the public disclosure period up to the disclosure filing date

Meeting	Regular/Extraordinary	Meeting Date	No. of Independent Directors Who Attended/Total No. of Independent Directors	Discussion Points	Remarks
1st	Regular	2019.1.28	3/4	Agenda items of the BOD meeting and Audit Committee meeting in January	...
2nd	Regular	2019.2.15	3/4	Agenda items of the BOD meeting and Audit Committee meeting in February	...
3rd	Regular	2019.3.13	2/4	Agenda items of the BOD meeting and Audit Committee meeting in March	
		2019.3.14	1/4		
4th	Regular	2019.4.25	1/4	Agenda items of the BOD meeting and Audit Committee meeting in April	
		2019.4.26	2/4		
5th	Regular	2019.7.22	3/4	Agenda items of the BOD meeting and Audit Committee	

				meeting in July	
6th	Regular	2019.10.25	3/4	Agenda items of the BOD meeting and Audit Committee meeting in October	
7th	Regular	2019.11.25	3/4	Agenda items of the BOD meeting in November	
1st	Regular	2020.1.28	3/4	Agenda items of the BOD meeting and Audit Committee meeting in January	
2nd	Regular	2020.3.24	3/4	Agenda items of the BOD meeting in March	
3rd	Regular	2020.4.27	3/4	Agenda items of the BOD meeting and Audit Committee meeting in April	

※ Due to COVID-19, in February 2020 the exclusive meetings for independent directors regarding the agenda items of the BOD meeting and the Audit Committee meeting were cancelled.

#### **D) Provision of Information and Resources Necessary for Independent Directors to Execute Their Duties**

As stated above, our company swiftly provides newly appointed directors with information on the business status of our company, offers independent directors opportunities to visit domestic and overseas business sites, and explains the BOD agenda items in advance through a designated department (BOD Secretariat), etc., in order to provide sufficient information and the resources necessary for independent directors to be able to fulfill their duties. Through this, we support the independent directors such that they can make decisions that are to the benefit of our company and our shareholders.

#### **(Key Principle 6) Assessment of Activities of Independent Directors**

**In order to motivate the independent directors to carry out their duties more actively, the activities of independent directors should be fairly assessed, and their compensation and reappointment should be determined according to the assessment results.**

**(Principle 6-①) The independent directors should be assessed based on their individual performance, and the assessment results must be reflected in considering their reappointment.**

#### **A) Assessment of Independent Directors and Measures to Ensure Fairness of Assessment**

For the sake of fairness, the independent directors are assessed on certain evaluation items based on the opinions of executive directors. Such assessments are conducted on independent directors whose term is approaching expiry so as to facilitate decision-making regarding reappointment.

#### **B) Specific Methods of Assessment and Related Regulations, etc.**

Specifically, the personnel department or the BOD Secretariat, in order to make an internal decision regarding reappointment, conducts a comprehensive assessment regarding the director's record of attendance at board meetings, whether or not the director has made practical suggestions on agenda items presented at such meetings, whether or not he/she has provided appropriate advice on major business

decisions as an expert in the field, the director's ability to internally control important financial risks of our company as an auditor, and the contribution of the director to the operation of the supervision system

**(Principle 6-②) Compensation for independent directors should be determined to an appropriate level by taking into account the assessment results, and the responsibilities held and risks faced by the independent directors in carrying out their duties, etc.**

#### **A) Compensation for Independent Directors**

Compensation for the independent directors is determined by taking into consideration social norms and average payment amounts made to independent directors in similar fields. Compensation is determined based on proposals made at BOD meetings and general shareholders meetings in accordance with relevant laws and does not include stock options. Our company does not pay "allowances (including bonuses and severance pay)" but determines a fixed amount of payment for holding meetings and carrying out other duties as an independent director. The compensation for an independent director in 2019 was 84 million won, which was applied equally to every independent director. We continue to operate a policy of providing compensation at an appropriate level while considering the industry average and contribution levels.

#### **B) Appropriateness of Compensation Level for Independent Directors**

As stated above, our company pays compensation, at an appropriate amount based on level of commitment, to the independent directors for their contribution to meetings and as financial support for their activities. The results of the independent directors assessments are used as a basis for determining reappointments. However, since every independent director should be treated equally and fairly in order to ensure their independency, we do not apply the assessment results in discriminatory ways.

#### **(Key Principle 7) Operation of BOD**

**The BOD should be operated in a reasonable and efficient manner such that the best management decisions can be made for the benefit of the company and shareholders.**

**(Principle 7-①) In principle, BOD meetings should be held regularly, and BOD operation rules should be established which stipulate, in details, the roles and responsibilities, and operation procedures of the BOD.**

#### **A) Regulations on Regular BOD Meetings (the Articles of Incorporation and the BOD Regulations)**

In accordance with Article 8 of our company's BOD Regulations, the BOD should hold a meeting once a quarter. However, from January to March BOD meetings are held every month in consideration of the duty to submit financial statements to the Audit Committee six weeks before the general shareholders meeting and receive approval for the statements, as stipulated in Article 447, Paragraph 3 of the Commercial Act, the duty to obtain the prior approval of the BOD for agenda items to be approved at the general shareholders meeting, and the duty to convene the regular general shareholders meeting held in March. In addition, whenever necessary, such as when a proposal is made at an irregular BOD meeting, an extraordinary BOD meeting may be held. The chairperson convenes each BOD meeting in accordance with Article 9, Paragraph 1 of the BOD Regulations. According to Article 10, Paragraph 1 of the BOD Regulations, the chairperson should announce meetings to each director 12 hours before the meeting. If agreed upon by the entire BOD, this procedure of convening the board may be omitted. Moreover, any director unable to physically attend the meeting may attend via a conference call or by a similar means.

## B) Regular/Extraordinary BOD Meetings, etc.

▷ (Table 7-①-1) BOD meetings from the start of the business year immediately before the public disclosure period up to the disclosure filing date

Meeting	Agenda		Approval Status	Regular/Extraordinary	Meeting Date	Date of Agenda Notification	No. of Attendees/Quorum
	Classification	Contents					
1st	Items to report	1. Reporting the business performance of the 4th quarter of 2018	Report	Regular	2019.1.29	2019.1.24	6/7
		2. Reporting the operation status of the internal accounting management policy					
	Items for approval	1. Approving the 17th financial statements and business report	Passed				
		2. Approving the business plan of 2019					
		3. Approving the limit amount of total transactions with affiliate persons for 2019					
		4. Approving the annual loan amount limit for 2019					
		5. Approving self-dealings by directors, etc. (annual performance plan)					
		6. Approving the amendment to the Audit Committee Regulations					
		7. Approving the amendment to the					

		Independent Director Candidate Recommendation Committee Regulations					
		8. Approving the amendment to the internal accounting management regulations					
		9. Appointing members of the Independent Director Candidate Recommendation Committee					
	Items to report	1. Reporting the result of evaluating the operation status of the internal accounting management policy	Report				
		2. Reporting the result of examining observance of the compliance standards					
2nd	Items for approval	1. Resolutions of the regular general shareholders meeting	Passed	Regular	2019.2.18	2019.2.13	6/7
		2. Resolution on the proposed agenda of the regular general shareholders meeting					
		(1) Approving the 17th financial statements					
		(2) Approving the amendment to the Articles of Incorporation					

		(3) Appointing directors					
		(4) Appointing members of the Audit Committee					
		(5) Approving the compensation limit for directors					
3rd	Items for approval	1. Appointing the company representative	Passed	Regular	2019.3.15	2019.3.11	7/7
		2. Appointing members of the Business Management Committee					
		3. Approving the amendment to the human resources management regulations for executive officers					
		4. Approving the director compensation for 2019					
		5. Approving the fund for payment of special bonuses to executive officers					
		6. Approving full-time advisor/consultant appointments					
		7. Approving continuation of advisor contracts					
		8. Approving the amendment to the BOD Operation-related Regulations					
		9. Approving the purchase of shares in airplanes					

		10. Appointing the chairperson of the BOD					
4th	Items to report	1. Reporting the business performance of the 1st quarter of 2019	Report	Regular	2019.4.29	2019.4.26	7/7
	Items for approval	1. Approving change of the basis for providing special bonuses to executive officers	Passed				
		2. Approving goals for special prizes (short-term) to executive officers for 2019					
		3. Approving full-time advisor appointments					
	4. Approving continuation of advisor contracts						
5th	Items to report	1. Reporting the business performance of the 2nd quarter of 2019	Report	Regular	2019.7.23	2019.7.18	7/7
	Items for approval	1. Approving selling of real estate	Passed				
		2. Approving transfer of shares					
	3. Approving self-dealings by directors, etc. (setting new limits)						
6th	Items to report	1. Reporting the business performance of the 3rd quarter of 2019	Report	Regular	2019.10.29	2019.10.23	7/7



	Items for approval	1. Approving appointment of executive officers 2. Approving continuation of advisor contracts 3. Approving lump-sum payment to retiring executives	Passed				
7th	Items to report	1. Reporting the status of recruiting special service officials for 2019 2. Reporting the penalization results of executive officers for 2019	Report	Regular	2019.11.28	2019.11.26	7/7
	Items for approval	1. Approving renewal of the LG trademark use contract 2. Approving renewal of the lease contract of LG Twin Towers 3. Approving the regular personnel affairs of executive officers for 2020	Passed				
1st	Items to report	1. Reporting the business performance of the 4th quarter of 2019 2. Reporting the operation status of the internal accounting management policy		Regular	2020.1.29	2020.1.23	5/7

	Items for approval	1. Approving the 18th financial statements and business report	Passed				
		2. Approving the business plan of 2020					
		3. Approving the limit amount of total transactions with affiliate persons for 2020					
		4. Approving the annual loan amount limit for 2020					
		5. Approving self-dealings with affiliates, etc. (annual performance plan)					
		6. Approving the amendment to the human resources management regulations for executive officers	Rejected				
		7. Appointing members of the Independent Director Candidate Recommendation Committee	Passed				
		8. Appointing executive officers					
2nd	Items for approval	1. Approving transfer of shares	Passed	Extraordinary	2020.2.7	2020.2.5	5/7
3rd	Items to report	1. Reporting the result of evaluating the operation status of the internal accounting management policy	Report	Regular	2020.2.28	2020.2.27	5/7

		2. Reporting the operation status of the compliance policy					
	Items for approval	1. Approving convocation of the regular general shareholders meeting	Passed				
		2. Approving goals of the regular general shareholders meeting					
		(1) Approving the 18th financial statements					
		(2) Approving the amendment to the Articles of Incorporation					
		(3) Appointing directors					
		(4) Appointing members of the Audit Committee					
		(5) Approving compensation limits for directors					
4th	Items for approval	1. Appointing the company representative	Passed	Regular	2020.3.26	2020.3.25	7/7
		2. Appointing members of the Business Management Committee					
		3. Approving the compensation for directors for 2020					
		4. Approving payment of special bonuses to executive officers					
		5. Approving full-time advisor/consultant					

		appointments					
		6. Approving advisor appointment and lump-sum payment to retiring executives					
5th	Items to report	1. Reporting the business performance of the 1st quarter of 2020	Report	Regular	2020.4.28	2020.4.27	7/7

**C) Setting Date of BOD Meetings in Advance and Convoking Meeting Sufficiently in Advance of Meeting Date**

We confirm the annual BOD meeting schedule in December of the previous year and, if a temporary BOD meeting is necessary, we provide a convocation notice sufficiently in advance of the meeting date. In order to enable directors to make the most suitable decisions during deliberation and during the approval process of the proposed agenda items, our company provides prior explanations on each agenda item and conducts face-to-face Q&A sessions before the day of the BOD meeting, and diligently responds to the directors' requests for additional data. We will continue to take great efforts to achieve a robust deliberation of the agenda items of the BOD, and efficient operation of the BOD.

**D) Holding Regular BOD Meetings and Preparing BOD Operation Regulations**

For the regular BOD meetings mentioned above, our company applies systematic BOD Operation Regulations.

**(Principle 7-②) The BOD should write detailed minutes for each meeting and disclose activity details such as the attendance rate of the directors and proportion of for/against votes for each agenda item.**

**A) Writing and Preserving Detailed Minutes and Transcripts of BOD Meetings**

Regarding the proceeding of BOD meetings, in accordance with Article 391-3, Paragraph 1 of the Commercial Act, the BOD Secretariat should write minutes for each meeting which include the agenda, deliberation results, and objections and reasons for the objections, and the present directors should sign and seal, or sign, the document.

The above-outlined BOD minutes and transcripts are managed and preserved by the BOD Secretariat. However, the directors are not obligated to write transcripts of the meetings.

**B) BOD Meeting Attendance of Each Director**

▷ (Table 7-②-1) Attendance of directors at BOD meetings from the start of the business year immediately before the

public disclosure period up to the disclosure filing date

Classification	Meeting Meeting Date	1st	2nd	3rd	4th	5th	6th	7th	1st	2nd	3rd	4th	5th
		2019. 1.29	2019. 2.18	2019. 3.15	2019. 4.29	2019. 7.23	2019. 10.29	2019. 11.28	2020. 1.29	2020. 2.7	2020. 2.28	2020. 3.26	2020. 4.28
Executive	Jo Seong-jin	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Absent	Absent	Absent	Not applicable	Not applicable
	Jeong Do-hyeon	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Absent	Absent	Absent	Not applicable	Not applicable
	Kwon Bong-suk	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Attended	Attended
	Bae Doo-yong	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Attended	Attended
Independent	Lee Chang-woo	Attended	Attended	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Choi Jun-keun	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Kim Dae-hyung	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Baek Yong-ho	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
	Lee Sang-gu	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Non-executive	Koo Bon-jun	Absent	Absent	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Kwon Young-su	Not applicable	Not applicable	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

▷ (Table 7-②-2) Attendance rate and rate of “for” votes of directors for past three business years

Name	Classification	Term in Office	Attendance Rate (%)				Rate of “For” Votes (%)			
			Previous 3 Years Average	Previous 3 Years <sup>1)</sup>			Previous 3 Years Average	Previous 3 Years		
				2019 (recent year)	2018	2017		2019 (recent year)	2018	2017
Ju Jong-nam	Independent	2010.3.19 - 2017.3.16	100.0	-	-	100.0	100.0	-	-	100.0
Lee Chang-woo		2013.3.15 - 2019.3.15	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Choi Jun-keun		2015.3.19 - Present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Kim Dae-hyung		2016.3.18 - Present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Baek Yong-ho		2017.3.17 - Present	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lee Sang-gu		2019.3.15 - Present	100.0	100.0	-	-	100.0	100.0	-	-
Jo Seong-jin	Executive	2016.3.18 - 2020.3.26	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Jeong Do-hyeon		2008.3.14 - 2020.3.26	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Jo Joon-ho		2016.3.18 - 2017.3.16	100.0	-	-	100.0	100.0	-	-	100.0
Koo Bon-jun	Executive	2011.3.18 - 2017.3.17	100.0	-	-	100.0	100.0	-	-	100.0
	Non-executive	2017.3.17 - 2019.3.14	64.7	0	55.6	100.0	100.0	-	100.0	100.0
Kwon Young-su		2019.3.15 - Present	100.0	100.0	-	-	100.0	100.0	-	-

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

※ Independent directors Kwon Bong-suk and Bae Doo-yong were newly appointed on March 26, 2020 and were not included in the above table. Their attendance rates and rate of "for" votes are all 100% as of May 2020.

### C) Recording Main Discussion Points and Resolutions for Each Director

As part of the taking of minutes of meetings, our company collectively organizes the overall issues discussed and resolutions put forward at BOD meetings, but we do not record such issues on a director-specific basis.

#### (Key Principle 8) Committees Under BOD

In order to facilitate its efficient operation, the BOD should establish committees under it which perform certain functions and roles.

(Principle 8-①) Each committee under the BOD should be composed of a majority of independent directors. The Audit Committee and the Compensation Committee should each be entirely composed of independent directors.

### A) Establishment, Main Roles, and Composition of Committees Under BOD

Our company's BOD has three committees established under its purview, namely the Audit Committee, the Independent Director Candidate Recommendation Committee, and the Business Management Committee. From among these committees, the establishment of the Audit Committee and the Independent Director Candidate Recommendation Committee is mandatory as stipulated by related laws, such as the Commercial Act. The establishment of the Business Management Committee was decided by the BOD at its discretion in

order to enhance the expertise, independence, and efficiency of the BOD.

#### **(i) Audit Committee**

Our company established the Audit Committee in accordance with Article 542-11 of the Commercial Act. All three of the auditing members of the committee are independent directors. Refer to Principle 9-① for details on the rights and operation status of the Audit Committee, and on organizations that provide assistance with auditing.

#### **(ii) Independent Director Candidate Recommendation Committee**

In order to recommend candidates for the position of independent director, we have established and are operating the Independent Director Candidate Recommendation Committee in accordance with Article 542-8, Paragraph 4 of the Commercial Act, and Article 28-2 of the Articles of Incorporation. The committee is composed of a majority of independent directors—two independent directors and one non-executive director—in accordance with the Commercial Act and the Independent Director Candidate Recommendation Committee Regulations, so as to secure fairness and independence in terms of both the appointment of independent directors and the operation of the Independent Director Candidate Recommendation Committee.

#### **(iii) Business Management Committee**

In accordance with Article 33 of the Articles of Incorporation and Articles 13 and 14 of the BOD Regulations, our company entrusts the Business Management Committee with matters delegated to it by the BOD as well as other general business matters, thereby facilitating a flexible response to changes in the business environment and interest rates, and promoting the focused and efficient operation of the BOD.

#### **B) Majority of Each Committee Under BOD Being Formed of Independent Directors (entirety of Audit Committee and Compensation Committee)**

The Audit Committee is entirely composed of independent directors, and the Independent Director Candidate Recommendation Committee is composed of a majority of independent directors. However, the Business Management Committee is entirely composed of executive or non-executive directors due to its nature of making every day business decisions.

**(Principle 8-②) All matters regarding the organization, operation, and rights of each committee should be expressly stipulated in writing, and each committee should report its resolutions to the BOD.**

#### **A) Establishment Purposes, Rights, and Responsibilities of Committees, Committee Activities and Performance Assessments During Public Disclosure Periods, Composition of Committees, and Qualifications and Appointment/Dismissal of Committee Members**

The Audit Committee audits the accounts and business of our company, for the purpose of which it may request business reports from the directors, or investigate the status of business and assets of our company at any time it wishes. During the public disclosure period, there were six Audit Committee Meetings held at which main business tasks were audited, the operation status of the internal accounting management policy was evaluated, and the operation status of the internal supervision system was inspected in order to supervise the execution of duties by the directors and management. Members of the Audit Committee are appointed at general shareholders meetings, and they should meet the qualifications outlined in the Commercial Act.

The Independent Director Candidate Recommendation Committee has the right to recommend candidates

for independent directors. During the public disclosure period, one Independent Director Candidate Recommendation Committee meeting was held, during which the qualifications and capabilities of candidates for independent director were evaluated and recommendations were made. Members of the Independent Director Candidate Recommendation Committee are appointed at general shareholders meetings, and they should meet the qualifications outlined in the Commercial Act.

The Business Management Committee has the right to carry out deliberations and voting on both matters delegated to it by the BOD and matters concerning general management issues. Business Management Committee meetings were held 13 times during the public disclosure period with a view to improving the efficiency of making general business decisions. The BOD appoints members of the Business Management Committee, and the members should be appointed from among the board directors.

In addition, the establishment purposes, duties and rights, composition and qualifications, and terms of office, etc., for each committee are stated in the regulations of the relevant committee.

## B) Reporting Committee Resolutions to BOD

In accordance with Article 393-2, Paragraph 4 of the Commercial Act, Article 12 of the Audit Committee Regulations, Article 12 of the Independent Director Candidate Recommendation Committee Regulations, and Article 13 of the Business Management Committee Regulations, all committee resolutions should be reported to the board of directors.

## C) Meetings Held by Each Committee and Attendance Rate of Each Director for Past Three Business Years

The following table summarizes the committee meetings held and the attendance rate of directors at the committee meetings in the past three business years from the start of the business year immediately before the public disclosure period up to the disclosure filing date.

▷ (Table 8-②-1) Committee meetings held under the BOD (Refer to Table 9-②-1 for the Audit Committee.)

### ■ Independent Director Candidate Recommendation Committee

(i) Meetings held from the start of the business year immediately before the public disclosure period up to the disclosure filing date

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
1st	2019.2.18	3/3	Items for approval	Recommendations of candidates for independent director	Passed
2nd	2020.2.28	3/3	Items for approval	Recommendations of candidates for independent director	Passed

(ii) Attendance rate of each director for the past three business years

Classification	Name	Attendance Rate (%)			
		Recent 3 Years Average	Previous 3 Years <sup>1)</sup>		
			2019 (recent year)	2018	2017



Independent	Lee Chang-woo	100.0	-	100.0	-
	Choi Jun-keun	100.0	100.0	-	100.0
	Kim Dae-hyung	100.0	-	100.0	100.0
	Baek Yong-ho	100.0	100.0	-	-
Executive	Jo Seong-jin	100.0	100.0	100.0	100.0

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

※ Non-executive director Kwon Young-su was newly appointed as a member of the Independent Director Candidate Recommendation Committee on January 29, 2020 and was not included in the above table. His attendance rate as of May 2020 is 100%.

### ■ Business Management Committee

(i) Meetings held from the start of the business year immediately before the public disclosure period up to the disclosure filing date

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
1st	2019.1.4	2/3	Items for approval	(Shinhan Bank) Agreement on corporate credit limit transactions	Passed
2nd	2019.1.29	2/3	Items for approval	LG Electronics Co., Ltd. Issuance of 93-1, 93-2, 93-3, and 93-4 unguaranteed public placement bonds	Passed
3rd	2019.2.11	2/3	Items for approval	(Kookmin Bank) Agreement on corporate credit limit transactions	Passed
			Items for approval	(Woori Bank) Extension of the agreement on payment guarantee for overseas subsidiaries	Passed
4th	2019.3.8	2/3	Items for approval	(Korea Development Bank) Credit limit agreement	Passed
			Items for approval	(Shinhan Bank) Extension of the agreement on payment guarantee limit for overseas subsidiaries	Passed
5th	2019.4.1	3/3	Items for	Issuance of unguaranteed private placement bonds	Passed

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
			approval		
			Items for approval	Extension of the agreement on export bond-secured loan limit	Passed
			Items for approval	Foreign currency loan	Passed
			Items for approval	Extension of the credit line agreement	Passed
6th	2019.5.9	3/3	Items for approval	(Crédit Agricole CIB) Credit limit agreement	Passed
			Items for approval	(Kookmin Bank) Credit limit agreement	Passed
			Items for approval	(Woori Bank) Agreement on corporate credit limit transactions	Passed
7th	2019.6.3	3/3	Items for approval	(KEB Hana Bank) Agreement on corporate credit limit transactions	Passed
			Items for approval	(Industrial Bank of Korea) Agreement on corporate credit limit transactions	Passed
			Items for approval	(MUFG Bank) Credit limit agreement	Passed
			Items for approval	(KEB Hana Bank) Extension of credit line agreement for foreign currencies	Passed
8th	2019.7.10	3/3	Items for approval	(Korea Development Bank) Loan for funding facilities	Passed
9th	2019.8.2	2/3	Items for approval	(Scotiabank) Extension of the agreement on export bond-secured loan limit	Passed

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
			al		
			Items for approval	(Woori Bank) Extension of the agreement on export bond-secured loan limit	Passed
10th	2019.9.3	3/3	Items for approval	(Shinhan Bank) Committed line agreement extension and formation	Passed
11th	2019.10.1	3/3	Items for approval	(KEB Hana Bank) Agreement on corporate credit limit transactions	Passed
			Items for approval	(NH Bank) Agreement on corporate credit limit transactions	Passed
			Items for approval	(Citibank) New agreement on short-term loan	Passed
			Items for approval	(KEB Hana Bank) New agreement on short-term loan	Passed
12th	2019.11.11	3/3	Items for approval	(Société Générale) Extension of the agreement on export bond-secured loan limit	Passed
13th	2019.12.2	2/3	Items for approval	(Deutsche Bank) Extension of the agreement on export bond-secured loan limit	Passed
			Items for approval	(ING Bank) Extension of the agreement on export bond-secured loan limit	Passed
			Items for approval	(Bank of China) Extension of the agreement on export bond-secured loan limit	Passed
			Items for approval	Extension of foreign currency loan	Passed
1st	2020.1.20	3/3	Items for approval	(Shinhan Bank) Agreement on corporate credit limit transactions	Passed

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
2nd	2019.2.5	3/3	Items for approval	(Kookmin Bank) Agreement on corporate credit limit transactions	Passed
			Items for approval	LG Electronics Co., Ltd.'s issuance of 95-1, 95-2, and 95-3 unguaranteed public placement bonds	Passed
3rd	2020.2.12	3/3	Items for approval	(Woori Bank) Extension of the agreement on payment guarantee for overseas subsidiaries	Passed
4th	2020.3.16	3/3	Items for approval	(Korea Development Bank) Credit limit agreement	Passed
5th	2020.4.13	3/3	Items for approval	Foreign currency loan	Passed
6th	2020.5.14	3/3	Items for approval	(KB Kookmin Bank) Extension of the agreement on export bond-secured loan limit	Passed

(ii) Attendance rate of each director for the past three business years

Classification	Name	Term of Office	Attendance Rate (%)			
			Average During Term of Office	Previous 3 Years*		
				2019	2018	2017
Executive	Jo Seong-jin	2016.3.18 - 2020.3.26	100	100	100	100
Executive	Jeong Do-hyeon	2008.3.14 - 2020.3.26	100	100	100	100
Executive	Jo Joon-ho	2016.3.18 - 2017.3.16	100	-	-	100
Executive	Koo Bon-jun	2011.3.18 - 2017.3.17	100	-	-	100
Non-executive		2017.3.17 - 2019.3.14	75	0	65	100
Non-executive	Kwon Young-su	2019.3.15 - Present	70	70	-	-

※ Independent directors Kwon Bong-suk and Bae Doo-yong were newly appointed on March 26, 2020 and were not included in the above table. Their attendance rates are 100% as of May 2020.

## 4. Audit Bodies

### (Key Principle 9) Internal Audit Bodies

Internal audit bodies such as the Audit Committee and auditors should sincerely perform auditing from a position which is independent from the management and controlling shareholder, and the main activities of internal audit bodies should be publicly disclosed.

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

### A) Composition of Internal Audit Bodies Including Audit Committee and Auditors

The relevant laws stipulate that two thirds of the Audit Committee should be composed of independent directors and that at least one member of the committee should be an expert in accounting or financial affairs (Article 415-2 and Article 542-11 of the Commercial Act, and Article 4 of the Audit Committee Regulations). As of the submission of this report, our company's Audit Committee is composed entirely of independent directors— three independent directors including one accounting expert —and Table 9-①-1 outlines their careers and qualifications.

(Table 9-①-1) Composition of internal audit bodies (as of submission of this report)

Status of Audit Committee Members			Auditing Career and Qualifications	Remarks
Title	Classification	Name		
Chairperson	Independent director	Kim Dae-hyung	The University of Chicago MBA KICPA, USCPA Ahn Kwon & Co., 1975 Director of Finance of Signetics Korea, 1984 CFO of GE Korea in 1989 CFO of GE Lighting China, 1993 CFO of GE Lighting Asia/Pacific, 1997 FP&A and Accounting Ops Manager of GE Lighting Global, 1998 CFO of GE Plastics China and CFO of GE Plastics Asia/Pacific, 2000 CFO of SABIC IP Asia/Pacific, 2007 Financial Services Director of SABIC Asia, 2009 Commercial Finance Director of SABIC IP Asia/Pacific, 2013-2015 PT, Finance Director of The Sevenedu Indonesia, 2015-2017 Executive Director of Nasol Systems Co., Ltd. from 2017 to the present	President of the Audit Committee (accounting specialist)
Committee member	Independent director	Choi Jun-keun	Bachelor of Electrical Engineering from Busan National University Executive Director and Head of the Management Headquarters of Samsung Hewlett-Packard, 1994 CEO and President of Hewlett-Packard Korea, 1995 Head of the International Corporation Committee of The Federation of Korean Industries, 2000 Governor of The American Chamber of Commerce in Korea, 2001	

Status of Audit Committee Members			Auditing Career and Qualifications	Remarks
Title	Classification	Name		
			Chairman of Korea Linux Council, 2003 President of Global IT Corporation Committee under the Ministry of Science and ICT, 2006 Independent Director of The Jeonbuk Bank Ltd., 2012-2014 Independent Director of JB Financial Group Co., 2013-2014	
Committee member	Independent director	Baek Yong-ho	Ph.D. in Economics from State University of New York Head of the Seoul Institute, 2002 Chairperson of Fair Trade Commission, 2008 Head of the National Tax Service, 2009 Chief Presidential Secretary for Policy, 2010 The President's Chief Policy Advisor, 2012 Professor of The Graduate School of Policy Sciences in Ehwa Woman's University, 2013-Present	Reappointed in March 2020

\*During the general shareholders meeting on March 15, 2019, Lee Chang-woo resigned as independent director upon expiration of his term of office, Kim Dae-hyung was reappointed as an independent director (three-year term), and independent directors Kim Dae-hyung and Baek Yong-ho were appointed as members of the Audit Committee. In addition, independent director Kim Dae-hyung was selected as president of the Audit Committee during the committee meeting held on the same day.

\*At the general shareholders meeting held on March 26, 2020, Baek Yong-ho, whose term of office had expired, was reappointed (term of office: three years) as an independent director.

## B) Policy for Ensuring Independence and Expertise of Internal Audit Bodies

In accordance with the requirements of the Commercial Act, at least one of the Audit Committee members is an expert in accounting or financial affairs designated as such by Presidential Decree. As of December 31, 2019, the Audit Committee includes one accounting expert. In order to ensure the independence and expertise of the Audit Committee, our company appoints independent directors through the Independent Director Candidate Recommendation Committee formed in accordance with Article 13 of the BOD Regulations, and appoints three independent directors as Audit Committee members in accordance with the Commercial Act, other relevant laws, and the Articles of Incorporation. In addition, we introduced and operate training programs necessary for auditing in order to support the Audit Committee so as to strengthen its expertise.

## C) Regulations That Stipulate Goals, Composition, Rights, and Responsibilities of Internal Audit Bodies

We have set in place separate Audit Committee Regulations in order for the Audit Committee to be able to, when fulfilling its duties, maintain objectivity in a position which is independent from organizations that execute business decisions such as the BOD or management. The Audit Committee is operated in accordance with these regulations. In accordance with Articles 3 and 11 of the Audit Committee Regulations, the committee audits our company's accounts and major business operations, evaluates the operation status of our internal accounting policy, and examines the operation status of our internal supervision system. Further, it supervises the execution of duties by the BOD and management so as to facilitate the making of reasonable business decisions. In addition, the committee can appoint, replace, and dismiss external auditors in accordance with Articles 16, 17, and 18 of the Audit Committee Regulations.

## D) Providing Education Necessary for Executing of Tasks, and Supporting Advisory System Through External Experts

Our company provides necessary education to the Audit Committee members through external specialists. The current status of such education from the start of the business year immediately before the public disclosure period up to the disclosure filing date is outlined in the table below. The main educational content focused on recent trends in accounting oversight such as the changes to regulations on external auditing and

accounting, and amendments to the Enforcement Decree of Commercial Act, etc.

Education Date/Duration	Agency Providing Education	Participating Audit Committee Members	Main Educational Content
2019.01.28 (One hour)	Samil PwC	Lee Chang-woo, Choi Jun-keun, Kim Dae-hyung	Recent trends in accounting supervision
2019.04.26 (One hour)	Samil PwC	Kim Dae-hyung, Choi Jun-keun	Recent trends in accounting supervision
2019.07.22 (One hour)	Samil PwC	Kim Dae-hyung, Choi Jun-keun	Recent trends in accounting supervision
2019.10.25 (One hour)	Samil PwC	Kim Dae-hyung, Choi Jun-keun	Recent trends in accounting supervision
2019.10.30 (One hour)	Samil PwC	Baek Yong-ho	Recent trends in accounting supervision
2020.04.27 (One hour)	Samil PwC	Kim Dae-hyung, Choi Jun-keun	Recent trends in accounting supervision
2020.04.28 (30 min.)	Samil PwC	Baek Yong-ho	Recent trends in accounting supervision

#### **E) Procedure of Investigation into Fraudulent Acts of Management, and Management's Support of Internal Audit Bodies Through Information and Funds**

When the Audit Committee gets notified by an external auditor of a violation of our accounting management standards, it can appoint external auditors to investigate the issue at our expense, be reported to on the investigation result, and make a request to the CEO for corrective actions.

In order to audit our company's accounts and business, the Audit Committee can, at any time, make a request to the board directors for a business report, or can investigate the status of our company's business and assets. Moreover, the Audit Committee has the right to request relevant executives, employees, or external auditors to participate in meetings in order to receive sufficient information. In addition, the Audit Committee can seek advice from experts at our company's expense according to Article 21 of the Audit Committee Regulations.

#### **F) Establishment of Organizations for Supporting Internal Audit Bodies**

Our company operates the internal accounting audit team (5 members in total, affiliated to the Jeong-do Management Center, consisting of on-site workers with many years of experience in accounting/auditing) in order to evaluate operation conditions of the internal accounting management policy, and support effective inspection of the operation status of the internal supervision system.

#### **G) Internal Audit Bodies' Access to Information**

In accordance with Article 3 of the Audit Committee Regulations, if the Audit Committee deems it to be necessary for carrying out its duties, it can, at any time, request for the directors to provide a report about our company's business, or can investigate the status of our company's business or assets.

#### **H) Compensation Policy for Audit Committee Members, and Comparison with Compensation for Independent Directors Who Are Not Audit Committee Members**

Our company provides the same amount of compensation to independent directors regardless as to whether or not they serve as a member of the Audit Committee. We do not intend to compensate independent directors differently based on whether or not they are members of the Audit Committee.

### **I) Independence and Expertise of Internal Audit Bodies**

As outlined above, in accordance with the Commercial Act, our company's Audit Committee is composed of three independent directors, one of whom is an accounting or finance specialist, and we have established and operate separate Audit Committee Regulations. In addition, our company utilizes external specialists so as to provide education necessary for the successful performance of auditing tasks. These policies allow our company to secure a sufficient level of independence and expertise of our internal audit bodies, and to satisfy the requirements of the relevant laws.

#### **(Principle 9-②)**

**Internal Audit Bodies, such as the Audit Committee and auditors, should faithfully perform auditing tasks through regular meetings, etc., and should transparently disclose their activities.**

### **A) Auditing Activities of Internal Audit Bodies, History of Appointing External Auditors, Assessment etc., of Operation Status of Internal Accounting Management Policy**

Table 9-②-1-① summarizes the auditing activities of the internal audit bodies in 2019 and up to the disclosure filing date in 2020. The history of appointments of external auditors shows that the Audit Committee approved Samil PwC, which is an external auditor selected by our company at the BOD meeting in January 2018. However, as explained in Principle 10-① (a), the revised Act on External Audit of Stock Companies came into effect in November, 2018, and we changed our system such that the Audit Committee now selects external auditors. The revised stipulation will be applied to the process of appointing external auditors from 2021, which is when the auditor appointed in 2018 will have completed its auditing of three consecutive business years.

As Table 9-②-1 explains, the internal audit bodies were reported to regarding the operation status of the internal accounting management policy (January of 2019 and 2020), and assessed the report and provided a resolution on the operation status (February of 2019 and 2020). On February 28, 2020, the Audit Committee assessed the operation status of the internal accounting management policy and reported to the BOD as follows.



The committee assessed the design and operation status of the company's internal accounting management policy for the fiscal year ending on December 31, 2019. The management of the company including the company representatives and internal accounting managers are responsible for designing and operating the internal accounting management policy, and the Audit Committee is responsible for supervision thereof.

Referring to the operation status report of the internal accounting management policy submitted, to the Audit Committee, by the company's CEO and internal accounting manager, the committee assessed the effectiveness of the design and operation of the company's internal accounting management policy in terms of its ability to produce and disclose reliable financial statements by discovering, and preventing, errors or fraudulent acts that distort or may distort the financial statements. The committee also assessed whether the internal accounting management system actually contributes to the writing and disclosure of reliable accounting information. In addition, the Audit Committee inspected the report for any false statements or indications, and any omission of statements or indications, and reviewed whether the plan to revise the operation status report of the internal accounting management policy is capable of actually contributing to an improvement in the company's internal accounting management policy. The company used the "Conceptual System for Design and Operation of Internal Accounting Management Policy" outlined by the Internal Accounting Management Policy Committee as the standard for designing and operating the internal accounting management policy. The Audit Committee used the "Evaluation and Report Standards for Internal Accounting Management Policy" outlined by the Internal Accounting Management Policy Committee as the standard for evaluating the design and operation status of the internal accounting management policy.

It is the opinion of the Audit Committee that the design and operation of the internal accounting management policy is effective as of December 31, 2019. This judgement is based on the "Conceptual System for Design and Operation of Internal Accounting Management Policy."

**B) Audit Committee Meetings, Attendance Details of Each Director, and Attendance Rate of Each Director for Past Three Business Years**

(Table 9-②-1) Audit Committee meetings held, attendance details and attendance rate from the start of the business year immediately before the public disclosure period up to the disclosure filing date

① Audit Committee meetings held

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
1st	2019.1.29	3/3	Items to report	Reporting the financial statements of the 4th quarter of 2018 Reporting the operation status of the internal accounting management policy Reporting auditing progress by the external auditor	Report
			Items for approval	Approving the enactment of the Audit Committee Regulations Approving the amendment to the internal accounting	Passed

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
				management policy	
2nd	2019.2.18	3/3	Items for approval	Resolution of the audit report Resolution of the assessment report of the operation status of the internal supervision system Resolution of the result of evaluating the operation status of the internal accounting management policy	Passed
3rd	2019.3.15	3/3	Items for approval	Appointing the president of the Audit Committee	Passed
4th	2019.4.29	3/3	Items to report	Reporting the financial statements of the 1st quarter of 2019 Reporting auditing progress by the external auditor	Report
5th	2019.7.23	3/3	Items to report	Reporting the financial statements of the 2nd quarter of 2019 Reporting auditing progress by the external auditor	Report
6th	2019.10.29	3/3	Items to report	Reporting the financial statements of the 3rd quarter of 2019 Reporting auditing progress by the external auditor	Report
1st	2020.1.29	3/3	Items to report	Reporting the financial statements of the 1st quarter of 2019 Reporting the operation status of the internal accounting management policy Reporting auditing progress by the external auditor	Report
2nd	2020.2.28	3/3	Items to report	Reporting the auditing progress of the internal accounting management policy	Report
			Items for approval	Resolution of the audit report Resolution of the assessment report of the operation status of	Passed

Meeting	Meeting Date	No. of Attendees/Quorum	Agenda		Passed/Rejected
			Classification	Contents	
				the internal supervision system Resolution of the result of evaluating the operation status of the internal accounting management policy	
3rd	2020.4.28	3/3	Items to report	Reporting the financial statements of the 1st quarter of 2020 Reporting auditing progress by the external auditor	Report

② BOD meeting attendance of each director

Classification	Year	2019						2020			Remarks
	Meeting	1st	2nd	3rd	4th	5th	6th	1st	2nd	3rd	
	Meeting Date	1.29	2.18	3.15	4.29	7.23	10.29	1.29	2.28	4.28	
Independent	Lee Chang-woo	Attended	Attended	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Term expired in March, 2019
	Choi Jun-keun	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
	Kim Dae-hyung	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended	
	Baek Yong-ho	Not applicable	Not applicable	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Newly appointed in March, 2019

③ Attendance rate of each director for the past three business years

Classification	Name	Term of Office	Attendance Rate (%)			
			Average During Term of Office	Recent 3 Years		
				2019	2018	2017
Independent	Lee Chang-woo	2013.3 - 2019.3	100	100	100	100
	Choi Jun-keun	2015.3 - Present	100	100	100	100

Classification	Name	Term of Office	Attendance Rate (%)			
			Average During Term of Office	Recent 3 Years		
				2019	2018	2017
	Kim Dae-hyung	2017.3 - Present	100	100	100	100
	Baek Yong-ho	2019.3 - Present	100	100		
	Ju Jong-nam	2015.3 - 2017.3	100	-	-	100

### C) Writing and Preservation of Auditing Procedures, Minutes of Meetings, and Audit Report, and Procedure of Reporting at General Shareholders Meetings

The above constitutes the activities of the Audit Committee, and the points discussed during meetings are recorded in the Audit Report in accordance with Article 15 of the Audit Committee Regulations. In addition, the committee members attend the general shareholders meeting to report the results of the auditing accounts and business.

### D) Internal Audit Bodies' Faithful Execution of Their Tasks

As stated above, our company's internal audit bodies (Audit Committee) faithfully execute their auditing duties by conducting audits through internal audit departments, evaluating the operation status of the internal accounting management policy, holding regular Audit Committee meetings, and ensuring full attendance of the committee members.

#### (Key Principle 10) External Auditors

The external auditor should perform audits fairly from a position that is independent of the company being audited, its management, and controlling shareholder such that the company's accounting information is regarded as trustworthy by the shareholders and its users.

(Principle 10-①) The internal audit bodies should establish and operate policies for securing the independence and expertise of external auditors when appointing them.

### A) Policy on Appointment and Operation of External Auditors

#### (i) Standards and Procedures for Appointing External Auditors in order to Secure Independence and Expertise of External Auditors

In order to secure the independence and expertise of external auditors, in accordance with Article 4-2 of the Act on External Audit of Stock Companies (appointing auditors of listed corporations, etc.), prior to revision, our company appointed the same auditor for three consecutive business years starting from 2018, and in accordance with Article 4 of the same law (appointment and dismissal of auditors), the Audit Committee deliberated on matters regarding the auditor's reliability, independence, expertise, global network, audit plans, audit schedule and compensation for the audit work. Following this deliberation, the Audit Committee approved, on January 23, 2018, the appointment of Samil PwC as our external auditor for three consecutive business years from 2018 to 2020. After the enforcement of the revised version of The Act on External Audit of Stock Companies in November of 2018, we have revised our Audit Committee Regulations to stipulate that the Audit Committee should select external auditors in accordance with Article 10 (appointment of auditors) of the same law, and we intend to newly establish "Standards and Procedures for Appointing External Auditors" as part of the Audit Committee Regulations and apply them when appointing external auditors in 2021.

**(ii) Establishment of Auditor Appointment Committee (for auditors other than the Audit Committee)**

This is not applicable due to the existence of the Audit Committee.

**(iii) Number of Meetings Held for Appointing External Auditors and Issues Discussed in Each Meeting**

One Audit Committee meeting was held in January, 2018 for the purpose of the appointment of an external auditor. The appointed external auditor is set to conduct auditing work for three consecutive years from 2018 to 2020. When appointing the external auditor, the committee collectively evaluated the auditor's performance in terms of carrying out auditing and non-auditing tasks, understanding of our company, auditing strategies, audit quality management plan, supervision of accounts auditing and lawsuit history, number of participants in audits, and level of expertise, etc.

**(iv) Evaluation of External Auditors**

The Audit Committee evaluates the auditing activities of the external auditor every year and considers the appropriateness of the auditing methodologies, cooperation level with the internal audit departments, status of restriction by regulators, and periodic replacement of audit managing partners.

**(v) Receiving Non-audit Services**

For the purpose of maintaining independence as an external auditor, Samil PwC performs non-auditing tasks that external auditors are allowed to perform in accordance with the related laws, such as duty restriction as outlined in the Certified Public Accountant Act, and that are judged not to undermine the independence of the external auditor, after receiving prior agreement of or reaching a negotiation with the Audit Committee. The Audit Committee collectively reviews whether such tasks are in compliance with Article 21 (duty restriction) of the Certified Public Accountant Act and Article 14 (duty restriction) of the enforcement decree of the same law, and reviews the possibility of damage to independence, the need for a contract, and appropriateness of the contract amount, etc.

In 2019, there was one non-audit contract formed with Samil PwC, which was for a consulting service for self-checking customs duties. Our company does not receive non-auditing services such as business advisory services through subsidiaries of the external auditor.

The external auditor, Samil PwC, attends our general shareholders meetings in order to provide opinions and to answer the questions of shareholders, etc., in accordance with Article 24 (attendance at the general shareholders meeting) of The Act on External Audit of Stock Companies.

**B) Policy for Securing Independence and Expertise of External Auditors when Appointing External Auditors**

As stated above, when appointing external auditors, our company operates the Audit Committee and complies with the related laws in order to secure the independence and expertise of external auditors.

**(Principle 10-②) The internal audit bodies should periodically communicate with external auditors at every step of the external audit and audit reporting.**

**A) Communication Between Internal Audit Bodies and External Auditors**

**(i) Discussion of Main External Audit Matters At Least Once a Quarter Without Management's Participation**

The Audit Committee first reviews our company's important accounting standards and financial statements of each quarter or half-year, and audits the end-of-year financial statements so as to identify any critical violations in terms of execution by the management, or any other violations of the relevant laws or the Articles

of Incorporation. Following this, the Audit Committee, having received a report by Samil PwC after its audit (review) of the account settlements for each quarter, exchanges opinions on the main issues without participation of the management. (Refer to Table 9-②-1-①.)

## **(ii) Main Discussion Points and Procedure of Reflecting Them in Internal Audit Work**

The external auditor reports, to the Audit Committee for the purpose of further discussion, the results of the auditing of the financial statements of each quarter or half-year and the auditing of the end-of-year financial statements. Specifically, the external auditor periodically reports, to the Audit Committee for further discussion, key audit items, identified violations in the half-year/quarter review results or end-of-year audit, and results of audits of the internal accounting management policy, etc. (Refer to Table 9-②-1-①.)

## **(iii) External Auditor's Procedure for Notifying Internal Audit Bodies, and Roles and Responsibilities of Internal Audit Bodies**

As stated in (ii), the external auditor is obligated to report key audit results to the Audit Committee every quarter. Once reported to regarding the key issues discovered by the external auditor, the Audit Committee should investigate violations, etc., by appointing external experts at our company's expense or through internal audit departments. Following this, the Audit Committee can make a request to the CEO for corrective actions, etc., based on the result of the investigation. If necessary (critical violation of the accounting standards, etc.), the investigation results and the results of our company's corrective actions, etc., should be immediately submitted to the Securities and Futures Commission and the auditor.

## **(iv) Submitting Pre-audit Financial Statements and Pre-audit Consolidated Financial Statements to External Auditor 6 Weeks and 4 Weeks, Respectively, Before Regular General Shareholders Meeting**

Our company submitted the pre-audit separate financial statements and the pre-audit consolidated financial statements to the external auditor Samil PwC on January 13, 2020 and January 14, 2020, respectively, which is six and four weeks before the regular general shareholders meeting. Additionally, we submitted the final annotated financial statements on January 23, 2020.

## **B) Reasons for Insufficient Periodic Communication Between Internal Audit Bodies and External Auditor, and Future Measures to Take (If such Insufficient Communication Exists)**

As stated above, the internal audit bodies and the external auditor carry out sufficient periodic communication in order to enhance the efficiency of audits.

# **5. Other Key Matters (When Necessary)**

## **1. Fulfillment of Social Responsibilities, etc.**

Our company makes the utmost effort to fulfill our social responsibilities by actively responding to the demands of internal and external stakeholders including shareholders, customers, and the local community. To this end, we publish a Sustainability Report every year that includes the topics of corporate governance, corporate ethics, and safe environments, etc. The report can be viewed on our website.

- LG Electronics Sustainability Reports: <http://www.lge.co.kr/lgekor/company/sustainability/report.do>

In addition, in order to develop into a world-class company, we share our business philosophies of "creating value for customers" and "respecting human dignity" among our employees in accordance with the LG Code

of Ethics, promote autonomous management based on autonomy and responsibility according to the spirit of our Management Charter, respect the free market system that pursues free and fair competition, and pursue the growth of all stakeholders based on mutual trust and cooperation. In particular, as the LG Code of Ethics stipulates our responsibilities toward the country and society-at-large, we will continue our reasonable business development in order to grow into a more robust company that protects the interests of shareholders and contributes to the nation's prosperity and the growth of society.

- LG Code of Ethics: <http://www.lge.co.kr/lgekor/company/about/ethics.do>

Note that our company has not been subjected to official restrictions or involved in lawsuits regarding corporate governance in the past three years.

Appendix. Articles of incorporation

## Appendix. Corporate Governance Index Status

Classification	Index	Compliance		Details on Compliance/Non-compliance	Remarks
		O	X		
Shareholders	① Make a general shareholders meeting convocation notice four weeks before the meeting.*		√	Made the notice 3 weeks (21 days) before the meeting in 2020.	
	② Implement electronic voting.*		√		
	③ Hold general shareholders meetings on dates other than dates which are major shareholders meeting dates.*		√	Held the meeting on March 26, 2020.	
	④ Notify the shareholders of the dividend policy and dividend payout plans at least once a year.**	√		Included the dividend policy in the quarterly performance presentation materials and posted it on the website.	Refer to Principle 1-4.
Board of Directors	⑤ Establish and operate a CEO succession policy (emergency appointment included).	√		Candidates for succession are selected and trained every year.	Refer to Principle 3-2.
	⑥ Establish and operate an internal control policy.	√		Policies on risk management (BOD Regulations), compliance management, internal accounting management, and public disclosure have been established and are in operation.	Refer to Principle 3-3.

	⑦ Separate the BOD chairperson and CEO.	√		A non-executive director (Kwon Young-su) has been the chairperson since March 2019.	Refer to Principle 4-1.
	⑧ Implement concentrated voting system.		√ <sup>1)</sup>		
	⑨ Establish a policy of preventing appointment of those responsible for damaging company value or violating the rights of shareholders.	√		There are internal regulations established regarding the appointment of directors, and directors are appointed through a process of deliberation.	Refer to Principle 4-4.
	⑩ Absence of independent directors holding office for longer than 6 years	√			Refer to Principle 5-1.
<b>Audit Bodies</b>	⑪ Provide education to internal audit bodies at least once a year.**	√		Education related to auditing by external specialists is provided (7 times in total from January 2019 to the present).	Refer to Principle 9-1.
	⑫ Establish an independent internal audit department (internal audit support organization).		√ <sup>2)</sup>		
	⑬ Presence of accounting or finance specialists within the internal audit bodies	√		1 accounting specialist	Refer to Principle 9-1.
	⑭ The internal audit bodies meet with external auditors without the management at least once a quarter.**	√		On a quarterly basis the auditors provide reports, and opinions are exchanged.	Refer to Principle 10-2.
	⑮ Presence of a procedure to allow the internal audit bodies to access important management-related information	√		Specified in the Audit Committee Regulations	Refer to Principle 9-1.

○ This document was created on the date of its submission.

Items marked with \* apply to the regular general shareholders meeting immediately before the date of submission of this report.

Items marked with \*\* are for determining if the item has been complied with within the public disclosure period.

1) Since adoption of a concentrated voting system, rather than strengthening the rights of minority shareholders, may end up deteriorating our business performance due to the pursuit of personal gain, such as domination of the BOD by speculative funds, we currently do not have any plans to implement such a system.

2) The internal accounting audit team, which is our company's internal audit department (internal audit support organization), has a system in place that ensures independence by directly reporting to the Audit Committee. However, the internal audit department is under the CEO in terms of the organizational structure, and thus the Audit Committee does not have authority over matters regarding human resources or budgets of the internal audit department. Therefore, this item was judged not to meet the condition for complete independence as required by the guidelines and was marked as "non-compliant."