

Corporate Governance Report 2021



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

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

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I. Overview

1. Company name: LOTTE Chemical Corporation (“LCC”)

2. Compiled by:

Classification	Name	Position	Affiliation	Phone No.	Email
Principal	Kang, Dong-woo	Manager	IR Team	02-829-4114	dongwoo.kang@lotte.net
Assistant	JO, Dae-kyoung	Manager	IR Team	02-829-4114	20090038@lotte.net

3. Reference date: December 31, 2021

¹⁾ Largest shareholders, etc.	LOTTE Holdings and 22 others	% of largest shareholders ¹⁾	25.59%
		% of minor shareholders ²⁾	40.20%
Business type (Financial /Non-financial)	Non-financial	Major products	Polyethylene, polypropylene, ABS, etc.
“Business group” under the Monopoly Regulations and Fair Trade Act (Applicable / Not applicable)	Applicable	Act on the Management of Public Institutions (Applicable / Not applicable)	Not applicable
Business group name	LOTTE		
Summarized financial status (in KRW 100 million)			
	2021	2020	2019
Revenue (consolidated)	181,205	122,230	151,235
Operating income (consolidated)	15,356	3,569	11,073
Profit from continuing operations (consolidated)	14,256	1,753	8,586
Net income (consolidated)	14,256	1,753	7,567
Total assets (consolidated)	228,700	193,865	200,431
Total assets (separate)	174,274	151,761	143,962

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

2) As of the end of the recent business year

II. Corporate Governance Status

1. Corporate Governance Policy

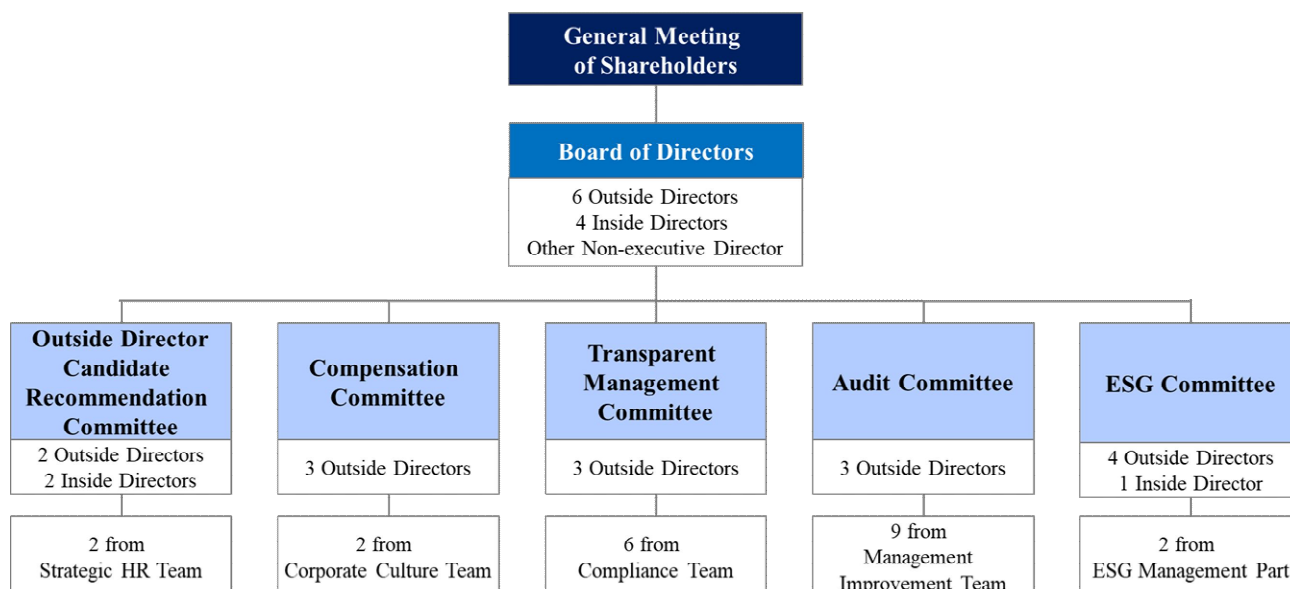
(1) Operation Direction of Governance Principles and Policies, and Main Issues

LOTTE Chemical Corporation (hereinafter, “LCC”) strives to contribute to the abundant lives of humanity by providing trusted and loved products and services. We shall seek continuous growth of corporate value as a Company that is respected by citizens and fulfills its social responsibilities. We intend to establish a healthy corporate governance system that will serve as the platform for continuous growth, and secure fair, transparent and independent governance to operate an inter-checking and balanced governance structure.

Our corporate governance is established and operated in accordance with the principles and procedures specified for the establishment and operation of the corporate governance based on relevant laws and regulations such as the Commercial Act and the internal regulations of LCC. In addition, we have delegated management decision-making rights and business-execution rights to the Board of Directors (hereinafter, “the BOD”) and the management, respectively, pursuant to the BOD Rules and related regulations to realize a stable and healthy governance structure through checks and balances among members of LCC. In order to allow the BOD to effectively perform its function of checking the business execution rights of the management, the BOD consists of 11 directors and of which more than half (six out of 11 directors) are outside directors. Candidates for inside directors are selected through consultation between the top management and HR executives from among a number of candidates who meet the qualifications for CEO. Outside director candidates are recommended transparently and fairly by the Outside Director Candidate Recommendation Committee, in which two-thirds of the members are outside directors, based on the principles of expertise, transparency and diversity.

Candidates for director selected through such procedures are appointed by a resolution at the general meeting of shareholders. In addition, the Chairperson of the BOD is appointed through the recommendation for candidates and resolution of the BOD from among all BOD members. Information related thereto is provided through a notice of the convocation of a general meeting of shareholders, allowing sufficient time for shareholders to review it prior to the general meeting of shareholders; and the final appointment is made with the approval of the shareholders on the day of the general meeting of shareholders.

Our Board of Directors, composed as such, conducts mutual checks and balances on business execution of the management by reviewing and resolving management issues in-depth based on expertise and diversity. In addition, the BOD has established and operated a total of five sub-committees (Audit Committee; Outside Director Candidate Recommendation Committee; Compensation Committee; Transparent Management Committee; and ESG Committee). To secure independence, checks and balances among all the committees, the majority of the committee members are outside directors. The Audit Committee, Transparent Management Committee, and Compensation Committee except for Outside Director Candidate Recommendation Committee and ESG Committee consist of outside directors, in order to strengthen management transparency.



Our governance-related information is transparently disclosed to the public, and the full text of all the internal regulations relating to governance, such as the Articles of Incorporation, the BOD Rules, and regulations of BOD sub-committees, are disclosed on the website (<https://www.lottechem.com>) of LCC. The above systems and devices allow for checks and balances between the Board of Directors, management, and outside directors, while at the same time allowing us to make optimal management decisions. Detailed information related to our corporate governance can be found on its abovementioned website, via the electronic disclosure system (<http://dart.fss.or.kr>), and the Corporate Governance Charter attached to the disclosed information and other attachments.

(2) Characteristics of LCC's Governance

1) BOD composed of a majority of outside directors

As of the report's due date, our BOD consists of 11 directors in accordance with our Articles of Incorporation. Six out of eleven directors are outside directors, which account for the majority of members in accordance with relevant laws and regulations. We include outside personnel with diverse knowledge and expertise in the BOD to collect reasonable opinions through deliberation and discussions on various issues relating to the management from diverse perspectives, while strengthening checks and balances on the management through a number of outside directors whose independence is verified. In particular, the Audit Committee, which performs internal control on business execution, applies stricter standards than legal standards, by all three outside directors. Two out of three members of the Outside Director Candidate Recommendation Committee are outside directors to ensure fairness in the process of appointing outside directors.

2) Sub-committees under the BOD

Our Board of Directors operates a total of five sub-committees, namely: the Audit Committee; Outside Director Candidate Recommendation Committee; Compensation Committee; Transparent Management Committee; and ESG Committee. In addition to the roles and authorities of the committees specified by laws and regulations, we are enhancing the expertise, independence, and efficiency of the Board by defining the scope of each committee's rights in detail in its regulations. Accordingly, the Audit Committee carries out active roles and functions in terms of internal control, including not only approving and reporting legal obligations, but also reporting extraordinary incidents and external auditors' auditing status.

The Transparent Management Committee verifies the appropriateness and fairness of transactions with affiliates belonging to LCC's corporate group.

The Outside Director Candidate Recommendation Committee resolves matters on the selection of outside director candidates to be recommended to the Board. The Compensation Committee deliberates and decides on compensation-related matters for executives to ensure transparency and objectivity in the payment of the

compensation. Lastly, the ESG Committee deliberates and decides on suitability and feasibility in decision-making for business from an ESG point of view.

3) Strengthening outside directors' expertise

Our outside directors are experts in industries, finance and accounting, and laws. Relevant departments go through diverse verification procedures on candidates for outside director positions to select the best-qualified directors. In order to enhance the Board's competence by maximizing the expertise of each outside director, LCC actively responds to outside directors' requests for information regarding decision-making through the dedicated department and relevant departments. We also facilitate a pre-reporting procedure prior to the Board meetings so that the directors can carefully examine and review crucial issues and make the best decisions.

In the meantime, LCC submits quarterly reports on the status of its major businesses in order to ensure that all outside directors fully understand LCC's businesses.

4) Corporate Governance Status (Summary)

Category	Composition (Outside directors/Total no. of members)	Chairperson (Inside or outside director)	Main duties
Board of Directors	6/11	Kim Kyo-hyun (Inside director)	Deliberation/approval on major management issues pursuant to Article 13 of the Board of Directors Rules
Audit Committee	3/3	Choi Hyon-min (Outside director)	Audit on financial statements, evaluation of internal accounting management operation status, selection of auditor, etc.
Outside Director Candidate Recommendation Committee	2/3	Lee Keum-ro (Outside director)	Deliberation and recommendation of candidates for outside directors to be presented at the general meeting of shareholders
Transparent Management Committee	3/3	Jeong Joong-won (Outside director)	Deliberation and resolution on large-scale internal transactions of KRW 5 billion or more under the Monopoly Regulations and Fair Trade Act
Compensation Committee	3/3	Jeon Woon-bae (Outside director)	Deliberation and decision on executive compensation
ESG Committee	4/5	Jeon Woon-bae (Outside director)	Resolution, deliberation and review on business decision-making from the perspective of ESG

2. Shareholders

(Key Principle 1) Shareholder Rights

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

2.1. Shareholder Rights

Shareholders of LCC reserve basic rights, such as the right to participate in profit distribution, and the right to attend and vote at the general meetings of shareholders, as stipulated by the Commercial Act and related laws and regulations. In addition, matters that cause significant changes in LCC's continuance and shareholder rights are decided at the general meeting of shareholders based on the principle of guaranteeing shareholder rights as much as possible.

(Detailed Principle 1-⑥) The Company should provide shareholders with sufficient notice of the date, location, and agenda of a general meeting of shareholders.

2.1.1. Matters Concerning Convocation of General Meeting of Shareholders

1) Provision of information on general meeting of shareholders

When LCC has issues to be resolved at the general meeting of shareholders, LCC provides information on the date, place, and agenda of the general meeting of shareholders in a timely manner to ensure participation of shareholders as much as possible. In accordance with the provisions of the Commercial Act and Article 21 (Notice of Convocation and Announcement) of our Articles of Incorporation, we post the notice of the convocation of the general meeting of shareholders on the electronic disclosure system (<http://dart.fss.or.kr>) and on our website (<https://www.lottechem.com>) through an electronic notice to provide sufficient information to all shareholders who hold LCC's stock 2 and 4 weeks prior to the scheduled date of general meeting of shareholders, while sending a separate notice of convocation to shareholders who hold 1% or more of equity. We have held a total of three regular general meeting shareholders for the period from 2020, the previous fiscal year, to the present, without an extraordinary general meeting of shareholders. The current status and details of the general meeting of shareholders are as follows (Table 1-①-1).

(Table 1-①-1) Details of General Meetings of Shareholders held for the period from the commencement date of the business year just before the disclosure period to the present

Category	46 th AGM	45 th AGM	44 th AGM
Date of resolution on convocation	Mar. 3, 2022	Mar. 3, 2021	Mar. 4, 2020
Date of convocation notice	Mar. 4, 2022	Mar. 4, 2021	Mar. 10, 2020
Date of convocation	Mar. 24, 2022	Mar. 23, 2021	Mar. 25, 2020
Number of days between convocation notice date and convocation date	20 days prior to the general meeting	19 days prior to the general meeting	15 days prior to the general meeting
Venue / region	Auditorium 31/F, LOTTE World Tower, 300 Olympic-ro, Songpa-gu, Seoul	Auditorium 31/F, LOTTE World Tower, 300 Olympic-ro, Songpa-gu, Seoul	Auditorium 31/F, LOTTE World Tower, 300 Olympic-ro, Songpa-gu, Seoul

Matters pertaining to notifying shareholders of the general meeting		Sending a notice (to shareholders holding 1% or more of equity) and posting notice electronically (DART and website)	Sending a notice (to shareholders holding 1% or more of equity) and posting notice electronically (DART and website)	Sending a notice (to shareholders holding 1% or more of equity) and posting notice electronically (DART and website)
Matters pertaining to notifying foreign shareholders of the general meeting		Posting a resolution on convocation in English	-	-
Details	Attendance of board members	Ten out of eleven 3 inside directors 6 outside directors 1 non-executive director	Ten out of eleven 3 inside directors 6 outside directors 1 non-executive director	Seven out of eleven 2 inside directors 5 outside directors
	Attendance of auditors or Audit Committee members	Three out of three	Three out of three	Three out of three
	Comments from major shareholders	Agenda was approved and seconded by majority shareholders	Agenda was approved and seconded by majority shareholders	Agenda was approved and seconded by majority shareholders

2) Matters concerning whether the details on general meeting of shareholders were provided to the shareholders in a timely manner, future plans, etc.

We are making great efforts to provide shareholders with sufficient information relating to the general meeting of shareholders in a timely manner. In fact, as shown above (Table 1-①-1), when LCC held the general meetings of shareholders over the past three years, LCC has notified the shareholders of the convocation 2 earlier than the period stipulated by the Commercial Act, so that shareholders can read the agenda of the general meeting of shareholders with a sufficient period of time before attending the meeting.

However, the reasons why LCC has not ‘notified the convening of a general meeting of shareholders four weeks before the date of the general meeting of shareholders’ as set forth in the Best Practices for the Corporate Governance is that LCC has notified the shareholders of the financial information equivalent to the resolution of agenda items and audit reports to provide sufficient and accurate information to shareholders two to three weeks in advance. Going forward, LCC will improve its internal procedures to provide the information pertaining to the general meeting of shareholder more accurately and with a sufficient period of time; and, LCC will strive to issue a convocation notice, post the notice on the website, and make public announcements on the electronic disclosure system four weeks prior to the general meeting of shareholders in accordance with the Best Practices for the Corporate Governance.

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

2.1.2 Matters Concerning Exercise of Voting Rights at the General Meeting of Shareholders

1) Matters concerning AGM days

In order to ensure that shareholders can exercise their voting rights smoothly, as described (Table 1-②-1) below, LCC holds the general meeting of shareholders on the day other than the “concentrated AGM days” announced by the Korea Listed Companies Association at the beginning of every year from the immediately preceding business year to the report due date. Moreover, LCC has participated in and faithfully implemented the compliance program designed to avoid concentrated convocation of AGMs by the Korea Listed Companies Association.

2) Voting system and status of solicited proxy voting

Our Articles of Incorporation do not provide for postal voting as specified in Article 368-3 of the Commercial Act, according to which voting rights can be exercised by shareholders in writing without attending the general meeting of shareholders in person. However, for the convenience of shareholders in operating the general meeting of shareholders and exercising their voting rights, on February 22, 2021, the Board of Directors introduced an electronic voting system in accordance with Article 368-4 of the Commercial Act, which has been in effect since the 45th annual general meeting of shareholders (in 2021).

In addition, in order to secure a quorum and facilitate the exercise of voting rights by shareholders, we solicited all shareholders listed in the list of shareholders on the date on which the rights are confirmed to exercise their voting rights by proxy. For this purpose, we prepare a proxy form and reference documents, which are posted on the electronic-disclosure systems and website of LCC, in accordance with the Financial Investment Services and Capital Markets Act two days before starting solicitation.

(Table 1-②-1) Whether AGM was held on major AGM days [Jan. 01, 2020~May 31, 2022]

Category	46 th AGM	45 th AGM	44 th AGM
Dates of AGM concentration	March 25, 2022 March 30, 2022 March 31, 2022	March 26, 2021 March 30, 2021 March 31, 2021	March 13, 2020 March 20, 2020 March 26, 2020 March 27, 2020
The Company's AGM date	March 24, 2022	March 23, 2021	March 25, 2020
Avoided concentration date	Yes	Yes	Yes
Written voting	No	No	No
Electronic voting	Yes	Yes	No
Proxy voting solicitation	Yes	Yes	Yes

Bill 3-5	Ordinary	Appointment of Kang Jeong-won as an outside director	Approved	34,275,419	25,663,872	22,500,628
						(87.67%)
						3,163,244
						(12.33%)
Bill 3-6	Ordinary	Appointment of Cho Woon-hang as an outside director	Approved	34,275,419	25,663,872	25,472,382
						(99.25%)
						191,490
						(0.75%)
Bill 4-1	Ordinary	Appointment of Choi Hyon-min as an Audit Committee member	Approved	16,930,321	8,318,774	4,833,451
						(58.10%)
						3,485,323
						(41.90%)
Bill 4-2	Ordinary	Appointment of Cho Woon-hang as an Audit Committee member	Approved	16,930,321	8,318,774	8,229,622
						(98.93%)
						89,152
						(1.07%)
Bill 5	Ordinary	Approval of director remuneration limit	Approved	34,275,419	25,663,872	20,002,624
						(77.94%)
						5,661,248
						(22.06%)

At the 45th annual general meeting of shareholders held on March 23, 2021, shareholders with a total of 28,298,826 shares, equivalent to about 80% of the total number of issued shares, attended and exercised their voting rights as follows: (The agenda items submitted to the 45th annual general meeting of shareholders and the detailed pros and cons of each agenda item are shown in the table below, and all agenda items for the 45th annual general meeting of shareholders were approved as proposed.)

Annual	45 th AGM				March 23, 2021	
Agenda item	Type of resolution	Description	Voting result	Total number of shares with voting rights (①)	Number of shares that exercised voting rights out of① (A)	Number of shares in favor (B)
						(ratio, %)
						Number of shares in opposition or abstention (C)
						(ratio, %)
Bill 1	Ordinary	Approval of the financial statements for the 45 th fiscal year including a statement of disposition of retained earnings	Approved	34,275,419	27,298,826	26,437,204
						(96.84)
						861,622
						(3.16)
Bill 2	Special	Amendment to Articles of Incorporation	Approved	34,275,419	27,298,826	27,293,467
						(99.98)
						5,359
						(0.02)
Bill 3	Ordinary	Appointment of directors (3 inside directors, 1 non-executive director)	Approved	34,275,419	27,298,826	22,257,441
						(81.53)
						5,041,385

						(18.47)
Bill 4	Ordinary	Appointing Outside Director Who is a Member of the Audit Committee (1 Person)	Approved	16,449,886	9,473,293	9,466,103
						(99.92)
						7,190
						(0.08)
Bill 5	Ordinary	Approval of director remuneration limit	Approved	34,275,419	27,298,826	27,280,745
						(99.93)
						18,081
						(0.07)
Bill 6	Ordinary	Revision of regulations on payment of executive severance	Approved	34,275,419	27,298,826	27,273,777
						(99.91)
						25,049
						(0.09)

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

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

(3) Ratio of number of shares in favor (%) = $(B/A) \times 100$

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

(Other items to be stated)※ If there are any matters that require additional explanation in relation to the general meeting of shareholders, such as an explanation of whether each agenda item is to be voted on collectively (in particular, amendments to the Articles of Incorporation, appointment of directors, appointment of auditors, etc.), it shall be stated as such.

3) Future plans including operation of general meetings of shareholders

As described above, LCC holds general meetings of shareholders on a day other than the concentrated days of general meetings of shareholders, and has introduced and operated an electronic voting system to facilitate the exercise of voting rights by shareholders. In addition, LCC is actively soliciting shareholders to exercise their voting rights by proxy through public disclosure, etc. Based on this, we consider that we are taking sufficient measures to allow shareholders to participate in the general meeting of shareholders and exercise their voting rights. Going forward, LCC will continuously strive to ensure that shareholders attend the general meeting of shareholders as much as possible and express their opinions.

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

2.1.3 Matters Concerning Shareholders' Rights to Make Proposals

1) Shareholder proposals: handling standards and procedures

In accordance with Article 363-2 (Shareholders' Rights to Make Proposals) and Article 542-6 (Minority Shareholders' Rights) of the Commercial Act, a shareholder who has continued to hold shares equivalent to at least 5/1,000 of the total number of issued and outstanding shares of LCC (excluding shares without voting rights) for more than six months may propose, either in writing or in electronic documents, to submit certain agenda items to the general meeting of shareholders six weeks prior to the date of the general meeting of shareholders. The proposed agenda is reported to the Board of Directors in accordance with Article 363-2 (3) of the Commercial Act, and the Board of Directors shall submit the proposed agenda to the general meeting of shareholders, except in cases where the shareholder proposal violates laws or the Articles of Incorporation and other cases prescribed by Presidential Decree. Such procedures for shareholders to make proposals are posted on LCC website (<https://www.lottechem.com> > Investors > Corporate Governance > General Meeting of Shareholders).

2) Details of shareholder proposals and implementation status

As shown below (Table 1-③-1 and Table 1-③-2), LCC has not received any shareholder proposals, and any public letters submitted as part of institutional investors' responsible investment activities over the period commencing from the immediately preceding fiscal year subject to the report due date.

3) Exercise of shareholders' rights to make proposals and submit future plans

As described above, as LCC informs the procedure for the shareholders to exercise their rights to submit proposals on LCC's website, it considers that it facilitates the convenience of shareholders in exercising their rights to make proposals. Going forward, we will make it easier to exercise the shareholders' rights to make proposals by submitting prior notification of the agenda for the general meeting of shareholders.

(Table 1-③-1) Details of Shareholder Proposals [Jan. 01, 2020 ~ May 31, 2022]

Proposal date	Person who makes proposal	Details	Handling and implementation status	Results	Approval rate (%)	Opposition rate (%)
-	-	-	-	-	-	-

(Table 1-③-2) Main Contents of Public Letter and Handling Status [Jan. 01, 2020 ~ May 31, 2022]

Sending date	Person who sends	Details	Reply date	Details of reply
-	-	-	-	-

(Detailed Principle 1-④) The Company should develop mid- to long-term shareholder return policies and plans, including dividends, and communicate them to shareholders.

2.1.4. Matters Concerning Shareholder Return Policy

1) Dividend policies and future plans

In accordance with Article 50 (Disposition of Profits) of the Articles of Incorporation, LCC pays dividends by a resolution of the Board of Directors and approval at the general meeting of shareholders. Article 51 and Article 51-2 of the Articles of Incorporation stipulate dividends and interim dividends. We determine the appropriate dividend rate, etc., taking into consideration investment for continuous growth of LCC, shareholder value enhancement, and business environment within the profits available for payment of dividends.

In addition, on March 31, 2022, LCC announced the mid-term (from 2022 to 2024) shareholder return policy to enhance shareholder value.

- LCC's shareholder return policy for three years from 2022 to 2024
 - Pursuing annual dividend payout ratio of 30% (based on separate net income)
 - Paying interim dividend once per year to enhance dividend stability and long-term predictability
 - Purchasing treasury stock worth 300 billion won for three years from 2022 to 2024

The abovementioned shareholder return policy was announced through the CEO IR DAY event and electronic disclosure on March 31, 2022, and relevant data were posted on the electronic disclosure system (DART) and LCC's website. Since then, LCC has provided relevant information from time to time at various investor communication events, such as announcement of earning results and conference calls.

We believe that we are faithfully sharing information on shareholder return policy as we thoroughly provide shareholders and investors with information on the mid-term shareholder return policy (2022~2024) established in 2022 in diverse manners — such as events, website postings, electronic disclosures, and conference calls. LCC will continue to enhance investor confidence by providing faithful information on shareholder return policies.

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

2.1.5. Matters Concerning Shareholder Return

1) Status of shareholder return

In accordance with the dividend policy (“Distributing 30% of net income” (based on separate financial statements, excluding one-off gains)), LCC has paid out dividends of KRW 6,700/share (58.23%) in 2019; KRW 3,600/share (106.8%) in 2020; and KRW 8,300/share (33.99%) in 2021— in an amount exceeding the dividend policy by the resolution at the general meeting of shareholders. As such, LCC has been continuously paying dividends every year, and has been paying dividends for 27 consecutive fiscal years based on the disclosures made in the electronic disclosure system of the Financial Supervisory Service. There is no record of unequal/quarterly/interim dividends made over the past three business years, but going forward, we plan to make shareholder-friendly dividends based on the mid-term return policy.

(Table 1-⑤-1) Shareholder Return Status over the Past Three Business Years

(In shares, KRW 100 million, %)

Business year	Closing month	Type of share	Share dividends	Dividends in cash				
				Dividend per share ¹⁾	Total dividends	Dividend yield ²⁾	Payout ratio ³⁾	
							Consolidated basis	Non-consolidated basis
2021	Dec.	Common	-	8,300	2,845	3.65	19.56	33.99
2020	Dec.	Common	-	3,600	1,234	1.37	70.37	106.8
2019	Dec.	Common	-	6,700	2,296	2.88	32.12	58.23

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

2) Total dividends / consolidated or separate net income

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

Based on the abovementioned dividend policy, LCC's dividend payout ratios (non-consolidated basis) were 58.23% in 2019, 106.8% in 2020, and 33.99% in 2021, respectively, which were in excess of LCC's dividend policy (30% based on separate financial statements). In light of this, we believe that we are currently returning profits to shareholders at an appropriate level of dividends, and we will strive to guarantee shareholders' rights, and to provide an appropriate level of shareholder return by faithfully implementing the policy in accordance with the mid-term shareholder return policy (2022~2024) announced this year.

(Key Principle 2) Fair Treatment of Shareholders

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

2.2. Fair Treatment of Shareholders

Our shareholders have one voting right for each common share in accordance with Article 368 of the Commercial Act and Article 25 of the Articles of Incorporation, and the number of shares with voting rights required for appointment of Audit Committee members are specified pursuant to the relevant laws and regulations. In addition, as a stock-listed corporation, LCC complies with the disclosure deadlines set by the relevant laws and provides corporate information to all shareholders fairly through the electronic disclosure system and its website.

Category	Electronic disclosure system	The Company's website
In Korean	http://dart.fss.or.kr	https://www.lottechem.com
In English	http://englishdart.fss.or.kr	https://www.lottechem.com/en/index.do

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

2.2.1. Status of Issued Shares and Provision of Company Information

1) Status of Issued Shares

As of the reference date, as shown in the table below (2-①-1), the total number of our shares authorized for issuance is 100,000,000, with 34,275,419 common shares, and no class shares.

2) Matters concerning class shares and future plans

Our shareholders have one voting right per common share pursuant to Article 368 of the Commercial Act and Article 25 of the Articles of Incorporation, and regarding the class shares, preferred shares to be issued by LCC in accordance with Article 8 (Number and content of preferred shares) of the Articles of Incorporation have no voting rights. However, if it is not possible to pay the prescribed dividends from the profits of the year with respect to the preferred shares, the preferred shares shall be considered to have voting rights from the general meeting of shareholders following the general meeting where a resolution not to pay the prescribed dividends for the preferred shares is made until the end of the general meeting of shareholders where the resolution to pay the dividends is passed. Since LCC has not issued any class shares so far, the reasons for issuance and details of the general meeting of shareholders have been stated.

As described above, we grant equal voting rights with one vote per one common share in accordance with our Articles of Incorporation. In addition, no class shares such as preferred shares have been issued, and preferred shares have limited voting rights. In order to prevent infringement on the voting rights of shareholders, we believe that we guarantee fair voting rights for all shareholders in proportion to the number of shares held by the shareholders, and we will continue to strive to ensure the shareholders' rights.

(Table 2-①-1) Status of Issued Shares

Category	Number of authorized shares (share)	Number of shares issued (share)	Remarks
Common	100,000,000	34,275,419	Common shares basis
Preferred	-	-	-

※ The number of authorized shares: Number of authorized shares as-of date (number of shares in the Articles of Incorporation)

※ Number of issued shares: Total number of shares issued until the as-of date — total number of shares decreased (through reduction or retirement until the as-of date)

3) Matters concerning communication with shareholders

As a stock-listed corporation, LCC has an obligation to inform shareholders of LCC's major management issues. When we make decision on the overall management of LCC in accordance with various disclosure-related laws such as the Financial Investment Services, and Capital Market Act, and the Securities Market Disclosure Regulations, LCC provides timely information to all shareholders through the electronic disclosure system (<http://dart.fss.or.kr>) and its website (<https://www.lottechem.com>).

① IR Event Status

In order to communicate with shareholders, LCC holds IR events on a quarterly basis through conference calls. In addition, we introduced a real-time webcasting during the Q3 briefing session in 2021 so that shareholders can freely listen to the conference call on earnings results. In addition, information is delivered in a timely and fair manner to domestic and foreign shareholders through simultaneous interpretation during the conference calls. The conference-call materials are prepared both in Korean and English, and are disclosed via our website.

As shown below (Table 2-①-2), in addition to the earnings results conference call, we are actively communicating with shareholders through frequent IR events such as domestic and overseas NDR, participation in conferences held by securities companies, and meetings with visiting investors. The announcement of the major management plans of LCC such as mid-to-long-term growth strategy is directly made by the top management, so that shareholders and investors are actively engaged in IR events. Information on IR events held by LCC is available on the website (<https://www.lottechem.com> - Investors - IR Events & Data Center). In addition, we disclose our representative phone number and email address for IR-related inquiries that can be connected to the IR-dedicated department, and we also disclose our representative phone number and email address on the English website for foreign shareholders to answer inquiries from domestic and foreign shareholders, etc. As such, we communicate with shareholders from time to time.

(Table 2-①-2) Details of Major IR, Conference Calls, Communications with Shareholders (Jan. 1, 2021 ~ May 31, 2022)

Date	Target	Format	Highlights	Remarks
Feb. 5, 2021	Domestic/Foreign institutional investors	Conference call	Q4 earnings result	
Feb. 15~17, 2021	Domestic institutional investors	Conference call (NDR)	Q4 earnings result	
Feb. 19, 2021	Foreign institutional investors (Asia)	Conference call (Securities companies attend the conference)	Management status and Q&A	
Feb. 25, 2021	Foreign institutional investors (Asia)	Conference call (Securities companies attend the conference)	Management status and Q&A	
Mar. 4, 2021	Foreign institutional investors	Conference call (Securities companies attend the conference)	Management status and Q&A	
Mar. 24~26, 2021	Foreign institutional investors	Conference call (NDR)	Mid-to-long-term growth strategy	CEO attended

Mar. 25, 2021	Domestic/Foreign institutional investors	Conference call (Securities companies attend the forum)	Briefing on eco-friendly and recycle businesses	
Apr. 7, 2021	Domestic institutional investors	Conference call (Attended Securities companies' Corp Day)	Management status and Q&A	
Apr. 8, 2021	Foreign institutional investors	Conference call (Attended Securities companies' Corp Day)	Management status and Q&A	
May 7, 2021	Domestic/Foreign institutional investors	Conference call	Q1 earnings result	
May10~12, 2021	Domestic institutional investors	Conference call (NDR)	Q1 earnings result	
May 17~18, 2021	Foreign institutional investors	Conference call (NDR)	Q1 earnings result	
Jun. 17, 2021	Foreign institutional investors (Asia)	Conference call (Securities companies attend the forum)	Briefing on eco-friendly and recycle businesses	
Jun. 24, 2021	Foreign institutional investors	Conference call	Management status and Q&A	
July 13, 2021	Domestic securities companies	Briefing (web meeting)	Briefing on eco-friendly and hydrogen businesses	CEO attended
Aug. 6, 2021	Domestic/Foreign institutional investors	Conference call	2021. Q2 earnings result	
Aug. 9~11, 2021	Domestic institutional investors	Conference call (NDR)	2021. Q2 earnings result	
Aug. 17~18, 2021	Foreign institutional investors	Conference call (NDR)	2021. Q2 earnings result	
Aug. 31, 2021	Foreign institutional investors	Conference call	Briefing on eco-friendly and hydrogen businesses	
Sept. 29, 2021	Domestic institutional investors	Conference call (Attended Securities companies' Corp Day)	Management status and Q&A	
Nov. 5, 2021	Domestic/Foreign institutional investors	Conference call	2021. Q3 earnings result	
Nov.08, 2021	Domestic institutional investors	Conference call (NDR)	2021. Q3 earnings result	
Nov.17, 2021	Foreign institutional investors	Conference call (Securities companies attend the forum)	Management status and Q&A	
Nov.24, 2021	Foreign institutional investors	Conference call	Briefing on eco-friendly and hydrogen businesses	
Dec. 3, 2021	Foreign institutional investors	Conference call	Briefing on eco-friendly business	
Dec. 8, 2021	Domestic institutional investors	Conference call (Attended Securities companies' Corp Day)	Management status and Q&A	
Dec. 9, 2021	Foreign institutional investors	Conference call	Management status and Q&A	
Dec. 16, 2021	Domestic institutional investors	Conference call (Attended Securities companies' Corp Day)	Management status and Q&A	
Feb.08, 2022	Domestic/Foreign institutional investors	Conference call	2021. Q4 earnings result	
Feb.10, 2022	Domestic institutional investors	Conference call (NDR)	2021. Q4 earnings result	
Feb. 24, 2022	Foreign institutional investors	Conference call (NDR)	2021. Q4 earnings result	
Mar. 3, 2022	Foreign institutional investors	Conference call	Management status and Q&A	

Mar. 7, 2022	Domestic securities companies	Briefing (face-to-face)	Management status and Q&A	
Mar. 31, 2022	Domestic institutional investors	Briefing (face-to-face)	Sharing ESG new business strategy	CEO attended
Apr. 4, 2022	Domestic securities companies	Briefing (web meeting)	Sharing ESG new business strategy	
Apr. 5, 2022	Foreign securities companies	Briefing (web meeting)	Sharing ESG new business strategy	
Apr. 6, 2022	Domestic institutional investors	Conference call (Attended Securities companies' Corp Day)	Management status and Q&A	
May 13, 2022	Domestic/Foreign institutional investors	Conference call	2022. Q1 earnings results	
May 16~17, 2022	Domestic institutional investors	Conference call (NDR)	2022. Q1 earnings results	
May 24~26, 2022	Foreign institutional investors	Conference call (NDR)	2022. Q1 earnings results	

② Availability of IR Division's contact details

We disclose major management issues via the electronic disclosure system (<http://dart.fss.or.kr>, <http://kind.krx.or.kr>) and its website (<https://www.lottechem.com>).

For foreign shareholders, as shown below (Table 2-①-3), we are disclosing major Exchange-related issues in English on the English electronic disclosure system (<http://englishdart.fss.or.kr>) and LCC's website written in English (<https://www.lottechem.com/en/index.do>).

③ Provision of fair disclosure

In addition to its legally required disclosure obligations, LCC provides its business results, business outlook and future business plans through fair disclosure to strengthen communication with shareholders. We informs shareholders of the holding of IR events at least three weeks in advance, and disclose (provisional) operating performance based on consolidated financial statements one week prior to the IR date. In addition, we are making fair disclosure through the electronic disclosure system so that all investors can know before announcing new businesses and mid/long-term management policies of LCC, while preventing unbalanced provision of information to specific people by uploading data on the website. As result of such efforts, LCC was never designated as an unfaithful disclosure corporation during the fiscal year.

(Table 2-①-3) Details of English Disclosure (Jan. 1, 2021~ May 31, 2022)

Date of Disclosure	Title (In English)	Highlights (In Korean)
Jan. 15, 2021	Organization of Investor Relations Event	2020.4Q 결산 실적공시 예고 (안내공시)
Feb. 5, 2021	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	2020.4Q 잠정 실적 공시 (공정공시)
Feb. 5, 2021	Decision on Cash Dividend and Dividend in Kind	현금 · 현물배당 결정
Feb. 5, 2021	30% or More Changes in Sales or Profits/Losses (15% or More in the case of Large-scale Corporations)	30% 혹은 15% (대) 매출 혹은 손익 변경에 따른 공시
Feb. 5, 2021	Other Management Information (Voluntary Disclosure)	기타 경영사항 (기부금 출연)
Feb. 5, 2021	Other Management Information (Voluntary Disclosure)	기타 경영사항 (기부금 출연)
April 9, 2021	Organization of Investor Relations Event	2021.1Q 결산 실적공시 예고 (안내공시)

May 7, 2021	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	2021.1Q 잠정 실적 공시 (공정공시)
May 26, 2021	New Facilities Investment, etc. (Voluntary Disclosure)	신규시설 투자 (C-rPET 생산 시설)
May 26, 2021	New Facilities Investment, etc. (Voluntary Disclosure)	신규시설 투자 (배터리 전해액 유기용매 생산 시설)
July 1, 2021	Suspension of Production (Voluntary Disclosure)	생산중단 (자율공시)
2021.07.01 July 1, 2021	Decision on Disposal of Stocks or Investment Certificates of Other Corporation (Voluntary Disclosure)	타법인주식및출자증권처분결정 (자율공시)
July 2, 2021	Details of Sustainability Report, etc. (Voluntary Disclosure)	지속가능경영보고서등관련사항 (자율공시)
July 13, 2021	Future Business or Management Plans (Fair Disclosure)	장래사업 · 경영계획 (공정공시)
July 21, 2021	Organization of Investor Relations Event	기업설명회 (IR)개최 (안내공시)
Sept. 16, 2021	Other Management Information (Voluntary Disclosure)	기타경영사항 (자율공시)
Oct. 15, 2021	Organization of Investor Relations Event	기업설명회 (IR)개최 (안내공시)
Oct. 21, 2021	Decision on Acquisition of Shares or Investment Certificates of Other Corporation (Voluntary Disclosure)	타법인주식및출자증권취득결정 (자율공시)
Oct. 22, 2021	Decision on Acquisition of Shares or Investment Certificates of Other Corporations	타법인주식및출자증권취득결정
Oct. 22, 2021	Decision on Acquisition of Shares or Investment Certificates of Other Corporations (Material Business Matters of Subsidiary Company)	타법인주식및출자증권취득결정 (종속회사의주요경영사항)
Oct. 22, 2021	Decision on Paid-in Capital Increase (Material Business Matters of Subsidiary Company)	유상증자결정 (종속회사의주요경영사항)
Nov. 5, 2021	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	연결재무제표기준영업 (잠정)실적 (공정공시)
Dec. 17, 2021	New Facilities Investment, etc. (Voluntary Disclosure)	신규시설투자등 (자율공시)
Jan. 14, 2022	Organization of Investor Relations Event	기업설명회 (IR)개최 (안내공시)
Feb. 08, 2022	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	연결재무제표기준영업 (잠정)실적 (공정공시)
Feb. 8, 2022	Changes of 30% or More in Sales or Profits/Losses (15% or More in the Case of Large-sized Corporations)	매출액또는손익구조 30% (대규모법인은 15%)이상변경
Feb. 8, 2022	Decision on Cash Dividends and Dividends in Kind	현금 · 현물배당결정

Feb. 8, 2022	Other Management Information (Voluntary Disclosure)	기타경영사항 (자율공시)
Feb. 8, 2022	Other Management Information (Voluntary Disclosure)	기타경영사항 (자율공시)
Feb. 14, 2022	Decision on Disposal of Stocks or Investment Certificates of Other Corporations (Voluntary Disclosure) (Material Business Matters of Subsidiary Company)	타법인주식및출자증권처분결정 (자율공시) (종속회사의 주요경영사항)
Mar. 3, 2022	Decision on Calling Shareholders' Meeting	주주총회소집결의
Mar. 24, 2022	Outcome of Annual Shareholders' Meeting	정기주주총회결과
Mar. 29, 2022	Organization of Investor Relations Event	기업설명회 (IR)개최 (안내공시)
Mar. 31, 2022	Future Business or Management Plans (Fair Disclosure)	장래사업 · 경영계획 (공정공시)
Mar. 31, 2022	Matters Related to Ad Hoc Public Disclosure Obligation (Fair Disclosure)	수시공시의무관련사항 (공정공시)
April 21, 2022	Response to Rumors or Media Reports: Undetermined	풍문또는보도에대한해명 (미확정)
April 21, 2022	Organization of Investor Relations Event	기업설명회 (IR)개최 (안내공시)
May 13, 2022	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	연결재무제표기준영업 (잠정)실적 (공정공시)
May 16, 2022	Response to Rumors or Media Reports	풍문또는보도에대한해명
May 20, 2022	Response to Rumors or Media Reports: Undetermined	풍문또는보도에대한해명 (미확정)

(Table 2-①-4) Details of Fair Disclosure (Jan. 01, 2021 ~ May 31, 2022)

Date of disclosure	Title	Highlights
Feb. 5, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for Q4 2020, including revenue and operating income
May 7, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for Q1 2021, including revenue and operating income
July 13, 2021	Future business, management plans (fair disclosure)	LCC's hydrogen business plan and mid- to long-term strategic direction
Aug. 6, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for Q2 2021, including revenue and operating income
Nov. 5, 2021	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for Q1 2021, including revenue and operating income
Feb. 8, 2022	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for Q1 2021, including revenue and operating income
Mar. 31, 2022	Future business, management plans (fair disclosure)	LCC's ESG growth strategy for sustainable growth and plans for new future business
Mar. 31, 2022	Matters related to ad hoc disclosure obligations (fair disclosure)	LCC announced its shareholder return policy for three years from 2022 to 2024
May 13, 2022	(Provisional) operating performance based on consolidated financial statements (fair disclosure)	Provisional results for Q1 2022, including revenue and operating income

(Table 2-①-5) Designation as a corporation that has made unfaithful disclosure and its details, etc. (Jan 1, 2021 ~ May 31, 2022)

Type of unfaithful	Designation	Reason for	Penalty	Amount	Efforts for improvement, etc.
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disclosure	date	designation	imposed	sanctioned	after being designated
-	-	-	-	-	-

As described above, as a stock-listed company, it is obliged to provide shareholders with company information in a timely and sufficient manner. We share disclosures and data through the electronic disclosure system and its website, and makes disclosures in English via DART and the English website for foreign shareholders and investors. In addition to notices on management issues released by LCC, we disclose contact information and e-mail addresses on our website to allow shareholders and investors to contact the IR Division for information at any time.

As described above, LCC strives to provide information on various management matters handled by **it** in a timely and fair manner, while fulfilling its disclosure obligations through IR events attended by top management, English disclosure, and fair disclosure, etc. Thanks to such efforts, we have not been designated as a company which makes unfaithful disclosures during the fiscal year. We believe that it is providing information to shareholders and investors in a timely, sufficient and fair manner regarding the provision of corporate information managed by LCC, and will faithfully strive to provide corporate information.

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

2.2.2. Matters Concerning related-party and self-dealing transactions

We are equipped with various control systems (policies) to prevent stakeholders from taking unreasonable gains from related-party transactions with affiliates, etc., and self-transactions with management or controlling shareholders.

1) Internal control systems (policies) for related-party and self-dealing transactions

In accordance with Article 12 (1) 4 (A) of our Board of Directors Rules, transactions with directors (including companies concurrently served by the CEO), major shareholders, companies in which the major shareholders hold 50% or more shares, and their subsidiaries shall be approved by the Board of Directors in advance. In this case, a director who has a special interest in the resolution of the BOD cannot exercise his or her voting rights, and the director shall not be included in the number of directors present at the meeting (Article 9 (3) of the Board of Directors Rules). In addition, LCC voluntarily established the Transparent Management Committee, a BOD sub-committee, to deliberate and review internal transactions with related parties such as affiliates in a certain size in advance.

The purpose of the Transparent Management Committee is to verify the adequacy and fairness of internal transactions and deliberate on the transaction from an objective perspective. The Transparent Management Committee is composed of outside directors (three members) to enhance independence and transparency. In accordance with Article 3 of the operational regulations of the Transparent Management Committee, the Committee is authorized to review and approve the deliberation agenda set forth in Article 11 (refer to the detailed principle 4-①). The committee can request LCC to submit and report related data, such as data on relevant business, contract method, the selection criteria of the counterparty to the transaction, and detailed transaction conditions. After reviewing the appropriateness in selecting the transaction counterparty, validity of detailed transaction conditions, whether the reason for signing a no-bid contract is applicable, and the possibility of making direct order to the non-affiliate independent company, the Committee can suggest LCC to make correction to the related-party transactions that may violate relevant laws and LCC regulations. In addition, in accordance with Article 12 of the same regulations, if deemed necessary, LCC may allow relevant executives and/or employees or external persons to attend a meeting to hear their opinions, and may seek advice from external experts, etc., at LCC's expense.

In addition, in order to secure the transparency in the related-party transactions and comply with laws related to fair trade, if we deem that there is a possibility of a related-party transaction, we proceed with the contract based on the competitive bidding method while establishing internal guidelines (regulations) for related-party transactions that require prior review on the transaction conditions by the Compliance Team (August 25, 2021).

2) Details of and reasons for comprehensive BOD resolutions (if any) related to related-party transactions with affiliates, and self-dealing transactions with management or controlling shareholders

In accordance with Article 542-9 (3) of the Commercial Act and Article 12 (1)1 (17) of the Board of Directors Rules of LCC, in the case of a transaction to which the largest shareholder, his/her related person and the related person of LCC is a party, or if the amount of single transaction corresponds to 1% or more of the total amount of assets or total sales as of the end of the most recent business year; or if the annual transaction volume is more than 5% of the total assets or total sales as of the end of the most recent business year, it shall be approved by the Board of Directors in advance. In accordance with the above regulations, daily transactions according to the business type of LCC shall have a transaction limit set to obtain prior approval from the Board of Directors in consideration of the repeatability and efficiency of the transaction. And any transactions to be made within the already-approved total amount are not required to obtain additional approval from the Board of Directors.

In accordance with such intent, on February 5, 2021, the Board of Directors approved the "Total Transaction Amount with Largest Shareholder, etc. (Provisional)" and then approved the "Changing Total Transaction Limit

with Special Interest Parties such as Largest Shareholder, etc. (Provisional)’ for new transactions that meet the criteria for approval by the Board of Directors, by reflecting increases in raw material and product unit prices due to an increase in fuel prices, as well as expected increases in transaction amounts due to increases in transaction volume.

3) Details of transactions with stakeholders such as controlling shareholders, etc.

We disclose details of transactions with stakeholders, such as controlling shareholders, in the business report through the electronic disclosure system of the Financial Supervisory Service. And relevant information is as follows:

■ Details of collateral provided

(Record date: Dec. 31, 2021)

(Unit: in 1,000 USD and 1,000 KRW)					
Item	Book value (1)	Amount of collateral	Relevant account	Relevant amount (limit)	Security holder
Kor-Uz Gas Chemical Investment Ltd. (shares in joint venture)	379,789,712	100% of shares held	Borrowings of Uz-Kor Gas Chemical LLC	USD 1,350,783 (USD 1,350,783)	ING Bank N.V., etc.

(1) This is the book value of the shares in joint ventures reflected in the separate financial statements of LCC.

■ Details of Debt Guarantee

(Record date: Dec. 31, 2021)

(Unit : in 1,000USD, 1,000 CNY, 1,000MYR, 1,000 VND, 1,000 EUR, 1,000 INR, 1,000 KRW)											
Secured Company	Relationship	Creditor	Guarantee period		Limit of guarantee			Execution amount			Remarks
제공받은 기업	관계	채권자	Commencing date	Ending date	Foreign currency		Korean won	Foreign currency		Korean won	비 고
LOTTE Sanjiang Chemical Co., Ltd 1)	Joint venture	SC bank	2019-04-19	Upon repayment of debt	CNY	180,000	33,526,800	CNY	113,373	21,116,815	Payment guarantee for the credit line, Approved by the BOD
LOTTE Sanjiang Chemical Co., Ltd (주 1)	Joint venture	ANZ bank	2020-04-30	Upon repayment of debt	CNY	130,000	24,213,800	CNY	80,413	14,977,747	Payment guarantee for the credit line, Approved by the BOD
LOTTE Sanjiang Chemical Co., Ltd (주 1)	Joint venture	Citibank	2019-04-19	Upon repayment of debt	CNY	192,000	35,761,920	CNY	76,903	14,323,898	Payment guarantee for the credit line, Approved by the BOD
LOTTE Sanjiang Chemical Co., Ltd (주 1)	Joint venture	DBS bank	2020-04-30	Upon repayment of debt	CNY	100,000	18,626,000	CNY	51,191	9,534,922	Payment guarantee for the credit line, Approved by the BOD
LOTTE Sanjiang Chemical Co., Ltd (주 1)	Joint venture	Banco Santander S.A.	2020-04-30	Upon repayment of debt	CNY	100,000	18,626,000	CNY	63,272	11,785,129	Payment guarantee for the credit line, Approved by the BOD
LOTTE Chemical (Jiaxing) Corp.	Subsidiary	DBS bank	2019-03-22	2022-03-21	USD	16,000	18,968,000	USD	16,000	18,968,000	Payment guarantee for borrowings, Approved by management committee
LOTTE Chemical (Jiaxing) Corp.	Subsidiary	Citibank	2018-11-18	Upon repayment of debt	CNY	120,000	22,351,200	CNY	81,826	15,240,826	Payment guarantee for the credit line Approved by management committee

LOTTE Chemical Engineering Plastics (Shenyang) Co., Ltd.	Subsidiary	Citibank	2019-02-23	Upon repayment of debt	CNY	18,000	3,352,680	CNY	14,883	2,772,141	Payment guarantee for the credit line Approved by management committee
LOTTE UBE Synthetic Rubber Sdn. Bhd.	Joint venture	MUFG bank	2013-11-20	2023-12-13	USD	9,714	11,516,286	USD	9,714	11,516,286	Payment guarantee for borrowings Approved by the BOD
LOTTE UBE Synthetic Rubber Sdn. Bhd.	Joint venture	MUFG bank	2019-09-30	2029-09-30	USD	8,000	9,484,000	USD	8,000	9,484,000	Payment guarantee for borrowings Approved by the BOD
LOTTE UBE Synthetic Rubber Sdn. Bhd.	Joint venture	MUFG bank	2018-03-31	Upon repayment of debt	MYR	15,000	4,257,750	MYR	1,771	502,599	Payment guarantee for letter of credit limit, Approved by management committee
LOTTE UBE Synthetic Rubber Sdn. Bhd.	Joint venture	MUFG bank	2018-03-31	Upon repayment of debt	USD	17,500	20,746,250	USD	9,500	11,262,250	Payment guarantee for the credit line Approved by management committee
LOTTE UBE Synthetic Rubber Sdn. Bhd.	Joint venture	Mizuho bank	2019-04-20	Upon repayment of debt	USD	10,000	11,855,000	USD	10,000	11,855,000	Payment guarantee for working capital, Approved by management committee
LOTTE Chemical USA Corp.	Subsidiary	Citibank	2020-01-31	Upon repayment of debt	USD	60,000	71,130,000	USD	-	-	Payment guarantee for working capital, Approved by the BOD
LOTTE Chemical USA Corp.	Subsidiary	SMBC bank	2021-01-29	2022-01-31	USD	50,000	59,275,000	USD	50,000	59,275,000	Payment guarantee for the credit line, Approved by the BOD
LOTTE Chemical USA Corp.	Subsidiary	BBVA bank	2019-01-31	Upon repayment of debt	USD	50,000	59,275,000	USD	-	-	Payment guarantee for the credit line, Approved by the BOD
LOTTE Chemical USA Corp.	Subsidiary	SC bank	2019-01-31	Upon repayment of debt	USD	60,000	71,130,000	USD	50,000	59,275,000	Payment guarantee for the credit line, Approved by the BOD
LOTTE Chemical USA Corp.	Subsidiary	Mizuho bank	2020-01-31	Upon repayment of debt	USD	50,000	59,275,000	USD	50,000	59,275,000	Payment guarantee for the credit line, Approved by the BOD
LOTTE Chemical USA Corp.	Subsidiary	The Export-Import Bank of Korea and lenders	2016-10-31	2025-12-21	USD	526,605	624,290,298	USD	526,605	624,290,298	Payment guarantee for borrowings Approved by the BOD
LOTTE Chemical USA Corp.	Subsidiary	Boardwalk Louisiana Midstream, LLC	2016-08-23	2033-12-31	USD	10,000	11,855,000	USD	357	423,224	Payment guarantee for facility usage fee, Approved by the BOD
LACC, LLC.	Other related persons	Enterprise TE Products Pipeline Company LLC	2015-12-24	2022-06-01	USD	13,300	15,767,150	USD	2,120	2,512,999	Payment guarantee for facility usage fee, Approved by the BOD

LOTTE Chemical Vietnam Co., Ltd.	Subsidiary	DBS bank	2017-07-12	2022-07-12	VND	220,000,000	11,462,000	VND	62,784,465	3,271,071	Payment guarantee for borrowings
LOTTE Chemical India Pvt. Ltd.	Subsidiary	ANZ bank	2019-06-11	2022-10-10	EUR	12,600	16,913,484	EUR	12,600	16,913,484	Payment guarantee for borrowings, Approved by management committee
PEKER SURFACE DESIGNS INDUSTRY AND TRADE INC.	Subsidiary	Credit Agricole Corporate and Investment Bank	2019-03-12	2026-03-18	EUR	20,000	26,846,800	EUR	20,000	26,846,800	Payment guarantee for borrowings Approved by the BOD
PEKER SURFACE DESIGNS INDUSTRY AND TRADE INC.	Subsidiary	Woori bank	2019-09-13	2024-09-13	EUR	12,000	16,108,080	EUR	10,000	13,423,400	Payment guarantee for borrowings Approved by the BOD

(1) We provide payment guarantees to LOTTE Sanjiang Chemical Co., Ltd., and for risk hedging, we provide tangible and intangible assets, excluding land and silver catalysts that belong to the secured company as collateral.

■ Fund Replenishment Agreement

(Record date: Dec. 31, 2021)

(Unit : in 1,000KRW)							
Secured Company	Relationship with controlling Company	Creditor	Details	Amount	Commencing date	Ending date	Remarks
LOTTE Versalis Elastomers Co., Ltd.	Joint venture	KDB, etc.	Fund replenishment agreement	148,000,000	2020-01-13	2027-01-13	Approved by BOD
Hyundai Chemical Co., Ltd.	Affiliate	KDB, etc.	Fund replenishment agreement	286,000,000	2015-11-06	2025-11-20	Approved by BOD
Hyundai Chemical Co., Ltd.	Affiliate	KDB, etc.	Fund replenishment agreement	760,000,000	2019-12-06	2029-12-17	Approved by BOD

■ Asset Transfer Transactions

(Record date: Dec. 31, 2021)

(Unit: 1,000 KRW)									
Counterparty	Type of transaction	Relationship with controlling company	Transaction date	Subject of transaction	Purpose of transaction	Amount	Criteria for amount calculation	Related P&L (1)	Remarks
LOTTE Chemical Innovation Fund No.2	Contribution	Subsidiary	2021-03-04	LOTTE Chemical Innovation Fund No.2.	Paid-up capital of LOTTE Chemical Innovation Fund No.2	2,970,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by MC
LOTTE Versalis Elastomers Co., Ltd	Contribution	Joint venture	2021-03-08	LOTTE Versalis Elastomers Co., Ltd Common shares	Participating in capital increase to secure working capital of LOTTE Versalis Elastomers Co., Ltd	15,000,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by BOD
LOTTE GS Chemical Corp.	Contribution	Subsidiary	2021-03-18	LOTTE GS Chemical Corp. Common shares	Paid-up capital of LOTTE GS Chemical Corp.	35,700,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by BOD

PT LOTTE Chemical Indonesia	Contribution	Subsidiary	2021-03-19	PT LOTTE Chemical Indonesia Common shares (face value 1dollar) 4,900,000shares	Contribution to Subsidiary's working capital	5,506,130	Acquired new shares issued by subsidiary at the face value of 1 dollar in proportion to equity ratio (49%) as of the transaction day	-	Approved by BOD
Hyundai Chemical Co., Ltd.	Contribution	Affiliate	2021-04-13	Hyundai Chemical Co., Ltd. Common shares	Participating in capital increase to building plant of Hyundai Chemical Co., Ltd.	120,000,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by BOD
Dacc aero	Disposition	Subsidiary	2021-07-01	Dacc aero Common shares 6,857,114shares and Whole amount of Money Borrowing and Lending Contract	Disposition of shares in subsidiary to enhance business portfolio efficiency	ﷲ,000,000	Price determined in consultation between the Company and counterpart considering all circumstances such as evaluation result of independent evaluation of company	-	Approved by BOD
LOTTE GS Chemical Corp.	Contribution	Subsidiary	2021-08-31	LOTTE GS Chemical Corp. Common shares 4.08million shares	Contribution to build plan due to the joint project	20,400,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by BOD
LOTTE Chemical Innovation Fund No.2.	Contribution	Subsidiary	2021-09-24	LOTTE Chemical Innovation Fund No.2	Paid first contribution to LOTTE Chemical Innovation Fund No.2	2,970,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by MC
LOTTE Chemical ESG Fund	Contribution	Subsidiary	2021-09-28	LOTTE Chemical ESG Fund	Paid-up capital of LOTTE Chemical ESG Fund	7,920,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by BOD
PT LOTTE Chemical Indonesia	Contribution	Subsidiary	2021-07-21	PT LOTTE Chemical Indonesia Common shares (face value 1dollar) 3,430,000 shares	Contribution to Subsidiary's working capital	3,947,930	Acquired at the face value (1 dollar)	-	Approved by BOD
PT LOTTE Chemical Indonesia	Contribution	Subsidiary	2021-09-29	PT LOTTE Chemical Indonesia Common shares (face value 1dollar) 4,900,000 shares	Contribution to Subsidiary's working capital	5,791,800	Acquired at the face value (1 dollar)	-	Approved by BOD
PT LOTTE Chemical Indonesia	Contribution	Subsidiary	2021-11-25	PT LOTTE Chemical Indonesia Common shares (face value 1dollar) 19,355,000 shares	Contribution to Subsidiary's working capital	23,003,418	Acquired at the face value (1 dollar)	-	Approved by BOD
LOTTE Chemical Titan Holding Berhad	Equity acquisition	Subsidiary	2021-10-28	LOTTE Ube Synthetic Rubber Sdn. Bhd Common shares 31,479,000 shares	Acquired shares in joint venture to enhance business portfolio efficiency	4,501,692	Acquired at the face value (1 dollar)	-	Approved by MC
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-16	LOTTE Fine Chemical Co., Ltd. Common shares 22,337 shares	Acquired shares of affiliate to achieve mid- to long-term vision	1,820,776	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-17	LOTTE Fine Chemical Co., Ltd. Common shares 26,105 shares	Acquired shares of affiliate to achieve mid- to long-term vision	2,099,800	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-18	LOTTE Fine Chemical Co., Ltd. Common shares 19,120 shares	Acquired shares of affiliate to achieve mid- to long-term vision	1,526,388	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-19	LOTTE Fine Chemical Co., Ltd. Common shares 22,283 shares	Acquired shares of affiliate to achieve mid-to-long-term vision	1,776,779	Market price on the transaction day	-	Approved by BOD

LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-22	LOTTE Fine Chemical Co., Ltd. Common shares 28,800 shares	Acquired shares of affiliate to achieve mid- to long-term vision	2,293,302	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-23	LOTTE Fine Chemical Co., Ltd. Common shares 13,503 shares	Acquired shares of affiliate to achieve mid- to long-term vision	1,084,164	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-24	LOTTE Fine Chemical Co., Ltd. Common shares 23,100 shares	Acquired shares of affiliate to achieve mid- to long-term vision	1,866,447	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-25	LOTTE Fine Chemical Co., Ltd. Common shares 13,271 shares	Acquired shares of affiliate to achieve mid- to long-term vision	1,068,518	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-26	LOTTE Fine Chemical Co., Ltd. Common shares 25,688 shares	Acquired shares of affiliate to achieve mid- to long-term vision	2,062,411	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-11-29	LOTTE Fine Chemical Co., Ltd. Common shares 40,117 shares	Acquired shares of affiliate to achieve mid- to long-term vision	3,189,960	Market price on the transaction day	-	Approved by BOD
LOTTE Fine Chemical Co., Ltd.	Equity acquisition	Affiliate	2021-12-01	LOTTE Fine Chemical Co., Ltd. Common shares 48,483 shares	Acquired shares of affiliate to achieve mid- to long-term vision	3,812,144	Market price on the transaction day	-	Approved by BOD
LOTTE Versalis Elastomers Co., Ltd.	Contribution	Joint venture	2021-12-07	LOTTE Versalis Elastomers Co., Ltd. Common shares	Participating in capital increase to secure working capital of LOTTE Versalis Elastomers Co., Ltd.	10,000,000	Contribution is calculated in proportion to the equity of shareholders	-	Approved by BOD
Clean H2 Infra Fund	Contribution	Affiliate	2021-12-16	Clean H2 Infra Fund	Seeking new investment opportunity through joint investment with hydrogen company	1,152,495	Contribution is calculated in proportion to the equity of shareholders	-	Approved by BOD

(1) Based on separate financial statements

■ Business Transactions

(Record date: Dec. 31, 2021)

(Unit: 1,000 KRW)					
Counterparty	Relationship with controlling company	Transaction type	Transaction period	Transaction amount	Remarks
Hyundai Chemical Co., Ltd.	Affiliate	Purchasing Naphtha, M-X, etc.	2021-01-01~2021-12-31	1,308,868,887	-

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

2.2.3. Measures to Protect Shareholders including Minority Shareholders, etc.

In cases of matters causing significant changes to the ownership structure or principal businesses such as merger of LCC, we submit the matters to the general meeting of shareholders as an agenda requiring resolution at the general meeting of shareholders by convening a meeting.

Accordingly, in the cases of matters that are expected to cause significant change as set forth above, LCC notifies shareholders in writing and electronically two weeks prior to the date of the general meeting of shareholders. In accordance with Article 522-3 of the Commercial Act and Article 165-5 of the Financial Investment Services and Capital Markets Act, we allow shareholders to exercise appraisal rights in order to collect opinions of minority shareholders and to protect the rights of opposing shareholders. Shareholders may notify us in writing stating their intention to oppose the merger before the date fixed for the general meeting of shareholders, and submit written notification stating the type and number of shares requested for purchase within 20 days from the date of the resolution approved for merger at the general meeting of shareholders. In addition, by voting electronically pursuant to Article 29-2 (electronic voting) of the Articles of Incorporation of LCC and the direct exercise of voting right at the general meeting of shareholders, shareholders can vote for/against the agenda, and the opposing shareholders can exercise appraisal right by proving stock acquisition before disclosing the Board of Directors' resolution on matters related to merger, etc.

We did not have any events such as mergers, etc. that resulted in significant changes to its ownership structure or major businesses during the fiscal year, and we will further strive to protect shareholders such as listening to the opinion of minority shareholders and protecting opposing shareholders' rights.

3. Board of Directors (BOD)

(Key Principle 3) Functions of the BOD

- **The Board of Directors should determine the company's business objectives and strategies for the benefit of the company and its shareholders, and effectively supervise management activities**

3.1 Functions of the BOD

Our Board of Directors, as LCC's highest decision-making body, consists of a total of 11 directors appointed by the resolution of the general meeting of shareholders; and of which, the majority of directors (55%) are outside directors with expertise and diversity to ensure independent judgment and decision-making. Based on the principle of sustainability management of LCC and enhancement of shareholder value, the BOD makes decisions on important issues such as LCC's management strategy, management plan, and new business, and supervises LCC's activities, including the management, to guarantee transparent management.

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

3.1.1. Management Decision-Making and Supervision by the BOD

1) Deliberation and Resolution by the BOD

Our Board of Directors deliberates and decides on the agenda in accordance with the following standards pursuant to Article 12 (Deliberation Agenda) of the Board of Directors Rules. In addition to the matters stipulated in the relevant laws and Articles of Incorporation to be submitted to the Board of Directors, we have authorized the BOD to deliberate and decide on major issues directly to strengthen its authority as LCC's highest decision-making body. In particular, the Board of Directors deliberates and decides on investment or disposition of equity shares, acquisition and disposal of fixed assets, borrowing, and donations — by applying stricter standards than those required under the relevant laws. By doing so, we ensure that transactions and issues that may have a major impact on LCC are reviewed and supervised from the perspective of protecting LCC's and shareholders' interests, and transparency is guaranteed. In addition, the Board of Directors delegates the authority to deliberate and decide on internal transactions of a certain size or more to its sub-committees to ensure monitoring and checks by outside directors.

Category	Matters that Require Board Approval	Strengthening self-control
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Matters to be reported	(1) Results of processing of matters entrusted to the sub-committees of the BOD (2) Matters recognized by the Audit Committee that a director has acted or is likely to commit an act in violation of laws or the Articles of Incorporation (3) Matters concerning the promotion of executives and the appointment and dismissal of unregistered executives (4) Matters related to the execution of important business operations other than those in paragraph (1)	
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2) Matters delegated to the Board of Directors

Article 13 (2) of our Board of Directors Rules stipulates the matters to be delegated to the sub-committees and the representative director among the authorities of the Board of Directors as follows:

Article 13 (Sub-committees of the BOD) of BOD Rules

The Board of Directors may delegate its authority, except regarding matters falling under any of the following categories:

1. Matters requiring approval at the general meeting of shareholders
2. Appointment and dismissal of representative director
3. Establishment of committee, and appointment and dismissal of the committee members
4. Matters specified in the Articles of Incorporation

Except as otherwise provided by laws and regulations, the Board of Directors has established the Audit Committee that audits financial statements and reviews the activities of auditors; the Compensation Committee which decides the amount of remuneration for directors as well as executives and employees; the Outside Director Candidate Recommendation Committee which deliberates the appointment and re-appointment of outside directors; and the Transparent Management Committee which deliberates issues related to related-party transactions with affiliates. And in September 2021, it added ESG Committee dedicated to ESG management so that LCC can achieve sustainable growth by fulfilling its environmental and social responsibilities and establishing a transparent governance structure; and the authority and operation of the BOD were delegated to each sub-committee.

As such, the matters resolved by the sub-committees are notified to each director, and each director may, if deemed necessary, request the Chairperson of the BOD to convene a meeting to re-resolve matters resolved by the sub-committees (Audit Committee shall be excluded in accordance with Article 415-2 (6) of the Commercial Act). Our representative director oversees the execution of matters decided by the BOD, which is carried out by the internal organization.

As such, our Board of Directors, as the decision-making body of LCC, determines LCC's management goals and basic management policies for the benefit of LCC and shareholders, and faithfully performs the function of supervising the management's activities to ensure transparent management. Going forward, we will continue to improve the independence and efficiency of our governance structure centered on the BOD by reflecting matters to be improved identified as a result of external corporate governance evaluation while checking and improving deficiencies in policies related to the BOD.

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

3.1.2 Matters Concerning CEO succession policy

We define a representative director (among the management) who represents LCC and oversees LCC's business as the CEO. Since the CEO needs to be equipped with the capability and management ability to present a clear future vision and management strategy to the members of LCC, the majority of CEO candidates are identified and managed among executives through sophisticated verification procedures and nurturing systems.

1) Principal department for the development and enforcement of succession policy

The top management and HR department select and manage the candidate group for the CEO every year in accordance with the internal evaluation and nurturing process, and review and recommend the final candidates to the BOD before the end of the current CEO's term. The selected candidates for inside directors are appointed as inside directors by a resolution at the annual general meeting of shareholders, and the CEO is appointed by a resolution of the Board of Directors in accordance with Article 389 of the Commercial Act, Article 35 of the Articles of Incorporation, and Article 12 of the Board of Directors Rules.

2) Main contents of the succession policy

We operate internal/external courses for the CEO such as the Visionary Leader course and Advanced Management Program (AMP) for the selected CEO candidate so that they can understand the roles of the CEO and expand business mindset by understanding management trends and case studies. In addition, we are strengthening and nurturing capabilities of the CEO candidates by operating a leadership program and a coaching program. Education and training and career development plans for nurturing candidates are also established and operated, while implementing personnel management necessary for effective career management. We have not stipulated its CEO succession policy, but it is stipulated that in the event of the absence of the CEO, a person determined by the Board of Directors from among the directors shall assume his/her duties in accordance with Article 36 of the Articles of Incorporation and Article 4 of the Board of Directors Rules.

The current status of related education provided during the fiscal year is as follows:

Status of Education Provided During the Fiscal Year (Jan. 01, 2021~ Dec. 31, 2021)

Date	Contents
April 2021 ~ October 2021	2021 Visionary Leader Course

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

3.1.3 Matters Concerning Internal Control Policy

For effective internal control policy operation, the Board of Directors ensures that a decision-making body comprehensively reviews and responds according to the type and scale of risk. In addition, it establishes the Corporate Governance Charter, compliance control standards, internal accounting management regulations, etc., appoints a chief compliance officer (CCO) who reports on the details of compliance activities and the operation of the internal accounting management system every business year.

1) Risk management policy and operation status

We define all risks which may occur in economic, social and environmental aspects so that it can systematically identify and preemptively manage and inspect various risks that can be faced in the rapidly changing internal and external business environment such as the COVID-19 pandemic and global economic recession, and establishes and operates an integrated risk management system that can respond promptly at the corporate level. This allows us to establish a process to discover and eliminate potential internal and external risk factors in advance and prevent them from emerging in a crisis situation.

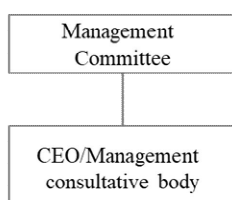
① Risk management governance

We distinguish and respond to potential risk factors that may occur throughout its business based on the above risk management policy.

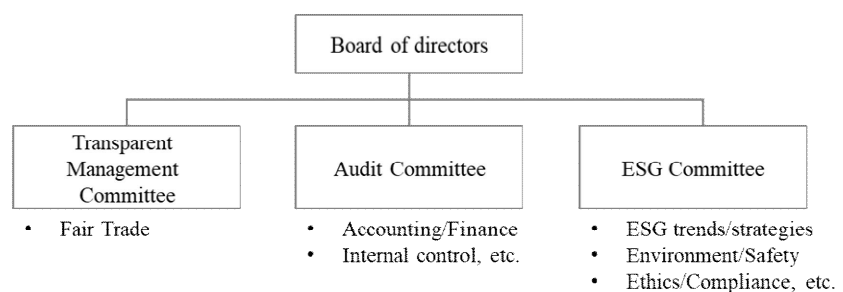
Day-to-day risks are handled through the management committee and CEO consultative body composed of internal executives depending on the issue, or preventive and follow-up inspections are carried out by the relevant departments according to internal standards.

We establish a strengthened risk management system and strives to prevent the risks by establishing sub-committees under the BOD to handle professional risks that have a broader impact upon occurrence, and requires expert legal/technical knowledge to respond to it. In addition, by declaring 2021 as the first year of ESG management, LCC established an ESG management headquarters to manage risks comprehensively and systematically, including non-financial (ESG management) risks such as environment, safety, information security, and ethics/compliance.

[Other internal management approval/supervision]

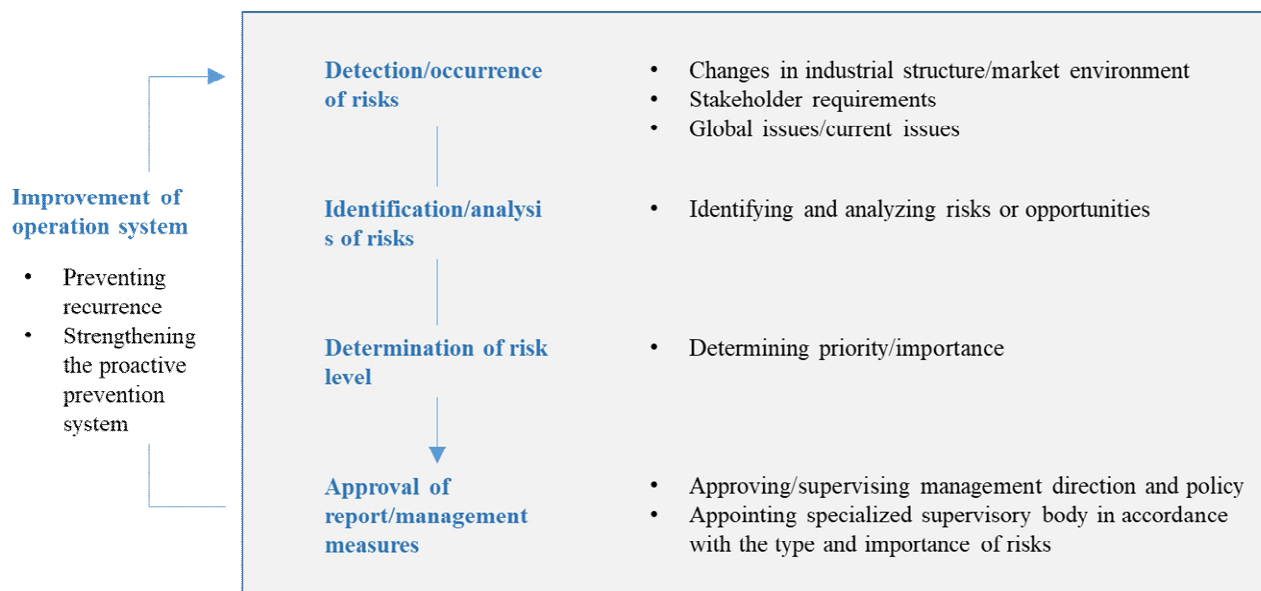


[Approval/Supervision of Professional risks]



② Risk-Response Procedures

When risks such as changes in the industrial structure, market environment, and occurrence of global issues are detected, the department in charge identifies and analyzes risks and opportunities, and determines the priority and importance of risks based on this. According to the type and importance of the above risks, we classify them into daily risks and professional risks, and report them to each specialized supervisory body for an appropriate response. LOTTE constantly strives to prevent the recurrence of risks and strengthen the proactive prevention system.



2) Compliance management policy and its operating status

In order to manage compliance risks in all business activities, we have established and operated a legal team and a compliance team in the Compliance Management Office under the direct control of the CEO. We enforced compliance-control standards; a compliance management charter; compliance management regulations; and anti-corruption and fair trade related regulations (~2020); as well as a Corporate Governance Charter in 2021 – and revised compliance control standards (reflecting standard compliance control standards for listed companies), and internal regulations in the field of fair trade (reflecting the revised laws and regulations). We also revised and distributed the Compliance Handbook containing guidelines that executives and employees must follow for each specific behavior they face in performing their duties, and conducted training for each business site.

We appoint compliance officers through the Board of Directors, and personal information of the compliance officer and his/her major activities are as follows:

■ Personal Information of Compliance Officer and Major Careers

Name	Gender	DOB	Position	Major careers	Appointment date
Kim Hyeon-ok	Female	July 22, 1969	Executive director	Incumbent Compliance officer of the company (December 2020 ~ as of report due date) Former Compliance Management Team Leader of LOTTE Holdings (October 2017~ November 2020) Former Policy Headquarters Legal Team Leader of LOTTE Shopping (January 2015 ~ September 2017) Former Head of Legal Department, LCC Served at the Seoul Central District Prosecutors' Office, etc. (February 2002 ~ February 2014) Graduated from the Judicial Research and Training Institute (31 st)	2020. 12. 22.

■ Major Activities of Compliance Officer

Category	Period	Major activities	Target
Monitoring and checking	2. ~ 3. 2021.	Checking implementation of department-wise anti-corruption goals	Company-wide
Monitoring and checking	3. ~ 5. 2021.	Assessing corruption risk by department, conducting internal audits and improvements	Company-wide
Monitoring and checking	2. ~ 3. 2021.	Checking and improving purchasing process	Purchasing division
Monitoring and checking	6. ~ 7. 2021.	Checking and improving subcontract transaction status	Subcontracting division

Monitoring and checking	12. 2021.	Checking and improving risks related to the revised Fair Trade Act	Company-wide
Monitoring and checking	1. 2021. ~ (all times)	Checking details of corporate card usage	Company-wide
Monitoring and checking	1. 2021. ~ (all times)	Checking and improving compliance with laws and internal compliance management policies through internal electronic document inspection	Company-wide
Monitoring and checking	1. 2021. ~ (all times)	Checking and approving the provision of money, etc. restricted by the Anti-Graft Act	Company-wide
Monitoring and checking	1. 2021. ~ (all times)	Checking and approving anti-corruption and fair trade risks related to contact with public officials and competitors	Company-wide
Education	3. ~ 4. 2021.	Corruption Risk Prevention Training	Corruption risk manager by department, internal auditor of anti-corruption management system (ISO 37001)
Education	5. 2021.	Compliance education for plant workers	Employees in charge
Education	5. ~ 6. 2021.	Compliance education for purchasing partners	Employees of Purchasing partner
Education	7, 11. 2021.	Education on Subcontracting Act	Employees in charge of subcontracting
Education	9. 2021.	Compliance management education led by CEO	All the employees
Education	9. ~ 11. 2021.	Education on LOTTE Code of Conduct	All the employees
Education	10. 2021.	Distribution of revised Compliance Handbook (in Korean/English)	Company-wide
Education	12. 2021.	Education on the revised Fair Trade Act	Employees of Sales, marketing, purchasing, new business, etc. department
Education	1. 2021. ~ (From time to time)	Education on the revised Fair Trade Act, Anti-Graft Act, the Subcontract Act, Act on the Promotion of Mutually Beneficial Cooperation Between Large Enterprises and Small and Medium Enterprises, and the prevention of workplace harassment/sexual harassment (12 sessions in total)	Executives
Education	1. 2021. ~ (From time to time)	Compliance education for new/experienced employees (7 sessions in total)	Employees in charge
Education	1. 2021. ~ (From time to time)	Compliance education for newly dispatched overseas expatriates (2 sessions in total)	Employees in charge
Education	1. 2021. ~ (From time to time)	Publishing Compliance Newsletter, Compliance Management Webtoon (10 times in total)	Company-wide

■ Compliance Officer Supporting Organization Status

Name of division (team)	No. of employee (person)	Major activities
Compliance team	6	<ul style="list-style-type: none"> - Establishment and operation of compliance regulations and processes - Advice and inspection on fair trade, subcontracting, anti-corruption, etc. - Employee compliance training - Computer monitoring - Handling of reports and grievance counseling - Compliance control related to other business activities of the company

■ Acquired certification for anti-bribery management system (ISO 37001)

In order to lay the foundation for sustainable growth by strengthening anti-bribery management and establishing a culture of compliance management, we acquired ISO 37001, an international standard for anti-bribery management system, from an International Organization for Standardization for the first time in the domestic chemicals industry in 2019, and have maintained and managed the relevant certification till 2021. In this regard, we have carried out the following activities:

- Establishing an anti-bribery policy (approved by the Board of Directors on July 15, 2019, and posted on LCC's website)
- Establishing and revising the anti-bribery management system manual and related regulations
- Conducting anti-bribery/compliance pledges by all executives and employees including BOD members (2019-2021)
- Selecting training personnel in charge by department, diagnosing, evaluating and monitoring potential corruption risks by department (2019-2021)
- Nurturing internal auditors, and conducting internal auditing (2019-2021)
- Approving (by CEOP) anti-bribery management system operation results and improvement measures/Reporting to (Board) (2019-2021)
- Conducting external audit through an external certificate authority (2019-2021)

3) Internal accounting management policy and its operation status

We have established internal accounting management regulations to prepare and disclose reliable accounting information and designed and operated an internal accounting management system. We also report the operating status of the internal accounting management system to general meetings of shareholders, the Board of Directors and the Audit Committee every business year pursuant to Article 8 (4) of the Act on External Audit of Stock Companies, etc. (the "Act on the External Audit"). In addition, in accordance with Article 8 (5) of the Act on External Audit, LCC's Audit Committee members evaluate the operating status of the internal accounting management system and report it to the Board of Directors every business year. Moreover, an external auditor audits LCC's internal accounting management system and expresses the independent auditor's opinion in the audit report in accordance with Article 8 (7) the Act on External Audit.

4) Disclosure management policy and its operating status

Lastly, we have devised the Disclosure Information Management Regulations for the accurate, fair and timely disclosure of our disclosure information in accordance with relevant laws and regulations, and specify matters necessary for the management of disclosure-related duties and procedure in the regulations to prevent unfair transaction by employees. The basic rights and responsibilities of our organization controlling disclosure are stipulated in Article 4 (Responsibilities and Authority) and Article 6 (Detailed Matters) of the Disclosure Information Management Regulations. The disclosure manager of LCC is appointed by the CEO and granted necessary authority to comply with disclosure-related laws and perform his/her duties. The disclosure manager has a right to request submission and access to various books and records related to disclosure matters, listen to the opinions from executives and employees of departments involved in the creation and preparation of disclosure information, and, if necessary, consult with executives and the Audit Committee members, and seek opinions from external experts. As of the report due date, managing director Kang Jong-won serves as the disclosure manager.

The disclosure department collects disclosure information, prepares disclosure documents, makes disclosures, establishes and inspects annual disclosure work plans, reviews enactment and revision of disclosure related laws and regulations, and inspects and manages disclosure risks. As of the report due date, the disclosure department of LCC is the IR Team which includes two disclosure managers in accordance with Article 88 (2) of the Disclosure Regulations. Our disclosure management collects disclosure information, prepares and reports disclosure documents, and evaluates and manages disclosure risks in accordance with the Disclosure Information Management Regulations, and establishes a guideline on disclosure control activities y disclosure management process in accordance with the Internal Accounting Management Regulations this year. In addition, collection of data required for preparation of important disclosure documents is managed by making it obtain the approval of executives in each department through disclosure information management at the corporate group level using LOTTE Group's disclosure support system (L-DART), and LCC's internal

disclosure supporting system.

5) Main contents of other additional internal control policy and its operating status

■ Operating a Channel for Internal and External Reporting

[Voice of People in the Website]

We operate a website for Voice of People (http://ethics.lottechem.com/online/02_reportInfo.asp?depth1=D&depth2=2) so that the employees and external stakeholders can report violations of laws and ethical management of LCC and employees, as well as unfair and wrongful practices. In accordance with the internal regulations (Operation guidelines for Voice of People), we shall ensure that the informant (whistle-blower) and his/her representative are adequately protected in any case in the procedures of investigation and fact-finding for matters reported, and imposition of disciplinary action based on the results of the investigation; and shall not disclose or leak any material that could reveal the identity of whistle-blower and its representative without their consent. The whistleblower may report anonymously or under his/her real name, and LCC shall notify the whistleblower, etc. and its representative of the progress and processing results, and shall not dismiss or take any other adverse action against the whistleblower due to the report.

[External Compliance Reporting Channel, Grievance Committee]

We have established an external compliance reporting channel so that employees can report violations of laws and regulations as well as LCC internal rules by the company and employees, and sexual harassment/harassment in the workplace, etc., to an independent and objective third party (July 1, 2021). In addition, employees can report sexual harassment/harassment in the workplace through the Grievance Committee established within LCC. In accordance with our internal regulations (Guidelines for external compliance reporting channel operation and case handling, prevention and handling of sexual harassment and harassment in the workplace), employees can report anonymously or under their real name, and we shall, in any case, ensure that the victim/whistleblower and his/her representative are adequately protected in the process of directly receiving report, investigating and imposing disciplinary action based on the investigation result, shall not dismiss or take any other adverse action for the reason of the report, and take appropriate measures to protect the victim, etc., such as changing work place if the victim wants to. Reporting channels, reporting methods, and handling procedures are always notified through LCC's internal network (intranet) and the Compliance Handbook distributed to employees.

■ Supply Network-related Compliance Management Policy

We support all our partners (supply chains) with which we have business transactions to implement compliance management and to establish and operate their own compliance management policies. Since 2019, we have reflected the standard anti-bribery clause in all contracts, making it essential for partners to comply with domestic and foreign anti-bribery laws and regulations, to operate a valid compliance program to prevent violations of anti-bribery laws, and to conduct anti-bribery training. We are also conducting compliance training for partners to support it. In the case of transactions that meet certain standards, we are checking compliance management of partners directly or by receiving compliance certificates from partners prior to the conclusion of a contract. Furthermore, we plan to establish and disclose the Partners' Code of Conduct applicable to all partners in 2022.

(Key Principle 4) Composition of the BOD

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

3.2 Composition of the BOD

As of the report due date, our BOD consists of a total of 11 directors (four inside directors, six outside directors, and one other non-executive director). The BOD has five sub-committees in operation: Audit Committee; Outside Director Candidate Recommendation Committee; Transparent Management Committee; Compensation Committee; and ESG Committee.

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

3.2.1. Matters Concerning Composition of the BOD

1) Composition Status of the BOD

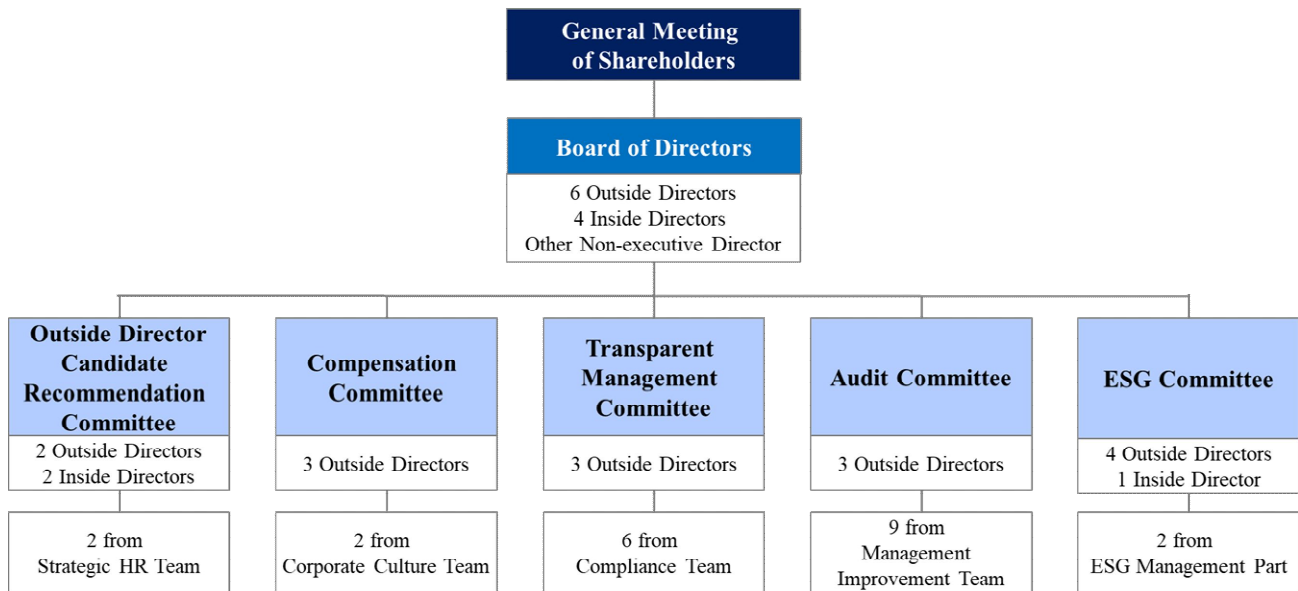
Our Board of Directors may consist of a total of 11 or less directors, and a majority of the BOD shall be the outside directors in accordance with Article 31 of the Articles of Incorporation. In addition, Article 5 (1) and (2) of the Corporate Governance Charter stipulates that the BOD shall be composed of a sufficient number of persons, and shall have outside directors who can perform functions independently; and the number of outside directors shall be three or more so that they can maintain practical independence from the BOD.

The Chairperson of the BOD is elected by a resolution of the BOD out of a total of 11 directors appointed in accordance with the BOD Regulations; and Kim Gyo-hyun, the President and CEO, was appointed as the Chairperson by a unanimous vote of the directors on March 23, 2021. Since the Chairperson of the BOD is elected from among all directors, there is no system or appointing separate outside directors.

As of the report due date, our BOD consists of four inside directors (Shing Dong-bin, Kim Gyo-hyun Lee Young-jun, and Hwang Jin-koo), one other non-executive director (Lee Hoon-ki), and six outside directors (Lee Keum-ro, Choi Hyon-min, Kang Jeong-won, Jeon Woon-bae, Nam Hye-jung, and Cho Woon-hang); and the ratio of outside directors is 55%, which satisfies the majority requirement under the Commercial Act.

Our outside directors can be reappointed for a two-year term, and four outside directors, except for Nam Hye-jung who was newly appointed in 2021, and Cho Woon-hang who was newly appointed in 2022, were reappointed in 2022. All outside directors meet the basic legal requirements specified in the Commercial Act and related laws and regulations, as experts with practical experience and expertise in each field, such as law, accounting and finance, tax, industry, and finance.

(Table -①-1) Organizational Chart of BOD as of Report Due Date



(Table 4-①-2) Composition Status of the BOD (As of May 31, 2022)

Category	Name	Gender	Position	Appointment date ¹⁾	Expected expiration date	Specialty	Major career achievements
Inside director	Shin Dong-bin	Male	Representative director	Mar. 12, 1993.	Until closing of AGM IN 2023	Business administration in general	Current Chairman of LCC
Inside director	Kim Gyo-hyun	Male	Representative director and Chairperson of the BOD	Mar. 24, 2017.	Until closing of AGM IN 2023	Business administration in general	Current CEO of LCC and Head of Chemical BU
Inside director	Hwang Jin-koo	Male	Representative director and Outside Director, Candidate Recommendation Committee member	Mar. 23, 2021.	Until closing of AGM IN 2023	Business administration in general	Current CEO of Basic Material Division, LOTTE Chemical, Previous CEO of LC USA
Inside director	Lee Young-jun	Male	Representative director. ESG Committee member	Mar. 25, 2020.	Until closing of AGM IN 2024	Business administration in general	CEO, LCC (Advanced Materials) Former Director of PC Business Unit, LOTTE Advanced Materials
Outside director	Jeon Woon-bae	Male	Compensation Committee Chairperson and ESG Committee Chairperson Outside Director Candidate Recommendation Committee member	Mar. 25, 2020.	Until closing of AGM IN 2024	Labor /employment policy	Advisor, Law Firm Lee & Ko Former Chairman of National Labor Relations Commission

Outside director	Choi Hyon-min	Male	Audit Committee Chairperson and Compensation Committee and ESG Committee member	Mar. 25, 2020.	Until closing of AGM IN 2024	Tax	Current advisor to Law Firm Jipyong LLC. Former Commissioner of NTS Busan Regional Office
Outside director	Lee Keum-ro	Male	Transparent Management Committee member, Outside Director Candidate Recommendation Committee Chairperson	Mar. 25, 2020.	Until closing of AGM IN 2024	Legal affairs (lawyer)	Current lawyer at Law Firm Sol, Former Vice Justice Minister (Acting Minister) and former Chief Procurator, Suwon High Prosecutors' Offices
Outside director	Kang Jeong-won	Male	Compensation Committee and ESG Committee member	Mar. 25, 2020.	Until closing of AGM IN 2024	Industry (chemical engineering)	Professor in Department of Chemical and Biological Engineering, Korea University
Outside director	Nam Hye-jung	Female	Audit Committee, and Transparent Management Committee member	Mar. 23, 2021.	Until closing of AGM IN 2023	Accounting	Current professor in Finance and Accounting Profile Department of Business Administration, Dongkuk University
Outside director	Cho Woon-hang	Male	Audit Committee and Transparent Management Committee member	Mar. 24, 2022.	Until closing of AGM IN 2024	Finance/Accounting	Director, General Finance Scholarship Association. Former CEO, WOORI Investment Bank
Other non-executive director	Lee Hoon-ki	Male	-	Mar. 23, 2021.	Until closing of AGM IN 2023	Business administration in general	Current Director of Management Innovation, LOTTE Holdings Previous CEO of LOTTE Rental

* Appointment date: As of initial appointment date of inside director, outside director and other non-executive directors

* Term expiration date: Two years after taking office (reappointment) (Provided, however, that in accordance with LCC's regulations, the expiration date of the term of office shall be until the date of the general meeting of shareholders of the year in which the two-year term expires.)

* Reappointment: Inside director (reappointed: Lee Young-jun)

2) Composition status of committees

In accordance with Article 39 of the Articles of Incorporation and Article 13 of the Board of Directors Rules, we have sub-committees such as Audit Committee that audits the financial statements and inspects audit activities; the Compensation Committee that determines the remuneration for directors and executives; the Outside Director Candidate Recommendation Committee that deliberates the appointment and reappointment of outside director; the Transparent Management Committee which deliberate on agendas related to related-party transactions including transaction with affiliates by resolution of the Board of Directors, which are operated by being delegated authority in accordance with guidelines on authority and operation.

In addition, in September 2021, the ESG Committee was established to deliberate and decide on the suitability in business decision-making and execution feasibility from an ESG point of view.

The BOD and its sub-committees consist of a majority of outside directors. In particular, the Audit Committee, Compensation Committee, and the Transparent Management Committee consist of all the outside directors to ensure independence from the management and controlling shareholders. Our Board of Directors and sub-committees also consist of experts in law, accounting, finance, tax and other industries that LCC engages in to discuss and make decisions from various perspectives in-depth. For the smooth operation of the BOD and its sub-committees, we have established dedicated departments and supporting departments to support outside directors to perform their professional duties. We support the BOD members to make substantial decisions by reporting and providing materials on agenda items to the BOD in sufficient time before the meeting of the BOD and its sub-committees.

The organizational chart including our Board of Directors, the BOD's sub-committees, and supporting departments is as follows:

(Table 4-①-3) Composition Status of Sub-committees (As of May 31, 2022)

Committee	Composition					Main responsibilities of the committee	Remarks
	Position	Type	Name	Gender	Concurrent position ¹⁾		
Outside Director Candidate Recommendation Committee (total of 3 directors) (A)	Chairperson	Outside director	Lee Keum-ro	Male	C	1. Develops, checks, and supplements principles for appointing outside directors 2. Recommends outside directors to be appointed at the general meeting of shareholders 3. Manages and validates a pool of outside director candidates on a regular basis	
	Member	Outside director	Jeon Woon-bae	Male	B, E		
	Member	Inside director	Hwang Jin-koo	Male	-		
Compensation Committee (total of 3 directors) (B)	Chairperson	Outside director	Jeon Woon-bae	Male	A, E	1. Deliberates and resolves matters relating to executive compensation 2. Deliberates and resolves matters delegated by the Board of Directors	
	Member	Outside director	Kang Jeong-won	Male	E		
	Member	Outside director	Choi Hyon-min	Male	D, E		
Transparent Management Committee (total of 3 directors) (C)	Chairperson	Outside director	Lee Keum-ro	Male	A	1. Large-scale related-party transactions specified under the Fair Trade Act 2. Case where enters into a no-bid contract with a subject that falls under the regulations of exploitation of private interests under the Fair Trade Act 3. Case where	
	Member	Outside director	Nam Hye-jung	Female	D, E		
	Member	Outside director	Cho Woon-hang	Male	D		

						enters into a no-bid contract with an affiliate of 10 billion won or more 4. Cases where changes that increase or decrease the transaction conditions that have already been approved by the Committee by 20% or more 5. Other matters necessary for the operation of the committee	
Audit Committee (total of 3 directors) (D)	Chairperson	Outside director	Choi Hyon-min	Male	B,E	1. Audit the company's accounting and business affairs	
	Member	Outside director	Nam Hye-jung	Female	C, E	2. Requests for reporting on business and investigate the condition of the company's assets	
	Member	Outside director	Cho Woon-hang	Male	C	3. Handle matters stipulated in laws or the Articles of Incorporation and matters entrusted to the BOD	
ESG Committee (total of 5 directors) (E)	Chairperson	Outside director	Jeon Woon-bae	Male	A,B	1. Establish ESG management strategy and execution plan 2. Deliberate items submitted to the BOD as an ESG implementation strategy 3. Other matters delegated by the BOD and matters recognized as necessary by the CEO	
	Member	Outside director	Kang Jeong-won	Male	B		
	Member	Outside director	Choi Hyon-min	Male	B,D		
	Member	Outside director	Nam Hye-jung	Female	C,D		
	Member	Inside director	Lee Young-jun	Male	-		

1) If a director is concurrently serving as a member of another 'committee within the BOD,' a code corresponding to the 'committee within the BOD' is indicated.

As described above, LCC ensures the outside directors have effective and thoughtful discussion and decision-making so that they can take decisions independently from the management and controlling

shareholders. Going forward, LCC will form the BOD with a majority of outside directors and support them so that they can perform independent functions from the management and controlling shareholders and faithfully perform their duties.

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

3.2.2. Current status of the BOD

Article 5 of our Corporate Governance Charter stipulates that the Board of Directors shall be composed of competent persons having expertise that can make practical contributions to the management of LCC, and that LCC shall strive to enhance diversity of the BOD to flexibly respond to changes in the business environment based on various perspectives and experiences. In addition, Article 31 of the Articles of Incorporation and Article 3 of the Board of Directors Rules stipulate on diversity so that all directors are not of a specific gender.

We have established the Outside Director Candidate Recommendation Committee under the BOD to compose the BOD of competent persons having expertise in various fields and accountability. The Outside Director Candidate Recommendation Committee collects diverse opinions from all social classes, regardless of gender, age, nationality, region of origin, generation, religion, or disability, and recommends candidates who can perform the duties of a director independently. Among candidates having expertise in accounting, finance, tax, law, and industry in each field, LCC appoints six outside directors including one female director with those who are qualified under the relevant laws such as the Commercial Act, or in consideration of diversity. As such, LCC has secured the expertise and diversity of the Board of Directors.

Inside director Shin Dong-bin, as the representative director and the Chairman of the LOTTE Group, was appointed as he was recognized as the right person required for LCC's sustainable growth, achieving rapid development of the Group both at home and abroad with his outstanding management skills.

Kim Gyo-hyun, the representative and the Chairperson of the Board of Directors, has contributed to the growth of LCC based on his vast field experience, and diverse experiences accumulated while serving as production support/new business division and the CEO of LCC Titan. He was appointed by being evaluated as the right person to contribute to the sustainable development of LCC based on such experience.

Hwang Jin-koo, the representative director and the inside director, is leading the Basic Material Division of LCC. He has expertise and a balanced perspective in major business areas based on his extensive professional knowledge and practical experience. He was judged as the right person to contribute to the development of LCC using his diverse experience and leadership.

Lee Young-jun, the representative director and the inside director, is the representative of Advanced Material Division of LCC. He has expertise and a balanced perspective in major business areas based on his extensive professional knowledge and practical experience. He was judged as the right person to contribute to the development of LCC using his diverse experiences and leadership.

Jeon Woon-bae, the outside director, is a labor-management expert who served as the former Director of Employment & Labor Training Institute, Koreatech and the former Chairman of National Labor Relations Commission. He was appointed with the expectation that he would be able to play a pivotal role in the decision-making process related to the major business of LCC using his experience.

Lee Keum-ro, the outside director, was appointed as he was expected to play a key role in the decision-making process related to the major business of LCC by utilizing his extensive practical experience as a legal expert who served as the former Vice Minister of Justice and Chief Prosecutor of the High Prosecutors' Office.

Kang Jeong-won, the outside director, is currently a professor in Department of Chemical and Biological Engineering, Korea University, and was appointed as he was expected to play a key role in the decision-making process related to the major business of LCC by utilizing a lot of research and extensive knowledge and experience as an expert in the field concerned.

Choi Hyon-min, the outside director, was appointed as an expert in the field of accounting/taxation who served as the former head of the local tax office. He was expected that he would be able to play a key role in the decision-making process related to the major business of LCC by utilizing his extensive practical experience.

Nam Hye-jung, the outside director, is a current professor in the Finance and Accounting Department of Business Administration at Dongguk University, who satisfies the qualifications of a finance/accounting expert as an outside director who becomes a member of the Audit Committee. As a female expert, she can strengthen the diversity of the BOD relating to the gender-equality specified in the Capital Market Act. She also serves as a member of management evaluation groups for public and quasi-governmental organizations, having theoretical and practical experience in the field of accounting. She was appointed as she was expected to play a key role in the decision-making process related to the major business of LCC based on such practical experience.

Cho Woon-hang, the outside director, is an expert in finance and accounting, who served as the vice president of Woori Bank and the CEO of Woori Investment Bank. He was appointed as he was expected to play a key role in the decision-making process related to the major business of LCC by utilizing vast and broad experience as an expert in finance and accounting.

Lee Hoon-ki, the other non-executive director, is the current director of Management Innovation Office, LOTTE Holdings., and has served as the CEO of LOTTE Rental and the head of the Planning Division, LCC. He was appointed as he was expected to be able to perform his duties from an all-inclusive perspective such as establishing management strategy as a BOD member of LCC utilizing his vast business experience and professional competency.

The table below shows the appointment and change of directors up to this report due date.

(Table 4-②-1) [Appointment of Directors and Changes Occurred Between Commencement of Immediately Preceding Fiscal Year to the Report Due Date]

Category	Name	Date of initial appointment	Expected expiry date of the term	Date of change	Reason for change	Incumbency
Inside director	Shin Dong-bin	March 12, 1993	Until the close of AGM in 2023	March 23, 2021	Reappointed	Incumbent
Inside director	Kim Gyo-hyun	March 24, 2017	Until the close of AGM in 2023	March 23, 2021	Reappointed	Incumbent
Inside director	Hwang Jin-koo	March 23, 2021	Until the close of AGM in 2023	March 23, 2021	Newly appointed	Incumbent
Inside director	Lee Young-jun	March 25, 2020	Until the close of AGM in 2024	March 24, 2022	Reappointed	Incumbent
Outside director	Jeon Woon-bae	March 25, 2020	Until the close of AGM in 2024	March 24, 2022	Reappointed	Incumbent
Outside director	Choi Hyon-min	March 25, 2020	Until the close of AGM in 2024	March 24, 2022	Reappointed	Incumbent
Outside director	Lee Keum-ro	March 25, 2020	Until the close of AGM in 2024	March 24, 2022	Reappointed	Incumbent
Outside director	Kang Jeong-won	March 25, 2020	Until the close of AGM in 2024	March 24, 2022	Reappointed	Incumbent
Outside director	Nam Hye-jung	March 23, 2021	Until the close of AGM in 2023	March 23, 2021	Newly appointed	Incumbent
Outside director	Cho Woon-hang	March 24, 2022	Until the close of AGM in 2024	March 24, 2022	Newly appointed	Incumbent
Other non-executive director	Lee Hoon-ki	March 23, 2021	Until the close of AGM in 2023	March 23, 2021	Newly appointed	Incumbent
Outside director	Kim Cheol-soo	March 18, 2016	March 25, 2020	March 25, 2020	Term expired	Retired
Outside director	Kim Yoon-ha	March 18, 2016	March 25, 2020	March 25, 2020	Term expired	Retired

Outside director	Park Yong-seok	March 18, 2016	March 25, 2020	March 25, 2020	Term expired	Retired
Outside director	Cho Seok	March 18, 2016	March 24, 2020.	March 24, 2020	Resigned	Retired
Other non-executive director	Yoon Jong-min	March 27, 2019	March 25, 2020	March 25, 2020	Resigned	Retired
Inside director	Im Byung-yeon	March 27, 201	Nov. 30, 2020	Nov. 30, 2020	Resigned	Retired
Other non-executive director	Oh Sung-yeop	March 25, 2020	Nov. 30, 2020	Nov. 30, 2020	Resigned	Retired
Outside director	Park Kyung-hui	March 20, 2015	March 23, 2021	March 23, 2021	Term expired	Retired
Outside director	Jeong Joong-won	March 25, 2020	March 24, 2022	March 24, 2022	Term expired	Retired

As described above, we strive actively to appoint BOD members with expertise in each field with their various backgrounds — so that the BOD, as the highest decision-making body of LCC, can make key decisions with sufficient competitiveness and accountability in consideration of the internal and external business environment that we are facing. Thanks to such efforts, our current BOD consists of four inside directors and one other non-executive director who have a high management understanding of the overall business and who can continuously increase corporate value of LCC; as well as six outside directors with expertise in each area such as finance, accounting, taxation, law, industry, etc. Going forward, we will continue to further strive to secure competitiveness of LCC.

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

3.2.3. Nomination of Director Candidates and Appointment Process

The directors of LCC are appointed at the general meeting of shareholders in accordance with Article 382 of the Commercial Act. As mentioned in the CEO succession policy section above, the top management and HR executives discuss and select the best person with the competency, experience, expertise, and leadership required for the CEO as the inside director candidates from among various candidates who meet the qualifications to become the CEO. Outside director candidates are recommended by the Outside Director Candidate Recommendation Committee, which consists of two outside directors and one inside director (outside director ratio of 67%), and are finally appointed at the general meeting of shareholders. The Outside Director Candidate Recommendation Committee is composed of a majority of outside directors to pursue fairness and independence in the recommendation process. The Committee recommends candidates who can perform the director's duties independently by gathering diverse perspectives from all sectors of society, and who meet the qualifications required under the relevant laws and regulations such as Article 382 and Article 542-8 of the Commercial Act, irrespective of age, nationality, region of origin, generation, religion, disability, etc. In addition, we enhance management transparency by not appointing persons who have a significant interest in LCC as outside director to ensure the functions of checking and supervising against the management.

As shown below (Table 4-③-1), LCC discloses sufficient information on director candidates two to four weeks before the date of the general meeting of shareholders so that shareholders can exercise their voting rights with sufficient information about the director candidates. We also disclose the information on the directors to be reappointed such as activity details including the attendance rate in the BOD and Committees, and the pros and cons of each agenda in quarterly, semi-annual, and business reports to ensure that the shareholders' evaluations can be fully reflected in the selection process.

We do not apply the cumulative voting system stipulated in Article 382-2 of the Commercial Act in accordance with Article 32 (3) of the Articles of Incorporation. There have been no cases where a minority shareholder has expressed an opinion in the process of appointing a director, but if there is such a request, we will strive to carefully review the opinion of the minority shareholder to respect it. We will consider the adoption of cumulative voting system if there is a request from shareholders for strengthening and protecting shareholders' rights and interests.

As mentioned above, we select inside director candidates from among a large number of candidates who meet the qualifications for CEO, and select outside director candidates through the Outside Director Candidate Recommendation Committee, which consists of a majority of outside directors, pursuing fairness and independence of the recommendation process. In addition, we are enhancing management transparency by appointing outside directors based on their independence and expertise in all sectors regardless of gender. Going forward, we will further strive to ensure fairness and independence in the process of recommending and appointing director candidates.

(Table 4-③-1) [Information on director candidates provided for general meetings of shareholders] (Jan. 01, 2021~May 31, 2022)

Date provided	Date convened	Director candidate		Details of information	Remarks
		Type	Name		
March 4, 2021 (19 days before the general meeting)	March 23, 2021	Inside director	Shin Dong-bin	1. Candidate's detailed CV and specialty 2. Candidate recommendation method 3. Confirmation of independence (interest in the company) 4. Current status of concurrent positions	-
		Inside director	Kim Gyo-hyun		
		Inside director	Hwang Jin-koo		
		Outside director	Nam Hye-jung		
		Other non-executive director	Lee Hoon-ki		

March 4, 2022 (20 days before the general meeting)	March 24, 2022	Inside director	Lee Young-jun	1. Candidate's detailed CV and specialty 2. Candidate recommendation method 3. Confirmation of independence (interest in the company) 4. Current status of concurrent positions	-
		Outside director	Jeon Woon-bae		
		Outside director	Choi Hyon-min		
		Outside director	Lee Keum-ro		
		Outside director	Kang Jeong-won		
		Outside director	Cho Woon-hang		

(Detailed Principle 4-㉔) Anyone who is responsible for damaging company value or violating shareholder rights should not be appointed as a director.

3.2.4 Current Status of Executives and Policy of Preventing Appointment of those responsible for Damaging Company Value or Violating Shareholders' Rights

1) Current status of executive

As of the report due date, LCC has 11 registered executives and 95 unregistered executives. The status of registered and unregistered executives is as follows (Table 4-④-1):

(Table 4-④-1) Current Status of Executives as of Report Due Date

1) Registered Executives

Name	Gender	Position	Registered /unregistered	Executive /non-executive	Responsibilities
Shin Dong-bin	Male	Inside director CEO	Registered	Executive	Supervising overall company business
Kim Gyo-hyun	Male	Inside director CEO	Registered	Executive	Supervising overall company business
Lee Young-jun	Male	Inside director CEO	Registered	Executive	Supervising overall company business
Hwang Jin-koo	Male	Inside director CEO	Registered	Executive	Supervising overall company business
Jeon Woon-bae	Male	Outside director	Registered	Non-executive	Outside director
Lee Keum-ro	Male	Outside director	Registered	Non-executive	Outside director
Kang Jeong-won	Male	Outside director	Registered	Non-executive	Outside director
Choi Hyon-min	Male	Outside director	Registered	Non-executive	Outside director and Audit Committee member
Nam Hye-jung	Female	Outside director	Registered	Non-executive	Outside director and Audit Committee member
Cho Woon-hang	Male	Outside director	Registered	Non-executive	Outside director and Audit Committee member
Lee Hoon-ki	Male	Other non-executive director	Registered	Non-executive	Other non-executive director

2) Unregistered Executives

Name	Gender	Position	Registered /unregistered	Executive /non-executive	Responsibilities
Kim Hyun-ok	Female	Executive Vice President	Unregistered	Executive	Chemistry HQ, Compliance Officer (CCO)
Park Hyun-chul	Male	Executive Vice President	Unregistered	Executive	CEO of LC Titan
Kang Kyung-bo	Male	Executive Vice President	Unregistered	Executive	CEO of SeeTEC Co., Ltd.
Yim Dong-hee	Male	Executive Vice President	Unregistered	Executive	Head of Basic Materials Division New Business HQ
Kim Yeon-seop	Male	Executive Vice President	Unregistered	Executive	Chemistry HQ, ESG Management HQ (CSO)
Hwang Yong-seok	Male	Executive Vice President	Unregistered	Executive	Chemistry HQ, Head of Human Resources Innovation Office (CHO)
Shin Sung-jae	Male	Executive Vice	Unregistered	Executive	Head of Advanced Materials ABS HQ

		President			
Son Tae-woon	Male	Executive Vice President	Unregistered	Executive	CEO of LC USA
Yoon Seung-ho	Male	Executive Vice President	Unregistered	Executive	Head of Basic Materials Polymer HQ
Park Soo-seong	Male	Executive Vice President	Unregistered	Executive	Head of Basic Materials Production HQ and head of Basic Materials Yeosu Plant
Hwang Min-jae	Male	Executive Vice President	Unregistered	Executive	Chemistry HQ CTO and head of Basic Materials Research Center
Bae Sung-soo	Male	Managing director	Unregistered	Executive	General director of Basic Materials LC Shanghai Trade
Park Jin-hyun	Male	Managing director	Unregistered	Executive	Head of Advanced Materials PC HQ
Lee Kwan-ho	Male	Managing director	Unregistered	Executive	CEO of Basic Material LC Indonesia
Lee Joong-hyung	Male	Managing director	Unregistered	Executive	Head of LC Titan (Indi) plant
Kim Yoon-seok	Male	Managing director	Unregistered	Executive	Head of Basic Material Purchasing HQ
Sunwoo Ki-byung	Male	Managing director	Unregistered	Executive	Division for New Basic Materials Business Team 2 and Team 3
Jang Bok-nam	Male	Managing director	Unregistered	Executive	Head of Advanced Materials LCJP Corporation
Park In-gu	Male	Managing director	Unregistered	Executive	Head of Battery Materials Business HQ
Kim Chin-yup	Male	Managing director	Unregistered	Executive	Head of Basic Materials Monomer HQ
Song Bo-geun	Male	Managing director	Unregistered	Executive	Head of Research Strategy Division
Seong Nak-sun	Male	Managing director	Unregistered	Executive	Head of Advanced Materials Management Strategy Division and head of Advanced Materials Safety and Health Division
Kim Dae-joong	Male	Managing director	Unregistered	Executive	Head of Advanced Materials Yeosu plant
Park Jae-chel	Male	Managing director	Unregistered	Executive	Head of Basic Materials Daesan plant
Im Oh-hun	Male	Managing director	Unregistered	Executive	Head of Basic Materials Ulsan plant and CR Project PD of Basic Materials Ulsan Plant Construction Team
Kang Jong-won	Male	Managing director	Unregistered	Executive	Chemistry HQ CFO and head of Finance Division
Han Myoung-jin	Male	Managing director	Unregistered	Executive	Head of Advanced Materials LCTR Corporation
Park Kyung-sun	Male	Managing director	Unregistered	Executive	Head of Basic Materials PE Business Division
Han Kyeong-jo	Male	Managing director	Unregistered	Executive	Head of LC USA Cracker Division and head of EG Division
Kim Yong-hak	Male	Managing director	Unregistered	Executive	Head of Hydrogen Energy Business Division and head of Basic Materials New Business Team 1
Yang Jae-ho	Male	Managing director	Unregistered	Executive	Head of Advanced Materials Mobility HQ
Seo Kyung-hoon	Male	Managing director	Unregistered	Executive	Head of Battery Material Business Development
Choi Jeong-whan	Male	Assistant managing director	Unregistered	Executive	Head of Basic Material LINE Project
Kim Gyu-jong	Male	Assistant	Unregistered	Executive	CEO of Basic Material LUSR

		managing director			
Doh Jae-goo	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials Water Treatment Division
Kim Eung-chul	Male	Assistant managing director	Unregistered	Executive	Head of Basic Material Production Division at Daesan Plant
Lee Sang-hyeon	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Aromatics Division
Chung Jong-hoon	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials Building Materials Division
Cho Cheol-woo	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials SCM Division
Kim Il-kyu	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Aromatic Business Division
Choi Chang-hyoo	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Research Center Project
Kim Ki-sun	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Yeosu Plant, Office Support Division
Lee Young-jae	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials HR Division
Park Kang-yeol	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials Mobility Development Division
Kahng Soo-kyung	Female	Assistant managing director	Unregistered	Executive	Head of Advanced Materials Design Tech Division
Park Sung-pil	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Ulsan Plant, Office Support Division and CEO of KP Chemtech Co., Ltd.
Choi Young-kwang	Male	Assistant managing director	Unregistered	Executive	Head of Chemistry HQ, Communication Division
Moon Young-tae	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Yeosu Plant, Production Division 1
Kim Chong-hwan	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Ulsan Plant, Production Department
Jeong Jong-sik	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Olefin Division
Lee Young-kwan	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Yeosu Plant, Public Affairs Division 2
Sim Hyung-seop	Male	Assistant managing director	Unregistered	Executive	Co-CEO of Basic Materials UZ-KOR
Kim Min-woo	Male	Assistant managing director	Unregistered	Executive	Head of Chemistry HQ, New Business Division and head of Business Strategy Division
Choi Young-heon	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Innovation Center and Project Manager
Lim Sung-soo	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Research Center Project and head of Basic Material POE Process Development TFT
Kim Tae-yeol	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Daesan Plant, Public Affairs Division and D-LNC TFT PD
	Male	Assistant	Unregistered	Executive	Head of Basic Materials EG/EOA

Lee Sung-ki		managing director			Business Division
Lee Beom-hee	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Yeosu Plant, Public Affairs Division I
Yun Jong-gyu	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials LINE Project
Shin Woo-churl	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials LCDE Corporation
Lee Jong-ho	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials LC Shanghai Corporation
Kim Se-hoon	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials Hydrogen Tank Business Division
Yoon Sung-taek	Male	Assistant managing director	Unregistered	Executive	CEO of Sambak LFT Co., Ltd.
Jeong Jin-hoon	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials SM/BTX Business Division
Lee Woong-jae	Male	Assistant managing director	Unregistered	Executive	Head of LC USA SCM Division
Yu Seung-yong	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Yeosu Plant, Production Division
Cho Seong-min	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials Mobility Marketing Division
Jang Seon-pyo	Male	Assistant managing director	Unregistered	Executive	Head of LC Titan (Indi)
Oh Ok-kyun	Male	Assistant managing director	Unregistered	Executive	Head of LC USA Management Division
Shin Seung-shik	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials PC Development Division
Moon Jyung-seok	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials LCTH Corporation
Park Seo-min	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Yeosu Plant, Safety and Environment Division
Kim Chul-joong	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Project Management and head of Basic Material ES Project PD, HEC Project PD
Yang Hwan-seok	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials at Yeosu Plant, Production Division
Cheon Yang-sik	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Polymer Planning Division
Gang Il	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials G1 Project
Cho Jin-woo	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials LINE Project
Kim Kwang-young	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Daesan Plant, Office Support Division
Kwack Ki-seop	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Management Strategy Division and head of Basic Materials Safety and Health Division
Park Se-ho	Male	Assistant	Unregistered	Executive	Head of Basic Materials Research

		managing director			Center Project
Kwon Kee-hae	Female	Assistant managing director	Unregistered	Executive	Head of Advanced Materials ABS Development Division
Moon Jung-sik	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials HR Department
Park In-chol	Male	Assistant managing director	Unregistered	Executive	Head of Chemistry HQ, Environmental Management Division
Cho Yong-jun	Male	Assistant managing director	Unregistered	Executive	Head of Chemistry HQ, Accounting Division
Park Joong-seong	Male	Assistant managing director	Unregistered	Executive	Head of Chemistry HQ, Digital Innovation Division
Choi Jeong-kyu	Male	Assistant managing director	Unregistered	Executive	Head of Basic Material LC Jiaxing/Samgang General director
Kwoun Jo-hyun	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials at Daesan Plant, Technology Division
Kim Hae-chul	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials PP Business Division
Lee Kyung-nam	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials ABS Marketing Division
Lee Hyun-sup	Male	Assistant managing director	Unregistered	Executive	Head of Basic Materials Tech Center
Song Geun-chang	Male	Assistant managing director	Unregistered	Executive	Expat at Basic Materials Tokyo branch office
Shim Mi-hyang	Female	Assistant managing director	Unregistered	Executive	Head of Basic Materials New Business Planning Team
Lee Han-su	Male	Assistant managing director	Unregistered	Executive	Head of Advanced Materials PC Marketing Division
Shin You-yeol	Male	Assistant managing director	Unregistered	Non-executive	Head of Basic materials Tokyo branch office in charge of sales and new business
Jang Gyu-jin	Male	Assistant managing director	Unregistered	Executive	Head of Hydrogen Business Division, and Hydrogen Energy Business Division

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

When appointing outside directors, we verify the director candidates based on the criteria for disqualification in accordance with our Articles of Incorporation and related laws and regulations such as Articles 382 (3) and 542-8 (2) of the Commercial Act. In addition to legal requirements, pursuant to Article 5 (4) of the Corporate Governance Charter, we prevent the appointment of those responsible for damaging company value or violating shareholders' rights as directors. We carry out a thorough verification process for expertise, competency, and whether or not the candidate has an interest in the company. After thorough verification process, outside directors with professional experience and knowledge in the relevant field, who can independently supervise the overall management of LCC, are recommended by the Outside Director Candidate Recommendation Committee and are appointed at the general meeting of shareholders.

One of our inside directors was convicted by the Supreme Court in October 2019 for breach of trust after being reappointed as an inside director at the general meeting of shareholders in March 2019. However, the conviction had nothing to do with our management issues, and after reviewing the background, substance and results of the conviction as a whole, LCC has determined that it has not damaged LCC's corporate value, or

violated shareholder rights. The inside director concerned, as the current chairman of the LOTTE Group, has achieved rapid development of the Group's domestic and overseas businesses with outstanding management skills, as well as contributing to the growth of LCC by entering new businesses with outstanding management perspective and leadership while serving as our representative director. We consider the inside director concerned to be the right person required for our continuous growth.

For compliance management based on a sound corporate philosophy, we established compliance control standards in 2012 and built a compliance system. We appointed a compliance officer who oversees compliance control duties, and formed the Compliance Team in 2018 to systematically inspect and manage compliance risks across business activities such as fair trade, anti-bribery, safety and environment. Going forward, we will strive to guarantee corporate value and protect the shareholders' rights and interests by improving compliance level.

Lastly, we have not adopted an executive officer system. Instead of adopting the executive officer system, we strive for efficiency through the collective exercise of important decision-making, supervisory and executive authority through the BOD and the CEO.

(Key Principle 5) Responsibilities of Outside Directors

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

3.3 Responsibilities of Outside Directors

Outside directors of LCC are judged on their independence based on the criteria for qualifications required by relevant laws and regulations, and appointed as the outside directors who will supervise and advise on the management activities in compliance with the restrictions on concurrent positions and with the support of information and resources for job performance.

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

3.3.1 Independence of Outside Directors

The Outside Director Candidate Recommendation Committee recommends candidates who can perform the duties of directors based on their expertise and independence from those who meet the criteria for qualifications required by relevant laws and regulations, such as Articles 382 and 542-8 of the Commercial Act, and the recommended outside directors are appointed by the resolution at the general meeting of shareholders. In addition, we enhance management transparency by not appointing those who have a significant interest in LCC to ensure their functions of checking and supervising the management.

We review whether the outside director candidates have the reasons for disqualification under Article 382 (3) and Article 542-8 (2) of the Commercial Act, and prepares and submits a confirmation letter of qualifications for outside directors and certificate of eligibility in writing. In addition, we review the major careers of outside directors and the interests between the institution or the company where they are currently serving and LCC, and whether the appointment of the outside director conforms to the relevant laws and regulations. As of the report due date, all six outside directors appointed have no material interest in LCC as shown below (Table 5-①-1). Moreover, as indicated below (Table 5-①-2), there are no outside directors who have served for a long time.

**(Table 5-①-1) [Relationships between Incumbent Outside Directors and LCC or Affiliates]
(May 31, 2022)**

Name	Previous positions held at LCC or its affiliates by outside directors		Transactions between LCC or its affiliates and outside directors (or company of which the outside director is the largest shareholder)		Transactions between LCC or its affiliates and outside directors (or company of which the outside director is serving as an executive/employee)	
	LCC	LCC's affiliates	LCC	LCC's affiliates	LCC	LCC's affiliates
Choi Hyon-min	None	None	None	None	None	None
Jeon Woon-bae	None	None	None	None	None	None
Lee Keum-ro	None	None	None	None	None	None
Kang Jeong-won	None	None	None	None	None	None

Nam Hye-jung	None	None	None	None	None	None
Cho Woon-hang	None	None	None	None	None	None

(Table 5-①-2) [Years of Service of Incumbent Outside Directors and Reasons for Holding Office Longer Than Six Years (nine years if affiliates included)] (May 31, 2022)

Name	LCC		Affiliates included	
	Years of service	Reason for holding the office for more than six years	Years of service	Reason for holding the office for more than nine years
Choi Hyon-min	2 years and 2 months	-	-	-
Jeon Woon-bae	2 years and 2 months	-	-	-
Lee Keum-ro	2 years and 2 months	-	-	-
Kang Jeong-won	2 years and 2 months	-	-	-
Nam Hye-jung	1 year and 2 months	-	-	-
Cho Woon-hang	2 months	-	-	-

As such, in addition to the qualification for director required by the Commercial Act, we limit the outside director candidates to those with abundant expertise and experience in related fields when the Outside Director Candidate Recommendation Committee screens the qualification of the candidates so that outside directors can independently engage in important corporate management policy decisions and faithfully fulfill their obligations to supervise the management as a Board member. In addition, we have adopted internal review standards to thoroughly review their qualifications to ensure that no one responsible for damage to corporate value or violation of shareholder rights is appointed as a director. Going forward, we will strive to comply with and review the above standards to ensure that corporate value and shareholder rights and interests are not damaged.

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

3.3.2. Matters Concerning the Performance of Duties by Outside Directors

We restrict the outside directors from holding concurrent positions to the extent of being allowed by the relevant laws and regulations so that no interest of conflict occurs and the directors can invest sufficient time and effort in decision-making throughout our management. However, only in unavoidable cases do we determine the appropriateness of the outside directors' concurrent positions through the approval of the Board of Directors. In accordance with these internal standards, outside directors of LCC can invest sufficient time and effort to faithfully perform their duties. The detailed status of concurrent positions held by the outside directors is as follows (Table 5-②-1):

(Table 5-②-1) Positions Held Concurrently by Incumbent Outside Directors (May 31, 2022)

Name (Audit Committee member)	Date of initial appointment	Expected expiry date of the term	Current job	Information on concurrent jobs			
				Organization concurrently serving ¹⁾	Concurrent job	Years of service for concurrent organization	Concurrent organization listed/not listed
Jeon Woon-bae	March 25, 2020	Until close of AGM in 2024	DENTONS LEE Advisor to law firm	-	-	-	-
Choi Hyon-min (Audit Committee member)	March 25, 2020	Until close of AGM in 2024	Advisor to law firm JIPYONG	Hansome. Corp.	Outside director (Audit Committee member)	March 24, 2020~ Present	Listed (on KOSPI)
Lee Keum-ro	March 25, 2020	Until close of AGM in 2024	Representative attorney at law firm Sol	TY Holdings Co., Ltd.	Outside director	Dec. 28, 2021.~ Present	Listed (on KOSPI)
Kang Jeong-won	March 25, 2020	Until close of AGM in 2024	Professor in Department of Chemical and Biological Engineering, Korea University	-	-	-	-
Nam Hye-jung (Audit Committee member)	March 23, 2021	Until close of AGM in 2023	Professor in Finance and Accounting Profile Department of Business Administration, Dongkuk University,	Korea Trade Insurance Corporation	Non-executive	March 16, 2018~ Present	Public institution
Cho Woon-hang (Audit Committee member)	March 24, 2022	Until close of AGM in 2024	Director, General Finance Scholarship Association	-	-	-	-

As such, Article 10 of our Board of Directors Rules stipulates that “Holding a concurrent job as executive of another company” shall be approved by a resolution of the BOD in order to ensure that directors faithfully perform their duties as outside directors, and to restrict our outside directors from holding jobs at other

company without the prior approval of our BOD. Currently, our outside directors are devoting sufficient time and effort to perform their duties.

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

3.3.3. LCC's Support for Outside Directors to fulfill their Duties

We actively provide necessary information and resources on a regular and irregular basis so that the outside directors can perform their duties without any difficulties. In addition, all directors, including outside directors, can receive support from outside experts, etc., if necessary, in accordance with Articles 11 and 17 of the Board of Directors Rules. Furthermore, major management information, such as agendas for the BOD and sub-committees, together with all agenda details and related materials, are provided to the directors at least one day prior to the meeting of the BOD and sub-committees so that the directors can fully review the agenda. In addition, in order to enhance understanding of our management activities, LCC provides the outside directors with internal training to directly inspect domestic and overseas business sites and be reported on the management status on a regular basis.

The current status of training for outside directors in the previous fiscal year is as follows:

Training date	Training provider	Attendance of outside director	Reason for not attending	Main content of training
June 2, 2021	LOTTE Holdings	1 director (Newly appointed outside director)	-	Group's management status introduction
July 22, 2021	LCC	All six directors	-	Understanding on domestic and overseas consolidated internal accounting management system policy and policy to advance internal accounting
Sept. 16, 2021	LCC	All six directors	-	Sharing global environment-friendly trend and our eco-friendly strategy and implementation direction
Oct. 21, 2021	LCC	Five directors	Note 1)	Understanding on the mid- to long-term research strategy direction and visiting major research projects (Visiting our research institute [located in Daedeok-gu, Daejeon])

(1) On Oct. 21, 2021- Outside director Choi Hyun-min did not attend (Reason: family event)

Our Board of Directors has one secretary in accordance with Article 18 of the Board of Directors Rules in order to handle all the affairs related to the BOD. The secretary serves as the head of the department in charge of the BOD. In addition, in order to support outside directors in performing their duties, the support department (work support team) actively respond to the request of outside directors. We ensure that the outside directors be reported by the department proposing BOD agenda and the relevant department, if necessary, in relation to the matters required to the decision-making.

Composition of an organization supporting the performance of outside directors' duties and its major activities are as follows.

Name of department (team)	No. of employees (person)	Position (years of service)	Major activities
Communication department	2	1 executive, 1 senior employee (4.7 years on average)	<ul style="list-style-type: none"> - General management of the BOD and its sub-committees - Provision of BOD training materials - Provision of key information required for management decision, etc.

Meetings of the sub-committees comprising only outside directors (Compensation Committee, Audit Committee, and Transparent Management Committee) are held 22 times during the fiscal year to actively perform their duties. The Committee members are freely exchanging their opinion before and after the meetings of the BOD and its sub-committees, or engaging in active interaction unofficially through the training opportunities, etc. However, there was no official meeting during the period concerned, and we will actively support outside directors upon request.

(Table 5-③-1) Meetings Held Exclusively for Outside Directors (Jan. 01, 2021 ~ May 31, 2022)

Session	Regular / ad-hoc	Date convened	Attending outside directors / total outside directors	Discussion items	Remarks
-	-	-	-	-	-

As such, we have established a separate support organization under the BOD to support outside directors in performing their professional duties within the BOD and its sub-committees in accordance with relevant regulations, and provide sufficient information and resources necessary for the performance of their duties. In addition, we provide sufficient education on our management and business so that directors can enhance their understanding of LCC and make reasonable decisions. Going forward, we will strive to ensure outside directors faithfully perform their duties through such support and training.

(Key Principle 6) Assessment of Outside Directors' Activities

- In efforts to motivate outside directors to carry out their duties more diligently, their activities should be fairly assessed, and their compensations and reappointment should be determined based on the assessment results.

3.4. Assessment of Outside Directors' Activities

We conduct assessment through an internal process based on quantitative/qualitative standards for the activities of outside directors, and pays remuneration within the remuneration limit approved at the general meeting of shareholders in consideration of the director's roles and other matters.

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

3.4.1. Matters Concerning Assessment of Outside Directors' Activities

Article 11 of our Corporate Governance Charter stipulates that Management activities of the BOD must be evaluated fairly and that valuations on the BOD and outside directors shall be performed regularly. We operate an internal process for assessment of outside directors, and conducts independent assessment of all outside directors every year. In order to ensure fairness in the assessment, we comprehensively consider quantitative criteria such as attendance rate for each activity as well as qualitative criteria such as work expertise, contribution to overall management decision-making and issue resolution, internal and external influence, and active duty of outside directors. The assessment results are used to improve the appropriateness of the BOD composition and operational efficiency, including consideration for reappointment.

(Detailed Principle 6-⑦) Compensation for outside directors should be determined at an appropriate level by taking into account the assessment results as well as responsibilities and risks faced by outside directors in carrying out their duties.

3.4.2. Compensation Status for Outside Directors

The compensation for outside directors shall be calculated within the remuneration limits approved at the general meeting of shareholders in accordance with Article 388 of the Commercial Act, Article 43 of the Articles of Incorporation, and Article 12 of the Board of Directors Rules, taking into account their duties and other matters in consideration of the size of the company and the level of remuneration in the same and similar businesses based on the generally acceptable social practices. All outside directors are paid the same amount of remuneration, but the Audit Committee members are paid the additional expenses set by the Compensation Committee in consideration of the legal responsibilities and time and effort invested by the Audit Committee members. No separate stock option is granted to outside directors. The remuneration payment status of outside directors in 2021 is as follows. For reference, we have a total of six outside directors, of which three are concurrently serving as Audit Committee members.

The compensation for our outside directors is included in the remuneration limit of directors approved at the general meeting of shareholders and is paid in consideration of the duties in charge, our business environment, and business performance, in accordance with the Compensation Committee Rules on payment criteria and calculation method. Currently, the compensation for our outside directors is considered to be at an appropriate level in consideration of the responsibilities and risks of performing their duties, the time invested, and the average compensation of outside directors in the same industry.

Current Status of Compensation for Outside Directors and Audit Committee Members
(Unit: in KRW 1million)

Category	No. of members	Total remuneration	Average remuneration per person	Remarks
Inside director (excluding Audit Committee)	3	216	72	

Category	No. of members	Total remuneration	Average remuneration per person	Remarks
members)				
Audit Committee members	3	230	77	

(Key Principle 7) Operation of the BOD

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

3.5. Operation of the BOD

Our BOD Rules stipulates that the meeting shall be held regularly, at least quarterly. In addition, the Board of Directors is operated in accordance with the stipulated BOD Rules regarding the authority and responsibilities of the BOD, standards and operating procedures for agenda/reporting agendas, and the results of the BOD meeting are recorded in the meeting minutes with seals on it; and, if necessary, it is recorded, etc., for responsible operation.

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

3.5.1. Current Status of BOD Convocation and Operation

In 2021, our BOD held a total of 11 meetings, and as of the report due date in 2022, a total of five BOD meetings have been held. The BOD meeting is convened by the Chairman of the BOD in accordance with Article 7 (1) of the BOD Rules by sending the convocation notice at least one day before the meeting. In addition, each director may request the convening of a BOD meeting by presenting the agenda and reasons to the Chairman of the BOD. In accordance with Article 9 (Method of Resolution) of the BOD Rules, the resolution of the BOD is made by the attendance of a majority of directors and approval by a majority of the directors present, except as otherwise provided in the relevant laws and regulations. In addition, all or part of the BOD members make a resolution using a telecommunication method that transmits and receives voice between the directors at the same time instead of attending the meeting in person in accordance with the Rules. Directors attending the meeting in this way are considered to have attended the BOD meeting. Moreover, a director who has a special interest in a resolution of the BOD and a director without voting rights cannot exercise their voting rights, and such directors are not included in the number of directors present.

(Table 7-①-1) Board Meetings Held (Jan. 01, 2021 ~ May 31, 2022)**[Jan. 01, 2021~Dec. 31, 2021]**

Session	Agenda		Approval	Regular / ad-hoc	Date convened	Notification Date of the Agenda	Attendance / quorum
	Category	Description					
1st	Items to be approved	Bill 1: Case of Approval of the 45th Financial Statements (including Statement of appropriation of retained earnings (Provisional)) Approved 9 (9) 6 (6) Bill 2: Case of Approval of the 45th Business Report Bill 3: Case of Approval of Total Transaction Amount with Largest Shareholder, etc. (Provisional) Bill 4: Case of Approval of 2021 Acropolis Contract (Provisional) Bill 5-1: Case of Approval of 2001 Information System Comprehensive Management and Operation Contract (Provisional) Bill 5-2: Case of Approval of Dualization of RCP Server for Automated Warehouse (Provisional) Bill 5-3: Case of Approval of Network Equipment Replacement and Dualization Plans (Provisional)	All the Bills Approved	Regular	Feb. 05, 2021	Feb. 03, 2021	9/9

	Items to report	<p>Bill 5-4: Case of Approval of Email Archiving Solution Upgrade (Provisional)</p> <p>Bill 5-5: Case of Approval of Purchasing Infrastructure for RPA (Robotic Process Automation) (Provisional)</p> <p>Bill 5-6: Case of Approval of Backup System Expansion and Replacement (Provisional)</p> <p>Bill 5-7: Case of Approval of VDI Construction for Supporting Remote Work Environments (Provisional)</p> <p>Bill 6: Case of Approval of Safe and Healthy Environment Management Information System Advancement Contract (Provisional)</p> <p>Bill 7-1: Case of Approval of Malaysia Outdoor Advertisement Contract (Provisional)</p> <p>Bill 7-2: Case of Approval of Group Sports Advertisement Contract (Provisional)</p> <p>Bill 7-3: Case of Approval of LOTTE Chemical Website Maintenance and Operations Contract (Provisional)</p> <p>Bill 8-1: Case of Approval of Donations to LOTTE Foundation for Arts (Provisional)</p> <p>Bill 8-2: Case of Approval of Donations to Community Chest of Korea (Provisional)</p> <p>Bill 8-3: Case of Approval of Donations to Asia Society Korea Center (Provisional)</p> <p>Bill 9: Case of Approval of Paid-in Capital Increase Participation to Expand LVE Operation Funds (Provisional)</p> <p>2021 1st Transparent Management Committee Result -</p> <p>2020 4th and 2021 1st Compensation Committee Result</p>	Reported				
2 nd	Items to be approved	<p>Bill 1: Case of Approval of Binding Offer for Investment in Other Company</p> <p>Bill 2: Case of Approval of Implementation of Electronic Voting System for General Meeting of Shareholders (Provisional)</p>	All the Bills Approved	Ad-hoc	Feb. 22, 2021	Feb. 19, 2021	9/9
3 rd	Items to be approved	<p>Bill 1: Case of Summoning of the 45th General Meeting of Shareholders Meeting (Provisional)</p> <p>Bill 2: Case of Determining Agendas of the 45th General Meeting of Shareholders Meeting (Provisional)</p> <p>Bill 3: Case of Approval of Revising Board of Director Meeting Regulations (Provisional)</p> <p>Bill 4: Case of Approval of 2021 Safety and Health Plans (Provisional)</p>	All the Bills Approved	Regular	Mar. 03, 2021	Mar. 02, 2021	8/9
	Items to report	<p>2020 Compliance Team Activity Report</p> <p>2021 2nd Transparent Management Committee Result Report</p> <p>2021 2nd Compensation Committee Result</p> <p>Internal Accounting Management System Operation Status</p> <p>Internal Accounting Management System Evaluation Report by Audit Committee</p> <p>Audit Report on the 45th Business Year Accounting and Work</p>	Reported				
4 th	Items to be approved	<p>Bill 1: Case of Appointment of Chair of Board of Directors</p> <p>Bill 2: Case of Appointment of CEO</p> <p>Bill 3-1: Case of Approval of Concurrent Position of Executive Kim Gyo-hyun (Provisional)</p>	All the Bills Approved	Regular	Mar. 23, 2021	Mar. 19, 2021	9/11

		Bill 3-2: Case of Approval of Concurrent Position of Executive Hwang Jin-koo (Provisional) Bill 4: Case of Appointment of Outside Director Candidate Recommendation Committee Member Bill 5: Case of Appointment of Transparent Management Committee Member Bill 6: Case of Approval of Issuing 2021 Corporate Bonds (Provisional) Bill 7: Case of Approval of Paid-in Capital Increase Participation to for Hyundai Chemical (Provisional) Bill 8: Case of Approval of Off-take System Construction Contract (Provisional) Bill 9: Case of Approval of Transactions with LOTTE Holdings for Using, Group Shared System (Provisional)					
5 th	Items to be approved	Bill 1: Case of Approval of Enacting Corporate Governance Charter Bill 2: Case of Approval of Revising Board of Director Meeting Regulations (Provisional) Bill 3: Case of Approval of Revising Audit Committee Regulations (Provisional) Bill 4: Case of Approval of Eco-friendly Chemical Recycle PET Business (Provisional) Bill 5: Approval of Electrolyte Organic Solvent EC/DMC Business for EV Batteries (Provisional) Bill 6: Case of Approval of 2021 Corporate PR Campaign Contract (Provisional)	All the Bills Approved	Regular	May 20, 2021.05.20.	May 17, 2021.05.17.	11/11
	Items to report	2021 3rd Compensation Committee Result Management Review Report on Anti-corruption Management System (ISO37001) Certification	Reported				
6 th	Items to be approved	Bill 1: Case of Approval of Increased Investment for Using NC Plant LPG Raw Materials (Provisional) Bill 2: Case of Approval of Contact-free Entry and Mobile Safety Training / Work Management System Construction Contract (Provisional)	All the Bills Approved	Regular	June 24, 2021	June 18, 2022	11/11
	Items to report	Management Status Report	Reported				
	Items to be approved	Bill 1: Case of Approval of Compliance Control Standards Revision (Provisional) Bill 2: Case of Approval of Transactions with LOTTE Data Communication for Improving IT System (Provisional) Bill 3: Case of Approval of Entering Contract for Use of Group DWP (Digital Workplace) System (Provisional) Bill 4: Case of Approval of Salesforce Licensing Contract Renewal (Provisional)	All the Bills Approved				
	Items to report	Consolidated Internal Accounting Management System Advancement Direction 2021 LOTTE Chemical Ad Campaign Report Management Status Report 2021 3rd Transparent Management Committee Result Report	Reported				
7 th				Regular	July 22, 2021	July 15, 2021	11/11

8 th	Items to be approved	Bill 1-1: Case of Approval of Revising Board of Director Meeting Regulations (Provisional) Bill 1-2: Case of Approval of Newly Founding ESG Committee and Its Operation (Provisional) Bill 2: Case of Approval of Signing LA -II Project Support Contract with LC USA (Provisional) Bill 3: Case of Approval of LC USA Wages Payment Settlement Contract (Provisional) Bill 4: Case of Approval of Transactions with LOTTE Data Communication for Purchasing Security System Hardware (Provisional)	All the Bills Approved	Regular	Sept. 16, 2021	Sept. 13, 2021	11/11
	Items to be approved	Bill 1: Case of Approval of Changing Total Transaction Limit with Special Interest Parties such as Largest Shareholder, etc. (Provisional) Bill 2: Case of Approval of In-House Purchasing of LOTTE Fine Chemical Stocks (Provisional) Bill 3: Case of Approval of Participation in Global Hydrogen Fund (Provisional) Bill 4: Case of Approval of Participation in LOTTE Chemical Indonesia (LCI) Recapitalization Bill 5: Case of Approval of Hecellose Outsource Production Business Investment (Provisional) Bill 6: Case of Approval of Entering LIMS Construction Contract for Smart Lab (Provisional)	All the Bills Approved				
	Items to report	2021 4th and 5th Transparent Management Committee Result Report 2021 1st ESG Committee Result Report	Reported				
10 th	Items to be approved	Bill 1: Case of Approval of Liquidating LC Poland (LCC Poland) (Provisional) Bill 2: Case of Approval of Liquidating Hefei EP (LCC Engineering Plastics (Hefei) Co., Ltd.) (Provisional)	All the Bills Approved	Regular	Nov. 25, 2021	Nov. 22, 2021	10/11
	Items to report	2022 Executive Personnel Report	Reported				
11 th	Items to be approved	Bill 1: Case of Approval of 2022 Management Plans (Provisional) Bill 2: Case of Approval of 2022 Operating Fund Limit (Provisional) Bill 3: Case of Approval of Daesan Plant EOA Plant 2 Extension Project (Provisional) Bill 4: Case of Approval of Entering Group Brand Usage Contract and Sub-agreements (Provisional) Bill 5: Case of Approval of Transactions with LOTTE Holdings for Using, Group Shared System (Provisional) Bill 6: Case of Approval of Eco-friendly Packaging Trend Survey Report Purchase (Provisional)	All the Bills Approved	Regular	Dec. 16, 2021	Dec. 10, 2021	11/11
	Items to report	2021 6th Transparent Management Committee Result Report 2021 4th Compensation Committee Result Report	Reported				

[Jan. 01, 2022~May 31, 2022]

Session	Agenda		Approval	Regular / ad-hoc	Date convened	Notification Date of the Agenda	Attendance / quorum
	Category	Description					

1st	<p>Items to be approved</p> <p>Bill 1: Case of Approval of the 46th Financial Statements (including Statement of appropriation of retained earnings) Bill 2: Case of Approval of the 46th Business Report Bill 3: Case of Approval of Total Transaction Limit with Special Interest Parties such as Largest Shareholder, etc. (Provisional) Bill 4: Case of Approval of Issuing 2022 Corporate Bonds (Provisional) Bill 5-1: Case of Approval of 2022 Basic Materials Business Safety and Health Plans (Provisional) Bill 5-2: Case of Approval of 2022 Advanced Materials Business Safety and Health Plans (Provisional) Bill 6-1: Case of Approval of Entering 2022 Information System Comprehensive Management and Operation Contract (Provisional) Bill 6-2: Case of Approval of Replacing Outdated Infrastructure Equipment (Provisional) Bill 6-3: Case of Approval of Replacing Internet Security Equipment (Provisional) Bill 7: Case of Approval of Entering Contract for 2022 Employee Online Education (Provisional) Bill 8-1: Case of Approval of Donations to LOTTE Foundation for Arts (Provisional) Bill 8-2: Case of Approval of Donations to Community Chest of Korea (Provisional) Bill 8-3: Case of Approval of Donations to Asia Society Korea Center (Provisional) Bill 9: Case of Approval of Entering Hyundai Chemical Fund Supplementation Agreement (Provisional)</p> <p>Items to report</p> <p>1st ESG Committee Result Report / 1st Compensation Committee Results Report / 1st Transparency Committee Result Report 2021 Compliance Activity Report (Executive Appointment (Provisional) Report</p>	<p>All the Bills Approved</p> <p>Reported</p>	Regular	Feb. 08, 2022	Jan. 28, 2022	11/11
2nd	<p>Items to be approved</p> <p>Bill 1: Case of Summoning of the 46th General Meeting of Shareholders Meeting (Provisional) Bill 2: Case of Determining Agendas of the 46th General Meeting of Shareholders Meeting (Provisional) Bill 3: Case of Approval of Revising Transparent Management Committee Operations Regulations (Provisional) Bill 4: Case of Approval of Revising Executive Remuneration Regulations (Provisional) Bill 5: Case of Approval of Chemical Unit HQ Joint Work Pursuance and Support Agreement (Provisional)</p>	<p>All the Bills Approved</p>	Regular	Mar. 03, 2022	Feb. 25, 2022	11/11

3 rd	Items to report	2022 2nd Compensation Committee Result Report Internal Accounting Management System Operation Status Report Internal Accounting Management System Evaluation Report by Audit Committee Audit Report on 2021 Business Year Accounting and Work Bill 1: Case of Approval of Appointment of CEO (Provisional) Bill 2: Case of Approval of Approval of Concurrent Positions of Directors (Provisional) Bill 3: Case of Approval of Appointment of Outside Director Candidate Recommendation Committee Member (Provisional) Bill 4-1: Case of Approval of Appointment of Compensation Committee Member (Provisional) Bill 4-2: Case of Approval of Revising Compensation Committee Regulations (Provisional) Bill 5: Case of Approval of Appointment of ESG Committee Member (Provisional)	Reported	Regular	Mar. 24, 2022	Mar. 21, 2022.	10/11
	Items to be approved	Bill 6: Case of Approval of Appointment of Transparent Management Committee Member (Provisional) Bill 7-1: Case of Approval of Air Liquide Korea Joint Venture Business (Provisional) Bill 7-2: Case of Approval of SK Gas, Air Liquide Korea Joint Venture Business (Provisional) Bill 8: Case of Approval of Changing GS Energy Joint Venture Business Investment (Provisional) Bill 9-1: Case of Approval of Malaysia Outdoor Advertisement Contract (Provisional) Bill 9-2: Case of Approval of Group Sports Advertisement Contract (Provisional) Bill 10: Case of Approval of Entering Workplace Patrol and Security Management Outsourcing Contract (Provisional)	All the Bills Approved				
	Items to report	Shareholder Return Reinforcement Plans Establishment of New Business Organization (Provisional) 2022 2nd ESG Committee Result Report	Reported				
4 th	Items to be approved	Bill 1: Case of Approval of amendment to the Corporate Governance Charter (Provisional) Bill 2 : Case of Approval of Increase of LC USA working capital limit payment guarantee (Provisional) Bill 3 : Case of Approval of Procurement of Borrowings and CP (commercial paper) in 2022 (Provisional)	All the Bills Approved	Regular	Apr. 21, 2022	Apr. 15, 2021	10/11

5 th		Bill 4 : Case of Approval of Conclusion of EPC contract related to ES project (Provisional) Bill 5 : Case of Approval of Abolition of Turkey (Istanbul) Liaison Office and Establishment of branch office (Provisional)					
	Items to report	2022 3rd Compensation Committee Result Report 2022 2nd Transparent Management Committee Result Report	Reported				
	Items to be approved	Bill 1 : Case of Approval of Renewal of LOTTE World Tower Office Lease Contract (Provisional) Bill 2: Case of Approval of Approval of Binding Offer Proposal for Investment in other Corporations Bill 3 : Case of Approval of Approval of Change for Investment in Hecellos Consignment Production (Provisional)	All the Bills Approved	Regular	May 27, 2022	May 24, 2022	11/11
	Items to report	2022 3rd Transparent Management Committee Result Report 2022 2nd Audit Committee Result Report Management Status Report	Reported				

As described above, we prepare the BOD meeting and operation regulations in writing and stipulate that the meeting shall be held and operated regularly at least quarterly. But we held the BOD meetings 11 times in 2021 and five times in 2022, which means it has been held almost every month showing active operation of the Board. Going forward, we are committed to making the best management decisions for the benefit of LCC and shareholders by actively holding the BOD meetings.

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

3.5.2. Details of Activities by Director

We prepare the BOD meeting minutes in accordance with Article 15 of the Board of Directors Rules, in which the minutes include the agenda, gist of the progress, main discussion by individual director, and dissenters and their reasons for dissension, and resolution result and sealed and signed by the directors present. In addition, when the BOD is held by video conference or conference call, the BOD meeting is recorded.

The Board of Directors makes resolutions in compliance with Article 9 of the Board of Directors Rules. In addition, LCC discloses each director's attendance at the BOD meeting and the pros/cons of each Bill through the business report to ensure that the directors can make decisions with responsibility. Details of attendance at the BOD by individual directors who have served (in office) from the start of the business year to the report due date, and attendance and approval rates of individual directors who have served for the past three business years are as follows:

(Table 7-②-1) Attendance by Director from Commencement of Fiscal Year to Report Due Date (Jan. 01, 2021~ May 31, 2022)
[Jan. 01, 2021~Dec. 31, 2021]

Type	Session	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	Remarks
	Date convened	Feb.05.	Feb.22.	Mar.03.	Mar.23.	May 20.	June 24	July 22	Sept.16.	Oct.21.	Nov.25.	Dec.16	
Inside director	Shin Dong-bin	Present	Present	Absent	Absent	Present	Present	Present	Present	Present	Absent	Present	Re-appointed
	Kim Gyo-hyun	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Re-appointed
	Hwang Jin-koo	-	-	-	Present	Present	Present	Present	Present	Present	Present	Present	Newly appointed
	Lee Young-jun	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	-
Outside director	Jeong Joong-won	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	-
	Choi Hyon-min	Present	Present	Present	Absent	Present	Present	Present	Present	Absent	Present	Present	-
	Jeon Woon-bae	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	-
	Lee Keum-ro	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	-
	Kang Jeong-won	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	-
	Nam Hye-jung	-	-	-	Present	Present	Present	Present	Present	Present	Present	Present	Newly appointed
Non-executive director	Park Kyung-hui	Present	Present	Present	-	-	-	-	-	-	-	-	Expiry
	Lee Hoon-ki	-	-	-	Present	Present	Present	Present	Present	Absent	Present	Present	Newly appointed

1) Inside Director Hwang Jin-koo, Outside Director Nam Hye-jung, Other Non-Executive Director Lee Hoon-ki: newly appointed on March 23, 2021

2) Outside Director Park Kyung-hui: Term expiry (retirement) on March 23, 2021

3) Executive Director Im Byung-yeon and other non-executive director Oh Sung-yeop: resigned on Nov. 30, 2020

[Jan. 01, 2022~May 31, 2022]

Type	Session Date convened	1 st 02.08.	2 nd 03.03.	3 rd 03.24.	4 th 04.21.	5 th 05.27.	Remarks
Inside director	Shin Dong-bin	Present	Present	Absent	Present	Present	-
	Kim Gyo-hyun	Present	Present	Present	Present	Present	-
	Hwang Jin-koo	Present	Present	Present	Present	Present	-
	Lee Young-jun	Present	Present	Present	Present	Present	Re-appointed
Outside director	Choi Hyon-min	Present	Present	Present	Present	Present	Re-appointed
	Jeon Woon-bae	Present	Present	Present	Present	Present	Re-appointed
	Lee Keum-ro	Present	Present	Present	Absent	Present	Re-appointed
	Kang Jeong-won	Present	Present	Present	Present	Present	Re-appointed
	Nam Hye-jung	Present	Present	Present	Present	Present	-
	Cho Woon-hang	-	-	Present	Present	Present	Newly appointed
Non-executive director	Jeong Joong-won	Present	Present	-	-	-	Expiry
	Lee Hoon-ki	Present	Present	Present	Present	Present	-

1) Outside Director Jeong Joong-won: Term expiry (retirement) on March 24, 2022

2) Independent Director Cho Woon-hang: Newly appointed on March 24, 2022

(Table 7-②-2) Attendance and Percentage of “for” Votes of Individual Directors for the past Three Business Years

Name	Type	Term of service	Attendance (%)				“For” votes (%)			
			Average of the past three years	Past three years ¹⁾			Average of the past three years	Past three years		
				2021	2020	2019		2021	2020	2019
Shin Dong-bin	Inside	Mar. 18, 2011 ~ present	47	73	50	19	90	100	71	100
Kim Gyo-hyun	Inside	Mar. 24, 2017.~ present	98	100	100	94	98	100	93	100
Hwang Jin-koo	Inside	Mar. 27, 2021 ~ present	100	100	-	-	96	-	-	-
Lee Young-jun	Inside	Mar. 25, 2020.~ present	100	100	100	-	95	100	89	-
Jeong Joong-won	Outside	Mar. 25, 2020 ~ present	100	100	100	-	95	100	89	-
Choi Hyon-min	Outside	Mar. 25, 2020 ~ present	91	82	100	-	95	100	89	-
Jeon Woon-bae	Outside	Mar. 25, 2020~ present	100	100	100	-	95	100	89	-
Lee Keum-ro	Outside	Mar. 25, 2020~ present	100	100	100	-	100	100	100	-

Kang Jeong-won	Outside	Mar. 25, 2020~ present	100	100	100	-	95	100	89	-
Nam Hye-jung	Outside	Mar. 23, 2021 ~ present	100	100	-	-	100	100	-	-
Lee Hoon-ki	Non-executive	Mar. 23, 2021 ~ present	88	88	-	-	100	100	-	-
Park Kyung-hui	Outside	Mar. 20, 2015 ~ Mar. 23, 2021	98	100	93	100	97	100	92	100
Im Byung-yeon	Inside	Mar. 27, 2019 ~ present	100	-	100	100	96	-	92	100
Oh Sung-yeop	Outside	Mar.25, 2020 ~ Nov. 30, 2020	88	-	88	-	88	-	88	-
Kim Cheol-soo	Outside	Mar. 18, 2016 ~ Mar. 25, 2020	90	-	80	100	100	-	100	100
Kim Yoon-ha	Outside	Mar.18, 2016 ~ Mar.25, 2020	100	-	100	100	100	-	100	100
Park Yong-seok	Outside	Mar.18, 2016. ~ Mar. 25, 2020	61	-	40	81	100	-	100	100
Cho Seok	Outside	Mar.19, 2018 ~ Mar. 24, 2020	47	-	0	94	100	-	-	100
Yoon Jong-min	Non-executive	Mar. 27, 2019 ~ Mar. 25, 2020	78	-	100	55	100	-	100	100
Im Byung-yeon	Non-executive	Mar.19, 2018 ~ Mar. 27, 2019	100	-	-	100	100	-	-	100

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

2) "For" vote rate refers to the Bill approved by the directors present.

(Key Principle 8) Committees under the BOD

▪ **In order to facilitate its efficient operation, the Board of Directors should establish committees under it and have them perform specific functions and roles.**

3.6 Sub-committee under the Board of Directors

We have established a total of five sub-committees under the BOD (Audit Committee, Compensation Committee, Outside Director Candidate Recommendation Committee, Transparent Management Committee, and ESG Committee) in accordance with Article 39 of the Articles of Incorporation and Article 13 of the Board of Directors Rules to ensure the efficient operation of the BOD, and allow the directors to demonstrate their expertise in each field. The Audit Committee and Outside Director Candidate Recommendation Committee were mandatorily established in accordance with the Commercial Act, the Compensation Committee was established to determine the amount of remuneration transparently for directors and executives, and the Transparent Management Committee was established for the purpose of deliberating on and reviewing the adequacy and fairness of related-party transactions between affiliates. The ESG Committee was established autonomously by the Board of Directors to deliberate and decide on business decision-making suitability and execution feasibility from an ESG point of view.

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

3.6.1. Matters Concerning Composition of Sub-Committees under the BOD

Sub-committees under the BOD are operated with a focus on the outside directors. The Audit Committee consists of all the outside directors in accordance with Article 45 (2) of the Articles of Incorporation, Article 5 (2) and Article 12 (1) of the Corporate Governance Charter, Article 13 (4) and (5) of the Board of Directors Rules and related committee regulations. The Compensation Committee and ESG Committee shall include at least two outside directors, but at least two-thirds of the total number of members shall be outside directors. The Outside Directors Candidate Recommendation Committee and Transparent Management Committee shall consist of a majority of outside directors. We have more strictly complied with the regulations related to the composition of outside directors, and the composition status of each committee is described in Detailed Principle 4-㉠ of this report.

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

3.6.2 Matters Concerning Regulations of Sub-committee under the BOD

1) Audit Committee

As of the report due date, our Audit Committee consists of three outside directors: Choi Hyun-min, Nam Hye-jung, and Cho Woon-hang — who were appointed by a resolution at the general meeting of shareholders. Each Audit Committee member plays a key role in the decision-making process of the Audit Committee based on their extensive knowledge and experience in taxation, finance, and accounting fields.

The Audit Committee audits financial statements, evaluates the operating status of the internal accounting management system, and selects external auditors, and review and approve the auditing result and internal accounting management system evaluation reports on the accounting and business during the fiscal year.

The duties, authority and composition of the Audit Committee are stipulated in the Audit Committee regulations. In accordance with the revised Commercial Act, we have revised the Audit Committee regulations, by adding a separate election clause for Audit Committee members, and changing the clause on the composition of all outside directors, which is stronger than the requirement prescribed in the Commercial Act, which requires that at least two-thirds of the Audit Committee members to be outside directors. We strive to maintain the independence and expertise of the Audit Committee at a high level.

Article 3 Duties and Authority

- (1) The Committee shall audit the company's accounting and business.
- (2) The Committee may at any time request to report on business or investigate the state of the company's assets for directors.
- (3) In addition to Paragraphs (1) and (2), the Committee shall handle matters stipulated in laws and regulations or the Articles of Incorporation and matters delegated by the BOD.

Article 4 Composition

- (1) The Committee members (the "Members") shall be appointed from among the directors appointed at the general meeting of shareholders. Provided, however, that one of the Audit Committee Members shall be appointed as a director who will be appointed as the Audit Committee Member separated from other directors by a resolution at the general meeting of shareholders.
- (2) The Committee shall be composed of three or more directors, and all of them are outside directors.
- (3) At least one of the Members shall be an expert in accounting or finance as stipulated in Article 542-11 (2) of the Commercial Act.
- (4) In the event that the number of Member falls short of the number stipulated in Paragraphs (2) through (3) due to reasons such as resignation or death, the company shall ensure that the requirements for the composition of the Committee are met at the first general meeting of shareholders convened after such cause occurs.

2) Compensation Committee

Our Compensation Committee consists of three outside directors (Jeon Woon-bae, Kang Jeong-won, and Choi Hyun-min), who were appointed by the resolution at the general meeting of shareholders as of the report due date. Each of the Committee Member plays a key role in the decision-making process of the Compensation Committee based on their extensive knowledge and experience in labor management, taxation and our industry. The Compensation Committee deliberates and decides on compensation-related matters for executives, as well as other matters delegated by the BOD.

The duties, authority and composition of the Compensation Committee are stipulated in the Compensation Committee regulations.

The duties, authority, and composition of our Compensation Committee are as follows:

Article 3 (Composition)

- (1) The Members shall be appointed and dismissed by the BOD.
- (2) The Committee shall be composed of three or more directors, including two or more outside directors, and the number of outside directors shall be at least two-thirds of the total number of Committee Members.
- (3) The term of office of a Member shall be until the expiration of the term of office as a director.
- (4) In case that the number of the Committee Members falls short of the numbers set forth in Paragraph (2), a Members who has retired due to term expiry or resignation, etc. shall have rights and duties as a Member until the newly appointed member takes office.

Article 5 (Authority of the Committee)

- (1) The Committee shall deliberate and decide on the matters stipulated in Article 10.
- (2) The Committee may request the company to submit and report related data if necessary for deliberation of the agenda.

Article 10 (Matters requiring Resolution)

The matters to be resolved by the Committee shall be as follows.

1. Remuneration limit for registered directors to be submitted to the general meeting of shareholders
2. Approval of individual remuneration of registered directors (including performance pay)
3. Remuneration limit for unregistered directors
4. Payment of special bonuses to registered and unregistered directors
5. Other matters delegated by the BOD

3) Outside Director Candidate Recommendation Committee

As of the report due date, our Outside Director Candidate Recommendation Committee consists of two outside directors — Lee Geum-ro and Jeon Woon-bae — and one inside director; Hwang Jin-koo, who were appointed through a resolution at the general meeting of shareholders. Each of the Committee Member plays a key role in the decision-making process of the Outside Director Candidate Recommendation Committee based on their extensive knowledge and experience in law, HR/labor policy and overall management. The Outside Director Candidate Recommendation Committee reviews the candidates to be recommended by verifying their qualifications, major careers, and interests in LCC. After deliberation by the BOD, it is being approved as an agenda for the general meeting of shareholders. The duties, authority, and composition of the Outside Director Candidate Recommendation Committee are stipulated in the Outside Director Candidate Recommendation Committee regulations.

The duties, authority, and composition of our Outside Director Candidate Recommendation Committee are as follows:

Article 3 (Authority)

- (1) The Committee shall have the right to recommend outside director candidates at the general meeting of shareholders.
- (2) In determining who to recommend as a candidate for outside director, the Committee shall include candidates recommended by shareholders who meet the requirements to exercise the rights set forth in Article 363-2 (1) and Article 542-6 (1) and (2) of the Commercial Act <Revised April 23, 2020>

Article 4 (Composition)

- (1) The Committee member (the “Member”) shall be appointed and dismissed by resolution of the BOD.
- (2) The Committee shall be composed of three or more directors, of which a majority of the Members shall be outside directors.
- (3) The term of office of a Member shall be until the expiration of the term of office as a director.
- (4) In case that the number of the Committee Members falls short of the numbers set forth in Paragraph (2) due to term expiry, resignation and death, etc., the requirements for the composition of the Committee shall be satisfied through the general meeting of shareholders or the BOD convened for the first time after such cause occurs.
- (5) In case that the number of the Committee Members falls short of the numbers set forth in Paragraph (2), a Members who has retired due to term expiry or resignation, etc. shall have rights and duties as a Member until the newly appointed member takes office.

Article 9 (Deliberation Agenda)

The matters to be deliberated by the Committee shall be as follows.

1. Recommendation of outside director candidate
2. Other matters necessary for the recommendation of outside director candidate

4) Transparent Management Committee

We changed the name of the existing ‘Related-Party Transactions Committee’ to ‘Transparent Management Committee,’ revising the Related-Party Transactions Committee regulations by a resolution (Case of granting authority to approve deliberation agenda) of the Board of Directors on May 14, 2019. Through the Transparent Management Committee operation regulations, we specify the purpose of establishment, authority and responsibility (Articles 3, 4, 11, and 12), composition and qualifications, appointment and dismissal (Articles 5 and 6), etc. Article 11 (1) and (2) of the Corporate Governance Charter stipulates the activities and performance evaluation of the Committee Members. For details on the regulations, please refer to the file attached to this report. In addition, the Transparent Management Committee reports the results of deliberation and approval on the proposed agenda to the BOD in accordance with Article 12 (2) 2 of the Board of Directors Rules and Article 3 (4) of the Transparent Management Committee operation regulations.

5) ESG Committee

As of the report's due date, our ESG Committee consists of four outside directors: Jeon Woon-bae, Choi Hyun-min, Kang Jeong-won, and Nam Hye-jung, plus one inside director, Lee Young-jun — who were appointed following a resolution at the general meeting of shareholders. Each of the ESG members plays a key role in the decision-making process of the ESG Committee based on extensive knowledge and experience in labor management, taxation, industry (chemical engineering), accounting, and our industry. The ESG Committee deliberates and decides on business decision-making suitability and execution feasibility from an ESG point of view. The duties, authority, and composition of the ESG Committee are stipulated in the ESG Committee regulations.

The duties, authority and composition of our ESG Committee are as follows:

Article 3 (Duties and Authority)

(1) The Committee shall decide and deliberate on matters related to the company's ESG management as set forth in Article 11 so that the company can fulfill its environmental and social responsibilities, establish a transparent corporate governance, and achieve sustainable growth by integrating the ESG perspective into management decision-making process.

(2) When necessary for the deliberation of the agenda, the Committee may request the company to submit and report the relevant data required to determine the suitability and execution feasibility of the proposed issues from the ESG point of view, such as detailed plans, stakeholders' needs, relevant risk analysis, and identification of business opportunities.

(3) The Committee shall report the results of deliberation and approval of the proposed agenda to the BOD.

Article 5 (Composition)

(1) The Members shall be appointed and dismissed by the BOD.

(2) The Committee shall be composed of three or more directors, and at least two-thirds of the total number of Members shall be outside directors.

(3) The term of office of a Member shall be until the term of office as a director.

(4) In cases where the number of the Committee Members falls short of the numbers set forth in Paragraph (2) due to term expiry, resignation and death, etc., the requirements for the composition of the Committee shall be satisfied through the general meeting of shareholders or the BOD convened for the first time after such cause occurs.

(5) In cases where the number of the Committee Members falls short of the numbers set forth in Paragraph (2), a Member who has retired due to term expiry or resignation, etc. shall have rights and duties as a Member until the newly appointed member takes office.

Article 11 (Deliberation Agenda)

(1) The matters to be deliberated by the Committee shall be as follows:

1. Agenda requiring resolution

(1) Establishment of ESG management strategy and action plan

(2) Membership of major ESG groups or organizations

(3) Publication of Sustainability Management Report

(4) Approval of social contribution promotion plan and annual business plan

(5) Fundraising or bond issuance to secure resources to implement ESG management strategies that do not fall under the deliberation agenda of the Board of Directors

2. Deliberation Agenda

(1) Agenda to be submitted to the BOD as an ESG implementation strategy

- Implementation of safety / climate / waste / resource virtuous cycle strategy, improvement of governance, etc.

3. Report Agenda

(1) Performance of ESG management strategy execution

(2) Current status of response to significant risks

(3) Status of communication with major external stakeholders

- External evaluation on ESG / Response to ESG group or organization / stakeholder response, etc.

Notwithstanding Article 11 (1) of the Committee regulations, matters delegated by the BOD and the matters that the CEO deems it necessary may be submitted to the ESG Committee as an agenda.

The main activities of the sub-committees are as below (Table 8-②-1).

(Table 8-②-1) Details of Sub-Committee Meetings Held (Table 9-②-1 shows Audit Committee Meeting)**(A) Compensation Committee**

(i) Details of Meetings Held From Commencement of Fiscal Year to the Report Due Date

[Jan. 01, 2021 ~ Dec. 31, 2021]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1 st	Feb. 5, 2021.	3/3	Resolution	Case of Approval of Individual Remuneration of Registered Directors for 2021	Approved
2 nd	Mar. 3, 2021.	3/3	Resolution	Case of Approval of 2021 Registered Director Remuneration Limit (Provisional)	Approved
3 rd	Mar. 23, 2021.	2/3	Resolution	Case of Approval of Individual Remuneration of Registered Directors in 2021 (Including New Directors)	Approved

4 th	Dec. 16, 2021.	3/3	Resolution	Case of Approval of Individual Remuneration of Registered Directors for 2022	Approved
			Resolution	Case of Approval of Compensation Limit per Non-registered Director Position for 2022	Approved

[Jan. 01, 2022 ~ May 31, 2022]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1 st	Jan. 21, 2022.	3/3	Resolution	Case of Approval of Registered Director Bonus for 2021	Approved
2 nd	Feb. 25, 2022.	3/3	Resolution	Case of Approval of Individual Remuneration of Registered Directors for 2022	Approved
			Resolution	Case of 2022 Director Compensation Limit and Execution Plans to be Introduced in General Meeting of Stockholders	Approved
3 rd	Mar. 24, 2022.	3/3	Resolution	Case of Appointment of Chair of Compensation Committee	Approved
			Resolution	Case of Approval of Compensation Limit per Non-registered Director for 2022	Approved

(ii) Attendance by Directors for the Past Three Business Years

Type	Name	Attendance (%)			
		Average of the Past three years	Past three years ¹⁾		
			2021	2020	2019
Outside director	Park Kyung-hui	100	-	100	-
Outside director	Cho Seok	0	-	0	-
Non-executive director	Yoon Jong-min	100	-	100	-
Outside director	Jeon Woon-bae	100	100	100	-
Outside director	Kang Jeong-won	100	100	100	-
Non-executive director	Oh Sung-yeop	100	-	100	-
Outside director	Choi Hyon-min	88	75	100	-

1) Compensation Committee was newly established on December 19, 2019 by the resolution of the BOD.

(B) Outside Director Candidate Recommendation Committee

(i) Details of Meetings Held From Commencement of Fiscal Year to the Report Due Date

[Jan. 1, 2021 ~ Dec. 31, 2021]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1 st	Mar. 02, 2021	2/2	Resolution	Bill 1: Case of Appointment of Chair of Outside Director Candidate Recommendation Committee (Chairperson: Lee Keum-ro)	Approved

			Resolution	Bill 2: Case of Outside Director Candidate Recommendation	Approved
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[Jan. 01, 2022 ~ May 31, 2022]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1 st	Feb. 25, 2022..	3/3	Resolution	Bill 1: Case of Outside Director Candidate Recommendation	Approved

(ii) Attendance by Director for the Past Three Business Years

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Outside	Lee Keum-ro	100	100	-	-
Outside	Choi Hyon-min	100	100	-	-
Inside	Im Byung-yeon	-	-	-	-
Outside	Park Yong-seok	100	-	100	100
Outside	Cho Seok	50	-	0	100
Non-executive	Im Byung-yeon	100	-	100	100

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

(C) Transparent Committee

(i) Details of Meetings Held From Commencement of Fiscal Year to the Report Due Date

[Jan. 1, 2021 ~ Dec. 31, 2021]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1 st	Feb. 3, 2021.	3/3	Resolution	Case of Approval of Total Transaction Amount with Special Interest Parties such as Largest Shareholder, etc. (Provisional)	Approved
			Resolution	Case of Approval of Transactions with LOTTE Data Communication for Using, Managing and Constructing Computer Processing System (Provisional)	Approved
			Resolution	Signing of Corporate PR Campaign Contract	Approved

				(Provisional)	
			Resolution	Signing of Malaysia Outdoor Advertisement Contract (Provisional)	Approved
			Resolution	Signing of Group Sports Advertisement Contract (Provisional)	Approved
			Resolution	Signing LOTTE Chemical Website Maintenance and Management Contract (Provisional)	Approved
			Resolution	Case of Approval of '21 Start-up Fund Investment (Provisional)	Approved
			Resolution	Case of Approval of Signing 2021 EG Annual Purchase Agreement with LCLA of the USA (Provisional)	Approved
			Resolution	Case of Approval of Paid-in Capital Increase Participation to Expand LVE Operation Funds (Provisional)	Approved
2 nd	Mar. 2, 2021.	3/3	Resolution	Case of Approval of Paid-in Capital Increase Participation to Pursue Joint Venture with LOTTE GS Chemical (Provisional)	Approved
			Resolution	Case of Approval of PET Sales Contract with LOTTE Chilsung Beverage (Provisional)	Approved
			Resolution	Case of Approval of Signing 2021 MEG Annual Purchase Agreement with KP Comtech (Provisional)	Approved
			Resolution	Case of Approval of Paid-in Capital Increase Participation to Pursue Joint Venture with LOTTE GS Chemical (Provisional)	Approved
			Resolution	Case of Approval of LINE Project Support Contract (Provisional)	Approved
3 rd	July 20, 2021.	3/3	Report	Internal Trading Management Guide Enactment (Provisional) Report	Report
			Report	Case of Approval of Transaction with LOTTE Data Communication for Upgrading IT System (Provisional)	Report
			Report	Case of Approval of Contract for Using "Group DWP (Digital Workplace) System" (Provisional)	Report
			Report	Case of Approval of Renewing Salesforce License Contract (Provisional)	Report
4 th	Sept. 23, 2021.	3/3	Resolution	Case of Approval of Establishing New LOTTE Chemical ESG (Carbon Neutral) Fund (Provisional)	Approved
5 th	Oct. 20, 2021.	3/3	Resolution	Case of Changing Transaction Limit with Special Stakeholders such as Largest Shareholder, etc. (Provisional)	Approved
			Resolution	Case of Approval of Utility Supply Contract with LOTTE GS Chemical (Provisional)	Approved
			Resolution	Case of Approval of Paid-in Capital Increase Participation with LOTTE Chemical Indonesia (LCI)	Approved
			Resolution	Case of Approval of Hecellose Manufacturing Outsourcing Contracting (Provisional)	Approved
6 th	Dec. 16, 2021.	3/3	Resolution	Case of Approval of Group Brand Usage Contract and Attached Agreements (Provisional)	Approved
			Resolution	Case of Approval of Major Changes to Brand Usage Contract with LOTTE Holdings (Provisional)	Approved

[Jan. 01, 2022 ~ May 31, 2022]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1 st	Feb. 7, 2022.	3/3	Resolution	Case of Approval of Total Transaction Amount with Special Interest Parties such as Largest Shareholder, etc. (Provisional)	Approved
			Resolution	Case of Approval of Signing the contract for Comprehensive Management and Operation of Information system in 2022. (Provisional)	Approved
2 nd	Apr. 15, 2022.	3/3	Resolution	Case of Approval of Appointment of the Chairperson of the Transparent Management Committee. (Provisional)	Approved
			Resolution	Case of Approval of Renewal of polymer product sales contract with Sambak LFT Co., Ltd. (Provisional)	Approved
			Resolution	Case of Approval of product sales brokerage contract with LOTTE GS Chemical Corporation. (Provisional)	Approved
			Resolution	Case of Approval of Change in the transaction amount of the Expatriate Agreement with LCC Titan Corporation. (Provisional)	Approved
3 rd	May 26, 2022.	3/3	Resolution	Case of Approval of Participation in Reduction of Capital at LOTTE Mitsui Chemicals. (Provisional)	Approved
			Resolution	Case of Approval of renewal of LOTTE World Tower office lease. (Provisional)	Approved
			Resolution	Case of Approval of Renewal of performance material product purchase contract with Sambak LFT Co., Ltd.. (Provisional)	Approved
			Resolution	Case of Approval of Change to Hecellos consignment production contract. (Provisional)	Approved

(ii) Attendance by Directors for the Past Three Business Years

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Outside	Kim Cheol-soo	100%	100%	100%	100%

Outside	Kim Yoon-ha	100%	100%	100%	100%
Outside	Park Kyung-hui	100%	100%	100%	100%
Outside	Jeong Joong-won	100%	100%	100%	-
Outside	Lee Keum-ro	100%	100%	100%	-
Outside	Nam Hye-jung	100%	100%	-	-
Outside	Cho Woon-hang	-	-	-	-

1) Among the past three years, years not included in a director's term of office are indicated with "-".
(Outside director Cho Un-haeng was newly appointed as Compensation Committee member on March 24, 2022)

(D) ESG Committee

(i) Details of Meetings Held From Commencement of Fiscal Year to the Report Due Date

[Jan. 1, 2021 ~ Dec. 31, 2021]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1	Sept. 23, 2021.	5/5	Resolution	Approval of LCC's ESG fund-raising (for carbon-neutral) (Provisional)	Approved

[Jan. 1, 2022 ~ May 31, 2022]

Session	Date convened	Attendance / quorum	Category	Agenda	Approval
				Description	
1 st	Feb. 8, 2022.	5/5	Resolution	Approval of social contribution strategies and annual budget plan (Provisional)	Approved
				Approval of carbon-neutral plan (Provisional)	Approved
2 nd	Mar. 22, 2022.	4/5	Resolution	: Approval of Establishment of LCC's ESG vision and strategy (Provisional)	Approved

				Approval of ESG based New business strategy and roadmap (Provisional)	Approved
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(ii) Attendance by Directors for the Past Three Business Years

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Inside	Lee Young-jun	100%	100%	-	-
Outside	Jeon Woon-bae	100%	100%	-	-
Outside	Choi Hyon-min	100%	100%	-	-
Outside	Kang Jeong-won	100%	100%	-	-
Outside	Nam Hye-jung	100%	100%	-	-

1) ESG Committee was established on September 16, 2021.

4. Audit Bodies

(Key Principle 9) Internal Audit Bodies

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

4.1 Internal Audit Bodies

We have established and operated the Audit Committee as an internal audit body in accordance with the Commercial Act and the Articles of Incorporation, and the Audit Committee members are appointed at the general meeting of shareholders.

(Detailed Principle 9-②) Internal audit bodies, such as the Audit Committee and auditors, should ensure independence and expertise.

4.1.1 Composition and Independence of the Audit Committee, etc.

1) Composition of the Audit Committee

Our Audit Committee was established in accordance with Articles 415-2 and 542-11 of the Commercial Act, Article 45 of the Articles of Incorporation, and Article 13 of the Board of Directors Rules, and is composed of a total of three outside directors in accordance with the relevant Articles of Incorporation and Board of Directors Rules to ensure independence. The Audit Committee includes directors specialized in finance and accounting sectors as stipulated in Article 542-11 (2) of the Commercial Act.

Outside director Nam Hye-Jung, our Audit Committee member, is an accounting and finance expert who meets the requirements set forth in Article 37 (2) 1 of the Enforcement Decree of the Commercial Act. She was appointed as the Audit Committee member as she was judged to contribute to the expertise and independent decision-making of the Audit Committee based on her abundant experience and sufficient competence as an expert required by the relevant laws, which she has accumulated for more than five years as a professor in accounting, having obtained a Ph.D. in Business Administration and through activities as evaluator at the public corporation and quasi-government agencies. Outside director Cho Woon-hang is an accounting and finance expert that meets the requirements set forth in Article 37 (2) 4 of the Enforcement Decree of the Commercial Act. He was appointed as he was judged that he would contribute to the expertise and independent decision-making of the Audit Committee as he had more than five years of experience in accounting or finance-related areas supervisory tasks at the relevant institutions.

The composition of our Audit Committee for the period from the commencement of the fiscal year to the report due date is as follows:

(Table 9-①-1) Composition of the Internal Audit Bodies

Composition			Auditing career experience and qualifications	Remarks
Position	Type	Name		
Chairman	Outside director	Choi Hyon-min	B.A. in Business Administration, Seoul National University M.D. in Public Administration & Policy, Seoul National University Outside Director, Handsome Corp. Advisor to law firm JIPYONG Representative Tax Accountant, Dasol Leaders Former Commissioner of NTS Busan Regional Office Former Director of Corporate Taxation Bureau, NTS	Reappointed in March 2022

Member	Outside director	Nam Hye-jung	Finance and Accounting Profile Department of Business Administration, Inha University Master's and Ph.D. in Business Administration, Seoul National University Current Professor of Accounting, Dongguk University, Current Non-executive Director of Korea Trade Insurance Corporation Previous Member of National Accounting System Deliberation Committee	Appointed in March 2021
Member	Outside director	Cho Woon-hang	B.A. in Business Administration, Kyung Hee University Director, General Finance Scholarship Association Former CEO, WOORI INVESTMENT BANK Former Head of Sales Support Division, WOORI BANK Former vice president of Institutional Customers HQ, WOORI BANK	Appointed in March 2022
Member	Outside director	Jeong Joong-won	B.A. French Language, Korea Military Academy Ph. D. in Law, Seoul National University Current Outside Director, Jin Air Current Advisor to law firm BAE, KIM & LEE Former Outside Director, LOTTE Insurance Co., Ltd. Former Standing member of the Fair Trade Commission	Appointed in March 2020 Retired in March 2022 (Term expiry)
Chairman	Outside director	Park Kyung-hui	B.A. in Business Administration, Ewha Women's University Ph.D. in Business Administration, Yonsei University Current Professor of Business Administration, Ewha Women's University Former Dean of Business Administration and head of Business School, Ewha Women's University Former Outside director of WOORI INVESTMENT SECURITIES	Appointed in March 20019 Retired in March 2021 (Term expiry)

(ii) Policies to secure the independence and expertise of the internal audit body (requirements for selection of candidates, whether or not to allow full-time auditors to hold concurrent positions, etc.)

2) Independence and expertise of the Audit Committee

Our Audit Committee carefully selects candidates who have secured independence and expertise, and currently satisfies all the selection criteria of the Audit Committee regulations and related laws and regulations.

Main details of the selection criteria	Whether the selection criteria are met	Relevant laws and regulations
Consisting of three or more directors	Satisfied (3 people)	Article 415-2 (2) of the Commercial Act
Outside directors shall be not less than two-thirds of the members	Satisfied (all outside directors)	
At least one of the members shall be an accounting or finance expert	Satisfied Outside director Nam Hye-jung Outside director Cho Woon-hang	
Chairman of the Audit Committee shall be an outside director	Satisfied Outside director Choi Hyon-min	Article 542-11 (2) of the Commercial Act
The Audit Committee members shall be appointed by resolution of the general meeting of shareholders	Satisfied	Article 542-12 (2) of the Commercial Act
Other disqualification requirements (related parties of the largest shareholder, etc.)	Satisfied (N/A)	Article 542-11 (3) of the Commercial Act

We regulate the operational goals, organization, authority and responsibilities of the Audit Committee in the Audit Committee regulations as follows:

<p>Article 3 Duties and Authority</p> <p>(1) The Committee shall audit the company's accounting and business.</p> <p>(2) The Committee may at any time request directors to report on business to the directors or investigate the state of the company's assets.</p> <p>(3) In addition to duties set forth in paragraphs (1) and (2) above, the Committee shall handle the matters specified in laws and regulations or the Articles of Incorporation and matters delegated by the BOD.</p> <p>Article 4 Composition</p> <p>(1) The Committee members (the "Member") shall be appointed from among the directors appointed at the general meeting of shareholders. <i>Provided, however,</i> that one of the Audit Committee members shall be appointed as a Member of the Audit Committee after being separately appointed from other directors by a resolution at the general meeting of shareholders.</p> <p>(2) The Committee shall be composed of three or more directors, and all of them are outside directors.</p> <p>(3) At least one of the Members shall be an expert in accounting or finance as stipulated in Article 542-11 (2) of the Commercial Act.</p> <p>(4) In case that the number of the Committee Members falls short of the numbers set forth in Paragraphs (2) through (3) due to the resignation and death, etc., the requirements for the composition of the Committee shall be satisfied through the general meeting of shareholders or the BOD convened for the first time after such cause occurs.</p> <p>Article 6 Chairperson</p> <p>(1) The Committee shall select a Chairperson to represent the Committee by resolution under Article 10. In this case, the Committee may determine to make the number of Members to jointly represent the Committee.</p> <p>(2) The Chairperson shall oversee the work of the Committee and may allocate the work for each Member for the efficient operation of the committee.</p> <p>(3) In the absence of the Chairperson, a Member designated by the Committee shall act on his/her behalf.</p>
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We have established and implemented an education plan at least once per year to enhance the expertise of the Audit Committee members so that the Audit Committee members can fulfill their roles faithfully. The education can allow the Audit Committee members to increase their understanding of the internal accounting management system and related laws and regulations and to conduct practical audits, utilizing various kinds of information such as our management status, inspection result on internal control and external auditor's audit results, and sharing of the latest related issues.

The current status of education provided during the fiscal year is as follows:

Date	Education provided by	Attending members	Reasons for absence	Key contents
July 22, 2021	Samil PwC	All 3 directors	-	Advancement of consolidated Internal Accounting Management System Implementation direction (Board of Directors)
Nov. 15, 2021	Samil PwC	All 3 directors		Guide on ESG Understanding and Board Oversight Major Accounting Issues as Key Audit Matters
Dec. 27, 2021	Korea Listed Company Association	Choi Hyon-min Jeong Joong-won	Absent due to prearranged schedules	Explanation of checkpoints for internal accounting management system work
Dec. 27, 2021	Korea Listed Company Association	Choi Hyon-min	Absent due to prearranged schedules	Description on practical issues of internal accounting management system

3) Operation and Authority of the Audit Committee

Article 3 of the Audit Committee regulations stipulates that the Audit Committee shall have the authority to request business reports from the directors, and to investigate our asset status. In addition, if it is deemed necessary, the Committee may request advice from experts, etc. at our expense, and set the separate standard on

other necessary matters such as establishment and operation of dedicated team supporting the Audit Committee, the appointment and operation of professional personnel, etc. for efficient performance of its duties.

In accordance with Article 21 of the Audit Committee regulations, we operate a dedicated support organization for the efficient performance of the Audit Committee's duties. Currently, the organization supporting the Audit Committee is not completely independent from the management and is not under the direct supervision of the Audit Committee. However, the team leader of the support organization has worked in various departments for many years, and the team is composed of members who have accumulated practical experience in key business areas such as production, sales, and purchasing to support the Audit Committee.

As of the report preparation date, the details of the Audit Committee support organization are as follows:

Name of department (team)	No. of team members (person)	Position (years of service)	Major activities
Management Improvement Team	9 members	1 team leader (1 year), 3 seniors (3 years on average), 4 vice seniors (4 years on average), 1 deputy manager (5 year)	Supporting operation of the Audit Committee

4) Remuneration for Audit Committee Members

Remuneration for all outside directors is fixed at the same amount, but the Audit Committee members are paid additional compensation determined by the Compensation Committee in consideration of the legal responsibilities, and the time and effort they devote as Audit Committee members.

The status of remuneration for outside directors in 2021 is as follows: (For your reference, we have a total of six outside directors, of which three are concurrently serving as Audit Committee members.)

Category	No. of members	Total amount of remuneration	Average remuneration per person (KRW 1 million)	Remarks
Outside director (Audit Committee Member excluded)	3	216	72	
Audit Committee Member	3	230	77	

As described above, we consider that our Audit Committee has secured sufficient independence by including finance and accounting experts as stipulated in Article 542-11 (2) of the Commercial Act, and consisting of all the outside directors who have met the qualification requirements and have no personal interests in the company or its affiliates. In addition, for the efficient performance of the internal audit body's duties, LCC has established and operated a dedicated team to support the Audit Committee, which has undergone the training required for the Audit Committee's work performance. Going forward, our Audit Committee is committed to enhancing management transparency by securing independence and expertise.

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

4.1.2. Details of Audit Committee Activities

Our Audit Committee has held meetings for a total of six times (four times in 2021 and twice in 2022) from the commencement of the business year to the report due date, with all members of the Audit Committee present. The Audit Committee is held at least once every quarter to be reported on the financial statements of the quarter and the half year from the management as well as the independent auditor's auditing results. The Audit Committee has reviewed the financial statements and supplementary schedule, and confirmed that the financial statements of LCC have been prepared in compliance with the laws and regulations and the Articles of Incorporation, and properly presented our financial position.

We were notified the designated auditor and reported it to the Audit Committee pursuant to Article 11 (1) and (2) of the Act on External Audit of Stock Companies, etc., Article 17 of the Enforcement Decree of the Act on External Audit of Stock Companies, etc., and Article 10 and Article 15 (1) of the Regulations on External Audit and Accounting, etc. The Audit Committee has appointed KPMG as an external auditor from the 2020 fiscal year by documenting audit hours, manpower, and remuneration, and found that the designated auditor has abided by the matters specified in the documents since the audit report has been submitted by the designated auditor.

In addition, the Audit Committee believes that the internal accounting management system was effectively designed and operated after being reported on the operation result of the internal accounting management system from the management, checking the relevant details, and conducting due diligence on business data and interviewing the person in charge if necessary. .

Inspection date	Description	Inspection result
Mar. 2, 2021	Inspecting the design and operation status of the internal accounting management system with reference to the internal accounting manager's operational status report	It is judged that LCC's internal accounting management system is effectively designed and operated from the point of view of materiality.
Mar. 2, 2022	Inspecting the design and operation status of the internal accounting management system with reference to the internal accounting manager's operational status report	It is judged that LCC's internal accounting management system is effectively designed and operated from the point of view of materiality.

(Table 9-②-1) Details of Audit Committee Meetings Held from Commencement of the Fiscal Year to the Report Due Date, Details of Attendance, and Attendance (rate)

① Details of the Audit Committee Meeting Held

[Jan. 01, 2021 ~ Dec. 31, 2021]

Session	Date convened	Attendance / quorum	Agenda		Approval
			Category	Description	
1	Mar. 2, 2021	3/3	Report	Internal Accounting Management System Operation Status Report	-
			Report	2020 Year-end Audit Result Report	-

			Submission for Consideration	Follow-up Evaluation of Compliance Related to Auditor Selection Criteria	Approved
			Submission for Consideration	Internal Accounting Management System Evaluation Report	Approved
			Submission for Consideration	Audit Report for 2020 Business Year Accounting and Work	Approved
			Submission for Consideration	Evaluation Opinion Form of the Audit Committee on the Activation Status of Internal Monitoring Devices	Approved
2	May 13, 2021	3/3	Report	Q1 Financial Statement Report	-
			Report	Q1 Outside Auditor Review Result Report	-
			Report	Audit Committee - Outside Auditor Communication	-
			Report	Internal Accounting Management System Annual Operation Plan Report	-
			Submission for Consideration	Case of Appointing Audit Committee Chair	Approved
			Submission for Consideration	Case of Approval of Revision of Audit Committee Regulations	Approved
			Report	Internal Accounting Management System Design Evaluation Result Report	-
3	Aug. 12, 2021	3/3	Report	Half-year Financial Statement Report	-
			Report	Half-year Review Result Report of Outside Auditor	-
			Report	Audit Committee - Outside Auditor Communication	-
4	Nov. 11, 2021	3/3	Report	Internal Accounting Management System Half-way Evaluation Result Report	-
			Report	Q3 Financial Statement Report	-
			Report	Consolidated Settlement Management Improvement Report	-
			Report	Q3 Review Result Report	-
			Report	Audit Committee - Outside Auditor Communication	-

[Jan. 1, 2022 ~ May 31, 2022]

Session	Date	Attendance / quorum	Agenda	Approval
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	convened		Category	Description	
1	Mar. 2, 2022	3/3	Report	Internal Accounting Management System Operation Status Report	-
			Report	2021 Year-end Financial Statement Report	-
			Report	2021 Year-end Audit Result Report	-
			Submission for Consideration	Internal Accounting Management System Evaluation Report	Approved
			Submission for Consideration	Evaluation Opinion Form of the Audit Committee on the Activation Status of Internal Monitoring Devices	Approved
			Submission for Consideration	Audit Report for 2021 Business Year Accounting and Work	Approved
			Others	Audit Committee - Outside Auditor Communication	-
			Report	Internal Accounting Management System Annual Operation Plan Report	-
2	May 12, 2022	3/3	Report	Q1 Financial Statement Report	-
			Report	Q1 Outside Auditor Review Result Report	-
			Submission for Consideration	Case of Appointing Audit Committee Chair	Approved
			Submission for Consideration	Case of Approval of Revision of Internal Accounting Management Regulations	Approved
			Submission for Consideration	Case of Approval of Enactment of the guidelines for appointment of Outside Auditor	Approved
			Submission for Consideration	Follow-up Evaluation of Compliance Related to Outside Auditor contracts	Approved
			Others	Audit Committee - Outside Auditor Communication	-

② Attendance by Director in the Audit Committee Meeting

[Jan. 1, 2021 ~ Dec. 31, 2021]

Type	Session Date convened	1 st 2021. 3. 2	2 nd 2021. 5. 13	3 rd 2021. 8. 12	4 th 2021. 11. 11	Remarks
Outside director	Choi Hyon-min	Present	Present	Present	Present	-
	Jeong Joong-won	Present	Present	Present	Present	-
	Nam Hye-jung	N/A	Present	Present	Present	Appointed On Mar. 23, 2021
	Park Kyung-hui	Present	N/A	N/A	N/A	Retired on Mar. 23, 2021

[Jan. 01, 2022 ~ May 31, 2022]

Type	Session	1 st	2 nd	Remarks
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	Date convened	2022. 3. 2	2022. 5. 12	
Outside directors	Choi Hyon-min	Present	Present	-
	Nam Hye-jung	Present	Present	-
	Cho Woon-hang	N/A	Present	Appointed On Mar. 24, 2022
	Jeong Joong-won	Present	N/A	Retired on Mar. 24, 2022

③ Attendance by Individual Directors in the Audit Committee Meeting for the Past Three Business Years

Type	Name	Attendance (%)			
		Average of the past three years	Past three years ¹⁾		
			2021	2020	2019
Outside director	Choi Hyon-min	100%	100%	100%	-
	Jeong Joong-won	100%	100%	100%	-
	Nam Hye-jung	100%	100%	-	-
	Park Kyung-hui	100%	100%	100%	100%

The relevant provisions of the regulations on the audit procedures of our Audit Committee, record-keeping of meeting minutes, and reporting procedures at the general meeting of shareholders are as follows:

Article 2 Scope of Application

Matters related to the Committee shall be applied by the provisions of these regulations, except those specified in laws and regulations, the Articles of Incorporation, or the BOD Rules.

Article 3 Duties and Authority

(1) The Committee shall audit the company's accounting and business.

(2) The Committee may at any time request LCC to report on business to the directors or investigate the state of the company's assets.

(3) In addition to duties set forth in paragraphs (1) and (2) above, the Committee shall handle the matters specified in laws and regulations or the Articles of Incorporation and matters delegated by the BOD.

Article 13 Minutes

(1) The Committee's meeting shall be recorded in the minutes.

(2) The minutes shall record a summary of proceedings of the meeting, the outcomes thereof, the dissenter (s) and the reason for the dissenting, and the members present at the meeting shall write their names and affix their seals and sign thereon.

Article 20 Audit Record

(1) The Committee shall prepare and preserve audit record for audit conducted.

(2) The audit procedures and the result shall be recorded on the audit record, and the audit records shall be signed or sealed by the auditor who conducted the audit.

As explained above, the Audit Committee has held the meetings regularly at least quarterly, with an attendance rate of 100% of the Audit Committee members. This has made the Audit Committee members faithfully perform the auditing activities and evaluate the operation status of the internal accounting management system. In addition, the Audit Committee has performed its duties of improving soundness, transparency and

operational efficiency in our management and protecting the shareholders' rights and interests in compliance with the management and reporting procedures under the relevant laws and regulations, the Articles of Incorporation, and other regulations.

(Key Principle 10) External Auditors

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

4.2. Matters Concerning External Auditors

We appoint external auditor through the Audit Committee in accordance with the Act on External Audit of Stock Companies, etc.

(Detailed Principle 10-②) The company's internal audit body should develop and enforce policies for securing independence and expertise when appointing an external auditor.

4.2.1. External Auditor Appointment Policy

Under the revised Act on External Audit of Stock Companies, etc., we have appointed external (independent) auditor through the Audit Committee, inserting the criteria and procedures for selecting auditors in Article 14 of the Audit Committee regulations.

However, as a stock-listed corporation that freely appointed auditors for six consecutive business years from 2014 to 2019, we are subject to the period auditor designation system and KPMG has been designated as independent auditor of LCC since 2020 business year.

As specified in Article 17 of the Audit Committee regulations, our Audit Committee has maintained a close cooperative relationship with external auditors and exchanged sufficient opinions on our internal control system and the accuracy of the financial statements. The Audit Committee has reported on the external auditor's audit plan for the fiscal year and implementation details, quarterly review and year-end audit results, review of internal accounting management system and year-end evaluation results, etc., and reviews the independence and expertise of the external auditors in performing their duties.

In addition, we have established and operated the Audit Committee composed of all outside directors.

As for the meetings related to the appointment of external auditors, as we have been designated the external auditor for three business years since 2020, no meetings have been held regarding the appointment of external auditors. However, after the submission of the external auditor's audit report, we have found no abnormality in the audit hours, manpower and remuneration which are specified in the written documents upon appointment of external auditor.

After the submission of the external auditor's report, our Audit Committee has assessed and found no abnormality in the audit hours, manpower and remuneration which are specified in the written documents upon appointment of external auditor. However, although we do not evaluate specific matters such as whether the directors in charge of external audit are highly involved in the audit and whether unnecessary data is requested, we consider that the audit has been faithfully implemented in accordance with the audit plan, considering the fact that the Audit Committee, which holds a meeting at least quarterly, shares business based on the free expression of opinions between external auditors and management and deep understanding on our business.

The details of non-audit advisory service contracts signed by and between LCC and KPMG, an external auditor, for the past three years are as follows:

Business year	Date of contract	Details of service	Service period	Service fee
46 th (2021)	Oct. 22, 2021	Claim for correction of corporate tax	Oct. 22, 2021 ~ Date of receiving refund notice	3% of economic profit (main tax and local income tax) *Down payment: KRW 10 million

* Remark: Tri-partite contract (LCC, KPMG, law firm Yulchon LLC.)

As a stock-listed corporation that freely appointed auditors for six consecutive business years from 2014 to 2019, we are subject to the period auditor designation system and PwC has been designated as independent

auditor of LCC. However, as we requested for re-designation for the reason of violation of independence by the PwC, KPMG has been finally re-designated as external auditor of LCC in 2020.

As described above, since 2020, we have been designated and appointed an external auditor, and thus we could not apply the criteria and procedures for the selection of external auditors of the Audit Committee as set forth in the revised Act on External Audit of Stock Companies, etc. Nevertheless, we revised the Audit Committee regulations in 2019 to incorporate these criteria and procedures and apply them when selecting external auditors.

In addition, in May 2022, LCC established internal regulations related to the appointment of external auditors to define and document detailed appointment criteria and procedures. As such, we have laid the foundation for selecting a new external auditor in accordance with the transparent procedures after the current designated auditors' term expires in 2022.

Article 14 Selection, etc.

- ① The Committee shall select an auditor. *Provided, however,* that if there is a request by the Securities and Futures Commission to appoint an auditor, the appointment procedures of the company shall not apply.
- ② When appointing an auditor, the auditor shall be appointed the auditor for three consecutive business years.
- ③ When the company appoints an auditor, it shall consult with the committee in advance about the auditor's fee and audit time.
- ④ If the company changes or dismisses the auditor appointed in the previous fiscal year, it shall check whether the previous auditor expresses any opinion and grant an opportunity to express his or her opinion either verbally or in writing.
- ⑤ The Committee shall determine in writing the auditor's audit fee, audit time, and manpower required for the audit.
- ⑥ The Committee shall determine the criteria and procedures necessary for the selection of auditors, including the following matters in advance:
 1. Adequacy of audit time, audit personnel, audit fee and audit plan
 2. Auditor's independence and expertise
 3. Details of the previous auditor's opinion statement and the following matters:
 - (1) Evaluation result of whether the auditor faithfully complied with the audit time, audit personnel, audit fee, audit plan, etc. agreed upon when the auditor was appointed
 - (2) The contents of consultations between the Committee and the previous auditor on the request, the results of the consultation, and its use if the previous auditor requested the company to seek advice on the interpretation of accounting standards, asset valuation, etc. to the external institution in relation to the audit work,
 - (3) The number of face-to-face meetings between the Committee and the previous auditor, personal information of participants, major opinion, etc.
 - (4) Other matters determined by the Financial Services Commission as standards necessary to secure objectivity and reliability in the selection of auditors
- ⑦ The Committee shall hold a face-to-face meeting to select an auditor, and prepare the following matters in writing:
 1. Results of review of each subparagraph of Paragraph 6
 2. Number of face-to-face meetings held, personal information of participants, major opinion, etc.
- ⑧ The Committee shall conduct an evaluation after the auditor submits the audit report every business year, and prepare and manage the details of the evaluation in writing.

Article 17 Exchange of opinions

The Committee maintains close cooperative relationship with the auditor and may exchange opinions with the auditor on the internal control system of the company and the accuracy of the company's financial statements.

(Detailed Principle 10-2) Internal audit bodies of the company should communicate periodically with its external auditors at every step of the external audit and audit reporting process.

4.2.2. Communication with External Auditors

The external auditor reported on and shared major matters such as audit plans, issues related to accounting evaluation methods, and notes on financial statements during the quarterly review and year-end audit report with the Audit Committee. Since May 2021, we had time for communication separately without management's attendance to facilitate organic communication between the internal audit body and external auditors.

Details of meetings held by and between our Audit Committee and external auditors from the commencement of the business year to the report due date are as follows:

Date	Attendee	Meeting method	Details of discussion
Mar. 2, 2021	Company: All Audit Committee members (3 persons) Auditor: Director in charge and 2 other persons	Face-to-face meeting	- 2020 financial statements and internal accounting audit results - Audit progress, auditor's independence, etc. - Separation of responsibilities of management, Audit Committee and auditor
May 13, 2021	Company: All Audit Committee members (3 persons) Auditor: Director in charge and 2 other persons	Face-to-face meeting	- Major issues reviewed in the first quarter - 2021 audit schedule
Aug. 12, 2021	Company: All Audit Committee members (3 persons) Auditor: Director in charge and 2 other persons	Face-to-face meeting	- Major issues reviewed in the first half - Audit plan and progress - Internal accounting management system design evaluation results and improvements
Nov. 11, 2021	Company: All Audit Committee members (3 persons) Auditor: Director in charge and 2 other persons	Face-to-face meeting	- Key issues reviewed in the 3rd quarter - Audit plan and progress

When our Audit Committee has reported material matters from external auditors, it promptly requests an investigation and report to the directors and management or performs an investigation by itself. If it deems it necessary, it may request the accounting firm to additionally review the account book and relevant documents and report the results.

External auditors report directly to the Audit Committee when they identify violations by the management in the course of executing their duties, or any other violations of relevant laws and regulations or the Articles of Incorporation.

Matters related to 2020 and 2021 unaudited financial statement and unaudited consolidated financial statements are summarized as below:

[2020]

- The 45th AGM: Mar. 23, 2021
- 6 weeks prior to the AGM: Feb. 08, 2021
- 4 weeks prior to the AGM: Feb. 22, 2021

Name of external auditor	Matters submitted	Date submitted	Others
KPMG	Unaudited financial statement	Jan. 20, 2021	Submitted 6 weeks prior to the AGM
KPMG	Unaudited consolidated financial statement	Jan. 29, 2021	Submitted 4 weeks prior to the AGM

[2021]

- The 45th AGM: Mar. 24, 2022
- Six weeks prior to the AGM: Feb. 09, 2022
- Four weeks prior to the AGM: Feb. 23, 2022

Name of external auditor	Matters submitted	Date submitted	Others
KPMG	Unaudited financial statement	Jan. 20, 2022	Submitted 6 weeks prior to the AGM
KPMG	Unaudited consolidated financial statement	Jan. 26, 2022	Submitted 4 weeks prior to the AGM

5. Other Major Issues (if necessary)

The following regulations related to corporate governance are attached.

- Appendix 1. Corporate Governance Index- Compliance Status
- Appendix 2. Articles of Incorporation
- Appendix 3. Corporate Governance Charter
- Appendix 4. Code of Ethics
- Appendix 5. Board of Directors Rules
- Appendix 6. Audit Committee operational regulations
- Appendix 7. Transparent Management Committee operational regulations
- Appendix 8. Compensation Committee operational regulations
- Appendix 9. Outside Director Candidate Recommendation Committee operational regulations
- Appendix 10. ESG Committee operational regulations

[Appendix] Corporate Governance Index - Compliance Status

※ Compliance with 15 key indicators is disclosed to encourage compliance to establish transparent corporate governance

Key Index		(Reporting period) Compliance		Explanations about the tick marks under Compliance	(Previous reporting period) Compliance		Remarks
		O	X		O	X	
Shareholders	① A convocation notice was published four weeks before the general meeting of shareholders*		X	Convocation notice for the 46th AGM is made on - Announcement date of convocation: Mar. 08, 2022 - Date of AGM: Mar. 24, 2022		X	
	② An electronic voting system was adopted*	O		Conducted the electronic voting for 46th AGM - 12.33% of voting rights exercised by electronic voting system	O		
	③ A general meeting of shareholders was held on a date other than major AGM dates when the majority of companies hold their general shareholders' meetings*	O		Date of AGM convened : Mar. 24, 2022 Concentration date for AGM: Mar. 25/30/31, 2022	O		
	④ Shareholders were notified of dividend policy and dividend payout plan at least once a year**	O		Notice to shareholders through disclosure of shareholder return policy and company website 2.1.4. Matters related to shareholder return policy	O		
BOD	⑤ A CEO Succession Policy (including an acting CEO policy) is in operation		X	We operate candidate training programs, and regulations on proxy in case of absence of the CEO, etc. but we do not operate regulations on the CEO succession. 3.1.2 Matters related to CEO succession policy	O		
	⑥ An internal control policy is in operation		X	Board deliberation, compliance management, internal accounting management, and disclosure information management regulations are in operation, but risks are managed by each sub-committee and regulations are not in operation Refer to 3.1.3 Internal Control Policy		X	
	⑦ Positions for BOD chairman and CEO have Been separated		X	We have established the basis for appointing the chairman from among the directors in accordance with Article 4 of the Board of Directors Rules but, the current chairman of the board of directors is Kyo-Hyun Kim, the representative director of LCC. 3.2.1. Refer to the composition of the BOD		X	
	⑧ Positions for BOD chairman and CEO have Been separated		X	The Company has not adopted it pursuant to Article 32 (3) of the Articles of Incorporation.		X	
	⑨ There exists a policy to prevent persons responsible for undermining corporate value or infringing upon shareholder rights from being appointed as executives	O		We operate the relevant policies in Article 5 of the Corporate Governance Charter. The Company shall not appoint a person responsible for damage to corporate value or infringement of shareholder rights and interests as a director. 3.2.4 Refer to policy to Prevent the Appointment of Executives responsible for damage to corporate value or infringement of shareholder rights and interests as an executive.	O		
	⑩ There is no Outside director who has been in service exceeding six years	O		As of the report due date, there are no outside directors who have been in office for a long time (refer to Table 5-①-2).	O		
Audit body	⑪ Internal audit bodies are trained at least once a year**	O		In 2021, a total of 4 training sessions were held for the Audit Committee members. 4.1.1 Refer to Audit Committee Composition and Independence	O		
	⑫ There is an Independent internal audit department (internal Audit supporting organization) installed		X	There is an Audit Committee support organization, but it is not an organization independent from the management and supervised by the Audit Committee.		X	

	⑬ There exist an accounting or finance expert in internal audit bodies	O		Nam Hye-jung, the Audit Committee member (Type of Accounting/Finance Degree Holders) Cho Woon-hang, the Audit Committee Member (over 5 years of supervisory experience in accounting or finance-related fields)	O		
	⑭ A meeting Between internal audit body and external auditor was held without the management present at least once a year**	O		We have operated separate communication time without the management since May, 2021 4.2.2. Refer to communication with external auditors		X	
	⑮ There are Procedures that provide internal audit bodies access to critical management information	O		4.1.1 Refer to the composition and independence of the Audit Committee	O		

※ The Data As-of date for this table is the date of submitting this report.

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

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