Recharge LG Chem

Palliser's AGM Proposal

www.bside.ai/c/lgchem

March 2026

*Palliser is a global alternative investment manager with a senior investment team with over **two decades of experience investing in Asia**, with Korean equities being a core focus.*

*We are a **top 10 and long-term shareholder of LG Chem**, having engaged with LG Chem for nearly **2 years** on resolving the significant and persistent gap between the Company's market and intrinsic value.*

Palliser Team's Select Engagement Experience in Korea

SK square

SAMSUNG C&T

HYUNDAI MOTOR GROUP

The LG Chem Value Gap is unprecedented and unsustainable

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A continuing legacy of the value dilutive LGES split-off and IPO

- LG Chem holds a diversified portfolio of market leading assets, but currently trades at an unprecedented and unsustainable discount of 71% to its intrinsic value (the "LG Chem Value Gap")
- The LG Chem Value Gap emerged after 2020, when LG Chem transformed itself into a pseudo holding company through a widely criticized split-off and IPO of its global leading EV and ESS battery business, LG Energy Solutions ("LGES"), an often-cited case study in minority shareholder value dilution
- Since then, LG Chem's valuation has diverged from battery peers and trended towards a petrochemicals valuation. The LGES stake is now valued at around 3x the market value of LG Chem. Underlying sector weakness does not explain this huge valuation disparity

Key factors contributing to the LG Chem Value Gap

- **<u>Erosion of trust in governance undermining alignment with minority shareholders:</u>**
  - **Inadequate Board accountability:** LG Corp, as controlling shareholder, has both an effective veto on all general meeting matters and an overbearing, dominant influence on a Board with a staggered structure
  - **Suboptimal skills and experience on the Board:** With backgrounds in academia and no substantive capital allocation or management experience, the independent director cohort are ill-equipped in Palliser's view to hold management to account
  - **Poor shareholder engagement:** Hiding behind inappropriate engagement protocols, our many requests to meet Board representatives were always denied. The Board has never demonstrated any willingness to genuinely listen to and advocate effectively for minority shareholders – something that a recent shuffling of Board roles is unlikely to change
  - **Misalignment of management interests:** With no share ownership and a variable pay incentive structure which is delinked to market performance, management are outside of and lack alignment with the shareholder experience
- **<u>Failure to acknowledge the LG Chem Value Gap</u>:** The Board not only refuses to address the LG Chem Value Gap in any decisive sense but barely accepts its very existence. It asserts that holding company valuation methods are inappropriate for LG Chem despite widespread use by reputable market analysts and investors
- **<u>Weak capital allocation framework</u>:** Longstanding investor concerns over weak capital discipline based on a troubling combination of (i) consistently low ROIC of the core business (ex LGES) and low IRR hurdle rate (10%+) for new investments which are prioritized, with (ii) an inexplicable sidelining of low-risk, highly accretive share buybacks. Polls and a lacklustre reaction to the most recent Value-Up Plan updates confirm the level of continuing disappointment in the market

Overwhelming support for Palliser's public engagement showcases how the stubborn persistence and scale of the LG Chem Value Gap reflects longstanding, widely-held concerns among minority shareholders that they are not being listened to

Source: Company Filings, Bloomberg, Palliser Analysis. Note: Market data as of 6 March 2026.

Palliser proposes strengthening minority shareholder voices and Board accountability

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Palliser's proposed Articles amendments give minority shareholders a voice where they are currently ignored

- After **exhausting all reasonable avenues of engagement**, Palliser resolved to submit **carefully formulated proposals** to enable minority shareholders to advocate for their interests to be better represented in the boardroom:

2.7	**Article Amendment to Adopt Advisory Proposals**	**Slide 42**
2.8	**Article Amendment to Appoint a Lead Independent Director ("LID")**	**Slide 49**

Articles amendments will improve governance at LG Chem

Stronger Minority Shareholder Voice

- ✓ **Creates formal channels** for minority shareholders to raise governance and value concerns
- ✓ Establishes a **clear Board-level contact** (3% director) for shareholder engagement

Greater Board Responsiveness

- ✓ **Requires Board review** and disclosure of responses to advisory proposals
- ✓ **Improves transparency** in governance and strategic decision-making

Increased Board Accountability

- ✓ **Promotes a governance mechanism aligned with global best practices** to enhance accountability
- ✓ **Increases trust in the Board**

- The proposals are **non-intrusive, non-prescriptive and non-disruptive**, ensuring the **Board retains full discretion**, while making available further avenues for minority shareholders to engage in a meaningful way

Palliser's separate advisory sub-proposals are straightforward measures for addressing the LG Chem Value Gap

- Conditional on approval of Item #2.7, shareholders would then get to vote on **three straightforward advisory proposals** centred on core value-up principles for decisively tackling the LG Chem Value Gap:

3.1	Disclosure of discount to NAV as a major financial indicator in the Corporate Value-Up Plan	Slide 46
3.2	Review of executive compensation plan, including introduction of a share-based component and additional KPIs such as NAV discount and ROE	Slide 47
3.3	Update to the shareholder return policy to further increase the monetization of the LGES stake for buybacks	Slide 48

- The advisory proposals are designed to achieve sustainable value-up without impacting availability of capital for responsible investment and optimization of the capital structure to maintain and improve business competitiveness

This AGM is a referendum for meaningful change and action to unlock the LG Chem Value Gap

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LG Chem's reactive changes, in response to Palliser's proposals, fall short on substance for minority shareholders and do not negate the need for the proposals

- LG Chem's response exhibited the same reactivity as has been seen in its Value-Up Plans, and much like those plans, commitments fall short of the substance called for by minority shareholders. For further detail, refer to slide 51
  - **Lack of urgency in addressing the LG Chem Value Gap**: LG Chem continues to i) reject discount to NAV as a relevant benchmark of performance; ii) dismiss buybacks and remain too inflexible on utilizing the LGES stake; and iii) not provide clarity on pay despite the Compensation Committee having been in place for four months. This intransigence signals that the Board has yet to recognize the concerns of minority shareholders
  - **New independent Chair is not an alternative for LID:** Palliser calls for a separately elected Audit Committee member to be a LID, with codified responsibilities to represent independent directors and act as a contact for minority shareholders. The newly appointed Chair is an incumbent that has not engaged with Palliser, and objectively lacks relevant experience to understand shareholder concerns
  - **The changes presented by LG Chem fail to recognize the safeguards necessary for governance structures to function in the interests of minority shareholders – transparent, accountable, and future-proofed**
- The Board's recommendation against Palliser's proposals is poorly substantiated and undermines minority shareholder interests (see slides 58 – 62)

Shareholders are encouraged to vote FOR Palliser's proposals to amplify minority shareholder voices at LG Chem.

Shareholders are then invited to cast their views on three advisory sub-resolutions focused on long-term value-up principles

- A vote for Palliser's proposals is a vote for change and a vote to catalyze substantial value upside through proactive measures to reduce the LG Chem Value Gap (see slide 54)
- A vote for will maintain the pressure for positive change which has been built by shareholders and the wider market

Are Palliser expecting the proposals to pass?

LG Corp holds a veto on all proposals requiring a super-majority, and therefore, both of Palliser's proposed Articles amendments. However, these proposals are intended to provide minority shareholders with a voice at the AGM. LG Corp should consider abstaining from these proposals, but in the event they oppose, the LG Chem Board should nonetheless give serious consideration to the outcome of the minority vote

1 **The LG Chem Value Gap**

2 Factors Contributing to the LG Chem Value Gap

3 Palliser's AGM Proposals

4 Why this AGM Matters

LG Chem and LGES are the crown jewels of LG Group

Palliser

Koo Family
(26 members & 4 family foundations)

43%

LG Corp
($10bn Market Cap)

LG Corp Chairman

Kwang-Mo Koo

4th Generation
Great grandson of founder, In Hwoi Koo

% Ownership

$ Market Cap

Ownership	Company	Market Cap
Chemical		
35%	LG Chem	$15bn
79%	LG Energy Solution	$59bn
35%	LG Household & Healthcare	$3bn
Electronics		
35%	LG Electronics	$13bn
85%	LG Electronics India	$12bn
37%	LG Display	$4bn
41%	LG Innotek	$4bn
33%	Robostar	$0.5bn
Telecom & Services		
38%	LG U+	$4bn
59%	LG HelloVision	$0.1bn
36%	HSAD	$0.1bn
45%	LG CNS	$4bn

Overview

- **$54bn** NAV
- **71%** Disc. To NAV
- ~90% of NAV from LG Energy Solution
- LGES is the 4th Largest Korean company by market cap
- **3.0x** LGES stake vs. LG Chem's market cap
- **2.6x** Net Debt / FY '26E EBITDA (Excl. LGES)

Source: Company Filings, Bloomberg, Sell-Side Research. Note: Ownership data as of 31 December 2025; Market data as of 6 March 2025.

LG Chem has evolved from a chemicals business into a key player in the global electrification drive

palliser

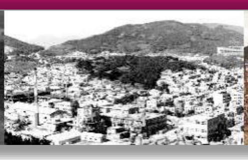
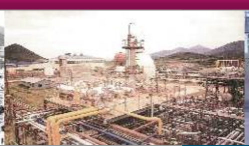
Founded in 1947, LG Chem began as a cosmetic manufacturer and **expanded to pioneer South Korea's chemical industry**, which helped **build the foundation for the country's post-war economic growth**

Domestic Cosmetic to Global Chemicals Manufacturer

1947

- First Korean detergent and toothpaste
- PVC resin factory in Yeocheon
- Expansion in China through Tianjin factory
- Top 10 global chemical company





- Mass production of Li-ion batteries
- Exclusive supplier for GM Volt
- Ochang Technopark factory
- Michigan EV battery factory

Today

$15bn Market Cap Korean Conglomerate

With a 79% stake in a $59bn Market Cap Global EV Battery Supplier LGES

From its (petro)chemical roots, LG Chem has **diversified into a multi-disciplinary company** that, **at its core, is a leading force in the battery and battery material industry**

Source: Company Filings, Bloomberg. Note: Market data as of 6 March 2025.

By 2020, LG Chem's battery business had become the primary driver of the Company's fundamental value …

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Sell-Side Consensus Prior to Battery Business Separation Announcement (Sep '20)[1]

Divisions	Revenue CAGR '19A-'22E	Revenue Mix '19A	Revenue Mix '22E	% of NAV
Battery	**44%**	**29%**	**51%**	**79%**
Advanced Material	2%	14%	9%	7%
Petrochemical	7%	52%	37%	23%
Other	9%	4%	3%	4%

Source: Company Filings, Sell-Side Research. Note: (1) Based on sell-side research as of the official announcement of the separation of the battery business on 17 September 2020.

…and the source of excitement for the equity story at the time

Palliser

KYOBO 교보증권

*"The key focus of LG Chem's valuation is its comparison to its peer CATL. **Until now LG Chem was trading at a discount to CATL…but we think this should not be the case anymore**… The largest component impacting LG Chem's corporate value is its EV battery segment."*

– Translated | Sep '20

UBS

*"**[LG Chem is] entering [an] era of structural EV profit growth**"*

– Aug '20

Goldman Sachs

*"We believe **[LG Chem] will continue to provide one of the most visible growth stories within the EV battery market** given its leading market share and growing tie ups with major OEMs"*

– Aug '20

CLSA

*"LG Chem is **one of the best ways to play burgeoning EV demand,** particularly in Europe with two thirds of LG Chem's EV battery sales coming from the region."*

– Aug '20

Morgan Stanley

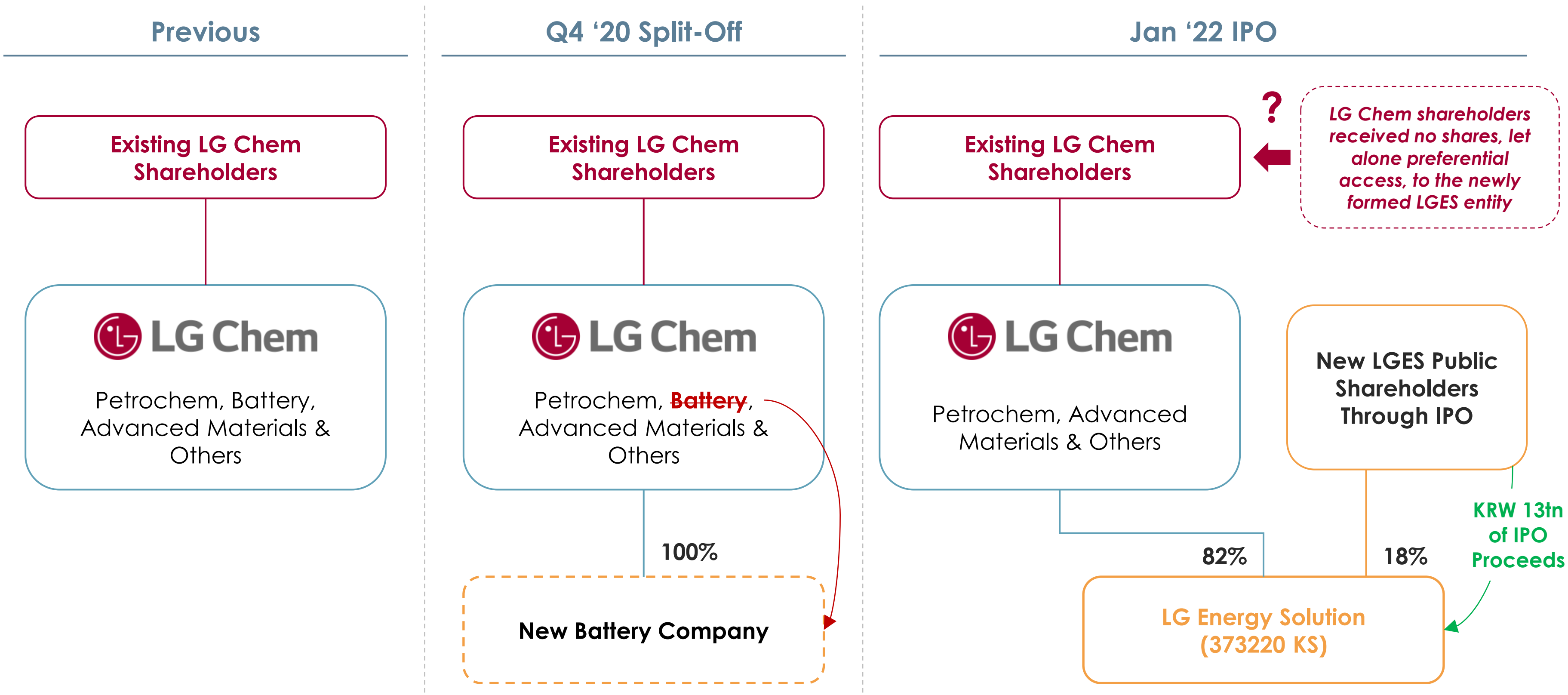
*"**Driven by rising global EV penetration, LG Chem's EV battery business grows robustly**"*

– Jul '20

Source: Sell-Side Research.

However, the value momentum in LG Chem came to an abrupt halt with the '20-'22 separation and IPO of LGES

LG Chem undertook a controversial separation and listing of the battery business, creating a holding company structure that, based on numerous Korean precedents, was widely expected to result in a large holding company discount



Management justified the transaction as the best option for driving shareholder value by securing investment resources and implementing a dedicated management for the battery business; however, many believed there were better alternative options and viewed the restructuring as a method for LG Corp to retain control at the expense of LG Chem minority shareholders

Source: Company Filings.

The split-off transaction triggered significant public backlash at the time of announcement

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KBS
27 Oct '20

NPS Against 'LG Chem Separation'…"Destructive to Shareholder Value"

KBS
27 Sep '20

LG Chem Separation "Protecting Family Control" vs. "Corporate Value Creation"

뉴스핌
21 Oct '20

Sustinvest "Against the LG Chem Separation"

ChosunBiz
24 Sep '20

LG Chem Employees Also Let Down on Separation…

Invest chosun
21 Oct '20

Endless Controversy on LG Chem's Split-Off…Eyeing Investor Sentiment

한겨레 hani.co.kr
17 Sep '20

Retail Shareholders Oppose on Separation…How Will This Impact the Separation?

Source: Public Filings.

A broad range of stakeholders have continued to express significant concerns and criticism about the value destruction resulting from the transaction

Palliser

Institutional Investors	*"Though we understand the cause and purpose behind the split-off,* ***we have concluded that the move might undermine shareholder value and dilute equity value****."* - NPS | Oct '20 *"****We believed the split off would not benefit minority shareholders****…we* ***took the rare step of sending…our expectations for the company to take into account minority shareholders' interests****. However, the IPO of LGES subsequently took place."* - Carmignac | Dec '23
Retail Investors	*"****Most retail investors in Korea purchased LG Chem shares on the grounds of the company's main business in electric vehicle (EV) batteries.*** *With the company's spinoff, it has* ***turned out that we made an investment into a chemical company, which is not at all why we purchased the shares****. The* ***losses we have faced cannot be compensated anywhere****."* – Retail Investor's National Petition to the Blue House | Sep '20 "***LG Chem is now Big Hit Entertainment without BTS.***" – Retail Investor | Translated | Sep '20
Proxy Advisors	*"Following the analysis of* ***domestically listed companies that have listed one of its subsidiaries*** *over the past five years, we see that* ***over 60% have resulted in a holding company discount. LG Chem's public letter to appease shareholders will not be sufficient to offset the damage to shareholder value*** *through the* ***creation of a holding company discount*** *from the transaction."* – Sustinvest | Translated | Oct '20
Corporate Governance Advocates	*"****Investors in LG Chem who had bought into the company in the belief that its battery unit was the next big thing were justifiably disappointed*** *when it decided in October 2020 to split off the very same unit and IPO it separately."* – Asian Corporate Governance Association | Feb '23 *"****LG Chem significantly reversed Korea's governance by spinning off, despite opposition from general shareholders and NPS, and listing LG Energy Solution.****"* – Korean Corporate Governance Forum | Apr '24
Government	*"The* ***current downward pressure in the Korean capital markets is due to the accumulation of numerous incidents that have damaged shareholder value****,* ***such as*** *the Samsung C&T merger and* ***the LG Chem / LG Energy Solution separation.****"* – Gi Hyung Oh (Member of Parliament and Chair of Kospi 5000 Task Force Committee) | Translated | Jul '25
Employees	*"All the employees worked hard to somehow keep the battery division alive despite it running losses for years.* ***Now that it's finally starting to see the light, they spin it off immediately, which really drains morale****."* – LG Chem Employees | Translated | Jul '25

Source: Public Filings.

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“A split-off will allow the newly created subsidiary to focus on growth and will help improve shareholder value”

Dong Seok Cha | Translated | LG Chem CFO | Sep ‘20

Since the split-off and creation of a holding company structure, LG Chem's valuation has diverged from its battery peers and trended towards a chemicals valuation

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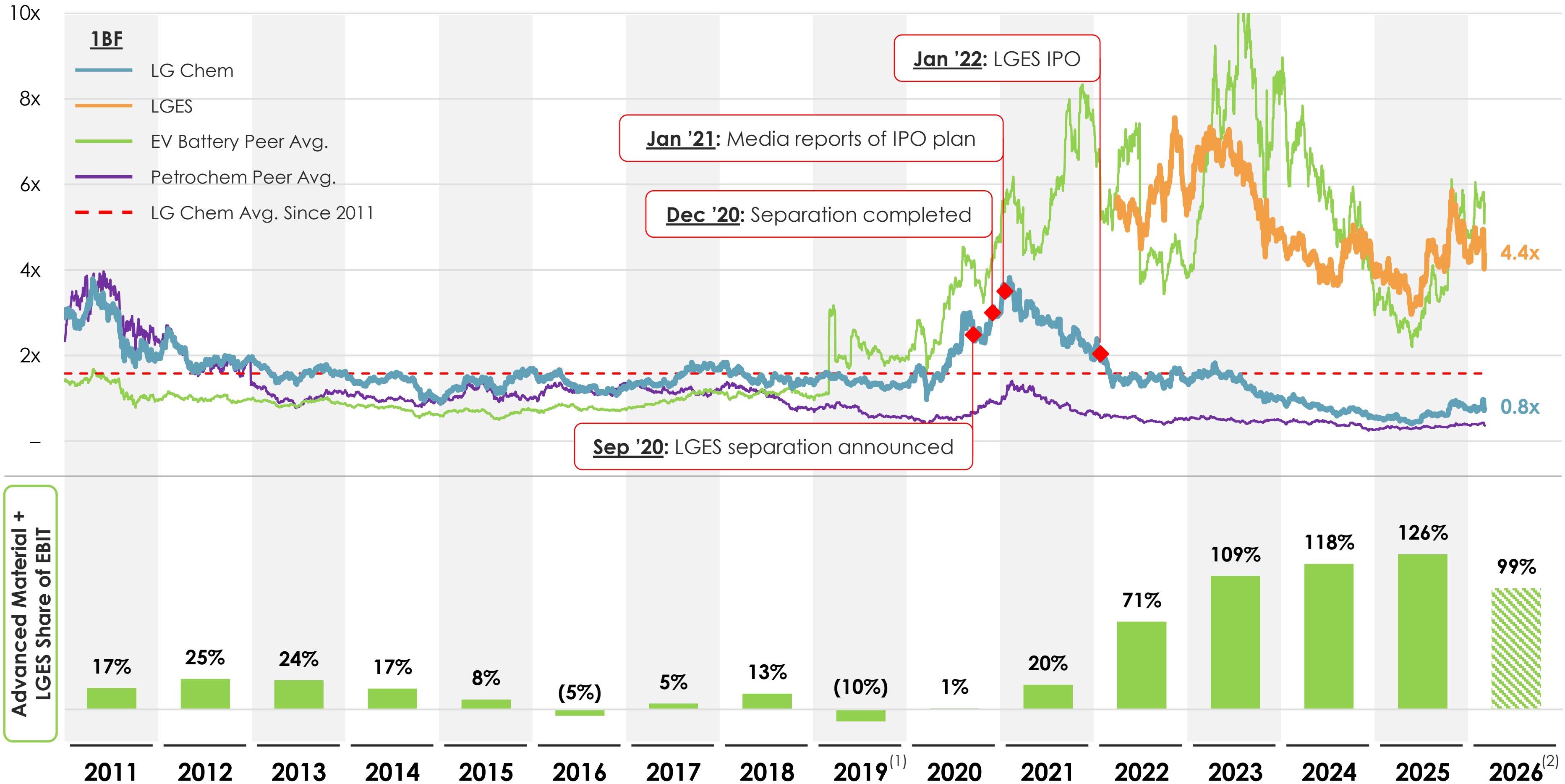
P/B Multiple and Advanced Material + LGES Share of EBIT Over Time



Source: Company Filings, Bloomberg. Note: Market data as of 6 March 2026; 1BF represents 12 months blended forward consensus estimates basis; Battery Peers: Samsung SDI, SK Innovation, Posco Future M, L&F, EcoPro BM; Petrochem Peers: Lotte Chemical, Kumho Petrochemical, Korea Petro Chemical. (1) EBIT mix excludes non-recurring loss from ESS fire-related provision. (2) Represents broker consensus EBIT mix.

LG Chem's shares have persistently underperformed over the past decade…

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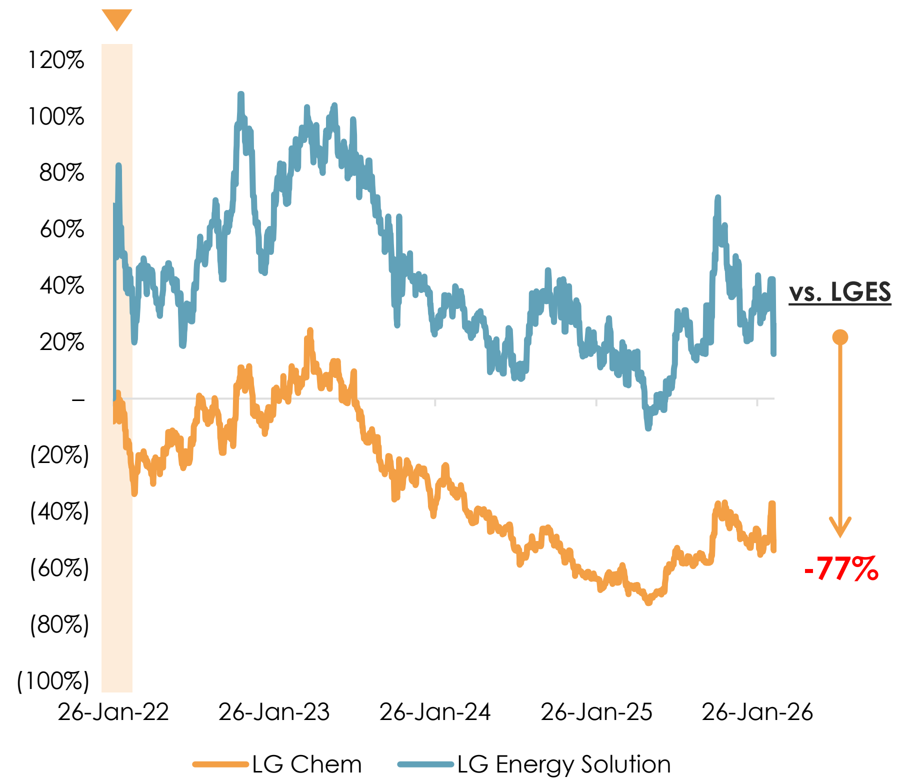
Historical TSR Performance[1]

	Period Ending 6-Mar-26					
	6-M	1Y	3Y	Since LGES Listing	5Y	10Y
LG Chem	**19%**	**41%**	**(55%)**	**(49%)**	**(63%)**	**22%**
LG Chem Relative Performance vs.:						
LG Energy Solution	9%	28%	(24%)	(75%)	n.a.	n.a.
Battery Peer Avg.	(51%)	(21%)	(35%)	(79%)	(135%)	(438%)
KOSPI Index	(56%)	(80%)	(194%)	(172%)	(168%)	(225%)
Petrochemical Peer Avg.	7%	29%	(20%)	(22%)	(7%)	10%

Relative Share Price Performance Since LGES Listing

LGES surged 46% vs. a decline of 21% for LG Chem two months following the IPO, instantly creating a significant holding company discount with LG Chem shareholders unable to benefit from the LGES value uplift



The Company failed to create shareholder value - the primary goal of the LGES spin-off. Unfortunately, the company has not taken meaningful action to address the sustained undervaluation. In fact, it has not recognised the value destruction and claims it has been "realizing resilient and sustainable shareholder value"[2]

Source: Bloomberg. Note: Market data as of 6 March 2026 and historical LG Chem and LG Energy Solution data since LG Energy Solution split off and listing on 27 January 2022. (1) Petrochemical peers include Lotte Chemical, Kumho Petrochemical, Korea Petrochemical; Battery peers include Posco Future M, L&F, EcoPro BM, Samsung SDI, SK Innovation. (2) Pg. 29 of LG Chem's "Explanatory Materials for the 25th AGM."

…and its discount to NAV has widened while other Korean conglomerate holding companies, including LG Corp, have tightened

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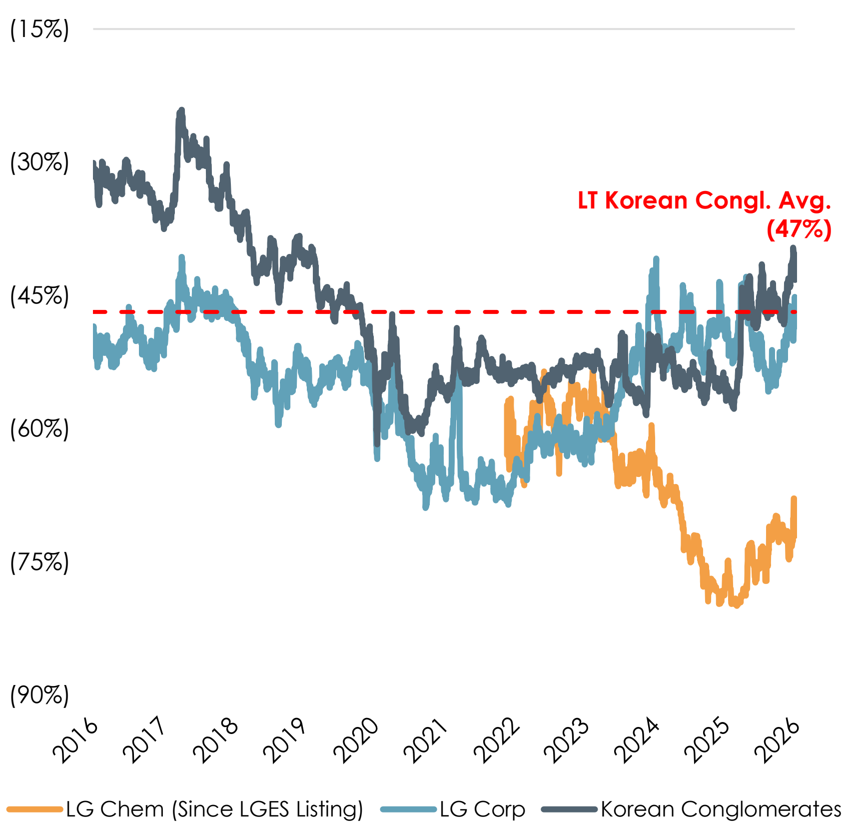
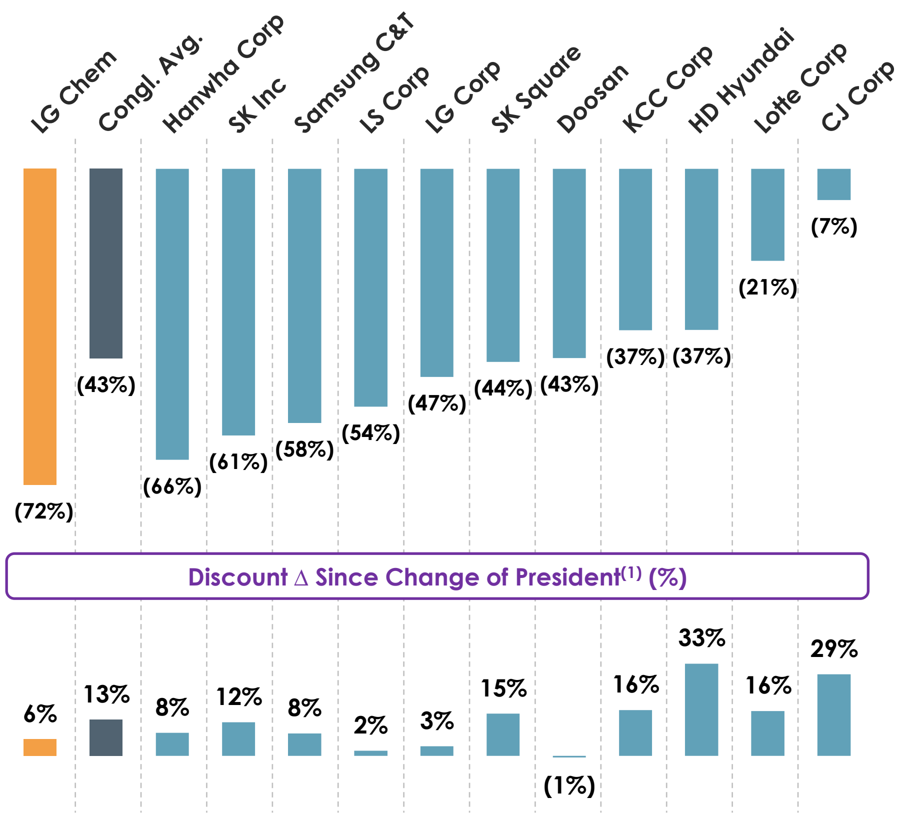
Recently, conglomerate holding company discounts have tightened as efforts to address the "Korea Discount" have gained momentum. However, LG Chem's discount – already by far the largest – has barely moved given insufficient efforts to tackle it compared to conglomerate peers

Last Ten-Year Discount to NAV (CLSA[2])



Current Discount to NAV and Recent Changes (CLSA[2])



Source: CLSA. Note: Market data as of 6 March 2026. Note: Korean conglomerates peers include SK Inc, Hanwha Corp, HD Hyundai, Samsung C&T, SK Square, LG Corp, LS Corp, Doosan, KCC Corp, CJ Corp and Lotte Corp. (1) As of National Election Commission opening of preliminary candidate registration on 4 April 2025. (2) Difference in Palliser's value gap discount vs. CLSA driven different assumptions on valuation of core business excluding LG Energy Solution stake and inclusion of preferred equity adjustment.

“Problems from split-off / subsidiary listings is the reason behind the Korea Discount”

Jae Myung Lee | Translated | President of South Korea | Jan ‘26

Improving regulatory environment - the Korean government has been making proactive efforts to address the "Korea Discount" through shareholder-friendly changes to the legal framework … with more to come

The Korean government and the KOSPI 5,000 Special Committee have been pushing for reform to ultimately address the "Korea Discount" and enhance value for minority shareholders. Key achievements include:

1st Amendment to the Korean Commercial Code ("KCC") *Promulgated: 22 Jul '25*	• Expansion of directors' fiduciary duty to include shareholders • "Aggregate" 3% rule when appointing a member of the audit committee • Listed companies to accommodate virtual general meetings of shareholders • Rename "Outside" directors to "Independent" and expanded the mandatory independent director ratio to at least one-third
2nd Amendment to the KCC *Promulgated: 9 Sep '25*	• Adoption of cumulative voting • Increase in separately-elected audit committee members from one to two
3rd Amendment to the KCC *Passed National Assembly: 25 Feb '26*	• Mandatory cancellation of existing and newly acquired treasury shares

Following the achievement of reaching KOSPI 5,000, the Special Committee changed its name, strengthening its new determination to move towards a "Korea Premium"

KOSPI 5,000 Special Committee → **Korea Premium K-Capital Market Special Committee**

"Now that the KOSPI has surpassed 5,000, ***[KOSPI] 10,000 is by no means a dream****…We continue to see a Korea Discount and* ***there is more to do to reach a Korea Premium…To establish trust*** *in the market* ***we will continue to pursue structural enhancement****"*

– Gi Hyung Oh (Chair of Kospi 5000 Task Force Committee) | Translated | Feb '26

Select next key areas of focus include:

Strengthening Stewardship Code	• Expand scope and fiduciary duties of institutional investors • Promote active voting and stronger governance
Ending Tunneling by Controlling Shareholders	• Ensure fair M&A valuation • Prevent value destructive split-off / subsidiary listing (Controversial LG Chem – LGES separation used as reference)
Prevent Market Abuse	• Legislation to amend the Inheritance Tax and Gift Tax Act to prevent the artificial suppression of the stock price by controlling families seeking to reduce tax liabilities

Source: KOSPI 5,000 Committee; Public Filings.

Shareholders have been patiently waiting for LG Chem to proactively take action on its deep valuation discount

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2022

PACIFIC ASSET MANAGEMENT

*"**Discounts are not unusual in Korea. There are lots of similar situations, but this is by far the most extreme.**"*

*"You can make a case that the **advanced materials business itself, based on the current growth rate, is worth more than the current share price for LG Chem,**'*

Border to Coast

*"The portfolio holds its parent LG Chem which owns 82% of LG Energy Solutions, is **valued at a large holding company discount**"*

2023

Federated Hermes

*"A number of conglomerates – such as **LG Chem…are plagued by weak corporate governance set-ups, which unnerve investors.**"*

2024

NPS 국민연금공단 National Pension Service

*The NPS has reportedly placed LG Chem on its "non-public intensive monitoring list," a move that indicates the two sides failed to find common ground even through private dialogue… In other words, **this designation suggests that the NPS had engaged with LG Chem's board and management for over a year regarding acts deemed detrimental to corporate value or shareholder rights but failed to reach a meaningful outcome.***

MK 매일경제 MBN

2025

metrica

*"Beginning of 2025. **we have made some suggestions… however, we have never received a proper response back**. Management has **done nothing to address the discount**…The rational **explanation behind the stake in LGES is unclear, and, based on our research, it is unprecedented.**"*

Source: Pacific Asset Management, Border to Coast, Federated Hermes, Metrica Partners, NPS.

With continued inaction, LG Chem is currently trading at an unprecedented and unsustainable discount to NAV

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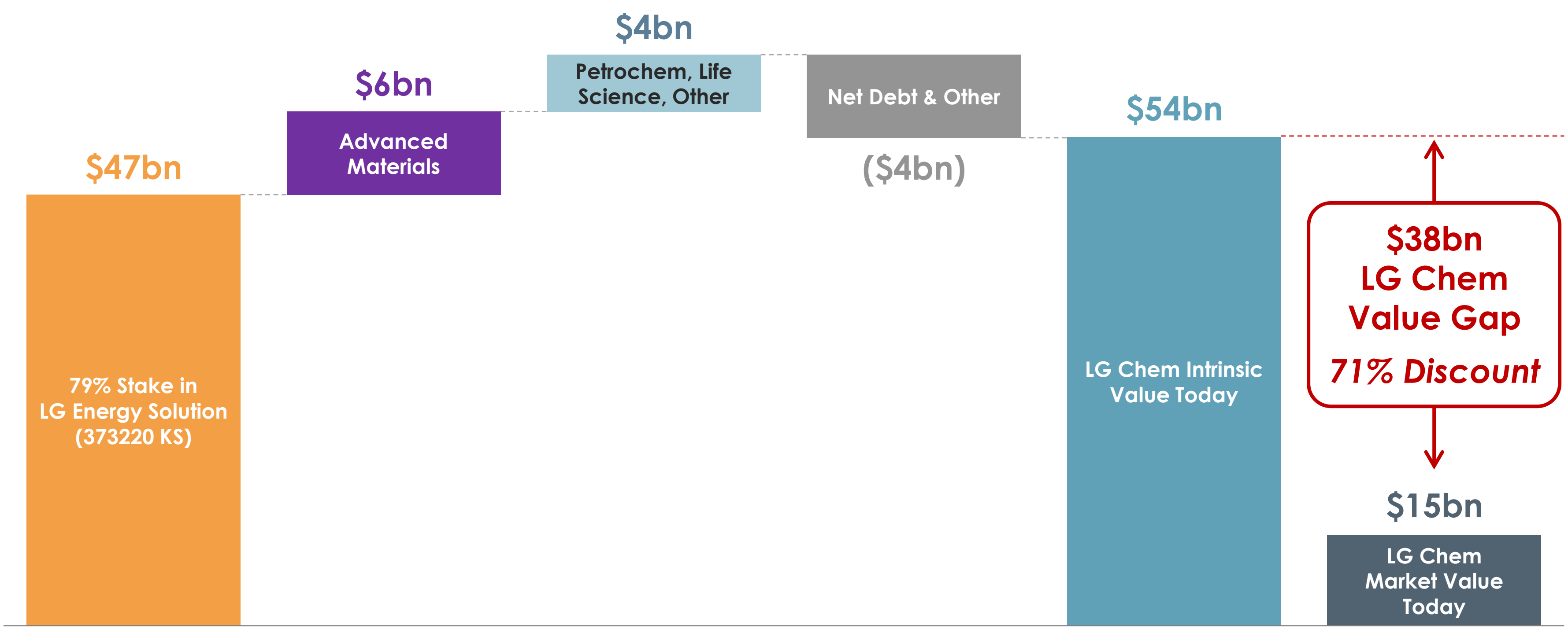
LG Chem's NAV is straightforward to calculate with its LGES stake having a listed market price and accounting for ~90% of intrinsic value

LG Chem NAV Build-Up



Method:	Market Value	Peer Multiple[1]	Peer Multiple / BV[2]	BV / Other[3]	SOTP	Market Value
% NAV:	87%	12%	8%	(7%)	100%	29%
% MCap:	304%	41%	26%	(23%)	349%	100%

Source: Company Filings, Bloomberg, Palliser Analysis. Note: Market data as of 6 March 2026. (1) Advanced Materials: 50% discount to average of Posco Future M and L&F 2BF EV / EBITDA multiples. (2) Petrochemical: In-line with average of Lotte Chemical, Kumho Petrochemical and Korea Petrochemical LTM P/B multiples; Life Sciences: 50% discount to average of Daewoong Pharma and Hugel 2BF EV / EBITDA multiples; Farm Hannong: Book value. (3) Includes 2% stake in Korea Zinc valued at KRW 686bn.

1 The LG Chem Value Gap

2 Factors Contributing to the LG Chem Value Gap

3 Palliser's AGM Proposals

4 Why this AGM Matters

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2 Factors Contributing to the LG Chem Value Gap

A Governance Shortcomings

B Failure to Acknowledge the LG Chem Value Gap

C Weak Capital Allocation Framework

Governance at LG Chem is wholly inadequate for a global leader, resulting in an erosion of shareholder trust

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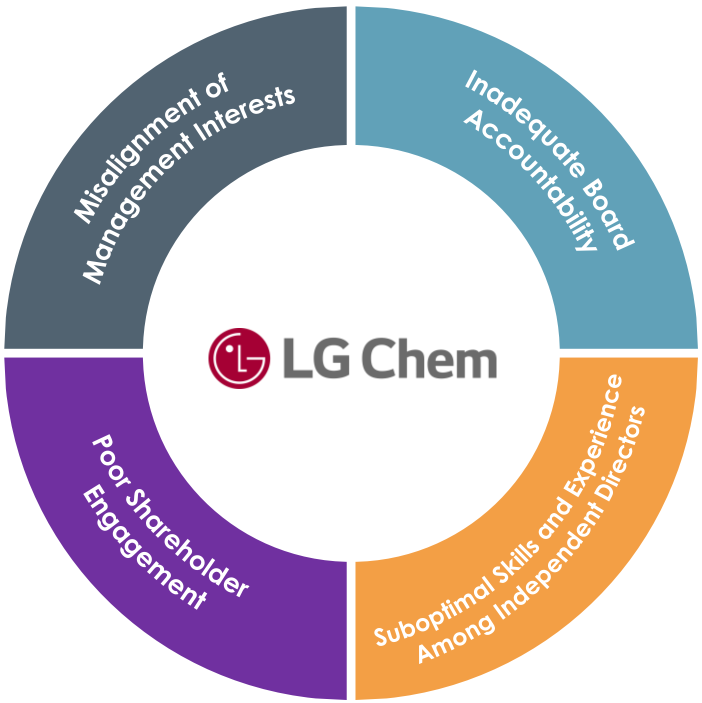
The LG Chem Value Gap is a symptom of significant flaws in Board and management decision-making

Contributors to Flawed Decision-Making



A — **Inadequate Board Accountability**

LG Chem's controlling shareholder, LG Corp, may have differing interests from minority shareholders. Current governance structures limit management and Board accountability to minority shareholders

B — **Suboptimal Skills and Experience Among Independent Directors**

LG Chem's independent Board is composed entirely of academics who lack the relevant experience and skills to address the Company's current challenges

C — **Poor Shareholder Engagement**

No clear mechanism and practice for meaningful communication with minority shareholders, particularly with the CEO and independent directors

D — **Misalignment of Management Interests**

Management do not share in the shareholder experience and are not incentivized to address minority shareholders' concerns under the current compensation structure

A Board structure and the presence of a controlling shareholder give rise to questionable Board accountability

LG Chem's Board includes three long-term LG Group executives, the controlling entity that holds an effective veto on super- (i.e. for Articles amendments) + simple-majority voting agendas

LG Chem's Anticipated Board post-March 2026 AGM

Director	Re-election Year	Role(s)
WhaSun Jho	2028	Independent Chair
Hyunjoo Lee	2028	Independent
Kyung-Hoon Chun	2026	Independent
Young-Han Lee	2027	Independent
Dong-Chun Kim	**2029**	**LG Chem CEO**
Dong Seok Cha	**2027**	**LG Chem CFO**
Bong Seok Kwon	**2028**	**LG Corp - Vice Chairman** **LGES – Chair** **LG Chem - Non-Standing Director**

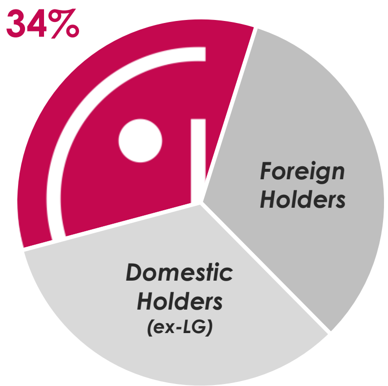
In his role as non-standing director, **Bong Seok Kwon** – Vice Chair of LG Corp and Chair of LGES – **sits on the *Nomination Committee for Independent Directors* and the newly created *Compensation Committee***

Staggered /Classified Board

- Three-year Board terms with only a fraction of directors standing for election each year
- Reduced ability to influence Board members to account
- Entrenchment risk

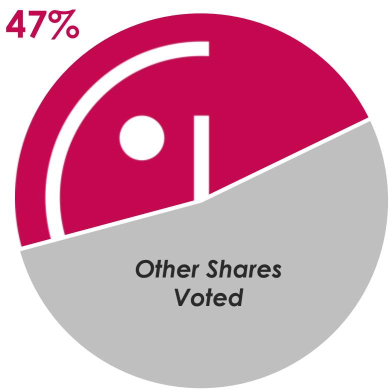
LG Chem's Ownership & Voting Power

LG Corp's Ownership of LG Chem Ordinary Shares (Dec '24)



LG Corp's Resulting Vote Power (Mar '25 AGM)[1]

Effective Veto Power over Super + Simple Majority Votes



Source: Company Filings. Note: (1) Calculated based on LG Corp ownership of 24m shares as of 31 December 2024 and attendance in Mar '25 AGM of 51m shares per 2024 Corporate Governance Report.

B Independent directors are all academics lacking practical business experience, limiting the ability to appropriately challenge management

Palliser

The Board of a global company requires independent directors with diverse skills and real-world business experience to challenge, advise and support management while looking out for minority shareholder interests

Independent Directors

WhaSun Jho

Professor, Political Science & International Studies

Chair (since 24 Feb '26)

Term
Mar '25 -
Mar '28

Hyunjoo Lee

Professor, Chemical and Biomolecular Engineering

Term
Mar '25 -
Mar '28

Kyung-Hoon Chun

Professor, Law

Term
Mar '23 -
Mar '26

Young-Han Lee

Professor, Taxation

Term
Mar '24 -
Mar '27

Independent Directors Lack The Experience LG Chem Needs

LG Chem requires a Board that fits its circumstances:

- Global Business
- Diversified Group / Holding Company
- Chemicals Sector Underperformer
- Controlled Entity
- Track Record of Shareholder Value Destruction

These circumstances underscore a need for highly qualified independent directors. **However, being academics, the current cohort has:**

- × A lack of appropriate business management and leadership experience
- × Limited proven portfolio management and capital allocation experience
- × A lack of international expertise
- × Insufficient relevant experience in relation to LG Chem's key verticals such as petrochemical, EV, life sciences, etc.

Federated Hermes

[2024] "*We also used the opportunity… to* ***flag the need for more international corporate experience on boards, including…LG Chem***"

Source: Company Filings, Federated Hermes.

B Skills gap among independent directors

Palliser

The independent directors, as a group, lack an appropriate balance of skills needed at LG Chem

	Professor Jho (Chair)	Professor H. Lee	Professor Chun	Professor Y-H Lee
LG Chem Disclosed Skills Matrix				
Finance / Accounting	-	-	○	●
Financial Capital Markets	-	-	●	●
Law / Policy	○	-	●	○
Risk Management	-	○	●	○
Management / Leadership	○	-	-	○
ESG	●	●	○	○
Global	●	-	○	-
Industry / Technology	●	●	-	-
Palliser's View on Additional Key Skills				
Capital Allocation and Management[1]	-	-	-	-
Real-World Business and Operations[2]	-	-	-	-

Key: ● Full Attribution ○ Partial Attribution - No/limited Attribution

New Chair – Professor Jho (AGM Ann. - Feb '26)
The **lack of financial and risk management expertise** made **WhaSun Jho's** role as the (outgoing) Chair of the Audit Committee a highly surprising one

Her new appointment as Chair of the Board is equally concerning given the **many gaps in skills**, including leadership and financial experience which are integral to understanding long-standing shareholder concerns around the LG Chem Value Gap

INEDs as a group
While Palliser recognises that academic expertise can play a valuable role on a Board, **the lack of balance** in skills and experience, based on the Company's own skills matrix, is concerning

Key skills not on the Company's skills matrix
Minority shareholders have expectations on additional relevant skills which are wholly missing from the current group of INEDs

Nomination Committee Effectiveness
In the lead-up to the 2026 AGM, **LG Chem had the opportunity to add new directors** with relevant skills – the Company chose not to do so. Minority shareholder expectations around Board skills are also particularly acute with regards to leadership appointments. Two red flags in the lead-up to the 2026 AGM call into **question the effectiveness of the *Nomination Committee for Independent Directors***

Source: Company Filings. Note: (1) Hands-on experience of managing and allocating capital at a large company; (2) Practical corporate experience within business and operations outside of academia and professional services.

C Palliser's engagement experience with LG Chem has been disappointing

Palliser

As a top 10 shareholder, it is concerning that despite having patiently engaged with a constructive mindset for over two years, there has been no meaningful two-way dialogue on points of substance and we have been consistently denied senior meetings other than with the CFO and IR

2024 | **2025** | **2026**

Sep '25
Palliser met with CFO privately to discuss its LG Chem Value Enhancement Plan

Oct '25
Palliser announced its LG Chem Value Enhancement Plan; Requested meeting with the Board...**Denied**

Nov '25
Requested meeting with the CEO and Board members **twice**...**Denied**

Dec '25
Requested meeting with the CEO and Board members **twice**...**Denied**

Jan '26
Palliser proposed that LG Chem proactively incorporate advisory agenda items related to improved disclosure, compensation structure and capital allocation to garner shareholder consensus...**Denied**

Jan '26
Requested meeting with the CEO and Board members ...**Denied**

Feb '26
Palliser submitted shareholder proposals for the Mar '26 AGM

Feb '26
Palliser requested meeting with new Chair of LG Chem *(Pending Response)*

Palliser's Engagement with LG Chem

12 meetings with LG Chem (CFO and / or IR)

8 detailed letters and presentations

Multiple and consistent requests for a meeting with senior management and Board members other than the CFO **have been declined**

Consistent lack of clear confirmation that our letters to the Board have been delivered in full

Legend

- Meeting with LG Chem (CFO and / or IR)
- Letter or Presentation Sent to the Board

Source: Palliser Capital.

Significant concerns centred on lack of transparency and unwillingness of LG Chem to facilitate even bare-minimum direct engagement with senior management and the Board

C

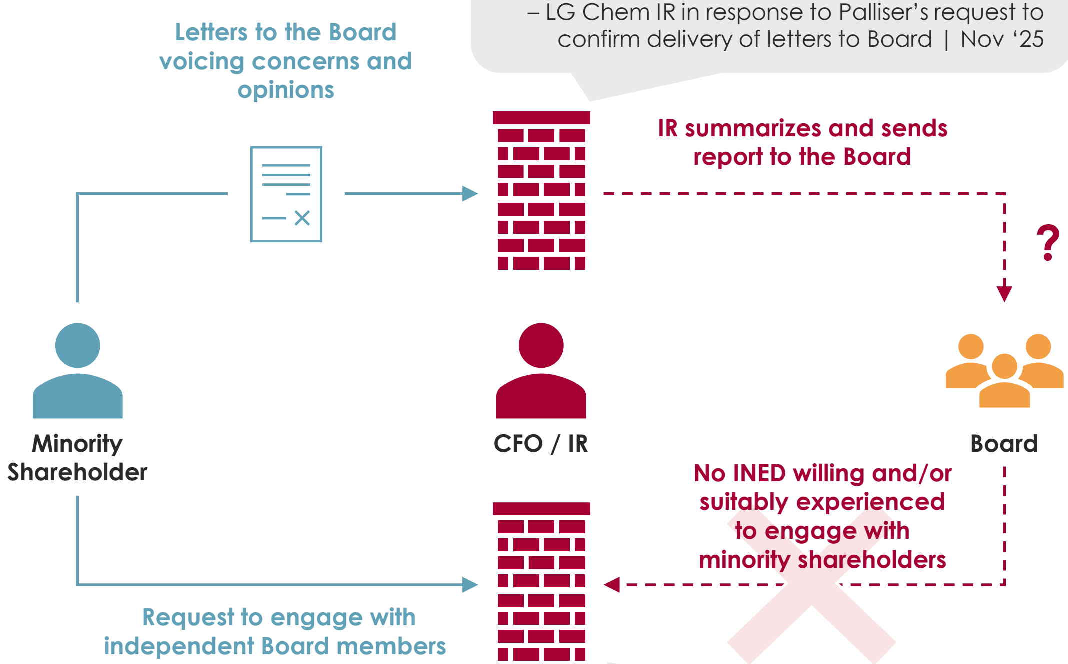
Palliser

Difficulty in conveying opinions and voicing concerns to senior management and the Board in a meaningful manner is a common frustration of shareholders based on market feedback

LG Chem

*"**Key contents…have been reported and circulated to our management and board of directors.**"*

– LG Chem IR in response to Palliser's request to confirm delivery of letters to Board | Nov '25



LG Chem

*"**It is highly unusual for…specific shareholders to hold separate meetings with Board members, including outside directors**. Such arrangements may **undermine fairness** with other shareholders, and may also **entail the risk of market distortion arising from the leakage of material non-public information**…"*

- LG Chem Letter to Palliser | Dec '25

- Minority shareholders rely on the CFO / IR to accurately convey their concerns to senior management and Board members
- There is no transparency over this process or whether points raised by shareholders have been properly conveyed
- LG Chem's highly unusual reasoning for not facilitating shareholder dialogue with the Board includes the risk of leakage of non-public information. However:
  - Independent directors are entrusted to exercise independent judgment and uphold strict confidentiality obligations
  - Suggesting that engagement inherently creates a risk of leakage of confidential information implies that independent directors may not be able to properly discharge their fiduciary and confidentiality duties
  - Independent directors should be able to discharge both duties without limiting appropriate shareholder engagement
- Engagement between independent directors and shareholders is common practice and seen as a vital component of healthy governance across developed capital markets

New LG Chem Initiative (AGM Ann. - Feb '26)

LG Chem newly appointed WhaSun Jho as an independent Chair and plans to establish new channels for communication between shareholders and independent directors this year. **See slide 50 & 59 for Palliser's full response to LG Chem's position.**

Source: Company Filings.

D Management's incentive structure demonstrates a clear misalignment with shareholders

Palliser

While management benefits financially from the consolidated results of LGES, LG Chem shareholders receive no similar direct benefit from LGES following the creation of the holding company structure

Current Remuneration Structure

Base Compensation

Fixed salary not linked to performance

Bonus Compensation Structure

Financial Statement KPI-Linked

Previous fiscal year's consolidated financial statement KPIs / targets, including revenue and operating profit

Non-Financial Statement KPI-Linked

Executive specific non-financial statement-related KPIs, including new growth initiatives, R&D pipeline and HR strategy

Key Areas of Misalignment

A Financial KPIs are based on **consolidated financial performance, which is primarily driven by LGES** – an entity that management does not directly control or has responsibility for

B **No share ownership** and incentives **not at risk from poor share price performance**

C **No capital return KPIs** – such as ROE – a key benchmark for shareholder returns based on the Company's announced Corporate Value-Up Plan(1) – and **no shareholder return KPIs** such as Discount to NAV and relative TSR

New LG Chem Initiative (AGM Announcement - Feb '26)

LG Chem confirms that KPIs linked to shareholder/capital returns are under review. However, no shareholder consultation has been undertaken, nor has there been any communication on the introduction of stock-based compensation. **See slide 51 & 60 for Palliser's full response to LG Chem's position.**

Source: Company Filings. Note: (1) Current dividend policy stipulates the expansion of consolidated dividend payout ratio to 30% from current 20% when ROE reaches 10%+.

2 Factors Contributing to the LG Chem Value Gap

A Governance Shortcomings

B Failure to Acknowledge the LG Chem Value Gap

C Weak Capital Allocation Framework

Palliser

“The first step to fixing a problem is admitting there is one”

Alcoholics Anonymous

Management's refusal to recognize the LG Chem Value Gap is misinformed and fails to recognize the key valuation concerns of the market

Palliser

After creating a holding company structure, LG Chem barely acknowledges the significant discount that has been penalizing shareholders

LG Chem

"…we believe it is ***inappropriate to assess whether or not our shares are undervalued based on a direct application of NAV discount rates, which is typically referenced in the context of holding companies***…"

- LG Chem Letter to Palliser | Jan '26

- **LG Chem barely acknowledges the issue** that its share price does not reflect the Company's stake in LGES – a consequence that stakeholders clearly warned about at the time of the separation – with LG Chem trading like a petrochemical company
- **LG Chem contends** that NAV is a highly fluid and subjective measure. However, as the LGES stake comprises the majority of LG Chem's NAV, the only subjectivity focuses on the unlisted businesses – a small portion of intrinsic value which could easily be valued at book value

≠

Reputable Market Analysts Utilizing Holding Company Valuation Measures (NAV / SOTP)

Non-Korean	Korean
Goldman Sachs	Shinhan Securities
CLSA	MIRAE ASSET
Morgan Stanley	LS증권
citi	Hanwha
UBS	KB
⋮	SHINYOUNG SECURITIES
	⋮

Analyst assessments of LG Chem's **discount to intrinsic value converge to a range of 70-80%, with the LGES stake accounting for more than 80% of the intrinsic value**

Source: Company Filings; Sell-Side Research.

2 Factors Contributing to the LG Chem Value Gap

A Governance Shortcomings

B Failure to Acknowledge the LG Chem Value Gap

C Weak Capital Allocation Framework

There is a clear preference for change amongst investors in capital utilization and allocation…

Palliser

Metrica Partners Investor Poll (Aug '25)[1]

Metrica Partners reportedly **ran a survey with shareholders of LG Chem** as **they believe that LG Chem is trading at a significant discount to intrinsic value due to its excessive stake in LGES**

? **Are you satisfied with the share price performance of LG Chem in recent years?**

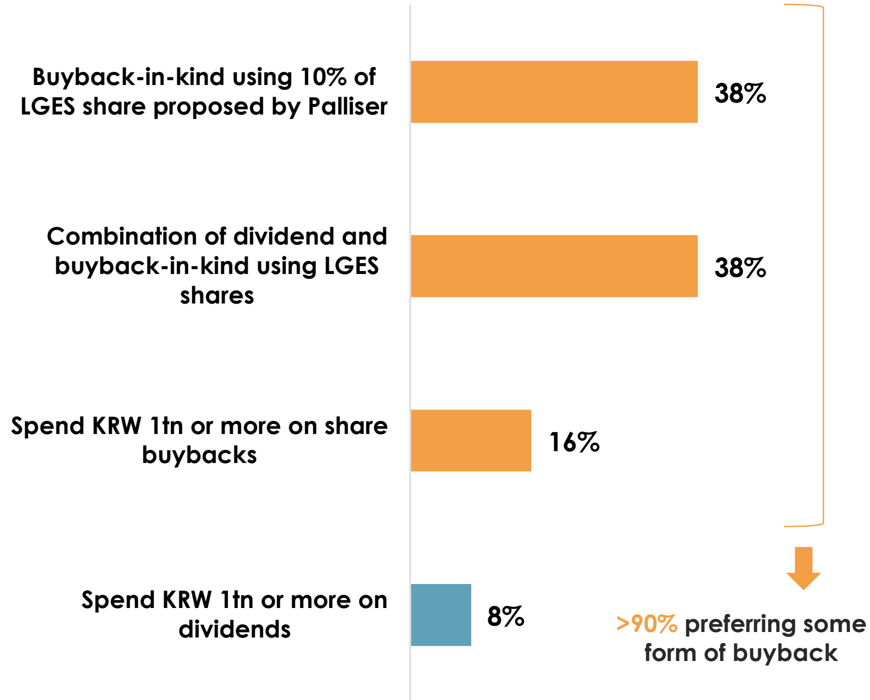
? **Should LG Chem reduce its stake in LGES?**

? **Similar to SK Square, should LG Chem adopt targets on NAV discount and price-to-book ratio?**

⋮

*"**The results from the survey showed that most participants were in agreement with our views and no one were really against any of them…we shared this with LG Chem showing that this is everyone's views.**" – Metrica Partners | Nov '25*

J.P. Morgan Investor Poll (Nov '25)



Sell-Side Commentary

*"Further actions, such as **LGES share sales or a share swap with buy back, could unlock shareholder value** based on our scenario analysis."*

– UBS | Oct '25

*"…**investors have long pushed for more decisive action** to address [its value gap] by management in hopes of narrowing the discount. So far, **there has been a lack of corporate action (i.e. bigger LGES stake sale, share buyback…If such actions were taken**, we would expect **the discount to further narrow.**"*

– Morgan Stanley | Oct '25

Source: Public Filings, Sell-Side Research. Note: (1) Yonhap Infomax.

…which has been largely disregarded by the Company as demonstrated in its latest Value-Up Plan updates

Palliser

Ignoring consistent market feedback, LG Chem's recently announced value enhancement initiatives have been disappointing, lacking clarity, sincerity and alignment

Value-Up Plan Update (Nov '25)

Announcement

Mid- to long-term utilization of LGES stake to 70%; a stable and sustainable shareholder return policy based on business performance

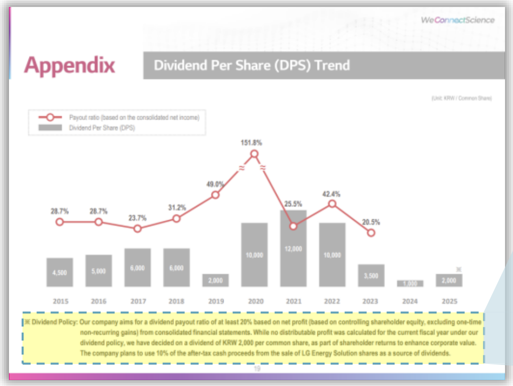
Share Price Reaction

-5%

*"Investors might be **disappointed as they are awaiting for more actions to unlock shareholder value**. We estimate LGC's 80% stake in LGES includes an 85% holdco discount vs. Korea average of 52%."* – UBS | Nov '25

*"…**a lack of details on the timing or magnitude of the stake sale will still be seen as a disappointment.**"* – Morgan Stanley | Nov '25

Q4 '25 Earnings (Jan '26)



Announcement

Reduce LGES stake to 70% in the next 5 years with only 10% of post-tax proceeds to be used for shareholder returns, primarily dividends

Share Price Reaction

-9%

*"The **biggest disappointment was…allocating only 10% of the proceeds to shareholder returns**…While LG Chem could raise this ratio in the future, this uncertainty **does little to bolster investor confidence**."* – CLSA | Jan '26

*"Yet, its **guidance of allocating only 10% of the proceeds**…would imply roughly W1trn…being returned over the next five years, which we believe will still come as a **disappointment to shareholders**."* – Morgan Stanley | Jan '26

Source: Company Filings, Bloomberg, Sell-Side Research. Note: Share price performance represents one day move post-announcement.

LG Chem's announced capital allocation policy lacks accountability and a return-oriented approach

Palliser

The announced policy is not aligned with minority shareholder preferences, fails to directly acknowledge or address the unprecedented value gap, and does not maximize return potential for shareholders

Next 5-Yr Capital Allocation Structure

Cash In

- Core Businesses Operating Cash Flow (OCF)
- *Future LGES Dividends (Zero Assumed)*
- Asset Monetization 9.4% of LGES Shares (90% / 10%)

Cash Out

- Growth Investment and Debt Management
- Shareholder Returns

A Debt Management and Growth Investment

Debt

- Announced priority to allocate minimum 10% of OCF to debt management
- Lacks any clear guidance on specific allocation target for additional consideration vs. growth

Growth

- Introduced new but low IRR threshold of 10% (compares with buybacks offering a 28% IRR)
- Poor ROIC track record, most recently at 1% leading to concerns over capital discipline and mal-investment

B Shareholder Returns

Dividends

- 20% payout ratio policy, with subsequent increase to 30% once ROE reaches 10%+
- Not supported by sustainable cash flow; near-term funded by asset monetization
- Concerns on sustainability as policy linked to consolidated earnings, mostly at LGES, but LGES not expected to pay dividends in the near-term

Buybacks

- No commitment to buybacks in the near-term despite clear market consensus
- Refusal to acknowledge that buybacks are highly accretive to NAVPS and increase see-through ownership of LGES for every share of LG Chem at these discount levels

Suggested Improvements to the Capital Allocation Framework

Properly managed using OCF and asset sale proceeds, with clear focus on optimizing cost of capital and financial soundness

Consistently benchmarked on a risk-adjusted basis against cost of capital and return profile of buybacks to formulate a return-oriented capital allocation program

Establish policy linked and funded by stable core cash flow (i.e. non-LGES) and future dividend proceeds from LGES as it requires a sustainable and consistent foundation

Utilize proceeds from asset monetisation for programmatic and/or opportunistic buybacks that can significantly enhance shareholder value at near zero risk

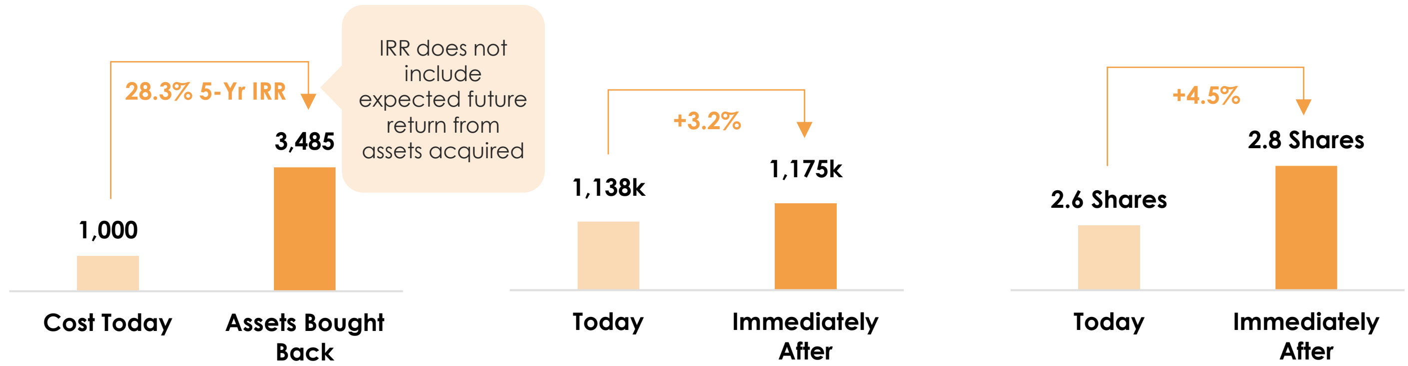
Source: Company Filings; Sell-Side Research.

Buybacks are a highly accretive and low-risk capital allocation option at current deep discount levels

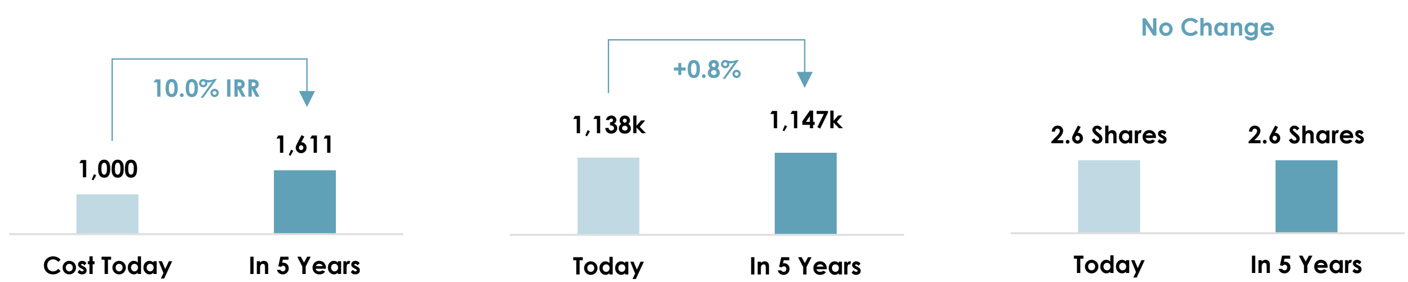
Palliser

Illustrative - For Each KRW 1tn Deployed	Investment Return	Impact on NAV Per Share	See-Through LGES Shares Owned Per Share of LG Chem
Values in KRWbn, except per share data	Significant discount allows LG Chem to buy back its assets at 29 cents on the dollar <u>immediately</u>	Highly accretive to NAV per share due to the outsized reduction of shares relative to the cash/assets used	Essentially an investment in LGES as the see-through <u>ownership of LGES per LG Chem share increases</u>

Share Buybacks @ Current NAV Discount[1]



Investment in Growth Assets @ 5-year 10% IRR
Management's Target Threshold



Buybacks are highly accretive and the extreme discount to NAV provides an opportunity for LG Chem shareholders to effectively increase their see-through stake in LGES at 29 cents on the dollar, positioning shareholders to benefit even more from future value-upside at LGES. Future growth investments should be consistently benchmarked against the higher of the return profile of a buyback and the Company's cost of capital to ensure a prudent, return-oriented capital allocation framework

Source: Company Filings, Bloomberg, Palliser Analysis. Note: Market data as of 6 March 2026. (1) NAVPS and see-through ownership value of LGES per share accretion calculations assume current share prices and valuation discount remain constant.

1 The LG Chem Value Gap

2 Factors Contributing to the LG Chem Value Gap

3 Palliser's AGM Proposals

4 Why this AGM Matters

Why Palliser decided to submit shareholder proposals

Palliser

- LG Chem's persistent underperformance and unprecedented discount to NAV represent an **unacceptable and urgent situation** that the Company has failed to acknowledge or proactively address
- **Unresponsiveness to shareholder engagement** (from Palliser AND numerous other investors) and wider market sentiment
- This has prompted Palliser's proposals, which are intended to **promote transparency and offer a platform for shareholders to provide feedback to management** on the need for meaningful change at LG Chem and proactive steps to tackle the LG Chem Value Gap

Market response to Palliser and the Company's actions tell a clear story – broad market support for meaningful change

	Palliser's "LG Chem Value Enhancement Plan" Presentation (22 Oct '25)	LG Chem's Value-Up Plan Update (28 Nov '25)	LG Chem Q4 '25 Earnings & Capital Allocation Update (29 Jan '26)	Palliser's Shareholder Proposal Submission (10 Feb '26)	Palliser's Proposals Added to AGM Agenda (24 Feb '26)
Share Price Performance	+13%	-5%	-9%	+3%	+11%
	Palliser presents its highly-actionable value enhancement plan at the 13D conference in New York	Announces plan to reduce LGES stake to 70% but lack of detail and limited additional shareholder friendly actions leave market disappointed	Additional clarity on plan for LGES stake reduction again falls below market expectations, particularly low allocation of proceeds to shareholder returns	Palliser announces submission of shareholder proposals to enact change by promoting transparency and offering a platform for shareholders to provide feedback to management	Company includes Palliser's proposals and announces policy changes in direct response, including: • New independent Chair position • Plan for formal shareholder engagement

We are pleased to see LG Chem taking incremental steps in the right direction in response to our submission of AGM proposals and prior public engagement. However, these steps fall far short of what is required and our proposals therefore remain necessary to ensure continued momentum towards positive change

Source: Company Filings; Bloomberg. Note: Share price performance represents one day move post-announcement.

Vote FOR Palliser's proposals on LG Chem's 2026 agenda

Palliser

Item	
#1	Approve Financial Statements and Allocation of Income
#2.1 – 2.6	Routine Articles Amendments to align with Korean Regulatory Developments
#2.7	**Palliser's Proposal:** Amend Articles to Allow for Advisory Proposals ☑
#2.8	**Palliser's Proposal:** Amend Articles to Appoint a Lead Independent Director ("LID") ☑
#3	**Palliser's Advisory Sub-Resolutions:** **3.1** NAV Discount Disclosure ☑ **3.2** Compensation Review ☑ **3.3** Increase LGES Share Utilization to Fund Buybacks ☑
#4	Elect Kim Dong-chun (Incoming CEO) as Inside Director
#5	Elect Cheon Kyung-Hoon as Outside Director to Serve as an Audit Committee Member
#6	Approve Total Remuneration of Inside Directors and Outside Directors

Conditional on #2.7

2.7 Articles amendment for advisory shareholder proposals

Palliser

Palliser's Proposal

Summary

Amend LG Chem's Articles of Incorporation to submit non-binding advisory shareholder proposals that provide shareholders the opportunity to engage with the wider shareholder base on important issues focused on long-term, sustainable, core value-up principles

1

*① **A shareholder who has continuously held at least 0.5% of the total number of issued shares, excluding shares without voting rights, for at least six consecutive months immediately preceding the general meeting of shareholders may submit a proposal to the directors in written or electronic form.** The proposal must reach the directors at least 6 weeks before the general meeting of shareholders. In the case of an Annual General Meeting of Shareholders, the "meeting date" in this Article means the date in that year that corresponds to the date of the previous year's Annual General Meeting of Shareholders. **The proposal may request that certain matters related to the protection of the interests of shareholders and the Company, including corporate governance, capital allocation policy, executive compensation policy and shareholder return policy, be included as agenda items for the general meeting of shareholders, even when those matters are not prescribed by laws or these Articles of Incorporation as matters requiring a resolution at a general meeting of shareholders.** A proposal of this kind is referred to in this Article as an "Advisory Shareholder Proposal."*

2

② A shareholder under Paragraph 1 may, no later than 6 weeks before the meeting date, request the directors by written or electronic document to include, in the notice of convocation prescribed in Article 363 of the Commercial Code, a summary of the item submitted by that shareholder, in addition to the matters that are the business of the meeting.

③ When an Advisory Shareholder Proposal is submitted, the directors shall report the proposal to the Board of Directors, and the Board of Directors shall include the proposal as an agenda item for the general meeting of shareholders, except where the contents of the proposal violate laws or these Articles of Incorporation or conflict with other agenda items. In such case, the shareholder who submitted the proposal shall be given an opportunity to explain the item at the general meeting of shareholders.

3

*④ An Advisory Shareholder Proposal shall be resolved in accordance with Article 18, and **the outcome of the resolution shall not bind the Company.***

*⑤ **When an Advisory Shareholder Proposal is approved by a resolution under Paragraph 4, the Company shall, at the first Annual General Meeting of Shareholders held after the general meeting of shareholders at which the proposal was submitted, report whether the proposal has been implemented and the specific details of implementation. If the proposal has not been implemented, the Company shall report the reasons.***

Palliser's View

- This change will allow for a **less adversarial, less prescriptive form of escalation that engages the wider shareholder base**, focusing on long-term, sustainable, core value-up principles
- Per 1, the proposal has been drafted to **minimize the risk of misuse** while maintaining the core purpose
  - Only those shareholders eligible to submit a statutory AGM proposal will be allowed to submit an advisory proposal (See Appendix)
  - Per 2, advisory proposals may only be submitted if related to protection of interests of shareholders or the Company – a condition enforceable by the LG Chem Board
- Advisory proposals are a **globally recognized mechanism** for boards to understand shareholder views on important matters. Per 3, even if proposals are approved, they are non-binding and serve to inform the Board's decision-making only rather than compel action

Source: Shareholder Proposal Filing (2026 AGM Notice). Note: (1) Proposals to amend articles to allow for advisory proposals have been submitted by retail investors in 2025 at DB Hitek, Cha Biotech, E-Mart, Solum and Youlchon Chemical.

2.7 The value of advisory shareholder proposals is recognized in Korea and especially needed at LG Chem

Palliser

The Value of Advisory Proposals is Recognised in Korea

- Under the KCC, shareholders are permitted to submit shareholder proposals only with respect to matters requiring approval at shareholders' meetings, so exercising this right is considered to be more adversarial in nature

- **Following the inclusion of advisory shareholder proposals in President Lee Jae-myung's election pledge** in July 2025, a potential amendment to the KCC was tabled to codify the mechanism into law. Lee Soyoung, a policy maker and lawyer from the Democratic Party of Korea and sponsor of the amendment, was reported as stating:

*"This is a new channel for minority shareholders to voice their opinions on corporate management and a mechanism to institutionally **support trust and communication between shareholders and companies**. Ensuring that shareholder participation in sustainability-related issues is discussed within the institutional framework will **contribute to greater corporate transparency and long-term value enhancement.**"*

- Lee Soyoung | Oct '25

ISS — Proxy Analysis

The introduction of provision concerning advisory shareholder proposal contributes to strengthening minority shareholder's rights

Hyundai Development (2022) – Shareholder Proposal to Amend Articles to Introduce Advisory Proposals

The Value of Advisory Proposals is Great at LG Chem

The LG Corp stake acts as a veto on super-majority votes, and an effective veto over simple-majority votes. As such, LG Corp controls the pass/fail outcome of all LG Chem agenda items

Evidence suggests that LG Chem's Board is not responsive to dissent on Board-tabled agenda items, including director elections:

CARMIGNAC — INVESTING IN YOUR INTEREST

*"In June 2021, we took the rare step of sending an email to the company's CEO setting out our expectations…to take into account minority shareholders' interests…The decision to vote against the renewal of the CEO and the letter were acknowledged by the company. **Carmignac was not the only investor who voted against the renewal of the company's CEO…So far, these votes have not triggered any change in the strategy of LG Chem.**"*

Given minority shareholders do not have the power to impact the outcome of binding agenda items, **an advisory proposal mechanism offers a genuine method for escalating engagement on matters** that have reached an impasse

The pass/fail outcome of an advisory vote is less significant than that of a binding proposal. **Advisory proposals are intended to give the Board an understanding of shareholder views** to support, not dictate, effective decision-making

Source: ISS, Carmignac.

3.1 – 3.3 Advisory Sub-Resolutions
(Conditional on adoption of the Articles amendment proposed in Item #2.7)

Palliser

Advisory sub-resolutions offer the wider shareholder base a forum through which to communicate views on important issues to promote Board alignment in decision making

Palliser's Proposal		Purpose: Build Consensus On...
3.1	Disclosure of Discount to NAV as a Major Financial Indicator in the Corporate Value-Up Plan	**Recognizing LG Chem as a holding company and establishing an alignment and transparency measure to guide value-up decision-making and evaluate progress**
3.2	Review of the Existing Executive Compensation Plan, including (1) Introduction of a Share-based Component and (2) Incorporation of Additional KPIs, such as NAV Discount and ROE	**Adopting a shareholder mindset to ensure medium- to long-term alignment between management and market performance**
3.3	Update to the Shareholder Return Policy to Further Increase the Monetization of LG Chem's LGES Stake With Additional Proceeds to be Used for Treasury Share Buybacks and Cancellation	**Execution of highly-accretive share buybacks, while maintaining existing management budget for improvement of financial soundness and growth investments**

What will happen if any of these proposals pass? *On the condition that the Articles amendment in Proposal 2.7 passes, approval of the advisory proposals will* <u>*only require LG Chem to consider the relevant matters*</u>*, and report back at the next General Meeting to confirm whether they have been implemented or the reasons for not doing so.*

3.1 – 3.3 Advisory Sub-Resolutions (Cont'd)

Palliser

Framed to be **non-intrusive, non-prescriptive, and non-disruptive.** The proposals provide the means for shareholders to voice feedback and better align the Board with minority shareholders against the backdrop of LG Group control

Ensure that management retains full discretion over implementation, scale and timing, including how best to advance the underlying objectives within the applicable legal and regulatory framework

Will not detract from or interfere with important routine Company business at the AGM or give rise to concerns about operational micromanagement moving forward

Do not impact the funds earmarked by the Company from its already-announced intention to reduce the LGES stake to around 70% for strengthening the Company's financial profile (including debt reduction and the protection of its credit rating) and future growth investments

Are focused on **long-term, sustainable, core value-up principles**, which are being taken increasingly seriously by Korean companies, allowing the Board to see shareholder views and take them into account

The subject matter of the proposals **aligns with existing shareholder demands of the Company**

Disclosure of discount to NAV as a major financial indicator in the Corporate Value-Up Plan

Palliser

Discount to NAV is a key point of focus for the market when evaluating performance and valuation and it is befitting of a core component in the Value-Up Plan to enhance alignment and accountability

Palliser's Proposal

Advisory proposal that the Company include the NAV discount as a key financial metric in its Corporate Value-Up Plan, and review and publicly disclose, on a quarterly basis, the Company's calculated discount to NAV

Palliser's View

- Improves alignment given the market's strong focus on the discount to NAV
- Enhances accountability for management and the Board to address the current valuation disparity
- Incorporation into the Corporate Value-Up Plan would improve investor confidence that the Board is focused on addressing the extreme valuation discount
- While LG Chem is an operating company, it is also more relevantly a quasi-holding company by virtue of its listed stake in LGES; accordingly, NAV discount is a highly relevant KPI
    - Reputable sell-side analysts evaluate LG Chem with methods relevant for holding companies (see slide 33)

Case Study: SK Square Value-Up Program Enhancement

SK square

- **SK Square**, an intermediate holding company with a notable 20% stake in SK Hynix, **had been trading at a relatively deep discount** (66% discount to NAV in Q3 '24) to other domestic peers
- Following the **Board and management's frequent communication with shareholders**, including Palliser, SK Square announced proactive changes during its Nov '24 Corporate Value-Up Plan:
    - **Implemented discount to NAV as a KPI for its Corporate Value-Up targets** including a target to lower to <50%, which was subsequently revised to <30%
    - Incorporated **discount to NAV as a KPI in its management compensation** programs
    - Commitment to actively consider **share buybacks and cancellations when NAV discount is significant**
    - Added RoE and PBR as additional KPIs
- Such initiatives were well-received by the market and ultimately **helped tighten the Company's discount to close to 40% today**

Source: Company Filings.

Review of the existing compensation plan, including introduction of a share-based component and incorporation of additional KPIs

Palliser

Stock-based compensation and integration of key market-relevant KPIs are a best-practice approach when constructing management compensation structures to ensure alignment with shareholders

Palliser's Proposal

Proposal that LG Chem's Compensation Committee review the incorporation of shareholder-aligning executive compensation measures through (i) introduction of share-based compensation under which a portion of executive compensation is paid in shares and (ii) supplementing current executive compensation KPIs with NAV discount and ROE, with the findings of its review disclosed by December 31, 2026

Palliser's View

- Share-based compensation will help ensure direct management alignment with shareholder economics
- Compensation KPIs should correspond with LG Chem's Value-Up - both existing (ROE) and expected (Discount to NAV). This will sharpen management accountability, Board focus and alignment with shareholders
- KPIs should also correspond to outcomes that management are responsible for, excluding contributions from LGES

Current Variable Compensation

Base Salary

Short-Term Incentive (Bonus)

No Long-Term Incentive

Existing KPI Pool

Financial Statement

- Key consolidated financial statement KPIs / targets, including revenue and operating profit

Non-Financial Statement

- Executive specific non-financial statement-related KPIs, including new growth initiatives, R&D pipeline and HR strategy

Proposed Variable Compensation

Base Salary

Short-Term Incentive (Bonus)

Share-Based Component NEW

Prospective KPI Pool

NEW

Market-Based NEW

- **NAV discount-linked incentive**

Financial Statement

- As Current
- **Metrics aligned with shareholder value and under management control (ROE ex-LGES)** NEW

Non-Financial Statement

- As Current

Source: Company Filings.

3.3

Update to the shareholder return policy to further increase the monetization of the LGES stake for buybacks

Palliser

A commitment to share buybacks, funded by utilizing of the LGES stake, is key to helping reduce the extreme discount to NAV

Palliser's Proposal

Proposal that the Company review its latest shareholder return policy, as disclosed on January 29, 2026 to further reduce the Company's ownership stake in LGES to below the announced 70% target and use the additional proceeds to conduct treasury share buybacks and cancellation, with the results of its review announced by December 31, 2026

Palliser's View

- At present there is no commitment to conduct share buybacks despite wide-spread support from shareholders and equity research analysts
- At current discount levels, buybacks represent an essentially risk-free capital allocation option that is highly accretive and will help lower the unprecedented discount to NAV
- The soft legacy commitment at the time of the LGES IPO to maintain at least 70% ownership of LGES[1] is outdated and no longer relevant following the significant value destruction that followed the LGES separation and IPO

Proposed Adjustment to LGES Stake Utilization Policy

Current 79.4% Stake in LGES

LG Chem Plan

Utilization of 9.4% stake in LGES

Announced 5 Yr plan to reach 70% ownership

- **90%** of the post-tax proceeds to be used for debt management and growth investments
- **Only 10%** of post-tax proceeds to be used for shareholder returns, primarily dividends

+

Advisory Proposal

Additional stake utilization

(to below 70% ownership)

- **100%** of the post-tax proceeds from additional stake utilization to be used for share buybacks and cancellation
- **No impact on funds earmarked for investment or debt reduction**

Potential Methods of Utilization and Buyback

1	**Buyback-In-Kind**	Buy back LG Chem shares using LGES shares as consideration, instead of cash
2	**Regular Buyback**	Regular buyback program using cash proceeds of LGES share monetization to buy back LG Chem shares
3	**Discount Management Program**	At preset targets, sell LGES shares in small portions on a regular basis and use proceeds to buy back LG Chem shares

Source: Company Filings. Note: (1) Bloomberg.

2.8 Articles amendment to appoint a LID

Palliser

Palliser's Proposal

Summary

Amend LG Chem's Articles of Incorporation to appoint a LID that will possess enhanced responsibilities to serve as a representative of the independent directors and act as a bridge between the Board and the wider shareholder base

1

*① **The Board of Directors may appoint one Independent Director** (the "Lead Independent Director") from among the Independent Directors **to serve as the lead representative of the Independent Directors** (in this Article, "Independent Director" has the same meaning as "Outside Director" in these Articles of Incorporation; the same meaning shall apply hereinafter). **The Lead Independent Director shall be appointed from among the Independent Directors who serve as members of the Audit Committee pursuant to the proviso to Article 29, Paragraph 3.***

② The term of office of the Lead Independent Director shall be the same as the term of office of that Independent Director.

2

③ The Lead Independent Director shall perform the following duties:

1. ***Convening and presiding over meetings composed of all Independent Directors, gathering and consolidating their views, and conveying them to the Board of Directors and management***
2. ***Consulting on matters related to Board operations, including Board schedules and proposals for agenda items***
3. ***Supporting smooth communication among shareholders, the Board of Directors, and management***
4. ***Meeting with shareholders for the protection of shareholder rights and interests, and conveying the results of shareholder feedback to the Board of Directors and management***
5. ***Providing information necessary for the effective performance of duties by Independent Directors and related support***

④ The Company shall provide sufficient information and provide full cooperation to allow the Lead Independent Director to perform the duties under Paragraph 3.

Palliser's View

- The appointed LID will act as a representative of the independent directors, with responsibilities to ensure they act in line with their **expanded fiduciary duty**
- Per 1, the LID should be selected from among the **separately elected members of the Audit Committee** highlighting the LID's enhanced mandate from (and responsibilities to protect) minority shareholders
- As listed in 2, the responsibilities of the LID will align with institutional investor expectations and those referenced for LIDs at other Korean companies (see Appendix)
  - The LID's responsibility to engage with shareholders is critical, especially where discussions may already have broken down with the Chair (independent or otherwise)
- Palliser has proposed that the LID be written into the Articles of Incorporation to **protect the role and its responsibilities**, thereby future-proofing independent leadership without prescribing the need for an independent Chair at LG Chem
- The adoption of a LID is a **globally recognized practice** regardless as to whether the Chair is independent or not
- Adoption of a LID has already been undertaken at **other comparably significant Korean companies in similar groups to LG**, including at Samsung and Hyundai companies

Source: Shareholder Proposal Filing (BusinessWire), MSCI, Public Filings. Note: (1) Per MSCI data, companies including Samsung SDI, Samsung SDS, and Samsung Heavy Industries have adopted a Lead Independent Director, as well as Hyundai Motor Company and Hyundai Mobis.

2.8

LG Chem's appointment of a new independent Chair fails to recognize the substance of Palliser's proposals

LG Chem's appointment of an incumbent independent director to the Chair role is an attempt to use "form" to avoid substantive change. Minority shareholders need a LID with an enhanced mandate (through the 3% rule and separate election) with clear responsibilities to be engaged in and protective of their interests. There is no confidence that this will be done by an underqualified Chair who has not previously engaged with shareholders

Chair and LID are different roles

While both constitute independent leadership, **the roles of an Outside Chair and LID are not the same**.

ICGN
International Corporate Governance Network

The Board should appoint a Lead Independent Director (LID) even when the chair is independent. The LID provides shareholders, relevant stakeholders and directors with a valuable channel of communication to discuss matters that may involve a conflict of interest for the board chair…

The LID provides independent oversight and counterbalance to the Chair, reinforcing strong governance and offering shareholders an alternative point of reference – especially if concerns relate to the Chair

See the Appendix for institutional perspectives on the need for a LID even with an outside Chair

Risk from a Lack of Formalization

Palliser prepared its proposal to be in line with Korean and global best practice and precedent, as well as expectations of institutional investors.

To ensure the **permanence and impact of the role**, Palliser proposed that:

(1) the LID be selected from among those separately elected directors applying the 3% rule

(2) the role and its responsibilities be clearly set out in the Articles

Even with the Chair appointment, neither of these conditions has been satisfied, creating risk for shareholders:

- At any time, **LG Chem could decide to appoint a non-independent Chair**
- The **Chair considers their role to be at the behest of LG Corp**, not all shareholders
- The **responsibilities of the Chair are subject to interpretation** entailing a loosening of accountability

An Underqualified Incumbent

Shareholder confidence in LG Chem's appointment of WhaSun Jho to a leadership position tasked with acting as an independent counterbalance to management is limited, when considering she is a **life-long academic with no business management or capital allocation experience or expertise**

Shareholders must question if the incoming Chair can:

- fully understand shareholder concerns?
- thoroughly challenge the assertions of a management team?
- counterbalance the influence of a controlling shareholder?

As an incumbent director, WhaSun Jho's **track record on the LG Chem Board does not provide evidence that she has been able to fulfil these functions in her current role**

Source: ICGN.

Recent positive developments from LG Chem are insufficient

Palliser

Although LG Chem has made some incremental changes in the right direction since our engagement, they come nowhere close to addressing the issues our proposals are intended to resolve

	Legacy Practice	Key Changes Since Palliser Engagement	Remaining Gaps/Issues
Governance & Shareholder Engagement	• Absence of clear shareholder advocate on the Board • No Board engagement with minority shareholders • Passive INEDs	• Appointment of independent Chair • Plans to establish shareholder engagement program with directors within 2026	• **Reactionary response, introducing independent chair role** without clear codified responsibilities toward minority shareholders • Commitment to engage at unspecified point in the year without clarity on format or scope • **New chair appears unqualified** to be an effective shareholder representative • **Overall unbalanced skillset** across INEDs • **Lack of Board refreshment**
Discount to NAV KPI	• Refusal to acknowledge the significant value gap • No formalized target / effort to address the unprecedented discount	• None	• **Continued refusal to disclose or properly acknowledge the significant discount**, despite being the focus point of most market participants
Management Alignment & Compensation	• Absence of stock-based compensation component • KPIs not linked to key return and market-based metrics	• Plans to introduce KPIs linked to shareholder / capital returns in 2026 - TSR, share price performance and ROE are among those under review	• **Lack of share-based component** to ensure shareholder alignment • **Dismisses discount to NAV as a key KPI for compensation**, despite market focus • Lack of clarity on compensation structure despite committee set-up 4 months ago
Capital Allocation & Shareholder Returns	• Continued inaction to utilize excessive stake in LGES • Buybacks ignored despite being significantly accretive • Poor track record of ROIC and formalized return target	• Announced plans to utilize LGES stake up to a 70% ownership in 5-years with review for additional reduction thereafter • Announced policy of utilizing 90% of LGES proceeds for deleveraging and growth, while using 10% for shareholder returns focused on dividends (review for buybacks to begin in 2028) • Newly disclosed 10%+ IRR target for growth investments	• **No clear commitment on further reduction from the 70% stake** that is still overly excessive to fund buybacks • **Concern over capital discipline** with high allocation to growth investments despite low return threshold, low ROIC in recent years and higher return profile of buybacks • **Prioritization of dividends** over buybacks **despite clear market consensus for buybacks** • Buybacks to be reviewed around 2028, **demonstrating a lack of urgency**

Source: Company Filings.

1 The LG Chem Value Gap

2 Factors Contributing to the LG Chem Value Gap

3 Palliser's AGM Proposals

4 Why this AGM Matters

Recharge LG Chem - Why this AGM matters

Palliser

Referendum for Change

Giving shareholders an open and transparent forum to have their say on measures based on long-term, sustainable value-up principles and action on addressing the LG Chem Value Gap

Strengthen Voice of Minority Shareholders

An agenda that promotes a permanent channel of direct communication with the Board elevating the voices of minority shareholders moving forward, holding the directors accountable to their expanded fiduciary duty to shareholders and enhancing overall transparency and alignment

Build Momentum for Further Improvements

A robust vote in support of Palliser's proposals will send a clear signal to management that shareholders demand to see proactive, meaningful and measurable change over the coming year ahead of the next AGM

Catalyze Significant Value Unlock

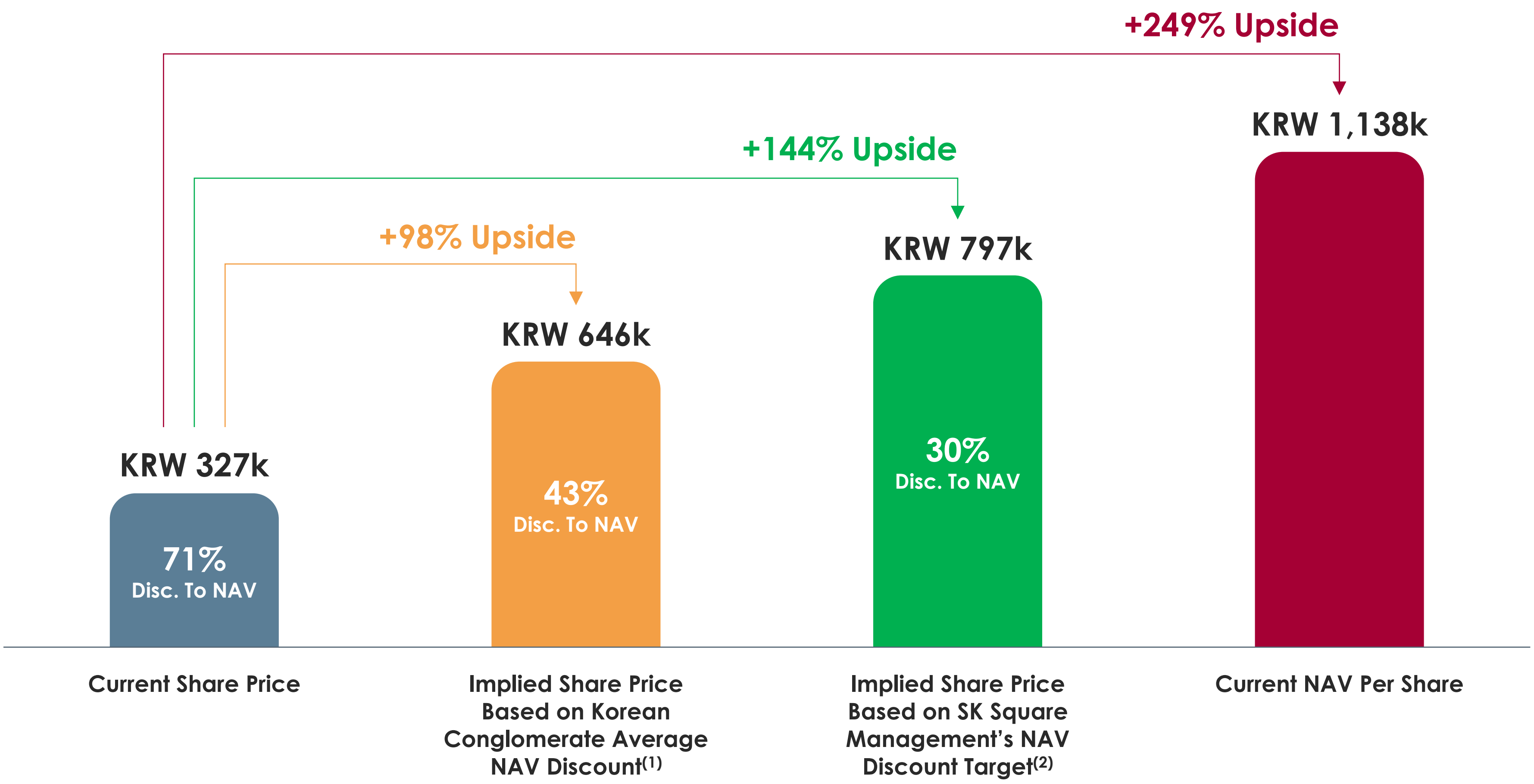
An opportunity to begin the process of unlocking significant value upside (shown on the next slide) and "right the wrong" of the controversial separation of LGES that continues to penalize LG Chem shareholders to this day

Support Nation's Efforts to Address the "Korea Discount"

Widely cited as a prominent case study for the "Korea Discount", change at LG Chem will serve as concrete evidence of improving minority shareholder rights in Korea and support the nation's broader efforts to address the "Korea Discount" and revamps its capital markets

A vote for change is a vote to catalyze significant value upside through proactive discount reduction measures

Analysis assumes no change in underlying NAV



Source: Company Filings, Bloomberg, Palliser Analysis, CLSA. Note: Market data as of 6 March 2026. (1) Based on CLSA conglomerate discount average. (2) SK Square's discount to NAV target by 2028 per its November 2025 Value-Up Plan update.

Palliser

“We see a seismic opportunity for LG Chem to adopt bold initiatives that embody the ‘LG Way’ philosophy and take on the responsibility, as a national leader, to support South Korea’s corporate and economic reforms”

James Smith | CIO, Palliser Capital | Oct ‘25

Vote FOR Palliser's proposals on LG Chem's 2026 Agenda

Palliser

Item		
#1	Approve Financial Statements and Allocation of Income	
#2.1 – 2.6	Routine Articles Amendments to align with Korean Regulatory Developments	
#2.7	**Palliser's Proposal:** Amend Articles to Allow for Advisory Proposals	☑
#2.8	**Palliser's Proposal:** Amend Articles to Appoint a Lead Independent Director ("LID")	☑
#3	**Palliser's Advisory Sub-Resolutions:**	
	3.1 NAV Discount Disclosure	☑
	3.2 Compensation Review	☑
	3.3 Increase LGES Share Utilization to Fund Buybacks	☑
#4	Elect Kim Dong-chun (Incoming CEO) as Inside Director	
#5	Elect Cheon Kyung-Hoon as Outside Director to Serve as an Audit Committee Member	
#6	Approve Total Remuneration of Inside Directors and Outside Directors	

Conditional on #2.7

Palliser

Appendix

Response to LG Chem’s arguments against our proposals

Poorly substantiated reasons for rejecting Palliser's proposals undermine minority shareholder interests

Palliser

Palliser's response to LG Chem on rejection of advisory resolutions

PALLISER PROPOSAL (#2.8):

Amend Articles to enable advisory proposals

LG CHEM REJECTION:

Potential operational uncertainty; scarce domestic precedents; implementation to await a thorough review aligned with the development of the law and market practice

LG Chem's refusal to endorse the adoption of a mechanism to enable shareholders to make non-binding advisory proposals rests solely on the wholly vague notions of "operational uncertainty" and the need to wait for the development of the law and market practice. This is a **weak attempt to completely side-step the significant benefits of advisory proposals and the guardrails Palliser is suggesting to avoid any unnecessary management distractions**:

- The proposal has been **carefully crafted with input from leading legal advisors and academics.** Article 361 of the KCC provides that a shareholders' meeting may adopt resolutions on matters prescribed by the KCC or the company's Articles. The Articles may therefore be amended to provide a **solid legal foundation** for shareholders to submit advisory proposals at a general meeting of shareholders
- Any advisory proposal must be **compliant and consistent with the law, LG Chem's articles**, and be for the overall purpose of "*the **protection of the interests of shareholders and the Company**, including corporate governance, capital allocation policy, executive compensation policy and shareholder return policy*"
- Only the **small number of shareholders** who meet the continuous holding and shareholding size requirements and therefore qualify to submit statutory shareholder proposals for a general meeting will be able to submit an advisory proposal – a **highly disciplined approach to avoid nuisance proposals and management distractions**
- Even if passed, the proposal will **not be binding on the Board** – it will serve as a representation of shareholder opinion and a recommendation only. The Board must report back to shareholders but is **not bound to take any other action**

Poorly substantiated reasons for rejecting Palliser's proposals undermine minority shareholder interests (cont'd)

Palliser

Palliser's response to LG Chem on rejection of a LID

PALLISER PROPOSAL (#2.9):

Amend Articles to require appointment of Lead Independent Director

LG CHEM REJECTION:

Not required in light of the appointment of an existing independent director as Chair

The appointment of an independent director as Chair does not meet the objectives of, and is not a substitute for, a LID:

- There is no uniform approach to a Chair, the optimal characteristics of which fall to be judged on a case-by-case basis
- **A LID, on the other hand, is always necessary** – to represent independent directors and serve as a key point of contact for shareholders
- It is common for a company to have an independent Chair and a LID – **a best practice approach that enhances accountability**. To suggest it could cause duplication or confusion is misconceived
- A LID, for example, will **oversee and evaluate the Chair's performance** – a critically important function that gives shareholders an outlet to raise issues related to the Chair (possibly relevant in this case given concerns surrounding the Chair's suitability and the appointment process)
- Palliser's proposed Articles amendment lays out precise appointment mechanics and duties for the LID to **promote certainty, transparency and put minority shareholder interests first**. No such safeguards apply to the Chair

Shareholders should also question the track record of appointments and nominations made by the LG Chem Board and *Nomination Committee for Independent Directors*, including conflicts associated with the involvement of an LG Corp representative. A case in point is the new Chair, WhaSun Jho, the outgoing Chair of the Audit Committee – a role for which she is unqualified under the Company's own Board skills matrix given a lack of expertise in finance, accounting, capital markets and risk management

Poorly substantiated reasons for rejecting Palliser's proposals undermine minority shareholder interests (cont'd)

Palliser

Palliser's response to LG Chem on rejection of advisory sub-resolutions

PALLISER PROPOSAL (#3.1): ***Regular disclosure of NAV discount*** **LG CHEM REJECTION:** ***Not appropriate for an operating manufacturing company; no standardized method of calculation***	• There is widespread recognition across the market that LG Chem is a pseudo-holding company, warranting the use of NAV/SOTP valuation methods • As with many financial measures, calculation methodologies can vary, but **reputable analysts have no problem calculating and stating a NAV discount**, converging on a range between 70% and 80% • LG Chem is fully capable, with external professional input, of calculating the NAV discount – simply **being transparent about the methodology used will result in a robust, transparent and reliable measure**
PALLISER PROPOSAL (#3.2): ***Review by Compensation Committee on introduction of stock-based compensation and use of NAV discount and ROE as additional KPIs for executive compensation*** **LG CHEM REJECTION:** ***Broader executive compensation framework review underway***	• There is **no transparency surrounding the "formal pre-review" procedure** introduced by the Compensation Committee in November 2025. In any event, it focuses on director remuneration limits and compensation structures and is therefore distinct to the review being sought by Palliser • A **similar lack of transparency surrounds the ongoing review of LG Chem's executive compensation framework**, and we see no explicit confirmation it is looking at stock-based compensation or the specific KPIs referenced in our proposal • We also question the involvement of an LG Corp representative and the absence of any shareholder engagement or consultation as part of the review process
PALLISER PROPOSAL (#3.3): ***Further increase in reduction of LGES stake with additional proceeds used for treasury share buybacks and cancellation*** **LG CHEM REJECTION:** ***May result in a decline in the LGES share price, negatively impacting mid-to-long term shareholder value***	• Treasury share buybacks and cancellations benefit all LG Chem shareholders as they are highly accretive and **increase their look-through economic ownership of LGES, allowing participation in its future growth and returns** – helping to address the value dilution following the LGES spin-off • **This proposal is not prescriptive on quantum, timing or the method of the LGES stake reduction.** Management's current underwhelming plan to reduce the stake from 79% to 70% over five years is equivalent to less than 2% per annum or around 5-6% of average daily trading volume. This leaves plenty of capacity for additional on-market share sales or disposals through other methods such as block trades and in-kind tender offers for LG Chem stock • This proposal has **no impact on capital already earmarked for investment and debt management** as part of LG Chem's latest Value-Up Plan

LG Chem's restated arguments against Palliser's suggested share buyback in-kind measures are both misconceived and a distraction

Palliser

Underscoring a dismissive approach to decisive solutions, the AGM Explanatory Materials revisit arguments against measures in our LG Chem Value Enhancement Plan – neither of which forms part of Palliser's proposals for the AGM

- Palliser wrote to the Board in October 2025 to explain the LG Chem Value Enhancement Plan, including (i) a buyback-in-kind utilizing LGES shares as consideration; and (ii) a longer-term NAV discount reduction mechanism through ongoing smaller disposals of LGES shares to fund further buybacks
- These measures were rejected by LG Chem in a December 2025 response, citing (i) legal and practical constraints, including the need for advance public disclosures to conduct in-kind buybacks through share exchange tender offers; and (ii) fairness considerations when determining the appropriate exchange ratio
- **LG Chem has revisited its arguments against these buyback-in-kind measures in the AGM Explanatory Materials – arguments we reject (see the next slide) but which are ultimately a complete distraction for a simple reason: our AGM proposals do not advance these measures.**
- Instead, agenda #3.3 is straightforward: a non-binding advisory vote recommending a review of LG Chem's latest shareholder return policy with a view to a further reduction of the LGES stake to below the announced 70% target and use of the additional proceeds to conduct treasury share buybacks and cancellations
- This proposal is non-prescriptive on quantum, timing, the method of the further LGES stake reduction and implementation of the buyback of LG Chem treasury shares. All such matters are left entirely to the Board's discretion
- That said, while not relevant to our AGM proposals, the next slide addresses the points in the Explanatory Materials focused on the buyback-in-kind measures in our LG Chem Value Enhancement Plan

Source: Company Filings.

LG Chem's restated arguments against Palliser's suggested share buyback in-kind measures are both misconceived and a distraction (cont'd)

Key arguments deployed by LG Chem to oppose a buyback-in kind or longer-term discount management mechanism through further LGES share disposals fail to stack up

A Disclosure rules are not a legal impediment

- LG Chem argues that disclosure considerations – notably "Advance Public Disclosure of Insider Trading" regulations – complicate or render impossible the use of LGES shares in a share exchange tender offer or for longer-term, continuous smaller disposals
- **Our extensive legal due diligence suggests that this type of unprecedented in-kind tender offer for treasury shares may not fall within the scope of the disclosure regime**
- The purpose of disclosure rules is to enhance transparency, **not prohibit legitimate transactions** – structuring to accommodate compliance factors and a willingness to explore all options is a Board responsibility, **not a justification for inaction**

B Tender offer exchange ratio concerns are misplaced

- LG Chem refers to the potential for "significant controversy" in determining an appropriate exchange ratio for a buyback-in-kind transaction
- Concerns focused on unfair tender pricing typically surface in a scenario where a controlling shareholder acquires control at an artificially low price to squeeze out minority shareholders
- Palliser's proposal involves LG Chem buying back its own shares while reducing its LGES stake, creating **no structural risk of harm to minority shareholders of either company**
- Moreover, **participation is voluntary**: shareholders who disagree with the exchange ratio can simply choose not to tender

Source: Company Filings.

Appendix

Additional materials on the shareholder proposals

Shareholders eligible to submit advisory proposals under Palliser's proposed Articles amendment are few

Palliser

Palliser's proposed Articles amendment applies the same holding requirement for submitting an advisory proposal as for statutory shareholder proposals – a holding of no less than 0.5% for at least 6 months

In addition to Palliser, only 10 investors qualify to submit proposals

		# Outstanding Ordinary Shares	% Outstanding Ordinary Shares	History of Submitting Shareholder Proposals
1	LG Corp.	24,670,331	34.95%	NO
2	NPS	6,096,881	8.64%	YES *
3	BlackRock	3,539,585	5.01%	NO
4	Vanguard	1,909,890	2.71%	NO
5	Samsung Asset Management	1,338,074	1.90%	NO
6	Mirae Asset Global Investments	1,048,638	1.49%	NO
7	Norges Bank Investment Management	1,015,827	1.44%	YES **
8	Dimensional Fund Advisors	501,345	0.71%	NO
9	Robeco Institutional Asset Management	372,926	0.53%	YES ***
10	Geode Capital Management	355,999	0.50%	NO

** NPS have submitted shareholder proposals in Korea on an exceptional basis.*

*** Norges Bank Investment Management have submitted shareholder proposals in the US, calling for improvements to emissions-related disclosures.*

**** Robeco Institutional Asset Management have submitted shareholder proposals in the US and UK relating to climate and human rights related risks.*

What the proposal means in practice?

- **Strict Holding Condition Limits Unintended Consequences:** As the nature of advisory proposals is non-binding and less restrictive for the Board, imposing the same holding requirements as for statutory shareholder proposals represents a stricter relative condition
- **LG Chem's Top Investors Don't Submit Proposals:** Few of LG Chem's investors (that hold sufficient shares to submit a proposal) have submitted shareholder proposals, and for those that do, it is only exercised in selective cases
- **LG Corp Holds a Veto:** On the approval of the Articles amendment, and that of any subsequent advisory proposal, LG Corp holds a (actual or effective) veto. In addition to the Board possessing the flexibility to reject potential advisory agenda items, the potential for burdensome unintended consequences is extremely limited

Source: FactSet, ISS. Note: Ownership data as of Jan '26. BlackRock ownership reflect latest Feb '26 DART ownership filing.

Role of a LID is established in the Korean market and globally

Palliser

Responsibilities of the LID should be clearly stipulated in the Articles to ensure proper accountability and continuation of roles most important to minority shareholders

Proposed LID Responsibilities	Other Korean Companies[1]	Investor Expectation[2]
Convene and preside over ***meetings of the independent directors***	✓	✓
Facilitate Board operation related matters*, including agenda additions*	✓	✓
Facilitate communications between shareholders*, management and Board*	✓	✓
Conduct shareholder meetings and convey feedback *to Board and management*	✓	✓
Providing general support, including facilitation of proper information flow	✓	✓

Note: (1) From a review of public sources of companies with Lead Independent Directors (or equivalent) per MSCI, including: Samsung E&A, Daishin Securities, Hyundai Motor Company, Lotte Shopping, Samsung Heavy Industries, LOTTE Fine Chemical, Cheil Worldwide, Hyundai Mobis, and KCC Corporation. (2) A selection of investor policies of some of LG Chem's largest shareholders is included in the Appendix.

Institutional investors recognize the LID role to have a distinct purpose compared to an Outside Chair

Palliser

BlackRock *Holding in LG Chem:* 5.01%	*Importantly, [the Lead Independent Director] provides an independent counterbalance to controlling shareholder structures in Asia.* **Board independence in Asia-Pacific: A Stewardship Perspective (Page: 6)**
Schroders 0.25%	*For controlled or family-owned companies, independence should be proportionate to the percentage of free float and a minimum of a third of the board should be independent. There should also be a lead independent director appointed to best represent the interests of minority shareholders* **Engagement Blueprint our Vision for Active Ownership of Listed Assets at Schroders, Page: 32**
Royal London Asset Management 0.11%	*While a Chair, who is not an executive director, represents the usual channel of communication between shareholders and the Board, the SID (or their equivalent) can also be an important link between shareholders and the Board, particularly where the Chair is conflicted or is unable to resolve a particular issue.* **2025 Voting Guidelines (Page: 9)**
Legal & General Investment Management 0.07%	*The senior or lead independent director plays an essential role on the board and should lead the succession process for the chair and appraise the chair's performance. Additionally, they should meet investors regularly to stay well informed of key investor concerns and act as a contact for them, especially when the normal channels of the chair, CEO, or chief financial officer (CFO) have failed to address concerns or are not the appropriate avenues.* **2025 Global Corporate Governance and Responsible Investment Policy (Page: 6)**
aberdeen Investments 0.07%	*It is preferable to see an identified Senior Independent Director on the board, who will lead the appraisal of and succession planning for the Chair. We expect SIDs to meet with investors and be a point of contact for escalating concerns if required.* **2025 Listed Company Investment Principles & Voting Policies (Page: 7, 8)**

Source: Public Sources, FactSet.

Investor expectations on responsibilities of the LID

Palliser

Amundi ASSET MANAGEMENT *Holding in LG Chem:* 0.47%	As a best practice, the LID's prerogatives should include, among others: the power to set, with the Chair, the agenda of the Board meeting, adding if needed items to agenda; the management of conflicts of interests; the evaluation of the board; leading executive sessions of directors. Furthermore, the LID should report on its activities to the board and to shareholders. **2026 Voting Policy**
BlackRock 5.01%	The role of the designated Lead INED is to enhance the effectiveness of the independent members of the board through shaping the agenda, ensuring adequate information is provided to the board, and encouraging independent director participation in board deliberations. A Lead INED is able to strengthen communication among INEDs and between INEDs and the rest of the board. **Board independence in Asia-Pacific: A stewardship perspective**
CalPERS 0.11%	Coordinate the scheduling of board meetings and preparation of agenda material for board meetings and executive sessions of the board's independent or non-management directors; Lead board meetings in addition to executive sessions of the board's independent or non-management directors; When selecting a new CEO, boards should re-examine the traditional combination of the "chief executive" and "chair" positions; Define the scope, quality, quantity and timeliness of the flow of information between company management and the board that is necessary for the board to effectively and responsibly perform their duties; Oversee the process of hiring, firing, evaluating, and compensating the CEO; Approve the retention of consultants who report directly to the board; Advise the independent board committee chairs in fulfilling their designated roles and responsibilities to the board; Interview, along with the chair of the nominating committee, all board candidates, and make recommendations to the nominating committee and the board; Assist the board and company officers in assuring compliance with and implementation of the company's Governance Principles; Act as principal liaison between the independent directors and the CEO on sensitive issues; Coordinate performance evaluations of the CEO, the board, and individual directors; Recommend to the full board the membership of the various board committees, as well as selection of the committee chairs; Be available for communication with shareowners. **2023 CalPERS' Governance & Sustainability Principles**
UBS 0.36%	The Lead/Senior Independent Director should act as an intermediary for the other board directors but also as a liaison between the Board and the company's shareholders. We would expect the Lead/Senior Independent Director to have well defined responsibilities, in order to be able to challenge the CEO and other executives. **2025 Proxy Voting Policy & Procedures**
Legal & General INVESTMENT MANAGEMENT 0.07%	The senior or lead independent director plays an essential role on the board and should lead the succession process for the chair and appraise the chair's performance. Additionally, they should meet investors regularly to stay well informed of key investor concerns and act as a contact for them, especially when the normal channels of the chair, CEO, or chief financial officer (CFO) have failed to address concerns or are not the appropriate avenues. **2025 Global Corporate Governance and Responsible Investment Policy**

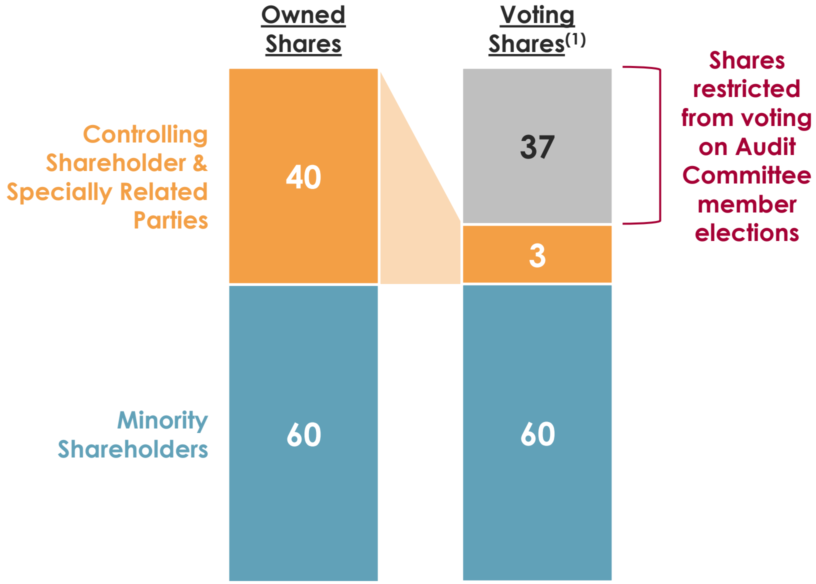
Appendix

Recent Changes in the KCC

Recent changes in the KCC strengthen minority shareholder rights from the 2027 AGM season onwards

3% Rule

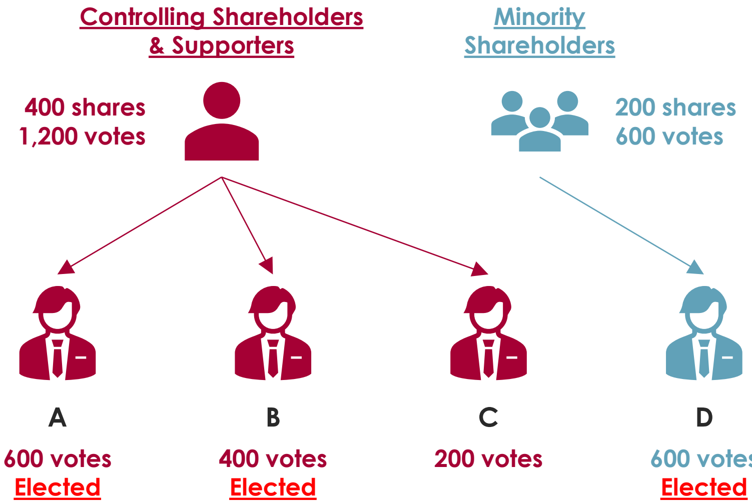
- The 3% rule limits the voting rights of any shareholder holding more than 3% of the total issued voting shares in the election of Audit Committee members
- Where an Audit Committee member is elected through separate election, the candidate is elected directly as a "director who serves as an Audit Committee member," without a separate director election
- As a result, the 3% rule can effectively limit the influence of the controlling shareholder in the election of such Audit Committee members
- Recent amendments to the KCC increase the minimum number of separately elected Audit Committee members from one to two for listed companies with assets exceeding KRW 2 trillion



Cumulative Voting

- Cumulative voting applies where two or more directors are elected at a shareholders' meeting
- Each share carries a number of votes equal to the number of directors to be elected, and shareholders may allocate their votes among candidates
- All director candidates are voted on simultaneously, and those receiving the highest number of votes are elected
- Following the KCC amendment, shareholders holding at least 1% of voting shares in listed companies with assets over KRW 2 trillion may request cumulative voting for director elections at least six weeks before the shareholders' meeting

Illustrative Scenario: Election of 3 Directors out of 4 Candidates



Note: (1) Assumes that each minority shareholder individually holds less than 3%, and that their combined holdings total 60 shares.

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