

# **71<sup>st</sup> Annual General Meeting of Shareholders**

**(Reference Material)**

- Date: March 21 (Thu), 2024 at 9AM
- Location: 58 Saemunan-ro, Jongno-gu, Seoul

B2 Auditorium

Dear Shareholders,

I would like to take this opportunity to thank you for your continued support and interest in our business activities. Our Company will hold its 71<sup>st</sup> annual general meeting of shareholders on March 21, 2024.

In order to assist investors in making an informed decision on each of the agenda items listed on the notice of convocation, reference materials are hereby provided.

If you have any additional questions concerning the agendas or the shareholder meeting, please contact our Company's IR team.  
(email: [lxir@lxintl.co.kr](mailto:lxir@lxintl.co.kr), Tel: +82-2-6984-5128)

We will continue to strive toward the advancement of the Company and enhancement of shareholder value and will always openly communicate with our shareholders.

February 21, 2024

Chun-sung Yoon,

CEO

# **Agenda Items for 71<sup>st</sup> Annual General Meeting of Shareholders**

Agenda Item 1: Approval of 71<sup>st</sup> Financial Statements and  
Consolidated Financial Statements

Agenda Item 2: Partial Amendment to the Articles of  
Incorporation

Agenda Item 3: Appointment of Inside Director Byeong-il Min

Agenda Item 4: Approval of Cap on Directors' Remuneration

## Agenda 1: Approval of 71<sup>st</sup> Financial Statements and Consolidated Financial Statements

For the Company's financial statements and consolidated financial statements for Period 71, please refer to the notice of convocation of shareholder meeting, which has already been disclosed. The final draft of the audit report with external audit completed will be disclosed on March 13.

The current period's dividend is 1,200 won per share. In spite of 77% decrease in net income attributable to shareholders of parent company compared to the previous year (Period 70) due to weak commodity prices and freight rates, we applied the higher dividend payout ratio than previous year considering market expectation. Hence, the Company intends to pay a total dividend of 43.2 billion won this year (1,200 won per share; a 37% dividend payout ratio compared to a market dividend ratio of 3.8%).

While retaining a certain amount of funds in order to secure investment resources for new businesses such as critical mineral projects for EV battery, maintain financial stability, and enhance long-term shareholder value, the Company will continue to make efforts to establish a shareholder return plan and improve shareholder value so that shareholders' rights to receive an appropriate level of dividends are respected.

### ※ Dividend Payments (past 5 business years)

(Unit: billion won)

Category (Period)	Dividend per Share	Shareholder Return		Net income Attributable to Shareholders of Parent Company	Dividend Payout Ratio	Market Dividend Rate
		Total Dividend	Treasury Share Purchase Amount			
71	1,200 won	43.2	-	117.1	37%	3.8%
70	3,000 won	107.9	-	515.2	21%	7.3%
69	2,300 won	82.7	-	350.1	24%	8.6%
68	400 won	14.4	39.7	297.6	18% <sup>1)</sup>	1.6%
67	300 won	11.6	-	28.6	41%	2.0%

1) Including Treasury Stock Purchase amount

## **Agenda 2: Partial Amendment to the Articles of Incorporation**

In January 2023, the Financial Services Commission of Korea announced measures to improve the dividend process to make that shareholders who have right to receive dividend determined after the dividend per share is confirmed. In relation to these measures, the Company intends to revise the dividend record date from the end of each fiscal year to the date determined by BOD resolution, strengthening shareholder-friendly policies and actively reflecting the government recommendations.

Furthermore, the Company plans to clearly reflect equal dividend distribution for the shares issued as of the dividend record date in the articles of incorporation, by deleting clauses which regulated the date of the dividend calculation as the end of each fiscal year.

In Additional, the Company has reviewed the articles of incorporation comprehensively to adapt to various business environments and reflect amendments of the Commercial Act. With the introduction of the electronic securities system, the suspension of altering entry in the list of shareholders is no longer necessary. Therefore, the Company intends to delete the clauses related to the suspension of altering entry in the list of shareholders.

Through these amendments to the articles of incorporation, shareholders of LX International will be able to check the dividend per share first and make investment decisions, starting next year. The Company will keep striving to enhance the shareholder value.

## [Attachment] Comparison of Old and New Articles of Incorporation

Current	Proposed Amendment	Remark
<p>Article 9-2 (Quantity and Contents of Preferred Shares)</p> <p>(7) Duration of the preferred shares shall be determined by a resolution of the Board of Directors at the time of issuance. And, the preferred shares shall be converted to common shares upon expiration. However, if a dividend on the preferred share during its duration is not paid, the duration shall be extended up to the date the accumulated dividend shall be fully paid. <b><u>In this case, the provision of Article 10-4 shall apply to the dividend payment for the shares to be issued by the conversion. (newly inserted on Mar. 28, 1998)</u></b></p>	<p>Article 9-2 (Quantity and Contents of Preferred Shares)</p> <p>(7) Duration of the preferred shares shall be determined by a resolution of the Board of Directors at the time of issuance. And, the preferred shares shall be converted to common shares upon expiration. However, if a dividend on the preferred share during its duration is not paid, the duration shall be extended up to the date the accumulated dividend shall be fully paid. <b><u>(amended on Mar. 21, 2024)</u></b></p>	<p>- Revision of related provisions due to the revision of the Commercial Act related to the dividend record date</p> <p>- Current: Regulated the end of each fiscal year as the dividend record date</p>
<p>Article 10 (Preemptive Rights)</p> <p><b><u>(4) With regard to payment of dividends on the new shares issued by the Company as a result of stock dividends or capital increase with or without consideration, such new shares shall be deemed to have been issued at the end of the fiscal year immediately preceding the fiscal year to which the time of issuance thereof belongs. (amended on Feb. 29, 1996)</u></b></p>	<p>Article 10 (Preemptive Rights)</p> <p><b><u>(4) (deleted on Mar. 21, 2024)</u></b></p>	<p>- After Amendment: <a href="#">Equal dividends are possible regardless of the timing of stock issuance</a></p>

## [Attachment] Comparison of Old and New Articles of Incorporation

Current	Proposed Amendment	Remark
<p>Article 10-3 (Issue of Convertible Bonds)</p> <p><b><u>(5) As for the payment of dividends on the new shares to be issued as a result of conversion hereunder, the shares shall be deemed to have been converted at the end of the fiscal year immediately preceding the fiscal year to which the time of conversion thereof belongs. (amended on Feb. 27, 1989)</u></b></p>	<p>Article 10-3 (Issue of Convertible Bonds)</p> <p><b><u>(5) As for the convertible bonds referred to in the above paragraph (1) which are duly converted into shares, the Company shall only be responsible for payment of interests where the payment due date has arrived before conversion has occurred. (amended on Mar. 21, 2024)</u></b></p>	<p>- Revision of related provisions due to the revision of the Commercial Act related to the dividend record date</p> <p>- Current:</p>
<p>Article 10-4 (Issue of Bonds with Warrant)</p> <p><b><u>(5) As for the payment of dividends on the new shares to be issued as a result of exercise of the preemptive right hereunder, the shares shall be deemed to have been converted at the end of the fiscal year immediately preceding the fiscal year to which the time of full payment for new shares thereof belongs. (amended on Feb. 29, 1996)</u></b></p>	<p>Article 10-4 (Issue of Bonds with Warrant)</p> <p><b><u>(5) (deleted on Mar. 21, 2024)</u></b></p>	<p>Regulated the end of each fiscal year as the dividend record date</p> <p>- After Amendment:  <a href="#">Equal dividends are possible regardless of the timing of stock issuance</a></p>

## [Attachment] Comparison of Old and New Articles of Incorporation

Current	Proposed Amendment	Remark
-	<p><b><u>Article 10-7 (Equal Treatment in Dividend Payments)</u></b></p> <p><b><u>The company shall equally treat the same type of issued(and converted) shares as of the dividend record date in terms of dividend payment regardless of their date of issuance. (newly inserted on Mar. 21, 2024)</u></b></p>	<p>- Revision of related provisions due to the revision of the Commercial Act related to the dividend record date</p> <p>- Current: Regulated the end of each fiscal year as the dividend record date</p> <p>- After Amendment: <a href="#">Equal dividends are possible regardless of the timing of stock issuance</a></p>



## [Attachment] Comparison of Old and New Articles of Incorporation

Current	Proposed Amendment	Remark
<p><b><u>Article 16 (Suspension of Altering Entry in the list of shareholders and Record Date)</u></b></p> <p><b><u>(1) The Company shall suspend entry of alterations in the list of shareholders with respect to shareholders' rights from January 1 through January 31 of each year. (amended on Mar. 14, 2005)</u></b></p> <p>(2) The Company shall deem those shareholders whose names appear in the list of shareholders at the end of each year to be the shareholders who are entitled to exercise their rights as shareholders at the annual meeting of shareholders to be convened in respect of the said period for the settlement of accounts. (newly inserted on Mar. 14, 2005)</p> <p>(3) The Company may suspend entry of alterations in the list of shareholders with respect to shareholders' rights for a certain period, if necessary, for convening a special meeting of shareholders or the Company may deem those shareholders whose names appear in the list of shareholders on the day specified by a resolution of the Board of Directors to be the shareholders who are entitled to exercise the rights as shareholders in relation to the aforementioned purposes. (newly inserted on Mar. 14, 2005)</p>	<p><b><u>Article 16 (Record Date)</u></b></p> <p><b><u>(1) (deleted on Mar. 21, 2024)</u></b></p> <p>(2) <i>(Same as Current)</i></p> <p>(3) <i>(Same as Current)</i></p>	<p>- Deleted the provision related to suspension of altering entry in the list of shareholders due to the introduction of electronic securities system</p> <p>- Current: The Company shall suspend entry of alterations in the list of shareholders with respect to shareholders' rights from January 1 through January 31 of each year.</p> <p>- After Amendment: <a href="#">Deleted (lack of need for suspension)</a></p>

## [Attachment] Comparison of Old and New Articles of Incorporation

Current	Proposed Amendment	Remark
<p>Article 41 (Dividends)</p> <p>(1) Dividends shall be paid in cash or shares to shareholders or pledgees whose names appear or are duly registered in the list of shareholders as of the end of each fiscal year. However, the Company may pay interim dividend in cash to shareholders only once a fiscal year on a certain date by a resolution of the Board of Directors, under the provision of the Commercial Code. (amended on Feb. 25, 1999)</p> <p>(2) If a claim for dividends has not been exercised for five (5) years, the statute of limitation applicable thereto shall expire. The dividends with respect to which the statute of limitation has expired in the above paragraph (1) shall become vested in the Company. (amended on Feb. 25, 1999)</p>	<p>Article 41 (Dividends)</p> <p><b><u>(1) Dividends shall be paid in cash, shares or other assets. (amended on Mar. 21, 2024)</u></b></p> <p>(2) <i>(Same as Current)</i></p> <p><b><u>(3) The Company may determine the record date for dividends for the purpose of determining the shareholders entitled to receive dividends by resolution of the Board of Directors. Once the record date for dividends are determined, it must be announced at least two(2) weeks prior to the date thereof. (newly inserted on Mar. 21, 2024)</u></b></p> <p><i>(Paragraph (4) Continued on the next page)</i></p>	<p>- Revision of related provisions due to the revision of the Commercial Act related to the dividend record date</p> <p>- Current: Dividends shall be paid to shareholders or pledgees whose names appear or are duly registered in the list of shareholders as of the end of each fiscal year</p> <p>- After Amendment: <a href="#">The Company may determine the dividend record date by BOD resolution</a></p>

## [Attachment] Comparison of Old and New Articles of Incorporation

Current	Proposed Amendment	Remark
<p>Article 41 (Dividends) <i>(Continued from the previous page)</i></p>	<p>Article 41 (Dividends) <i>(Continued from the previous page)</i></p> <p><b><u>(4) In addition to the dividend payment pursuant to above paragraph (3), the Company may pay interim dividend to shareholders only once a fiscal year by a resolution of the Board of Directors, under the provision of the Commercial Code. The Company may determine the record date for dividends for the purpose of determining the shareholders entitled to receive dividends by resolution of the Board of Directors. Once the record date for dividends are determined, it must be announced at least two(2) weeks prior to the date thereof. (newly inserted on Mar. 21, 2024)</u></b></p>	<p>- Revision of related provisions due to the revision of the Commercial Act related to the dividend record date</p> <p>- Current: Dividends shall be paid to shareholders or pledgees whose names appear or are duly registered in the list of shareholders as of the end of each fiscal year</p> <p>- After Amendment: <a href="#">The Company may determine the dividend record date by BOD resolution</a></p>
<p><b>SUPPLEMENTARY PROVISIONS</b></p> <p>Article 4 (Effectiveness)</p> <p>These Articles of Association shall enter into force on March 23, 2023.</p>	<p><b>SUPPLEMENTARY PROVISIONS</b></p> <p>Article 4 (Effectiveness)</p> <p>These Articles of Association shall enter into force on March 21, 2024.</p>	<p>- Revision of supplementary provisions due to the amendment to the articles of incorporation</p>

## Agenda 3: Appointment of Inside Director Byeong-il Min

It is hereby proposed that Inside Director Byeong-il Min, whose term as an Inside Director is about to expire, be reappointed to his present capacity.

Name	Date of Birth	Career Highlights	Relationship with Principal Shareholder
Byeong-il Min	1966.11.15	<ul style="list-style-type: none"> <li>▪ BA in Linguistics, Seoul National University</li> <li>▪ (Current) CFO, LX International ('19~)</li> <li>▪ (Former) Head of Finance, LG Electronics ('12~'18)</li> </ul>	Executive Director of Affiliated Company (LX International)

The Company proposes the reappointment of Inside Director Byeong-il Min, who currently serves as the company's CFO. The Company believes that Mr. Min will contribute to the stable financial management and continuous growth of the company based on his proven financial performance and management abilities demonstrated through careers in LG Electronics and five years of serving as CFO in LX International.

- BOD meeting attendance rate for the past 3 years: 100% (2021 to 2023, 25 meetings)

## [Attachment] BOD Composition and Areas of Expertise

### ※ BOD Composition

(As of March 21, 2024, there will be no change in BOD Composition after the shareholders' meeting.)

Category	Name	Date of Appointment	Sex	Career Highlight	Attendance Rate <sup>1)</sup>
Inside Director	Chun-sung Yoon	'19.3.15	M	CEO, LX International	96%
	Byeong-il Min	'19.3.15	M	CFO, LX International	100%
Outside Director	O-joon Kwon*	'23.3.23	M	Attorney, Law Offices of Attorney O-joon Kwon	100%
	Soo-il Chai*	'20.3.26	M	(Former) Joint Representative Director, BCG Korea Office	100%
	Ihl-soo Yang*	'19.3.15	M	(Former) Partner, E-Jung Accounting Corporation	96%
	Lan Sohn	'22.3.24	F	CEO, Sohn's Market Makers	86%
Non-Executive Director	Sung-kwan Choi	'23.3.23	M	CFO, LX Holdings	100%

1) BOD meeting attendance rate for the past 3 years

\* Member of the Audit Committee

### ※ BOD Areas of Expertise

Name	Main Area of Expertise						
	Finance	Economics	Risk Management	Accounting	Management	Global	Legal
Chun-sung Yoon					●	●	
Byeong-il Min	●			●			
O-joon Kwon			●				●
Soo-il Chai		●			●		
Ihl-soo Yang			●	●			
Lan Sohn					●	●	
Sung-kwan Choi	●		●				

## Agenda 4: Approval of Cap on Directors' Remuneration

The Company seeks to receive approval for capping Directors' remuneration at 4 billion won, same amount as in 2023.

In 2023, approximately 2.8 billion won out of a total of 4 billion won approved was executed, recording a remuneration execution rate of 70%.

The cap on Directors' remuneration is the maximum amount of remuneration determined based on Directors' promotions, possibility of incentives payment to Directors, while actual remuneration to Directors is the amount determined by the Board of Directors based on comprehensive consideration of assessment items selected with a view toward the continued growth of the Company, including its financial performance during the relevant year.

The Company will continue to set reasonable and suitable caps based on Directors' positions, offices, roles, responsibilities and performance.

For details on the actual amount of remuneration made and calculation criteria, please refer to the "Business Report for Period 71", which is set to be disclosed on March 13.

### ※ Cap on Directors' Remuneration

(Unit: billion won)

Category	2022		2023		2024
	Cap	Actual	Cap	Actual	
Directors' Remuneration (Actual/Cap)	3.0	2.1 (69%)	4.0	2.8 (70%)	4.0
Total No. of Directors	7 people				

## ※ Criteria for Directors and Auditors' Remuneration

(Unit: million won, person)

Category	Basis	Remuneration Details	Remuneration Evaluation Criteria	Total Amount of Remuneration	Number of Person
Inside Director	Executive Officers HR Rules	Salary (base/performance) + incentive	<ul style="list-style-type: none"> <li>- Remuneration for registered Directors comprises salary and incentives</li> <li>- Salary is paid in fixed amounts corresponding to position in accordance with executive officers' management rules (determined by the BOD) and consideration of position, duties, etc. within the cap on Directors remuneration approved by the shareholders</li> <li>- Incentives are paid on a differentiated basis in accordance with the executive officers' management rules (determined by the BOD) based on achievement rate, financial performance, business environment, etc. within the cap approved by the shareholders</li> </ul>	2,458	2
Outside Director	Outside Directors' Remuneration Criteria	Fixed amount per month	Remuneration for Outside Directors is paid within the cap approved by the shareholders and based on comprehensive consideration of the Company's business performance, external competitiveness, etc., in accordance with the criteria set by the BOD	294	4
Non-Executive Director	-	-	-	-	1
Total	-	-	-	2,752	7