

The 25th Annual General Meeting of Shareholders

(Reference Materials for Agenda Items)

- Date and Time: 9 a.m. on Thur., March 21st, 2024
- Place: 2nd Floor Education Hall, 222 Techno 2-ro,
Yuseong-gu, Daejeon



Dear Valued Shareholders of LX Semicon Co., Ltd.,

We would like to take this opportunity to thank all of our shareholders for your continued interest and support in LX Semicon Co., Ltd.

Our Company will hold its 25th Annual General Meeting of Shareholders on March 21, 2024.

In order to assist our shareholders in making informed decisions on each of the agenda items listed on the convocation notice of the general meeting of shareholder, the reference materials are hereby provided.

Should you have any additional questions concerning any agenda item or the shareholder meeting, please contact our Finance/Investor Relations team via email at lxsir@lxsemicon.com or by phone at +82-10-7663-3148.

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

Thank you.

Feb. 28, 2024

LX Semicon Co., Ltd.

Agenda Items for the 25th Annual General Meeting of Shareholders

Agenda Item 1: Approval of the 25th Financial Statements and
Consolidated Financial Statements

Agenda Item 2: Partial Amendment to the Articles of Incorporation

Agenda Item 3: Appointment of Directors

Item 3-1: Appointment of Yun-Tae Lee as Inside Director

Item 3-2: Appointment of Jin-Seo Roh as Non-Executive Director

Item 3-3: Appointment of Sang-Beom Han as an Outside Director

Agenda Item 4: Appointment of Nam Soo Kim as Outside Director to Serve
as a Member of the Audit Committee

Agenda Item 5: Approval of Director Remuneration Limit

Agenda Item 1: Approval of the 25th Financial Statements and Consolidated Financial Statements

For our Company's 25th financial statements and consolidated financial statements, please refer to the notice of convocation of the annual general meeting of shareholders, which has already been disclosed. The final draft of the audit report reviewed by external audit will be disclosed on March 13, 2024.

Notwithstanding that the Company's sales and revenues in 2023 decreased from 2022 due to decline in consumer spending and sluggish demand in downstream markets resulting from the continued volatilities in the global economies, our Company, in its efforts to maximize shareholder value, intends to pay a total dividend of at around 30% of the net income, which corresponds to KWR 1,800 per share and KRW 29.3 billion in total payout.

The Company will retain a certain amount of funds in order to secure investment resources for new businesses and to enhance shareholder value in the long term by ensuring the safety of the financial structure, and will simultaneously strive to establish shareholder return policies and enhance shareholder value so that the shareholder right to receive a reasonable amount of dividend will be upheld

In addition, all of our executives and employees hereby pledge to strive to overcome the difficult business environments by building a solid foundation for a sustainable growth, and will acquire core and essential competitiveness, capable of drawing out a distinguished outcome.

■ FY 2023 Consolidated Financial Statements

(Unite: KRW million)

Accounts	2023	2022
Sales	1,901,445	2,119,345
Operating Profit	129,036	310,624
Net Income	101,204	233,693
Total Assets	1,205,065	1,289,619
Liabilities	228,301	339,258
Equity	976,764	950,361

※ Dividend Payments (Past 5 Business Years)

Category	Dividend By Share (KRW)	Total Dividend (KRW billion)	Net Profit for Owners of the Consolidated Parent (KRW billion)	Dividend Payout Ratio	Market Dividend Rate
25 th	1,800	29.3	101.2	29.0%	2.1%
24 th	4,500	73.2	233.7	31.3%	6.3%
23 rd	5,400	87.8	296.4	29.6%	3.2%
22 nd	1,350	22	72.5	30.3%	2.3%
21 st	830	13.5	38.5	35.0%	2.1%

Agenda Item 2: Amendment to the Articles of Incorporation

In an effort to improve the current dividend distribution procedure to be more consistent with the global standards, it is hereby proposed that the dividend record date under Paragraph 3 of Article 55 of the Articles of Incorporation of the Company be amended, as further elaborated below.

[Improvement Measure to the Current Dividend Distribution Procedure]

Under the current dividend distribution procedure, the dividend payout amount is approved at the annual general meeting of shareholders which takes place only after the dividend record date is designated, resulting in investors investing in the Company prior to the determination of the actual amount of the dividend.

In other words, even though those shareholders who are entitled to receive dividends are determined at the end of December of each year prior, the dividend payment is made in April of the following year, resulting in a 4-month gap . Consequently, investors invest in the Company without knowing how much they will receive in dividends, and they have no choice but to accept the decision on the dividend amount that will be made 4 months later.

It is expected that the proposed improvement measure to the current dividend distribution procedure will allow investors to make their investment decisions based on the information on the actual dividend amount and that the gap between the dividend record date and the actual dividend payout date will be significantly reduced.

Accordingly, our Company, by a resolution of the board of director, will be able to designate the dividend record date for determination of shareholders entitled to receive dividend, and shall publicly announce the designation thereof at least two weeks prior the dividend record date.

■ **Amendments to the Articles of Incorporation**

Article	Prior to Amendment	Post-Amendment	Purpose of Amendment
<p>Article 55 Dividends</p>	<p>① Dividends of profits may be paid in cash or shares.</p> <p>② In case of stock dividends, the classes and types of new shares to be allotted may be determined by a resolution of the general meetings of shareholders if the Company has issued different classes and types of shares.</p> <p>③ Dividends under paragraph ① shall be paid to the shareholders or pledgees who are registered in the Register of Shareholders as of the end of each fiscal year.</p>	<p>① Remain unamended.</p> <p>② Remain unamended.</p> <p>③ The Company, by a resolution of the board of directors, may designate a dividend record date for determination of shareholder entitled to receive dividends under paragraph ①. In the event that the Company designates the dividend record date, the Company shall publicly announce the designation thereof at least two weeks prior the dividend record date.</p>	<p>Incorporation of Improvement Measure to the Dividend Distribution Procedure</p>
<p>Addendum Article 2 Effective Date of Articles of Incorporation</p>	<p><u>Newly Added</u></p>	<p>This amended Articles of Incorporation shall go into effect as of the date of resolution at the annual general meeting of shareholders for the 25th fiscal year.</p>	

Agenda Item 3: Appointment of Directors

It is hereby proposed that Mr. Yun-Tae Lee and Sang-Beom Han be newly appointed as an Inside Director and Outside Director respectively, and that Mr. Jin-Seo Roh, whose term as a Non-Executive Director expires, be re-appointed to his present capacity.

Item No.	Classification	Candidate Name	Notes
3-1	Inside Director	Yun-Tae Lee	New appointment / 3-year term
3-2	Non-Executive Director	Jin-Seo Roh	Reappointment / 3-year term
3-3	Outside Director	Sang-Beom Han	New appointment / 3-year term

[Item 3-1: Appointment of Mr. Yun-Tae Lee as an Inside Director]

Name	Date of Birth	Educational and Career Highlights	Relationship with the Largest Shareholder
Yun-Tae Lee	Jul. 19, 1960	<ul style="list-style-type: none"> ▪ B.S. in Electrical Engineering, Seoul National University ▪ M.Eng. and Ph.D. in Electrical and Electronic Engineering, KAIST ▪ Former Director and Senior VP of System LSI, Samsung Electronics ▪ Former Director and VP of LCD R&D Division, Samsung Display ▪ Former Representative Director and President/CEO of Samsung Electro-Mechanic 	None

Inside Director Candidate Yun-Tae Lee holds a Bachelor's degree in Electrical Engineering from Seoul National University and a Master's and Ph.D. from KAIST, and is a semiconductor and display expert who has served key posts in major electronics companies within the Samsung Group, including Director of Product Planning, Director of LSI/LCD Development and Representative Director. Additionally, based on his extensive corporate experiences, Mr. Lee is also widely recognized for his exceptional capabilities in materials business, including the semiconductor sector.

During his tenure as President and CEO of Samsung Electro-Mechanic Co., Ltd., Mr. Lee achieved the record-high earnings and made major contributions to the growth of the Company through bold investment decisions and comprehensive structural improvements. It is therefore expected that Mr. Lee, with his extensive corporate management experiences and know-how, will be able to lead our Company to overcome internal and external difficulties and to become a global fabless company that can achieve sustainable growth and contribute greatly to maximizing shareholder value.

In light of the foregoing, we have determined that Mr. Lee is an ideal candidate who can pursue the advancement of our business structure by strengthening competitive advantages in our core business and developing opportunities for new future businesses, while also establishing a strong foundation for sustainable growth through proactive management of business risks and promotion of ESG management. Accordingly, Mr. Lee is hereby recommended as a newly appointed Inside Director of the Company.

[Item 3-2: Appointment of Jin-Seo Roh as a Non-Executive Director]

Name	Date of Birth	Career Highlights
Jin-Seo Roh	Sep. 05, 1968	<ul style="list-style-type: none">▪ MBA, MIT Sloan School of Management▪ Former Executive VP of Business Strategy Dept., LG Electronics▪ Former Executive VP of Robotics Business, LG Electronics▪ Former CSO and VP of LG Electronics▪ Current Representative Director and VP of LX Holdings

* LG Group and LX Group were approved for affiliate separation by the Fair Trade Commission on Jun. 22, 2022.

Non-Executive Director Candidate Jin-Seo Roh is a corporate management expert who has been in charge of the corporate management planning and strategy LG Electronics Co., Ltd. and LG Co., Ltd. Since May 2021, Mr. Roh, in his former capacity as CSO and in his present capacity as CEO of LX Holdings, has led the LG Group's future business direction by leading the Group's mid- to long-term business strategies and reviewing and improving the existing business issues.

It is expected that Mr. Roh, based extensive years of professional experiences, will be able to continue to make contributions to the growth of the Company and provide valuable insights and in-depth opinions on various new investment initiatives to be undertaken by the Company going forward.

Furthermore, Mr. Roh will successfully implement the important duties of negotiating and coordinating with the board members to bring out and enhance synergies among the affiliated companies within LX Group, and is therefore recommended to be re-appointed to his present capacity as a Non-Executive Director of the Company.

[Item 3-3: Appointment of Sang-Beom Han as an Outside Director]

Name	Date of Birth	Career Highlights
Sang-Beom Han	Jun.18 1955	<ul style="list-style-type: none">▪ Master's degree in Metallurgical Engineering; Ph.D. in Materials Engineering, Stevens Institute of Technology, United States▪ Former Representative Director and Vice-Chair of LG Display▪ 6th President of the Korea Display Industry Association

* LG Group and LX Group were approved for affiliate separation by the Fair Trade Commission on Jun. 22, 2022.

Our company intends to appoint Sang-Beom Han as an Outside Director through this year's shareholder meeting, who is widely recognized as one of the most experienced and knowledgeable experts in the semiconductor/display industry.

Mr. Han holds a doctorate from Stevens University in the United States and has worked as a researcher and entrepreneur in the semiconductor/display industry, receiving Korea Gold Tower (1st Class) Order of Industrial Service Merit and the Korea Electronic Engineering Grand Prize for his achievements. He has also served as the chairman of the Korean Display Industry Association, further demonstrating his expertise in the field.

If appointed as an Outside Director, Mr. Han, as a display/semiconductor expert, can help the company gain a competitive advantage in developing rapidly changing display driver ICs, T-Con, PMIC, and other related technologies, which will have a significant impact on the company's revenue and profit growth, ultimately maximizing shareholder value.

Additionally, it is expected that Mr. Han, with his exceptional expertise, can evaluate the suitability of new investments and existing business operations, identify areas for improvement and weaknesses, and play a crucial role in making important decisions.

As an Outside Director, Mr. Han will be able to also monitor the company's management, protect shareholder rights, and enhance the company's social trust, which is essential for maintaining sound management. Therefore, the Board of Directors hereby recommends that Mr. Han be appointed as an Outside Director.

Agenda Item 4: Appointment of an Outside Director to Serve as a Member of the Audit Committee

It is hereby proposed that Mr. Nam Soo Kim be newly appointed as an Outside Director to serve as a member of the Audit Committee.

Number	Agenda Item	Candidate Name	Notes
No. 4	Outside director to serve as a member of the Audit Committee	Nam Soo Kim	New appointment / 3-year term

[No. 4: Appointment of Mr. Nam Soo Kim as an Outside Director to serve as a member the Audit Committee]

Name	Date of Birth	Education and Professional Experiences	Relationship with the Largest Shareholder
Nam Soo Kim	Oct.18 1965	<ul style="list-style-type: none"> ▪ Former Director of the Center for Ultra Realistic Audio Technology, Seoul National University ▪ Former Director of the Institute of New Media and Communications, Seoul National University ▪ Professor at the Department of Electrical & Computer Engineering, Seoul National University 	None

The listed companies among LX Group, including LX Holdings, has appointed 4 outside directors and each of their audit committees consists of 3 outside directors.

Notwithstanding that LX Semicon, a corporation with assets of less than KRW 2 trillion (estimated total assets as of the end of year 2023: KRW 1.205 trillion), is not legally required to establish an audit committee pursuant to Article 542-11 of the Korean Commercial Code, we have appointed all Outside Directors as members of the Audit Committee in order to ensure the management transparency and independence.

Mr. Kim holds a Master's and Ph.D. in Electrical and Electronic Engineering from KAIST with field experience as an engineer at Samsung Advanced Institute of Technology, and currently is a professor at the Department of Electrical and Computer Engineering at Seoul National University. Based on expertise in electrical and electronic engineering, Mr. Kim aims to review and advise with external perspectives on the strategic direction of LX Semicon's existing and new business initiatives.

In addition, based on Mr. Kim's extensive research experience, we expect this candidate to provide advice on our business and objectively assess the company's current situation, actively advocating opinions through the Board of Directors and other channels. In particular, with the increasing emphasis on legal and sustainable management, we recommend Mr. Kim as an Outside Director candidate who can play a central role in strengthening the company's legal compliance system by checking to ensure that the Audit Committee fulfills its role of supervision and balance

※ Changes to BOD Composition

Current BOD Members			
Position	Name	Date of Appointment	Attendance Rate ¹⁾
Inside Director	Bo-Ik Sohn	Mar. 23, 2023	100%
	Hun Kim	Mar. 23, 2023	100%
Outside Director	Keyong Woo Wee*	Mar. 22, 2022	96%
	Seong-Ook Jung*	Mar. 23, 2023	100%
	Youngsoo Shin*	Mar. 18, 2021	100%
Non-Executive Director	Jin-Seo Roh	Mar. 18, 2021	100%



After 25 th General Shareholders Meeting			
Position	Name	Sex	Career Highlights
Inside Director	Yun-Tae Lee	Male	Representative Director, Samsung Electro-Mechanic Co., Ltd.
	Hun Kim	Male	Head of Managerial Administration Division, LX International Corp. (주)
Outside Director	Kyeong Woo Wee*	Male	Professor, College of Business Admin., Sookmyung Women's University
	Seong-Ook Jung*	Male	Professor, College of Electrical & Electronic Engineering, Yonsei University
	Sang-Beom Han	Male	President of Korea Display Association
	Nam Soo Kim*	Male	Professor at the Department of Electrical & Computer Engineering, Seoul National University
Non-Executive Director	Jin-Seo Roh	Male	Representative Director, LX Holdings

1) Attendance rate for the past 3 years.

* Current member or candidate for the Audit Committee

※ BOD Areas of Expertise (if agendas are approved at the 25th shareholder meeting)

Name	DOB	Main Area of Expertise					
		Finance	Risk Management	Accounting	Management	Global	Semiconductor/ Display
Yun-Tae Lee	July, 1960				●		●
Hun Kim	May, 1969	●		●			
Kyeong Woo Wee	July, 1962	●	●				
Seong-Ook Jung	June, 1965					●	●
Sang-Beom Han	June, 1955				●		●
Nam Soo Kim	Oct., 1965					●	●
Jin-Seo Roh	Sep., 1968		●		●		

Agenda Item 5: Approval of Director Remuneration Limit

The Company seeks to receive approval for limiting director’s remuneration at KRW 5 billion, which is equivalent to the remuneration limit in 2023. In 2023, approximately KRW 1.7 billion out of total KRW 5 billion was executed as director compensation, recording approximately 34% of the approved limit for director remuneration for 2023.

The director remuneration limit is the maximum amount of remuneration determined based on factors such as directors’ promotions and possibility of incentives payment to Directors. The Company has maintained the director remuneration limit at KRW 5 billion since the 23rd fiscal year, and determined that it is appropriate to maintain the director remuneration limit for the 25th fiscal year at the same level by comprehensively taking into account financial performance of the year and factors for the Company’s sustainable growth.

The Company will continue to set reasonable and suitable remuneration limit for directors based on directors’ positions, roles, responsibilities and performance.

For details on the actual amount of remuneration made and calculation criteria for the payment, please refer to the “the 25th Annual Business Report”, which is set to be disclosed on March 13, 2024.

▣ Director Remuneration Limit

Category	23 rd		24 th		Limit for 25 th
	Limit	Actual Payment	Limit	Actual Payment	
Director Remuneration (Actual/Limit)	KRW 5 billion	KRW 2.7 billion (54%)	KRW 5 billion	KRW 1.703 billion (34.06%)	KRW 5 billion
Total Number of Directors	6				7

※ Criteria for Directors and Auditor's Remuneration

(KRW Million)

Category	Basis	Remuneration Details	Remuneration Evaluation Criteria	Total Amount	Number of Payee
Inside Director	HR Regulations for Executive Officers	Salary (Base/ Role) + Performance Incentives	<ul style="list-style-type: none"> - Remuneration for registered Directors is composed of salary and incentives. - Base Salary is determined based on the Executives compensation regulations established by the board of directors, taking into account factors such as position and rank. - Role-based Salary is determined by considering factors such as the importance of the job and the role. - Performance Incentives are determined by evaluating factors such as the evaluation of financial indicators and business performances from the previous year, as well as long-term priority projects, within the limit approved by the shareholders meeting. 	1,480	2
Outside Director	Criteria for Outside Directors Remuneration	Fixed amount per month	Remuneration for Outside Directors is paid within the limit 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	222	3
Non-Executive Director	-	-	-	-	1
Total	-	-	-	1,703	6