

Introduction

LG Display Co., Ltd. (the “Company”) is committed to the management philosophies of “Creating Value for Customers” and “People-Oriented Management.” Through fair and equitable competition, the Company strives to build trust with all stakeholders, pursue shared values, and achieve sustainable growth with the goal of becoming a world-leading enterprise. Believing that sound corporate governance is a key factor in fostering transparent and accountable management, social trust, and enhanced corporate value, the Company has established this Corporate Governance Guideline outlining principles and practices of sound governance. In accordance with this Guideline, the Company seeks to protect and fairly treat the rights of shareholders, establish transparent and responsible management through an independently and professionally operated Board of Directors and audit body, and fulfill its social responsibilities by respecting the rights of various stakeholders.

1. Shareholder

(1) Shareholders’ Rights

- ① Shareholders, as the owners of the company, hold basic rights including the right to participate in the distribution of profits and residual assets, attend general meetings of shareholders, exercise voting rights, and receive sufficient and timely information necessary to exercise their shareholder rights, as well as other rights guaranteed under the Commercial Act and relevant laws.
- ② Matters that may cause significant changes to the company’s existence or shareholders’ rights—such as amendments to the Articles of Incorporation, mergers, transfers of business, corporate splits, dissolutions, capital reductions, comprehensive stock exchanges or transfers, and capital increases that result in changes to ownership structure—must be resolved at the general meeting of shareholders through lawful procedures that maximally protect shareholder rights.
- ③ The company must provide shareholders with sufficient information regarding the date, venue, and agenda of the general meeting of shareholders well in advance, and the date and venue must be set to allow shareholders to participate as fully as possible.
- ④ Shareholders may, in accordance with the Commercial Act, propose agenda items to the Board of Directors for the general meeting of shareholders and may ask questions and request explanations regarding agenda items at the meeting.

(2) Equitable Treatment of Shareholders

- ① Each shareholder shall have one voting right per share, and the essential rights of shareholders shall not be infringed. However, restrictions on voting rights for specific shareholders or classes of shares may be imposed to the extent permitted by laws and the Articles of Incorporation.
- ② Shareholders must be provided with sufficient and timely information from the company in a fair manner. Even when disclosing information that is not subject to mandatory disclosure, the company must provide it fairly to all shareholders.
- ③ The company shall establish and operate internal control mechanisms, including an Internal Transactions Committee, to protect shareholders from unlawful internal transactions and self-dealing by controlling shareholders and other parties, and it shall disclose details of such transactions in accordance with due procedures.

(3) Shareholders’ Responsibility

- ① Shareholders should recognize that the exercise of their voting rights can influence the management of the company and should make efforts to actively exercise their voting rights for the development of the company.
- ② Controlling shareholders who exercise influence over the management of the company must act in the best interests of the company and all shareholders, and must endeavor to prevent any harm to the company or other shareholders resulting from actions contrary to those interests.

2. Board of Directors

(1) Functions of the Board of Directors

- ① The Board of Directors holds comprehensive authority over the management of the company and shall perform decision-making and supervisory functions regarding the company's management in accordance with laws, the Articles of Incorporation, and the regulations of the Board of Directors.
- ② Among the matters requiring resolution by the Board of Directors, except for those specified by laws, the Articles of Incorporation, or the Board's own regulations, the Board may, through its own resolution, delegate certain authorities to the CEO or committees within the Board to a defined extent.

(2) Composition of the Board of Directors

- ① The Board of Directors shall be composed of not fewer than five and not more than seven directors to enable effective and prudent discussions and decision-making, and to ensure that the committees established within the Board can operate effectively.
- ② The Board shall include Independent Directors who are capable of performing their duties independently from management and controlling shareholders. To ensure the Board's effective independence, at least three members must be Independent Directors, and Independent Directors must constitute a majority of the entire Board.
- ③ The Board shall be composed of competent individuals with diverse backgrounds, relevant expertise, and a strong sense of responsibility who can make substantive contributions to the management of the company. The term of office of appointed directors shall be respected unless disqualified under applicable laws or the Articles of Incorporation.

(3) Appointment of Directors

- ① The company shall not appoint as a director any person responsible for significant damage to corporate value or serious infringement of shareholder rights and interests.
- ② The company shall establish and operate an Independent Director Nomination Committee to ensure fairness and independence in the nomination and appointment process of Independent Directors.
- ③ The company shall provide shareholders with sufficient information and time to evaluate director candidates so that they can exercise their voting rights appropriately.

(4) Independent Director

- ① An Independent Director must not have any significant conflict of interest with the company and must be able to make decisions independently from management and controlling shareholders.
- ② The company shall verify and disclose at the time of appointment that the Independent Director candidate has no significant conflict of interest with the company.
- ③ An Independent Director shall not engage in excessive concurrent positions that may hinder the faithful performance of duties.
- ④ The company must provide Independent Directors with sufficient information necessary for the performance of their duties, and Independent Directors may request the company to promptly provide such information.
- ⑤ Independent Directors must devote sufficient time to fulfill their duties and should review relevant materials in advance and attend Board meetings.
- ⑥ Independent Directors may, when necessary and through appropriate procedures, receive support from company personnel or external experts, and the company shall bear the associated costs.

(5) Operation of the Board of Directors

- ① The Board of Directors shall, in principle, be convened once every quarter and may be held on an ad hoc basis as needed.
- ② For the efficient operation of the Board, the company shall establish and implement Board regulations that specifically define the authority, responsibilities, and operating procedures of the Board.
- ③ For each meeting, the Board shall prepare minutes recording the agenda items, proceedings, outcomes, and names and reasons of any dissenting directors, which must be signed or sealed by the chairperson and attending directors and preserved accordingly.
- ④ The company shall disclose each director's attendance rate at Board meetings and their votes for or against major agenda items.
- ⑤ The Board may allow directors to participate in meetings using remote communication systems that enable simultaneous transmission and reception of voice, even if some or all directors are not physically present.

(6) Committees within the Board of Directors

- ① The Board of Directors shall establish committees composed of an appropriate number of members to perform specific functions and roles within the Board.
- ② The organization, operation, and authority of the Board committees shall be stipulated in writing and governed by operational regulations separate from the Board regulations.

(7) Duties and Responsibilities of Directors

- ① Directors shall perform their duties with the duty of care of a good manager and must make reasonable decisions by investing sufficient time and effort based on adequate information.
- ② Directors shall not exercise their authority for the benefit of themselves or third parties and must always seek outcomes that serve the best interests of the company and its shareholders.
- ③ Directors shall not disclose to external parties or use for their own or others' benefit any confidential information of the company acquired while performing their duties.
- ④ If a director violates laws or the Articles of Incorporation, or neglects their duties, they shall be liable to compensate the company for damages. In cases of willful misconduct or gross negligence, they shall also be liable to third parties for damages.
- ⑤ If, in the course of making a business judgment, a director collects reasonably reliable data and information, thoroughly reviews and considers them with due diligence, and performs their duties based on a sincere and reasonable judgment in a manner they believe to be in the best interests of the company, such business judgment shall be respected.
- ⑥ To ensure the effectiveness of holding directors accountable and to attract competent directors, the company may purchase directors' liability insurance at its own expense.

(8) Evaluation and Compensation

- ① The Board of Directors shall fairly evaluate the performance of the management and reasonably and appropriately reflect the evaluation results in decisions regarding compensation and reappointment.
- ② The limit on directors' compensation shall be determined by a resolution of the general meeting of shareholders and executed within the approved scope.
- ③ The company shall disclose the key criteria used to determine compensation and the amounts paid to key executives.

3. Audit Body

(1) Internal Audit Body

- ① The Audit Committee shall be composed of three or more directors, with at least two-thirds of its members being Independent Directors to ensure independence and expertise. At least one member shall possess professional knowledge in audit-related fields such as finance or accounting.
- ② The Board of Directors shall define and operate written regulations regarding the objectives, organization, authority, responsibilities, and duties of the Audit Committee.
- ③ The Audit Committee shall faithfully carry out the accounting and audit functions as defined in applicable laws, the Articles of Incorporation, the Board regulations, and the Audit Committee regulations.
- ④ The Audit Committee shall, in principle, be convened once every quarter, and may be convened as needed. When necessary for the performance of its duties, the committee may request the attendance of relevant executives or external auditors.
- ⑤ The Audit Committee shall prepare minutes of its meetings, which must include the agenda items, proceedings, outcomes, names of dissenting members, and reasons for their dissent. These minutes shall be signed or sealed by attending committee members.
- ⑥ The Audit Committee shall also prepare audit records, including the procedures and results of the audit, which must be signed or sealed by the members who conducted the audit.
- ⑦ The Audit Committee shall have free access to the information necessary for the performance of its duties and may, if deemed necessary, seek advice from external experts at the company's expense.
- ⑧ The CEO shall disclose the committee's independence and major activities in the business report.
- ⑨ Members of the Audit Committee shall perform their duties independently from management and controlling shareholders.

(2) External Auditor

- ① The external auditor must maintain both legal and substantive independence from the company, its management, and controlling shareholders.
- ② The external auditor shall be appointed by the Audit Committee, and the company must ensure that the external auditor reports any significant matters identified during the audit to the Audit Committee.
- ③ If requested by the company or the chairperson of the general meeting of shareholders, the external auditor must attend the shareholders' meeting and explain the audit report in response to shareholders' questions.
- ④ The company must verify whether there is any discrepancy between regularly disclosed information and the audit results of the financial statements audited by the external auditor.
- ⑤ The company must ensure that the external auditor considers the company's going concern status in accordance with applicable laws and regulations.
- ⑥ The company must ensure that the external auditor makes efforts to identify any misconduct or illegal activities of the company during the audit process.

4. Protection of Stakeholders' Rights

- ① The company shall strive not to infringe upon the rights of various stakeholders and shall faithfully fulfill its social responsibilities, including consumer protection and environmental preservation.
- ② The company shall promote the establishment of market order through fair transactions and contribute to the balanced development of the national economy.
- ③ Within the limits permitted by law, the company shall provide stakeholders with the information necessary to protect their rights and support their access to such information.
- ④ The company shall respect the rights of its executives and employees and make efforts to improve their quality of life.
- ⑤ The company shall comply with creditor protection procedures in matters that significantly affect the status of creditors, such as mergers, capital reductions, and spin-offs or mergers.
- ⑥ When a stakeholder also holds the status of a shareholder, the rights of the stakeholder and those as a shareholder shall both be protected and exercisable.

5. Market-Based Monitoring of Management

(1) Information Disclosure

- ① In addition to disclosure items required by law, the company shall disclose any matters that may have or are likely to have a significant impact on the decision-making of shareholders and stakeholders.
- ② When making decisions on material matters outside of periodic disclosures, the company shall promptly disclose and explain the details in a detailed and accurate manner.
- ③ The company shall strive to prepare disclosures in an easy-to-understand format and ensure accessibility for stakeholders.
- ④ The company shall designate a disclosure officer and establish an internal information transmission system to ensure that important information is promptly delivered to the disclosure officer.
- ⑤ The company shall specifically disclose the shareholding status of controlling shareholders and their related parties.
- ⑥ The CEO and the disclosure officer of the company shall verify and review the accuracy and completeness of financial reporting.
- ⑦ The company shall establish a code of ethics and disclose it.

(2) Market for Corporate Control

- ① Actions that result in changes in corporate control—such as acquisitions, mergers, spin-offs, and transfers of business—must be carried out through transparent and fair procedures.
- ② Defensive measures to protect corporate control must not be conducted in a manner that sacrifices the interests of the company and its shareholders for the benefit of certain shareholders or management.
- ③ In the case of significant structural changes such as mergers or transfers of business, the company shall ensure that dissenting shareholders may exercise their appraisal rights at a fair price that reflects the actual value of their shares, in accordance with applicable laws.

6. Others

If the contents of the Corporate Governance Guidelines conflict with the Articles of Incorporation, the Board of Directors regulations, or the Audit Committee regulations, the Articles of Incorporation, the Board of Directors regulations, and the Audit Committee regulations shall take precedence.



LG Display

「Guidelines on the Expertise and Diversity of the Board of Directors」

To facilitate reasonable decision-making, LG Display ensures that the board is composed of directors with significant experience in a range of fields, and that it can consider a diversity of stakeholder perspectives when making critical decisions for the company.

LG Display uses the following criteria to ensure director expertise:

- Whether or not s/he possesses expertise in any of the following areas: management (organizational operations), economy, law, accounting, environment and technology;
- Whether or not s/he possesses expertise and work experience in the industries in which LG Display and its key affiliates operate, and
- Whether or not s/he possesses a sufficient understanding of the duties of an independent director.

LG Display uses the following criteria to ensure director diversity:

- Gender: adhering to the principle of gender equality so that the board of directors may benefit from diverse perspectives
- Age: enhancing the efficiency of the board by combining flexible responses with experience and knowledge to respond to the changing management environment
- Professional experience & background: considering the social characteristics of South Korea and appointing directors with diverse backgrounds

Recommendation Process

- Use of recommendation process for diverse, independent directors to improve outcomes for a wide range of stakeholders.

The board of directors shall consider expertise and diversity in deciding its composition, and it should ensure that its membership reflects such requirements in a balanced manner.

LG Display ensures that the board consists of expert directors holding a diversity of experiences and perspectives. All relevant factors are considered during this process, unless otherwise limited by South Korean laws.

「Guidelines on Independent Directors' Independence」

The board of directors at LG Display is majority independent, and systems are in place to ensure independent directors' independence.

LG Display complies with the Commercial Act and other applicable South Korean laws concerning matters of independent directors' independence. Pursuant to these laws and regulations, efforts are made to monitor and strengthen the independence of current independent directors and candidates. Independent directors constitute a majority of the board.

LG Display uses the following criteria to ensure independent directors' independence:

- Whether or not s/he has worked for the company, as an employee, within the past 5 years;
- Whether or not his/her immediate family member has worked for either the company or its affiliates within the past 3 years;
- Whether or not s/he is in an employment relationship with the company's external auditor;
- Whether or not s/he is an employee of a corporate entity with which the company has signed an agreement on consulting services and technical partnerships;
- Whether or not s/he is an advisor or consultant for the company or its management;
- Whether or not s/he is an employee of a corporate entity whose total transactions with the company over the past 3 fiscal years accounted for 10% or more of the company's total assets or gross sales;
- Whether or not s/he has any significant conflict of interest concerning matters that may be decided upon by the board.

To ensure director independence, the board takes a holistic approach in determining the existence of any material relationship between an independent director and the general affairs of the company.