



「Guidelines on Independent Directors' Independence」

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

LG H&H 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 directors and board member candidates.

Independent directors constitute a majority of the board.

LG H&H 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 a director and the general affairs of the company.