SAMSUNG ELECTRONICS Co., Ltd.

Reference Material

2016 Extraordinary General Meeting of Shareholders

Note about forward-looking statements

Certain statements in this reference statement, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our financial reports available on our website at http://www.samsung.com/us/aboutsamsung/ir/newsMain.do

Letter to Shareholders

To Our Valued Shareholders,

We wish you and your family good luck and happiness.

This year, our Company is entering a new stage of its growth thanks to the unparalleled competitiveness of the products we have developed in the component business, including V-NAND and OLED, as well as the revitalization of our world-leading mobile business. With that said, the technology sector is rapidly changing and to enhance our competitiveness for the future, we are placing even greater emphasis on high potential and timely investments as we continue to prioritize strategic decision-making that will assure mid to long term growth momentum and create value for shareholders. It is against this backdrop that the Company has called for the Extraordinary General Meeting of Shareholders with two items on the agenda.

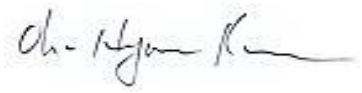
First, the Company has reached an agreement to spin off the Printing Solutions business and sell the entire global operations and assets of the Printing Solutions business to HP Inc., the U.S. based print services firm. This is in the context of our commitment to an on-going reorganization of our business units in order to further concentrate on our core competencies and to maximize our competitiveness. Going forward, we will continue along this path of focusing on what Samsung Electronics does best in order to ensure that all of our businesses push the boundaries of innovation, quality and customer satisfaction.

Second, the Board has proposed that Jae-Yong Lee, vice chairman of Samsung Electronics, be appointed as an executive director of the Board. The members of the Board believe that as a result of his having held the position of COO (Chief Operating Officer) and other important roles, he has accumulated wide-ranging business administration experience, and has proven his strong capabilities and high caliber as a leader. He has contributed in a decisive way to the Company's earnings recovery and on-going restructuring of its business units despite the particularly challenging business environment of the past two years. In order to help address these rapidly changing business conditions and enhance our Company's efforts to achieve attractive and sustainable levels of growth, the Board has agreed that now is the right time to nominate Jae-Yong Lee as a member. Proposing him as a registered executive director will allow him to take a more active role in the Company's decision-making and to contribute formally to enhancing the global status and business value of Samsung Electronics.

Samsung Electronics is strongly committed to increasing the value it creates for shareholders, but first and foremost is focused on delivering high quality earnings even in this challenging business environment. Under the newly composed Board, we will work relentlessly to drive innovation and quality in all of our areas of activity, looking beyond today's successes to the changes that will drive demand in the future. We aim to best position our Company to develop more compelling solutions to delight our customers and make their lives better and more fulfilling. Our success will continue to be measured by this ability to continue to serve our customer's needs, directing our considerable investment resources, in a timely way, to products that benefit from our unique core technological and engineering insights and expertise, and the unique strengths of the Samsung Culture.

We look forward to your continued support as we chart this exciting and rewarding path into a future rich in opportunity and rewards. Thank you.

Respectfully yours,



Oh-Hyun Kwon
Vice Chairman & CEO
Samsung Electronics Co., Ltd

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Samsung Electronics Co., Ltd. and Subsidiaries
(Seocho-dong) 11, 74-gil
Seochodaero Seocho-gu, Seoul 137-965, Korea

Dear Shareholders of Samsung Electronics,

Notice is hereby given that the 2016 extraordinary general meeting of shareholders (the "EGM") of Samsung Electronics Co., Ltd. will be held on Thursday, October 27, 2016 at 10:00 a.m. Korea Standard Time, in the multifunctional hall located on the fifth floor of Samsung Electronics building located at the address shown above for the agenda below (details of the agenda are described in the accompanying reference materials):

Notice of 2016 Extraordinary General Meeting of Shareholders

Date: October 27, 2016

Time: 10:00 a.m. Korea Standard Time

Place: Multifunctional Hall, 5F Samsung Electronics Bldg, (Seocho-dong) 11, 74-gil
Seochodaero Seocho-gu, Seoul 137-965, Korea

Record date: September 28, 2016
Shareholders of record at the close of business on the record date are entitled to vote at the Extraordinary General Shareholder Meeting.

※ Regarding Agenda item number 1, preferred shareholders also have voting rights.

Proxy voting: Please record your votes at your earliest convenience as this will help ensure the presence of a quorum at the meeting.

Items of business:

1. Approval of the Printing Solutions business Spin-off

2. Appointment of Executive director

   - Executive Director Nominee : Jae-Yong Lee (First nomination)

Summary

This summary highlights information contained in the accompanying reference material.

Agenda 1. Approval of Printing Solutions business Spin-off

Key Voting Items

- Among businesses operated by Samsung Electronics, we are proposing to spin off the Printing Solutions business.

Method and Impact of Spin-off

Pursuant to Article 530-2 to 530-12 of the Commercial Act, Samsung will spin off its Printing Solutions business and establish a new company. After the spin-off, Samsung will acquire 100% of the shares to be issued by the new corporation.

- The spin-off is scheduled to conclude on November 1 (at 0:00); but the date is subject to change based on the final decision of Samsung's Board of Directors ("BOD").
- Samsung spinning off the Printing Solutions business will not cause any change in stock or ratio of shares owned by the major shareholders in Samsung. Further, the spin-off shall not affect the consolidated financial statement of Samsung.

※ 100 percent of the stake and global operations and assets of the newly created company will be sold to HP Inc.

Objective of Spin-off

- To concentrate on Samsung's core competencies and maximize our competitiveness through an on-going reorganization of our business units.

Agenda 2. Appointment of Executive director

Key Voting Items

- Executive Director Nominee : Jae-Yong Lee (First nomination)

Background And Expected Outcomes

- The Board has concluded that now is the time to nominate Jae-Yong Lee as a member of the Board of Directors to allow him to participate more actively in making Samsung's business decisions. This is due to the fact that the technology sector is rapidly changing and, to enhance our competitiveness for the future we are placing even greater emphasis on high potential and timely investment as we continue to prioritize strategic decision-making that will assure mid- to long-term growth momentum, create value for shareholders, and innovate corporate culture. We expect that Mr. Lee, as an executive director, will fulfill his responsibilities and obligations as a member of the Board, while contributing to enhancing the global status and business value of Samsung Electronics.

1 Agenda 1 Approval of Printing solutions business Spin-off

Overview

Samsung Electronics Board of Directors ("BOD" or "Board") approved the spin-off plans of Printing Solutions business on the 12th of September and we would like to take this opportunity to ask for the approval of our shareholders.

Method of Spin-off

(1) Pursuant to Articles 530-2 to 530-12 of the Commercial Act, Samsung Electronics (hereinafter referred to as "the Company"), among businesses operated by the Company, shall spin off its Printing Solutions business (hereinafter referred to as "Printing Business") and establish a new company (hereinafter referred to as "the New Corp."). The Printing Business shall be spun-off, and the Company will acquire 100% of the shares to be issued by the New Corp. Upon completion of the spin-off, the Company will remain as a listed company in the securities market and the New Corp. will not be listed on any market.

(2) The conclusion date of the spin-off is expected to be November 1, 2016, but the date is subject to change based on the final determination of the Company's BOD. Scheduled date of spin-off registration is expected to be November 4, 2016.

(3) Pursuant to Paragraph 1 and 2 of Article 530-3 of the Commercial Act, the Company's Printing Business shall be spun off through a special resolution at the extraordinary general meeting of shareholders. According to Paragraph 1 and 2 of Article 530-9 of the Commercial Act, the Company and the New Corp. shall be jointly liable for liabilities (including responsibilities, which shall have be equal to liabilities in this Paragraph) of the Company that existed prior to spin-off.

Objective of Spin-off

Among businesses operated by the Company, the Printing Business shall be spun off to establish the New Corp. as an independent company in order to improve the profitability of the Printing Business. Also, the Company will focus on enhancing its overall business by improving its other businesses and strengthening key competencies.

Impact of Spin-off and Expected Outcome

Pursuant to Articles 530-2 to 530-12 of the Commercial Act, the Company spinning off the Printing Business shall not cause any change in stock or ratio of shares owned by the major shareholders in the Company. Further, the spin-off shall not affect the consolidated financial statement of the Company.

Spin-off Ratio

As the Company is spinning off the Printing Business, then acquiring 100% of the shares to be issued by the New Corp., no spin-off ratio shall be calculated.

Business, Assets, and Liabilities to be Transferred

The Company, based on the spin-off plan, shall transfer all assets and liabilities, other rights and obligations, and properties having value (including license and permits, employment relationship, contracts and lawsuits) (hereinafter referred to as "Properties to Be Transferred") to the New Corp. However, shares of Company's overseas affiliates owned by the Printing Business as of the date of this disclosure shall not be included in the Properties to Be Transferred.

Company Financial Details post spin-off

(1) Company Name: Samsung Electronics Co., Ltd.

(2) Financial Details after Spin-off (KRW):

Total Assets	163,103,997,909,708
Total Liabilities	30,094,674,981,494
Total Equities	133,009,322,928,214
Capital	897,513,820,000

(June 30, 2016, K-IFRS, parent basis)

(3) Revenue of remaining business from the most recent fiscal year (KRW): 133,646,422,156,444

(4) Major Businesses: CE(Consumer Electronics), IM(Information technology & Mobile communications), DS(Device Solutions)

New Corp. Financial Details

(1) Company Name: S-Printing Solution Co., Ltd. (tentative name)

(2) Financial Details of Establishment (KRW):

Total Assets	347,657,560,237
Total Liabilities	209,134,736,061
Total Equities	138,522,824,177
Capital	50,000,000,000

(June 30, 2016, K-IFRS, parent basis)

(3) Revenue of New Corp. from the most recent fiscal year (KRW): 1,558,622,494,561

(4) Major Business: Printing Solutions Business

Other Information

(1) Amendment or Change of spin-off plan: The spin-off plan may be changed during the process of consultation with relevant organizations, related laws, or upon the approval at the extraordinary general meeting of shareholders. Upon approval of the spin-off plan at the extraordinary general meeting of shareholders on October 27, 2016, the topics below of the approved spin-off plan, prior to the spin-off registration date, may be amended or changed according to the resolution of the BOD of the Company without additional shareholder approval in the event that (i) the amendment or change is reasonably necessary and such amendment or change do not cause any harm to shareholders of the Company and the New Corp. and/or (ii) the amendment of change is made within the scope that such change does not affect the inherent nature of the plan.

① Name of the New Corp.

② Spin-off Schedule

③ Properties to be transferred following the spin-off and its estimated value

④ Financial structure before and after spin-off

⑤ The total number of stocks issued by the New Corp. upon spin-off

⑥ Matters concerning executives and audits of the New Corp.

⑦ Articles of association of the Company and the New Corp.

(2) Appraisal rights of shareholders: Not applicable as this transaction constitutes a straight spin-off as stipulated under Article 530-12 of the Commercial Act.

(3) Succession of employment contracts and severance pay: The New Corp. shall succeed all employment contracts and relevant legal obligations (severance pay, loans, etc.) pertaining to all current employees of the Printing Business as from November 1, 2016 (scheduled date of spin-off).

☐ Pre/Post Spin-Off Financial Position

(June 30, 2016, K-IFRS, parent basis) (Unit: KRW million)

	Pre-spin	Post-spin	
		Surviving entity	New entity
I. Assets	**163,313,133**	**163,103,998**	**347,658**
1. Current assets	**65,317,792**	**65,070,212**	**247,580**
Cash and cash equivalents	3,098,264	3,098,264	-
Short-term financial instruments	27,965,112	27,965,112	-
Short-term available-for-sale financial assets	200,270	200,270	-
Trade receivables	22,084,964	21,908,257	176,707
Non-trade receivables	1,095,447	1,087,146	8,300
Advances	935,944	920,181	15,763
Prepaid expenses	2,328,405	2,302,369	26,036
Inventories	6,884,335	6,866,757	17,578
Other current assets	725,051	721,855	3,196
2. Non-current assets	**97,995,341**	**98,033,786**	**100,077**
Long-term available-for-sale financial assets	2,823,582	2,823,582	-

Investment in subsidiaries, associates and joint ventures	43,018,912	43,157,435	-
Property, plant and equipment	43,532,458	43,526,670	5,789
Intangible assets	3,123,423	3,083,897	39,526
Long-term prepaid expenses	3,982,624	3,930,866	51,758
Deferred income tax assets	472,844	472,844	-
Other non-current assets	1,041,498	1,038,493	3,005
II. Liabilities	**30,303,810**	**30,094,675**	**209,135**
1. Current liabilities	**26,742,315**	**26,613,443**	**128,872**
Trade payable	4,798,465	4,714,921	83,544
Short-term borrowings	6,728,897	6,728,897	-
Other payables	4,526,101	4,520,543	5,558
Advances received	128,845	128,401	443
Withholdings	309,285	309,261	24
Accrued expenses	4,729,568	4,715,072	14,496
Income tax payable	1,047,173	1,047,173	-
Current portion of long-term liabilities	5,644	5,644	-
Provisions	4,454,559	4,430,173	24,386
Other current liabilities	13,778	13,357	421
2. Non-current liabilities	**3,561,495**	**3,481,232**	**80,263**
Debentures	62,085	62,085	-
Long-term other payables	2,562,665	2,498,744	63,921
Net defined benefit liabilities	388,534	380,707	7,827
Deferred income tax liabilities	-	-	-
Provisions	546,266	537,751	8,514
Other non-current liabilities	1,945	1,945	-
III. Equity	**133,009,323**	**133,009,323**	**138,523**
1. Equities	897,514	897,514	50,000
2. Share premium	4,403,893	4,403,893	88,523
3. Retained earnings	138,556,832	138,556,832	-
4. Other components of equity	-10,848,916	-10,848,916	-

※ Note

1) The above figures can be revised prior to the spin-off date.

2) The above figures are based on separate financial statements. The domestic law does not specify which type of financial statements shall be adopted for public disclosure. Since consolidated financial statements also includes the year's financial positions of other companies, we thought separate financial statements would be more appropriate in figuring out actual changes in the substances of the concerned companies' financial position.

3) The above figures are based on as of June 30, 2016 and may be adjusted in accordance with business circumstances by the date of spin-off.

4) The new corporation shall not succeed liabilities that are discounted by trade receivable to be transferred, with the succession of the trade receivables of the same amount.

2 Agenda 2
Appointment of Executive director

Overview

The Board of Directors, as the important decision-making body of the Company, is directly elected by shareholders, in order to ensure that the Company's business and financial results are in line with the long-term interests of the shareholders. Through the Extraordinary General Meeting of Shareholders, the Board would like to propose that Jae-Yong Lee, Vice Chairman of SEC, be appointed as an executive director for the reasons below:

The technology sector is rapidly changing and, to enhance our competitiveness for the future, we are placing even greater emphasis on high potential and timely investments as we continue to prioritize strategic decision-making that will assure mid- to long-term growth momentum and create value for shareholders. The Board has come to the conclusion that in order to cope with these changes, it is time that Jae-Yong Lee takes a more active role as a member of the Board.

The members of the Board believe that as a result of his having held the position of COO (Chief Operating Officer) and other important roles, Jae-Yong Lee has accumulated wide-ranging business administration experience, and has proven his strong capabilities and high caliber as a leader. He has contributed in a decisive way to the Company's earnings recovery and on-going restructuring of its business units despite the particularly challenging business environment of the past two years. In order to help address these rapidly changing business conditions and enhance our Company's efforts to achieve attractive and sustainable levels of growth, the Board has agreed that now is the right time to nominate Jae-Yong Lee as a member. Proposing him as a registered executive director will allow him to take a more active role in the Company's decision-making and to contribute formally to enhancing the global status and business value of Samsung Electronics.

Following Mr. Lee's appointment, Sang-Hoon Lee (CFO), plans to stand down from his position on the Board in order to maintain the Board's current structure, which consists of four executive directors and five independent directors.

Executive Director Nominee

(First nomination)

Jae-Yong Lee
Birth: June 23, 1968

Jae-Yong Lee, the candidate for executive director, is the vice chairman of Samsung Electronics. He also serves as chairman of Samsung Foundation of Culture and Samsung Life Public Welfare Foundation.

He began his career at Samsung Electronics in 1991, and held the position of CCO (Chief Customer Officer) from 2007 to 2008. From 2010 to 2012, Mr. Lee worked as COO (Chief Operating Officer), and from 2012 to current, he is serving as vice chairman.

He graduated from Seoul National University and received a master's degree in business administration from Keio University. He also completed doctoral coursework at Harvard Business School.

Career:

- Chairman, Samsung Life Public Welfare Foundation (2015-Present)
- Chairman, Samsung Foundation of Culture (2015-Present)
- Vice Chairman, Samsung Electronics (2012-Present)
- Independent Director of EXOR S.p.A. (2012-Present)
- President & Chief Operating Officer (2010-12)
- Executive Vice President & Chief Operating Officer (2010)
- Senior Vice President & Chief Customer Officer (2007-08)
- BOD member of S-LCD (2004-08)
- Vice President, Corporate Strategic Planning Team (2001-07)

Major Achievements

- He has contributed to the competitiveness of the Company and enhanced strategic relationships with major global companies.
  - As CCO of the Company, he successfully navigated the complex relationships with partners and customers for both Samsung's consumer products and component businesses, ensuring there were no conflicts of interest and winning trust of leaders of major customers.
  - Serving as COO, he oversaw the general operation of the Company and provided leadership in strategy.

- Over the last two years, Samsung has seen improvement in its core businesses under his leadership:
  Operating profit has recovered since 2014 and the Company's share price recently reached a record high, with the introduction of a significant mid- to long-term shareholder return program in 2015.
  - The Company has successfully brought important technology innovations and created new markets for its component business, such as 3D NAND and flexible OLED.
  - The Company also renewed the momentum of the consumer product business by reshaping its smartphone business and introducing new premium TV products such as SUHD TVs.