



Corporate Governance Report FY2020

SAMSUNG ELECTRONICS Co., Ltd.

The Company has prepared this report in accordance with Article 24-2 of the Enforcement Decree of Disclosure Regulations in Securities Markets to provide investors with information regarding the Company's corporate governance. The information in this report is based on the corporate governance status as of December 31, 2020, and changes that occurred as of the reporting date are separately stated. Activities related to corporate governance are from January 1, 2020 to December 31, 2020. If the Korea Stock Exchange guidelines have set a specific period of time for certain information, the information is based on that period. The information for "Core Principle" and "Specific Principle" included in this report is based on the guideline set forth by the Korea Exchange.

Table of contents

I . Outline.....	1
II. Corporate governance	2
1. Corporate governance policy.....	2
2. Shareholders.....	4
(1) Shareholder rights.....	4
(2) Equitable treatment of shareholders.....	10
3. Board of Directors	17
(1) Roles and responsibilities	17
(2) Board composition	25
(3) Responsibilities of Independent Directors.....	34
(4) Evaluation of Independent Directors.....	39
(5) Board operation.....	40
(6) Board committees	45
4. Audit system.....	52
(1) Internal audit system.....	52
(2) External auditor.....	59
III. Other matters related to corporate governance.....	61
Attached. Compliance of corporate governance key indices	62

I

Outline

■ Company name: Samsung Electronics Co., Ltd. (SEC)

■ Report supervisor: Tae-gyu Kang

Deputy supervisor: Min-gyu Kim

■ Base date: Last day of previous fiscal year (Dec 31, 2020)

■ Company outline

The major shareholder and others	Samsung Life Insurance and 15 others (including affiliates and foundations established with SEC contributions)	Portion of shares owned by major shareholders, etc.	21.16%*
		Portion of shares owned by minority shareholders	62.60%
Category of business (finance/non-finance)	Non-finance	Main products	Electric and electronic products
Belonging to enterprise group in accordance with the Monopoly Regulation and Fair Trade Act	Yes	Subject to Act on the Management of Public Institutions	No
Name of enterprise group	Samsung		
Financial information highlights (KRW 100 mil)			
	FY2020	FY2019	FY2018
Consolidated revenue	2,368,070	2,304,009	2,437,714
Consolidated operating profit	359,939	277,685	588,867
Consolidated profit from continuing operations	264,078	217,389	443,449
Consolidated net profit	264,078	217,389	443,449
Consolidated total assets	3,782,357	3,525,645	3,393,572
Separate total assets	2,296,644	2,161,809	2,190,214

*For common shares, as of the end of April 2021

1. Corporate Governance Policy

(1) Governance principles and policies

Aiming to be a global leader that grows along with people and local communities, Samsung Electronics Co., Ltd. (the Company) operates with a philosophy that states: “We will devote our human resources and technology to create superior products and services, thereby contributing to a better global society.”

Our corporate governance is structured and managed in a transparent manner in accordance with applicable legal procedures. The members of the Board of Directors (the Board) are elected by resolution at a general meeting of shareholders and are comprised of five Executive Directors and six Independent Directors. Executive Directors are elected from candidates recommended by the Board. For Independent Directors, the Independent Director Recommendation Committee, which consists entirely of Independent Directors, recommends candidates through a separate procedure to ensure a more deliberate and objective consideration. Information regarding the candidates is provided in detail to shareholders before a general meeting in the form of reference material and convocation notice before they are elected into office on the day of annual general meeting (AGM) through shareholder approval.

The Board is structured in a way that ensures independent decisions and judgements promote Company growth and shareholder rights and interests. In order to enhance independence, Independent Directors make up the majority of the Board, and they also hold meetings that exclude the Company’s management members to ensure candid and objective discussions.

We have been working continuously to improve our governance: revisions to the Company’s Articles of Incorporation and regulations of the Board of Directors in March 2016 allowed any Director—not just the CEOs—to be appointed as Chairman, and in March 2018, the Board elected a Chairman that is not a CEO. The revisions were designed to enable Executive Directors to better concentrate on management activities and strengthen the Board’s check on management. In March 2020, an Independent Director was elected as the Chairman of the Board, further enhancing the independence and transparency of the Board.

Meanwhile, we have strengthened our institutional system, allowing us to avoid conflicts of interest and prevent self-interests from influencing Board decisions. Article 398 of the Commercial Act limits transactions between a Director and the Company, and, in accordance with Article 9 of the Regulations of the Board of Directors, a Director is prohibited from exercising voting rights in cases where he or she has a special interest in or even a possibility of a conflict of interest with the Company.

In a rapidly changing business environment, Director expertise is essential as the Board is constantly required to make strategic decisions. The Company’s three mainstay businesses—the Device Solutions (DS), Consumer Electronics (CE), and IT & Mobile Communications (IM) divisions—are directed by leading professionals in the relevant field who practice responsible management as chief executive officers and also participate on the Board. Along with the CEOs, President and Head of Visual Display Business Jong-hee Han and President and CFO Yoon-ho Choi were appointed as Executive Directors based on their expertise and management and leadership capabilities. The Board needs diverse perspectives in order to make broad decisions. Independent Directors leverage their expertise and skills from various fields, including finance, law, engineering, IT, public administration, and environment, social and governance (ESG) to contribute to the Board’s informed and objective decision-making process.

Detailed information regarding our corporate governance is available on our website (<https://www.samsung.com/global/ir>) and in our business reports (<https://www.samsung.com/global/ir/reports-disclosures/business-report/>).

(2) Our corporate governance

A. Ensuring responsible management through the participation of business representatives on the Board

In the rapidly changing IT industry, prompt and strategic decision making is required to remain competitive. Under such an environment, the Company needs Directors who have a high-level of expertise and fully understand our businesses. Accordingly, the Board appoints the heads of the DS, CE, and IM divisions as Executive Directors to participate in the decision-making process. Having expert, highly-experienced key executives from each business on the Board enables a comprehensive and long-term approach to decision making. With heads of the business divisions taking CEO positions, we are practicing responsible management. Meanwhile, our Independent Directors provide abundant expertise in various fields—including finance, law, engineering, IT, public administration, and environment, health, and safety (EHS)—and supervise the activities of both management and Executive Directors and offer objective advice.

B. Enhancing the Board's efficiency through the delegation of authorities

The Board makes resolutions on matters provided for by the relevant laws and regulations or the Articles of Incorporation, matters delegated by a general meeting of shareholders, as well as on important matters concerning basic policies and execution of the Company's business. While some matters require the review and resolution of the entire Board, others can be reviewed more efficiently by committees of the Board equipped with expertise in the relevant field. The Board has delegated specific responsibilities to six committees, in accordance with Article 28-2 of the Articles of Incorporation and Article 11-2 of the Regulations of the Board of Directors, in order to enhance its operational efficiency. Agendas approved by committees of the Board are immediately reported to all Directors, and if deemed necessary, each Director may request the Chairman to call for a board meeting to put the resolutions approved by the committee forward for a vote at a meeting of the Board.

C. Improving supervision via committees composed of a majority of Independent Directors

As the Company's business continues to evolve, the Board constantly faces increasingly complex and varied managerial matters. In response, the Board has expanded its responsibilities and established new committees (such as the Related Party Transactions Committee, Compensation Committee, and Governance Committee) to delegate the new roles. These committees consist entirely of Independent Directors who can make independent and objective decisions and expand their responsibility to supervise management from a more diverse perspective. Indeed, the Governance Committee (formerly the CSR Committee) was established based on a proposal put forth by an Independent Director. The Committee has commissioned research groups (e.g., Corporate Ecosystem Development Research Group, Environmental Safety Research Group) led by Independent Directors to collaborate with outside experts to provide the Company with applicable advice. The Committee in April 2017 was reorganized and expanded to include matters related to enhancing shareholder value. The Board will continue its efforts to find new ways to further enhance the Company.

2. Shareholders

(1) Shareholder rights

(Core Principle 1) Shareholder rights

■ Shareholders should have timely access to all information that is necessary to exercise their rights in a legitimate process.

1) General meeting of shareholders

(Specific Principle 1-①) Corporations should provide timely access to information for shareholders concerning the date, location, agenda, etc., of general meetings prior to the meeting.

A. Summary of general meetings

The 51st Annual General Meeting of Shareholders (AGM) took place at am 9:00 on March 18, 2020 in Suwon (where the Company's headquarters is located) at the Suwon Convention Center. Agenda items at the AGM included the approval of 2019 financial statements, appointment of Executive Directors, and approval of remuneration limit for Directors, all of which were approved as submitted. The following is a summary of recent shareholders meetings.

<General meetings in the last three years>

	The 50th AGM	The 51st AGM	The 52nd AGM
Date of resolution on convocation	Feb 26, 2019	Feb 21, 2020	Feb 16, 2021
Date of convocation notice	Feb 26, 2019	Feb 21, 2020	Feb 16, 2021
Date of meeting	Mar 20, 2019	Mar 18, 2020	Mar 17, 2021
Days between date of convocation notice and AGM	22 days	26 days	29 days
Location of meeting	Multifunctional Hall, 5F Samsung Electronics Bldg, Seocho-gu, Seoul	Convention Hall, 3F, Suwon Convention Center, Suwon, Gyeonggi Province	Convention Hall(3F)/Exhibition Hall(1F), Suwon Convention Center, Suwon, Gyeonggi Province
Reference material delivery method	Convocation notice, newspaper notice, electronic disclosure system of Financial Supervisory Service (FSS) and stock exchange, etc.	Convocation notice, newspaper notice, electronic disclosure system of FSS and stock exchange, etc.	Convocation notice, newspaper notice, electronic disclosure system of FSS and stock exchange, etc.
Notice method for non-Korean shareholders	IR English website, English disclosure at respective websites for the London Stock Exchange and Luxembourg Stock Exchange	IR English website, English disclosure at respective websites for the London Stock Exchange and Luxembourg Stock Exchange	IR English website, English disclosure at respective websites for the Korea Exchange, London Stock Exchange, and Luxembourg Stock Exchange
Presence of Board members	10 out of 11	8 out of 9	11 out of 11
Presence of Audit Committee Board members	3 out of 3	3 out of 3	3 out of 3
Shareholder remarks	<ul style="list-style-type: none"> - Support for agendas - Question on current business issues - Question on sales strategy of new products - Question on dividend policy - Question on the procedure for Independent Director recommendation 	<ul style="list-style-type: none"> - Question on dividend policy - Question on impact of COVID-19 on revenue and response measures - Question on plans for product launch - Question on labor-management culture - Question on current business issues - Support for agendas 	<ul style="list-style-type: none"> - Question on current business issues - Question on work environment - Complaint on a product - Question on dividend policy - Question on recruitment plans - Question on operation of the Board and Committees - Support for agendas

B. Provision of AGM information

The Company discloses general information regarding the AGM, including the date, location, and agenda items, on the electronic disclosure system of the Financial Supervisory Service (FSS) three to four weeks prior to the meeting to allow shareholders to fully review the agenda before exercising their voting rights. In addition, convocation notices are sent via mail or email to shareholders at least two weeks before the AGM to ensure the protection of minority shareholders' rights. In accordance with the revised Enforcement Decree of the Commercial Act, Business report and Auditor's report are updated one week prior to the AGM on the DART system and on the IR website.

Thus, we provide our shareholders with detailed information to enhance their understanding of the AGM agenda. For the 52nd AGM, the information was offered via convocation notice four weeks prior to the AGM to allow shareholders to fully review the agenda.

2) Shareholder participation

(Specific Principle 1-②) The Company should encourage shareholder participation as much as possible and ensure shareholders can propose their opinions.

A. Exercising voting rights

For the past three years, the date of our AGM has not coincided with general meeting concentration dates to ensure greater participation of our shareholders.

	The 50th AGM	The 51st AGM	The 52nd AGM
General meeting concentration dates	March 22, 27, 28, 29, 2019	March 13, 20, 26, 27, 2020	March 26, 30, 31, 2021
AGM date	March 20, 2019	March 18, 2020	March 17, 2021
Avoided concentration date	Yes	Yes	Yes
Mail-in voting	No	No	No
Electronic voting	No	Yes	Yes
Proxy voting solicitation	Yes	Yes	Yes

The Company does not allow mail-in voting. However, the Board in January 2020 resolved to adopt electronic voting to enable shareholders to more conveniently exercise their voting rights. Electronic voting was available from the 51st AGM held in March, 2020. In addition, the Company recommends the granting of proxies via various means—eg. direct distribution, mail, fax, email or IR website (<https://www.samsung.com/sec/ir>).

In the 51st and 52nd AGM, shareholders exercised voting rights directly, by proxy, or electronic voting. The Company discloses the number of votes for and against each agenda item on the website immediately following the AGM to enhance transparency. The results of the voting are as follows:

<Voting results of agenda items in the 51st AGM (March 18, 2020)>

Agenda item	Type of resolution	Details	Result	Shares with voting rights	Total votes	Shares for
						Shares against or abstained
1	Ordinary	Approval of FY19 financial statements, including statement of financial position, income statement, and statement for disposal of retained earnings (proposed)	Approved	5,371,756,291	4,648,843,547	4,621,915,312 (99.42%)
						26,928,235 (0.58%)
2-1	Ordinary	Appointment of Jong-hee Han as an Executive Director	Approved	5,616,199,998	4,893,243,250	4,830,075,122 (98.71%)
						63,168,128 (1.29%)
2-2	Ordinary	Appointment of Yoon-ho Choi as an Executive Director	Approved	5,616,199,998	4,893,238,818	4,689,269,957 (95.83%)
						203,968,861 (4.17%)
3	Ordinary	Approval of remuneration limit for directors	Approved	5,371,756,291	4,648,794,811	4,603,049,292 (99.02%)
						45,745,519 (0.98%)

<Voting results of agenda items in the 52nd AGM (March 17, 2021)>

Agenda item	Type of resolution	Details	Result	Shares with voting rights	Total votes	Shares for
						Shares against or abstained
1	Ordinary	Approval of FY20 financial statements, including balance sheet, income statement, and statement for disposal of retained earnings	Approved	5,372,194,621	4,513,682,081	4,483,834,047 (99.34%)
						29,848,034 (0.66%)
2-1-1	Ordinary	Appointment of Byung-gook Park as an Independent Director	Approved	5,616,647,528	4,758,116,602	3,896,940,233 (81.90%)
						861,176,369 (18.10%)
2-1-2	Ordinary	Appointment of Jeong Kim as an Independent Director	Approved	5,616,647,528	4,758,115,593	3,865,872,358 (81.25%)
						892,243,235 (18.75%)
2-2-1	Ordinary	Appointment of Ki-nam Kim as an Executive Director	Approved	5,616,647,528	4,758,100,797	4,707,557,966 (98.94%)
						50,542,831 (1.06%)
2-2-2	Ordinary	Appointment of Hyun-suk Kim as an Executive Director	Approved	5,616,647,528	4,758,076,522	4,707,517,675 (98.94%)
						50,558,847 (1.06%)
2-2-3	Ordinary	Appointment of Dong-jin Koh as an Executive Director	Approved	5,616,647,528	4,758,058,044	4,707,524,863 (98.94%)
						50,533,181 (1.06%)
3	Ordinary	Appointment of Sun-uk Kim as a member of Audit Committee	Approved	4,990,591,497	4,131,965,645	3,284,441,300 (79.49%)
						847,524,345 (20.51%)
4	Ordinary	Approval of remuneration limit for directors	Approved	5,372,194,621	4,513,566,180	3,838,844,687 (85.05%)
						674,721,493 (14.95%)

B. Measures to encourage shareholder participation in AGM

The Company sends out a convocation letter to shareholders by mail or email to ensure they are fully informed about the AGM and its agenda. Also, we provide notice earlier than what is required by relevant regulations, including the Commercial Act, so that shareholders can thoroughly review agenda items prior to exercising their voting rights.

Moreover, we avoid shareholder meeting concentration dates, which are published by the Korea Listed Companies Association, to ensure higher shareholder participation at the AGM. From March 2020, we started using electronic voting so that shareholders can exercise their rights remotely.

We will continue to do our utmost to engage with our shareholders, including through increased AGM participation and exercising of voting rights. At the same time, we will continue to respect shareholders' opinions and consider them in our decision-making process.

3) Shareholder proposals

(Specific Principle 1-③) The Company should ensure shareholders can propose general meeting agenda items conveniently. Shareholders should be able to freely ask questions and receive explanations regarding shareholder suggested meeting agendas.

A. Shareholder right to propose agenda items

In accordance with Article 542-6 Paragraph 2 of the Commercial Act, shareholders holding 0.5% or more of the shares outstanding (excluding shares not carrying voting rights) over the previous six months have the right to propose agenda items for a general meeting of shareholders via written or electronic form at least six weeks prior to a shareholders' meeting or six weeks prior to the day and month of the previous fiscal year's AGM in the case of an AGM.

Unless the content of a shareholder proposal is against the law or Articles of Incorporation, or it falls under one of the subparagraphs in Article 12 (Rejection of Shareholders' Proposals) of the Enforcement Decree of the Commercial Act, the Board shall include the proposal as part of the AGM agenda to be announced via convocation notice. Upon request by the shareholder, key points of the proposal shall also be included in the convocation notice. At the AGM, the shareholder will be given an opportunity to present the details on the agenda item he or she proposed.

Human Resources is responsible for tasks related to agenda proposals by shareholders. Once a proposal is submitted, the shareholder will be identified, a legal review will be conducted, and then a letter or electronic notice will be sent to the shareholder to verify submission.

Information on shareholder proposals is available on our website

(<https://www.samsung.com/global/ir/governance-csr/general-meeting-of-shareholders/>).

In the last three years, there have been no shareholder proposals. Therefore, details on implementations of shareholder proposal-related activities are not included in this document. Also, there have not been any public statements from institutional investors regarding stewardship activities in the recent three years.

B. Providing information on shareholder right to propose agenda

The Company strives to protect shareholder rights. As part of Company efforts, the general process for proposing an agenda item is posted on our website to ensure shareholders are well informed of their rights to have their opinions reflected in the Company's management. The right to propose agenda items will continue to be safeguarded: the Company will review all proposals from a legal perspective, follow due process, and if appropriate submit them as an agenda item for the AGM.

4) Shareholder return policy

(Specific Principle 1-④) Corporations should establish a mid- to long-term shareholder return policy and relevant plans, which includes those for dividends, and provide the information to shareholders.

A. Shareholder return policy and relevant plans

In addition to strengthening our product and business competitiveness, we work to enhance shareholder value via shareholder returns. In October 2017, we announced our shareholder return program for the coming three-year period (i.e., 2018—2020), increasing predictability of the scale of our shareholder return activities. Under this policy, we returned 50% of our total free cash flow for the three-year period, which included regular dividends of KRW 28.9 trillion (KRW 9.6 trillion/year) and a special dividend of KRW 10.7 trillion, which was paid out with the end-year dividend for 2020. In January 2021, we announced the shareholder return policy for the three-year term from 2021 to 2023. We kept the shareholder return pool at

50% of the free cash flow for the period, but increased the annual, regular dividend to KRW 9.8 trillion. Also, if a significant amount of expected return has been generated, we will actively consider executing a portion of it at the close of each year's results. For reference, the Company started distributing quarterly dividends from 1Q17 to enhance shareholder value by providing a consistent amount of dividends throughout the year.

When we establish return policies, distribute dividends, or conduct share repurchases, we provide the information to our shareholders immediately through disclosures and, in addition, details are provided via earnings calls and our website. We also include this information on a dividend-check service, which can be accessed via website and mobile app, as well as in the letter to shareholders in the notice of convocation.

B. Information on shareholder return policy

We are working to ensure that shareholders are well informed on our shareholder return policy, which aligns with our efforts to protect shareholder rights. The Company will continue to do our best to keep shareholders up-to-date.

5) Shareholder return status

(Specific Principle 1-⑤) Shareholders' rights to receive dividends in accordance with shareholder return policy and relevant plans should be respected.

A. Dividend payouts

(i) Dividend

Under our continued efforts to enhance shareholder value, the Company's dividend payout significantly increased in 2018, rising approximately 65% year-on-year, and the same level of regular dividends were paid out in 2020 despite a challenging business environment. In 2020, as part of our shareholder return policy, a special dividend of KRW 10.7 trillion (1,578 per share) was paid out with the end-year dividend for 2020. The specifics of distributions over the last three years are shown below.

(KRW)

Year	Settlement month	Share type	Stock dividend	Cash dividend				
				Dividend per share	Total dividends	Yield	Payout ratio	
							Consolidated	Separate
2020	December	Common	-	2,994	17,873,528,954,700	4.0%	78.0%	130.2%
		Preferred	-	2,995	2,464,545,666,500	4.2%		
2019	December	Common	-	1,416	8,453,212,090,800	2.6%	44.7%	62.7%
		Preferred	-	1,417	1,166,030,453,900	3.1%		
2018	December	Common	-	1,416	8,453,212,090,800	3.7%	21.9%	29.3%
		Preferred	-	1,417	1,166,030,453,900	4.6%		

The Company has not distributed unequal dividends in the recent three years. We distributed interim dividends until 2016 and started distributing quarterly dividends from 2017. Details are shown in the following table:

(KRW)

Year	Quarter	Share type	Dividend per share	Total dividend	Date of Board resolution	Face value
2020	1Q	Common	354	2,113,303,022,700	Apr 29, 2020	100
		Preferred	354	291,301,891,800		
	2Q	Common	354	2,113,303,022,700	Jul 30, 2020	
		Preferred	354	291,301,891,800		
	3Q	Common	354	2,113,303,022,700	Oct 29, 2020	
		Preferred	354	291,301,891,800		
	4Q	Common	1,932	11,533,619,886,600	Jan 28, 2021	
		Preferred	1,933	1,590,639,991,100		
2019	1Q	Common	354	2,113,303,022,700	Apr 30, 2019	100

		Preferred	354	291,301,891,800	Jul 31, 2019	
	2Q	Common	354	2,113,303,022,700		
		Preferred	354	291,301,891,800		
	3Q	Common	354	2,113,303,022,700	Oct 31, 2019	
		Preferred	354	291,301,891,800		
	4Q	Common	354	2,113,303,022,700	Jan 30, 2020	
		Preferred	355	292,124,778,500		
2018	1Q	Common	354	2,113,303,022,700	Apr 26, 2018	100
		Preferred	354	291,301,891,800		
	2Q	Common	354	2,113,303,022,700	Jul 31, 2018	
		Preferred	354	291,301,891,800		
	3Q	Common	354	2,113,303,022,700	Oct 31, 2018	
		Preferred	354	291,301,891,800		
	4Q	Common	354	2,113,303,022,700	Jan 31, 2019	
		Preferred	355	292,124,778,500		
		Preferred	21,550	356,230,313,950		

B. Determining shareholder return amount

We strive to enhance shareholder value through proactive shareholder returns, which includes dividends. We determine the dividend amount based on overall aspects of our business, including results achieved through our differentiated technology, strategic investments for sustainable growth, and cash flow. The Company will continue to strive to protect shareholder value via sustainable growth and appropriate shareholder return policies.

(2) Equitable treatment of shareholders

(Core Principle 2) Equitable treatment of shareholders

■ All shareholders should be provided equal voting rights in accordance with the type and number of their shares. Corporations should make efforts to build a system that makes corporate information available to all shareholders equally.

1) Equitable provision of information

(Specific Principle 2-①) Shareholders' voting rights should not be violated. Corporations should provide sufficient information in a timely and equal manner to all shareholders.

A. Issued shares and categories of shares

The number of authorized shares in accordance with our Articles of Incorporation is 25 billion, including 5 billion preferred shares. The total number of shares outstanding as of the reporting date was 6,792,669,250, including 5,969,782,550 common shares and 822,886,700 preferred shares.

Preferred shares do not carry voting rights and receive an annual cash dividend that is 1% higher than common shares do based on face value. If dividends are not distributed for common shares, preferred shares may not receive dividends. In the past three years, a general meeting of a specific class of shareholders has not been held as the requirements for convocation have not been met.

Share type	Number of authorized shares	Number of issued shares*	Note
Common	20,000,000,000	5,969,782,550	-
Preferred	5,000,000,000	822,886,700	-

*As of December 31, 2020

B. Voting rights

We continue to work to ensure our shareholders receive fair treatment and the rights of minority shareholders are protected. The Company adheres to the one-share-one-vote rule and strives to secure equitable voting rights in accordance with the Commercial Act and relevant laws.

C. Communication with shareholders

(i) Investors Relations (IR) events

The Company holds earnings conference calls at the end of January, April, July, and October to report its financial results for the preceding year, first quarter, second quarter and third quarter, respectively. Also, we conduct our Investor Forum at least once a year to help shareholders better understand our business by providing information in areas of high investor interest. For shareholder convenience, we provide live webcasts of the forum and earnings conference calls.

In addition, we continue to engage in and strengthen communication with our shareholders by participating in IR events such as conferences organized by brokerages, investor meetings, etc. Information on IR events since 2020 (as of the reporting date) is presented below and is also available on our website (<https://www.samsung.com/global/ir/ir-events-presentations/events/>).

Date	Participants	Form	Contents	Note
2021				
May 20–21	Foreign institutional investors	Conference call	Business performance and outlook	Korea Investment & Securities Conference
May 17–21	Foreign institutional investors	Conference call	Business performance and outlook	Daiwa Conference
May 17–18	Foreign institutional investors	Conference call	Business performance and outlook	NH Investment & Securities Conference
Apr 29–30	Domestic institutional investors	Conference call	Business performance and outlook	Domestic roadshow
Apr 29	Domestic/foreign institutional investors	Conference call	1Q21 Business results and Q&A	1Q21 earnings release

Date	Participants	Form	Contents	Note
Apr 15–16	Foreign institutional investors	Conference call	Business performance and outlook	Daiwa Conference
Mar 25	Foreign institutional investors	Conference call	Business performance and outlook	CSConference
Mar 18	Foreign institutional investors	Conference call	Business performance and outlook	BoAML Conference
Mar 12	Domestic institutional investors	Conference call	Business performance and outlook	KB Securities Conference
Mar 8	Foreign institutional investors	Conference call	Business performance and outlook	Daiwa Conference
Mar 5	Foreign institutional investors	Conference call	Business performance and outlook	Citi Conference
Feb 26	Foreign institutional investors	Conference call	Business performance and outlook	GS Conference
Feb 26	Foreign institutional investors	Conference call	Business performance and outlook	JP Conference
Feb 1–5	Foreign institutional investors	Conference call	Business performance and outlook	Overseas roadshow
Jan 29–28	Domestic institutional investors	Conference call	Business performance and outlook	Domestic roadshow
Jan 28	Domestic/foreign institutional investors	Conference call	4Q20 Business results and Q&A	2020 earnings release
2020				
Dec 8	Domestic institutional investors	Conference call	Business performance and outlook	Hana Financial Investment Conference
Dec 8	Domestic institutional investors	Conference call	Business performance and outlook	NH Investment & Securities Conference
Dec 1	Foreign institutional investors	Conference call	Business performance and outlook	Daiwa Conference
Nov 30	Domestic/foreign institutional investors	Conference call	Business performance and outlook	2020 Investors Forum
Nov 26	Domestic institutional investors	Conference call	Business performance and outlook	Shinhan Investment Corporation Conference
Nov 24	Domestic institutional investors	Conference call	Business performance and outlook	KRX IR event
Nov 19	Foreign institutional investors	Conference call	Business performance and outlook	Morgan Stanley Conference
Nov 17	Foreign institutional investors	Conference call	Business performance and outlook	Nomura Conference
Nov 16	Foreign institutional investors	Conference call	Business performance and outlook	JP Conference
Nov 12–13	Foreign institutional investors	Conference call	Business performance and outlook	UBS Conference
Nov 10–11	Foreign institutional investors	Conference call	Business performance and outlook	Korea Investment & Securities Conference
Nov 3–6	Foreign institutional investors	Conference call	Business performance and outlook	HSBC Conference
Nov 2	Foreign institutional investors	Conference call	Business performance and outlook	GS Conference
Oct 29–30	Domestic institutional investors	Conference call	Business performance and outlook	Domestic roadshow
Oct 29	Domestic/foreign institutional investors	Conference call	3Q20 Business results and Q&A	3Q20 earnings release
Sep 24	Foreign institutional investors	Conference call	Business performance and outlook	Nomura Conference

Date	Participants	Form	Contents	Note
Sep 22	Foreign institutional investors	Conference call	Business performance and outlook	BoAML Conference
Sep 17	Domestic institutional investors	Conference call	Business performance and outlook	KB Securities Conference
Sep 16	Foreign institutional investors	Conference call	Business performance and outlook	Jefferies Conference
Sep 8–9	Foreign institutional investors	Conference call	Business performance and outlook	CSLA Conference
Sep 7	Foreign institutional investors	Conference call	Business performance and outlook	CS Conference
Aug 27	Foreign institutional investors	Conference call	Business performance and outlook	Citi Conference
Aug 25	Foreign institutional investors	Conference call	Business performance and outlook	NH Investment & Securities Conference
Aug 18	Foreign institutional investors	Conference call	Business performance and outlook	Korea Investment & Securities Conference
Aug 3–7	Foreign institutional investors	Conference call	Business performance and outlook	Overseas roadshow
Jul 30–Aug 3	Domestic institutional investors	Conference call	Business performance and outlook	Domestic roadshow
Jul 30	Domestic/foreign institutional investors	Conference call	2Q20 Business results and Q&A	2Q20 earnings release
Jun 29	Foreign institutional investors	Conference call	Business performance and outlook	Macquarie Conference
Jun 23	Domestic institutional investors	Conference call	Business performance and outlook	Hana Financial Investment Conference
Jun 16	Foreign institutional investors	Conference call	Business performance and outlook	UBS Conference
Jun 9	Domestic institutional investors	Conference call	Business performance and outlook	Daishin Securities Conference
Jun 9	Foreign institutional investors	Conference call	Business performance and outlook	BoAML Conference
Jun 4	Foreign institutional investors	Conference call	Business performance and outlook	BoAML Conference
Jun 2	Domestic institutional investors	Conference call	Business performance and outlook	Mirae Asset Securities Conference
May 19–21	Foreign institutional investors	Conference call	Business performance and outlook	Citi Conference
May 11–15	Foreign institutional investors	Conference call	Business performance and outlook	JP Conference
Apr 29–May 7	Domestic institutional investors	Conference call	Business performance and outlook	Domestic roadshow
Apr 29	Domestic/foreign investors	Conference call	1Q20 Business results and Q&A	1Q20 earnings release
Mar 19	Foreign institutional investors	Conference call	Business performance and outlook	BoAML Conference
Jan 31–Feb 15	Domestic/foreign investors	NDR	Business performance and outlook	Domestic/overseas roadshow
Jan 31	Domestic/foreign investors	Conference call	4Q19 Business results and Q&A	4Q19 earnings release

Broker conference and roadshows after March 2020 through the reporting date are substituted with conference calls

(ii) IR website

To meet increasing shareholder demand for information, we provide a wide range of in-depth IR material to enhance the understanding of and confidence in the Company. We have worked to increase ease of access to necessary and useful information via our user-friendly website, which provides details on public disclosures, IR events, financial information, stock information, corporate governance, etc. Also, our Articles of Incorporation, business reports, financial information, and corporate information materials can be downloaded and major events are broadcast live on the website as part of our ongoing efforts to help investors access Company information. In addition, we provide the contact information (phone number and email address) of the IR team on our website (<https://www.samsung.com/sec/ir/ir-resources/contact/>) to enable convenient communication with shareholders.

(iii) Provision of English material

All materials are provided on our English website (<https://www.samsung.com/global/ir/>) to provide shareholders with easy access to necessary information. We also provide the contact information (phone number and email address) of the IR team on our global website (<https://www.samsung.com/global/ir/ir-resources/contact/>) to enable convenient communication for non-Korean shareholders.

As we list GDRs on the London Stock Exchange (LSE) and the Luxembourg Stock Exchange (LuxSE), we submit English disclosures via both the LSE and LuxSE system. In addition, we submit a separate English disclosure via the Korea Exchange's (KRX) Korea Investor's Network for Disclosure System (KIND) and provide disclosures on our English website for the convenience of non-Korean shareholders.

- LSE website: <http://www.londonstockexchange.com/>
- LuxSE website: <https://www.bourse.lu/>
- KRX: <https://engkind.krx.co.kr/>
- English IR website: <https://www.samsung.com/global/ir/reports-disclosures/public-disclosure/>

The following is the list of English disclosures submitted via KIND since the beginning of FY20 as of the reporting date.

Disclosure date	Title	Content
Apr 29, 2021	Decision on Cash Dividend and Dividend in Kind	1Q21 Dividend payout
Apr 29, 2021	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	1Q21 Earnings release
Apr 7, 2021	Organization of Investor Relations Event	Information on 1Q21 earnings call
Apr 7, 2021	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	1Q21 Pre-Earnings Guidance
Mar 17, 2021	Outcome of Annual Shareholders' Meeting	Annual Shareholders' Meeting results
Feb 16, 2021	Decision on Calling Shareholders' Meeting	Convocation notice for Annual Shareholders' Meeting
Jan 28, 2021	Decision on Cash Dividend and Dividend in Kind	4Q20 Dividend payout
Jan 28, 2021	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	4Q20 Earnings Release
Jan 8, 2021	Organization of Investor Relations Event	Information on 4Q20 earnings call
Jan 8, 2021	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	4Q20 Pre-Earnings Guidance
Nov 24, 2020	Organization of Investor Relations Event	Information on 2020 Investors Forum
Oct 29, 2020	Decision on Cash Dividend and Dividend in Kind	3Q20 Dividend payout
Oct 29, 2020	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	3Q20 Earnings Release
Oct 8, 2020	Report on Business Performance according to Consolidated Financial Statements (Fair Disclosure)	3Q20 Pre-Earnings Guidance

(iv) Public disclosure of corporate information

We make disclosures in a timely manner to provide detailed corporate information to shareholders. For high-interest information, such as business result and investment plans, we provide disclosures before making an external announcement.

Since 2Q09, the Company has been providing earnings guidance approximately three weeks prior to the earnings call to improve investor understanding.

<Public disclosure of corporate information>

Disclosure date	Title/Content
Apr 29, 2021	Quarterly Dividend for First Quarter 2021
Apr 07, 2021	1Q 2021 Pre-Earnings Guidance
Jan 28, 2021	Shareholder Return Policy for 2021 to 2023
Jan 28, 2021	2020 4Q Earnings Release
Jan 08, 2021	4Q 2020 Pre-Earnings Guidance
Oct 29, 2020	Announcement of Capex Plan for FY 2020
Oct 29, 2020	2020 3Q Earnings Release
Oct 08, 2020	3Q 2020 Pre-Earnings Guidance
Jul 30, 2020	2020 2Q Earnings Release
Jul 07, 2020	2Q 2020 Pre-Earnings Guidance
Apr 29, 2020	2020 1Q Earnings Release
Apr 07, 2020	1Q 2020 Pre-Earnings Guidance
Jan 30, 2020	2019 4Q Earnings Release
Jan 08, 2020	4Q 2019 Pre-Earnings Guidance

(v) Unfaithful disclosure corporation designation

The Company is committed to legal and regulatory compliance. We deliver information promptly and accurately via thorough planning and reviews, awareness of the need for public disclosures in advance, and regular inspections. Thanks to these efforts, the Company has never received an 'unfaithful disclosure corporation designation'.

D. Provision of corporate information

We will continue to provide information to shareholders in a timely manner and distribute it fairly, via IR activities, webcasting of major conference calls, timely public disclosures, and our website.

2) Related-party transactions and self-dealing transactions

(Specific Principle 2-②) The Company should establish and operate a system to protect shareholders from wrongful related-party and self-dealing transactions of other shareholders, including controlling shareholders.

(i) Internal control system for related-party and self-dealing transactions

The Company has internal regulations to prevent related-party or self-dealing transactions that are in management's or a controlling shareholder's own interests.

In accordance with Article 40 of the Articles of Incorporation, the Board has the authority over approval of related party transactions; and Article 10 Paragraph 3 of the Regulations of the Board provides that approval of related party transactions and approval of transactions between the Company and director shall be approved by the Board.

The Company has voluntarily established the Related Party Transaction Committee within the Board to review related party transactions, aiming to enhance corporate transparency by building a compliance system that promotes fair transactions. The Committee, consisting entirely of Independent Directors, conducts preliminary reviews and approves related party transactions that are worth KRW 5 billion or above in accordance with the Monopoly Regulation and Fair Trade Act, and other transactions that are deemed significant. Also, the Committee receives reports on related party transactions with affiliates and can request a detailed investigation. For related party transactions that materially violate relevant laws or regulations of the Company, the Committee has the right to propose corrective measures to the Board.

In addition, the Board in February 2017 reinforced procedures related to executing external financial donations. We created a review council to conduct preliminary reviews of donations of over KRW 10 million, while donations exceeding KRW 1 billion require the approval of the Board and are voluntarily disclosed. Details of the Company's donations are reported quarterly to the Audit Committee, which consists entirely of Independent Directors.

(ii) Transactions with stakeholders (affiliates and subsidiaries, etc.)

① Credit offerings for affiliates and subsidiaries

As of December 31, 2020, SEC's payment guarantees for affiliates, including Samsung Electronics America, Inc. (SEA) for financing purposes are shown below.

(USD thousand)

Company	Relationship	Creditor	Guarantee start date	Guarantee expiry date	Limit of Guarantee		Transactions			Interest Rate (%)
					Beginning of period	End of period	Beginning of period	Increase/ decrease	End of period	
SEA	Subsidiary	BOA etc.	Apr 17, 2020	Dec 16, 2021	1,328,000	1,328,000	-	-	-	
SEM	Subsidiary	BBVA etc.	Mar 28, 2020	Dec 16, 2021	485,000	485,000	-	-	-	
SAMCOL	Subsidiary	Citibank etc.	Jun 14, 2020	Dec 16, 2021	180,000	310,000	89,718	27,391	117,109	3.1
SEDA	Subsidiary	BRADESCO etc.	Oct 26, 2020	Dec 16, 2021	639,000	559,000	-	-	-	
SECH	Subsidiary	Santander etc.	Jun 14, 2020	Dec 16, 2021	142,000	142,000	17,256	-17,256	-	
SEPR	Subsidiary	BBVA etc.	Jun 01, 2020	Dec 16, 2021	230,000	230,000	90,587	-90,587	-	
SSA	Subsidiary	SCB etc.	Jun 14, 2020	Dec 16, 2021	318,000	318,000	-	-	-	
SEMAG	Subsidiary	SocGen etc.	Nov 09, 2020	Dec 16, 2021	110,000	110,000	-	-	-	
SETK	Subsidiary	BNP etc.	Jun 14, 2020	Dec 16, 2021	787,000	837,000	64,752	104,528	169,280	12.5
SECE	Subsidiary	Citibank etc.	Jul 19, 2020	Dec 16, 2021	75,698	74,434	-	-	-	
SEEG	Subsidiary	HSBC	Jun 14, 2020	Jun 13, 2021	85,000	85,000	-	-	-	
SEIN	Subsidiary	BNP etc.	Jun 14, 2020	Nov 08, 2021	145,000	145,000	-	-	-	
SJC	Subsidiary	Mizuho Bank etc.	Apr 30, 2020	Dec 16, 2021	896,633	916,062	-	-	-	
SEUC	Subsidiary	Credit Agricole etc.	Jun 14, 2020	Dec 16, 2021	150,000	150,000	-	-	-	
SEDAM	Subsidiary	Citibank etc.	Jun 14, 2020	Dec 16, 2021	322,000	222,000	-	-	-	
SECA	Subsidiary	BoA	Nov 09, 2020	Nov 08, 2021	70,000	70,000	-	-	-	
SELA	Subsidiary	Citibank	Dec 17, 2020	Dec 16, 2021	70,000	120,000	-	-	-	
SEEH	Subsidiary	HSBC etc.	Jun 14, 2020	Dec 16, 2021	703,000	653,000	-	-	-	
SERK	Subsidiary	SocGen etc.	Jun 14, 2020	Dec 16, 2021	220,000	269,800	-	-	-	
SELV	Subsidiary	Citibank	Dec 17, 2020	Dec 16, 2021	10,000	10,000	-	-	-	
SAPL	Subsidiary	BOA etc.	Jun 14, 2020	Dec 16, 2021	395,000	395,000	-	-	-	
SEV	Subsidiary	SCB	Nov 09, 2020	Nov 08, 2021	15,000	15,000	-	-	-	
SAVINA	Subsidiary	HSBC etc.	Jun 14, 2020	Nov 08, 2021	71,000	71,000	-	-	-	
SET	Subsidiary	SCB	Nov 09, 2020	Nov 08, 2021	30,000	30,000	-	-	-	
SCIC	Subsidiary	HSBC etc.	Jun 14, 2020	Dec 16, 2021	350,000	300,000	-	-	-	
SME	Subsidiary	SCB	Nov 09, 2020	Nov 08, 2021	110,000	110,000	-	-	-	
SAMEX	Subsidiary	Citibank	Dec 17, 2020	Dec 16, 2021	5,000	5,000	-	-	-	
SEASA	Subsidiary	Citibank	Dec 17, 2020	Dec 16, 2021	2,000	2,000	-	-	-	
SSAP	Subsidiary	SCB	Nov 09, 2020	Nov 08, 2021	30,000	30,000	-	-	-	
SEPM	Subsidiary	HSBC	Jun 14, 2020	Jun 13, 2021	35,000	35,000	-	-	-	
SESAR	Subsidiary	HSBC	Jun 14, 2020	Jun 13, 2021	50,000	50,000	-	-	-	
AdGear Technologies Inc.	Subsidiary	BOA	Nov 09, 2020	Nov 08, 2021	2,000	2,000	-	-	-	
Harman International Industries, Inc.	Subsidiary	JP Morgan	Jun 14, 2020	Jun 13, 2021	100,000	100,000	-	-	-	
Harman International Japan Co., Ltd.	Subsidiary	MUFG	Nov 09, 2020	Nov 08, 2021	25,000	25,000	-	-	-	
Harman RUS CIS LLC	Subsidiary	SocGen	Nov 09, 2020	Nov 08, 2021	15,000	15,000	-	-	-	
Harman Holding Limited	Subsidiary	HSBC	Jun 14, 2020	Jun 13, 2021	30,000	30,000	-	-	-	
Harman do Brasil Industria Eletronica e Participacoes Ltda.	Subsidiary	SocGen	Nov 09, 2020	Nov 08, 2021	15,000	15,000	-	-	-	
Harman da Amazonia Industria Eletronica e Participacoes Ltda.										
Total					8,246,331	8,264,296	262,313	24,076	286,389	

② Acquisitions and disposals of assets with affiliates and subsidiaries

In 2020, the Company sold assets to affiliates, including to Samsung China Semiconductor LLC. (SCS) for its facility equipment expansion, while acquiring assets from affiliates to improve efficiency of domestic production.

(KRW mil)

Company	Relationship	Transaction type	Transaction date	Asset	Transaction purpose	Amount	Gain or loss on disposal
SCS	Affiliates	Asset sale/purchase	Dec 24, 2020	Machinery, etc.	Enhance capacity and production efficiency	272,582	164,522
SAS	Affiliates	Asset sale/purchase	Aug 28, 2020	Machinery, etc.	Enhance capacity and production efficiency	64,286	62,423
SESS	Affiliates	Asset sale/purchase	Nov 16, 2020	Machinery, etc.	Enhance capacity and production efficiency	26,102	1,167
SEV	Affiliates	Asset sale/purchase	Nov 25, 2020	Machinery, etc.	Enhance capacity and production efficiency	4,005	917
SEVT	Affiliates	Asset sale/purchase	Dec 03, 2020	Machinery, etc.	Enhance capacity and production efficiency	1,826	(7)
SEHZ	Affiliates	Asset purchase	May 27, 2020	Machinery, etc.	Enhance capacity and production efficiency	1,133	-
SSI	Affiliates	Asset purchase	Nov 19, 2020	Machinery, etc.	Enhance capacity and production efficiency	330	-
TSEC	Affiliates	Asset purchase	Aug 19, 2020	Machinery, etc.	Enhance capacity and production efficiency	308	-
Samsung SDI	Affiliates	Asset sale	Feb 19, 2020	Machinery, etc.	Enhance capacity and production efficiency	272	194
SSEC	Affiliates	Asset purchase	Nov 18, 2020	Machinery, etc.	Enhance capacity and production efficiency	268	-
SEDA	Affiliates	Asset sale	Oct 21, 2020	Machinery, etc.	Enhance capacity and production efficiency	243	235

③ Business transactions with affiliates and subsidiaries

In 2020, SEC conducted the following business transactions, including purchase and sales with Samsung Electronics America, Inc. (SEA), etc.

(KRW mil)

Subsidiary	Type of transaction	Transaction date	Items/assets	Transaction value
SEA	Sales, purchases, etc.	Jan-Dec 2020	HHPs and home appliances	27,126,715
SEVT	Sales, purchases, etc.	Jan-Dec 2020	HHPs	23,167,152
SSI	Sales, purchases, etc.	Jan-Dec 2020	Semiconductors	21,249,827
SSS	Sales, purchases, etc.	Jan-Dec 2020	Semiconductors	19,744,013
SEV	Sales, purchases, etc.	Jan-Dec 2020	HHPs	17,730,967

④ Transactions with stakeholders other than affiliates and subsidiaries

As of December 31, 2020, the Company's outstanding loan amount is approximately KRW 120 billion for obligations related to support for supplier companies for product competitiveness and mutual development as well as home loan and educational expenses for employee welfare.

(KRW mil)

Company	Relation	Loans			
		Account title	Transaction		
			Period start	Change	Period end
Elentec Co., Ltd., etc.	Partner company and employee	Short-term loans	33,733	(915)	32,818
Bumjin I&D, etc.	Partner company and employee	Long-term loans	86,294	(5,011)	81,283
Total			120,027	(5,926)	114,101

3. Board of Directors

(1) Roles and responsibilities

(Core Principle 3) Role and responsibilities of the Board

■ The Board of Directors should establish business goals and strategies for the interests of the corporation and shareholders and supervise management effectively.

1) Effective implementation of Board role

(Specific Principle 3-①) The Board of Directors should perform the decision-making and supervisory functions effectively.

A. Board system

The Board is an essential body of a listed company that makes strategic decisions on important business matters from a multi-faceted perspective and through independent oversight of management. The Company operates its Board and supports Board's activities by establishing an institutional framework such as the Articles of Incorporation and Regulations of the Board of Directors.

(i) Matters to be resolved

The Board makes resolutions on matters according to the relevant laws, Articles of Incorporation, and Regulations of the Board of Directors on important matters related to the Company's management policies and business operations.

In accordance with the Articles of Incorporation, matters to be submitted to the Board are as follows:

[Matters to be resolved by the Board in accordance with the Articles of Incorporation]

1. Establishment of factories, branches, representative offices or business offices in and outside the country
2. Preferred dividend yield on preferred shares
3. Retirement of treasury shares
4. Transfer agent, the location of its services and the scope of its operation
5. Matters related to issuance of new shares
 - Disposal of forfeited and fractional shares
 - Allocation of new shares to persons other than shareholders
6. Issuing new shares via public offering related conditions
7. Matters related to stock options
 - Granting stock options to officers and employees (excluding directors)
 - Cancellation of grant of stock options
8. Closing register of shareholders and the record date for occasions such as a convocation of a special meeting of shareholders
9. Matters related to issuance of convertible bonds
 - Disposal of forfeited and fractional shares
 - Issuance of convertible bonds to persons other than shareholders
 - Convertible bonds issued on the condition that rights will be attached to only a portion of convertible bonds
 - Conversion price when issuing convertible bonds to persons other than shareholders
 - Adjustment of conversion period
10. Matters related to issuance of bonds with warrants
 - Disposal of forfeited and fractional shares
 - Issuance of bonds with warrants to persons other than shareholders and the face value
 - Amount of new shares which can be subscribed for by the holders of the bonds
 - Face value when issuing bonds with warrants to persons other than shareholders

- Adjustment of the period during which the warrant holder may exercise his/her right to subscribe for new shares
- 11. Convocation of a general meeting of shareholders
- 12. Chairman of the general meeting of shareholders when a CEO is imprisoned
- 13. Appointment of CEOs
- 14. Selection of Chairman, Vice-Chairman, President, Executive Vice President, Senior Vice President, Vice President
- 15. Responsibilities of President, Executive Vice President, Senior Vice President, Vice President
- 16. How proxy works when a CEO is unable to perform the role
- 17. Establishing committees within the Board
- 18. Matters related to the rights and operations of each committee
- 19. Appointment of the Chairman of the Board
- 20. Approval of concurrent positions held by Directors
- 21. Distribution of profit
- 22. Approval of related party transactions, etc.
 - Transactions made with related parties as defined in the Monopoly Regulation and Fair Trade Act or large-scale internal transactions for related parties as designated in Article 11-2 of the Act
 - Transactions listed in Article 542-9 Section 3 of the Commercial Act with majority shareholders (including their related parties in accordance with the Commercial Act) or related parties (excluding transactions of which the total value has been approved by the Board, in accordance with Section 5 Clause 2 of the Article)
- 23. Establishment and execution of specific rules needed for promotion and management of business

In accordance with Article 10 of the Regulations of the Board of Directors, matters to be submitted to the Board are as follows:

[Matters to be resolved by the Board in accordance with the regulations of the Board]

1. Convocation of a general meeting of shareholders and matters to be submitted to the meetings
 - Convocation of a general meeting of shareholders
 - Approval of business reports and financial statements
 - Amendment to the Articles of Incorporation
 - Reduction of capital
 - Dissolution, merger, and continuance of the Company
 - Transfer of the whole or an important part of the Company's business, or acquisition of the whole or an important part of other companies that has a material impact on the Company's business
 - Conclusion, alteration, or rescission of contracts regarding leasing the whole business, giving a mandate to manage such business or sharing with another party the entire profits and losses from the business or any similar contract
 - Ex post facto incorporation
 - Appointment or dismissal of directors
 - Issuance of stock below par value
 - Exemption of director's liabilities
 - Stock dividends
 - Decision to offer stock options
 - Remuneration of directors
 - Election of chairman of the general meeting of shareholders (in the case when the Board is required to appoint the chairman of the meeting)
 - Appointment of a person to convoke the general meeting of shareholders (in the case when the Board is required to appoint the chairman of the meeting)
 - Other matters to submit to the general meeting of shareholders
2. Matters related to management
 - Establishment of basic principles of the Company's management
 - Approval of management plans, quarterly reports, and semi-annual reports

- Appointment or dismissal of compliance officers, and establishment, revision, or abolishment of compliance guidelines
3. Matters related to assets or financial affairs
- Transfer of legal reserve to capital
 - Matters related to issuance of shares
 - Issuance of new shares
 - Issuance of convertible bonds and bonds with rights to subscribe for new shares
 - Acquisition, disposition, or retirement of treasury stocks
 - Approval of related party transactions, etc.
 - Transactions made with related parties as defined in the Monopoly Regulation and Fair Trade Act or large-scale internal transactions for related parties as designated in Article 11-2 of the Act
 - Transactions listed in Article 542-9 Section 3 of the Commercial Act with majority shareholders (including their related parties) or related parties (excluding transactions of which the total value has been approved by the Board, in accordance with Section 5 Clause 2 of the Article)
 - Decision to offer stock options (excluding directors)
 - Investment in or disposal of equity in other companies with a value of 2.5% of the total equity
 - Direct overseas investments with a value of over 2.5% of the total equity
 - Asset revaluation
 - Stock split or reverse split
 - Material changes of accounting standards
 - New debt guarantees or collateral issuances with a value of over 2.5% of the total equity
 - Collateral: Only in the case of providing collateral for others
 - Guarantee: Excludes performance guarantee (e.g., bid, contract, defect, difference guarantee) and tax payment guarantee
 - Loan contract with a value of over 5% of the total equity
 - Listing of its securities on overseas stock exchange
 - Important matters when setting up or withdrawing from a fund for stock buyback
 - Shares forfeited in a capital increase
 - Provisional payment or loan with a value of over 0.5% of the total equity
 - Donation, contribution, or sponsorship of over KRW 1 billion per year
4. Matters related to the Board, Board committees, etc.
- Approval of Director holding a position in another company of a competitive and/or similar business field to the Company, and approval of transactions between a Director and the Company
 - Appointment of the Chairman of the Board
 - Appointment of the CEO and decision to appoint of co-CEOs
 - Appointment and removal of directors to positions and responsibilities
 - Establishment of committees and appointment or removal of committee members
5. Others
- Amendment and abolishment of the Regulations of the Board of Directors and the regulations of each committee
 - Other matters provided for by relevant laws and regulations or the Articles of Incorporation, matters delegated by general meeting of shareholders, and matters deemed necessary by the CEO

(ii) Matters to be resolved by the Board other than mandated by relevant laws

The Company's Articles of Incorporation and regulations of the Board of Directors stipulate that important matters, in addition to matters that are mandated by law, to be reviewed by the Board.

One example is the approval process for business management plans for the next year. The plan receives final approval at the Board so that the direction of the business is sufficiently discussed and opinions are collected. It is approved before quarterly and half-year reports are submitted, enabling a review on the implementation of management plans. In addition, all donations and social contributions over KRW 1 billion are to be resolved by the Board, enhancing the transparency of operating donations and social contribution funds and compliance of our management.

Moreover, matters delegated at the general meeting of shareholders or deemed necessary by a CEO can be added to the subject of deliberation at the Board, ensuring that the Board reviews a variety of matters other than what is included in the Articles of Incorporation and regulations of the Board.

Matters to be reviewed and resolved by the Board in accordance with the Company's Articles of Incorporation and regulation of the Board, although not mandated by the laws, are as follows:

1. Matters related to management, etc.
 - Resolution and revision of basic policy for business management
 - Approval of business plans, and quarterly and half-year reports
 - Establishment of factories, branches, representative offices or business offices in and outside the country
2. Matters related to finance, etc.
 - Acquisitions or disposals of equity investments with a value over 2.5% of the total equity
 - Direct overseas investments with a value over 2.5% of the total equity
 - Re-evaluation of asset
 - Significant changes in accounting standard
 - New debt guarantee or collateral issuance with a value over 2.5% of the total equity
 - Collateral: Only in the case of providing collateral for others
 - Guarantee: Excludes performance guarantee (e.g., bid, contract, defect, difference guarantee) and tax payment guarantee
 - New credit agreement contract with a value over 5% of the total equity
 - Listing in overseas stock market
 - Important matters regarding application for or termination of treasury fund at investment and trust company
 - Loans and provisional payments over 0.5% of total equity
 - Annual donation, contribution, sponsorship over KRW 1 billion
3. Agenda items to be submitted to the AGM
4. Other matters delegated at the general meeting of shareholders and matters deemed necessary by a CEO

(iii) Delegation of authority

The Board can establish committees under the Board and delegate certain responsibilities to the committees in accordance with Article 28-2 of the Articles of Incorporation and Article 11-2 of the Regulations of the Board of Directors. Also, in accordance with Article 11 of the regulations of the Board, the decision can be delegated to a committee within the Board through a Board resolution, except as stipulated by relevant laws or Articles of Incorporation. Execution of matters resolved at board meetings is led by the Company's CEO.

[Management Committee]

1. General management
 - Annual or mid- to long-term management policy and strategy
 - Key management strategy
 - Business planning and restructuring
 - Establishment, relocation, and withdrawal of overseas branches and corporations
 - Initiating cooperative efforts, such as strategic partnerships with foreign companies
 - Acquisition or disposal of domestic and overseas subsidiaries (provided the value of the transaction exceeds 0.1% of total equity)
 - Other major management matters
 - Establishment, relocation, and withdrawal of branches and operations
 - Appointment or dismissal of supervisors
 - Suspension or shutdown of production over 5% of the total production in the recent year
 - Licensing agreements, technology transfers, and technology partnerships of over 0.5% of the total equity
 - Acquisitions and transfers of patents related to new material and new technology of over 0.5% of the total equity
 - Collection and destruction of products corresponding to over 5% of the total sales in the recent business year
 - Contracting for over 5% of the total sales in the recent business year
 - Contracting or canceling of single sales agencies and suppliers over 5% of the total sales in the recent business year

- Setting basic principles of organization management
- Decision making on basic principles and any changes related to wages, bonuses, and fringe benefits
- Appointments, dismissals, and changes of transfer agents
- Closing of the shareholder register and setting the reference date
- Establishing corporate guidelines for business and management related activities

2. Matters related to finance

- Acquisitions or disposals of equity investments with a value no less than 0.1% and less than 2.5% of the total equity
- Direct overseas investments with a value no less than 0.1% and less than 2.5% of the total equity
- New debt guarantee (excluding extension of period) or collateral issuance with a value no less than 0.1% and less than 2.5% of the total equity
 - Collateral: Only in the case of providing collateral for others
 - Guarantee: Excludes performance guarantee (e.g., bid, contract, defect, difference guarantee) and tax payment guarantee
- New credit agreement contract (excluding extension of period) with a value no less than 0.1% and less than 5% of the total equity
- Approval of related party transactions:

Related party transactions with affiliates involving cash (loans and provisional payments), equity (stocks and bonds) or assets (such as real estate and intangible property rights) with a value no less than KRW 3 billion and less than 5 billion, as defined in the Monopoly Regulation and Fair Trade Act

※ Excluding cases where existing contracts are renewed without significant changes.
- Insurance of Corporate Bond
- Acquisition and disposal of real estate with a value of over 0.1% of the total equity, provided the transaction is with the third party
- Any matters that the CEO deems necessary and important for the business (e.g., capex)

3. All other matters except for those delegated to the Board and other committees in accordance with regulations of the Board.

[Audit Committee]

1. Audit overall business of the Company, including tasks performed by the Board and the CEOs.
2. Request Directors or employees to submit reports on the business operated by the Company or investigate the businesses or assets of the Company.
3. Directors shall report to the committee immediately if they find any risks that can have a material impact on the Company.
4. Any other authority granted to the committee by relevant laws and regulations, the Articles of Incorporation or a Board resolution

[Independent Director Recommendation Committee]

1. Recommends Independent Director candidates to the Board to be presented at a general meeting of shareholders.

[Related Party Transactions Committee]

1. Receives reports on related party transactions, conducts preliminary reviews on related party transactions exceeding KRW 5 billion before submission to the Board, and resolves transactions deemed significant by the secretary of the Committee
2. Right to order investigation of details on related party transactions
3. Right to propose corrective measures for related party transactions that are subject to serious violations of the law and regulations of the Company

[Compensation Committee]

1. Propose a remuneration limit for Directors at the AGM
2. Establish a Director remuneration system
3. Other matters delegated by the Board

[Governance Committee]

1. Matters related to corporate social responsibility

2. Matters related to enhancing shareholder value
 - Preliminary review on shareholder return policies
 - Activities to improve shareholder rights and interest
 - Other important management matters that can significantly impact shareholder value
3. Matters related to the establishment, composition, and operation of organizations under the Committee, including research groups, councils, etc.
4. Other matters delegated by the Board

B. Effectiveness of Board performance

As the top decision making body of the Company, the Board supports executives to facilitate proper decision making and effectively oversees the work of the executives; it resolves important matters in addition to what is stipulated by the law and Articles of Incorporation and establishes committees which are delegated to review major issues.

2) CEO succession plan

(Specific Principle 3-②) The Board of Directors should establish and implement a policy on the succession of chief executive officers (including an emergency nomination policy) and continue to improve these policies.

(i) Establishing CEO succession plan and executor of the plan

The Company's CEOs must possess excellent management skills; have abundant business experience and related knowledge; provide leadership that enables setting a clear vision for Company employees as well as external stakeholders, including shareholders; demonstrate an innovative mindset; and not fall under criteria for disqualification in accordance with the law—eg. the Commercial Act. Considering these qualities cannot be developed within a short period of time, we operate a system to nurture potential candidates and to systematically expand their roles based on high-level evaluation processes and training strategies. In order to promptly respond to unexpected events or changes in the business environment, we manage a pool of candidates from various backgrounds.

The CEO succession procedure is as follows: From the pool of CEO candidates, who have been receiving training, the person best fitting the position with management and leadership competencies is recommended to the Board of Directors. Then the Board reviews the eligibility and confirms the candidate. Once the candidate is appointed as an Executive Director at the general meeting of shareholders, the Board conducts a final review and elects the person as CEO.

If the CEO is unable to carry on with the position for any reason, including personal affairs, an acting CEO will be designated immediately as per the Articles of Incorporation. If it is necessary to appoint a new CEO based on the management environment, the succession procedure will be promptly implemented. Former CEOs may work as a non-registered executive, or sign a contract as an on-site advisor or consultant after retiring, to support succession activities.

(ii) Selection, management, training of candidates

The Company selects individuals to be included in the CEO candidate pool from our executives through an eligibility review every year. The two categories of the pool are: 'Ready now' for candidates able to assume the role of CEO after 1-2 years of training; and 'Ready Later' for candidates who will be ready in 3-5 years. The candidate pool is put together through discussions among key executives, including the CEOs. A candidate considered the best fit for a vacant CEO position, based on the strategic role the person has to play at the time, is recommended to the Board of Directors.

Executives who are selected to the CEO candidate pool receive training in the Samsung Leadership Program. The program includes basic training to nurture the comprehensive competency necessary for the next-generation CEO, such as management strategies, leadership, and global competencies. On top of the basic training, candidates are provided with customized training, including job rotation to strengthen business experience and knowledge.

(iii) Training Sessions

In 2020, ten executives in the pool of next-generation CEO candidates participated in the Samsung Leadership Program, and gathered together to receive three different week-long training sessions from July to October 2020.

3) Internal control policy of the Board of Directors

(Specific Principle 3-③) The Board of Directors should establish and implement internal control systems (risk management, compliance, internal accounting management, disclosure information management, etc.) and continue to improve these policies.

(i) Risk management by the Board of Directors

A company's operation is continuously exposed to a myriad of risks that can occur under a changing business environment, which include uncertainties related to the business, finance, environmental safety, and labor. These risks are managed at a fundamental level, and they are addressed by relevant departments in the Company. However, issues of great importance need to be supervised by the Board.

Risks related to finance are managed by the Company's financial management team under the supervision of the Audit Committee, which consists of three Independent Directors. We do not operate a separate Risk Management Committee, which is a mandatory requirement for financial companies.

Risks that are unrelated to finance are managed and reported to the Board as major current issues by relevant internal departments (eg, environment, health and safety issues are managed by Global EHS Center), and the Board reviews the items and comprehensively manages risk. Moreover, the Governance Committee, consisting entirely of Independent Directors, reviews risks of issues that may significantly impact shareholder value, such as those related to corporate social responsibility and shareholder return policy.

(ii) Compliance, internal accounting, and disclosure

Since 2012, we establish compliance standards and appoint the Head of Compliance Team as a Compliance Officer through a resolution of the Board, enabling compliance activities, in accordance with Article 542-13 of the Commercial Act and Article 10 of the regulation of the Board of Directors.

In 2020, the Company implemented measures to strengthen legal compliance: we moved the Compliance Team, previously under the Legal Affairs Office, to directly under the leadership of the CEOs, strengthening independence; and we also revised our compliance standards.

Under the revision, the Compliance Officer reports to the Board two times or more each year on his or her activities, which include compliance oversight results, measures for establishing and maintaining a culture of compliance, and evaluations on the validity of the compliance control system. Also, the Officer attends all Board meetings and Board Committee meetings, such as Management Committee meetings, to support major decision making procedures.

In order to ensure credibility in the Company's financial information and disclosures, we operate an internal accounting management system based on an internal accounting management regulation established in accordance with Article 8 of the Act on External Audit of Stock Companies, resolved by the Board in December 2001. The Company revised its internal accounting management regulations through a board resolution in January 2019, as the Act on External Audit of Stock Companies was revised completely in October 2017 and went into effect in November 2018. In accordance with internal regulations, we have established a department which oversees the internal accounting management system activities and a department which supports tasks of the Audit Committee such as assessment of the internal accounting management system. Also, CEOs conduct an annual review on the effectiveness of the internal accounting management system and report the results at the general meeting of shareholders.

SEC strictly complies with the relevant laws and is working to ensure that accurate information is disseminated fairly via public disclosures.

The IR team and the Corporate Finance & Accounting Team, being responsible for disclosure activities, designate one supervisor and two deputy supervisors for public disclosure who participate in training sessions to continuously enhance their expertise. In addition, in order to strengthen the internal management structure, SEC established a regulation regarding management of publicly disclosed information, which determines the procedures of public disclosure and details relevant to managing publicly disclosed information. The responsible teams run weekly checks based on an internal disclosure management system to see if disclosures are required and notify the persons responsible for public disclosure activities if necessary.

(iii) Other internal control policies

As a leading global IT company, we will continue to secure market competitiveness by strengthening our systematic response to internal and external risks, marked by preemptive identification of risk factors, including sustainability-related risks (eg, human rights, environment). The Company has a systematic risk response policy and procedure for each division, based on our top executives' commitment to risk management.

Capitalizing on the systematic risk response policy and procedures of each division, risks, identified in advance, are reported to top executives. Through the Management Committee (led by the top executives of each division) and the Risk Council (led by the CFO), our three divisions—the core bodies of business operation—and Corporate Management Office break down the categories of risks to monitor and manage: financial risks include market risk, liquidity risk, and credit risk, and non-financial risks include sustainable management risks and more. The CFO also assumes the role of Chief Risk Officer (CRO) for the Company, and leads a weekly meeting of the Risk Council that includes leaders from a variety of departments (Compliance, Communications, Public Affairs, Global Environment, Partner Collaboration Center, and Global Product Quality Innovation, etc.) to manage risks, including sustainable management risk, on a comprehensive level.

(2) Board composition

(Core Principle 4) Composition of the Board

■ The Board of Directors should be constituted to enable efficient decision making and oversight of management. Directors should be appointed in a transparent manner to reflect the opinions of shareholders.

1) Organization of the Board and Independent Directors

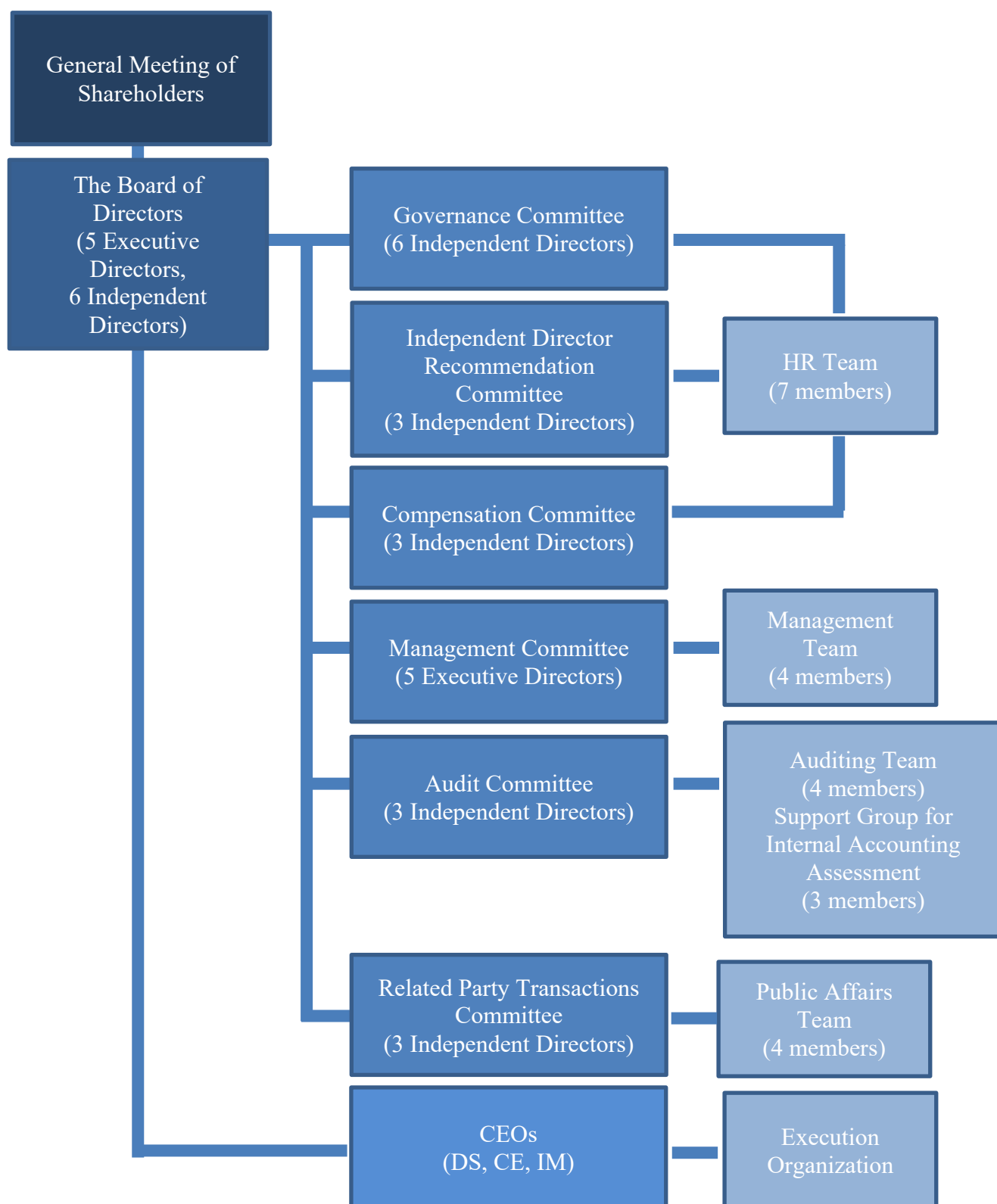
(Specific Principle 4-①) The Board of Directors should be constituted to enable effective and thorough discussions and decision making, and should have a sufficient number of Independent Directors to be able to work independently from executives and controlling shareholders.

A. Board composition

(i) Board of Directors, Board committees, support team organization

A general meeting of shareholders is one of the Company's highest decision-making body. It decides on and approves important issues concerning the Company's management, including the election of Directors, amendments to the Articles of Incorporation, approval of financial statements, etc. The Board oversees the management's tasks and makes resolutions on matters provided for by the relevant laws and regulations or the Articles of Incorporation, on matters delegated by a general meeting of shareholders, and on important matters concerning basic policies and execution of the Company's business. To further enhance board expertise, the Board delegates authority to six committees, with related departments tasked in a supporting role.

<Organization of the Board and relevant committees and teams as of the reporting date>



(ii) Board Composition

The list of Directors as of the reporting date is as follows.

< Directors of Samsung Electronics >

Name	Position/role	Term	Expertise	Career
Ki-nam Kim	Executive Director & CEO • Head of Management Committee	Mar 23, 2018– Mar 22, 2024 (two consecutive terms)	DS Division	• Vice-Chairman & CEO • Head of DS division
Hyun-suk Kim	Executive Director & CEO • Management Committee	Mar 23, 2018– Mar 22, 2024 (two consecutive terms)	CE Division	• President & CEO • Head of CE division
Dong-jin Koh	Executive Director & CEO • Management Committee	Mar 23, 2018– Mar 22, 2024 (two consecutive terms)	IM Division	• President & CEO • Head of IM division
Jong-hee Han	Executive Director • Management Committee	Mar 18, 2020– Mar 17, 2023	VD Business	• President & Head of Visual Display business
Yoon-ho Choi	Executive Director • Management Committee	Mar 18, 2020– Mar 17, 2023	Corporate management	• President & Head of Corporate Management Office
Jae-wan Bahk	Chairman of the Board, Independent Director • Head of Audit Committee • Head of Governance Committee • Related Party Transactions Committee • Compensation Committee	Mar 11, 2016– Mar 10, 2022 (two consecutive terms)	Public sector, finance	• Professor Emeritus of Graduate School of Governance at Sungkyunkwan University • Former Minister of Economy and Finance
Sun-uk Kim	Independent Director • Head of Related Party Transactions Committee • Audit Committee • Governance Committee	Mar 23, 2018– Mar 22, 2024 (two consecutive terms)	Law	• Professor Emeritus of School of Law at Ewha Womans University • Former Minister of Government Legislation
Byung-gook Park	Independent Director • Head of Compensation Committee • Independent Director Recommendation Committee • Governance Committee	Mar 23, 2018– Mar 22, 2024 (two consecutive terms)	Semiconductor	• Professor of electrical engineering at Seoul National University • Former President of Institute of Electronics and Information Engineers
Jeong Kim	Independent Director • Head of Independent Director Recommendation Committee • Compensation Committee • Governance Committee	Mar 23, 2018– Mar 22, 2024 (two consecutive terms)	IT, business management	• President of Kiswe Mobile • Former president of Alcatel-Lucent, Bell Lab
Curie Ahn	Independent Director • Independent Director Recommendation Committee • Governance Committee	Mar 20, 2019– Mar 19, 2022	Medicine, social contribution	• Full-time Nephrology Physician at National Medical Center • Director of Raphael International
Han-jo Kim	Independent Director • Audit Committee • Related Party Transactions Committee • Governance Committee	Mar 20, 2019– Mar 19, 2022	Finance, social contribution	• Former Chairman of Hana Foundation • Former Vice-Chairman of Hana Financial Group

< Composition of Board Committees >

Committee (number of members)	Composition					Main role of the committee	Note
	Title	Position	Name	Sex	Concurrent		
Management Committee (A)	Head	Executive Director	Ki-nam Kim	M	-	Resolve matters related to management in general, finance, and those delegated by the Board of Directors	
	Member	Executive Director	Hyun-suk Kim	M	-		
	Member	Executive Director	Dong-jin Koh	M	-		
	Member	Executive Director	Jong-hee Han	M	-		
	Member	Executive Director	Yoon-ho Choi	M	-		
Independent Director Recommendation Committee (B)	Member	Independent Director	Jeong Kim	M	E, F	Evaluate candidates for Independent Directors on their independence, diversity, and competence and make recommendations	
	Member	Independent Director	Byung-gook Park	M	E, F		
	Member	Independent Director	Curie Ahn	F	F		
Audit Committee (C)	Head	Independent Director	Jae-wan Bahk	M	D, E, F	Auditing on Company-wide activities, including financial state	
	Member	Independent Director	Sun-uk Kim	F	D, F		
	Member	Independent Director	Han-jo Kim	M	D, F		
Related Party Transactions Committee (D)	Head	Independent Director	Sun-uk Kim	F	C, F	Enhance transparency of management by voluntary compliance to fair transaction	
	Member	Independent Director	Jae-wan Bahk	M	C, E, F		
	Member	Independent Director	Han-jo Kim	M	C, F		
Compensation Committee (E)	Member	Independent Director	Byung-gook Park	M	B, F	Secure objectivity and transparency of the process determining Director remuneration	
	Member	Independent Director	Jae-wan Bahk	M	C, D, F		
	Member	Independent Director	Jeong Kim	M	B, F		
Governance Committee (F)	Head	Independent Director	Jae-wan Bahk	M	C, D, E	· CSR Committee was expanded and reorganized in April 2017 · Work to fulfill social responsibility and enhance shareholder value	
	Member	Independent Director	Sun-uk Kim	F	C, D		
	Member	Independent Director	Byung-gook Park	M	B, E		
	Member	Independent Director	Jeong Kim	M	B, E		
	Member	Independent Director	Curie Ahn	F	B		
	Member	Independent Director	Han-jo Kim	M	C, D		

Head of Independent Director Recommendation Committee and Compensation Committee, will be appointed at the next Committee meetings, respectively.

(iii) Independent Director number, portion, consecutive terms, etc.

The Board shall have at least 3 but no more than 14 Directors, in accordance with Article 24 of the Articles of Incorporation. While having more than 3 Directors is in accordance with Article 383 of the Commercial Act, we believe, considering the size of the company, that the maximum number should not exceed 14 to ensure efficient decision-making at and management of meetings. As of the reporting date, the Board consisted of 11 Directors, of which 6 (or 55%) are Independent Directors. This meets the requirement of Article 542-8 of the Commercial Act, which states that a company shall have at least 3 Independent Directors and that Independent Directors shall constitute a majority of the Board. Each director serves a 3-year term, although Independent Directors can serve 2 consecutive terms. At the AGM in 2019, Independent Director Jae-wan Bahk was re-appointed, and at the AGM in 2021, Director Sun-uk Kim, Byung-gook Park, and Jeong Kim were re-appointed and are serving their second term.

(iv) Separation of CEO and Board Chairman positions

Following a board resolution in March 2018, the roles of CEO and Chairman of the Board have been separated to secure independence of the Board from executives and controlling shareholders. In February 2020, an Independent Director was appointed as the Chairman of the Board through a board resolution.

B. Board independence and diversity

The Board consists of 11 members to promote efficiency in meetings and decision making. Six Independent Directors make up a majority of the Board's members, meeting the requirement of Article 542-8 of the Commercial Act, which states that a company shall have at least 3 Independent Directors and that Independent Directors shall constitute a majority of the Board. Directors were appointed in consideration of board diversity considering factors such as expertise, sex, birthplace, nationality, etc. Independent Directors are chosen from those eligible in accordance with relevant laws with expertise and experience in areas including finance, law, business, engineering, IT, public sector, and EHS, who can oversee management from an objective and external perspective.

The Company separated the roles of Board Chairman and CEO to enhance board independence, and an Independent Director was appointed as Chairman of the Board. In addition, Independent Directors hold meetings that exclude Executive Directors to discuss current issues, such as increasing shareholder value, and freely express opinions among themselves.

2) Board expertise and sense of responsibility

(Specific Principle 4-②) The Board of Directors should be composed of experts in various fields whose experience and sense of responsibility enable significant contributions to the management of the Company.

A. Committee status

(i) Expertise, sense of responsibility and diversity of the Board

A rapidly changing management environment requires the Board of Directors to make strategic decisions. Therefore, each Director must be equipped with expertise, a sense of responsibility, and the ability to offer diverse opinions. To that end, the heads of each business division participate as Executive Directors to practice responsible management in accordance with our internal policy. Alongside our Executive Directors, Independent Directors, who are experts in a variety of fields, oversee business management from a balanced and independent perspective. The Company encourages diversity and does not limit Independent Director positions by nationality, gender, birthplace, religion etc., to ensure the Board makes business decisions from a balanced perspective. As such, we are doing our utmost to secure expertise, a sense of responsibility, and diversity of the Board.

Executive Director Ki-nam Kim, a leading semiconductor expert, has been the CEO and Head of DS Division since March 2018. His achievements include leading Samsung to become the number one semiconductor company. He is a Fellow of the Institute of Electrical and Electronics Engineers (IEEE) and a member of the US National Academy of Engineering.

Executive Director Hyun-suk Kim is a top expert in the TV business, and he has been a part of the development of the business for nearly 30 years. Mr. Kim has been the Head of the CE Division since November 2017, and he has introduced a number of innovative products that reflect consumers' changing needs, such as Lifestyle TVs and Bespoke products while also significantly enhancing business competitiveness in the digital appliance market.

Executive Director Dong-jin Koh, a leading expert in the development of the mobile business, drove the success of the Galaxy lineup. He contributed to advancing our mobile business to a world-class level, and also introduced 5G smartphones and foldable phones ahead of competitors, with the 'First Mover' strategy.

Executive Director Jong-hee Han is a top expert in display development. He played a leading role in enabling our TV business to remain at the peak of the global market for fifteen consecutive years.

Executive Director Yoon-ho Choi is an expert in finance, having served as the Head of Corporate Management for European region and Head of the support team for IM division. He manages the Company's overall operation and risks, including those related to ESG.

Independent Director Jae-wan Bahk is an expert in public sector finance and finance administration, having been the Minister of Strategy and Finance and Minister of Employment and Labor.

Independent Director Sun-uk Kim is a pioneer in Feminist Jurisprudence in Korea and a strong female presence, having been the Minister of Government Legislation—the first female to hold that position—, President of Ewha Womans University, and chair of Policy Committee of Ministry of Justice.

Independent Director Byung-gook Park is a leading expert in flash memory. He has been an active researcher throughout his career, including at AT&T Bell labs and Texas Instrument, and as a President of the Institute of Electronics and Information Engineers. He is also a Fellow of IEEE.

Independent Director Jeong Kim is a successful entrepreneur with wide global experience. He was a professor at the University of Maryland, the youngest to become President at Bell Labs, Chief Strategy Officer at Alcatel-Lucent, and Independent Director of Schneider Electric SA in France. He is now the Executive Chairman of Kiswe Mobile.

Independent Director Curie Ahn is the first female professor of internal medicine at Seoul National University and a world-class expert in xeno-transplantation research. She is also dedicated to social contribution activities for the marginalized population, such as migrant workers.

Independent Director Han-jo Kim, formerly President of Korea Exchange Bank and Vice-Chairman of Hana Financial Group, is a professional in corporate management and finance.

With their respective expertise, our Directors contribute to the board activities from different points of view and provide objective input in overseeing management.

(ii) Director appointment and status changes

< Director appointment and status changes since 2019 >

	Name	Date of appointment	Date of term expiration	Date of status change	Reason for status change	Current status in Company
Executive Directors	Jae-yong Lee	Oct 27, 2016	Oct 26, 2019	Oct 26, 2019	Term expiry	Non-director*
	Sang-hoon Lee	Mar 23, 2018	Mar 22, 2021	Feb 14, 2020	Resignation	Non-director*
	Ki-nam Kim	Mar 23, 2018	Mar 22, 2024	Mar 17, 2021	Reappointment	Incumbent
	Hyun-suk Kim	Mar 23, 2018	Mar 22, 2024	Mar 17, 2021	Reappointment	Incumbent
	Dong-jin Koh	Mar 23, 2018	Mar 22, 2024	Mar 17, 2021	Reappointment	Incumbent
	Jong-hee Han	Mar 18, 2020	Mar 17, 2023	-	-	Incumbent
	Yoon-ho Choi	Mar 18, 2020	Mar 17, 2023	-	-	Incumbent
Independent Directors	In-ho Lee	Mar 19, 2010	Mar 20, 2019	Mar 20, 2019	Term expiry	N/A
	Kwang-soo Song	Mar 15, 2013	Mar 20, 2019	Mar 20, 2019	Term expiry	N/A
	Jae-wan Bahk	Mar 11, 2016	Mar 10, 2022	Mar 20, 2019	Reappointment	Incumbent
	Sun-uk Kim	Mar 23, 2018	Mar 22, 2024	Mar 17, 2021	Reappointment	Incumbent
	Byung-gook Park	Mar 23, 2018	Mar 22, 2024	Mar 17, 2021	Reappointment	Incumbent
	Jeong Kim	Mar 23, 2018	Mar 22, 2024	Mar 17, 2021	Reappointment	Incumbent
	Curie Ahn	Mar 20, 2019	Mar 19, 2022	-	-	Incumbent
	Han-jo Kim	Mar 20, 2019	Mar 19, 2022	-	-	Incumbent

*Remains with the Company as an executive

B. Securing diversity, expertise, and sense of responsibility in board composition

As mentioned above, the Board operates at the highest levels of competency by drawing its members from top experts within the company and a diverse range of experts from external sources, such as those with expertise in the public sector, IT, medicine, and finance, to make strategic judgements in a rapidly changing management environment.

3) Recommendation and Election of Directors

(Specific Principle 4-③) Corporation should ensure fairness and independence in the process of recommending nominees and selecting Board Directors.

A. Director Recommendation Committee

Independent Directors are elected from candidates recommended by the Independent Director Recommendation Committee, which was established in accordance with the Commercial Act, whereas Executive Directors are elected from candidates nominated by the Board. The Committee consists entirely of Independent Directors, fulfilling the requirements of Article 542-8 of the Commercial Act, which states that Independent Directors must constitute a majority. The Committee maintains its independence and transparency and duly recommends candidates.

Independent Directors need to meet the requirements of relevant laws and the Articles of Incorporation, have no material interests with the Company, and be able to fulfill the roles and responsibilities of supervising management from an independent position. The Independent Director Recommendation Committee selects candidates who meet relevant requirements and have abundant knowledge and expertise in areas including business management, economics, accounting, law, technology, etc. Candidates who can independently add a diverse perspective to the Board, regardless of ethnicity, nationality, gender, region of origin, religion, or area of specialty, will receive primary consideration.

B. Provision of information on Director candidates

(i) Time provided to fully review the candidates

The day the Board makes the resolution for convocation, the Company discloses general meeting agenda, including details of the meeting and information on Director candidates. We provide the convocation notice and reference material via the DART system (<http://dart.fss.or.kr>) and also send convocation notice and reference material via mail to all shareholders at least two weeks prior to the AGM in accordance with Article 363 of the Commercial Act and Article 17-3 of the Articles of Incorporation. Provision of information on Director candidates is as follows:

<Provision of information on Director Candidates since 2020 (as of the reporting date)>

Date of provision	Date of AGM	Director candidate	Details	Note
Feb 21, 2020 (26 days prior to AGM)	Mar 18, 2020	Jong-hee Han (Executive)	1. Name, date of birth, relationship with the major shareholder, whether an Independent Director candidate	-
		Yoon-ho Choi (Executive)	2. Occupation, career, transactions with the Company in the past 3 years 3. Record of default, executive of an insolvent firm, reason for disqualification according to regulation 4. Grounds for recommendation	
Feb 16, 2021 (29 days prior to AGM)	Mar 17, 2021	Sun-uk Kim (Independent)	1. Name, date of birth, relationship with the major shareholder, whether an Independent Director candidate 2. Occupation, career, transactions with the Company in the past 3 years 3. Record of default, executive of an insolvent firm, reason for disqualification according to regulation 4. Plans for executing duties (for Independent Director appointed) 5. Grounds for recommendation	-
		Byung-gook Park (Independent)		
		Jeong Kim (Independent)		
		Ki-nam Kim (Executive)		
		Hyun-suk Kim (Executive)		
		Dong-jin Koh (Executive)		

Convocation notice is sent to all rightful shareholders at least 14 days prior to the AGM; and it includes activities of Independent Directors.

(ii) Past Board activities of Director candidate nominated for a second term

The Company provides information on the Board activities of a Director candidate nominated for a second term, including the attendance rate of board meetings, voting results on each agenda item, etc., via business reports and convocation notice of shareholders' general meeting. The information is also available on our website to allow convenient access for investors.

C. Cumulative voting and reflection of minority shareholders

Based on Article 24 of our Articles of Incorporation, the Company does not practice cumulative voting stated in Article 382-2 of the Commercial Act.

On our website (<https://www.samsung.com/global/ir/governance-csr/general-meeting-of-shareholders/>), we provide information on how to make agenda proposals, which enables minority shareholders to express their opinions on the selection of Director candidates and the election of Directors. Once a proposal is submitted, the shareholder is identified, the proposal receives a legal review, and the shareholder will be notified on the submission in the form of a letter or electronic document.

In the past three years, there have been no shareholder proposals regarding the selection of Director candidates and election of Directors; we will review all submitted proposals carefully as part of our efforts to respect the opinions of minority shareholders.

We listen closely to the opinions of our shareholders and stakeholders. Aside from the established requirements for shareholder proposals, we are continuing to improve the value of the Company and our shareholders by bringing together diverse views and opinions.

D. Securing impartiality and independence in Director candidate recommendation

As mentioned above, the Company established an Independent Director Recommendation Committee in accordance with the Commercial Act. The Committee consists solely of Independent Directors to maintain its independence and transparency, and it recommends Independent Director candidates via due process. Candidates are evaluated on their independence and competency befitting a Director of a global company. The verification and recommendation of Executive Director candidates is conducted by the Board, which consists of a majority of Independent Directors, ensuring impartiality and independence in the recommendation and election process of Independent Directors.

4) Appointment of Executives

(Specific Principle 4-④) When appointing executive members, the Company should exclude any members who have damaged corporate value or violated shareholder rights.

A. Policies to exclude persons who have damaged corporate value or violated shareholder rights when appointing executive members

To fulfill its corporate social responsibility, the Company stipulated legal and ethical compliance as a duty in our Management Principle. Through the stipulation and our compliance activities, we emphasize to all our employees the importance of compliance with all laws, respect for market order and competition, and fair competition.

Based on our Management Principle, to enhance corporate value, we conduct a comprehensive process when appointing executives, which includes excluding candidates with a history of disciplinary actions. In our regulations for treatment of executives, we have defined sanctions for legal violations, such as embezzlement and negligence, and any other actions that would damage the corporate reputation.

B. Whether persons receiving a final guilty verdict on charges of embezzlement, malpractice or unfair transactions in accordance with Capital Markets Act have been appointed as executives

The Company has not appointed any persons who have received a final guilty verdict on charges of embezzlement, malpractice or unfair transactions in accordance with Capital Markets Act as executives or those convicted of transactions in accordance with Capital Markets Act. That said, some non-registered executives were indicted on charges of embezzlement and received a guilty verdict on some charges in January 2021. Since then, the position of the person in question changed to a part-time non-registered executive. Within the frame of relevant laws, the Company is examining various follow-up actions that would enhance the corporate value, considering the management environment and the executive's role in our businesses, including his global network and our emerging businesses.

C. Adoption of executive officer system

The Company has not adopted an Executive Officer System for the following reasons: separation of business execution and oversight could undermine consistency of command in the rapidly changing management environment domestically and internationally; the CEO position and Board Chairman are already separated; the Audit Committee consists entirely of Independent Directors; and Independent Directors can keep the management in check. Although decision making, oversight and execution will be carried out by the Board of Directors and CEOs, the Company will continue to review the need for adopting an Executive Officer System.

(3) Responsibilities of Independent Directors

(Core Principle 5) Responsibilities of Independent Directors

■ Independent Directors should be able to participate in decision making of important business matters and perform supervision of the management with independence.

1) Independent Director requirements

(Specific Principle 5-①) An Independent Director should not have a material relationship with the concerned corporation. When appointing a Director, the corporation must confirm his/her relation with the corporation.

A. Interests between Independent Directors and the Company

(i) Relations between Independent Directors and the Company/affiliates of the Company

Name	Independent Director's past working experience		Transaction between SEC or affiliates with Independent Director (or the firm that the Director is a majority shareholder)		Transaction between SEC or affiliates with the firm that Independent Director works in	
	SEC	SEC affiliates	SEC	SEC affiliates	SEC	SEC affiliates
Jae-wan Bahk	N/A	N/A	N/A	-	<input type="checkbox"/> Lotte Shopping - Purchased products worth KRW 2.6 billion in 2020, 1.1 billion in 2019, and 1.8 billion in 2018. - Received KRW 70 million in 2020, 40 million in 2019, and 60 million in 2018 for selling products	-
Sun-wook Kim	N/A	N/A	N/A	-	N/A	-
Byung-gook Park	N/A	N/A	N/A	-	N/A	-
Jeong Kim	N/A	N/A	N/A	-	N/A	-
Curie Ahn	N/A	N/A	N/A	-	N/A	-
Han-jo Kim	N/A	N/A	N/A	-	N/A	-

Transactions between Independent Directors or the firm they work for and SEC affiliates are difficult to identify and therefore not included (number of domestic affiliates as per the FY20 business report is 58).

(ii) Transactions between SEC with an Independent Director (or the firm in which the Director is a controlling shareholder)

Prior to the appointment of an Independent Director, the Company reviews a candidate for reasons for disqualification in accordance with Article 542-8 of the Commercial Act. According to the Act, an individual with an outstanding transaction worth KRW 100 mil or more (excluding standardized transactions with the listed company based on the "terms and conditions" as defined in the Article 2 subparagraph 1 of the Act on the Regulation of the Terms and Conditions) will be excluded as a candidate.

There were no transactions between SEC and an Independent Director or a firm in which the Director is a majority shareholder in the previous three years.

(iii) Transaction between SEC and a firm employing an Independent Director

Prior to the appointment of an Independent Director, the Company reviews the candidate for reason for disqualification in accordance with Article 542-8 of the Commercial Act. In this regard, no employee of a firm with a total transaction amount with SEC in the previous three fiscal years as of the time of the review that exceeds 10% of SEC's total equity or total revenue shall be appointed an Independent Director; no employee of a firm that signed a single transaction agreement worth 10% or more of the firm's revenue with SEC in the recent fiscal year shall be appointed an Independent Director.

There were no transactions between SEC and an Independent Director or a firm that employs a Director, however, small transactions such as normal product purchases are shown in the table above.

(iv) Process to identify there is no interest between the Company and an Independent Director

Our requirements for Independent Directors are based on Article 382, Article 542-8 of the Commercial Act, and Article 24 of the Articles of Incorporation. On top of legal requirements, we conduct a thorough review using various evaluation criteria to appoint Independent Directors that offer both expertise and independence.

Independent Directors should remain independent. When reviewing Independent Director candidates, the HR Team creates a document of verification on the reasons for disqualification stated in Article 382 and 542-8 of the Commercial Act based on the material made public and record of transaction. The document is used to review each candidate's eligibility and to exclude those with an independence conflict. Before the candidate is confirmed, the Independent Director Recommendation Committee checks the eligibility of the candidate once again, with the information received from the organization that the candidate is working for or has previously worked for. Even an incumbent Independent Director will lose his or her position if a reason for disqualification is identified, therefore, eligibility is reviewed to check the independence of Independent Directors.

B. Term of Independent Directors

The term for Independent Directors is three years, which is equivalent to that of Executive Directors. As of the reporting date, the service period for each Independent Directors is as follows:

<Years of service of Independent Directors and reason for long-term service, as of May 2021>

Name	SEC		Including affiliates	
	Period of service	Reason for serving for more than 6 years	Period of service	Reason for serving for more than 9 years
Jae-wan Bahk	5 years and 3 months	N/A	5 years and 3 months	N/A
Sun-uk Kim	3 years and 3 months	N/A	3 years and 3 months	N/A
Byung-gook Park	3 years and 3 months	N/A	3 years and 3 months	N/A
Jeong Kim	3 years and 3 months	N/A	3 years and 3 months	N/A
Curie Ahn	2 year and 3 months	N/A	2 year and 3 months	N/A
Han-jo Kim	2 year and 3 months	N/A	2 year and 3 months	N/A

C. Efforts to appoint Independent Directors that do not have significant interests with the Company

Incumbent Independent Directors of the Company do not have significant interests with the Company and remain independent from the Company. We exclude candidates with independence issues during the review process. We regularly check the Director independence even after being appointed, since they lose their position if they fall under the disqualification criteria in accordance with Article 382 Paragraph 3 and 542-8 of the Commercial Act.

2) Independent Directors performing duties faithfully

(Specific Principle 5-②) Independent Directors should allot sufficient time and effort to performing their duties.

A. Independent Directors performing duties

(i) Concurrent positions

Independent Directors are permitted to hold concurrent positions, but their present position should be limited to director, executive officer, or auditor of one company other than SEC, in accordance with Article 34 of the Enforcement Decree of the Commercial Act.

(ii) Independent Directors with concurrent positions

Concurrent Position of Independent Directors as of the reporting date is presented below.

<Concurrent Position of Independent Directors>

Name	Date of appointment	Date of term expiration	Current occupation	Concurrent position			
				Organization	Position*	Time of service**	Listed / unlisted
Jae-wan Bahk (Audit Committee)	Mar 11, 2016	Mar 10, 2022	Professor Emeritus of Public Administration at Sungkyunkwan University	Lotte Shopping	Independent Director (Audit Committee)	Mar 2016~	Listed
				Hansun Foundation	Chief Director	Feb 2014~	N/A
Sun-uk Kim (Audit Committee)	Mar 23, 2018	Mar 22, 2024	Professor Emeritus of School of Law at Ewha Womans University	Korea Association of Administrative Law Practice Case Study	President	Mar 2020~	N/A
				Posco TJ Park Foundation	Chief Director	Feb 2016~	N/A
Byung-gook Park	Mar 23, 2018	Mar 22, 2024	Professor of electrical engineering at Seoul National University	The Korean Academy of Science and Technology	Fellow	2019~	N/A
				The National Academy of Engineering of Korea	Fellow	2014~	N/A
Jeong Kim	Mar 23, 2018	Mar 22, 2024	Executive Chairman of Kiswe Mobile	N/A	N/A	N/A	N/A
Curie Ahn	Mar 20, 2019	Mar 19, 2022	Full-time Nephrology Physician at National Medical Center	Posco TJ Park Foundation	Director	2021~	N/A
				Asian Society of Transplantation	Secretary General	2019~	N/A
				Korean Organ Transplantation Registry	Chief Director	2016~	N/A
				Vital-Link	Chief Director	2009~	N/A
				Raphael International	Chief Director	2008~	N/A

Independent Director Jeong Kim's current occupation is Executive Chairman of Kiswe Mobile, and he does not hold a concurrent position.

Independent Director Han-jo Kim does not hold any positions outside of SEC.

* As of the reporting date

** The month/year of starting the concurrent position.

B. Independent Directors performing duties faithfully

Independent Directors should not hold excessive concurrent positions so they can remain committed to the Company and faithfully participate in management, including regular activities such as board meetings, ad hoc meetings, and briefing sessions related to the Board. In 2020, all Independent Directors attended every board meeting. Moreover, the Directors should remain dutiful in performing their roles, such as conducting various board activities, participating actively in training, and proposing ideas.

3) Supporting Independent Directors in their duties

(Specific Principle 5-③) The Company should provide Independent Directors with sufficient information and required resources to perform their duties.

A. Policies and their implementation to support Independent Directors perform duties

(i) Process for providing information, human resources, and material resources to Independent Directors

The Company operates a variety of programs to help Independent Directors fulfill their responsibilities.

Independent Directors prepare themselves thoroughly to participate in board activities, which includes reviewing provided information for decision making, discussions, etc. Independent Directors make decisions independently but are expected to have active discussions with other Directors. When they participate as members of the Board or its committees, Independent Directors are able to receive support from outside experts, if required.

Independent Directors must have a comprehensive understanding of the Company to make efficient decisions. The Company operates programs (other than board meetings) that can help enhance understanding of our business operations. We offer orientation programs for newly appointed Independent Directors to facilitate their understanding of the Company and its business operations. Alongside regular visits to domestic and overseas sites and presentations on management plans, we also report major issues as they occur to all Independent Directors. Moreover, the Company supports Independent Directors' meetings with institutional investors to communicate and exchange ideas. Through these programs, we ensure that Independent Directors have all the necessary information to carry out their duties.

(ii) Team responsible for dealing with requests from Independent Directors

The HR Team is in charge of overall tasks related to board activities and supports the Board to ensure that the most appropriate agenda is discussed and resolved at the board meeting. Prior to the board meeting, in particular, the team provides all necessary information to ensure there is sufficient time to review the material and resolve the issue at the board meeting. In addition, the HR Team provides overall support for the Independent Directors to perform their duties. That is, they report management information to Independent Directors and provide support regarding meeting agendas in advance.

(iii) Independent Director-only meetings

The Company supports different types of meetings to facilitate the work of Independent Directors. When necessary, exclusive sessions for Independent Directors are arranged, allowing details of specific agenda items to be reported directly to the Independent Directors. In addition, Independent Directors are given the opportunity to interact directly with employees without the presence of executives when visiting our operations. The details of Independent Director-exclusive meetings held in 2020 before the reporting date are shown below.

< Meeting sessions exclusively for Independent Directors in 2019>

Type	Date	Attendance	Topics/details	Note
Special	Feb 20, 2020	6 of 6	· Discussion on performance gap relative to management plans	-
Special	Feb 21, 2020	6 of 6	· Discussion on roadmap to nurture talent	Visit to Samsung Electronics Leadership Center
Special	Mar 18, 2020	5 of 6	· Discussion on new products in the Galaxy lineup	-
Regular	Nov 27, 2020	6 of 6	· Presentation on management plans	-
Special	Nov 27, 2020	6 of 6	· Workshop (environment changes in a post-COVID era and the future direction for the Company)	-

< Meeting sessions exclusively for Independent Directors in 2020 prior to reporting date>

Type	Date	Attendance	Topics/details	Note
Special	Jan 26, 2021	6 of 6	· Discussion on the revision of the agreement and regulations of Samsung Compliance Committee (SCC)	-

B. Whether sufficient information and resources were provided for Independent Directors to perform duties

As shown above, the Company provides sufficient information and resources to Independent Directors needed to perform their duties via orientations for new Independent Directors, meetings only for Independent Directors and designation of a support team. We encourage Independent Directors to freely exchange opinions. A department within the HR Team provides support for Independent Directors to actively carry out their duties by holding orientations for new Independent Directors, sending out meeting materials prior to board meeting, etc.

(4) Evaluation of Independent Directors

(Core Principle 6) Evaluation of Independent Directors

■ Activities of Independent Directors should be evaluated fairly, and the evaluation results should be reflected appropriately in remuneration and reappointment decisions to encourage active participation.

1) Evaluation method of Independent Directors and reflecting the results

(Specific Principle 6-①) Independent Directors should be evaluated based on their individual performance and the results should be reflected in a reappointment decision for the next term.

(i) Evaluation of Independent Directors

Independent Directors are evaluated regularly against an internal standard based on their individual performances and achievements and the results are used when a Director is considered for reappointment. The Company does not conduct separate external evaluations given the lack of a credible, external organization that could conduct an objective evaluation considering the risk of a potential leak of internal information. However, evaluations on the expertise and independence of Independent Directors, led by the HR Team, are conducted based on an internal accounting control system and the implementation is checked by the Internal Accounting Control Group and the external auditor.

(ii) Evaluation method

Evaluations of Independent Directors are conducted in accordance with internal guidelines to measure the performance of each Director in areas such as attendance rate, performance in board committee activities, expertise, level of understanding, and independence. The results are used to better support Independent Directors in performing their duties and to review whether the composition of the Board and its committees are appropriate. This is ultimately aimed at enhancing the efficiency of the Board.

2) Determining remuneration of Independent Directors

(Specific Principle 6-②) Independent Director remuneration should be determined at an appropriate level, reflecting performance evaluation results, responsibilities of and the risk associated with the role.

A. Remuneration of Independent Directors

(i) Policies related to remuneration

In accordance with Article 388 of the Commercial Act, Article 34 of the Articles of Incorporation, and Article 10 of the Regulations of the Board, the ceiling on Director remuneration is determined by a resolution at a general meeting of shareholders. The Compensation Committee deliberates over a reasonable remuneration limit to be submitted at the general meeting of shareholders, and the remuneration is later determined within the limits set at the meeting.

Under Company policy, an Independent Director's remuneration is not tied to his or her performance. Rather, it is predetermined in order to avoid any inhibitions that may impede participation if remuneration is based on performance. Remuneration of Independent Directors is limited to base salary for the time invested in performing their duties responsibilities of and the risk associated with the role and does not include stock options.

(ii) Number of stock options and relevant conditions

Remuneration of Independent Directors does not include stock options.

B. Criteria for determining remuneration of Independent Directors

The Company conducts comprehensive evaluations based on Independent Directors' attendance rate and results of board activities, and remuneration is determined by the responsibilities of and the risks associated with the role, and by the time invested in performing the duties. An Independent Director's remuneration is not tied to his or her performance to enhance independence of Independent Directors.

(5) Board operation

(Core Principle 7) Board operation

■ Board meetings should be operated in an efficient and reasonable manner to serve the interests of the corporation and shareholders.

1) Convocation and operation of meetings of the Board of Directors

(Specific Principle 7-①) Board meetings should be held regularly. Regulations on the operation of the Board of Directors should be established where the Board's rights and responsibilities along with its operational procedures are specifically stated.

A. Board meeting operation

(i) Regulations related to regular board meetings (Articles of Incorporation or operation regulations of the Board of Directors)

In accordance with Article 7 of Regulations of the Board of Directors, board meetings are categorized as either regular board meetings or special meetings that are held on an ad hoc basis. The Board plans regular meetings at the beginning of the year and holds seven to eight regular meetings each year for matters such as approving quarterly financial statements and convening the AGM. A special or extraordinary general meeting (EGM) can be called when deemed necessary. In accordance with Article 30 of the Articles of Incorporation and Article 8 of the Regulations of the Board of Directors, a meeting of the Board shall be convened by the Chairman of the Board, and the Chairman shall give notice to each Director of the date, time, place, and meeting agenda at least 24 hours prior to the meeting. Directors may request the Chairman to convene a board meeting when deemed necessary in the performance of duties; and they shall explain the agenda and reasons for such action to the Chairman. If the Chairman rejects a meeting request without a valid reason, the Director who made the request may convene a meeting directly.

In accordance with Article 31 of the Articles of Incorporation and Article 9 of the Regulations of the Board of Directors, the presence of a majority of all Directors shall constitute a quorum for a meeting of the Board and the resolutions of the Board shall be adopted by a majority of the votes of the Directors attending the meeting. In accordance with Article 391 of the Commercial Act, the Board may adopt a resolution without all or some of the Directors being present at the meeting in person if they are present by means of a remote communications system that enables the simultaneous transmission and receipt of the voice of the Directors. In such cases, the relevant Directors shall be deemed as being directly present at the meeting. According to Article 9 of the Regulations of the Board of Directors, voting rights of a Director who has a special interest in the agenda item shall be limited in order to eliminate the possibility of conflict of interest.

(ii) Meetings of the Board of Directors

In 2020, the Board held ten meetings in total, seven of which were regular.

<Board meetings in 2020>

Type	Date	Notice	Attend.	Agenda item	Type	Result
Regular	Jan 30	Jan 22	9/10	Approval of FY19 financial statements and annual business report	Resolution	Approved
				Charitable contribution to Samsung Dream Scholarship Foundation	Resolution	Approved
				Adoption of electronic voting	Resolution	Approved
				Appointment of Compliance Officer	Resolution	Approved
				Establishment and operation of SCC	Resolution	Approved
				Revision of compliance regulation	Resolution	Approved
				Report on the internal accounting management system	Reported item	-
				Assessment of the internal accounting management system	Reported item	-

Type	Date	Notice	Attend.	Agenda item	Type	Result
Regular	Feb 21	Feb 19	9/9	Appointment of Chairman of the Board	Resolution	Approved
				Decision to convene the 51st AGM	Resolution	Approved
				- Decisions on the 51st AGM agenda items - Reported Items: ① FY19 annual audit report ② FY19 annual business report - Item 1: Approval of FY19 financial statements, including balance sheet, income statement, and the statement of appropriation of retained earnings (draft), etc. - Item 2: Appointment of Executive Directors Item 2-1: Appointment of Jong-hee Han as Executive Director Item 2-2: Appointment Yoon-ho Choi as Executive Director - Item 3: Approval of remuneration limit for Directors	Resolution	Approved
				Approval of the 2020 social contribution matching fund	Resolution	Approved
				Donation to Chungnam Samsung Academy	Resolution	Approved
Special	Feb 26	Feb 25	9/9	Support for emergency relief related to COVID-19	Resolution	Approved
Regular	Mar 18	Mar 13	11/11	Appointment of members of the Board Committee	Resolution	Approved
				Approval of remuneration for Directors	Resolution	Approved
				Application for product liability insurance	Resolution	Approved
Regular	Apr 29	Apr 27	11/11	Approval of 1Q20 business report and quarterly dividend	Resolution	Approved
				Lease contract of Seocho office building	Resolution	Approved
				Charitable contributions	Resolution	Approved
				Lease contract with Samsung Display	Resolution	Approved
				Provision of performance incentives to suppliers of the DS division	Resolution	Approved
Special	May 27	May 26	11/11	Application for product liability insurance	Resolution	Approved
				Charitable contributions	Resolution	Approved
Special	Jun 11	Jun 09	11/11	Appointment of members of SCC	Resolution	Approved
Regular	Jul 30	Jul 27	11/11	Approval of 2Q20 business report and quarterly dividend	Resolution	Approved
				Lease contract with Samsung Display	Resolution	Approved
				Establishment and operation of labor-management relationship advisory group	Reported item	-
Regular	Oct 29	Oct 26	11/11	Approval of 3Q20 business report and quarterly dividend	Resolution	Approved
				Royalty income from Samsung Biologics	Resolution	Approved
				Report on assessment of effectiveness of compliance review	Reported item	-
Regular	Nov 30	Nov 27	11/11	Approval of transaction with affiliate company	Resolution	Approved
				Payment of retirement pension plan	Resolution	Approved
				Approval of business plan for 2021	Resolution	Approved
				Contribution to Community Chest of Korea's annual fundraising campaign for 2021	Resolution	Approved
				Contribution to UNDP sourced from Samsung Global Goals	Resolution	Approved
				Lease contract with Samsung Display	Resolution	Approved
				Report on tactics to bolster compliance culture	Reported item	-
				Report on results of the compliance review	Reported item	-

In 2021 as of the reporting date, the Board held four meetings in total, all of which were regular.

<Board meetings in 2021 (as of the reporting date)>

Type	Date	Notice	Attend.	Agenda item	Type	Result
Regular	Jan 28	Jan 25	11/11	Approval of FY20 financial statements and annual business report	Resolution	Approved
				Approval of shareholder return policy for 2021 to 2023	Resolution	Approved
				Report on FY20 internal accounting management system activities	Reported item	-
				Report on evaluation of 2020 internal accounting management system activities	Reported item	-
Regular	Feb 16	Feb 10	11/11	Decision to convene the 52nd AGM	Resolution	Approved
				- Decisions on the 52nd AGM agenda items - Reported Items: ① FY20 annual audit report ② FY20 annual business report ③ Report on FY20 internal accounting management system activities	Resolution	Approved
				- Item 1: Approval of FY20 financial statements, including balance sheet, income statement, and the statement of appropriation of retained earnings, etc.		
				- Item 2: Appointment of Independent Directors Item 2-1: Appointment of Independent Directors Item 2-1-1: Appointment of Byung-gook Park as Independent Director		
				Item 2-1-2: Appointment of Jeong Kim as Independent Director		
				Item 2-2: Appointment of Executive Directors Item 2-2-1: Appointment of Ki-nam Kim as Executive Director Item 2-2-2: Appointment of Hyun-suk Kim as Executive Director Item 2-2-3: Appointment of Dong-jin Koh as Executive Director		
				- Item 3: Appointment of Sun-uk Kim as Independent Director for Audit Committee Member		
				- Item 4: Approval of remuneration limit for Directors		
Regular	Mar 17	Mar 15	11/11	Approval of 2021 social contribution matching fund	Resolution	Approved
				Agreement on establishment and operation of SCC and revision of regulation	Resolution	Approved
				Donation to Chung-nam Samsung Institute	Resolution	Approved
				Contract with Samsung Biologics and Samsung BioEpis for use of Samsung CI	Resolution	Approved
				Appointment of CEO	Resolution	Approved
Regular	Apr 29	Apr 26	11/11	Appointment of Board committee members	Resolution	Approved
				Setting remuneration of Directors	Resolution	Approved
				Appointment of SCC member	Resolution	Approved
				Application for product liability insurance	Resolution	Approved
				Approval of 1Q21 business report and quarterly dividend	Resolution	Approved
Regular	Apr 29	Apr 26	11/11	Charitable contributions	Resolution	Approved
				Joining New Technology Investment Association	Resolution	Approved
				Donation to incentive fund for DS Division's suppliers	Resolution	Approved

(iii) Whether meetings are scheduled and convened sufficiently in advance

The Company sets meeting schedules for the year, including for board meetings and committee meetings, and notifies each director of the specific time and date sufficiently in advance.

B. Regular Board meetings

As shown above, the Company holds regular and special board meetings in accordance with regulations of the Board of Directors.

Board meetings are convened sufficiently in advance (usually seven days and at least 24 hours notice).

2) Board meeting minutes

(Specific Principle 7-②) The Board of Directors should prepare detailed minutes of every board meeting and disclose the attendance and voting records of each Director.

A. Keeping detailed minutes and recordings of board meeting

The Board prepares minutes of the proceedings and results of the meeting. Names and signatures of all Directors present are affixed to the minutes and then distributed to all Directors to ensure transparency of the decision-making process. We do not prepare voice recordings besides the minutes.

B. Attendance and voting results of individual Directors at board meetings

The presence of a majority of all members and a majority of votes of the members attending the meeting are required for a board resolution to pass. The minutes include opinions of individual Directors, those opposed to the agenda, and the reasons for such opposition, if necessary. The outcomes of the board meetings, attendance rate of each Director, and voting results are disclosed through business reports on a quarterly basis.

< Attendance of Directors in 2020 >

	Name	Jan 30	Feb 21	Feb 26	Mar 18	Apr 29	May 27	Jun 11	Jul 30	Oct 29	Nov 30	Note
Executive	Sang-hoon Lee	Absent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Resigned before Feb 21
	Ki-nam Kim	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	
	Hyun-suk Kim	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	
	Dong-jin Koh	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	
	Jong-hee Han	N/A	N/A	N/A	Present	Present	Present	Present	Present	Present	Present	Appointed before Mar 18
	Yoon-ho Choi	N/A	N/A	N/A	Present	Present	Present	Present	Present	Present	Present	Appointed before Mar 18
Independent	Jae-wan Bahk	Present	Absent	Present	Present	Present	Present	Present	Present	Present	Present	
	Sun-uk Kim	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	
	Byung-gook Park	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	
	Jeong Kim	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present	
	Curie Ahn	N/A	N/A	Present	Present	Present	Present	Present	Present	Present	Present	
	Han-jo Kim	N/A	N/A	Present	Present	Present	Present	Present	Present	Present	Present	

<Attendance of Directors in 2021 (as of the reporting date) >

Director	Name	Jan 28	Feb 16	Mar 17	Apr 29	Note
Executive	Ki-nam Kim	Present	Present	Present	Present	
	Hyun-suk Kim	Present	Present	Present	Present	
	Dong-jin Koh	Present	Present	Present	Present	
	Jong-hee Han	Present	Present	Present	Present	
	Yoon-ho Choi	Present	Present	Present	Present	
Independent	Jae-wan Bahk	Present	Present	Present	Present	
	Sun-uk Kim	Present	Present	Present	Present	
	Byung-gook Park	Present	Present	Present	Present	
	Jeong Kim	Present	Present	Present	Present	
	Curie Ahn	Present	Present	Present	Present	
	Han-jo Kim	Present	Present	Present	Present	

< Attendance and voting results of Directors in the recent three years >

Name	Term of service	Attendance (%)				Approval (%)			
		Overall	2020	2019	2018	Overall	2020	2019	2018
Oh-hyun Kwon (Executive)	Mar 16, 2012~ Mar 23, 2018	100.0	-	-	100.0	100.0	-	-	100.0
Boo-keun Yoon (Executive)	Mar 15, 2013~ Mar 23, 2018	100.0	-	-	100.0	100.0	-	-	100.0
Jong-kyun Shin (Executive)	Mar 15, 2013~ Mar 23, 2018	100.0	-	-	100.0	100.0	-	-	100.0
Sang-hoon Lee (Executive)	Mar 23, 2018~ Feb 14, 2020	92.9	0.0	100.0	100.0	100.0	-	100.0	100.0
Jae-yong Lee (Executive)	Oct 27, 2016~ Oct 26, 2019	0.0	-	0.0	0.0	-	-	-	-
Ki-nam Kim (Executive)	Mar 23, 2018~	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hyun-suk Kim (Executive)	Mar 23, 2018~	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Dong-jin Koh (Executive)	Mar 23, 2018~	91.3	100.0	85.7	83.3	100.0	100.0	100.0	100.0
In-ho Lee (Independent)	Mar 19, 2010~ Mar 20, 2019	100.0	-	100.0	100.0	100.0	-	100.0	100.0
Han-joong Kim (Independent)	Mar 16, 2012~ Mar 23, 2018	100.0	-	-	100.0	100.0	-	-	100.0
Kwang-soo Song (Independent)	Mar 15, 2013~ Mar 20, 2019	90.0	-	100.0	87.5	97.7	-	100.0	96.9
Byeong-gi Lee (Independent)	Mar 16, 2012~ Mar 23, 2018	100.0	-	-	100.0	100.0	-	-	100.0
Jae-wan Bahk (Independent)	Mar 11, 2016~	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sun-uk Kim (Independent)	Mar 23, 2018~	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Byung-gook Park (Independent)	Mar 23, 2018~	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Jeong Kim (Independent)	Mar 23, 2018~	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Curin Ahn (Independent)	Mar 20, 2019~	100.0	100.0	100.0	-	100.0	100.0	100.0	-
Han-jo Kim (Independent)	Mar 20, 2019~	100.0	100.0	100.0	-	100.0	100.0	100.0	-

(6) Board committees

(Core Principle 8) Board committees

■ The Board should establish committees dedicated to specific functions and roles for efficient operation of the Board.

1) Independent Directors in board committees

(Specific Principle 8-①) Committees should be composed of a majority of Independent Directors. The Audit Committee and Compensation Committee should consist entirely of Independent Directors.

A. Board committees, main roles, and composition

The Board has established six committees in accordance with Article 28-2 of the Articles of Incorporation and Article 11-2 of the Regulations of the Board—Management Committee, Independent Director Recommendation Committee, Audit Committee, Related Party Transactions Committee, Compensation Committee, and Governance Committee—and has delegated certain responsibilities to the committees to ensure efficient operation of the Board. Please refer to “3. Board of Directors-(2) Board Composition” for more information about the board committees, main roles, and composition.

B. Board committees composed of majority of Independent Directors (all members shall be Independent Directors for Audit Committee and Compensation Committee)

In accordance with Article 415-2 of the Commercial Act, more than 2/3 of Audit Committee members shall be Independent Directors. In accordance with Article 542-8 of the Commercial Act, majority of Independent Director Recommendation Committee shall be Independent Directors. We increased independence across the Board by forming all committee entirely with Independent Directors, excluding the Management Committee, which consists of five Executive Directors to make efficient decisions about business matters.

2) Regulations for Board operation

(Specific Principle 8-②) All matters relating to the structure, operation, and authority of each committee must be stipulated as regulation. All resolutions by board committees should be reported to the Board.

A. Structure, operation, and authority of a board committee stipulated as regulation

- (i) Whether goals, authorities and responsibilities, evaluation of activities and achievements during reporting period, composition of committees, and Director's eligibility, appointment, and dismissals are stipulated

Each committee stipulates the goal, authorities and responsibilities, composition, operation, appointment and dismissals in accordance with regulations of the Board of Directors. Details of committee activities are disclosed via business reports among others. Although evaluation of activities and achievements is not stipulated in the regulation, it is considered when evaluating Independent Directors.

1. Management Committee

- 1) Composition: 5 Executive Directors (Ki-nam Kim, Hyun-suk Kim, Dong-jin Koh, Jong-hee Han, Yoon-ho Choi)
- 2) Authorities and responsibilities: The Management Committee deliberates and decides on matters delegated by the Board related to general management and finance. The Committee deliberates and decides on the following matters:
 - A. General management
 - Annual or mid- to long-term management policy and strategy
 - Key management strategy
 - Business planning and restructuring
 - Establishment, relocation, and withdrawal of overseas branches and corporations
 - Initiation of cooperative efforts, such as strategic partnerships with foreign companies
 - Acquisition or disposal of domestic and overseas subsidiaries (provided the value of the transaction exceeds 0.1% of total equity)

- Other major management matters
- Establishment, relocation, and withdrawal of branches and operations
- Appointment or dismissal of supervisors
- Suspension or shutdown of production over 5% of the total production in the recent year
- Licensing agreements, technology transfers, and technology partnerships of over 0.5% of the total equity
- Acquisitions and transfers of patents related to new material and new technology of over 0.5% of the total equity
- Collection and destruction of products corresponding to over 5% of the total sales in the recent business year
- Contracting for over 5% of the total sales in the recent business year
- Contracting or canceling of single sales agencies and suppliers over 5% of the total sales in the recent business year
- Setting basic principles of organization management
- Decision making on basic principles and any changes related to wages, bonuses, and fringe benefits
- Appointments, dismissals, and changes of transfer agents
- Closing of the shareholder register and setting the reference date
- Establishing corporate guidelines for business and management related activities

B. Matters related to finance

- Acquisitions or disposals of equity investments with a value no less than 0.1% and less than 2.5% of the total equity
- Direct overseas investments with a value no less than 0.1% and less than 2.5% of the total equity
- New debt guarantee (excluding extension of period) or collateral issuance with a value no less than 0.1% and less than 2.5% of the total equity
 - Collateral: Only in the case of providing collateral for others
 - Guarantee: Excludes performance guarantee (e.g., bid, contract, defect, difference guarantee) and tax payment guarantee
- New credit agreement contract (excluding extension of period) with a value no less than 0.1% and less than 5% of the total equity
- Approval of related party transactions:
- Related party transactions with affiliates involving cash (loans and payments), equity (stocks and bonds) or assets (such as real estate and intangible property rights) with a value no less than KRW 3 billion and less than 5 billion, as defined in the Monopoly Regulation and Fair Trade Act

※ Excluding cases where existing contracts are renewed without significant changes.

- Insurance of Corporate Bond
- Acquisition and disposal of real estate with a value of over 0.1% of the total equity, provided the transaction is with the third party

Any matters that the CEO deems necessary and important for the business (e.g., capex)

C. All other matters except for those delegated to the Board and other committees in accordance with regulations of the Board

2. Independent Director Recommendation Committee

- 1) Composition: 3 Independent Directors (Jeong Kim, Byung-gook Park, Curie Ahn)
- 2) Authorities and responsibilities: The Independent Director Recommendation Committee was established in accordance with Article 542-8 of the Commercial Act, Article 28-5 of the Articles of Incorporation, and Article 12-3 of the Regulations of the Board. The Committee evaluates potential candidates for Independent Directors to be presented at a general meeting of shareholders and recommends candidates to the Board.

3. Related Party Transactions Committee

- 1) Composition: 3 Independent Directors (Sun-uk Kim, Jae-wan Bahk, Han-jo Kim)

- 2) Authorities and responsibilities: The Related Party Transactions Committee was established by a resolution of the Board, without legal mandates, to enhance transparency of the Company's management through a voluntary compliance system.

- Right to receive reports on related party transactions:

The Committee can request reports on related party transactions with affiliates

※ According to the Monopoly Regulation and Fair Trade Act, the Related Party Transactions committee is permitted to conduct preliminary reviews of and approve related party transactions worth KRW 5 billion and over, and other transactions that are deemed significant

- Right to order ex officio investigation of related party transactions
- Right to propose corrective measures for related party transactions

4. Compensation Committee

- 1) Composition: 3 Independent Directors (Byung-gook Park, Jae-wan Bahk, Jeong Kim)
- 2) Authorities and responsibilities: The Compensation Committee was established by a resolution of the Board, without legal mandates, to reinforce transparency and objectiveness of the decision-making process regarding remuneration of Directors. The Committee has the authorities in the follow areas:
- Propose a remuneration limit of Directors at the AGM
 - Establish a Director remuneration system
 - Other matters delegated by the Board

5. Governance Committee

- 1) Composition: 6 Independent Directors (Jae-wan Bahk, Sun-uk Kim, Byung-gook Park, Jeong Kim, Curie Ahn, Han-jo Kim)
- 2) Authorities and responsibilities: The Governance Committee was established in April 2017 as an expansion of the CSR Committee. The Committee was created by a resolution of the Board, without legal mandates, to fulfill the Company's corporate social responsibility and to increase shareholder value. The Governance Committee has authorities in the following areas:
- Matters related to corporate social responsibility
 - Matters related to enhancing shareholder value
 - Preliminary review on shareholder return policies
 - Activities to improve shareholder rights and interest
 - Other important management matters that can significantly impact shareholder value.
 - Matters related to the establishment, composition, and operation of organizations under the Committee, including research groups, councils, etc.
 - Other matters delegated by the Board

6. Audit Committee

※ Please refer to 4. Audit System – (1) Audit Committee for details related to Audit Committee

B. Reporting to the Board: Committee resolutions

Each Director is notified of resolutions adopted by board committees. A Director may request a convocation of a board meeting to the Chairman and go through the resolution process again if deemed necessary, excluding the resolutions made by the Audit Committee to ensure independence of that committee.

C. Board committee meetings and attendance of Directors

<Management Committee>

<Meetings in 2020>

Date	Attendance	Agenda item	Type	Result
Jan 13	3/3	- Licensing agreement	Resolution	Approved
Jan 30	3/3	- Memory investment	Resolution	Approved
Mar 6	3/3	- Foundry investment (5 nano)	Resolution	Approved
		- Foundry investment (CIS)	Resolution	Approved
Apr 3	5/5	- Memory investment	Resolution	Approved
		- Liquidation of overseas subsidiary	Resolution	Approved
May 8	5/5	- Foundry investment	Resolution	Approved
May 27	5/5	- Memory investment	Resolution	Approved
Aug 14	5/5	- Foundry investment (Pyeongtaek)	Resolution	Approved
		- Foundry investment (Hwaseong)	Resolution	Approved
Aug 28	5/5	- Disposal of overseas subsidiary	Resolution	Approved
Sep 25	5/5	- Memory investment	Resolution	Approved
		- Liquidation of overseas subsidiary	Resolution	Approved
Oct 23	3/5	- Memory investment	Resolution	Approved
		- Memory investment (Pyeongtaek)	Resolution	Approved
		- Foundry investment (Pyeongtaek)	Resolution	Approved
		- Foundry investment (Hwaseong)	Resolution	Approved
		- License fee for use of trademark	Resolution	Approved
		- Establishment of overseas subsidiary	Resolution	Approved
Nov 30	4/5	- Acquisition of overseas subsidiary	Resolution	Approved
Dec 23	5/5	- Licensing agreement	Resolution	Approved

< Meetings in 2021 (as of the reporting date)>

Date	Attendance	Agenda item	Type	Result
Jan 6	5/5	- Memory investment	Resolution	Approved
Feb 5	5/5	- Memory investment	Resolution	Approved
		- Investment on research infrastructure	Resolution	Approved
		- Establishment of overseas subsidiary	Resolution	Approved
		- Agreement for use of trademark	Resolution	Approved
Mar 5	5/5	- Memory investment	Resolution	Approved
		- Foundry investment	Resolution	Approved
Apr 9	5/5	- Appointment of Head of Management Committee	Resolution	Approved
		- Memory investment	Resolution	Approved
May 7	5/5	- Foundry investment	Resolution	Approved
		- Licensing agreement	Resolution	Approved

<Attendance in the recent three years>

Name	Attendance (%)			
	Average	2020	2019	2018
Oh-hyun Kwon	100.0	-	-	100.0
Boo-keun Yoon	100.0	-	-	100.0
Jong-kyun Shin	100.0	-	-	100.0
Ki-nam Kim	100.0	100.0	100.0	100.0
Hyun-suk Kim	96.6	91.7	100.0	100.0
Dong-jin Koh	86.2	91.7	75.0	88.9
Jong-hee Han	88.9	88.9	-	-
Yoon-ho Choi	100.0	100.0	-	-

< Independent Director Recommendation Committee>

<Meetings in 2021 (as of the reporting date)>

Date	Attendance	Agenda item	Type	Result
Jan 28	3/3	- Deadline for recommendation of Independent Director candidates	Resolution	Approved
Feb 10	3/3	- Recommendation of Independent Director candidates	Resolution	Approved
		- Recommendation of Independent Director for Audit Committee member	Resolution	Approved

No meeting has been held in 2020 as there were no Independent Director candidates to be elected.

<Attendance in the recent three years>

Name	Attendance (%)			
	Average	2020	2019	2018
Oh-hyun Kwon	100.0	-	-	100.0
Han-joong Kim	100.0	-	-	100.0
Byeong-gi Lee	100.0	-	-	100.0
Jae-wan Bahk	100.0	-	100.0	100.0
Byung-gook Park	100.0	-	100.0	-
Jeong Kim	100.0	-	100.0	-
Curie Anh	-	-	-	-

No meetings were held in 2020 as there were no Independent Director candidates to be elected.

< Related Party Transaction Committee>

<Meetings in 2020>

Date	Attendance	Agenda item	Type	Result
Jan 30	3/3	- Report on 4Q20 related party transactions	Reported item	-
Mar 16	3/3	- Application for product liability insurance	Deliberation	-
Apr 27	3/3	- Lease contract for Seocho office building	Deliberation	-
		- Charitable contributions	Deliberation	-
		- Lease contract with Samsung Display	Deliberation	-
		- Report on 1Q20 related party transactions	Reported item	-
May 25	3/3	- Application for package insurance for operations	Deliberation	-
Jul 28	3/3	- Lease contract with Samsung Display	Deliberation	-
		- Report on 2Q20 related party transactions	Reported item	-
Oct 27	3/3	- Royalty income from Samsung Biologics	Deliberation	-
		- Report on 3Q20 related party transactions	Reported item	-
Nov 30	3/3	- Lease contract with Samsung Display	Deliberation	-
		- Payment of retirement pension plan	Deliberation	-
		- Approval of large-scale goods and services transactions in 2021	Deliberation	-

<Meetings in 2021 (as of reporting date)>

Date	Attendance	Agenda item	Type	Result
Jan 26	3/3	- Report on 4Q20 related party transactions	Reported item	-
Feb 10	3/3	- Contract with Samsung Biologics and Samsung BioEpiS for use of Samsung CI	Deliberation	-
Mar 12	3/3	- Application for product liability insurance	Deliberation	-
Apr 27	3/3	- Appointment of head of Related Party Transaction Committee	Resolution	Approved
		- Charitable contributions	Deliberation	-
		- Joining of the New Technology Investment Association	Deliberation	-
		- Report on 1Q21 related party transactions	Reported item	-

<Attendance of Directors in the recent three years>

Name	Attendance (%)			
	Average	2020	2019	2018
In-ho Lee	100.0	-	100.0	100.0
Han-joong Kim	100.0	-	-	100.0
Kwang-soo Song	100.0	-	100.0	100.0
Sun-uk Kim	100.0	100.0	100.0	100.0
Jae-wan Bahk	100.0	100.0	100.0	-
Han-jo Kim	100.0	100.0	100.0	-

< Compensation Committee >

<Meetings in 2020>

Date	Attendance	Agenda item	Type	Result
Feb 20	3/3	- Appointment of the Head of Compensation Committee	Resolution	Approved
		- Review on 2020 fixed annual salary for each Executive Director	Resolution	Approved
		- Review on 2020 remuneration limit for Directors	Resolution	Approved

<Meetings in 2021 (as of the reporting date)>

Date	Attendance	Agenda item	Type	Result
Feb 10	3/3	- Review on 2021 fixed annual salary for each Executive Director	Resolution	Approved
		- Review on 2021 remuneration limit for Directors	Resolution	Approved

<Attendance in the recent three years>

Name	Attendance (%)			
	Average	2020	2019	2018
In-ho Lee	100.0	-	100.0	100.0
Byeong-gi Lee	100.0	-	-	100.0
Kwang-soo Song	100.0	-	100.0	100.0
Jeong Kim	100.0	100.0	100.0	-
Jae-wan Bahk	100.0	100.0	-	-
Byung-gook Park	100.0	100.0	-	-

< Governance Committee >

<Meetings in 2020 >

Date	Attendance	Agenda item	Type	Result
Jan 30	6/6	- Report on updates of IR activities	Reported item	-
Feb 20	6/6	- Review of the Chairman of the Board appointment	Review	-
Apr 29	6/6	- Report on updates of IR activities	Reported item	-
		- Report on plans for publishing Sustainability Report	Reported item	-
Jul 30	6/6	- Report on updates of IR activities	Reported item	-
Oct 29	6/6	- Report on updates of IR activities	Reported item	-
		- Report on IR-Sustainability Roadshow investor meeting	Reported item	-

<Meetings in 2021 (as of the reporting date)>

Date	Attendance	Agenda item	Type	Result
Jan 26	6/6	- Prior review of shareholder return policy for 2021 to 2023	Resolution	Approved
		- Report on updates of IR activities	Reported item	-
Apr 29	6/6	- Report on updates of IR activities	Reported item	-
		- Report on plans for publishing Sustainability Report	Reported item	-

<Attendance of Directors in the recent three years>

Name	Attendance(%)			
	Average	2020	2019	2018
In-ho Lee	100.0	-	-	100.0
Han-joong Kim	100.0	-	-	100.0
Kwang-soo Song	88.9	-	-	75.0
Byeong-gi Lee	100.0	-	-	100.0
Jae-wan Bahk	100.0	100.0	100.0	100.0
Sun-uk Kim	100.0	100.0	100.0	100.0
Byung-gook Park	100.0	100.0	100.0	100.0
Jeong Kim	100.0	100.0	100.0	100.0
Curie Ahn	100.0	100.0	100.0	-
Han-jo Kim	100.0	100.0	100.0	-

For information on the Audit Committee, please refer to the 『4. Audit System - (1) Audit Committee』 section.

4. Audit System

(1) Internal audit system

(Core Principle 9) Internal audit system

■ Internal audit system should perform audit tasks independently from the management and controlling shareholders and key activities of the system should be disclosed.

1) Audit Committee

(Specific Principle 9-①) Audit Committee should maintain independence and expertise.

A. Composition

(i) Audit Committee composition and accounting/finance experts in the committee

The Audit Committee was established in accordance with Article 415-2 and 542-11 of the Commercial Act, Article 28-4 of the Articles of Incorporation, and Article 12-2 of the Regulations of the Board, and is composed entirely of Independent Directors. As a listed company with assets over KRW 2 trillion, we have 2 Directors who are accounting and/or finance experts, as defined by the Commercial Act and relevant regulations. Independent Director Jae-wan Bahk has a Doctorate in Finance Administration and was a professor of Public Administration at Sungkyunkwan University for over 20 years. Therefore, he is an expert in accordance with Article 37 paragraph 2 subparagraph 2 of the Enforcement Decree of the Commercial Act: a person who holds at least a master's degree in accounting or finance and who has worked for a research institute or university at least as a researcher or an assistant professor in accounting or finance for an aggregate of at least five years. Independent Director Han-jo Kim worked for more than 5 years serving following positions: Head of a branch office of KEB, Head of Corporate Business Group at KEB, President of KEB Capital, President of KEB and Vice-Chairman of Hana Financial Group. Therefore, he is an 'accounting and/or finance expert' in accordance with Article 37 paragraph 2 subparagraph 4: a person who worked for financial organization, etc. in charge of accounting or finance or in charge of supervision over accounting or finance for an aggregate of at least five years. Han-jo Kim is qualified as an accounting and/or finance expert with the requirements stated in Article 542-11 paragraph 2 subparagraph 1 of the Commercial Act. In addition, Independent Director Sun-uk Kim is a legal expert, who worked as Law School professor and Minister of Government Legislation. The composition of the Audit Committee as of the end of May 2021 is shown below.

< Composition of the Audit Committee >

Name	Audit experience	Notes
Jae-wan Bahk (head)	<ul style="list-style-type: none"> – Professor Emeritus at the Department of Public Administration Graduate School of Governance of Sungkyunkwan University (2020~) – Professor at the Department of Public Administration Graduate School of Governance of Sungkyunkwan University (1996–2020) – Minister of Strategy and Finance (2011–2013) – Ph.D. in Finance Administration (1992) 	
Sun-uk Kim	<ul style="list-style-type: none"> – Professor Emeritus at School of Law of Ewha Womans University (2018-) – Professor at School of Law, Ewha Womans University (1995–2018) – President at Ewha Womans University (2010–2014) – Minister of Government Legislation (2005–2007) 	
Han-jo Kim	<ul style="list-style-type: none"> – Chairman of Hana Foundation (2019–Apr 2021) – Vice-Chairman of Hana Financial Group (2015–2016) – President of KEB (2014–2015) – President of KEB Capital (2013–2014) – Head of Corporate Business Group of KEB (2012-2013) – Head of branch office of KEB (1999-2002, 2004-2005) 	

(ii) Policies to secure independence and expertise of the Audit Committee

The independence of our Audit Committee is ensured as all three of its positions are filled by Independent Directors. This exceeds the requirement set forth in Article 2 Paragraph 2 of the Audit Committee regulation: the Audit Committee shall consist of three members, including at least two Independent Directors. In addition, when nominating candidates for the Audit Committee, we consider the following to ensure the expertise and independence of the Committee: the member should have sufficient understanding of the electronics industry and abundant experience in the fields of accounting, finance, law, and/or economics; the member should not have any interest with the Company or any major shareholder of the Company so they can oversee the Board and the management from an independent perspective. Moreover, Audit Committee members can receive training conducted by external specialized organizations upon request.

B. Audit Committee operation

(i) Regulation on Audit Committee operation

In the Regulations of the Audit Committee, the Company defines the composition, authorities and responsibilities of operation, and more. The authorities and responsibilities are also included in the internal accounting management regulations of Internal Accounting Control System Guidance. The Audit Committee can audit overall activities and processes performed by the Board of Directors, CEOs, etc. It is authorized to receive a report on the work done by Directors and/or employees, or investigate the business and the assets of the Company. Some of the major authorities and responsibilities of the Audit Committee as stated in Regulations of the Audit Committee are shown below.

<Key Authorizations>

- ① Authority to audit business operations of the Company: The committee can audit overall business of the Company, including tasks performed by the Board and the CEOs.
- ② Authority to request reports on the business status of the Company and investigate assets of the Company: The committee can request Directors or employees to submit reports on the business operated by the Company or investigate the businesses or assets of the Company.
- ③ Authority to receive reports from Directors: Directors shall report to the committee immediately if they find any risks that can have a material impact on the Company.
- ④ Authority to investigate subsidiaries of the Company: A committee of a parent company can request that a committee of a subsidiary submit reports on the company's business, when deemed necessary to perform its duties. When the subsidiary company does not immediately report the business, or the report needs additional checking, the committee can investigate the business or assets of the subsidiary.
- ⑤ Authority to request a halt of any acts in violation of laws and regulations or the Articles of Incorporation: When a Director's action is in violation of laws or Articles of Incorporation and causes irreversible damages, the Committee can request the Director to stop these acts.
- ⑥ Authority to Institute Various Actions: The Committee can institute an action such as a cancelation of convocation, nullification of issuing new shares, or nullification of a capital reduction, and is exempted from collateral obligations.
- ⑦ Authority to request the convocation of a general meeting of shareholders: The Committee can request the convocation of an EGM by submitting a written proposal in which agenda items and reasons for convocation are stated to the Board.
- ⑧ Authority to seek external advice at the expense of the Company
- ⑨ Designation of external auditor: The Company shall appoint an accounting firm designated by the Audit Committee as external auditor, unless an external auditor is designated by the Securities & Futures Commission.
- ⑩ Approval of request for designating another external auditor: The Company shall receive approval from the Audit Committee to make a request to the Securities & Futures Commission to designate another external auditor.
- ⑪ Any other authority granted to the committee by relevant laws and regulations, the Articles of Incorporation or a board resolution

<Major Responsibilities>

- ① Duty of Care and Due Diligence: Committee members shall execute their duties with such care as is required of good managers.
- ② Duty of investigation on the Annual General Meeting and reporting: Auditors shall examine the agenda items and documents to be submitted by Directors to a general shareholders' meeting and at the general

shareholders' meeting shall state their opinions as to whether such agenda items or documents include any matter contrary to any Act, subordinate statute or the Articles of Incorporation or any considerably unfair matter.

- ③ Duty of investigation on the Board and reporting: When any auditor deems that a director acts or is likely to act in contravention of Acts, subordinate statutes or the Articles of Incorporation, the auditor shall report such to the Board of Directors.
- ④ Duty of preparing audit records: Auditors shall prepare records on audit activities, which includes audit procedure and results, and each member's name shall be listed and affix their seal or sign the audit record.
- ⑤ Duty of production and reporting of Audit Report: Auditors shall submit to Directors an audit report at least one week prior to the date set for an AGM on balance sheet, income statement, consolidated financial statement, operation report, and other financial statement under relevant regulations provided to the auditors at least six weeks prior to the Annual General Meeting.
- ⑥ Duty under the External Auditing Act: If the Committee finds any wrongful act or violation of statutes or the Articles of Incorporation concerning the designation of an external auditor, preparation and reporting of an evaluation of the internal accounting scheme, investigation of a violation of accounting standards, or a director's conduct, it shall take actions—eg. inform the external auditor—in accordance with the Act on External Audit of Stock Companies, Etc. Act.

(ii) Provision of training necessary to perform duties and advice/support from outside expert

To support Audit Committee members to effectively carry out their duties, the Company provides reports or training on major issues such as the nature of the industry the Company is in, changes in management environment, legal changes, and more. Moreover, Article 15 of the Internal Accounting Control System Guidance stipulated in April 2019 mandates annual training on internal control changes to committee members. The training will be provided in the second half of this year. In accordance with Article 8, paragraph 8 of the Regulations of the Audit Committee, the Committee can seek help from expert with the Company's financial support. 2020 training sessions are shown below.

<Training for Audit Committee in 2020>

Date	Team	Participants	Reason for absence	Contents
July 28, 2020	External experts	Jae-wan Bahk Sun-uk Kim Han-jo Kim	-	Internal accounting management system

(iii) Investigation on wrongdoing of executives and provision of information and financial support for the Audit Committee

In accordance with the Regulations of the Audit Committee, the Committee has the authority to audit the overall business of the Company, including tasks performed by the Board and the CEOs, and can seek help from external experts with company's financial support. Expenses for Committee activities are covered by the Company as stipulated in Article 13 of the Regulations of the Audit Committee: Expenses for meetings and other operations of Audit Committee shall be covered by the Company. In accordance with Article 9 of Regulations of the Audit Committee, the Committee shall report any violation or a risk of violation of regulations or Articles of Incorporation by a Director. In addition, when any wrongdoing by a Director or material fact that is against regulation or Articles of Incorporation is identified, the Committee shall immediately report it to an external auditor.

(iv) Support team for the Audit Committee

The Company operates an internal audit team and internal accounting assessment support group to support the audit activities of the Audit Committee. The internal audit team, which is within the Corporate Management Office, audits performances of the Company's organizations through regular, ad hoc, and special audits, and reports the results to the Audit Committee twice a year. Changes requiring updates, such as work process alterations, are reported as often as needed to Committee members via phone calls or emails. The Head of the Audit Team is also an Executive Vice President and the persons supporting Audit Committee have experience and knowledge in finance and accounting. The Internal Accounting Assessment Support Group, working under the Audit Committee, provides support for the Audit Committee on activities regarding overall design and operation of the internal accounting management scheme as stipulated in the Act on External Audit of Stock Companies. The Internal Accounting Assessment Support Group is headed by a Vice President and conducts assessments on the operation of the internal accounting management scheme with an external organization (accounting firm) specializing in accounting and internal control.

Team	Composition	Service years on team	Major tasks
Audit team	1 Executive Vice President, 2 Principal Professionals, 1 Senior Professional	Executive Vice President: 1 year 5 months Principal Professionals: 3 years 3 months (average) Senior Professional: 2 years 2 months	Support the Audit Committee
Internal accounting assessment support group	1 Vice President, 1 Lawyer, 1 Professional	Vice President: 2 years 5 months Lawyer: 2 months Senior Professional: 4 months	Support assessment of the internal accounting management system

Service years as of the reporting date

(v) Accessibility of information for Audit Committee members

Article 8 of the Regulations of the Audit Committee stipulates that the Committee has the authority to request reports on business or investigate assets of the Company. As such, the Committee can request Directors or employees to submit reports on the business or investigate the businesses or assets of the Company, and receive external expert's advice with Company's budget. Also, we are working to ensure that Committee members are provided with sufficient information: agenda items are sent two days prior to an Audit Committee meeting via email so that members have adequate time to review them in advance.

C. Compensation scheme appropriate for performing duties

The Audit Committee is composed entirely of Independent Directors, therefore, the members are remunerated based on Independent Director remuneration criteria. The remuneration includes a base salary which considers time invested as well as responsibilities and risks in performing their duties. Remuneration criteria for Audit Committee members follow that of Independent Director's.

(KRW mil)

Type	Number of members	Total remuneration*	Average remuneration	Note
Independent Director (Excluding Audit Committee members)	3	541	180	-
Audit Committee members	3	293	98	-

As of the reporting date; no expenses incurred from stock options in 2020.

Disclosure in accordance with Article 159 of the Financial Investment Services and Capital Markets Act and Article 168 of the Enforcement Decree of the same Act for registered directors, Independent Directors, and Audit Committee members who worked or retired in 2020

*Earned income as per Income Tax Act (Article 20: Wage and Salary Income, Article 21: Other Income, Article 22: Retirement income). Includes remuneration that newly appointed or resigned directors received as non-registered executives.

D. Securing independence and expertise

Our Audit Committee consists of experts with knowledge and experience in accounting, finance, and law. All three members are Independent Directors, performing auditing activities independently on Director's work and the Company's operation, as stipulated in the Regulations of the Audit Committee.

2) Activities of the Audit Committee

(Specific Principle 9-②) Internal auditing bodies, including Audit Committee and auditors, should dutifully perform audit activities such as holding regular meetings and transparently disclosing their activities.

A. Audit Committee Activities

(i) Conduct auditing and appoint external auditor

The Audit Committee met 5 times in 2020 and 3 times in the first half of 2021; and a total of 42 agenda items were discussed with 1 items submitted and resolved, and 42 items were reported and reviewed. All three members were present at every meeting. Reported items include financial statements, business reports, evaluations of the internal accounting control system operation, and auditing activities. Reviewed items include AGM agenda items. A resolved item was deciding audit contract conditions with a designated external auditor. Resolutions are notified to each Director within 2 days and the results of review per agenda and updates are recorded in the meeting minutes.

Article 9 of the Regulations of the Audit Committee stipulates that the Committee holds in-person meetings to evaluate the operation of the internal accounting control system and report the result of the evaluation to the Board in person one week prior to the AGM. Also, any suggestions on changing the management and operation of the internal accounting control system shall be included in the report. The Audit Committee received a report on the operation of the internal accounting management system (in January, April, and July in 2020 and in January and April in 2021) and reported the results of evaluations on the operation of the internal accounting management system in person in January 2020 and January 2021. To ensure independence and expertise on evaluating the operation of the internal accounting management system, an internal accounting evaluation support team cooperates with an external accounting firm to conduct the evaluation and report to the Committee. A report on the operation of our internal accounting control system was disclosed alongside our 2020 annual business report.

At the fourth Audit Committee meeting, held in July 2019, the Company established a regulation regarding the appointment of an external auditor, a guideline to ensure the independence and expertise of a newly appointed auditor. In accordance with Article 11-2 of the Act on External Audit of Stock Companies, the Company was requested to use a designated external auditor in 2020, after using a voluntarily appointed external auditor for six consecutive years. In October 2019, the Securities & Futures Commission designated Deloitte Anjin LLC as an external auditor. At the sixth Committee meeting, held in November 2019, the terms and conditions regarding audit activities by the designated external auditor were determined, and in the same month, an external auditing contract was signed with Deloitte Anjin based on those conditions. Deloitte Anjin LLC has been conducting auditing activities for the Company since its appointment for 2020.

(ii) Audit Activities

Activities of the Audit Committee since 2020 as of reporting date are shown below.

① Audit Committee meetings

<Meetings in 2020>

Date	Attendance	Agenda item	Type	Result
Jan 28	3/3	Report on 2019 internal accounting management system activities	Reported item	-
		Report on 2019 evaluation of internal accounting management system activities	Reported item	-
		Report on 2019 audit activities by external auditor	Reported item	-
		Report on 2019 financial statements and annual business report	Reported item	-
		Report on 4Q19 non-audit activities	Reported item	-
		Report on 4Q19 external contributions	Reported item	-
		Report on 2019 audit activities	Reported item	-
Feb 20	3/3	Review of the 51st AGM agenda	Deliberation	-
		Report on 2019 internal oversight scheme	Reported item	-
Apr 27	3/3	Report on communication between Audit Committee and external auditor	Reported item	-
		Report on the 1Q20 business report	Reported item	-
		Report on 1Q20 non-audit activities	Reported item	-
		Plans for review of internal accounting management system activities in 2020	Reported item	-
		Report on 1Q20 external contributions	Reported item	-
		Plans for assessment of internal accounting management system activities in 2020	Reported item	-
Jul 28	3/3	Report on communication between Audit Committee and external auditor	Reported item	-
		Report on the 2Q20 business report	Reported item	-
		Report on 2Q20 non-audit activities	Reported item	-
		Plans for review of internal accounting management system activities in 2Q20	Reported item	-
		Report on 2Q20 external contributions	Reported item	-
		Report on 2Q20 audit activities	Reported item	-

		Plans for assessment of internal accounting management system activities in 2020	Reported item	-
Oct 27	3/3	Report on communication between Audit Committee and external auditor	Reported item	-
		Report on the 3Q20 business report	Reported item	-
		Report on 3Q20 non-audit activities	Reported item	-
		Report on 3Q20 external contributions	Reported item	-

< Activities of the Audit Committee in 2021 (as of reporting date)>

Date	Attendance	Agenda item	Type	Result
Jan 26	3/3	Report on communication between Audit Committee and external auditor	Reported item	-
		Revision of 2020 internal accounting management system activities	Reported item	-
		Report on 2020 evaluation of internal accounting management system activities	Reported item	-
		Report on 2020 financial statement and business report	Reported item	-
		Report on 4Q20 non-audit activities	Reported item	-
		Report on 4Q20 external contributions	Reported item	-
		Report on 2020 audit activities	Reported item	-
Feb 10	3/3	Review of the 52nd AGM agenda	Deliberation	-
		Report on 2020 activities of internal compliance system	Reported item	-
Apr 27	3/3	Report on communication between Audit Committee and external auditor	Reported item	
		Decision on audit contract conditions with a designated external auditor	Resolution	Approved
		Report on the 1Q21 business report	Reported item	-
		Report on 1Q21 non-audit activities	Reported item	-
		Plans for review of internal accounting management system activities in 1Q21	Reported item	-
		Plans for assessment of 2021 activities of internal compliance system activities	Reported item	-
		Report on 1Q21 external contributions	Reported item	-
		Plans for assessment of internal accounting management system activities in 2021	Reported item	-

② Attendance of Directors at Audit Committee meetings

< Attendance of Directors in 2020 >

	Name	Jan 28	Feb 20	Apr 27	July 28	Oct 27	Note
Independent Directors	Jae-wan Bahk	Present	Present	Present	Present	Present	-
	Sun-uk Kim	Present	Present	Present	Present	Present	-
	Han-jo Kim	Present	Present	Present	Present	Present	-

< Attendance of Directors in 2021 (as of reporting date) >

	Name	Jan 26	Feb 10	Apr 27	Note
Independent Directors	Jae-wan Bahk	Present	Present	Present	-
	Sun-uk Kim	Present	Present	Present	-
	Han-jo Kim	Present	Present	Present	-

③ Attendance of Directors at Audit Committee meetings in the recent three years

<Attendance of Directors in the recent three years>

	Name	Years of service	Attendance (%)			
			Average	2020	2019	2018
Independent Directors	In-ho Lee	Mar 19, 2010–Mar 20, 2019	100.0	-	100.0	100.0
	Han-joong Kim	Mar 16, 2012–Mar 23, 2018	100.0	-	-	100.0
	Kwang-soo Song	Mar 15, 2013–Mar 20, 2019	85.7	-	100.0	80.0
	Jae-wan Bahk	Mar 11, 2016~	100.0	100.0	100.0	-
	Sun-uk Kim	Mar 23, 2018~	100.0	100.0	100.0	100.0
	Han-jo Kim	Mar 20, 2019~	100.0	100.0	100.0	-

(iii) Internal regulations related to Audit Committee

The Audit Committee stipulates relevant procedures, the reporting process for general meeting of shareholders, etc. in the Regulations of the Audit Committee. The Audit Committee shall meet at least once every quarter, and the head of the Committee shall convene a meeting. The head notifies the members of the meeting time and place at least 24 hours in advance via mail, electronic mail, fax, or other means of receiving delivery confirmation. However, the meeting notification may be skipped with the consent of all Committee members.

The presence of a majority of all members shall constitute a quorum for a meeting of the Committee and the resolutions of the Committee shall be adopted by a majority of the votes of the members attending the meeting. Committee meetings may take place via electronic means, such as conference call, within the scope provided by relevant laws. If face-to-face meetings are required by the relevant regulations, the Committee can hold a meeting using telecommunication tools that allow simultaneous communications with video and sound.

The Audit Committee shall submit an audit report on documents required by relevant regulations—including financial status and management results—the consolidated financial statement, and the business report to Directors one week prior to general meeting of shareholders.

In accordance with Article 10 of the regulations of the Committee, the Committee shall keep meeting minutes which include the agenda, progress, votes against agenda items and reason for the opposition, and each member's name and affixed seals or signature.

B. Faithful execution of Audit Committee duties

The Audit Committee held a total of 8 meetings since 2020 as of the reporting date (5 in 2020 and 3 in the first half of 2021); a total of 42 agenda items were discussed and all three members were present at every meeting. Regarding auditing activity, the Committee reviews accounting related documents including financial statements, the process and audit results of the accounting firm, and requests for the firm to conduct additional reviews on accounting books and relevant documents if necessary. An internal accounting management team reports to the Committee on the internal accounting control system, established to record and disclose reliable accounting information, followed by the Committee reviewing the report. The Committee is performing its duties faithfully through all possible means: by participating in the board meeting and other major meetings as part of auditing activity, receiving reports on the Management Committee's deliberations and business activities from Directors, and requesting additional reviews and information regarding key tasks of the Company.

(2) External auditor

(Core Principle 10) External auditor

■ External auditors should perform audits independently from the corporation subject to audit, including the corporation's management and controlling shareholders, to gain trust from stakeholders, including shareholders, about the financial information

1) Appointment of an external auditor and operation

(Specific Principle 10-①) The Audit Committee should establish and operate a policy for appointment of an external auditor to secure independence and expertise

A. Appointment of an external auditor and operation policy

(i) Procedure for appointing an external auditor

In July 2019, the Audit Committee established a set of regulations for appointing an external auditor to provide a guideline to secure independence and expertise of an external auditor.

In accordance with Article 11-2 of the Act on External Audit of Stock Companies, the Securities & Futures Commission in October 2019 designated Deloitte Anjin LLC as an external auditor of the Company, as the Company had appointed an external auditor of its choice for six consecutive years.

In November 2019, the Audit Committee appointed Deloitte Anjin LLC as an external auditor, as designated by Securities & Futures Commission, for three consecutive years from FY20 through FY22. Before approving the appointment of external auditor, the Company analyzed and evaluated proposals submitted by accounting firms as well as quantitative indicators for assessing capabilities such as size of the accounting firm, global auditing capability, results of FSS evaluations, etc based on internal regulation.

(ii) Number of meetings held and items discussed regarding external auditor appointment

Since 2019 as of the disclosure date, appointment of external auditor and decision on terms and conditions were discussed at two Audit Committee meetings.

The Audit Committee in November 2019 appointed Deloitte Anjin LLC as an external auditor, as designated by Securities & Futures Commission in October 2019. The 2020 terms and conditions were resolved by the Audit Committee based on the evaluation of the independence, expertise, the proposed time for auditing, and whether auditing fee was appropriate.

At the Audit Committee meeting held in April 2021, the 2021 terms and conditions were agreed upon with Deloitte Anjin LLC based on the evaluation of the independence, expertise, the proposed time for auditing, and whether auditing fee was appropriate, and then resolved by the Committee.

(iii) Post-external audit evaluation and the details

In accordance with the revised Act on External Audit of Stock Companies, Audit Committee in July 2021 will conduct evaluation on the implementation of 2020 plans for audit activities on Deloitte Anjin LLC, the Company's external auditor for 2020.

(iv) Provision of non-audit services by an external auditor and its subsidiaries

The Company is to report to the Committee in advance when using non-audit services, and employing another accounting firm for the prohibited tasks defined in Article 21 of the Certified Public Accountant Act. Also, the Company conducts preliminary reviews on the services of all accounting firms, including the external auditor, to determine if there are non-audit activities before any transactions take place and the results are reported to the Audit Committee every quarter.

Below is detailed information regarding the contract for non-audit services with Deloitte Anjin LLC in 2020 and 2021.

< Non-audit service contract description >

(KRW million)

Business year	Contract date	Audit service description	Period of service	Compensation
2020	June 2017	E-Discovery advisory	Jan 2020—Dec 2020	59
1Q21	June 2017	E-Discovery advisory	Jan 2021—Mar 2021	-

In 2021, the Company's auditor Deloitte Anjin LLC provided the non-audit activities listed above in addition to its auditing service, and no payment was made for the services in 1Q21.

In 2020, there is no history of non-audit services from affiliates of the external auditor (Deloitte Anjin LLC) provided to SEC.

B. Policies to ensure independence and expertise when appointing external auditor

At a meeting in July 2019, the Audit Committee established a regulation regarding the appointment of an external auditor and a corresponding guideline ensuring the independence and expertise of an auditor.

At a meeting in November 2019, the Audit Committee resolved the terms and conditions for auditing after evaluating the independence of the designated auditor, the proposed timeline for auditing, and whether the auditing fee was appropriate in accordance with the Company's regulation on external auditor appointment.

We will continue our efforts to ensure independence and expertise when appointing external auditors in the future.

2) Communication between the external auditor and Audit Committee

(Specific Principle 10-②) The Audit Committee should regularly communicate with the external auditor in every stage of external audit and reporting of results.

A. Discussion on major issues related to external auditing more than once per quarter without management presence

(i) Discussion on major issues related to external auditing more than once per quarter without management presence

The Company's Audit Committee and the external auditor meets more than once per quarter without management presence to discuss major issues regarding the key internal accounting scheme, the quarterly audit and review of financial statements, and important facts on any wrongful act or violation of statutes or the Articles of Incorporation concerning director's conduct.

(ii) Major details of discussions and reflection on internal auditing

At quarterly Audit Committee meetings, the Audit Committee receives reports directly from an external auditor regarding annual audit plans, audit activities, and matters to pay attention to on financial statements and management in general.

As such, results of the review of the financial statements are reported every quarter, results of the audit on financial statements are reported at the end of the year, and there is a question-and-answer session on important matters. If necessary, the Committee requests an additional review on accounting books and related documents and receives the results of the review.

The results of discussion with our external auditor are reflected onto our internal auditing, following discussions among relevant departments.

(iii) Process for external auditor to notify material facts identified during auditing activities to the Audit Committee and the role of the Audit Committee

The external auditor reports important details found during auditing activities to the Audit Committee at every quarterly meeting. When an external auditor informs the Committee of a violation of accounting standards, the Committee shall investigate the case and request correction to the leader of the Company depending on the result of the investigation in accordance with the Regulations of the Audit Committee. When any wrongdoing by a Director or any material fact that is against regulation or Articles of Incorporation is identified, the Committee shall immediately report it to an external auditor.

(iv) Submitting pre-audit financial statement 6 weeks (4 weeks for consolidated) prior to AGM to the external auditor

2020 financial statements on a separate and consolidated basis were submitted to the external auditor (Deloitte Anjin LLC) on January 28, 2021, earlier than the 6 week (February 3, 2021) deadline prior to the to the AGM held on March 17, 2021.

B. Regular Communication between Audit Committee and external auditor

As stated above, the Company's Audit Committee and the external auditor are communicating sufficiently and regularly to enhance efficiency.

III

Other Matters Related to Corporate Governance

(1) Fulfilling corporate social responsibility

The Company commits to its corporate social responsibility by addressing demands from both internal and external stakeholders, including shareholders, customers, and the local community.

At Samsung Electronics, a majority of board members are Independent Directors, which enhances the Board's independence and transparency. Moreover, the positions of Board Chairman and CEO were separated in 2018 to strengthen independence and transparency. We took a step further to improve corporate governance by appointing an Independent Director as the Board Chairman in 2020, a first for the Company, strengthening the focus on board-centered responsible management.

As legal and ethical compliance is our top priority, we established the Code of Conduct—applicable to all employees—based on the Samsung Management Principle to fulfill our corporate social responsibility. In addition, to support our employees in making proper value judgements, the Company in 2015 established its Business Conduct Guideline based on Code of Conduct, and with revisions in 2016.

Moreover, the Compliance Team has been overseen directly by the CEO since 2020 to strengthen its independence, and the Head of the Compliance Team attends every board meeting to support major decision making by the Board. In 2020, our Global Anti-corruption, Anti-bribery Policy was generally revised and concrete, detailed guidelines such as guidelines on external contributions were established for employees to use as a reference.

The Company has also established a set of human-rights-related policies such as the Child Labor Prohibition Policy (June 2014), Guidelines for Grievance Settlement (July 2015), Guidelines for Apprenticeship Training (April 2016), Migrant Worker Guidelines (December 2016), Anti-harassment Policy (August 2018), and improved policies on migrant workers and prohibition of child labor in 2020.

Our efforts to address climate change include practicing a product accountability principle that minimizes environmental impacts from our products by expanding renewable energy use. We achieved the goal that we set in June 2018 of sourcing 100% of our energy requirements at our operations in US, Europe, and China from renewable sources by 2020. Starting from 2019, we have been disclosing climate change-related information following the recommendations from the Task Force on Climate-related Financial Disclosures.

In addition, Samsung Electronics publishes a Sustainability Report every year to provide stakeholders with the results of economic, social, and environmental value creation in a more transparent manner. Our Sustainability Report is available on the website (<https://www.samsung.com/sec/aboutsamsung/sustainability/report-and-policy/>).

(2) Compensation system of employees

The Company first introduced the annual salary system in 1998 and started compensating employees based on the level of responsibility within a position. In 2010, we adopted a cumulative salary system and workers were paid based on individual performances. Also, we employ an incentive system (Target Achievement Incentive and Performance Incentive), under which compensation differs depending on the annual achievement of a business division (target achievement, profit generated, etc.)

In addition, in accordance with compensation regulations, the Company has simplified compensation types to ensure that the system is reasonable. Our basic salary system is, in accordance with compensation regulations, designed to pay workers according to their level, with compensation based on the value of the position, responsibilities, and capacity.

< Total compensation of employees >

(KRW 100 mil)

Year	Total compensation	Income before taxes	Ratio	No. of employees	Average compensation per employee
2019	109,224	190,325	57.4%	101,546	1.08
2020	131,677	204,519	64.4%	104,043	1.27

Income before taxes, the number of employees and total compensation are on a parent basis, excluding five Executive Directors. The number of employees was calculated based on the average number of employees throughout the year.

Attached Compliance of Corporate Governance Key Indices

Category	Key Indices	Compliance	Note
Shareholder	① Convocation notice 4 weeks prior to the AGM*	O	Started sending notices 29 days prior to the AGM
	② Electronic Voting*	O	First adopted at the 51st AGM
	③ Avoiding the date of general meeting concentration *	O	Avoided the date of general meeting concentration
	④ Notice of dividend policy and plans to shareholders once or more a year**	O	Provides details on shareholder return policy and future plans via IR meetings and public disclosures
Board	⑤ Establishment and operation of succession plan of the CEO (emergency appointment policy included)	O	Established and continue to improve a documented succession policy
	⑥ Establishment and operation of internal control policy	O	Established and operating an internal control policy on risk management, compliance, internal accounting management, management of public disclosure information, etc.
	⑦ Separation of the Board Chairman and CEO	O	Separated since March 2018
	⑧ Adoption of cumulative voting system	X	
	⑨ Establishment of a policy to prevent appointment of a Director who is accountable for damage to corporate value or infringement upon shareholder rights	O	Based on a documented management principle, review process for the eligibility of an appointed executive operating
	⑩ Non-existence of an Independent Director who served more than six years	O	N/A
Auditor	⑪ Education program for the Audit Committee once or more a year **	O	Conducted in July 2020
	⑫ Establishment of an internal audit team (support team for internal audit tasks)	X	Audit Team is overseen by the Corporate Management Office, conducting and supporting internal auditing activities and Audit Committee activities
	⑬ Existence of an accounting expert in the Audit Committee	O	2 out of 3 Audit Committee members (Director Jae-wan Bahk, Han-jo Kim)
	⑭ Meeting of the Audit Committee and the external auditor without the presence of the management once or more a quarter **	O	Held more than once a quarter
	⑮ Procedure that allows access of the Audit Committee to important business matters	O	Audit Committee regulation states the Authority to request reports on the business status of the Company and investigate assets of the Company

As of the Reporting Date (May 31, 2021)

*As of the most recent AGM.

**In 2020.