

Created on March 31, 2000
Amended on July 31, 2019

Rules for the Audit Committee

Samsung Electronics Co., Ltd.

Chapter 1 General

Article 1 (Purpose)

The purpose of these Rules is to set forth matters needed by Samsung Electronics Co., Ltd. ("the Corporation") for the composition of the Audit Committee (the "Committee") and its operation, authority, responsibilities, etc., in accordance with relevant laws and the Articles of Incorporation.

Chapter 2 Composition

Article 2 (Composition)

The Committee shall be composed of three (3) directors of the Board, two-thirds of whom shall be independent directors.

Article 3 (Chairperson)

The Committee shall appoint its own chairperson, who shall chair Committee meetings.

Article 4 (Removal)

Shareholders' meetings shall have the authority to dismiss Committee members. If there is a vacancy in the Committee due to removal, expiry of the term of office, personal reasons, etc., a shareholders' meeting shall fill the vacancy in accordance with relevant laws.

Chapter 3 Meetings

Article 5 (Committee Meetings)

The Committee shall hold a Committee meeting at least once per quarter.

Article 6 (Convening Procedure)

- ① Committee meetings shall be convened by the chairperson.
- ② The time and place of a Committee meeting shall be determined and notified to each member with no less than twenty-four (24) hours prior notice through methods that allow for confirmation of transmission and reception, for examples, documents, electronic documents, or facsimile; provided, however, that this convening procedure may be waived if all members agree.

Article 7 (Method of Resolution, Etc.)

- ① A majority of the members shall constitute a quorum for Committee meeting. The vote of a majority of the members present at a Committee meeting at which a quorum is present shall be the act of the Committee. A Committee meeting may convene by using a telecommunications equipment by means of which all person participating in the Committee meeting can hear each other (e.g., transmits and receives voice at the same time) to the extent permissible under relevant laws.
- ② With respect to matters that require a face-to-face meeting under the Act on External Audit of Stock Companies (hereinafter the "Act") and its Enforcement Decree, Committee meetings may convene by using a telecommunications equipment by means of which all person

participating in the Committee meeting can hear each other (e.g., transmits and receives video and voice at the same time) to the extent permissible under relevant laws.

Chapter 4 Authority and Responsibilities

Article 8 (Authority)

The authority of the Committee shall be as follows:

- ① Business audit. The Committee can audit the overall business activities conducted by the Board, the CEO, etc., on behalf of the Corporation.
- ② Request for business reports and investigation into business assets. At any time, the Committee can request directors and employees to report on the Corporation's operations or conduct investigations into its business and asset status.
- ③ Receipt of reports from directors. A director shall immediately report to the Committee upon identifying an issue that could potentially cause significant loss to the Corporation.
- ④ Investigation into subsidiaries. If necessary for the performance of duties, the Committee of the parent Corporation may request a subsidiary to report on its business. If the subsidiary fails to report without delay or if there is a need to ascertain the details of such report, the Committee may conduct an investigation into the subsidiary's business and asset status.
- ⑤ Request for continuation of unlawful activity. If a director has engaged in an activity in violation of relevant laws or the Articles of Incorporation that could potentially cause irreparable loss to the Corporation, the Committee, for the benefit of the Corporation, can demand that the director suspend such activity.
- ⑥ Filing of lawsuits. The Committee can file a lawsuit seeking the cancellation of shareholder's meeting resolutions, new share issuances, capital reductions, etc., in which case the obligation to provide collateral is waived.
- ⑦ Request for the convening of a shareholders' meeting. The Committee can make a request for the convening of a special shareholders' meeting by submitting to the Board a written document stating the purpose of and reasons for the meeting.
- ⑧ The Committee, at the expense of the Corporation, can seek assistance from experts.
- ⑨ Selection of external auditors. The Corporation shall appoint an accounting firm selected by the Committee as an external auditor; provided, however, that this shall not apply if the Securities and Futures Committee designates an external auditor
- ⑩ Approval of a request for replacement of external auditors. The Corporation shall obtain prior approval from the Committee if it intends to make a request for replacing an external auditor that the Securities and Futures Committee has designated and notified the Corporation of.
- ⑪ Authority concerning matters granted to the Committee according to relevant laws, the Articles of Incorporation, and Board resolutions

Article 9 (Duties)

The Committee's responsibilities shall be as follows:

- ① Fiduciary Duty. Members of the Committee shall exercise fiduciary duty as a good-faith

manager when performing their duties.

- ② Investigation and report to shareholders' meetings. Directors shall investigate agenda items and documents to be submitted to a shareholders' meeting. At the meeting, they shall state their opinions on any matters that may be in violation of relevant laws or the Articles of Incorporation or significantly improper.
- ③ Investigation and report to the Board. The Committee shall report to the Board if it determines that a director may have violated laws or the Articles of Incorporation or have the potential to do so.
- ④ Creation of audit and inspection record. The Committee shall create an audit and inspection record, which shall include audit methods and results, and all auditors who conducted the audit shall sign the record or affix their names and seals to it.
- ⑤ Creation and submission of audit reports. The Committee shall submit an audit report on the balance sheet, income statement, other documents stipulated in relevant laws that indicate the Corporation's financial state and business performance, consolidated financial statements, and business reports which are submitted by a director six (6) weeks prior to a shareholders' meeting to the director one (1) week prior to the shareholders' meeting. In this case, the audit report shall include details outlined in the following subparagraphs:
 1. Overview of audit methods,
 2. If entries in account books are omitted or incomplete or if there is a discrepancy between account books and the balance sheet or income statement, such description,
 3. If the balance sheet and income statement properly reflect the Corporation's financial state and business performance in accordance with relevant laws and the Articles of Incorporation, such description,
 4. If the balance sheet and income statement do not properly reflect the Corporation's financial state and business performance in violation of relevant laws or the Articles of Incorporation, such description and reasons,
 5. Opinion and reasons as to whether changes in accounting policy regarding the creation of balance sheet or income statement are appropriate,
 6. Opinion as to whether business reports properly reflect the state of the Corporation in accordance with relevant laws and the Articles of Incorporation,
 7. Opinion as to whether the disposal of retained earnings or the treatment of deficit is in compliance with relevant laws or the Articles of Incorporation,
 8. If the disposal of retained earnings or the treatment of deficit is significantly inappropriate given the Corporation's financial state and other conditions, such description,
 9. If entries in supplementary schedules are omitted or incomplete or if there is a discrepancy between such entries and the account books, balance sheet, income statement, or business reports, such description,
 10. If there is a material issue where a director's performance of duties involves fraudulent behavior or a violation of laws or rules, such an issue,
 11. If it was impossible to conduct investigation needed for audit, such description and reasons,
- ⑥ Responsibilities under the Act on External Audit of Stock Companies,
 1. The Committee shall specify the audit time, compensation, and required audit staff for

external auditors in writing, establish standards and procedures for selecting external auditors, and conduct face-to-face meetings for the selection of external auditors.

2. The Committee shall hold face-to-face meetings to assess the state of the internal accounting management system and report the results of the assessment of the system to the Board in person no later than one (1) week before a regular shareholders' meeting. In this case, if the Committee is of an opinion that the management and operation of the system should be improved, this shall also be reported.
 3. If the Committee is notified by external auditors of the Corporation's violation of accounting standards, it shall appoint outside experts at the expense of the Corporation, have them conduct an investigation into such violation, and request that the Corporation's CEO take corrective action depending on the results of the investigation. If the Committee identifies a grave issue where a director's performance of duties involves improper behavior or a violation of laws or the Articles of Incorporation, it shall notify external auditors.
- ⑦ Other matters determined to be responsibilities of the Committee in accordance with laws, the Articles of Incorporation, and Board resolutions

Chapter 5 Other Matters

Article 10 (Minutes)

The Committee's meeting minutes shall show agenda, the substance of the course, results, and objectors and their reasons for objection. The chairperson and members present shall sign the minutes or affix their names and seals to them.

Article 11 (Notification Obligation)

The Committee shall notify each director of its resolutions, if any, within two (2) days after its adoption.

Article 12 (Administrative Secretary)

- ① The Committee shall have an administrative secretary, who shall be appointed by the chairperson.
- ② Under the supervision of the chairperson, the administrative secretary shall assist members and handle the Committee's business in general.

Article 13 (Expenses)

Expenses needed for Committee meetings and other operations shall be borne by the Corporation.

Article 14 (Modification and Repeal of the Rules)

The modification and repeal of these Rules shall require a resolution by the Board.