

SAMSUNG

2023 Annual General Meeting of Shareholders

Reference Material

SAMSUNG ELECTRONICS Co., Ltd.

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Notice of Annual General Meeting of Shareholders

You are invited to attend the Annual General Meeting of Shareholders of Samsung Electronics.

Date/time : 9:00 AM on March 15, 2023, Korea Standard Time (UTC+9)

Place : Convention Hall(3F) / Exhibition Hall(1F), 140, Gwanggyojungang-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, 16514, Korea

Record date : December 31, 2022 (only common shareholders of record at the close of business on the record date are entitled to vote at the Annual General Meeting of Shareholders)

Items of Business

Agenda Item 1. Approval of Audited Financial Statements (FY2022)

Financial highlights

- Audited financial statements with the independent auditor’s opinion will be disclosed and then posted on the IR website on February 16, 2023.

<https://www.samsung.com/global/ir/reports-disclosures/public-disclosure/>

Annual dividends

- Based on the three-year shareholder return program for 2021–2023, the regular dividend for FY2022 will be KRW 9.8 trillion, or KRW 1,444 per common share and KRW 1,445 per preferred share, upon approval at the AGM.
- Based on the annual dividend payout under the current dividend policy, the total 4Q payout is KRW 2.45 trillion—a quarterly dividend of KRW 361 per share for common stock and KRW 362 per share for preferred stock—and it will be paid after final approval at the AGM.

Agenda Item 2: Election of Jong-Hee Han as Executive Director

Executive Director Jong-Hee Han, Vice Chairman & CEO, Head of Device eXperience (DX), is nearing the end of his current term, and we plan to reappoint Mr. Han, as the CEO of DX, to the position of Executive Director.

The Samsung Electronics Board of Directors (the “Board”) unanimously recommends voting in favor of Mr. Jong-Hee Han to serve as Executive Director on the Board. The nominee offers a wealth of experience, and he will continue to contribute significantly to the Board’s discussions and decision making on important matters.

Mr. Jong-Hee Han has served as Head of DX since the end of 2021, and our finished product businesses have been producing tangible achievements under his leadership. We believe Mr. Han is an ideal candidate for the bridging role between businesses and the Board. As an Executive Director, Mr. Han contributes to the development of Board strategies using his deep business knowledge and valuable insights into industry trends.

As Head of the Visual Display Business, Mr. Han’s drive and goal-orientated approach played key roles in securing the Company’s paramount position in the industry. He executed tailored and targeted marketing

campaigns to fortify our market leadership amid shifting preferences and intensifying competition, keeping our TV business at the top of the global market for its 16th consecutive year.

Mr. Han has also been the Head of the Digital Appliances Business since October 2022, and has been advancing efforts to underpin the business’s strategic plans for growth, including by ensuring the quality of our digital appliances is of the highest level and leading the revitalization of the business.

As CEO and Head of DX, Mr. Han has guided our key brands to center on user experiences, he established the groundwork for products and services that transcend the boundaries of our businesses, and he pushed to strengthen connectivity between devices, thereby creating a new base for continued growth momentum.

Agenda Item 3. Approval of Director Remuneration limit (FY2023)

(Unit: KRW billion)

	FY2023	FY2022	
	Proposed	Approved	Actual
General compensation	33.0	33.0	15.0
Long-term incentive (LTI)	15.0	8.0	7.5
Total	48.0	41.0	22.5

The Board recommends a remuneration limit of KRW 48.0 billion for FY2023.

General compensation

- The Board recommends maintaining the same level of general compensation limit in FY2023 from FY2022 in consideration of macro uncertainties.

Long-term incentive (LTI)

- For FY2023, the Board recommends an LTI limit of KRW 15.0 billion.
- The payment scheme for Director LTI was recently revised. Under the old scheme, Director performance was evaluated at three-year intervals, and Directors received 50%, 25%, and 25% of their LTI in the following three years, respectively.
- Under the new scheme, Directors receive 33% of their LTI in each year of the three-year payment period.
- FY2023 is Year 1 of the new payment scheme, with LTI determined by performances over FY2020–2022. Under the new system, the LTI limit for FY2023 has increased compared to FY2022 due to the following reasons:
 - The evaluation to determine the LTI pool for the next three years has not been finalized yet, so for this year, Year 1, the limit is set considering potential upper bounds of payment. (By way of reference, in the previous Year 1, which was 2020, the LTI limit was set at 25 billion KRW.)
 - Directors received 25% of their LTI in FY2022, which was Year 3 under the previous scheme, and will receive 33% in FY2023.

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Agenda

Agenda Item 1. Approval of Audited Financial Statements (FY2022)

I. Audited Financial Statements

Overview

The Board is seeking your approval of the following financial statements for FY2022 beginning on January 1, 2022, and ending on December 31, 2022:

- Consolidated Statements of Financial Position
- Consolidated Statements of Profit or Loss
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Separate Statements of Appropriation of Retained Earnings

Audited financial statements with the independent auditor's opinion will be disclosed and then posted on the IR website on February 16, 2023.

<https://www.samsung.com/global/ir/reports-disclosures/public-disclosure/>

Financial performance (K-IFRS, consolidated)

(Unit: KRW trillion)

	FY2022	FY2021	Change
Revenue	302.2	279.6	8.1%
Operating profit	43.4	51.6	-16.0%
Net profit	55.7	39.9	39.5%
EPS (KRW)	8,057	5,777	39.5%

Assets	448.4	426.6	5.1%
Liabilities	93.7	121.7	-23.0%
Equity	354.7	304.9	16.3%
Liabilities/equity	26.4%	39.9%	-13.5%p

ROE	16.9%	13.7%	3.1%p
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* See Section 4. Financial Statements (FY2022) for further details.

Business Performance

□ Summary of key financial metrics, by business division

(Unit: KRW trillion)

		Category	FY2022	FY2021	FY2020
DS	Revenue		98.5	95.4	74.1
	Operating profit		23.8	29.2	18.8
	Margin		24.2%	30.6%	25.4%
SDC	Revenue		34.4	31.7	30.6
	Operating profit		6.0	4.5	2.2
	Margin		17.3%	14.1%	7.3%
DX	Revenue		182.5	166.3	148.9
	Operating profit		12.7	17.4	15.2
	Margin		7.0%	10.5%	10.2%
Harman	Revenue		13.2	10.0	9.2
	Operating profit		0.9	0.6	0.1
	Margin		6.7%	6.0%	0.6%
Overall	Revenue		302.2	279.6	236.8
	Operating profit		43.4	51.6	36.0
	Margin		14.4%	18.5%	15.2%

Revenue in 2022 increased by 8.1% year-on-year to KRW 302.2 trillion, setting a new all-time high for revenue for the second consecutive year and surpassing KRW 300 trillion for the first time ever. Operating profit was KRW 43.4 trillion as we continued to deliver solid results even amid a challenging environment characterized by soaring global inflation and sluggish demand.

For the Memory Business, we reinforced market leadership by actively addressing demand, centered on high-density products, and maintaining our cost competitiveness, mainly via increasing the advanced node portion of production. Moreover, we bolstered our technology leadership by further expanding our industry-leading adoption of EUV. However, our performance in the second half of the year declined as aggravated geopolitical issues and macroeconomic uncertainties led customers to further adjust inventories.

The Foundry Business fortified its technology leadership with the world's first mass production of 3-nano GAA; and it sustained efforts to address future demand for cutting-edge semiconductors with the construction of a new fab in Taylor, Texas. The System LSI Business increased sales of high-pixel sensors and OLED DDIs—our differentiated products—and solidified its foundation for growth via expanding its automotive SoC business, for example.

For Display, the mobile panel business strengthened our leadership in the premium smartphone market based on our differentiated technologies while, at the same time, laying groundwork for sustainable growth by increasing sales into new applications, such as notebook PCs, gaming devices, and automotives. The large panel business transitioned to next-generation displays in earnest by expanding sales of QD-OLED on top of completely shutting down the LCD business.

The Mobile Business focused its capabilities on flagship smartphones and pushed to continue innovations in the S-series and high growth of foldables. Furthermore, we upgraded consumer experiences through Galaxy Ecosystem products such as tablets and wearables.

In the Network Business, we grew annual revenue by actively addressing domestic demand for 5G installations and by expanding business overseas. Moreover, we secured new business, including with DISH Network and

Comcast in the US, via leveraging our leading 5G technology and experience commercializing large-scale 5G networks in major markets around the globe.

The TV Business increased revenue—centering on premium, high-value products such as Neo QLED and Super Big TVs—even amid a challenging environment marked by slowing demand. In addition, the Business further solidified itself as an industry leader by bolstering sales in the Lifestyle Screen category, which includes The Freestyle.

The Digital Appliance Business increased its global BESPOKE revenue and strengthened sales in the online and B2B channels, but cost pressures related to materials and logistics intensified amid rapid inflation, causing earnings to decline.

Capital Expenditures and Other Investments

□ Capex, R&D, advertising & sales promotion investments

(Unit: KRW trillion)

Category	FY2022	FY2021	FY2020
Capex (as percentage of revenue)	53.1 (17.6%)	48.2 (17.2%)	38.5 (16.3%)
R&D (as percentage of revenue)	24.9 (8.2%)	22.4 (8.0%)	21.1 (8.9%)
Advertising & sales promotion (as percentage of revenue)	13.2 (4.4%)	11.7 (4.2%)	10.1 (4.3%)
Total (as percentage of revenue)	91.3 (30.2%)	82.3 (29.4%)	69.7 (29.4%)

Annual capex in 2022 increased by approximately KRW 5 trillion year-on-year to KRW 53.1 trillion, with KRW 47.9 trillion invested in the DS Division and KRW 2.5 trillion in Display.

Memory capex concentrated on expanding application of advanced technologies, which included investing in P3 and P4 infrastructure in Pyeongtaek to ensure stable mid- to long-term bit supply, and in EUV to strengthen future competitiveness. Memory capex grew year-on-year as we increased preemptive infrastructure investments to prepare for future demand. Foundry investments focused on expanding the production capacity of advanced EUV nodes at our Pyeongtaek site, and they increased in other areas to address future demand, including the expansion of initial capacity for 3-nano and the construction of the Taylor site.

Display investments concentrated on expanding the production capacity of flexible mobile display as well as on facility improvements and infrastructure.

R&D investments increased by KRW 2.5 trillion year-on-year to KRW 24.9 trillion, with around half of the total allocated to the DS Division. As a percentage of sales, they rose 8.2% year-on-year. We solidified our technology leadership by continuing to increase R&D investments for future growth.

Advertising & promotional spending increased to KRW 13.2 trillion year-on-year, and it inched up to 4.4% as a percentage of sales.

II. Shareholder Return

FY2021–2023 Shareholder Return Program

In January 2021, we announced our shareholder return program for FY2021–2023. As a part of that plan, the base dividend is 9.8 trillion won in aggregate annually.

When setting the direction for the new policy, the Board reviewed various factors in depth, including ways to ensure sustained growth and enhance shareholder value, the business environment, and our investment strategies and financial structure.

When we announced the current three-year shareholder return policy in January 2021, we stated our plan to disclose the annual free cash flow (FCF) each year to enhance clarity on the shareholder return pool, and to consider an earlier return if the 50% of the FCF significantly exceeds the annual dividend.

As we close out the results for 2022, the annual FCF was 9.8 trillion won and the shareholder return pool at 50% of the FCF is approximately 4.9 trillion won. Considering the projected annual dividend for 2022 is 9.8 trillion won, there was no additional pool for an earlier return.

In 2023, as we set out to implement large investments for our future growth and differentiation amid a challenging business environment, we will be especially more conscious about continuing to enhance our capital management efficiency.

(Unit: KRW trillion)

	FY2021–FY2023	FY2018–FY2020	FY2015–FY2017
Committed return	50% of FCF over three-year period	50% of FCF over three-year period	2015: 30% of annual FCF 2016/17: 50% of annual FCF
M&A and FCF calculation	M&A <u>not</u> deducted from FCF	M&A <u>not</u> deducted from FCF	M&A deducted from FCF
Shareholder return	29.4+α	39.6	22.1
Dividend	29.4 (9.8 per year)	28.9 (9.6 per year)	12.9 (3.1/4.0/5.8)
Remaining portion	α	10.7 (special dividend)	9.2 (share buyback/cancellation)

Agenda Item 2. Election of Jong-Hee Han as Executive Director

Overview

Our Board continually endeavors to reinforce its independence, expertise, and diversity, aiming to lead the Company to continued growth and to enhance shareholder value.

We strengthened the independence of the Board by separating the CEO and Board Chair roles in 2018, ensuring such independence by mandating that an Independent Director serve as the Board Chair since 2020 and organizing Board Committees with all Independent Directors, other than the Management Committee. We also ensured the expertise of the Board in the Company's key businesses by appointing executives who oversee each respective key business to serve as Executive Directors.

The Board is tasked with overseeing the Company's operations and guiding corporate management via balanced and rational perspectives. Moreover, Samsung understands the value of diversity, and our Board seeks to broaden the scope of its expertise and composition.

These efforts have enabled the Company to achieve rapid external growth and enhance shareholder value while also bolstering our compliance management system and strengthening our endeavors in ESG.

In March 2022, three Independent Directors and four Executive Directors were appointed at the Annual General Meeting of Shareholders. In the second quarter of 2022, however, two Independent Directors vacated their positions—Dr. Wha-Jin Han resigned in April and Dr. Byung-Gook Park unexpectedly passed away in May. In November 2022, we appointed two new Independent Directors at the Extraordinary General Meeting of Shareholders.

This year, Mr. Jong-Hee Han, Vice Chairman & CEO, Head of DX, is nearing the end of his current term, and we plan to reappoint him as Executive Director at the Annual General Meeting of Shareholders in March 2023. The nominee offers a wealth of experience and will continue to contribute significantly to Board discussions and decision making on important matters. Mr. Han also has a leading role in establishing strategies for all businesses within his oversight and identifying new business areas.

The Samsung Electronics Board unanimously recommends voting in favor of the nominated candidate Mr. Jong-Hee Han for Executive Director.

Composition of the Board

Current (2022)

Position	Name	Tenure (years)
Independent Director	Han-Jo Kim*	4
	Sun-Uk Kim*	5
	Jeong Kim*	5
	Jun-Sung Kim	1
	Eun-Nyeong Heo	< 1
	Myung-Hee Yoo	< 1
Executive Director	Jong-Hee Han	3
	Kye-Hyun Kyung	1
	Tae-Moon Roh	1
	Hark-Kyu Park	1
	Jung-Bae Lee	1

Proposed (2023)

Name	Tenure (years)	Position	Age	Gender	Country of nationality
Han-Jo Kim*	5	Chairman of the Board, Former Vice Chairman, Hana Financial Group	66	M	Korea
Sun-Uk Kim*	6	Professor Emeritus of School of Law, Ewha Womans University	70	F	Korea
Jeong Kim*	6	President, Kiswe Mobile	62	M	United States
Jun-Sung Kim	2	CIO, National University of Singapore Endowment Fund	55	M	Singapore
Eun-Nyeong Heo	1	Tenured Professor, Department of Energy Systems Engineering, Seoul National University	58	M	Korea
Myung-Hee Yoo	1	Former Trade Minister, Ministry of Trade, Industry and Energy	55	F	Korea
Jong-Hee Han	4	Vice Chairman & CEO, Head of Device eXperience (DX)	60	M	Korea
Kye-Hyun Kyung	2	President & CEO, Head of Device Solutions (DS)	59	M	Korea
Tae-Moon Roh	2	President, Head of Mobile eXperience (MX) Business	54	M	Korea
Hark-Kyu Park	2	President & CFO	58	M	Korea
Jung-Bae Lee	2	President, Head of Memory Business	55	M	Korea

* Audit Committee member

Item 2: Election of Jong-Hee Han as Executive Director



Jong-Hee Han

Directorship term: since 2020 (re-nominated)

Age: 60

Executive

Country of nationality: Republic of Korea

Vice Chairman & CEO, Head of Device eXperience (DX)

Rationale for Recommendation by the Board

Mr. Jong-Hee Han has served as Head of DX since the end of 2021, and our finished product businesses have been producing tangible achievements under his leadership. We believe Mr. Han is an ideal candidate for the bridging role between businesses and the Board. As an Executive Director, Mr. Han contributes to the development of Board strategies using his deep business knowledge and valuable insights into industry trends.

As Head of the Visual Display Business, Mr. Han's drive and goal-orientated approach played key roles in securing the Company's paramount position in the industry. He executed tailored and targeted marketing campaigns to fortify our market leadership amid shifting preferences and intensifying competition, keeping our TV business at the top of the global market for its 16th consecutive year.

Mr. Han has also been the Head of the Digital Appliances Business since October 2022, and has been advancing efforts to underpin the business's strategic plans for growth, including by ensuring the quality of our digital appliances is of the highest level and leading the revitalization of the business.

As CEO and Head of DX, Mr. Han has guided our key brands to center on user experiences, he established the groundwork for products and services that transcend the boundaries of our businesses, and he pushed to strengthen connectivity between devices, thereby creating a new base for continued growth momentum. Moreover, Mr. Han understands our stakeholders' sophisticated demands in ESG based on his firm commitment to ethical management and the development of eco-conscious technologies. He has also proven his leadership and ability to coordinate differing opinions within the Company.

Work Experience

- 2022–present: Head, Digital Appliances Business
- 2021–present: Vice Chairman & CEO, Head of DX
- 2017–present: Head, Visual Display Business
- 2013–2017: Head, R&D Team, Visual Display Business
- 2011–2013: Head, Product R&D Team, Visual Display Business

Other Current Public Company Boards

- None

Education

- B.S. in Electrical Engineering, Inha University

Agenda Item 3. Approval of Director Remuneration Limit (FY2023)

Compensation Committee

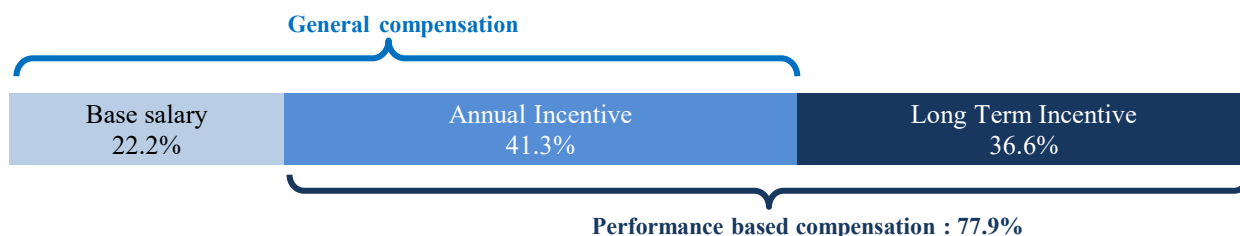
Samsung Electronics established the Compensation Committee in 2009 by a resolution of the Board, without legal mandates. The Committee consists entirely of Independent Directors to ensure the objectivity and transparency of decision-making regarding director remuneration. It is responsible for assessing the appropriateness of director compensation and reviewing the limit on director compensation for the next fiscal year, which will be up for approval by the shareholders at the Annual General Meeting of Shareholders.

Remuneration Structure

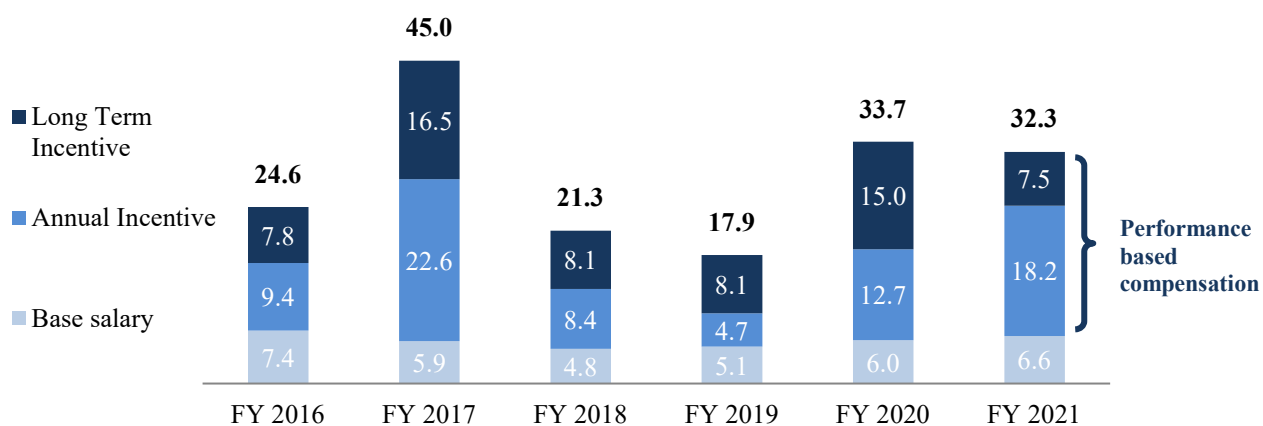
Our Director Remuneration program emphasizes the link between performance and compensation. The program consists of two elements: 1) general compensation; and 2) three-year long-term incentive (LTI).

	1.1) Base salary	Fixed compensation (including Independent Directors)
1) General compensation	1.2) Annual incentive	Performance based compensation
2) Long-term incentive (LTI)		

※ Remuneration of Directors by element (FY2016–FY2021, average portion)



(Unit: KRW billion)



1) General compensation

General compensation consists of base salary (including that for Independent Directors) and annual incentives.

1.1) Base salary

In accordance with internal regulations for executive treatment (Board resolution), base salary is determined based on position, responsibilities, and performance results.

- Performance-based compensation such as annual incentives and LTI are calculated using base salary as the base.

1.2) Annual incentive

Annual incentives are based on achievements and financial performance in each business segment.

- OPI (Overall Performance Incentive): Provided within a range of 50% of the annual salary when a company achieves annual targets set by CEOs. Paid from 20% of calculated EVA.
- TAI (Target Achievement Incentive): Provided within a range of 200% of monthly salary based on target achievement of each business.
- Special Bonus: Provided as a one-time bonus based on the annual performance and financial results, in accordance with internal regulations approved by the Board—e.g., special bonus to the CEO of the semiconductor business.

2) Long-term incentive (LTI)

The Company determines LTI by conducting performance evaluations at three-year intervals, and from FY2023, it will distribute 33% of the incentive in the following three years, respectively. Samsung Electronics adopted the LTI system in 2005.

	Term 1	Term2	Term 3	Term 4	Term 5	Term 6
Evaluation period:	2005–2007	2008–2010	2011–2013	2014–2016	2017–2019	2020–2022
Payment period:	2008	2011–2013	2014–2016	2017–2019	2020–2022	2023–2025

Evaluation criteria

Comparison of 3-year **ROE, EBIT margin, Stock Performance**

- ROE and EBIT margin are measured against figures at global peers.
- Stock performance is measured against that of the KOSPI and of global peers

Clawback policy

The LTI plan features a clawback policy (or recovery plan) that enables the Company to reduce awarded payments if any financial losses, such as contingent liabilities, are found after the LTI was determined. The plan's deferral of and ability to recover payments is designed to enhance management responsibility.

FY2022: Actual compensation

(Unit: KRW billion)

	FY2022		FY2021		FY2020	
	Approved	Actual	Approved	Actual	Approved	Actual
General compensation ¹	33.0	15.0	33.0	24.8	30.0	18.6
Long-term incentive (LTI)	8.0	7.5	8.0	7.5	25.0	15.0
Total	41.0	22.5	41.0	32.3	55.0	33.7

¹ Includes Independent Directors

1) General compensation of FY2022 decreased year-on-year.

- Annual incentive decreased due to smaller OPI and TAI payments amid weak earnings in FY2022 compared to FY2021.
- Base salary also decreased compared to FY2021 as the length of service of the newly appointed Executive Directors was shorter than those of their predecessors.

2) LTI of FY2022 remained the same as it was in FY2021.

- Long-term incentive paid in FY2022 remained at the same level as it was in FY2021 since FY2021 (Year 2) and FY2022 (Year 3) each represent 25% of the total LTI for the term according to the LTI payment scheme.

□ Executive Directors

- In accordance with relevant regulations, Executive Director remuneration is disclosed semi-annually. Individual remuneration for FY2022 will be disclosed in March 2023 in the annual business report, which is to be posted on the IR website.
- In March 2022, four Executive Directors were newly appointed: DS CEO Kye-Hyun Kyung, Head of MX Tae-Moon Roh, Head of Memory Jung-Bae Lee, and CFO Hark-Kyu Park.

(Unit: KRW billion)

	FY2022			FY2021					
	1st half			1st half			Year		
	Base salary	Perform. based	Total	Base salary	Perform. based	Total	Base salary	Perform. based	Total
JH Han	0.6	1.4	2.1	0.5	1.2	1.7	0.9	3.6	4.5
KH Kyung	0.5	0.5	1.0	-	-	-	-	--	-
TM Roh	0.6	1.1	1.7	-	-	-	-	--	-
HK Park	0.4	0.3	0.8	-	-	-	-	--	-
JB Lee	0.4	0.7	1.1	-	-	-	-	--	-

- Remuneration to Executive Directors who stepped down in March 2022 (i.e., Ki-Nam Kim, Hyun-Suk Kim, and Dong-Jin Kohn) is as follows:

	FY2022			FY2021					
	1st half			1st half			Year		
	Base salary	Perform. based	Total	Base salary	Perform. based	Total	Base salary	Perform. based	Total
KN Kim	0.9	2.4	3.3	0.9	2.6	3.5	1.7	6.9	8.6
HS Kim	0.4	1.6	2.1	0.6	1.8	2.3	1.1	9.2	10.3
DJ Koh	0.5	2.1	2.6	0.6	2.2	2.8	1.2	10.7	11.8

* Hyeon-Suk Kim and Dong-Jin Koh's remuneration in 2021 included retirement income of KRW 5.5 and 6.4 billion respectively.

※ Global peer comparison

(Unit: USD million)

	SEC	Peer companies							
		Apple	QCOM	Cisco	MSFT	Micron	Intel	IBM	HP
Total	31.8	208.0	22.1	82.7	135.2	78.6	220.9	52.4	55.5
Per person	6.4	41.6	4.4	16.5	27.0	15.7	44.2	10.5	11.1
As percentage of net profit	0.1%	0.2%	0.2%	0.7%	0.2%	0.9%	1.1%	0.9%	0.9%

* Comparison of SEC's FY2022 remuneration limit approved in the 53rd AGM (KRW 41.0 billion) divided by 5 Executives for the (maximum) per person pay to the actual remuneration paid to the top five executives at global peer companies.

* Based on the latest disclosure: FY2022 for Apple, Qualcomm, Cisco, Microsoft, Micron; FY2021 for Intel, IBM, HP.

□ Independent Directors

- Independent Directors remuneration is included in general compensation. In FY2022, total remuneration increased compared to FY2021.

(Unit: KRW billion)

	FY2022	FY2021	FY2020
Number of Independent Directors	6	6	6
Total remuneration	1.1	0.9	0.8
Average remuneration	0.18	0.15	0.14

* Average remuneration is total remuneration divided by the average number of people.

* Total remuneration includes remuneration for Wha-jin Han and Byung-gook Park, who vacated their positions during the fiscal year.

FY2023: To be approved

The Board recommends a remuneration limit of KRW 48.0 billion for FY2023.

(Unit: KRW billion)

	FY2023	FY2022	FY2021
General Compensation ¹	33.0	33.0	33.0
Long-term Incentive (LTI)	15.0	8.0	8.0
Total	48.0	41.0	41.0

¹ Includes Independent Directors

1) General compensation

- The Board recommends maintaining the same level of general compensation limit in FY2023 from FY2022 in consideration of macro uncertainties.

2) Long-term incentive (LTI)

- For FY2023, the Board recommends an LTI limit of KRW 15.0 billion.
- The payment scheme for Director LTI was recently revised. Under the old scheme, Director performance was evaluated at three-year intervals, and Directors received 50%, 25%, and 25% of their LTI in the following three years, respectively.
- Under the new scheme, Directors receive 33% of their LTI in each year of the three-year payment period.
- FY2023 is Year 1 of the new payment scheme, with LTI determined by performances over FY2020–2022. Under the new system, the LTI limit for FY2023 has increased compared to FY2022 for the following reasons:
 - The evaluation to determine the LTI pool for the next three years has not been finalized yet, so for this year, Year 1, the limit is set considering potential upper bounds of payment. (By way of reference, in the previous Year 1, which was 2020, the LTI limit was set at 25 billion KRW.)
 - Directors received 25% of their LTI in FY2022, which was Year 3 under the previous scheme, and will receive 33% in FY2023.

(Unit: KRW billion)

	Current term			Previous term		
Evaluation period	FY2020–FY2022			FY2017–FY2019		
Payment period	FY2023–FY2025			FY2020–FY2022		
		Limit	Actual		Limit	Actual
Payment Year 1	FY2023 (33%)	15.0	-	FY2020 (50%)	25.0	15.0
Payment Year 2	FY2024 (33%)	-	-	FY2021 (25%)	8.0	7.5
Payment Year 3	FY2025 (33%)	-	-	FY2022 (25%)	8.0	7.5

Information About the Meeting And Shareholder Rights

Overview

The General meeting of shareholders is the Company's highest decision-making body, where shareholders deliberate and decide on important issues concerning the Company.

□ Convening

General meetings of shareholders shall be either ordinary or extraordinary meetings.

- Ordinary general meetings—held within three months of the record date.
- Extraordinary general meetings—held whenever deemed necessary.

* Extraordinary general meetings may be called by the Board or by persons as authorized by the Articles of Incorporation and the Commercial Act and convened in accordance with the relevant procedures.

□ Parties with authority to convene meetings

Persons or parties authorized to call ordinary and extraordinary general meetings under the Articles of Incorporation and the Commercial Act:

- Board of Directors
- Audit Committee
- Shareholders

* According to the Commercial Act, shareholders who have owned at least 1.5% of outstanding shares with voting rights of the Company for more than six months may request to convene extraordinary general meetings.

□ Notice of convening

Pursuant to the Article 17-3 of the Articles of Incorporation, a written or electronic notice thereof setting forth the time, date, place, and agenda of the meeting shall be sent to the shareholders at least two weeks prior to the general meeting of shareholders.

* For the purpose of transparency and protecting shareholder voting rights, the Company currently has a policy to notify the shareholders of a general meeting of shareholders three or four weeks prior to the general meeting of shareholders.

Operation

In accordance with our Article of Incorporation, each shareholder is entitled to one vote per share. The Company does not have any system or method (such as a dual class voting structure, etc.) to discriminate shareholders' voting rights.

□ Method of adopting resolutions at the general meeting of shareholders

1. Ordinary resolution

- Pursuant to the Commercial Act and the Articles of Incorporation, resolutions shall be passed by more than one half (1/2) of votes of the shareholders present at the general meeting of shareholders and by more than one fourth (1/4) of outstanding votes.
- Items of Ordinary Resolutions: Election of Directors, remuneration for Directors, approval of financial statements, etc.

2. Extraordinary resolution

- Pursuant to the Commercial Act and the Articles of Incorporation, resolutions for matters that are significant to the Company's operation, including but not limited to amendments to the Articles of Incorporation and M&As subject to a resolution at a General Meeting, shall be passed by two thirds (2/3) of votes of the shareholders present at the general meeting of shareholders and by more than one third (1/3) of outstanding votes.
- Items of Extraordinary Resolutions: Amendment to the Articles of Incorporation, dismissal of Directors, approval of split or merger of the Company, etc.
- 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 has been available from the 51st AGM held in March 2020. In addition, the Company recommends the granting of proxies by distributing letter of attorney via various means—e.g., direct distribution, mail or fax, uploading the letter of attorney on the IR website, and sending the letter of attorney through email.

□ Protection of minority shareholder rights in the general meeting of shareholders

We are committed to protecting the rights of the Company's minority shareholders, whose rights are set forth below:

1. Right to call general meetings of shareholders

- In accordance with the Commercial Act, shareholders who own more than 1.5% of outstanding shares with voting rights of the Company for more than six months may request to convene extraordinary general meetings.

2. Right to present shareholder proposals

- Pursuant to the Commercial Act and the Articles of Incorporation, shareholders with ownership of more than 0.5% of outstanding shares with voting rights for more than six months may present shareholder proposals at a general meeting of shareholders.

Overview – The Board of Directors

As of December 2022, the Board of Samsung Electronics is composed of five Executive Directors and six Independent Directors, with an Independent Director majority guaranteeing independence and transparency.

Independent Director Han-Jo Kim has chaired the Board since 2022.

□ Board of Directors (as of December 2022)

Executive Directors (5):	Jong-Hee Han Hark-Kyu Park	Kye-Hyun Kyung Jung-Bae Lee	Tae-Moon Roh
Independent Directors (6):	Han-Jo Kim (Board Chair)		
	Sun-Uk Kim Eun-Nyeong Heo	Jeong Kim Myung-Hee Yoo	Jun-Sung Kim

Board Committees

The Management Committee

The Management Committee deliberates and decides matters either delegated by the Board, or specified in the Articles of Incorporation or Regulations of the Board, aiming to enhance professionalism and efficiency of decision-making.

The Audit Committee

The Audit Committee supervises and supports management to maximize corporate value using a system of checks and balances. The Committee consists of three Directors, and at least two thirds of them, according to relevant laws and regulations, must be Independent Directors.

The Independent Director Recommendation Committee

The Independent Director Recommendation Committee ensures that outside directors are recruited and recommended in a fair and independent matter.

The Related Party Transaction Committee

The Related Party Transaction Committee (also known as the Internal Transaction Committee) is a compliance body to enhance corporate governance and to promote fair transactions. The Committee reviews pending transactions between the Company and its related parties.

The Compensation Committee

The Compensation Committee evaluates the appropriateness of and reviews and approves the limit on Director compensation to be submitted for resolution at a general meeting of shareholders. The Committee consists of three Independent Directors.

The Sustainability Committee

The Sustainability Committee was established in July 2021, as an expansion of the previously named Governance Committee, to pursue sustainability management in areas including ESG (environment, social, and governance) and to enhance shareholder value.

□ Composition of the Board committees (as of February 2023)

We increased independence across the Board by forming all committees entirely with Independent Directors, excluding the Management Committee, which consists of five Executive Directors to make efficient decisions about business matters.

	Members		
	Chair	Executive Directors	Independent Directors
Management Committee	Jong-Hee Han (Executive)	Kye-Hyun Kyung Tae-Moon Roh Hark-Kyu Park Jung-Bae Lee	-
Audit Committee	Han-Jo Kim (Independent)	-	Sun-Uk Kim Jeong Kim
Independent Director Recommendation Committee	Jeong Kim (Independent)	-	Sun-Uk Kim
Related Party Transactions Committee	Sun-Uk Kim (Independent)	-	Han-Jo Kim Jeong Kim
Compensation Committee	Jeong Kim (Independent)	-	Han-Jo Kim Jun-Sung Kim
Sustainability Committee	Han-Jo Kim (Independent)	-	Sun-Uk Kim Jeong Kim Jun-Sung Kim Eun-Nyeong Heo Myung-Hee Yoo

Profile of Board Members (Executive)



Jong-Hee Han

Birth: March 15, 1962
Director since 2020

Mr. Jong-Hee Han has been Vice Chairman & CEO, Head of Device eXperience (DX) of Samsung Electronics since 2021. He became President and Head of the Visual Display Business in 2017. Mr. Han joined the Company in 1988 and has been influential in the development of a wide range of market-leading products. He played a pivotal role in taking Samsung's TV business to the pinnacle of the global market in 2006 and keeping it there since.

Mr. Han was a key figure in the unveiling of Samsung's world-class LED TV, and his numerous other innovations enabled the Company to continually demonstrate its technology leadership. He was also instrumental in the development of Samsung's own video processing technologies. He served as the President of Korea Association of Smart Home (KASH; from 2018–2019).

He earned his Bachelor's degree in electrical engineering from Inha University in 1988.



Kye-Hyun Kyung, PhD

Birth: March 5, 1963
Director since 2022

Dr. Kye-Hyun Kyung, President & CEO, Head of Device Solutions (DS), is a business leader and expert in the tech industry, having developed core memory technologies for the Company that spearheaded the "semiconductor supergap," including the world's first Direct Rambus DRAM in 1997 and the world's first Three-Dimensional Vertical NAND Flash in 2013. He also proved his abilities in management, as he achieved historically high results as CEO of Samsung Electro-Mechanics from 2020 to 2021.

Moreover, Dr. Kyung has made significant contributions to the organization's outstanding performance through 'communication leadership,' or precisely understanding the needs of key stakeholders via communicating actively, coordinating opinions, and hosting discussions.

He earned his B.A., M.S., and Ph.D. in control and measurement engineering at Seoul National University.



Tae-Moon Roh, PhD

Birth: September 3, 1968
Director since 2022

Dr. Tae-Moon Roh, President and Head of the Mobile eXperience (MX) Business, is a leading expert in smartphones who won the Technology Award in the Samsung Award of Honor in 2010 in recognition of his role in developing the Galaxy S-series.

Dr. Roh has been key in the development of new flagship products, including foldables, as well as in the sales expansion of wearables, overseeing the generation of 115 trillion won in revenue in 2022, our strongest performance since 2014. Moreover, he contributed to solidifying business fundamentals by improving operations, which included achieving cost efficiencies via standardizing components as well as by enhancing the efficiency of marketing activities.

He earned his B.A. in electronic engineering at Yonsei University and M.S. and Ph.D. in electronic engineering at Pohang University of Science and Technology.



Hark-Kyu Park

Birth: November 10, 1964
Director since 2022

Mr. Hark-Kyu Park, President & CFO, proved his capabilities in management and navigating risks during his numerous key positions in core businesses, from software to components to finished products. He served with exemplary management and finance expertise as head of the Mobile Business Administration Team, COO of Samsung SDS, and CFO of DS, among others.

Mr. Park, as the CFO, supports better business performance and coordinates management issues across the whole Company. We believe he is the person most befitting to support the operation of the Board, including through leading close communication between Board members and serving as a bridge between the Board and employees.

He earned his B.A. in business administration at Seoul National University and his M.S. in business and technology management at Korea Advanced Institute of Science and Technology.



Jung-Bae Lee, PhD

Birth: February 27, 1967
Director since 2022

Dr. Jung-Bae Lee, President and Head of the Memory Business, offers experience and expertise that encompass the breadth of the Memory business, which includes not only development, but also quality and strategy. He has a remarkable understanding of and offers deep insight into the memory business.

Mr. Lee heads the business unit that is key to the Company's overall results, and he has contributed significantly to enhancing the business's performance.

Amid an environment of escalating technological competition, he led achievements such as continuing Samsung's run of being the top company in terms of revenue in DRAM for over 30 years and in flash memory for over 20 years by securing product competitiveness, including 10-nano-range DRAM and 6th generation V-NAND.

He earned his B.A., M.S., and Ph.D. electronic engineering at Seoul National University.

Profile of Board Members (Independent)



Han-Jo Kim

Birth: July 12, 1956
Director since 2019
Board Chair

Mr. Han-Jo Kim served as Chairman of Hana Nanum Foundation from 2015 to 2019 and became Chairman of Hana Foundation in 2019. He served as Vice Chairman of Hana Financial Group from 2015 to 2016. Previously, he was President and CEO of Korea Exchange Bank from 2014 to 2015 and President of KEB Capital from 2013 to 2014.

He received his Bachelor's degree in French language and literature at Yonsei University.



Sun-Uk Kim, JD

Birth: December 21, 1952
Director since 2018

Ms. Sun-Uk Kim is a professor emeritus of the School of Law at Ewha Womans University. She joined Ewha Womans University as a Professor in 1995, and was President of the university from 2010 until 2014. Ms. Kim served as Minister of Government Legislation from 2005 to 2007, the first female to hold this position, and she was appointed as chair of Policy Committee of the Ministry of Justice in 2020.

She was Chairperson of Alumninetzwerk Deutschland Korea (ADeKo) from 2011 to 2014 and a Co-President at Korea-Germany Forum from 2012 to 2016. She acted as a Co-President for the Advisory Panel of National Assembly Special Committee on Constitutional Amendment in 2017.

She earned both her LL.B. and LL.M in law from Ewha Womans University and her J.D. in administrative law from University of Konstanz in Germany.



Jeong Kim, PhD

Birth: August 13, 1960
Director since 2018

Dr. Jeong Kim served as a nuclear submarine officer in the US Navy from 1982 until 1989. He founded Yurie Systems in 1992 and took the firm public in 1997. In 1998, Dr. Kim sold the company to and then worked at Lucent Technologies as a Senior Executive and Corporate Officer. He joined the University of Maryland from 2001 to 2013, teaching in both the Department of Electrical and Computer Engineering and the Department of Mechanical Engineering.

From 2005 until 2013, he worked at what would become Alcatel-Lucent as president of the Bell Labs division and as Chief Strategy Officer in his final two years there. He co-founded and became Executive Chairman of Kiswe Mobile in 2013. Previously, he served on the board of numerous international firms, including Arris Group (US) and Schneider Electric SA (France).

Dr. Kim earned his B.S. in electrical engineering and computer science and M.S. in technical management at Johns Hopkins University; and his Ph.D. in reliability engineering from the University of Maryland.



Jun-Sung Kim

Birth: October 14, 1967
Director since 2022

Mr. Jun-Sung Kim is regarded as an opinion leader in the financial sector, and he has held active roles as an investment expert for a considerable length of time in global financial hubs including New York, London and Singapore.

He previously served in several key roles at Government of Singapore Investment Corporation (GIC) including Managing Director from 2013 to 2020. He has been Chief Investment Officer at the National University of Singapore since 2022.

Mr. Kim earned his B.A. in economics & business administration at Carnegie Mellon University; he is also an alumnus of the Executive Program at Stanford University, and the Board Director Diploma at the International Institute for Management Development (IMD), Switzerland.



Eun-Nyeong Heo, PhD

Birth: August 7, 1964
Director since 2022

Dr. Eun-Nyeong Heo is an expert in energy, resources, and the environment and, in particular, how they relate to economy and policy, and he is currently a tenured professor at Seoul National University in the Department of Energy Systems Engineering. Dr. Heo is a renowned international scholar, and he was appointed to the position of Vice President of the International Association for Energy Economics (IAEE) in 2017.

He also served as a President of the Korean Resource Economics Association from 2019 to 2020, a Vice President of The Korean Society for New and Renewable Energy since 2015, a Private Sector Commissioner on the Committee on Green Growth from 2013 to 2017, and a Private Sector Commissioner on the Committee on Energy since 2021.

Dr. Heo earned his B.S. and M.S. in mineral and petroleum engineering (mineral economics) at Seoul National University, and his Ph.D. in mineral economics from the Pennsylvania State University.



Myung-Hee Yoo, JD

Birth: June 5, 1967
Director since 2022

Ms. Myung-Hee Yoo is an expert in international trade who served as Korea's Trade Minister. In 2020, Ms. Yoo was one of the two finalists for the position of Director-General of the World Trade Organization (WTO), a testimony to global recognition of her outstanding reputation and capabilities

She previously served as the Trade Minister at the Ministry of Trade, Industry and Energy (MOTIE) from 2019 to 2021 and as the Ambassador for Economy and Trade at the Ministry of Foreign Affairs (MOFA) from 2021 to 2022.

She earned her B.A. in English language and literature at Seoul National University, her M.A. in public policy at Seoul National University, and her J.D. from Vanderbilt University Law School.

Board Activities

The following tables present the agendas and voting results of meetings that were held by the Board and the Committees under the Board between January 2022 and December 2022.

□ Board meetings in FY2022

Board meetings and voting results of Directors

Agenda	Results	Executive Directors				Independent Directors					
		KN Kim	HS Kim	DJ Koh	JH Han	JW Bahk	SU Kim	BG Park	Jeong Kim	Curie Ahn	HJ Kim
January 27											
① Approval of FY21 financial statements and full-year business report	Approved	For	For	For	For	For	For	For	For	For	For
② Appointment of SCC member	Approved	For	For	For	For	For	For	For	For	For	For
※ Reported Items											
① Report on FY21 internal accounting management system activities											
② Report on evaluation of FY21 internal accounting management system activities											
February 15											
① Appointment of CEO	Approved	For	For	For	For	For	For	For	For	For	For
② Decision to convene the 53rd AGM	Approved	For	For	For	For	For	For	For	For	For	For
③ Decisions on the 53rd AGM agenda items	Approved	For	For	For	For	For	For	For	For	For	For
※ Reported Items											
① FY21 annual audit report											
② FY21 full-year business report											
③ Report on FY21 internal accounting management system activities											
※ Agenda item 1: Approval of FY21 financial statements, including balance sheet, income statement, and the statement of appropriation of retained earnings, etc.											
※ Agenda item 2: Appointment of Directors											
2-1: Independent Directors											
2-1-1: Han-jo Kim											
2-1-2: Wha-jin Han											
2-1-3: Jun-sung Kim											
2-2: Executive Directors											
2-2-1: Kye-hyun Kyung											
2-2-2: Tae-moon Roh											
2-2-3: Hark-kyu Park											
2-2-4: Jung-bae Lee											

Agenda	Results	Executive Directors				Independent Directors						
		KN Kim	HS Kim	DJ Koh	JH Han	JW Bahk	SU Kim	BG Park	Jeong Kim	Curie Ahn	HJ Kim	
2-3: Appointment of Audit Committee Members 2-3-1: Han-jo Kim 2-3-2: Jeong Kim												
※ Agenda item 3: Approval of remuneration limit for Directors												
④ Revision of internal accounting management regulations	Approved	For	For	For	For	For	For	For	For	For	For	For
⑤ Approval of 2022 social contribution matching fund	Approved	For	For	For	For	For	For	For	For	For	For	For
⑥ Donation to Chung-nam Samsung Institute	Approved	-	For	For	For	For	For	For	For	For	For	For
⑦ Purchase of product liability insurance	Approved	For	For	For	For	For	For	For	For	For	For	For

Agenda	Results	Executive Directors					Independent Directors					
		JH Han	KH Kyung	TM Roh	HK Park	JB Lee	HJ Kim	SU Kim	BG Park	Jeong Kim	WJ Han	JS Kim
March 16												
① Appointment of Chairman of the Board	Approved	For	For	For	For	For	For	For	For	For	For	For
② Appointment of CEO	Approved	For	For	For	For	For	For	For	For	For	For	For
③ Appointment of Board committee members	Approved	For	For	For	For	For	For	For	For	For	For	For
④ Director remuneration	Approved	For	For	For	For	For	For	For	For	For	For	For
⑤ Participation in Samsung Biologics' rights offering	Approved	For	For	For	For	For	For	For	For	For	For	For

Note: JW Bahk and Curie Ahn were on the Board but did not participate as their terms expired on March 19, 2022.

Agenda	Results	Executive Directors					Independent Directors					
		JH Han	KH Kyung	TM Roh	HK Park	JB Lee	HJ Kim	SU Kim	BG Park	Jeong Kim	JS Kim	
April 28												
① Approval of 1Q22 interim business report and quarterly dividend	Approved	For	For	For	For	For	For	For	For	For	For	For
② Real estate lease agreement of SEC company building in Seocho	Approved	For	For	For	For	For	For	For	For	For	For	For
③ Purchase of employee insurance policy	Approved	For	For	For	For	For	For	For	For	For	For	For
④ Charitable contributions	Approved	For	For	For	For	For	For	For	For	For	For	For
⑤ Lease agreement with Samsung SDI	Approved	For	For	For	For	For	For	For	For	For	For	For
⑥ Donation to incentive fund for DS Division suppliers	Approved	For	For	For	For	For	For	For	For	For	For	For
⑦ Establishment of health and safety	Approved	For	For	For	For	For	For	For	For	For	For	For

Agenda	Results	Executive Directors					Independent Directors			
		JH Han	KH Kyung	TM Roh	HK Park	JB Lee	HJ Kim	SU Kim	Jeong Kim	JS Kim
July 28										
① Approval of 2022 half-year business report and quarterly dividend	Approved	For	For			For	For	For	For	For
② Appointment of Board committee members	Approved	For	For			For	For	For	For	For
③ Joining of the New Technology Investment Association	Approved	For	For			For	For	For	For	For
④ Revision of regulation on establishment and operation of SCC	Approved	For	For			For	For	For	For	For
⑤ Purchase of package insurance policy for domestic operations	Approved	For	For	Absent	Abstain	For	For	For	For	For
⑥ Purchase of mobile device insurance	Approved	For	For			For	For	For	For	For
⑦ Real estate lease agreement with Samsung Display	Approved	For	For			For	For	For	For	For
⑧ Donation to the Inter-University Semiconductor Research Center of Seoul National University to help cover operating costs	Approved	For	For			For	For	For	For	For
September 1										
① Decision to convene the EGM	Approved		For	For	For		For	For	For	For
② Decisions on the EGM agenda items	Approved	Absent	For	For	For	Abstain	For	For	For	For
③ Setting the record date of shareholder register for the EGM	Approved		For	For	For		For	For	For	For
October 27										
① Promotion of JY Lee to Chairman	Approved	For	For	For			For	For	For	For
② Approval of 3Q22 interim business report and quarterly dividend	Approved	For	For	For			For	For	For	For
③ Donation to the Korea Chamber of Commerce and Industry	Approved	For	For	For	Abstain	Abstain	For	For	For	For
※ Reported Items	Approved	For	For	For			For	For	For	For
① Report on the CEO candidate pool	Approved	For	For	For			For	For	For	For

Agenda	Results	Executive Directors					Independent Directors					
		JH Han	KH Kyung	TM Roh	HK Park	JB Lee	HJ Kim	SU Kim	Jeong Kim	JS Kim	EN Heo	MH Yoo
November 3												
① Appointment of Board committee members	Approved	For	For	For	For	For	For		For	For	For	For
② Contribution for support related to the tragedy in Itaewon and to strengthen the public safety system	Approved	For	For	For	For	For	For	Absent	For	For	For	For
November 30												
① Approval of transaction with affiliate company	Approved	For	For	For	For	For	For	For	For	For	For	For
② Payment of retirement pension plan	Approved	For	For	For	For	For	For	For	For	For	For	For
③ Approval of business plan for 2023	Approved	For	For	For	For	For	For	For	For	For	For	For
④ Contribution to Community Chest of Korea's annual fundraising campaign for 2023	Approved	For	For	For	For	For	For	For	For	For	For	For
⑤ Contribution to UNDP sourced from Samsung Global Goals	Approved	For	For	For	For	For	For	For	For	For	For	For
⑥ Sponsorship of the WorldSkills Competition	Approved	For	For	For	For	For	For	For	For	For	For	For
※ Reported Items												
① Report on the evaluation of the effectiveness of the compliance control system												
② Report on results of the compliance review												
③ Report on measures to develop a compliance culture												
December 20												
① Appointment of the Chief Compliance Officer	Approved	For	For	For	For	For	For	For	For	For	For	For

Board Meeting Attendance

	Name	2020	2021	2022	Total	
		Jan 2020 - Dec 2020	Jan 2021 - Dec 2021	Jan 2022 - Dec 2022	Meetings	Overall attendance
Independent Directors	Han-Jo Kim	10/10	8/8	10/10	28	28
	Sun-Uk Kim	10/10	8/8	9/10	28	27
	Jeong Kim	10/10	8/8	10/10	28	28
	Jun-Sung Kim	-	-	8/8	8	8
	Eun-Nyeong Heo	-	-	3/3	3	3
	Myung-Hee Yoo	-	-	3/3	3	3
	Jae-Wan Bahk	10/10	8/8	2/3	21	20
	Byung-Gook Park	10/10	8/8	4/4	22	22
	Curie Ahn	10/10	8/8	2/3	21	20
	Wha-Jin Han	-	-	1/1	1	1
Executive Directors	Jong-Hee Han	7/7	8/8	9/10	25	24
	Kye-Hyun Kyung	-	-	8/8	8	8
	Tae-Moon Roh	-	-	7/8	8	7
	Hark-Kyu Park	-	-	8/8	8	8
	Jung-Bae Lee	-	-	8/8	8	8
	Yoon-Ho Choi ¹⁾	7/7	7/8	-	15	14
	Sang-Hoon Lee ²⁾	0/1	-	-	1	0
	Kinam Kim ³⁾	10/10	8/8	2/2	20	20
	Hyun-Suk Kim ⁴⁾	10/10	8/8	2/2	20	20
	Dong-Jin Koh ⁵⁾	10/10	8/8	2/2	20	20

1) Resigned in December 2021

2) Resigned in February 2020

3) 4) 5) Resigned in March 2022

□ Committee participation of Independent Directors in FY2022

Audit Committee

Agenda
January 25
<ul style="list-style-type: none">① Report on 2021 internal accounting management system activities② Report on evaluation of 2021 internal accounting management system activities③ Communication between external auditor and audit committee④ Report on 2021 financial statement and business report⑤ Report on 4Q21 non-audit activities⑥ Report on 4Q21 external contributions⑦ Report on 2021 audit activities
February 11
<ul style="list-style-type: none">① Review of the 2022 AGM agenda② Revision of internal accounting management regulations③ Report on activities of internal compliance system in 2021
April 26
<ul style="list-style-type: none">① Communication between external auditor and audit committee② Appointment of the head of the Audit Committee③ Report on evaluation of 2021 external audit activities④ Decision on the terms and conditions of the audit contract with the designated external auditor⑤ Report on 1Q22 interim business report⑥ Report on 1Q22 non-audit activities⑦ Report on plans for reviewing 2022 internal accounting management system activities⑧ Report on 1Q22 external contributions⑨ Report on plans for evaluating 2022 internal accounting management system activities
July 26
<ul style="list-style-type: none">① Communication between external auditor and audit committee② Report on 2022 half-year business report③ Report on 2Q22 non-audit activities④ Interim report on 2022 internal accounting management system activities⑤ Report on 2Q22 external contributions⑥ Report on 1H22 audit activities⑦ Revision of external auditor appointment regulations⑧ Interim report on evaluation of 2022 internal accounting management system activities
August 30
<ul style="list-style-type: none">① Review of the EGM agenda
October 25
<ul style="list-style-type: none">① Communication between external auditor and audit committee② Report on 3Q22 interim business report③ Report on 3Q22 non-audit activities④ Report on 3Q22 external contributions
October 27
<ul style="list-style-type: none">① Decision on compliance with the appointment of an external auditor② Decision on appointing an external auditor③ Establishment of the 2022 Retirement Pension Committee

Sustainability Committee

Agenda
February 11
<ul style="list-style-type: none">① Social contribution activities 2.0② Report on current status on joining the UN Global Compact③ Report on updates of IR activities

April 28
<ul style="list-style-type: none"> ① Appointment of the head of the Sustainability Committee ② Report on updates of IR activities ③ Results of ESG meetings with investors ④ Plans for publishing the Sustainability Report ⑤ Key tasks in company-wide sustainability management ⑥ Results of survey on corporate reputation
July 28
<ul style="list-style-type: none"> ① Report on updates of IR activities ② Progress on promoting diversity and inclusion
September 1
<ul style="list-style-type: none"> ① Promotion of SEC's Environmental Strategy (proposal)
October 27
<ul style="list-style-type: none"> ① Report on updates of IR activities ② Internal and external sustainability management trends ③ Joining of the Semiconductor Climate Consortium ④ Progress on promoting establishment of a standardized workplace for persons with disabilities at subsidiaries

Related Party Transactions Committee

Agenda
January 25
<ul style="list-style-type: none"> ① Report on 4Q21 related party transactions
February 11
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Purchase of product liability insurance
March 11
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Participation in Samsung Biologics' rights offering
April 26
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Real estate lease agreement of SEC company building in Seocho 2) Purchase of employee insurance policy 3) Charitable contributions 4) Lease agreement with Samsung SDI ② Report on 1Q22 related party transactions
July 26
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Joining of the New Technology Investment Association 2) Purchase of package insurance policy for domestic operations 3) Purchase of mobile device insurance 4) Real estate lease agreement with Samsung Display ② Report on 2Q22 related party transactions
October 25
<ul style="list-style-type: none"> ① Report on 3Q22 related party transactions
November 28
<ul style="list-style-type: none"> ① Prior review on large-scale related party transactions <ul style="list-style-type: none"> 1) Payment of retirement pension plan 2) Approval of 2023 large-scale product and service transactions

Compensation Committee

Agenda
February 11
① Review of fixed annual income for each Executive Director in 2022
② Review on 2022 remuneration limit for Directors

The Independent Director Recommendation Committee

Agenda
January 27
① Appointment of head of Committee
② Determination of deadline for recommendation of Independent Director candidates
February 11
① Recommendation of Independent Director candidates
August 30
① Recommendation of Independent Director candidates

Share Ownership Structure

□ Overview

As of the end of 2022, the total number of shares outstanding was 6,792,669,250. The number of common and preferred shares outstanding were 5,969,782,550 (87.9%) and 822,886,700 (12.1%), respectively.

The Company held no treasury shares as of the end of 2022 as it previously cancelled all treasury holdings in two phases, which occurred in May 2017 and December 2018.

Ownership structure as of end-FY2022

	Foreign	Domestic institutional	Domestic individual	Controlling shareholders	Treasury Shares
Common	49%	14%	16%	21%	-
Preferred	69%	3%	28%	0.1%	-

Major shareholders of common stock as of end-FY2022

Ranking	Owner ¹	Number	Portion of total
1	Samsung Life Insurance Co., Ltd. ²	518,404,090	8.7%
2	National Pension Service of Korea	449,387,577	7.5%
3	Samsung C&T Corp.	298,818,100	5.0%
4	CITIBANK.N.A ³	207,916,350	3.5%
5	THE GOVERNMENT OF SINGAPORE	152,568,093	2.6%
Total Number of Outstanding Common Stock		5,969,782,550	100.0%

1) Single institution/fund in the shareholder registry

2) The number of shares owned and share ratio includes special accounts.

3) SEC's GDR depository institution representing GDR shareowners; reported as an independent shareholder in the shareholder registry.

□ Voting shares

Samsung Electronics issued 5,969,782,550 common shares and 822,886,700 preferred shares.

As of the end of 2022, the Company does not hold any treasury shares. Preferred shares do not carry voting rights. The 597,466,009 shares owned by affiliated companies have limited voting rights under relevant laws. Thus, the number of shares with voting rights is 5,372,316,541.

Total shares with voting rights as of end-FY2022

Category	Type	Number of shares	Note
Number of outstanding shares (A)	Common	5,969,782,550	-
	Preferred	822,886,700	-
Treasury shares (no voting rights; B)	Common	-	Article 369-2 of the Commercial Act “Treasury Shares”
Shares with voting rights eliminated by Articles of Incorporation (C)	Preferred	822,886,700	
Shares with limited voting rights under relevant laws (D)	Common	596,959,200	Restricted by the Monopoly Regulation and Fair Trade Act: 508,157,148 shares held by Samsung Life Insurance; 88,802,052 shares held by Samsung Fire & Marine Insurance
	Common	506,809	Restricted by the Insurance Business Act: Some part of shares held by special account of Samsung Life Insurance
Shares with revived voting rights (E)	-	-	-
Total Shares with voting rights (F)	Common	5,372,316,541	(F = A - B - C - D + E)

* Among shares with limited voting rights under relevant laws, some of the 596,959,200 shares that are restricted by the Monopoly Regulation and Fair Trade Act can exercise voting rights for appointment/dismissal of executives and modification of the articles of incorporation.

□ Share ownership of Board Members

The following table presents shares and stock options held by members of the Board as of December 31, 2022.

(Unit: Share)

Name	Status	Since	Common Shares
Jong-Hee Han	Executive Director	March 2020	15,000
Kye-Hyun Kyung	Executive Director	March 2022	18,050
Tae-Moon Roh	Executive Director	March 2022	13,000
Hark-Kyu Park	Executive Director	March 2022	22,500
Jung-Bae Lee	Executive Director	March 2022	15,000
Han-Jo Kim	Independent Director	March 2019	3,655
Sun-Uk Kim	Independent Director	March 2018	0
Jeong Kim	Independent Director	March 2018	0
Jun-Sung Kim	Independent Director	March 2022	0
Eun-Nyeong Heo	Independent Director	November 2022	0
Myung-Hee Yoo	Independent Director	November 2022	0

Independent Auditor Fees

The following table presents fees for professional audit services rendered by Deloitte Touche Tohmatsu Anjin (“Deloitte Anjin”) and Samil PricewaterhouseCoopers (“Samil PwC”) for the audit of Samsung Electronics’ annual financial statements for the past three years (FY2019–2021), and fees billed for other services during those periods.

(Unit: KRW Million)

Year of operation	Auditor	Audit Services	Non-Audit Services	Audit Opinion
53rd (Jan 1, 2021–Dec 31, 2021)	Deloitte Anjin	7,900	394	Fair
52nd (Jan 1, 2020–Dec 31, 2020)	Deloitte Anjin	8,400	59	Fair
51st (Jan 1, 2019–Dec 31, 2019)	Samil PwC	6,481	385	Fair

* Non-Audit Services include advisory services on tax, establishment of regional HQ, and process improvement, etc.

* Upon termination of the contract with previous auditor, Samil PwC, Deloitte Anjin has been designated as the Company’s external auditor for three years ending December 31, 2022, in accordance with periodic designation regulation of Article 11 (1) and (2) of the “Act on External Audit of Stock Companies, Etc.”, Article 17 of the “Enforcement Decree of the Act on External Audit of Stock Companies, Etc.”, and Article 10 and Article 15 (1) of “Regulations on External Audit and Accounting”

Corporate governance website

You can read more information about Samsung’s corporate governance practices from our website:

- Articles of Incorporation
<https://www.samsung.com/global/ir/governance-csr/articles-of-incorporation/>
- Global Code of Conduct
<https://www.samsung.com/global/ir/governance-csr/global-code-of-conduct/>
- Sustainability Overview
<https://www.samsung.com/us/sustainability/>
- Board of Directors
<https://www.samsung.com/global/ir/governance-csr/board-of-directors/>
- Board Committees
<https://www.samsung.com/global/ir/governance-csr/board-committee/>

Financial Statements (FY2022)

CONSOLIDATED FINANCIAL STATEMENTS OF SAMSUNG ELECTRONICS CO., LTD. AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

※ Audited financial statements with the independent auditor's opinion are not available as of today, but they will be disclosed separately and also posted on the IR webpage of Samsung Electronics on February 16, 2023.

<https://www.samsung.com/global/ir/reports-disclosures/public-disclosure/>

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Convenience Translation into United States Dollar Amounts

The Company operates primarily in Korean won and its official accounting records are maintained in Korean won. The US dollar amounts provided in the consolidated financial statements represent supplementary information solely for the convenience of the reader. All Korean won amounts are expressed in US dollar at the rate of W 1,291.1 to USD 1, the average exchange rate for the year ended December 31, 2022. Such presentation is not in accordance with generally accepted accounting principles, and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in US dollar at this or at any other rate.

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars)

	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	KRW	KRW	USD	USD
Assets				
Current assets				
Cash and cash equivalents	49,680,710	39,031,415	38,477,921	30,229,997
Short-term financial instruments	65,102,886	81,708,986	50,422,462	63,283,957
Short-term financial assets at amortized cost	414,610	3,369,034	321,117	2,609,331
Short-term financial assets at fair value through profit or loss	29,080	40,757	22,523	31,566
Trade receivables	35,721,563	40,713,415	27,666,503	31,532,713
Non-trade receivables	6,149,209	4,497,257	4,762,589	3,483,145
Prepaid expenses	2,867,823	2,336,252	2,221,141	1,809,437
Inventories	52,187,866	41,384,404	40,419,724	32,052,397
Other current assets	6,316,834	5,081,665	4,892,415	3,935,772
	218,470,581	218,163,185	169,206,395	168,968,315
Non-current assets				
Financial assets at fair value through other comprehensive income	11,397,012	13,965,839	8,827,034	10,816,602
Financial assets at fair value through profit or loss	1,405,468	1,525,344	1,088,541	1,181,385
Investment in associates and joint ventures	10,893,869	8,932,251	8,437,348	6,918,066
Property, plant and equipment	168,045,388	149,928,539	130,151,868	116,120,291
Intangible assets	20,217,754	20,236,244	15,658,737	15,673,057
Net defined benefit assets	5,851,972	2,809,590	4,532,377	2,176,039
Deferred income tax assets	5,101,318	4,261,214	3,950,992	3,300,328
Other non-current assets	7,041,145	6,798,952	5,453,397	5,265,819
	229,953,926	208,457,973	178,100,294	161,451,587
Total assets	448,424,507	426,621,158	347,306,689	330,419,902

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars)

	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	KRW	KRW	USD	USD
Liabilities and Equity				
Current liabilities				
Trade payables	10,644,686	13,453,351	8,244,355	10,419,678
Short-term borrowings	5,147,315	13,687,793	3,986,617	10,601,254
Other payables	17,592,366	15,584,866	13,625,362	12,070,545
Advances received	1,314,934	1,224,812	1,018,422	948,622
Withholdings	1,298,244	1,294,052	1,005,496	1,002,249
Accrued expenses	29,211,487	27,928,031	22,624,421	21,630,379
Current income tax liabilities	4,250,397	6,749,149	3,291,951	5,227,245
Current portion of long-term liabilities	1,089,162	1,329,968	843,561	1,030,066
Provisions	5,844,907	5,372,872	4,526,905	4,161,312
Other current liabilities	1,951,354	1,492,239	1,511,331	1,155,744
	78,344,852	88,117,133	60,678,421	68,247,094
Non-current liabilities				
Debentures	536,093	508,232	415,206	393,628
Long-term borrowings	3,560,672	2,866,156	2,757,756	2,219,850
Long-term other payables	2,753,305	2,991,440	2,132,446	2,316,883
Net defined benefit liabilities	268,370	465,884	207,854	360,829
Deferred income tax liabilities	5,111,332	23,198,205	3,958,748	17,967,108
Long-term provisions	1,928,518	2,306,994	1,493,645	1,786,777
Other non-current liabilities	1,171,761	1,267,183	907,535	981,439
	15,330,051	33,604,094	11,873,190	26,026,514
Total liabilities	93,674,903	121,721,227	72,551,611	94,273,608

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars)

	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	KRW	KRW	USD	USD
Equity attributable to owners of the Company				
Preference shares	119,467	119,467	92,528	92,528
Ordinary shares	778,047	778,047	602,601	602,601
Share premium	4,403,893	4,403,893	3,410,834	3,410,834
Retained earnings	337,946,407	293,064,763	261,740,930	226,979,906
Other components of equity	1,938,328	(2,128,473)	1,501,243	(1,648,512)
	345,186,142	296,237,697	267,348,136	229,437,357
Non-controlling interests	9,563,462	8,662,234	7,406,942	6,708,937
Total equity	354,749,604	304,899,931	274,755,078	236,146,294
Total liabilities and equity	448,424,507	426,621,158	347,306,689	330,419,902

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In millions of Korean won, in thousands of US dollars)

	For the years ended December 31,			
	2022	2021	2022	2021
	KRW	KRW	USD	USD
Revenue	302,231,360	279,604,799	234,079,475	216,555,107
Cost of sales	190,041,770	166,411,342	147,188,160	128,886,293
Gross profit	112,189,590	113,193,457	86,891,315	87,668,814
Selling and administrative expenses	68,812,960	61,559,601	53,295,930	47,678,173
Operating profit	43,376,630	51,633,856	33,595,385	39,990,641
Other non-operating income	1,962,071	2,205,695	1,519,632	1,708,320
Other non-operating expense	1,790,176	2,055,971	1,386,499	1,592,358
Share of net profit of associates and joint ventures	1,090,643	729,614	844,708	565,089
Financial income	20,828,995	8,543,187	16,132,145	6,616,735
Financial expense	19,027,689	7,704,554	14,737,026	5,967,210
Profit before income tax	46,440,474	53,351,827	35,968,345	41,321,217
Income tax expense	(9,213,603)	13,444,377	(7,135,975)	10,412,727
Profit for the year	55,654,077	39,907,450	43,104,320	30,908,490
Profit attributable to				
Owners of the Company	54,730,018	39,243,791	42,388,632	30,394,483
Non-controlling interests	924,059	663,659	715,688	514,007
Earnings per share (in Korean won, in US dollars)				
- Basic	8,057	5,777	6.24	4.47
- Diluted	8,057	5,777	6.24	4.47

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Korean won, in thousands of US dollars)

	For the years ended December 31,			
	2022	2021	2022	2021
	KRW	KRW	USD	USD
Profit for the year	55,654,077	39,907,450	43,104,320	30,908,490
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	(1,969,498)	2,980,896	(1,525,385)	2,308,717
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	(6,318)	51,816	(4,893)	40,132
Remeasurement of net defined benefit liabilities (assets), net of tax	1,153,679	(524,606)	893,529	(406,310)
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	(44,192)	160,163	(34,227)	124,047
Gain on overseas business translation, net of tax	4,884,886	7,283,620	3,783,365	5,641,195
Gain (loss) on valuation of cash flow hedge derivatives	(12,893)	50,410	(9,986)	39,043
Other comprehensive income (loss) for the year, net of tax	4,005,664	10,002,299	3,102,403	7,746,824
Total comprehensive income for the year	59,659,741	49,909,749	46,206,723	38,655,314
Comprehensive income attributable to:				
Owners of the Company	58,745,107	49,037,912	45,498,335	37,980,071
Non-controlling interests	914,634	871,837	708,388	675,243

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2021 KRW	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2021	119,467	778,047	4,403,893	271,068,211	(8,687,155)	(12,132)	267,670,331	8,277,685	275,948,016
Profit for the year	-	-	-	39,243,791	-	-	39,243,791	663,659	39,907,450
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	3,232,934	(359,117)	-	2,873,817	107,079	2,980,896
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	-	-	-	-	225,464	-	225,464	(13,485)	211,979
Gain on overseas business translation, net of tax	-	-	-	-	7,164,982	-	7,164,982	118,638	7,283,620
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	-	(520,552)	-	(520,552)	(4,054)	(524,606)
Gain on valuation of cash flow hedge derivatives	-	-	-	-	50,410	-	50,410	-	50,410
Reclassification as held-for-sale	-	-	-	-	(12,132)	12,132	-	-	-
Total comprehensive income for the year	-	-	-	42,476,725	6,549,055	12,132	49,037,912	871,837	49,909,749
Dividends declared	-	-	-	(20,480,721)	-	-	(20,480,721)	(32,005)	(20,512,726)
Capital transaction under common control	-	-	-	-	-	-	-	12,553	12,553
Changes in consolidated entities	-	-	-	-	-	-	-	(477,617)	(477,617)
Other	-	-	-	548	9,627	-	10,175	9,781	19,956
Total transactions with owners	-	-	-	(20,480,173)	9,627	-	(20,470,546)	(487,288)	(20,957,834)
Balance as of December 31, 2021	119,467	778,047	4,403,893	293,064,763	(2,128,473)	-	296,237,697	8,662,234	304,899,931

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars)

2021 USD	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2021	92,528	602,601	3,410,834	209,943,483	(6,728,239)	(9,396)	207,311,811	6,411,102	213,722,913
Profit for the year	-	-	-	30,394,483	-	-	30,394,483	514,007	30,908,490
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	2,503,921	(278,138)	-	2,225,783	82,934	2,308,717
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	-	-	-	-	174,623	-	174,623	(10,444)	164,179
Gain on overseas business translation, net of tax	-	-	-	-	5,549,309	-	5,549,309	91,886	5,641,195
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	-	(403,170)	-	(403,170)	(3,140)	(406,310)
Gain on valuation of cash flow hedge derivatives	-	-	-	-	39,043	-	39,043	-	39,043
Reclassification as held-for-sale	-	-	-	-	(9,396)	9,396	-	-	-
Total comprehensive income for the year	-	-	-	32,898,404	5,072,271	9,396	37,980,071	675,243	38,655,314
Dividends declared	-	-	-	(15,862,406)	-	-	(15,862,406)	(24,788)	(15,887,194)
Capital transaction under common control	-	-	-	-	-	-	-	9,722	9,722
Changes in consolidated entities	-	-	-	-	-	-	-	(369,916)	(369,916)
Other	-	-	-	425	7,456	-	7,881	7,574	15,455
Total transactions with owners	-	-	-	(15,861,981)	7,456	-	(15,854,525)	(377,408)	(16,231,933)
Balance as of December 31, 2021	92,528	602,601	3,410,834	226,979,906	(1,648,512)	-	229,437,357	6,708,937	236,146,294

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2022 KRW	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2022	119,467	778,047	4,403,893	293,064,763	(2,128,473)	-	296,237,697	8,662,234	304,899,931
Profit for the year	-	-	-	54,730,018	-	-	54,730,018	924,059	55,654,077
Gain(loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	(38,937)	(1,867,530)	-	(1,906,467)	(63,031)	(1,969,498)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	-	-	-	-	(51,848)	-	(51,848)	1,338	(50,510)
Gain on overseas business translation, net of tax	-	-	-	-	4,863,930	-	4,863,930	20,956	4,884,886
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	-	1,122,367	-	1,122,367	31,312	1,153,679
Loss on valuation of cash flow hedge derivatives	-	-	-	-	(12,893)	-	(12,893)	-	(12,893)
Total comprehensive income for the year	-	-	-	54,691,081	4,054,026	-	58,745,107	914,634	59,659,741
Dividends declared	-	-	-	(9,809,437)	-	-	(9,809,437)	(5,523)	(9,814,960)
Capital transactions under common control	-	-	-	-	-	-	-	(176)	(176)
Changes in consolidated entities	-	-	-	-	-	-	-	124	124
Others	-	-	-	-	12,775	-	12,775	(7,831)	4,944
Total transactions with owners	-	-	-	(9,809,437)	12,775	-	(9,796,662)	(13,406)	(9,810,068)
Balance as of December 31, 2022	119,467	778,047	4,403,893	337,946,407	1,938,328	-	345,186,142	9,563,462	354,749,604

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars)

2022 USD	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2022	92,528	602,601	3,410,834	226,979,906	(1,648,512)	-	229,437,357	6,708,937	236,146,294
Profit for the year	-	-	-	42,388,632	-	-	42,388,632	715,688	43,104,320
Gain(loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	-	-	-	(30,157)	(1,446,410)	-	(1,476,567)	(48,818)	(1,525,385)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	-	-	-	-	(40,156)	-	(40,156)	1,036	(39,120)
Gain on overseas business translation, net of tax	-	-	-	-	3,767,134	-	3,767,134	16,231	3,783,365
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	-	869,278	-	869,278	24,251	893,529
Loss on valuation of cash flow hedge derivatives	-	-	-	-	(9,986)	-	(9,986)	-	(9,986)
Total comprehensive income for the year	-	-	-	42,358,475	3,139,860	-	45,498,335	708,388	46,206,723
Dividends declared	-	-	-	(7,597,451)	-	-	(7,597,451)	(4,277)	(7,601,728)
Capital transactions under common control	-	-	-	-	-	-	-	(136)	(136)
Changes in consolidated entities	-	-	-	-	-	-	-	96	96
Others	-	-	-	-	9,895	-	9,895	(6,066)	3,829
Total transactions with owners	-	-	-	(7,597,451)	9,895	-	(7,587,556)	(10,383)	(7,597,939)
Balance as of December 31, 2022	92,528	602,601	3,410,834	261,740,930	1,501,243	-	267,348,136	7,406,942	274,755,078

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars)

	For the years ended December 31,			
	2022	2021	2022	2021
	KRW	KRW	USD	USD
Operating activities				
Profit for the year	55,654,077	39,907,450	43,104,320	30,908,490
Adjustments	33,073,439	49,055,633	25,615,519	37,993,797
Changes in assets and liabilities arising from operating activities	(16,998,948)	(16,286,884)	(13,165,758)	(12,614,262)
Cash generated from operations	71,728,568	72,676,199	55,554,081	56,288,025
Interest received	2,136,795	1,406,706	1,654,957	1,089,500
Interest paid	(714,543)	(434,441)	(553,417)	(336,476)
Dividends received	529,421	299,033	410,039	231,602
Income tax paid	(11,498,895)	(8,842,049)	(8,905,943)	(6,848,204)
Net cash from operating activities	62,181,346	65,105,448	48,159,717	50,424,447
Investing activities				
Net decrease in short-term financial instruments	15,214,321	10,917,128	11,783,556	8,455,362
Net decrease (increase) in short-term financial assets at amortized cost	3,050,104	(336,959)	2,362,319	(260,976)
Net decrease in short-term financial assets at fair value through profit or loss	11,677	30,694	9,044	23,773
Disposal of long-term financial instruments	8,272,909	10,216,082	6,407,403	7,912,399
Acquisition of long-term financial instruments	(4,393,754)	(6,981,810)	(3,402,981)	(5,407,442)
Disposal of financial assets at fair value through other comprehensive income	496,090	2,919,888	384,224	2,261,466
Acquisition of financial assets at fair value through other comprehensive income	(37,687)	(1,121,201)	(29,189)	(868,375)
Disposal of financial assets at fair value through profit or loss	166,315	350,212	128,812	271,241
Acquisition of financial assets at fair value through profit or loss	(158,244)	(208,262)	(122,561)	(161,300)
Disposal of investment in associates and joint ventures	13,233	19,169	10,249	14,846
Acquisition of investment in associates and joint ventures	(907,958)	(47,090)	(703,217)	(36,471)
Disposal of property, plant and equipment	217,878	358,284	168,747	277,492
Acquisition of property, plant and equipment	(49,430,428)	(47,122,106)	(38,284,077)	(36,496,272)
Disposal of intangible assets	23,462	1,752	18,171	1,357
Acquisition of intangible assets	(3,696,304)	(2,706,915)	(2,862,803)	(2,096,517)
Cash outflow from business combinations	(31,383)	(5,926)	(24,306)	(4,590)
Cash inflow from sale of assets-held-for-sale	-	661,168	-	512,077
Cash inflow (outflow) from other investing activities	(413,035)	8,129	(319,897)	6,296
Net cash used in investing activities	(31,602,804)	(33,047,763)	(24,476,506)	(25,595,633)

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars)

	For the years ended December 31,			
	2022	2021	2022	2021
	KRW	KRW	USD	USD
Financing activities				
Net decrease in short-term borrowings	(8,339,149)	(2,616,943)	(6,458,706)	(2,026,833)
Increase in long-term borrowings	271,997	58,279	210,663	45,137
Repayment of debentures and long-term borrowings	(1,508,465)	(894,749)	(1,168,313)	(692,987)
Dividends paid	(9,814,426)	(20,510,350)	(7,601,315)	(15,885,353)
Net decrease in non-controlling interests	(6)	(27,270)	(5)	(21,121)
Net cash used in financing activities	(19,390,049)	(23,991,033)	(15,017,676)	(18,581,157)
Reclassification to assets held-for-sale	-	139	-	108
Effect of foreign exchange rate changes	(539,198)	1,582,046	(417,611)	1,225,300
Net increase in cash and cash equivalents	10,649,295	9,648,837	8,247,924	7,473,065
Cash and cash equivalents				
Beginning of the year	39,031,415	29,382,578	30,229,997	22,756,932
End of the year	49,680,710	39,031,415	38,477,921	30,229,997

Samsung Electronics Co., Ltd.

SEPARATE STATEMENTS OF APPROPRIATION OF RETAINED EARNINGS

For the years ended December 31, 2022 and 2021

<i>(In millions of Korean won)</i>	2022	2021
Retained earnings before appropriations		
Unappropriated retained earnings carried over from prior year	30	30
Interim dividends:		
In 2022 - ₩ 1,083 (dividend rate: 1083%)	(7,356,461)	(7,356,461)
In 2021 - ₩ 1,083 (dividend rate: 1083%)		
Profit for the year	25,418,778	30,970,954
Disposal of financial assets measured at fair value through profit or loss	4,340	-
Retained earnings available for appropriation	18,066,687	23,614,523
Transfers from other reserves		
	-	-
Appropriations of retained earnings		
Cash dividends:	2,452,976	2,452,976
In 2022:		
Ordinary shares - ₩ 361 (dividend rate: 361%)		
Preference shares - ₩ 362 (dividend rate: 362%)		
In 2021:		
Ordinary shares - ₩ 361 (dividend rate: 361%)		
Preference shares - ₩ 362 (dividend rate: 362%)		
Reserve for research and human resources development	15,613,681	21,161,517
Total appropriations of retained earnings	18,066,657	23,614,493
Unappropriated retained earnings to be carried forward	30	30