

2025 Annual General Meeting of Shareholders

Reference Material

Samsung Electro-Mechanics Co.,Ltd.

[Note about forward-looking statements](#)

Certain statements in this reference material, other than purely historical information, including estimates, projections, statements relating to business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements”. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of the risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our financial reports available on our website at

<https://www.samsungsem.com/global/index.do>

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Letter to Shareholders (CEO Message)

Dear Shareholders of Samsung Electro-Mechanics,

I sincerely wish for your health and happiness in 2025.

Looking back on 2024, while the global economy delivered moderate growth supported by gradual recovery of international trade and easing inflationary pressure, the overall business environment remained challenging due to various domestic and international issues including geopolitical instability.

Major IT markets including smartphone, PC and TV saw some improvement of demand supported by national economic stimulus policies, and applications such as AI, servers, xEV and autonomous driving continued another year of solid growth.

Samsung Electro-Mechanics delivered year-over-year growth in business performance by continuing to emphasize high-end products within its business structure and by expanding its business in major growth markets such as AI and automotive applications.

In 2024, the company recorded revenue of KRW 10 trillion 294.1 billion, a 16% growth year-over-year, and operating profit of KRW 735 billion, a roughly 11% growth from 2023.

To highlight some key achievements in 2024 and future plans by line of business,

First, the Component Business.

While the global IT set market remained slow overall, demand for high-end MLCCs continued to grow in connection with applications such as AI, server, xEV and autonomous driving. Capturing this opportunity, the Component Division recorded growth in industrial and automotive MLCCs.

In particular, for IT and industrial MLCCs, we also continued to strengthen core MLCC material technology such as dielectric and internal electrode as well as key manufacturing process technology including stacking, baking and shaping to successfully launch a stream of new cutting-edge products and to tap new markets such as AI and servers.

For automotive MLCCs, we combined our 150°C and above high-temperature materials together with high-voltage technology to continuously expand our coverage of high-capacitance, high-performance and high-reliability products, driving revenue growth in high-end MLCCs for automotive applications such as ADAS and powertrain from global automobile OEMs and Tier 1 accounts.

The Component Division will continue to focus on strengthening its business competitiveness by launching new cutting-edge products for IT applications and gradually expanding its production capacity and building a stable supply system to increase its market share in the high-end automotive MLCC market. It will also actively target the increasing MLCC demand coming from high-growth industrial applications such as AI and server in order to deliver above-market revenue growth.

Next, the Optics Solution business.

Major smartphone manufacturers continue to adopt new camera technology such as folded zoom and dynamic aperture as a point of differentiation. The market for automotive cameras also continues to grow as automobile makers search for more advanced vehicle sensing solutions to implement autonomous driving.

Targeting such demand, we have strengthened our IT camera module line-up by adding differentiated new technologies such as a new structure folded zoom and dynamic aperture to increase supply of our ultra-high specification camera modules to key Korean and overseas mobile customers. Our automotive camera module sales also continues to grow, supported by the development of new products that satisfy customer requirements including high-pixel, high-image quality camera modules.

Samsung Electro-Mechanics will continue to expand its offering of differentiated products that leverage our internalized lens and actuator technology to deliver better low-light and optical zoom performance, while at the same time securing stable profitability with better price competitiveness.

In automotive camera modules, the focus will be on strengthening our product line-up of high-reliability camera modules including all-weather cameras and also on breaking into new global automotive accounts in order to continuously increase our automotive market share.

Lastly, the Package Solution business.

While recovery of PC and general server demand continues to be pushed back, demand for AI servers, network equipment and automobiles has been increasing, driving wider adoption of high-performance package substrates. To capture this demand, we have been shifting our business more towards high-end products such as large-size and high multi-layer substrates.

IC package substrate technology will continue to advance in response to growing demand for high-speed processing of large-scale data, driven by wider penetration of AI, servers, cloud services and autonomous driving.

The Package Solution Division will focus on securing next-generation leading technology such as large-area, thin and fine pitch substrates to drive revenue growth from high-end products used for servers, AI accelerators and ARM CPUs.

At the same time, we will emphasize quality competitiveness and yield improvements to build stronger customer relationships based on trust.

Furthermore, we will continue to carefully monitor changes in market conditions, particularly in AI related applications and IT set products and to build stronger strategic collaboration with key customers, ready to nimbly capture new growth opportunities.

Dear Shareholders,

The year 2025 is expected to be another year of uncertainty with escalating protectionism in global trade and various geopolitical risks.

Despite such challenges, we still find opportunities for business growth. AI related demand is likely to remain strong again this year, driven by robust growth of AI servers and wider adoption of AI functionality on PCs and smartphones. The continued increase in electronic content in vehicles with the wider adoption of autonomous driving and ADAS has been driving growth of the high-end market, which is the part of the market that we have been focusing on.

In 2025, all members of Samsung Electro-Mechanics will work together to deliver business results that are aligned with your support and expectations for the company.

ESG, another important measure of corporate value, is an area that Samsung Electro-Mechanics has also been steadily expanding. In 2024, we became the first company in

Korea to make the Dow Jones Sustainability Index (DJSI) World List 16 years in a row as part of the Dow Jones Sustainability Index review. Building on these achievements, we will continue to generate positive impact on global society through our business activities by focusing on sustainable growth.

Furthermore, ensuring a safe environment has been the top guiding principle for our business operation, and we will continue to comply with global standards and conduct end-to-end risk factor assessment to maintain a safe, healthy and pleasant workplace for all members.

Dear Shareholders,

Samsung Electro-Mechanics has been actively engaging the Korean and global investor community through its Investor Relations (IR) program. We will continue to communicate our mid-to long-term vision and goals with the market through our regular quarterly earnings calls and IR meetings to fully support shareholder value maximization.

Pending approval by the upcoming General Meeting of Shareholders, a total of KRW 136.1 billion has been allocated for shareholder dividend payout. The dividend payout per share is KRW 1,800 for each common share and KRW 1,850 for each preferred share.

Increasing shareholder return by having the value created through business growth translate into greater value for shareholders remains a key objective that we continuously strive for, while also mindful of future investment and cashflow needs of the company.

Dear Shareholders,

In order to create a framework capable of sustainable growth in this constantly changing global business environment, Samsung Electro-Mechanics will concentrate on strengthening its competitive advantage in the high-end market by developing differentiated technology and executing timely investments. It will also focus on successfully carrying out the “Mi-RAE Project”, which aims to capture future market opportunities emerging from areas such as the mobility industry, humanoid robots, AI and energy.

Components and materials lie at the heart of any new industry and technology. We will successfully develop new businesses including high-performance chip packaging, silicon capacitors for AI servers and all-solid-state batteries with industry leading energy density and capacity characteristics to capture new growth opportunities.

Samsung Electro-Mechanics also remains committed to faithfully respecting global laws, regulations and norms in our business activities and recognizes the importance of gaining the trust and respect from the global market as a company that practices integrity in its business activities.

Dear Shareholders,

I look forward to your continued support and encouragement, which is a valuable source of inspiration and energy as we continue on this journey of growth. I sincerely wish success in all your endeavors in 2025, and hope for the health and happiness of all your loved ones.

Thank you.

Notice of 2025 AGM

Date/time : 09:00 AM on March 19, 2025, Korea Standard Time (UTC+9)

Place : Grand Hall, the 7th floor of L-Tower
(213, Gangnam-daero, Seocho-gu, Seoul, Korea)

Record date : December 31, 2024. 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 1. Approval of Financial Statements(FY2024)

Agenda 2. Election of Directors

Agenda 3. Approval of Director Remuneration Limit(FY2025)

Agenda 4. Approval of Amendments to the Articles of Incorporation

1. Agenda

Agenda Item 1. Approval of Financial Statements (FY2024)

Overview

The Board of Directors is seeking approval of the following financial statements for FY2024 beginning on January 1, 2024 and ending on December 31, 2024.

- Consolidated Statements of Balance Sheet
- Consolidated Statements of Income Statement
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Separate Statements of Appropriation of Retained Earnings

In addition, the BOD determined a year-end dividend of KRW 1,800 per share for Common Stock and KRW 1,850 per share for Preferred Stock.

Financial Highlight & Shareholder Return

In 2024, while geopolitical issues including the Russia-Ukraine War and the Israel-Palestine War continued, inflationary pressures eased as a result of monetary tightening policies, which brought a positive impact on growth of real-term income and spending.

Overall component demand also benefited from increasing demand for set products such as smartphones, laptop computers and servers. Leveraging such market conditions, Samsung Electro-Mechanics recorded revenue of KRW 10 trillion 294.1 billion and operating profit of KRW 735 billion in 2024.

The 2024 dividend is KRW 1,800 per share (common stock basis), which has increased vs. 2023 in reflection of net income growth. Payout ratio is remaining at 20% or above.

The company plans to focus on enhancing its enterprise value through investments and growth, while at the same time, strengthening shareholder return through appropriate dividend payouts.

Going forward, the company will maintain a payout ratio at 20% or higher. That said, this may be adjusted to account for investment needs for future growth and the company's cashflow.

[Balance Sheet]

(Billion KRW)

	FY2024	FY2023
Total Assets	11,657.9	12,792.4
Liabilities	3,627.5	3,776.5
Equity	8,030.3	9,015.9

[Income Statement]

(Billion KRW)

	FY2024	FY2023
Sales	10,294.1	8,892.4
Operating Profit	735.0	660.5
Profit before tax from continuing operations	797.3	563.2
Net Income	679.1	423.0
Dividend Total	136.1	87.0
Dividend (per share)	· Common: 1,800 KRW · Preferred: 1,850 KRW	· Common: 1,150 KRW · Preferred: 1,200 KRW
Dividend Payout Ratio	20.0%	20.6%

※ Net income attributable to owners of the parent

[Sales by Division]

(Billion KRW)

Division	Category	FY2024	FY2023
Component	Sales	4,462.1	3,903.0
	(%)	43%	44%
Package	Sales	2,034.7	1,717.4
	(%)	20%	19%
Optics	Sales	3,797.3	3,272.0
	(%)	37%	37%
Total	Sales	10,294.1	8,892.4
	(%)	100%	100%

Agenda 2. Election of Directors

Overview

Samsung Electro-Mechanics places top priority on enhancing corporate transparency and practicing responsible business management to maximize enterprise value. In order to achieve such business objectives, Samsung Electro-Mechanics has a board of directors consisting of 7 members including 4 independent directors with expertise in various fields.

Executive Directors(3)	Mr. Duck-Hyun Chang(CEO), Mr. Sung-Jin Kim, Mr. Jae-Yeol Choi
Independent Directors(4)	Mr. Jong-Ku Choi (Chairman), Ms. Yoon-Kyung Yuh, Ms. Yoon-Jeong Lee, Mr. Seung-II Cheong

※ As of the end of December 2024

Executive Directors are the CEO, Head of Corporate Business Support Team and Head of Component Division of the Company, while Independent Directors consist of experts in areas such as finance, law, environment and energy industry, capable of supervising management from an objective and balanced point of view.

The Board has separated the roles of CEO and Chairman of the Board since 2016, enabling the board to be more independent.

The directors shall be appointed at the Annual General Meeting of Shareholders.

The BOD and the Independent Director Recommendation Committee have nominated the following candidate as independent director for 2025.

As the terms of Duck-Hyun Chang, Sung-Jin Kim and Yoon-Jeong Lee will expire in March of this year, the Board renominates them.

[Nominees for Executive Director]

Duck-Hyun Chang
CEO
(renominated)



Rationale of Recommendation by the Board

During his term as the CEO of Samsung Electro-Mechanics, Candidate Chang strengthened the company's competitiveness by stabilizing its business and leading growth in the face of business challenges.

After obtaining his PhD in Electronic Engineering from the University of Florida in the US, Candidate Chang joined Samsung Electronics, where he gained deep expertise in the area of components and semiconductor technology, serving key positions including Head of the LSI Development Team, Head of the SOC Development Team and Head of the Sensor Business Team of the S.LSI Division.

The Board of Directors recommends Candidate Chang as an executive director of the Company, finding that he will contribute to the company's leap to the next level as a global leading technology company leveraging his expert knowledge and technology insight in the area of components obtained during his career.

Date of Birth

· Feb. 13, 1964

Work Experience

- 2021 ~ Present : President & CEO, Samsung Electro-Mechanics
- 2020 ~ 2021 : Head of Sensor Business Team, S.LSI Division, Samsung Electronics
- 2017 ~ 2020 : Head of SOC Development, S.LSI Division, Samsung Electronics

- 2015 ~ 2017 : Head of LSI Development, S.LSI Division, Samsung Electronics
- 2013 ~ 2015 : Head of Solution Development, Memory Division, Samsung Electronics
- 2012 ~ 2013 : Flash Development, Memory Division, Samsung Electronics

Education

- 1997 : PhD in Electronic Engineering, University of Florida
- 1988 : M.E. in Electronic Engineering, Seoul National University
- 1986 : B.E. in Electronic Engineering, Seoul National University

Other notes

- Transaction with the Company in the Recent Three Year Period : None
- Financial Delinquencies : None
- Management Team of Distressed Company : No
- Statutory Grounds for Disqualification : None
- Name and position of the company where holding the role of directors and etc. : None

Sung-Jin Kim
Head of Corporate Business Support Team
(renominated)



Rationale of Recommendation by the Board

During his term as the Head of the Corporate Business Support Team of Samsung Electro-Mechanics, Candidate Kim greatly contributed to decision-making that improved the company's profitability while stabilizing the business and leading growth amidst business challenges.

Upon graduating from Korea University as an Economics major, Candidate Kim joined Samsung Electronics and developed substantial expertise in finance, having served key

positions including Head of the Global Support Group under the Corporate Business Support Team and the Head of the Support Team for the Digital Appliance and Mobile Experience Divisions.

The Board of Directors hereby recommends Candidate Kim as an executive director of the company, finding that he will contribute to maximizing shareholder return through continuous growth and enhancement of enterprise value by strengthening the company's business competitiveness, increasing its revenue and profits and uncovering new businesses using his outstanding financial expertise including business strategy and business operation.

Date of Birth

- Mar. 6, 1965

Work Experience

- 2021 ~ Present : Head of Corporate Business Support Team, Samsung Electro-Mechanics
- 2020 ~ 2021 : Head of Support Team, IT & Mobile Communications (IM) Division, Samsung Electronics
- 2017 ~ 2020 : Head of Support Team, Consumer Electronics (CE) Division, Samsung Electronics
- 2015 ~ 2017 : Head of the Global Support Group, Corporate Management Office, Samsung Electronics
- 2011 ~ 2014 : Head of Support Team, SEA & Oceania Office, Samsung Electronics

Education

- 1988 : B.A. in Economics, Korea University

Other notes

- Transaction with the Company in the Recent Three Year Period : None
- Financial Delinquencies : None
- Management Team of Distressed Company : No
- Statutory Grounds for Disqualification : None
- Name and position of the company where holding the role of directors and etc. : None

[Nominee for Independent Director]

Yoon-Jeong Lee
(renominated)



Rationale of Recommendation for Independent Director by the Committee

Candidate Lee Yoongjeong is an attorney-at-law specializing in the field of environment and ESG at the law firm Kim & Chang. She has expertise in environment and ESG regulation and laws, having served positions such as a member of the Sustainable Development Committee of the Ministry of Environment, Advising Attorney to the Ministry of Environment, Vice-Chairperson of the Korean Environmental Law Association and Member of the Korean Academy of Environment Science.

She was appointed as an Independent Director and Chair of the ESG Committee of Samsung Electro-Mechanics in 2022, and have since faithfully performed my duties as an independent director by providing practical advice regarding company operation and overseeing the company's crisis response.

Going forward, She intend to continue my contributions to the company's leap to the next level as a member of the company's Board of Directors.

Independence

The candidate has been recommended as an independent director by the Independent Director Candidate Recommendation Committee of Samsung Electro-Mechanics, and was approved for recommendation by all committee members in attendance. (i.e. four Independent Directors) Accordingly, the candidate is considered capable of performing decision-making and her other duties in a transparent and independent manner.

Rationale of Recommendation by the Board

Candidate Lee Yoonjeong is an attorney-at-law specializing in the field of environment at the law firm Kim & Chang. She has notable expertise in advising matters of environmental regulation and law and has served as an Advising Attorney to the Ministry of Environment and a Member of the Sustainable Development Committee of the Ministry of Environment using her objective and expert knowledge of environment and law issues as a Member of the Korean Academy of Environmental Science.

The candidate has been serving as an Independent Director and Chairperson of the ESG Committee of the company since 2022 and has recorded 100% attendance at BOD and committee meetings during the 3-year period. The candidate contributed to the stable operation of the BOD by providing practical advice regarding ESG-centric business management and strategy, leveraging her expert knowledge and experience on various committees advising government agencies.

Accordingly, the Board of Directors recommends Director Lee Yoonjeong as an independent director in order to enhance the transparency and soundness of Board operation by reappointing Candidate Lee, whose capabilities have already been proven.

Date of Birth

- Aug. 30, 1968

Work Experience

- 1999 ~ Present : Attorney-at-law, Kim & Chang
- 2023 ~ Present : Member, Korea Academy of Environmental Science
- 2018 ~ Present : Vice Chairperson, Korea Environmental Law Association
- 2017 ~ 2023 : Member, Central Environmental Dispute Mediation Committee,
Ministry of Environment
- 2017 ~ 2023 : Member of the Administrative Appeals Commission,
Seoul Metropolitan City
- 2021 ~ 2022 : Advising Attorney, Ministry of Environment
- 2015 ~ 2016 : Member of the 8th Sustainable Development Committee,
Ministry of Environment
- 2014 ~ 2017 : Member of the Statutory Interpretation Deliberation Committee,
Ministry of Government Legislation
- 2013 ~ 2017 : Advising Attorney, Ministry of Environment

Education

- 2005 : Master's Degree in Environment Law, SOAS University of London, UK
- 1999 : Completed 16th training course at the Judicial Research & Training Institute under the Supreme Court
- 1996 : Passed the 38th Judicial Exam
- 1991 : BA in English Literature, Seoul National University

Other notes

- Transaction with the Company in the Recent Three Year Period : None
- Financial Delinquencies : None
- Management Team of Distressed Company : No
- Statutory Grounds for Disqualification : None
- Name and position of the company where holding the role of directors and etc. : None

Agenda 3. Approval of Director Remuneration Limit (FY2025)

Overview

Under its Board of Directors, Samsung Electro-Mechanics currently operates a Compensation Committee, which is in charge of assessing the performance compensation of directors and examining the director remuneration limit for the following fiscal year. In order to enhance the transparency of decision-making, the Compensation Committee consists of four independent directors.

FY2024 Remuneration (Actual) & FY2025 Remuneration (To be approved)

(Billion KRW)

FY2024		FY2025
Approved	Actual	Proposed
7.0	3.3 - Executive Director : 2.9 - Independent Director : 0.4	6.0
※ Number of Directors (Independent) : 7 (4)		

In 2024, a total of KRW 3.3 billion was executed as director compensation including wage income such as salary and bonuses as well as retirement benefits for the executive directors and the remuneration for the independent directors. This is approximately 47% of the approved limit for director remuneration for FY2024.

The remuneration limit for directors presented to the 2025 General Meeting of Shareholders for approval has been calculated by taking into account the expected performance-based incentives payable assuming that the Company achieves business targets, in addition to ordinary salaries.

Agenda 4. Approval of Amendments to the Articles of Incorporation

Overview

Currently, the company receives its shareholders' register each quarter from an electronic registry (Korea Securities Depository) in accordance with the Electronic Securities Act effective September 2019.

Under current standards, it is impossible to obtain the latest shareholders' register when there is a need to manage key shareholders or analyze changes in shareholder composition. So, Pursuant to the Electronic Securities Act and its enforcement decree, the company seeks to newly insert relevant provisions in the AOI at the upcoming AGM to enable the company to receive relevant information on a monthly basis.

Before Amendment	After Amendment	Purpose of Amendment
Newly inserted	<p>Article 8-2 (Preparation and Furnishment of Shareholders' Register)</p> <p>(1) Where the company receives notification of the owner details from the electronic registry, the company shall prepare and furnish a shareholders' register by writing the matters notified and the year, month and date of notification.</p> <p>(2) When necessary, the company may request the electronic registry to prepare the owners' detail.</p>	Revising AOI provisions related with electronic securities

2. Business Overview

In 2024, while geopolitical issues including the Russia-Ukraine War and the Israel-Palestine War continued, inflationary pressures eased as a result of monetary tightening policies, which brought a positive impact on growth of real-term income and spending.

Overall component demand also benefited from increasing demand for set products such as smartphones, laptop computers and servers. Leveraging such market conditions, Samsung Electro-Mechanics recorded revenue of KRW 10 trillion 294.1 billion and operating profit of KRW 735 billion in 2024.

While concerns over economic uncertainties remain in 2025 in connection with prolonged geopolitical issues and continued US-China tensions, prospects of additional interest rate cuts and continued technology innovation are likely to create an environment more conducive to spending, leading to a rebound of IT markets including commercial PCs and continued expansion of new technology-driven markets such as AI and EV. Accordingly, Samsung Electro-Mechanics is developing new business opportunities along new technology inflection points taking place in applications such as AI, server and automotive.

Taking full advantage of such business environment, we will strengthen our marketing capabilities to deepen existing customer relationships and capture new markets and also focus on expanding our product line-up targeting growth applications such as server, industrial and automotive.

To highlight the key products and core strategies for each business division,

First is the Component Division, which supplies passive components essential in a wide variety of electronic devices. Major products include MLCC(Multi-layer Ceramic Capacitor), chip inductors and chip resistors.

The passive component business requires various capabilities including material development, manufacturing process technology, equipment technology and quality assurance, which act as a strong barrier to entry.

Samsung Electro-Mechanics possesses proprietary key materials including dielectric and magnetic materials developed using its proprietary technology and uses proprietary manufacturing techniques and equipment to develop competitive new products.

In 2025, growth of MLCCs for IT applications is expected to slow-down as price competition intensifies, and growth is most likely to be driven by automotive and industrial applications.

In particular, high-end MLCC products such as high-temperature, high-voltage and high-capacitance MLCCs are expected to lead market growth, supported by increasing performance and demand for AI servers and continued expansion of xEV and ADAS.

Accordingly, we will focus on driving high-end product sales in major growth markets to secure profitability and build a stable business portfolio.

For the Optical Solutions Division, its key product is camera modules. Recently, camera module demand from automotive applications has been continuing to grow, supplementing the traditional demand from IT applications.

Our camera module business will focus on further strengthening its market leadership and profitability by expanding high-end products such as folded-zoom and high-resolution camera modules targeting the increased adoption of high-performance cameras on smartphones and by widening our technology differentiation in camera module core components such as lens and actuators.

In particular, in line with the adoption of higher-resolution, higher-feature ADAS cameras in automotive applications, we will focus on expanding our automotive camera module business by leveraging high-end technology and capability acquired from our experience in the IT camera module market.

The Package Solution Division supplies package substrates used for mounting semiconductor chips and electrically connecting chips with the main board.

The key products include package substrates for mobile devices (BGA) and package substrates for servers and PCs (FCBGA). The products of the Package Solution Division are used for packaging semiconductors used on various devices ranging from smartphones, PCs, wearables, servers, AI accelerators and automobiles.

Within the overall package substrate market, demand growth is particularly strong for high-end package substrates, i.e. fine-pitch, high multi-layer, large-size substrates that are needed in growing applications such as 5G, AI servers and autonomous driving.

With a competitive edge in fine-pitch and high multi-layer substrate technology, Samsung Electro-Mechanics has been strengthening its strategic partnership with key customers and keeping its growth momentum strong, especially around high-end substrates.

At the same time, Samsung Electro-Mechanics will focus on developing next-generation products to pioneer new markets and to expand into new applications and customers.

3. Corporate Governance

Overview

Samsung Electro-Mechanics protects shareholders' rights through transparent management. The governance of Samsung Electro-Mechanics consists of legal and transparent procedures based on the Commercial Act of Korea and the Company's Articles of Association. Each member of the Board of Directors contributes to the management and growth of the Company, and effectively performs monitoring/checking functions.

Board Composition

Election of Directors and Terms of Office

Directors are elected by shareholders at a general meeting of shareholders. Candidates for executive directors are nominated by the Board of Directors, while candidates for independent directors are nominated by the Independent Director Recommendation Committee. The total number of directors shall be greater than three and no more than nine. In the case of electing two or more directors, the cumulative voting system prescribed in Article 382-2 of the Commercial Act is not applied. The term of office is three years, and a director may be re-elected at a shareholders' meeting.

Election of Chairman

The chairman of the Board of Directors is elected from among the directors following a resolution of the Board. Currently, independent director Jong-Ku Choi is serving as chairman.

Board Expertise and Diversity

The Company does not set restrictions pertaining to race, sex, region of origin, or area of expertise when considering Board members. It actively considers individuals who can participate in the Board with new and diverse perspectives. In particular, for independent directors, the Company seeks candidates who meet the qualifications set forth by relevant laws and regulations, and have expertise or experience in areas such as management, economics, accounting, law or relevant technologies.

Director Independence

The "independence" of independent directors is evaluated in accordance with Article 382 and Article 542-8 of the Commercial Act, and with Article 22-2 of the Articles of Incorporation of the Company. If a requirement is not met, a determination of no "independence" is made. In particular, individuals who engage in Company business, have key interests with major shareholders or with the Company, or have worked as employees of the Company within the past two years are prohibited from serving as independent directors.

Operations of the Board of Directors

Board Types

- Regular Board Meetings: Meetings are held once every quarter as a general rule.
- Special Board Meetings: Meetings are held as needed.

Board Meetings

The chairman calls the meeting of the Board of Directors and must notify each director of the meeting date at least 12 hours before the time of meeting. A director may request the chairman convene a meeting of the Board by submitting the agenda and objectives if he or she has determined that there are justifiable reasons for business purposes. If the chairman refuses to convene the Board without just cause, the director who raised the subject matter may himself or herself call a meeting of the Board.

Board Resolution

A resolution of the Board of Directors shall be made when a majority of the directors are in attendance and by a majority vote of the directors in attendance. However, to the extent permitted by relevant laws and ordinances, it is possible to conduct a meeting by means of telecommunication. In order to conduct a fair evaluation and engage in a rational decision-making process, directors with special interests in the subject matters being reviewed are prohibited from exercising their voting rights and are not included in the number of voting rights of the directors in attendance.

Main Matters Considered

Shareholders Meetings and Proposals

- Convening general meetings of shareholders
- Approval of operating reports and financial statements
- Amendments to the Articles of Incorporation
- Appointment and dismissal of directors
- Matters relating to the Company's dissolution, mergers and acquisitions, and transfer of the entire business or key parts of the business, as well as transfer of the entire business or key parts of the business of another company that can have significant implications for the Company
- Directors' compensation, etc.

Management Matters

- Decisions regarding basic management policies of the Company, and amendments
- Approval of management plans and of quarterly and semi-annual reports

Financial Matters

- Matters concerning issuance of shares(Decisions regarding issuance of new shares, Issuance of convertible bonds and bonds with subscription rights)
- Acquisition, disposal and retirement of treasury stock
- Approval of internal transactions
- Matters involving other key corporations and pertaining to investment/disposal, furnishing of collateral/debt guarantees, credit agreements, etc.

Matters Concerning Directors, Board of Directors, Committees

- Approval of directors' involvement in competitive businesses, of concurrent service for another business in the same industry, and of transactions between a director and the Company
- Appointment of the chairman of the Board of Directors
- Appointment of the CEO of the Company and joint representatives
- Establishment of committees, appointment and dismissal of committee members
- Establishment and dismissal of other operating rules for the Board and committees

Other

- Matters set forth in the law or the Articles of Incorporation
- Matters delegated by the meeting of shareholders and matters deemed necessary by the CEO

Responsibilities and Obligations

Fiduciary Duty of Directors

Directors have a duty of care in making decisions as corporate fiduciaries.

Duty in Good Faith

Directors must perform their duties faithfully for the Company in accordance with the provisions of the law and the Articles of Incorporation.

Prohibition of Directors' Involvement in Managing Competitive Businesses

Unless approved by the Board or by a committee set by the Board, directors may not engage in operating businesses that are in the same industry as the Company

Other

Liability Insurance

- In accordance with internal regulations and with approval from the Board or the appropriate committee, the Company provides directors with liability insurance.

Scope of indemnification: The insurance covers the damages to shareholders and other stakeholders arising from a director's violation of his or her duty of care as a fiduciary and of his or her duty in good faith.

Efforts to Support Independent Directors

In accordance with relevant regulations, independent directors, who play an integral role in maintaining the independence of the Board of Directors, may receive the assistance of external specialists in making important decisions. To this end, the Company has made it a policy to provide external support to the greatest extent possible, such as providing the services of legal or accounting advisers, upon request by independent directors.

In order to provide opportunities for independent directors to exchange opinions and suggestions on matters of overall management of the Company, meetings of independent

directors without members of management present are held regularly (at each quarterly meeting of the Board) or when needed.

The Company does not hesitate to provide all the support necessary for independent directors to actively and independently serve the Company. The Company supports regular educational or training efforts such as visits to domestic and international management sites and reports on the status of operations.

Board Committees

The Board of Directors has six sub-committees consisting of the Management Committee, the Audit Committee, the Independent Director Recommendation Committee, the Related Party Transaction Committee, the Compensation Committee and the ESG Committee.

The Management Committee

The Management Committee deliberates and decides matters either delegated by the BOD, or specified in the Articles of Incorporation or Regulations of the Board of Directors, 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 Committee currently consists of four independent directors.

The Related Party Transaction Committee

The Related Party Transaction Committee (also known as Internal Transaction Committee) is a compliance body to enhance corporate governance and to promote fair transaction. 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's compensation to be submitted for resolution at a general meeting of shareholders. The Committee is composed of four independent directors.

The ESG Committee

The ESG Committee deliberates and takes resolutions over matters related with shareholder value enhancement and corporate social responsibility with a focus on Environmental, Social and Governance matters.

Composition of the BOD committees

Committee	Members		
	Chair	Executive Director	Independent Director
Management	Duck-Hyun Chang	Duck-Hyun Chang Sung-Jin Kim Jae-Yeol Choi	-
Audit	Yoon-Kyung Yuh	-	Jong-Ku Choi Yoon-Kyung Yuh Seung-Il Cheong
Independent Director Recommendation	Jong-Ku Choi	-	Jong-Ku Choi Yoon-Kyung Yuh Yoon-Jeong Lee Seung-Il Cheong
Related Party Transactions	Jong-Ku Choi	-	Jong-Ku Choi Yoon-Jeong Lee Seung-Il Cheong
Compensation	Jong-Ku Choi	-	Jong-Ku Choi Yoon-Kyung Yuh Yoon-Jeong Lee Seung-Il Cheong
ESG	Yoon-Jeong Lee	Duck-Hyun Chang Sung-Jin Kim	Jong-Ku Choi Yoon-Kyung Yuh Yoon-Jeong Lee Seung-Il Cheong

※ As of the end of December 2024

Profile of the BOD members

[Executive Directors]



Duck-Hyun Chang

Date of Birth : Feb. 13, 1964

Start of term : Mar.16, 2022
(1st term started in Mar. 2022)

Expiration of term : Mar.16, 2025

2021 ~ Present President & CEO, Samsung Electro-Mechanics
2020 ~ 2021 Head of Sensor Business Team, S.LSI Division, Samsung Electronics
2017 ~ 2020 Head of SOC Development, S.LSI Division, Samsung Electronics
2015 ~ 2017 Head of LSI Development, S.LSI Division, Samsung Electronics
2013 ~ 2015 Head of Solution Development, Memory Division, Samsung Electronics
2012 ~ 2013 Flash Development, Memory Division, Samsung Electronics



Sung-Jin Kim

Date of Birth : Mar. 6, 1965

Start of term : Mar.16, 2022
(1st term started in Mar. 2022)

Expiration of term : Mar.16, 2025

2021 ~ Present Head of Corporate Business Support Team, Samsung Electro-Mechanics
2020 ~ 2021 Head of Support Team, IT & Mobile Communications (IM) Division, Samsung Electronics
2017 ~ 2020 Head of Support Team, Consumer Electronics (CE) Division, Samsung Electronics
2015 ~ 2017 Head of the Global Support Group, Corporate Management Office, Samsung Electronics
2011 ~ 2014 Head of Support Team, SEA & Oceania Office, Samsung Electronics



Jae-Yeol Choi

Date of Birth : Apr. 8, 1970

Start of term : Mar.20, 2024
(1st term started in Mar. 2024)

Expiration of term : Mar.20, 2027

2024 ~ Present Head of the Component Division, Samsung Electro-Mechanics
2021 ~ 2023 Team Leader, MLCC Development Team, Samsung Electro-Mechanics
2020 ~ 2020 Team Leader, Component CSE Team, Samsung Electro-Mechanics
2018 ~ 2019 Team Leader, MLCC Development Team 2, Samsung Electro-Mechanics
2017 ~ 2017 Team Leader, LCR Development Team 1, Samsung Electro-Mechanics

[Independent Directors]



Jong-Ku Choi

Date of Birth : Sep. 20, 1957
 Start of term : Mar. 15, 2023
 (1st term started in Mar. 2023)
 Expiration of term : Mar. 15, 2026

2024~ Present Korean Ambassador for International Financial Cooperation
 2022 ~ Present Special Advisor, Yoon & Yang, LLC
 2022 ~ Present Chairman of the Board of Directors, Yulgok Institute
 2023 ~ 2024 Lead Chairman of the Organizing Committee, Gangwon 2024 Youth Olympic Games Chairman, Financial Services Commission
 2017 ~ 2019 President, Export-Import Bank of Korea
 2017 ~ 2017 Representative Director, SGI Seoul Guarantee Insurance
 2016 ~ 2017



Yoon-Kyung Yuh

Date of Birth : Nov. 17, 1968
 Start of term : Mar. 15, 2023
 (1st term started in Mar. 2020)
 Expiration of term : Mar. 15, 2026

2006 ~ Present Professor, College of Business Administration, Ewha Women's University (Finance)
 2019 ~ 2023 Member, Management Committee, Government Employee Pension Service (GEPS)
 2017 ~ 2023 Member, Asset Management Committee, Radioactive Waste Control Fund, Ministry of Trade, Industry & Energy
 2018 ~ 2021 Member, Risk Management Committee, Korea Student Aid Foundation
 2014 ~ 2016 Member of the Fund Management Evaluation Board, Ministry of Finance and Planning
 2012 ~ 2014 Member, Risk Management Committee, Non-Standing Director, Government Employee Pension Service



Yoon-Jeong Lee

Date of Birth : Aug. 30, 1968
 Start of term : Mar. 16, 2022
 (1st term started in Mar. 2022)
 Expiration of term : Mar. 16, 2025

1999 ~ Present Attorney, Kim & Chang
 2023 ~ Present Member, Korea Academy of Environmental Science
 2018 ~ Present Vice President, Korea Environmental Law Association
 2017 ~ 2023 Member, Central Environmental Dispute Mediation Committee, Ministry of Environment
 2017 ~ 2023 Member of the Administrative Appeals Commission, Seoul Metropolitan City
 2021 ~ 2022 Advising Attorney, Ministry of Environment
 2015 ~ 2016 Member of the 8th Sustainable Development Committee, Ministry of Environment
 2014 ~ 2017 Member, Statutory Interpretation Deliberation Committee, Ministry of Government Legislation
 2013 ~ 2017 Advising Attorney, Ministry of Environment



Seung-II Cheong

Date of Birth : Jul. 7, 1965

Start of term : Mar. 20, 2024
(1st term started in Mar. 2024)

Expiration of term : Mar. 20, 2027

- 2023 ~ Present Advisor, Truston Asset Management Co., Ltd.
- 2021 ~ 2023 31st President, Korea Electric Association
- 2021 ~ 2023 21st President, Korea Power Corporation
- 2018 ~ 2020 Vice Minister, Ministry of Trade, Industry and Energy
- 2017 ~ 2018 16th President, Korea Gas Corporation (KOGAS)
- 2016 ~ 2016 Head of the Trade Investment Office/Energy Resource Office, Ministry of Trade, Industry and Energy
- 2012 ~ 2016 Energy Industry Policy Officer, FTA Policy Officer, Ministry of Trade, Industry and Energy

BOD Activities

Board meetings & voting results of independent directors

R o u n d	Date	Agenda	Result	Board Members and Attendance				
				Jong-Ku Choi (Attendance : 86%)	Yoon-Kyung Yuh (Attendance : 100%)	Yoon-Jeong Lee (Attendance : 100%)	Seung-II Cheong (Attendance : 100%)	Yong-Kyun Kim (Attendance : 100%)
				For / Against				
24 - 1 st	Jan. 31 2024	1. Appointment of Member of Samsung Compliance and Oversight Committee	Approval	-	For	For	Newly Appointed (Mar. 20 2024)	For
		2. Approval of 51st Period Financial Statements and Business Report	Approval	-	For	For		For
		3. Report on 2023 Results and 2024 Plan	Report item	-	-	-		-
24 - 2 nd	Feb. 20 2024	1. Agenda and Convocation of the 51st Period AGM	Approval	For	For	For		For
		2. Report on 2023 Operational Status of Internal Control over Financial Reporting	Report item	-	-	-	-	
		3. Report on 2023 Operational Review of Internal Control over Financial Reporting	Report item	-	-	-	-	
24 - 3 rd	Mar. 20 2024	1. Appointment of Chairperson of BOD	Approval	For	For	For	For	
		2. Assignment of the Duties as a Director	Approval	For	For	For	For	
		3. Approval of Execution of Director Compensation	Approval	For	For	For	For	
24 - 4 th	Apr. 29 2024	1. Approval of Large-scale Internal Transactions	Approval	For	For	For	For	
		2. Report on 2024 Q1 Results and Q2 Outlook	Report item	-	-	-	-	
24 - 5 th	Jul. 30 2024	1. Sponsoring SKK University and Samsung Foundation	Approval	For	For	For	For	
		2. Joint Operation of Samsung Youth SW Academy	Approval	For	For	For	For	
		3. Report on Samsung Compliance and Oversight Committee's Activities in 2023	Approval	For	For	For	For	
		4. Report on 2024 Q2 Results and Q3 Outlook	Report item	-	-	-	-	
24 - 6 th	Oct. 28 2024	1. Approval of the Establishment of Safety and Health Plan	Approval	For	For	For	For	
		2. Report on 2024 Q3 Results and Full-year Outlook	Report item	-	-	-	-	

R o u n d	Date	Agenda	Result	Board Members and Attendance				
				Jong-Ku Choi (Attendance : 86%)	Yoon-Kyung Yuh (Attendance : 100%)	Yoon-Jeong Lee (Attendance : 100%)	Seung-II Cheong (Attendance : 100%)	Yong-Kyun Kim (Attendance : 100%)
				For / Against				
24 - 7th	Nov. 27 2024	1. Approval of Large-scale Internal Transactions	Approval	For	For	For	For	Retired (Mar. 20 2024)
		2. Approval of Limit for Transactions with Special Related Parties	Approval	For	For	For	For	
		3. Investment in Philippine MLCC New Plant	Approval	For	For	For	For	
		4. Execution of Donation to the Community Chest of Korea	Approval	For	For	For	For	
		5. Report on Results of Compliance Validity Review	Report item	-	-	-	-	

Committee participation of Independent Directors in FY2024

The Audit Committee

Date	Agenda
Feb. 20 2024	<ol style="list-style-type: none"> 1. Report on Operational Status of the Internal Control over Financial Accounting for 2023 2. Report on Assessment of the Operational Status of the Internal Control over Financial Reporting for 2023 3. Consent to Appointment of the Leader of the Audit Committee Secretariate 4. Selection of Audit Committee Consulting Accounting Firm (proposed) 5. Report on Financial Statements and Business Report for the 51st Period 6. Report on External Auditor's Audit Results 7. Report on Audit Results for 2nd Half of 2023 8. Report on Deliberation Results concerning External Donations in Q4 2023
Apr. 29 2024	<ol style="list-style-type: none"> 1. Review of External Auditor's Compliance with Requirements in 2023 2. Report on 2024 Work Plan for Internal Control over Financial Reporting 3. Report on 2024 Q1 Financial Statements 4. Report on External Auditor's Review Results for Q1 2024 5. Report on Deliberation Results concerning External Donations in Q1 2024
Jul. 30 2024	<ol style="list-style-type: none"> 1. Opinion regarding Operational Assessment of the Internal Control over Financial Reporting for Q1 2024 2. Report on 2024 Q2 Financial Statements 3. Report on External Auditor's Review Results for Q2 2024 4. Report on Deliberation Results concerning External Donations in Q2 2024 5. Report on Audit Results for 1st Half 2024
Oct. 28 2024	<ol style="list-style-type: none"> 1. 2024 Mid-Term Report on Internal Control over Financial Reporting 2. Report on 2024 Q3 Financial Statements 3. Report on External Auditor's Review Results for Q3 2024 4. Report on Deliberation Results concerning External Donations in Q3 2024

The Related Party Transaction Committee

Date	Agenda
Feb. 20 2024	<ol style="list-style-type: none"> 1. Report on Related Party Transactions in 2023
Apr. 29 2024	<ol style="list-style-type: none"> 1. Appointment of the Chairperson of the Internal Transaction Committee 2. Deliberation over Large-scale Related Party Transactions 3. Report on Related Party Transactions in Q1 2024
Jul. 30 2024	<ol style="list-style-type: none"> 1. Report on Related Party Transactions in Q2 2024
Oct. 28 2024	<ol style="list-style-type: none"> 1. Report on Related Party Transactions in Q3 2024
Nov. 27 2024	<ol style="list-style-type: none"> 1. Deliberation over Large-scale Related Party Transactions 2. Deliberation over Limit on Transactions with Specially Related Parties

The Independent Director Recommendation Committee

Date	Agenda
Feb. 20 2024	1. Recommendation of Independent Director Candidates

The Compensation Committee

Date	Agenda
Feb. 20 2024	1. Deliberation of Individual Annual Salary for Executive Directors for the 52 nd Period 2. Deliberation of Registered Directors' Remuneration Ceiling for the 52 nd Period

The ESG Committee

Date	Agenda
Apr. 29 2024	1. Approval of Public Disclosure of ESG Information 2. Report on Current Status of ESG Assessment and Future Plans
Nov. 27 2024	1. Progress Report on Resource Recycling Initiatives 2. Progress Report on Climate Change Response