



# **Code of Conduct**

**2010. 12.**

**SAMSUNG SDI Co., Ltd.**

## **『IMPORTANT NOTICE』**

SAMSUNG SDI RECOGNIZES THAT VARIOUS COUNTRIES MAY HAVE LAWS AND REGULATIONS THAT ESTABLISH DIFFERENT REQUIREMENTS FOR CORPORATE INTERGRITY. WHENEVER THAT IS THE CASE, SAMSUNG SDI'S FOREIGN SUBSIDIARIES SHALL COMPLY WITH ALL APPLICABLE LOCAL LAWS AND REGULATIONS FIRST. FOR THE AVOIDANCE OF DOUBT, LOCAL LAWS AND REGULATIONS SHALL SUPERSEDE THIS CODE OF CONDUCT.

# **Samsung Value System**

## **Samsung Philosophy**

We will devote our human resources and technology to create superior products and services thereby contributing to a better global society.

## **Samsung Values**

People

Excellence

Change

Integrity

Co-prosperity

## **Samsung Business Principles**

1. We comply with laws and ethical standards
2. We maintain a clean organizational culture
3. We respect customers, shareholders and employees
4. We care for the environment, health and safety
5. We are a socially responsible corporate citizen

## **SDI Compliance**

1. Compliance Control Regulation
2. Compliance Operating Rules
3. Code of Conduct
4. Fair Trade Voluntary Compliance Management Rules
5. Guidelines

# Code of Conduct

## Introduction

This Code of Conduct (hereinafter “**Code**”) is based on Samsung Value System (Samsung Philosophy, Samsung Values, and Samsung Business Principles), Compliance Control Regulation, and Compliance Operating Rules. In order to meet the fundamental roles and social responsibilities, this Code stipulates a detailed guideline and standard with respect to business activities which all personnel of Samsung SDI Co., Ltd. (hereinafter “**Company**”), including temporary employees, part-time employees, contract workers, dispatched workers, and subcontractors (also known as Samsung Partners) in the Company, shall comply with in a business transaction with a customer(s) and/or performing his/her duties.

This Code is enacted through the Management Committee's resolution, and the same procedure shall be applied to amendment and abolition of this Code.

Those who violate this Code may be penalized in accordance with the bylaws of the Company, and such person(s) may be further punished in accordance with relevant civil and criminal laws and regulations in case the violation(s) is serious.

**Code 1 :** All personnel shall comply with laws, regulations, and this Code.

**Code 2 :** All personnel shall perform a fair, transparent, and free competition in the domestic/overseas market and perform a reasonable and lawful transaction.

**Code 3 :** All personnel shall comply with a quality control standard in each development, design and manufacture stage in order to prevent defects of a product(s).

**Code 4 :** All personnel shall protect the Company’s intellectual property rights and confidential information.

**Code 5 :** All personnel shall operate the Company’s decision making committee(s) in accordance with adequate procedure and accurately book and record accounting and tax items.

**Code 6 :** All personnel shall comply with laws, regulations and internal policies in regard to the environment and safety.

**Code 7 :** The Company shall not discriminate any personnel during the hiring and employment period, and all personnel shall not be involved in activities that may harm the healthy organizational culture.

**Code 1 : All personnel shall comply with laws, regulations, and this Code.**

1.1. All personnel of the Company shall comply with laws, regulations, this Code, and bylaws related to the corporate management and shall make a healthy organizational culture through continuous trainings with regard to the corporate ethics.

1.1.1. All personnel shall deliberate whether any legal issues may be applicable to their duty before performing it. If the person(s) recognizes that it is possible that any legal issues may be applied to his/her work, the person(s) shall seek legal consultation from the Compliance Team to obtain its legitimacy.

1.1.2. If an employee discovers his/her own or other colleagues' violation of laws and regulations, he/she shall immediately notify the Compliance Team. This notification shall be kept confidential and vengeful measures are strictly prohibited.

1.1.3. Violation of the laws and regulations are strictly prohibited and excuses such as "It was for the Company.", "It was for the good of a customer." or "It was in the interest of my superior." shall not be accepted.

1.1.4. All personnel shall not participate in acts that may damage the reputation of the Company or may be morally criticized.

1.2. All personnel shall bear a fiduciary duty in order to protect Company's assets in performing their duties.

1.2.1. All personnel shall not embezzle Company's asset(s) and/or shall not use it for personal gain.

1.2.2. All personnel shall not be involved in a personal transaction related to their work and shall avoid any action which may involve, or may appear to involve, a conflict of interest with their work.

- 1.3. The Company shall respect the political rights and opinions of all personnel. However, political activities in the Company shall be prohibited.

**Code 2 : All personnel shall perform a fair, transparent, and free competition in the domestic/overseas market and perform a reasonable and lawful transaction.**

- 2.1. All personnel shall comply with international competition laws and regulations in accordance with the free competition principle.
  - 2.1.1 All personnel shall abide by the national, state, and local anti-monopoly and fair competition laws and regulations where the Company performs business.
  - 2.1.2 All personnel shall not discuss or agree to fix price, cost, production rate, facility capacity, transaction terms and conditions, sales policy, etc. with a competitor(s) or industry related company(ies), which may constitute a violation of the anti-trust law.
- 2.2. All personnel shall pursue co-operation (*sangseng*) with subcontractors by means of engaging in good faith and fair transaction.
  - 2.2.1 All personnel shall select a subcontractor(s) after impartial review of the transaction terms and conditions, including but not limited to, price, quality, and delivery period.
  - 2.2.2 All personnel shall not engage in unfair activity(ies) by abusing dominant market power and shall perform a fair transaction in accordance with the relevant laws, regulations and the contract(s).
  - 2.2.3 All personnel shall not engage in any unfair activity(ies) such as exclusion, unfair discriminative treatment, or unfair restriction of business with a transacting party.
- 2.3. All personnel shall not pursue their own personal gain in performing their duties.
  - 2.3.1 All personnel shall not promise to offer, give, offer, or accept bribes or benefits to/from public officials and transacting parties.
  - 2.3.2 All personnel shall not pursue their own personal gain or receive benefits in business transactions with a third party.
  - 2.3.3 All personnel shall not utilize proprietary information of the Company or a third party for private gain, such as insider trading, irrespective of whether the transaction is conducted directly by an employee or indirectly by a third party. Furthermore, all personnel shall not give any private gain to a third party by

utilizing such information irrespective of whether the transaction is conducted directly by an employee or indirectly by a third party.

**Code 3 : All personnel shall comply with a quality control standard in each development, design and manufacture stage in order to prevent defects of a product(s).**

- 3.1. All personnel shall abide by safety standards of products in accordance with relevant laws and regulations and continuously maintain strict quality control.
  - 3.1.1 All personnel shall acknowledge that the maintenance of safety is one of the most important task and responsibility.
  - 3.1.2 All personnel shall endeavor to acquire safety at all levels of transaction with a party, including but not limited to, research and development, design, and production stage.
  - 3.1.3 If an employee is informed of any important information, such as defect of a product, violation of laws and regulations during the production stage, or external report of problems in quality, such employee(s) shall promptly notify the quality control team.
  - 3.1.4 If any defect(s) of the product(s) is discovered, the personnel shall immediately cease to release the product(s), notify the relevant teams, and the relevant teams shall promptly investigate and solve the problems.
- 3.2. All personnel shall promptly take action when a product accident occurs.
  - 3.2.1 All personnel shall promptly report product accidents to the executive management members to prevent extended damages, analyze the cause of the accident, devise a counter-measure plan, and execute a re-occurrence prevention measure.
  - 3.2.2 The objective investigation and verification of the accident shall be held and reported to the executive management members after analyzing the cause of the accident.
  - 3.2.3 All personnel involved in the product accident shall set up the resolution plan, including but not limited to, legal issues, media defense, and compensation process, based on the facts.

- 3.2.4 Based on the analysis of the result, the personnel shall prepare a protection and re-occurrence prevention plan and report the results of such measures to the executive management members.

**Code 4 : All personnel shall protect the Company's intellectual property rights and confidential information.**

- 4.1. All personnel shall acknowledge that intellectual property rights and confidential information of the Company are one of the most valuable assets.
- 4.1.1 All personnel shall protect the outcome of research and development in accordance with the intellectual property rights (patent right, trademark right, utility model right, etc.) and use it in accordance with the bylaws of the Company.
- 4.1.2 Confidential information of the Company shall not be disclosed to any person(s) without justifiable reasons and shall not be used for any personal gain or interest of a third party.
- 4.1.3 All personnel who leave the Company shall fully respect the intellectual property rights and confidential information of the Company and shall maintain confidentiality of such information.
- 4.2. All personnel shall fully respect the intellectual property rights and confidential information of a third party and shall not intentionally infringe or abuse such rights and information.
- 4.2.1 All personnel shall acknowledge that using the intellectual property rights and confidential information of a third party without obtaining prior consent may result in compensation damages, fines, and/or criminal penalties.
- 4.2.2 All personnel shall not use any illegal software or software that has been prohibited by the Company.
- 4.3. All personnel shall properly use the information system and always comply with internal security regulations.
- 4.3.1 All personnel shall use the Company's information system solely for job-related purposes and shall not use it for personal purposes.
- 4.3.2 All personnel shall carefully maintain an account and/or a password of the Company's information system and shall not disclose such information to a third party without authorization of the Company.



- 4.3.3 All personnel shall abide by the internal security regulations in order to prevent any security related accidents in the process of check-in/check-out of one's belongings or the Company's assets, visitation of a third party, etc.

**Code 5 : All personnel shall operate the Company's decision making committee(s) in accordance with adequate procedure and accurately book and record accounting and tax items.**

5.1. Summons, resolutions, recording of minutes, public announcements, etc. of the shareholders' meetings, board of directors' meetings, and other committees' meetings shall be made in accordance with laws, regulations, and the articles of incorporation of the Company.

5.1.1 All personnel shall act in good faith to maximize the interest of shareholders through effective management.

5.1.2 All personnel shall respect all shareholders and sincerely consider their legitimate and fair opinions.

5.2. All personnel shall comply with the international accounting standards in accordance with laws and shall publicly announce important financial and corporate information in good faith in order to provide accurate and transparent information to shareholders and investors.

**Code 6 : All personnel shall comply with laws, regulations and internal policies in regard to the environment and safety.**

6.1. All personnel shall acknowledge the importance of the environment and comply with international environment standards, laws and regulations to establish an environment friendly company and place of business.

6.1.1 All wastes and hazardous materials shall be stored, treated, and disposed of in accordance with laws, regulations and bylaws of the Company.

6.1.2 If an employee discovers that any hazardous material is improperly stored or disposed, he/she shall promptly report to the employee(s) who is responsible for health and safety matters.

- 6.2. When an employee reviews a project or new business, he/she shall consider its effect on the environment as one of the important factors.
- 6.3. All personnel shall comply with the internal safety regulations in order to make a safe place of business.
  - 6.3.1 All personnel shall be responsible for maintaining safety and preventing risks.
  - 6.3.2 When an employee discovers any potential safety accidents, he/she shall immediately report to the relevant team and shall immediately take preventive measures.
  - 6.3.3 All personnel shall always comply with the safety standard.

**Code 7 : The Company shall not discriminate any personnel during the hiring and employment period, and all personnel shall not be involved in activities that may harm the healthy organizational culture.**

- 7.1. The Company shall not unfairly treat its personnel with regard to personnel management affairs, including but not limited to hiring, promotion, and evaluation, based on nationality, sex, religion, age, physical disability, area of birth, marriage status, etc.
  - 7.1.1 Underage employment and forced labor are strictly prohibited.
  - 7.1.2 The Company shall provide equal opportunity and fair treatment to its personnel based on their ability and performance.
- 7.2. All personnel shall respect each other's opinion and shall use their best endeavor to create an organizational culture that encourages creative ideas.
  - 7.2.1 Conflict between personnel in the Company shall be prevented through various communication channels.
  - 7.2.2 The Company shall acknowledge that creative thinking and self-regulating actions of its personnel are intangible assets and shall actively offer training opportunities in order to promote self-improvement.
  - 7.2.3 The Company shall endeavor to make a mutually cooperative environment and resolve problems of its personnel.
- 7.3. All personnel shall cooperate with the Company to make a healthy organizational culture.

- 7.3.1 All personnel shall not behave in a manner that damages cooperative colleague relationship, including but not limited to, sexual harassment, physical assault, lending and borrowing of money.
- 7.3.2 All personnel shall not form any organization that may cause disharmony or a private organization in the Company.
- 7.4. All personnel shall protect the personal information of customers, transacting parties, and other personnel.
  - 7.4.1 All personnel shall clearly identify the purpose of the personal information of customers, transacting parties, and other personnel that they have acquired during the ordinary course of business, shall lawfully handle such information within the scope of the necessary purpose, and shall safely manage such information in accordance with the relevant laws, regulations, and bylaws.

### **Supplementary Provision**

This Code will be effective as of December 7, 2010.

Enacted as of December 7, 2010

Amended as of September [ ], 2012