

Setting the highest standard for business management



Samsung Electronics is committed to creating a progressive entrepreneurial environment with the highest standards of corporate governance, transparency, and accountability. Guided by these principles, the Board of Directors (BOD) oversees the performance of management, sets corporate management policies, and makes strategic decisions about how our business should be conducted.

In order to better fulfill the BOD's expanding range of responsibilities, Board authority in specific, targeted areas has been delegated to four subcommittees. This structure also allows directors with experience in a particular field to contribute their expertise in a more effective manner. The Management Committee considers and makes decisions on issues delegated to them by the BOD. The Audit Committee makes certain that the auditing process accurately reflects the company's value.

The Outside Director Recommendation Committee is a committee under the BOD, structured to recruit and appoint outside directors' candidates in a fair and independent manner. The Internal Transaction Committee reports on pending transactions between the company and related parties.

Our shareholder-centric policy starts with the idea that shareholders should share in the profits of the company. In 2005, Samsung Electronics used some 40% of net profits to pay dividends of USD 5.43 per share and repurchase shares worth a total of USD 1.97 billion. Samsung Electronics held "Analyst Day 2005," the first of its kind by an Asian company, in order to enhance the value of our stock. During this event, the presidents of all business divisions presented and shared their long-term visions and strategies with analysts and investors. Because of this historic event, we are succeeding in gaining greater market confidence in the company's sustainable growth.

As a result of our commitment to shareholder value, Samsung Electronics has received awards from prominent financial and IR journals such as The Asset, IR Magazine, Institutional Investor, Finance Asia, and CFO Asia. The company's achievements and commitments, sound financial performance, development of future profit sources, and shareholder-centric policies are recognized by the market. In return, the company was rewarded with a record high share price at the end of 2005 and perhaps a beginning of a new chapter in re-valuation of our share price.