

# About Samsung Electronics

Under the business philosophy of “devoting our human resources and technology to creating superior products and services, thereby contributing to a better global society,” Samsung Electronics will put more focus on sustainability management to serve our continued growth as well as creation of stakeholder value.

## Vision 2020

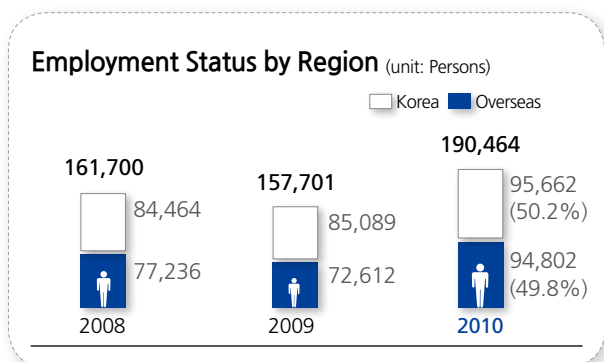
Since its inception in 1969, Samsung Electronics has grown into a world class IT company. Upon its 40th anniversary, the company adopted a new vision of “Inspire the World, Create the Future” in 2009. Going forward, we will inspire the world through new technologies, innovative products, and creative solutions while creating a prosperous future by enhancing stakeholder value.



## Employment Status

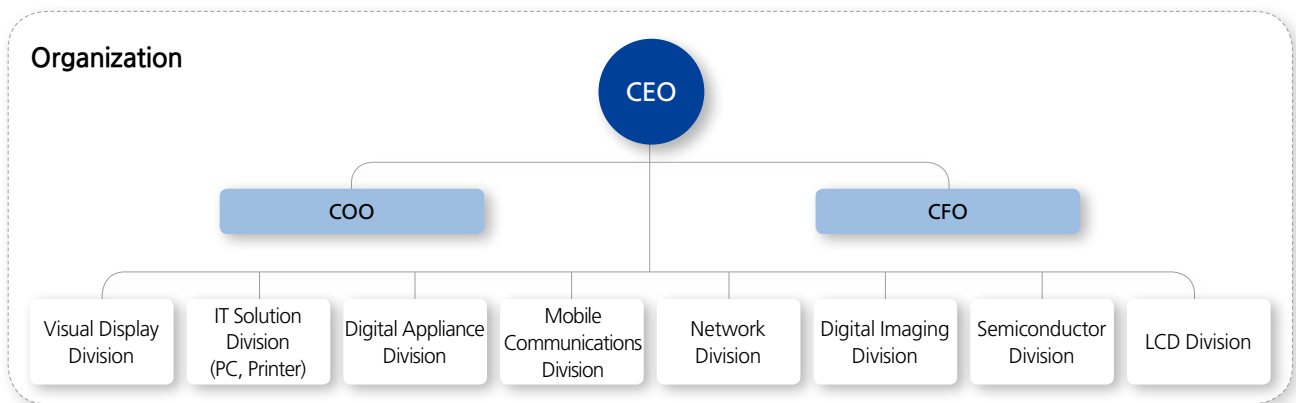
As of the end of 2010, Samsung Electronics’ total global employment stands at 190,464, which break down into 95,662 working in Korea (including 1,370 contractors) and 94,802 outside of Korea (including 5,374 contractors). Outsourced workforce numbers 67,750 persons.

Due to distinct seasonality in the manufacturing sector, maintaining an appropriate level of contract-based workers during the peak season is needed to enhance the operational efficiency. When necessary, these workers are converted to regular employee status.



## Business Units & Major Products

In 2010, Samsung Electronics proceeded with organizational restructuring for its end-user products and global operations to enhance business synergies. The Digital Air Solution (DAS) Team, which oversees air conditioners and Samsung Gwangju Electronics were merged into the Digital Appliance Business. The consolidation of raw material procurement, development of key components (motors and compressors), and overseas business units increased operational efficiency. The Telecommunications Systems Business's set-top business was integrated into the Visual Display Business to enable sharing of core competencies in areas such as chipsets and ecosystems. For global operations, we have a regional structure that takes into account market characteristics. For the set businesses, a team dedicated to Central and Eastern Europe was created under the Europe Regional Headquarters to make further headway into the emerging markets of Central and Eastern Europe. Components sales subsidiaries at the country level have been reshuffled into regional headquarters for components (Americas, Europe, Southeast Asia).



## Major Products

<p><b>Visual Display</b></p> <p>TV, Monitor, Set top box</p>	<p><b>IT Solution</b></p> <p>Laptop, PC, Printer, Multifunctional device</p>	<p><b>Digital Appliance</b></p> <p>Refrigerator, Washing machine, Air-conditioner, Vacuum cleaner</p>	<p><b>Mobile Communications</b></p> <p>Smartphone, Feature phone, MP3 player</p>
<p><b>Network</b></p> <p>Mobile WiMAX, LTE solution, WCDMA solution</p>	<p><b>Digital Imaging</b></p> <p>Digital camera, Camcorder</p>	<p><b>Semiconductor</b></p> <p>DRAM, Flash memory, SSD, System LSI</p>	<p><b>LCD</b></p> <p>LCD panel</p>

## Corporate Governance

Samsung Electronics promotes transparency and accountability with an advanced corporate governance structure. Full support is extended to the board of directors to facilitate creative management with the ultimate goal of maximizing corporate value, while every effort is made to enhance shareholder value and rights. The board of directors addresses issues as stipulated in related laws and the company's Articles of Incorporation, and is responsible for overseeing basic policies and major issues concerning the company's operations.

### BOD (Board of Directors) Composition

Currently, the BOD is composed of seven members, with four of them being outside directors. The outside directors hold the majority of the BOD, thus ensuring the independence and transparency of the Board's decision-making process. Under the Articles of Incorporation, the Outside Directors Recommendation Committee first selects candidates from a pool of professionals with expertise or experience in business management, economics, accounting, law, or relevant technologies, and then submits their final candidates for the approval of the shareholders at the general shareholders' meeting. The outside directors gather together at separate meetings to discuss overall management issues and work on recommendations. All directors are prohibited from engaging in business activities within the same industry without the approval of the board. This arrangement is to prevent conflict of interest, as specified in the Korean Commerce Act and the Samsung Electronics Articles of Incorporation.

### Corporate Governance and IR Awards

Organization	Date	Awards
Euromoney	Jan. 2010	Governance in Korea (No. 1)
Finance Asia	May 2010	Best Corporate Social Responsibility
MoneyToday	Sep. 2010	2010 Best IR in the Electronics Industry category
Korea IR Service	Oct. 2010	2010 IR Award (Excellence Award in the securities market category)

### BOD Member Profile

Title	Name	Gender	Position	Role
Vice Chairman & CEO	Gee-Sung Choi	M	Vice Chairman & CEO, Samsung Electronics	Overall corporate management
Vice Chairman	Yoon-Woo Lee	M	Vice Chairman, Samsung Electronics	External cooperation
President	Ju-Hwa Yun	M	Head of Management Support Office, Samsung Electronics	Management support
Outside Director	Dong-Min Yoon	M	Attorney-at-law, Kim & Chang Law Firm	Overall management
Outside Director	Chae-Woong Lee	M	Professor of Economics, Sung Kyun Kwan University	
Outside Director	In-Ho Lee	M	Former Advisor, Shinhan Bank	
Outside Director	Oh-Soo Park	M	Professor of Business Administration, Seoul National University	

\* as of April 2011

### BOD Roles and Responsibility

In 2010, a total of nine BOD meetings were held to address 31 agenda items. The three-year average attendance rate (2008-2010) of the BOD stands at 91%. For swift and efficient decision-making, committees have been established under the BOD in accordance with pertinent laws. The BOD refers certain matters to the committees to be reviewed by committee members with experience and expertise in the related fields. Currently, there are five committees: Management Committee, Audit Committee, Outside Director Recommendation Committee, Internal Transaction Committee, and Remuneration Committee. The Internal Transaction Committee promotes transparency through the fair trade compliance system and carries out activities to enhance corporate governance. The Audit Committee, comprised of three outside directors, supervises and supports the management through a process of checks and balances to maximize corporate value.

## Committee Status

Committee	Objectives	Members
Management Committee	Deliberates and decides on matters either delegated by the BOD, or specified in the Articles of Incorporation or the Regulation of the BOD with the aim of enhancing professionalism and efficiency in decision-making	Gee-Sung Choi (chair), Ju-Hwa Yun
Audit Committee	Conducts auditing functions under the stipulation of governing regulations, Articles of Incorporation and Audit Committee Regulations	Chae-Woong Lee (chair), In-Ho Lee, Oh-Soo Park
Outside Director Recommendation Committee	Recommends candidates for outside director under the governing regulations, Articles of Incorporation and BOD regulations	Oh-Soo Park (chair), Chae-Woong Lee, Gee-Sung Choi, Yoon-Woo Lee
Internal Transaction Committee	Enhances corporate transparency and promotes fair trade through compliance program	Chae-Woong Lee (chair), In-Ho Lee, Oh-Soo Park
Remuneration Committee	Enhances objectivity and transparency in the process of decision of directors' remuneration	Oh-Soo Park (chair), Dong-Min Yoon, Chae-Woong Lee

Further details are available at <http://dart.fss.or.kr>

## BOD Activities in 2010

Date	Agenda	Results	Attendance Status of Outside Directors
Jan. 19, 2010	An agenda item on patent license contract and equity investment	Approved	3/5
Jan. 29, 2010	Four agenda items including approval of the financial statements and operating report of the 41 <sup>st</sup> Fiscal Year	Approved	5/5
Feb. 23, 2010	Four agenda items including convening of the 41 <sup>st</sup> general shareholders' meeting	Approved	5/5
Mar. 22, 2010	Three agenda items including assignment of director's duties	Approved	4/4
Apr. 01, 2010	An agenda item on resolution of report and announcement of merger with Samsung Digital Imaging	Approved	4/4
Apr. 30, 2010	Four agenda items including approval of the 1 <sup>st</sup> quarter report of the 42 <sup>nd</sup> Fiscal Year	Approved	4/4
Jul. 30, 2010	Eight agenda items including approval of the 1 <sup>st</sup> half of year financial statements, half-year report, and interim dividend for the 42 <sup>nd</sup> Fiscal year	Approved	3/4
Sep. 17, 2010	An agenda item on approval of merger with Samsung Gwangju Electronics	Approved	4/4
Oct. 29, 2010	Five agenda items including approval of the 3 <sup>rd</sup> quarter report of the 42 <sup>nd</sup> Fiscal Year	Approved	3/4

Further details are available on our IR Website.

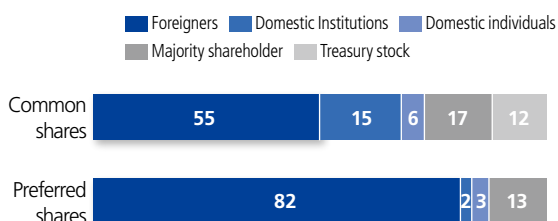
## Evaluation and Compensation

The BOD and the committees conduct self-evaluations of their annual activities and participation rates every year. Compensation for the independent directors is not linked to performance. For independence reasons, the compensation includes only basic salary and business travel expenses.

## Shareholder Composition

Samsung Electronics is currently listed on the Korea Exchange (KRX). As of the end of 2010, there were 170,132,764 total shares outstanding, (147,299,337 common stocks and 22,833,427 preferred stocks). For the convenience of foreign investors, we issue Global Depository Receipts (GDR) in overseas markets. Common stock is traded on the London Stock Exchange and preferred stock is traded on the Luxembourg Stock Exchange. As of the end of 2010, the largest shareholder and related parties owned approximately 15% of the total outstanding shares, including preferred stock. Treasury stock accounts for 12% while foreign shareholders own approximately 55% of the shares.

### Share Ownership (Unit: %)



Further details are available on our IR Website.