Throughout 2010, Samsung Electronics continued with efforts to proactively respond to a fast changing business environment and foster a creative organizational culture to facilitate expansion of our software and solutions business as stated in Vision 2020. Labor and management will work together to enhance the organizational culture under the mottos of Work Smart, Think Hard, and Build Trust and build an ideal workplace where all individuals can unleash their creativity.

Work Smart Activities & Performance

Work Smart Conference
In December 2010, the CEO joined some 700 employees in a Work Smart Conference. The event gave the most senior executive an opportunity to listen directly to the views of employees. It served as a venue for open communication and frank discussion on the Work Smart initiative to build a creative organizational culture.

Dialogue with the CEO: Q&A

Q What is “Work Smart”?
A
• It refers to establishing an efficient management system and organizational culture that allows the best people to work creatively so that every individual can concentrate on meaningful work as experts in their respective fields.
• A core value of the Work Smart campaign is to care for one’s family members and take a balanced and smart approach to managing work and life to become motivated individuals. I hope everyone will do their best for personal development and lead happy lives with their families.

Creating an Ideal Workplace
Creating a great workplace that resembles a university campus has been our initiative at all of our business sites. It started off at our Suwon Digital City and was subsequently expanded to other plants in Giheung, Tangjeong and Gumi. New names have been given to the three sites (Nano City for Giheung, Display City for Tangjeong, and Smart City for Gumi) that reflect the nature of their operations. Improvements are underway including the creation of walk paths and dormitory renovation.

GWP (Great Work Place) Survey
Samsung Electronics assesses the work satisfaction level of employees through the annual Great Work Place survey. Consulting is provided to departments that show a sharp decline in the score from the previous year or low satisfaction levels so they can make improvements. In 2010, intensive consulting was provided to global subsidiaries with low satisfaction levels based on the GWP surveys at global business sites to enable improvements in HR policy, infrastructure and leadership.
Mobile Office

A mobile office system was adopted at the end of 2010 that allows employees to use a smartphone to search for work-related information and take care of work duties from any location. In 2011, we plan to expand the range of contents to e-learning and SNS to add to the existing scope which includes e-mail, employee information search and obtaining approval. During the year, we will also implement a work-at-home and telecommuting system for married employees.

* The above is a sample list of mobile contents. The contents have been partially provided from February 2011.
* Employees’ contents suggestions and their app registration/application service were launched after mid-March 2011.
Think Hard Activities & Performance

Idea Suggestions

A suggestion system that encourages employees to propose creative ideas was launched in September 2009. To date, some 12,000 ideas have been submitted through the system. About 70 of those ideas were chosen for consideration and 30 have been commercialized or resulted in patent applications. The suggestion system (IDEA Open Space) will be expanded to overseas research centers to seek creative ideas from our global workforce.

Knowledge Sharing

The R&D KMS (Knowledge Management System) is a portal that supports sharing of information related to technology and R&D. It includes communities of R&D professionals, technology glossary, a question-and-answer site, technology blogs, and idea suggestion system.

Master System

Samsung Electronics bestowed the “Master” designation to an additional eight outstanding R&D professionals in 2010. In particular, we selected Masters outside of Korea for the first time to present a growth vision to global researchers. We considered researchers from the Semiconductor and LCD Businesses for the first two rounds of Master appointments, but widened the scope to all business units in 2010.

Build Trust Activities & Performance

Employee Grievance

Employees can report grievances or submit suggestions through the company Intranet and portals run by individual business sites. Grievances are promptly handled by the general affairs, HR and other related departments. The Suwon site received and responded to all 2,379 reports and suggestions submitted in 2010.

<table>
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<th>No.</th>
<th>Category</th>
<th>No. of cases (as % of total)</th>
<th>No.</th>
<th>내용</th>
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<td>Education</td>
<td>44(2%)</td>
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Business Presentations

Each business unit holds quarterly business presentations led by its most senior executive to share business updates and strategy with employees. During the presentations, awards are given to employees who demonstrate outstanding performance during the quarter.