

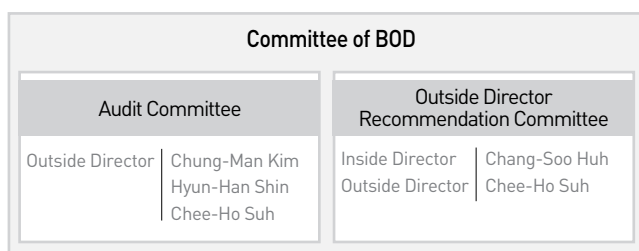
## Corporate Governance

GS E&C strictly maintains corporate transparency and managerial accountability by applying an advanced corporate governance structure that is centered on the Board of Directors. The Board supports the top executives, enabling them to exercise their creative and progressive enterprising spirit. Ultimately, corporate value can be maximized and the shareholder first policy can be implemented thoroughly. Moreover, the company takes various steps to ensure that operational results and corporate value are returned to shareholders in the form of real benefits.

### BOD Activities

The GS E&C Board of Directors is responsible for interpreting issues regarding the law and articles of incorporation. Other BOD duties include making important decisions on policy implementation and the basic direction of corporate operations, as well as examining the performance of each director. The nine-member Board, which includes five outside directors, convened twelve times during 2008 and deliberated on twenty-four agenda items.

In conformity with the regulations, the BOD has also established two committees, one for audit and the other for nominating outside directors, for faster and more-efficient decision making. Part of the BOD's authority is delegated to these subcommittees, which consist of the directors who are most experienced and knowledgeable in the area concerned.



### Audit & Outside Director Recommendation Committee

The Audit Committee performs an oversight and support function that brings restraint and balance to the internal auditing of performance results, thereby maximizing corporate value. The three persons on the committee are all outside directors, and they held six meetings in 2008.

The Outside Director Recommendation Committee was established to ensure independence and impartiality in the outside director selection process. One of the two members is an outside director, and the committee convened once during 2008.

### External Assessment of Corporate Governance

The corporate governance structure at GS Engineering & Construction was ranked the highest of all domestic construction companies by the Korea Corporate Governance Service. GS E&C was the only Korean builder to receive a "Very Good" evaluation in the 2008 KCGS rating, and the company's corporate governance was also judged to be good or excellent by the Korean Stock Exchange in 2001, 2002 and 2004.

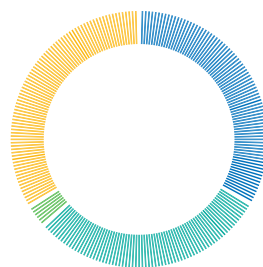
### Corporate Governance

2001	2002	2003	2004
Best Corporate	Good Corporate	-	Best Corporate

Source : Korea stock Exchange

### Shareholder Composition

As of the end of 2008, foreign investors held 33 percent of the total shares issued by GS Engineering & Construction. Another 34 percent of the shares were either owned by major shareholders (Huh Family) and held by GS E&C as treasury stock.



■ 33.10% | Foreign investors  
■ 30.48% | Huh Family  
■ 2.98% | Treasury stock  
■ 33.44% | Domestic institutional and individual investors

(As of the end of 2008)