

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. This, in turn, maximizes corporate value in the long run. Moreover, the company practices a comprehensive “shareholder first” policy to ensure that operational results and corporate value are returned to shareholders in the form of real benefits.

BOD Committees

Audit Committee

Outside Director	Duk-Hoon Lee Chung-Man Kim Kyung-Suh Park
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Outside Director Recommendation Committee

Inside Director	Chang-Soo Huh
Outside Director	Chong-Kun Pyun

Corporate Governance

2001	2002	2004	2008
Best Corporate	Good Corporate	Best Corporate	Very Good

BOD Activities

The GS E&C Board of Directors is responsible for interpreting issues regarding the law and Articles of Incorporation and executing tasks entrusted to it by vote at the General Shareholders' Meeting. Other BOD duties include making important decisions on policy implementation and the basic direction of corporate operations, as well as overseeing the work of the individual directors. The nine-member Board, which includes five outside directors, convened eleven times during 2010 and deliberated on eighteen agenda items. In conformity with the law, the BOD has also established two subcommittees, 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.

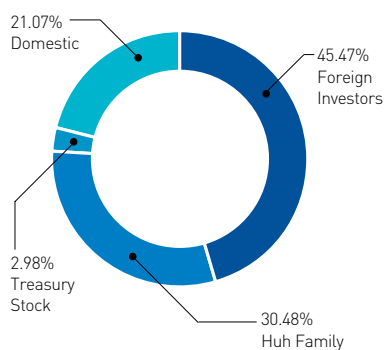
Audit & Nomination Subcommittees

The Audit Subcommittee 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 subcommittee are all outside directors, and they held four meetings in 2010. The Nomination Subcommittee was established to ensure independence and impartiality in the outside director selection process. One of the two members is an outside director, and the subcommittee convened once during 2010.

External Assessment of Corporate Governance

The corporate governance structure at GS Engineering & Construction is 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 excellent by the Korean Stock Exchange in 2001, 2002 and 2004.

Shareholder Composition



[As of the end of 2010]

Shareholder Composition

As of the end of 2010, foreign investors held 45.47 percent of the total shares issued by GS Engineering & Construction while domestic institutional and individual investors held 21.07 percent. Another 33.46 percent of the shares were either owned by major shareholders [Huh Family] or by GS E&C as treasury stock.