

VOLUNTARY AGREEMENT

Article 1. Samsung European New Management Committee (SENMAC)

This is an agreement between the Central Management and the Employee Representatives, providing all employees with information and consultation, through the establishment of a Samsung European New Management Committee (SENMAC) comprising Central Management, Employee Representatives and Management Representatives.

Article 2. Objective

Since its foundation in 1938, Samsung has considered its employees as valuable partners in corporate management. This old principle is now being deepened through the implementation of Samsung's New Management Initiative.

Management and employees have a common objective to ensure the successful operations of the Samsung Europe, the efficiency and quality of the Samsung Europe's products and services, to contribute to society, and to promote the welfare of all employees. These are the fundamental objectives pursued by the New Management Initiative. Samsung Europe believes that these objectives can be achieved through purposeful and informed employees who are committed to the business.

Therefore employees must have the information necessary to support the successful achievement of the New Management Initiative, business and corporate goals, as well as to understand the impact of those decisions upon the organisation and the employees.

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Samsung Europe works to keep employees informed and involved through line meetings, communication networks, focused team-working, publications and other mechanisms. This is a process which must and will continue. However it must also be continuously upgraded if Samsung Europe is to achieve its goals.

The Council of the European Union, within the context of the Agreement on Social Policy, and recognising that the functioning of the internal market involves a transnationalisation of business through mergers, take-overs and joint ventures, has adopted a Directive regarding the right to information and consultation of employees in a community scale business.

Therefore Samsung Europe wishes, through this agreement, to set up a transnational information and consultation mechanism at pan-European level for all employees and for all units, even without representatives of their own, within Samsung Europe.

This objective shall be met by the constitution of a Samsung European New Management Committee (SENMAC).

Article 3. Definitions

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“New Management Initiative” means the process for ensuring Samsung Europe become a first class company in the 21st century including any changes and revolutions undertaken by management and employees to ensure the successful operations of Samsung Europe, the efficiency and quality of Samsung Europe's products and services, and the promotion of the welfare of all employees.

“Transnational” indicates a crossing of boundaries between two or more “Countries” within which Samsung Europe has establishments.

“Consultation” means the provision of information and the oral or written exchange of views and a dialogue of questions and answers between Central Management and the Employee Representatives.

“Central Management” means the president of Samsung Europe or his / her delegates.

“Employee Representative” is a person elected by the employees in each relevant country group in the SENMAC.

“Management Representative” is a person appointed by Central Management to represent each relevant country group in the SENMAC.

“Countries” means the states of the European Union and European Economic Area.

Article 4. Spirit of Co-operation

Central Management, Employee Representatives and Management Representatives shall strive to work together purposefully and with good faith and mutual trust. They shall have due regard to their mutual rights and obligations as well as due consideration for the interests of Samsung Europe as a whole, of all its units and of all its employees.

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Article 5. Competence of the SENMAC

SENMAC is intended to be a consultative forum for information, discussion and exchange of views on the New Management Initiative, business and social topics of a strategic nature concerning Samsung Europe as a whole, at European level, or within two or more countries where Samsung Europe has facilities.

The annual meeting shall review the progress of the New Management Initiative, business and its prospects (e.g. economic and financial situation, probable business developments, investment / employment prospects and major decisions which could have a considerable impact on employee interests) provided that such topics are relevant to Samsung Europe as a whole or two or more countries where Samsung Europe has facilities.

The SENMAC is not the appropriate forum for :

- Local or national issues subject to national legislation or collective agreements

- Compensation, salary and benefits
- Negotiations between management and representative bodies
- Personal or political matters
- Rights of trade unions or works council
- Health and safety

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Article 6. Scope

The SENMAC is designed to provide transnational information and consultation for the entire workforce of Samsung Europe in all its units (subsidiaries, branches, establishments, agencies, etc.) whatever their size, in the European Union and the EEA where it has units.

For practical reasons direct membership of the SENMAC will be confined to nominated Employee Representatives, Management Representatives and Central Management from Samsung Europe's operations in the Countries.

Article 7. Employee Representatives

(7.1) Eligibility of Employee Representatives

Candidates for election as Employee Representatives in SENMAC, must have an indefinite employment contract and preferably a minimum of 2 years service with Samsung Europe at the date of election (unless national laws implementing the "directive" dictate otherwise).

(7.2) Allocation of Employee Representatives

Employee Representatives in the SENMAC will be elected based on the following guidelines ;

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- Employee numbers will be on a country by country basis and will take account of employees with an employee contract in that country.
- Determination of the initial number of Employee Representatives will be based on the numbers of employees, maintained by Samsung Europe, at the month end preceeding the date of signing this agreement.
- Thereafter any review of representation will be based on the number of employees, at the end of each calendar year.
- Countries which have less than 30 employees at the month end preceding the date of signing this agreement or at the end of each calendar year, as appropriate will be represented for consultation purposes by the country which has administrative responsibility for that country within SENMAC structure (see Attachment 1)

Allocation of Employee Representatives will be as follows ;

<u>Number of Employee Representatives</u>	<u>Number of Employees in country</u>
0	1 ~ 30
1	31 ~ 300
2	301 ~ 600
3	601 ~ 1200
4	1201 ~ 3000

Maximum 30 Employee Representatives.

(7.3) Selection of Employee Representatives

The Employee Representatives shall be selected (by election or appointment) according to the following rules.

(1) where works councils or similar local representative bodies exist, the employee bodies concerned shall elect or appoint the Employee Representative(s) or define the principles and methods for such selection ;

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(2) where no such bodies exist, the Employee Representatives will be elected by secret ballot in accordance with the rules set down by the Management Representatives.

(7.4) Term of Office

Employee Representatives shall be elected initially for a period of 3 years. After this period each Employee Representative can be re-elected or re-appointed as set out in 7.3 above or a new Employee Representative can be elected in accordance with 7.3 above.

Article 8. Meetings

(8.1) President

The meetings of the SENMAC shall be chaired by the president of Samsung Europe or his / her delegate.

(8.2) Secretariat

A Secretary of the SENMAC, will be appointed by Central Management. The Secretary is responsible for the coordination necessary to ensure that the SENMAC will function smoothly (e.g. preparing the agenda of the SENMAC meetings in accordance with rules of this agreement) and will also be responsible for drafting the minutes of the meetings.

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(8.3) Steering Committee

The Steering Committee is comprised of four Employee Representatives elected by all the Employee Representatives.

The Employee Representatives on the Steering Committee shall elect a Chairperson of such committee. There shall be no more than one Employee Representative from each country on the Steering Committee.

The main roles of the Steering Committee, will be as follows :

- to assist the Secretary in developing the agenda for the annual meeting and the format for that meeting.
- to coordinate contributions from other Employee representatives. (e.g. filtering out issues raised by Employee Representatives)
- be the initial contact for Central Management and / or Management Representatives in the event of exceptional circumstances.

The Steering Committee Chairperson will chair the meeting when Employee Representatives meet on their own.

(8.4) Regular participants

Central Management, Employee Representatives and Management Representatives will be the regular participants in the SENMAC.

In the event that any such Representative is unable to attend a meeting of the SENMAC, he / she can be substituted by a back-up, elected (if an Employee Representative) in accordance with 7.3 above or appointed (if a Management Representative) by Central Management.

It is the responsibility of any Representative to notify the Secretary that a back-up will be attending any meeting of SENMAC instead of him / herself. It is also the responsibility of any Representative to ensure that the back-up is properly briefed so that he / she can act in the full capacity of that Representative.

(8.5) Meeting Frequency

The SENMAC shall meet once a year for one to two days (depending on the agenda) at a date and place agreed between the Central Management and the Steering Committee.

This meeting will normally take place in the second quarter of each year.

A pre-meeting of Employee Representatives may be held immediately before the SENMAC meeting, if required, without the Central Management or Management Representatives being present.

(8.6) Agenda

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Central Management and/or the Steering Committee will prepare a draft agenda for the annual SENMAC meeting and the Secretary will circulate it to all Employee Representatives and Management Representatives 1 month before the annual meeting. This draft agenda will include, where possible, all details to help the Employee Representatives and Management Representatives prepare for the annual meeting.

Employee Representatives will submit agenda items to the Steering Committee Chairperson at least 2 weeks in advance of the annual meeting.

The Steering Committee and the Secretary will then prepare the agenda for annual meeting and send the final agenda and arrangements to all Employee Representatives and Management Representatives at least 1 week prior to the annual meeting.

(8.7) Minutes

The Secretary shall be responsible for drafting the minutes on the content and outcome of the SENMAC meeting(s), subject to the confidentiality clause in this agreement.

The master copy of the minutes will be drafted in English and will be agreed, and signed as such, by Central Management and the Steering Committee.

Minutes shall be circulated by the local managements to the local Employee Representatives for the information of all employees within 2 weeks of the SENMAC meeting.

(8.8) Exceptional Circumstances / Special meetings

In the case of exceptional circumstances likely to have significant consequences for employees in 2 or more Countries (e.g. relocations, closures or collective redundancies) the Steering Committee will be informed.

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If a special meeting of SENMAC is necessary, Central Management shall convene a meeting with the Steering Committee, Employee Representatives from the countries directly affected (if they are not already present in the Steering Committee) and Management Representatives from the countries directly affected / or other appropriate business management. The agenda shall be prepared by the Secretary and circulated to the relevant representatives immediately before the special meetings.

The minutes of such a meeting will be written, agreed and signed by all relevant representatives. Minutes will be circulated to all Employee Representatives and Management Representatives with appropriate instructions concerning confidentiality and onward communication.

Article 9. Confidentiality

Central Management is entitled, under the conditions and limits laid down by national legislation, not to provide any information when its nature is such that, according to objective criteria, it would seriously harm the functioning of Samsung Europe, would be prejudicial to any of its units, or would contravene stock market regulations or other legislative requirements.

Employee Representatives or Management Representatives of the SENMAC and experts consulted must not disclose any information which has been expressly provided to them in confidence until it is confirmed otherwise in writing by Central Management. This obligation shall continue to apply, wherever such representatives are, even after the expiry of each representative mandate.

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Article 10. Protection of Management Prerogatives

The SENMAC shall not affect the prerogative of Central and / or local management, who remain solely competent and responsible for their business, financial, commercial and technological decisions at local, European and transnational level.

Article 11. Protection of Employee Representatives

Employee Representatives, whilst performing their duties under this agreement, will enjoy the same protection and guarantees provided by national legislation and / or practice in force in their respective country of employment. This shall apply in particular to attendance at SENMAC meetings as well as to the payment of salary and expenses for the period of absence necessary to perform their duties.

Article 12. Expenses

The operating expenses of SENMAC shall be borne by Samsung Europe. Samsung Europe shall also provide the Employee Representatives with such financial and material resources as to enable them to perform their duties in an appropriate manner.

In particular, the costs of organizing SENMAC meetings and arranging for interpretation facilities and the accommodation and travelling expenses of Employee Representatives shall be met by Samsung Europe and /or by its national units, according to existing policies.

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Article 13. Time off

Employee Representatives shall be given time off from their normal duties with pay for their participation in SENMAC meeting(s) together with the necessary travelling time. All arrangements for time off and travel must be agreed in advance with each Employee Representatives' respective local managements.

Article 14. Languages

English will be the main and official language of SENMAC meetings. The official version of this voluntary agreement will be in English. All documents circulated within the SENMAC will be drawn up in English. As deemed necessary, translation into national language shall be provided locally.

To facilitate meaningful information sharing and discussion during the SENMAC meetings, knowledge of English would be an advantage. Nevertheless, simultaneous translation in his / her native language will be provided if requested in advance by an Employee Representative or Management Representative.

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Article 15. Experts

To effectively perform their role in the SENMAC, Employee Representatives can consult experts amongst the Company's own personnel, or use external advisors / speakers / experts suggested by the Steering Committee and agreed by Central Management.

Unless otherwise agreed external advisors / speakers / experts, requested by the Employee Representatives, will only be involved when the Employee Representatives meet separately. If external experts are consulted, expenses will only be paid by Central Management where such consultation has been discussed separately in each case and expressly authorised in writing, in advance, by Central Management.

Article 16. Duration of the Agreement

This agreement will continue indefinitely unless terminated, after the first 3 years, by either Central Management or the Employee Representatives giving 6 months notice, in writing, of their intention to withdraw from the agreement.

Employee Representatives may only withdraw from the agreement by written request of at least 2/3 of Employee Representatives on the SENMAC.

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Article 17. Amendment of the Agreement

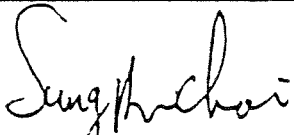

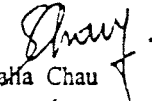

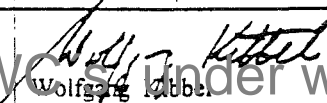

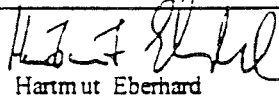
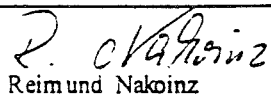

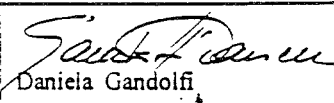
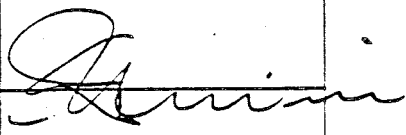
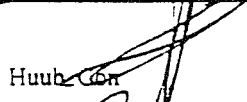


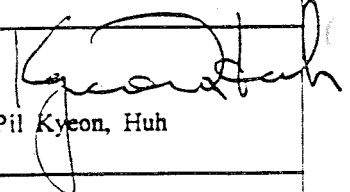



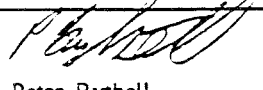
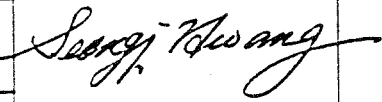
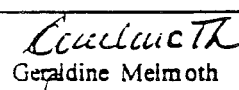
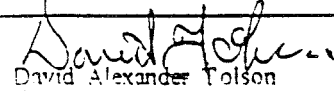

All parties agree to amend the relevant provisions of this agreement if the applicable law so requires, or if the structure (number of countries / units) of Samsung Europe is significantly modified. Other amendments may be introduced by common accord of both parties, where a two-thirds majority of Employee Representatives agree such amendments. This will be done by mutual consent, using good judgement and sensitivity to Representatives.

Article 18. Acknowledgement by Signatories

The signatories of this agreement formally acknowledge that it concerns the transnational information and consultation of employees of Samsung Europe, that it covers the entire workforce and is an agreement in line with that referred to in Article 13 of the European Works Council Directive of 22 September 1994.

The signatories formally acknowledge that they are fully representative of employees or management in the countries and establishments covered by this agreement.

Signed in London on the 9th of July 1996.

Representative agent of Central Management	Country	Employee Representative	Management Representative
 Sung Rai, Choi President of Samsung Europe	Austria	 Luciene Santayana	
	France	 Saffa Chau	
 Hong Sik, Chung	Germany	 Wolfgang Kottel	In, Kim 
		 Hartmut Eberhard	
		 Reimund Nakoinz	
	 Emma Wiggins		
	Italy	 Daniela Gandolfi	 Carlo Ponzellini
	Netherlands	 Huub Con	
 Richard Carr	Portugal	 Joao Carlos Pinto de Magalhaes	 Pil Kyeon, Huh
	Spain	 Mari Cruz Garcia Miron	
		 Eva Garcia Duran	
Anthony Glassborow 	UK	 Peter Bythell	Seong Jo, Hwang 
		 Geraldine Melmoth	
		 David Alexander Tolson	
		 Stephen Mark Kitching	

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	France	<u>Salja Chau</u>	
	Germany	<u>Wolfgang Kibbel</u>	<u>In. Kim</u>
		<u>Hartmut Eberhard</u>	
<u>Hong Sik. Chung</u>		<u>Reimund Nakoinz</u>	
		<u>Wiggins Emma</u>	
	Italy	<u>Daniela Gandolfi</u>	<u>Carlo Ponzellini</u>
	Netherlands	<u>Huib Gon</u>	
<u>Richard Carr</u>	Portugal	<u>Joao Carlos Pinto de Magalhaes</u>	<u>Pil Kyeon. Huh</u>
	Spain	<u>Mari Cruz Garcia Miron</u>	
		<u>Eva Garcia Duran</u>	
<u>Anthony Glassborow</u>	UK	<u>Peter Bytheil</u>	<u>Seong Jo. Hwang</u>
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		<u>Stephen Mark Kitching</u>	

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