

**STANDARD WORKING RULES ON
ETHICS
FOR FINANCIAL INVESTMENT
COMPANIES**

- This "Working Rules" is a standard (draft) drawn up by the Korea Financial Investment Association (KOFIA) to provide professional ethics guidelines that executive officers and/or employees of financial investment companies should follow when performing their duties. With these Working Rules provided as a standard, financial investment companies can formulate and implement a code of professional ethics to suit the characteristics of their own Company.
- Department in charge : Self-Regulation Planning Department

CHAPTER I GENERAL PROVISIONS

§1. Purpose

The purpose of these Standard Working Rules on Ethics for Financial Investment Companies (hereinafter referred to as "the Working Rules") is to ensure that the executive officers and/or employees of a financial investment company (hereinafter referred to as "the Company") implement their responsibilities and duties faithfully as a financier by cultivating proper ethics for them, thereby contributing to the sound growth of the capital market and the development of the national economy through protection of investors.

§2. Scope of Application

These Working Rules apply to everyone who is engaged in the provision of financial investment services. Any person engaged in the financial investment industry shall comply with these Working Rules for all customers, including potential customers who have not signed any contract with them.

CHAPTER II ETHICAL STANDARDS

§3. Duty of Fiduciary

Executive officers and/or employees shall place the highest value on honesty and trust, and they shall perform their duties fairly based on moral ethics.

§4. Duty of Faithfulness

Executive officers and/or employees shall do their best to maintain their expertise by taking pride in their role as financial service providers, while faithfully performing their duties for the continuous growth of the Company and the development of the financial investment industry.

§5. Compliance with Laws

Executive officers and/or employees shall, when performing their duties, fully understand and comply with all the laws and regulations related to maintaining the soundness of the capital market.

§6. Principle of Customer First

Executive officers and/or employees shall operate with the understanding that customers are the basis and reason for the Company's existence, and they shall always act in the customer's best interest.

CHAPTER III RULES OF CONDUCT

SECTION I DUTY OF THE EXECUTIVE OFFICERS AND/OR EMPLOYEES

§7. Maintenance of Independence and Objectivity

Executive officers and/or employees shall not perform any activities that may be influenced by their own or a third party's interests, and they shall take reasonable care to maintain the independence and objectivity.

§8. Prevention of Conflict of Interests

Executive officers and/or employees shall do their best to prevent conflict of interests between the Company, shareholders, or customers, and in cases where a conflict of interests is anticipated, they shall manage it in accordance with due process.

§9. Prohibition of Unfair Transactions

Executive officers and/or employees shall not engage in any unfair trade practices such as using undisclosed important information or manipulating the

market, and also they shall not participate in unfair transactions that could be identified through the exercise of reasonable care.

§10. Prohibition of Accepting Money and Valuables

Executive officers and/or employees shall not request gifts, etc., or accept entertainment, money or other valuables, etc. that are in violation of the socially accepted rules, in return for performing their duties or in connection to their duties.

§11. Reporting of Practices in Violation

Executive officers and/or employees shall, in the case where they have identified a violation of the law or the code of ethics, or recognized the possibility of such a violation while performing their duties, immediately report such a violation to their superiors or the relevant department.

§12. Development of Expertise

Executive officers and/or employees shall devote themselves to being well informed of the theory and practice needed for the performance of their duties, and they shall make their best efforts to maintain and improve their expertise to fulfill their required duties.

§13. Mutual Respect

Executive officers and/or employees shall respect and be courteous to their colleagues, and they shall establish relationships based on mutual trust through fair competition.

SECTION II DUTIES TO THE COMPANY

§14. Devotion to Duties

Executive officers and/or employees shall devote themselves to their duties and shall receive prior approval before undertaking additional duties or activities that may affect the performance of their duties for the Company. Provided, That in the case of any unavoidable circumstances, an *ex post facto* report shall be filed immediately.

§15. Protection of Information

Executive officers and/or employees shall not divulge important information related to their duties or the Company, and shall maintain and manage such information in accordance with the due process.

§16. Maintenance of Dignity

Executive officers and/or employees shall not perform any conduct that may damage the Company's dignity or social trust through their action.

§17. Prohibition of Illegal Use of Company Properties

Executive officers and/or employees shall not illegally use the Company's properties or use their position for their own personal interests.

§18. Supervision and Management of Middle Supervisor

The middle supervisor shall provide appropriate supervision and management so that those under their command and supervision do not violate the relevant laws, etc. in connection with the performance of their duties.

§19. Duty after the Expiration of the Employment Contract

In the case where an executive officer and/or employee retires from the Company, he/she shall take appropriate follow-up measures, and for a considerable period of time after retirement, shall not engage in any conduct that may damage the interests of the Company they have retired from.

SECTION III

DUTIES TO THE CUSTOMERS

§20. Priority on Customer Interests

Executive officers and/or employees shall make the interests of the customers their first priority, and shall not place one's own, the Company's, or a third party's interests before the interests of the customers.

§21. Duty of Care

Executive officers and/or employees shall, when performing their duties, fulfil their best duty of care responsibilities as experts to ensure the maximum returns for customers and the soundness of the market.

§22. Maintenance of Suitability

Executive officers and/or employees shall, when recommending investments to customers, induce suitable investments by clearly identifying the customer's investment purpose, the customer's investment experience, and the level of risks that the customer is willing to take, etc.

§23. Maintenance of Fairness

Executive officers and/or employees shall not discriminate between customers without justifiable reasons when performing their duties.

§24. Duty of Notification and Explanation

Executive officers and/or employees shall, when trading with customers, give in-depth notification about any conditions that may have an important effect on such trading, and shall explain important information so that the customers understand.

§25. Provision of Reasonable Grounds

Executive officers and/or employees shall, when providing investment information or recommending investment to customers, give data based on precise investigation and analysis based on reasonable and sufficient grounds.

§26. Duty of Accurate Expression

Executive officers and/or employees shall, when providing investment information or recommending investment to customers, clearly differentiate personal opinions from objective facts, and they shall not provide conclusive judgment on uncertain matters, including expressions that may mislead customers as a guarantee of investment returns.

§27. Duty of Reporting and Recording

Executive officers and/or employees shall report the results of the delegated duties to the customers without delay, and shall maintain records and evidences related to performing the duties according to the protocol.

§28. Prohibition of Divulging and Illegally Using Customer Information

Executive officers and/or employees shall not divulge customer information, or illegally use it for their own or a third party's interests, except in the case that such information is required to be provided in accordance with relevant laws and regulations.

§29. Prohibition of Direct Receipt of Investment Funds

Executive officers and/or employees shall not receive investment funds or assets to be used for investment from customers either directly or through their personal accounts (including their own accounts).

SECTION IV OUTSIDE ACTIVITIES RELATED TO DUTIES

§30. Scope of Outside Activities

In this Section, "outside activities" refers to activities related to the financial investment work of the Company's executive officers and/or employees, where their contact with outside agencies or the media, including the activities listed below, can influence a large number of people:

1. Activities such as lectures, speeches, training, article contribution, etc. given to outside organizations;
2. Contact with the media including newspapers and broadcasting (excluding activities intended for investment advertisement under [§57] of the Financial Investment Services and Capital Markets Act);
3. Contact with outside organizations and people through online communities (blogs, online forums, etc.), social network services, websites, etc. (hereinafter referred to as "electronic communication tools") which are not operated by the Company (this Subparagraph is not applicable when such contact is prohibited by the internal rules of the Company);
4. Other activities equivalent to the above activities which are defined as outside activities by the Company.

§31. Procedures Regarding Outside Activities

(1) When executive officers and/or employees want to engage in outside activities, they shall follow the methods and procedures established by the Company considering the nature of such activities and any conflict of interests.

(2) The Company shall take into account each of the following Subparagraphs when reviewing any request from an executive officer and/or employee to engage in outside activities in accordance with the methods and procedures mentioned in Paragraph (1):

1. Whether such activities breach relevant laws and regulations;

2. Impact of such activities on the Company;
3. Whether any conflict of interests will exist, and to what degree, in relation to the customers, shareholders, the Company, etc;
4. The appropriateness of remuneration or compensation to be received in return for such outside activities;
5. Credibility, social reputation, etc. of the organization that the executive officer and/or employee will be contacting for an outside activity.

(3) The Company may designate certain executive officers and/or employees to engage in outside activities related to the policies and practices of the Company, and exempt them from the procedures, etc. mentioned in Paragraph (1).

(4) The Company may establish detailed criteria concerning outside activities, including their types, admissible scopes, matters to be observed, etc.

§32. Matters to be Observed

Executive officers and/or employees shall comply with the following Subparagraphs when engaging in outside activities:

1. When stating personal opinion, it must be specified that the stated view is not the official view of the Company;
2. Outside activities should not interfere with their regular duties;
3. Any monetary remuneration received in return for such outside activities should be reported to the Company;
4. The executive officer and/or employee concerned should make best efforts to maintain a fair market order and promote sound investment culture.

§33. Prohibition

Executive officers and/or employees are prohibited from the following acts when engaging in outside activities:

1. Distributing or using important data or promotional materials that are not authorized by the Company;
2. Stating undecided matters conclusively, and providing any claim or prediction which may cause misunderstanding;
3. Making statements without proper grounds, which may influence the price of a certain financial investment product or the company issuing securities;
4. Mentioning matters for which the concerned executive officer and/or employee cannot take responsibility;
5. Unfair trading including stock price manipulation or providing information which is open to unfair solicitation;
6. Making false or negative comments without proper grounds about a competitor's financial investment products, personnel, policies, etc.

§34. Suspension of Outside Activities

The Company is entitled to request the concerned executive officer and/or employee to suspend outside activities if the Company decides that he or she is unable to perform main duties faithfully due to the outside activities, or that the activities lead to the increase of conflict of interests with the customers, shareholders, or the Company, etc. In this case, the concerned executive officer and/or employee shall comply with the request immediately.

§35. Lectures, Speeches, Training, Article Contribution, Etc.

- (1) In the case that any executive officer and/or employee plans to engage

in such outside activities as lectures, speeches, training, article contribution, etc. related to financial investment work at an outside organization, he or she shall report the content, the script, etc. to the Company in advance.

(2) The Company shall conduct an adequate review of the content, the script, materials, etc. of the lectures, speeches, training and article contribution, and determine whether they comply with [§32] and [§33].

§36. Contact with the Media

(1) Executive officers and/or employees shall coordinate with relevant departments in the Company (public relations department) when they plan to contact the media.

(2) The Company (compliance department, etc) shall adequately review whether the concerned executive officer and/or employee's plan to contact the media complies with [§32] and [§33], as well as the following Subparagraphs:

1. Whether the concerned executive officer and/or employee has sufficient knowledge and qualifications regarding the subject matter;
2. Whether information delivery through the media is appropriate in light of the complexity or potential risk of the content.

§37. Activities Through Electronic Communication Tools

When engaging in outside activities through electronic communication tools, executive officers and/or employees shall comply with [§32] and [§33], as well as the following Subparagraphs:

1. When posting work-related information including explanations about financial investment products or sending out a large quantity of messages containing such information (e-mails, etc), they shall comply with the methods and procedures established by the Company (in the case of investment advertisements, relevant

regulations shall be followed).

2. Matters requiring confidentiality or information that is not true shall not be posted even if anonymity is guaranteed.
3. They shall not steal the account of another executive officer and/or employee to access electronic communication tools.