Internal Control Standard

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Merrill Lynch International Incorporated

Seoul Branch
**Table of Contents**

Chapter 1. General Provisions ........................................................................................................... 1
Chapter 2. Structure and Roles of Internal Control Body ................................................................. 4
Chapter 3. Operation of Internal Control System ............................................................................... 7
Chapter 4. Code of Ethics .................................................................................................................. 9
  - Section 1. Basic Code of Conduct of Officers and/or employees .............................................. 10
  - Section 2. Service Manner of Officers and/or employees ......................................................... 10
Chapter 5. Rule of Conduct .............................................................................................................. 11
  - Section 1. Rule of Conduct General .......................................................................................... 11
  - Section 2. Individual Investment by Officers and/or employees ............................................. 12
  - Section 3. Prohibition on Unfair Transaction ........................................................................... 13
  - Section 4. Confidentiality ......................................................................................................... 15
  - Section 5. Limitations on Conflict of Interest ........................................................................... 17
  - Section 6. Prohibition on Unfair Practices, such as Receiving Gifts or Entertainment .......... 18
  - Section 7. External Activities .................................................................................................. 18
  - Section 8. Principles of Contacting External Institutions ....................................................... 20
Chapter 6. Service Rules .................................................................................................................. 24
  - Section 1. Service Rules General .............................................................................................. 25
  - Section 2. Trading on Consignment ......................................................................................... 26
  - Section 3. Mutual Fund Stocks and Unit Investment Trust ....................................................... 33
  - Section 4. Dealing (Securities Management) ............................................................................ 34
  - Section 5. OTC Derivative Trading ............................................................................................ 36
  - Section 6. Equity-linked Warrant ............................................................................................. 367
  - Section 7. International Business .............................................................................................. 37
  - Section 8. Funds and Accounting ............................................................................................... 38
  - Section 9. IT (Information Technology) ....................................................................................... 43
  - Section 10. Research .................................................................................................................. 46
  - Section 11. Employee Management .......................................................................................... 50
Chapter 7. Customer Complaint Handling ......................................................................................... 50
Chapter 8. Internal Control System Management .............................................................................. 51
  - Section 1. Training on Internal Control .................................................................................... 51
  - Section 2. Internal Control Standard Violation Handling ............................................................ 52

(Appendix 1) Compliance Certification

(Appendix 2) Examples of Merrill Lynch’s Internal Policies and Procedures
Chapter 1. General Provisions

Article 1. (Purpose)

① The Purpose of this Standard (Hereinafter referred to as “Standard”) is to strengthen company internal control by defining basic procedures and standard to be observed by the officers and/or employees of securities companies to comply with related laws, effectively manage assets and protect customers pursuant to Article 54-4, Securities and Exchange Law (Hereinafter referred to as “Law”) and Article 37-4, Enforcement Decree of the same law.

② Internal control-related matters other than those set forth in this standard shall be governed by the stipulations set forth in the internal regulations of the company such as the “Guidelines for Business Conduct” except when they run counter to related domestic laws and regulations.

Article 2. (Definition of Terms)

① “Insider” as used in this standard means the following:

1. Company insider: Relevant corporation or corporation’s officers and/or employees and their agents, and major shareholders (shareholders owning 10% or more of voting shares of the corporation and de facto controlling shareholders)

2. Semi-insider: Persons who are allowed to gain access to internal information based on lawful and rightful authority.

3. Information recipient: Persons receiving information from company insiders or semi-insiders.

4. Persons for whom 1 year has not elapsed from the day subject persons did not fall under the category of the company insider or semi-insider.

② "Undisclosed information" as used in this standard means the important business information not publicly disclosed by the company insiders pursuant to Paragraph ①, Article 186 of the Law, Paragraph ③, Article 83, Enforcement Decree of the Law, and
Article 4 and Article 5, Regulation governing the report of major management results and business report of the listed corporation.

③ "Securities" as used in this standard means securities and securities index prescribed by laws; option, futures and swaps issued using such items as underlying securities, and other equivalent investments.

④ "Day trading" as used in this standard means a transaction where same types of stocks are sold on the same day after buying, or bought on the same day after selling to gain difference of the stock price during the day.

⑤ "Money laundering" as used in this standard refers to the act described in Clause 4, Article 2 of the Law on the Reporting and Use of Specified Financial Transaction Information.

⑥ “General Customers” as used in this standard refers to the customers described in Item7, Clause 2, Article 4-1 of the Regulation on Supervision of Securities Business.

Article 3. (Internal Control Policy)

Internal control is implemented to ensure Officers and/or employees promote business efficiency and reliability of financial statements, and observe all laws and regulations; maintain appropriate company business transactions, monitor market movement, and maintain good relations with customers under the due care of a good manager. Under this policy, Officers and/or employees are required to be faithful to their duties and faithfully observe matters prescribed under this standard.

Article 4. (Details of Internal Control Standard)

① This standard shall contain the following:

1. Matters pertaining to the work allocation and organization structure.

2. Matters pertaining to asset management, or the management of risks occurring during the process of business.

3. Matters pertaining to the procedures to be followed by the officers and/or employees.

4. Matters pertaining to the construction of a system capable of effectively delivering information required by the management to make a decision.

5. Matters pertaining to the procedures and methods of verifying whether officers
and/or employees comply with the internal control standard, and the disposition of persons who violate the internal control standard.

6. Matters pertaining to the procedures or standard established to prevent unfair practices by reporting the details of transactions executed by officers and/or employees.

7. Matters pertaining to the procedure of establishing or changing the internal control standard.

8. Matters pertaining to the appointment and/or dismissal of The Compliance Officer.

9. Matters prescribed by the Financial Supervisory Commission (Hereinafter referred to as “Supervisory Commission”) as a specific standard covering the items listed in Item 1 through Item 8.

② This standard is applicable to Officers and/or employees, including contract hires and temporary hires in relation to company management activities. Acts of persons to whom part of the company business is entrusted shall be considered as the act of the company within the limit of the delegated business.

Article 5. (Range of Applicable Laws)

① Laws subject to compliance within the internal control standard shall be limited, in principle, to the Commercial Code, Securities and Exchange Law, Financial Laws and other laws directly related to the customer protection.

② Financial laws specified in Paragraph ① mean the following laws prescribed by Paragraph ②, Article 18-2, Enforcement Decree of the Law.

1. The Bank of Korea Act
2. The Banking Act
3. The Act on Business of Operating Indirect Investment and Assets
4. The Insurance Business Act
5. The Merchant Banks Act
6. The Mutual Savings Banks Act
7. The Act on Real Name Financial Transactions and Guarantee of Secrecy
8. The Futures Trading Act
8.2. The Korea Securities and Futures Exchange Act
9. The Act on the Establishments, etc. of Financial Supervisory Organizations
10. The Depositor Protection Act
11. The Act on the Efficient Disposal of Non-Performing Assets, etc. of Financing Institutions and the Establishment of Korea Asset Management Corporation
12. The Specialized Credit Financial Business Act
13. The Korea Development Bank Act
14. The Industrial Bank of Korea Act
15. The Long-Term Credit Bank Act
16. The Export-Import Bank of Korea Act
17. The Credit Unions Act
18. The Trust Business Act
19. The Credit Guarantee Fund Act
20. The Korea Technology Credit Guarantee Fund Act
21. The Community Credit Cooperatives Act
22. The Support for Small and Medium Enterprise Establishment Act
23. The Use and Protection of Credit Information Act
24. The Foreign Exchange Transactions Act
25. The Foreign Investment Promotion Act
26. The Asset-Backed Securitization Act
27. The Special Purpose Companies for Mortgage-Backed Bonds Act
28. The Act on the Structural Improvement of the Financial Industry
29. The Secured Debentures Trust Act
30. The Financial Holding Companies Act
31. The Corporate Restructuring Investment Companies Act
32. The Korea Housing Finance Corporation Act

 Laws directly related to the customer protection specified in Paragraph ① means Communication Secret Protection Act, Basic Electronic Transaction Act, and Laws governing credit management.

Chapter 2. Structure and Roles of Internal Control Body
Article 6. (Establishment of Compliance Monitoring System)

① The company shall establish an effective compliance monitoring system under which the company may, through the Compliance Officer, assist the management to prevent and supervise illegal acts committed by the officers and/or employees, and ensure they voluntarily observe laws and regulations.

② The compliance monitoring system specified in Paragraph shall perform the following:

1. Draft and manage law compliance programs.
2. Monitor and report the status of compliance by officers and/or employees, and request for corrective actions where applicable.
3. Verify whether laws related to securities are being complied with.
4. Provide support to EXCO and other relevant Departments.
5. Provide training and consulting services related to compliance (Training regarding the Internal Control Standard and create compliance monitoring culture.)
6. Pre-review, from the viewpoint of observing laws (internal control), matters presented by EXCO and various committees of the company.
7. Pre-review whether relevant laws and regulation are complied with (internal control) when establishing, amending and/or rescinding company regulations, or when new business is developed or planned, such as the development of new products.
8. Cooperate with and provide support to the supervisory authority.

Article 7. (Appointment and Dismissal of Compliance Officer)

① The Compliance Officer shall be appointed with prior approval from EXCO. When the fair execution of official duty is deemed difficult for special reasons such as the violation of finance-related laws, however, the Compliance Office may be dismissed with prior approval from EXCO.

The company shall report the appointment of the Compliance Officer to the Financial Supervisory Commission and the Korea Securities Dealers Association (Hereinafter referred to as “KSDA”).

Article 8. (Qualifications of Compliance Officer)

① The Compliance Officer shall be one who satisfies the requirements specified in Clause 4, Article 54 of the Securities and Exchange Law or related laws and regulations.

Article 9. (Rights and Obligations of Compliance Officer)
1. The Compliance Officer shall carry the following rights and obligations:

1. Rights to gain access to overall business and request for all materials related to the company.
2. Report violations to EXCO, Branch Manager, or Department Heads concerned and request for corrective actions.
3. Attend meetings (EXCO, etc.) and make statement.
4. Periodically conduct inspection to verify laws and regulation are being complied with.
5. Obligation to report violations of the internal control standard to EXCO, Branch Manager, or Department Heads concerned.
6. Take regular training sponsored by the KSDA to promote expertise and morality of the Compliance Officer.
7. Other matters considered necessary by the Board of Directors.

2. The Compliance Officer shall set up effective procedures and systems for prior monitoring and supervision of overall business, such as the investor protection and healthy asset management, for the company profits and the public benefits carried by securities finance institutions.

Article 10. (Compliance Officer Support Organization)

To ensure effective implementation of compliance monitoring, the company shall set up a support organization (Hereinafter referred to as “Compliance Department”) composed of appropriate number of fully qualified persons to assist duties of the Compliance Officer.

Article 11. (Independency of Compliance Officer)

1. The Compliance Officer and the Compliance Department shall be granted with the independency of work so that they may perform duties impartially in relation to the internal control system, they shall not be subject to disadvantageous personnel action due to reasons related to their work.

2. The Compliance Officer shall perform duties with the due care of a good manager, but shall not engage in the following business.

1. Management of the assets owned by the relevant securities companies.
2. Securities business and other incidental business engaged in by the relevant securities companies.
3. Financial business universally engaged in by the relevant securities companies pursuant
Article 12. (Relationship with the Management, etc.)

1. The Compliance Officer shall perform duties related to the establishment and implementation of the internal control standard, and may submit reports without being controlled in any way to EXCO, Branch Manager, or Department Heads concerned.

2. The company shall, through a prior discussion with Compliance Officer, provide highly capable persons required to effectively perform the Compliance Officer’s duties, and shall provide active support in materials, such as the construction of a computer system required to carry out business.

3. The Compliance Officer shall verify whether the internal control standard is being complied with. In case any violation of the internal control standard is discovered, the Compliance Officer shall conduct an investigation and report the results to EXCO, Branch Manager, or Department Heads concerned.

4. Matters pertaining to company organization vis-à-vis the Compliance Department and work allocation shall be governed by the provisions of the company’s “Organization and Work Allocation Regulation.”

Chapter 3. Operation of Internal Control System

Article 13. (Establishment and Amendment of Internal Control Standard)

1. The Compliance Officer desiring to establish, amend or rescind this standard shall obtain the resolution of EXCO through prior negotiations with the relevant departments. Likewise, establishing, amending, and rescinding company regulations related to internal control requires obtaining the resolution of EXCO or complying with the relevant establishing, amending, and rescinding procedures as explicitly stated in the company regulations.

2. In case the amendment of this standard is executed due to the revision of related laws, regulations, company regulations or simple change in organization system without accompanying any actual change of contents, the Compliance Officer may submit a report of amendment to EXCO instead of obtaining prior approval thereof.

3. The Compliance Officer may, based on this standard, establish and enforce detailed guidelines covering internal control, compliance manual (may include law and regulation compliance program.), officers and/or employees code of ethics and Compliance Officer
Article 14. (Checking Compliance with Internal Control Standard)

① Officers and/or employees shall prepare Compliance Pledge (using the enclosed form) for submission to the Compliance Officer.

② The Compliance Officer may check whether this standard is violated according to the compliance checking program and shall maintain related records.

③ Based on the records of Paragraph ②, the Compliance Officer may submit internal control reports including the result and action plan to the Branch Manager.

Article 15. (Computerization for Internal Control)

To ensure effective internal control, the company shall establish service procedures covering all company operations through computer systems. The computer systems shall be designed to be operated separately in appropriate stages.

Article 16. (Compliance Monitoring System)

① The Compliance Officer shall operate effective compliance monitoring programs covering all management and sales activities to ensure that Officers and/or employees observe this standard, related laws and regulations, and company regulations.

② The Compliance Monitoring Program shall be operated pursuant to this standard, related laws and regulations, and company regulations. The Compliance Monitoring Program and procedures shall be supplemented on a regular basis by inspecting and taking appropriate corrective actions for violations discovered during the process of monitoring.

Article 17. (Compliance Officer’s Support and Consulting)

The Compliance Officer shall make it possible for the officers and/or employees to be provided with support and consulting services covering questions regarding laws and regulations arising during the course of performing duties.

Article 18. (Delegating Compliance Monitoring Business)
① The Compliance Officer may delegate part of compliance monitoring work to another person, which case such delegated work shall clearly be distinguished.

② To ensure effective implementation of the compliance monitoring business, the company may appoint a manager who will supervise compliance with laws and regulations for the part delegated by the Compliance Officer pursuant to the Supervisory Guidelines of each department.

③ The person to whom part of the Compliance Officer’s duties is delegated shall carry the following qualifications.

1. Persons having sufficient experience and ability capable of effectively carrying out the compliance monitoring work.

2. Persons having overall knowledge on the business of relevant division or branch, and are serving in such division or branch on a full-time basis.

3. Persons who are not adversely affected in their executing supervisory work because of the workload assigned to them by the relevant divisions and/or branches.

Article 19. (Internal Complaint System)

① The Compliance Officer may operate an Internal Complaint System to ensure effective internal control, in which case he/she may establish detailed operating guidelines.

② This system shall be operated in such a way as to allow easy access by the complainant and shall guarantee secrecy of the complainant. In case the Compliance Officer feels that an internal complainant becomes subject to personnel disadvantages due to reasons of complaints made by the person, the Compliance Officer shall request the company to take corrective actions.

③ Prior to reporting violations of the laws and regulations, and the company regulations committed by officers and/or employees, the internal complainant shall do so based on facts and after careful examination based on the established procedures, and shall not use such system as a means of criticizing or slandering officers and/or employees.

④ The Compliance Officer may select internal complainants, or persons who have observed the internal control standard in a good manner in relation to the internal control systems and compliance monitoring business, and request the company to grant personnel or monetary benefits.

Chapter 4. Code of Ethics
Section 1. Basic Code of Conduct of Officers and/or employees

Article 20. (Officers and/or employees’ Code of Conduct in Relation to Duties)

Officers and/or employees shall fulfill assigned duties and mission regarding honesty and trust as being most important, and practice fair business based on the principle of moral ethics.

Article 21. (Code of Conduct Towards Customers)

Officers and/or employees shall have clear faith that customers form the company’s foundation and reasons for existence; always think and behave from the viewpoint of customers, and shall do their best to create, and provide customer profits through legal and justifiable method.

Article 22. (Code of Conduct Towards Nation and Society)

Officers and/or employees shall contribute to the rich life of the people and social development by promoting healthy growth of enterprise and by launching rational and moral business.

Article 23. (Code of Conduct With Respect to Business Activities)

Officers and/or employees shall always maintain the dignity of financial specialists in carrying out business or individual activities, and observe all moral ethics and related laws and regulations. Officers and/or employees shall not engage in any which might hinder social development or company objectives and profits.

Article 24. (Code of Conduct With Respect to Creation of Fair Competition Environment)

Officers and/or employees shall, when engaging in business and management activities at home and abroad, faithfully comply with the related laws of each area, and seek fair competition through rightful and moral methods.

Section 2. Service Manner of Officers and/or employees

Article 25. (Service Manner)

Officers and/or employees shall, when performing assigned duties or when handling business related to customers and the company, make efforts to maintain honesty and dignity based on effectively working ability.
Article 26. (Compliance with Laws and Regulations)

Officers and/or employees shall faithfully observe related laws and regulations, and company regulations, including the laws subject to compliance as specified in Article 5 of this standard.

Article 27. (Prohibition on Assisting Acts of Violation)

Officers and/or employees shall not, when discovering violations or potential violation to be committed by colleagues, involve in or assist such violations, but shall immediately report such discoveries to the Compliance Officer.

Chapter 5. Rule of Conduct

Section 1. Rule of Conduct General

Article 28. (Rule of Conduct)

The purpose of the Rule of Conduct established under this standard is to prescribe matters necessary for Officers and/or employees to maximize the benefits of customers during the course of performing duties, and to comply with moral and legal requirements required in securities business.

Article 29. (Familiarization with Related Regulations)

① Officers and/or employees shall fully familiarize themselves with related laws and regulations required to perform duties assigned by the company.

② Being unfamiliar with related laws and regulations due to negligence on the part of officers and/or employees shall not be accepted as reasons for law violations. In case there are questions regarding the performance of each assigned duties, officers and/or employees shall discuss with the Department Heads and the Compliance Department to clearly understand the regulation to be observed prior to engaging in work.

Article 30. (Duty to Report)

Officers and/or employees shall report any of the following cases to the Department Heads and the Compliance Department, and shall provide full, faithful support if the company or a
supervisory agency requests for detailed report or support in relation to the report.

① Officers and/or employees themselves, or other company employees have violated, or are likely to violate the provisions of related laws and company policies.

② Gifts or entertainment were provided from institutions or groups having direct or indirect relations with securities business, or if the government or a supervisory agency request for the company’s internal information.

③ There are, or are suspicious acts involving, frauds or otherwise unfair practices related to the duties of officers and/or employees between other corporations.

④ Officers and/or employees in charge of securities business have been arrested, indicted or convicted.

Section 2. Individual Investment by Officers and/or employees

Article 31. (Limitations on Officers’ and/or employees’ Trading)

① Except for the cases prescribed by Article 42 of the Law and Article 35 of the Enforcement Decree, officers and/or employees may neither engage in nor entrust securities trading in another person’s name or in their own names.

② Officers and/or employees wishing to make individual investments shall comply with the internal regulations of the company including the “Personal Account Trading Policy for MLID Seoul Employees.”

Article 32. (General Principle of Investment)

Officers and/or employees shall, in relation to individual investment acts, exercise due care of a good manager, and shall observe the following standards to gain customers’ trust.

① Officers and/or employees shall engage in individual investment within an extent actual or potential conflict of interest does not occur among investors, customers, the company or shareholders.

② Officers and/or employees shall not engage in acts that might incur damage to investors, customers or the company, through the use of their positions in the line of duty.
③ Officers and/or employees shall not engage in investment acts that might incur doubts as to the asset propagation of individuals, or shall not neglect assigned duties due to such acts.

④ Officers and/or employees shall not engage in normal investment act, not in speculative transactions.

⑤ Officers and/or employees shall engage in transparent investment acts, and shall take appropriate actions to prevent such acts from being considered inappropriate.

⑥ Officers and/or employees shall not engage in any type of investment acts using the company information or the undisclosed information of the investment targets.

⑦ Officers and/or employees shall open accounts in their real names to engage in securities dealing.

**Article 33. (Range of Officers and/or employees’ Accounts)**

The officers and/or employees’ own accounts as defined in this standard include the following accounts used for securities trading or entrustment for their own account.

① Accounts opened in the name of the officers and/or employees’ spouses, children and cohabitant families (Hereinafter referred to as “families”).

② Accounts opened in the name of individuals, organizations or a company from which officers and/or employees receive economic benefits or by which their investment acts and transactions are affected in effect.

③ Various types of other accounts carrying the beneficiary rights of officers and/or employees.

**Section 3. Prohibition on Unfair Transaction**

**Article 34. (Unfair Transactions)**

Unfair transactions mean securities trading executed without fulfilling obligations required by the law, such as the disclosure of information, to ensure fairness in the issuance and floatation of securities, and all securities transactions from which illegal profits are taken by deceiving transaction partner through deception and tricks. This is general term for all inside trading, price manipulations and deceptive transactions that run counter to the provisions of Article 188-2 and Article 188-4 of the Law.
Article 35. (Prohibition on Insider Trading)

① Insider trading effected by the through the use of undisclosed information means all officers and/or employees’ acts of trading or utilizing the company securities through the use of important information not disclosed to the general public pursuant to Article 188-2 of the Law. Such acts are prohibited to prevent the abuse of the company assets, avoid damage to the company image and shareholders, ensure fair-trading of securities at the market, and to protect investors.

② Officers and/or employees shall observe the following in the line duty:

1. No one shall engage in trading by utilizing the undisclosed information, induce other persons to engage in dealings by using such information, or provide internal information to other persons knowing that such information will be used for the purpose of trading.

2. All undisclosed, other than that disclosed according to the procedures set forth by Article 36, Enforcement Regulation of the Law, shall be considered as undisclosed information even if the disclosure or specific time has elapsed according to the internal policy of the company unless such information is recognized as the disclosed information by related laws and authoritative institution.

3. The undisclosed information may bring serious, adverse effects to the company and officers and/or employees. If it is difficult to make decision as to the nature of the undisclosed information, the Compliance Officer must be contacted immediately for clarification.

③ In case officers and/or employees, or 3rd parties such as customers request for the undisclosed information for the purpose of using such information in trading, the person possessing such information shall report the case to the Compliance Officer or Control Room of the company’s regional headquarters pursuant to the company regulation.

④ Persons violating the items specified in Paragraph ① through Paragraph ③ shall take all responsibilities to compensate for the damage suffered by the person engaged in the securities dealing and other relevant transactions.

Article 36. (Prohibition on Price Manipulations)

Price manipulations as defined in Paragraph ① through Paragraph ③, Article 188-4 of the Law mean the act of artificially changing the price of securities so that other persons may believe
such prices as being fair; act of entrusting or receiving trading involving such prices; or act of indicating data which might induce falsehood or misunderstanding with respect to important facts. Such acts are prohibited to ensure rational pricing and protect the supply/demand order at the securities market.

**Article 37. (Return of Short-term Capital Gain by Insider)**

1. In case officers and/or employees buy (sell) stock certificates issued by relevant corporation (stocks, convertible bonds, bonds with subscription warrant, warrant, or participating bonds) and gain profits by selling (buying) same within 6 months therefrom, such profits shall be returned to the relevant corporation pursuant to Article 188-2 of the Law.

2. The provisions of Paragraph 1 shall also apply, pursuant to the regulation governing the return of short-term capital gain, even when the company engages in public offering of new issues and/or outstanding issues, or underwrites the stocks issued by the stock listed corporations or the KOSDAQ-registered corporations, and gain profits by buying (or selling) such stocks within 3 months from the date relevant contracts have been signed.

3. Requirement to return short-term capital gain as prescribed in Paragraph 1 shall be exempted in the following cases.

   1. Such transactions were unavoidable according to laws.
   2. Transactions effected according to the Industry Rationalization Standards.
   3. Transactions effected based on government’s approval, or based on written guidance or recommendation.
   4. Transactions effected to ensure stabilization, or market making.
   5. Sale of stocks acquired through the exercise of stock purchase option.
   6. Transactions effected in a small amounts, such as the odd lot trading or trading executed based on worker’s securities saving program, or acquisition directly from the issuer or persons involved in public offering of outstanding issues, which are considered by the Financial Supervisory Commission as being transactions not involving undisclosed information.

**Section 4. Confidentiality**
Article 38. (Definition of Secret Information)

All information requiring confidentiality in relation to the company’s own information and customers (Hereinafter referred to as “Secret Information”) shall be considered secret information in case the information falls under any of the following categories, regardless of whether such information is written on a piece of note, documents, or in electronic files, including even unrecorded information.

① Information that might seriously affect the company’s financial situation or management.

② Information related to individual customers and those having business relations with the company.

③ Information related to the company’s management strategies or new products and business.

④ Information related to the undisclosed company business projections and financial status.

⑤ Information accidentally learned during a visit to a corporation.

⑥ Other secret information considered equal to those enumerated in Item 1 through Item 5 by the Compliance Officer.

Article 39. (Management of Secret Information)

The confidentiality of the secret information shall be managed pursuant to related laws and this standard.

Article 40. (Appropriate Document Control)

① Pursuant to the company regulation, the company or officers and/or employees shall systematically maintain documents related to the rights and obligation of the business partners, such as customers, or the documents (including electronic records) to be maintained and managed according to related laws; or manage documents separately by each retention period, if necessary.

② Officers and/or employees shall not engage in the following acts in relation to document control.

1. Acts of preparing false documents or records, or forging or altering the documents or
records already prepared.

2. Acts of preparing documents or records containing information that might distort facts or incur misunderstanding.

3. Failure to put appropriate markings to the documents or records regarded as confidential by the company.

4. Acts of using without company approval, for private use, the documents or records regarded as being confidential by the company.

5. Acts of neglecting strict management as required by the company standards, such as leaving office with the documents or records treated as being confidential by the company on the desk.

6. Acts of hurriedly destroying the existing documents when a dispute has occurred between the company and customers because the document retention period has been set in advance.

7. Acts of illegally destroying documents before the retention period expires event though the document retention period has been set.

Section 5. Limitations on Conflict of Interest

Article 41. (Principle of Customer-Profit First)

① The customer profits shall be considered ahead of those of the company and the officers and employees of the company.

② The company profits shall be considered ahead of the profits of its officers and employees.

③ Profits of all customers shall be treated equal.

Article 42. (Limitations on Conflict of Interest)

① Officers and/or employees shall not seek their own profits or compensations against the company in performing assigned duties.

② In case officers and employees are engaged in external activities other than the company business after obtaining prior approval of the company pursuant to the company regulation, they shall not use the company, or the company’s assets and manpower to see their own profits.
Article 43. (Solving Conflict of Interest)

① In case officers and/or employees are engaged in transactions carrying, or likely to incur conflict of interest, they shall handle such transactions after discussing with the Compliance Department pursuant to the company regulation.

② All transactions carrying conflict of interest shall be executed under a rational procedure which will clearly guarantee customers’ profits shall not be adversely affected. In case the conflict of interest is unavoidable, relevant customer shall be advised of this fact and appropriate action taken to prevent customer damage resulting therefrom.

Section 6. Prohibition on Unfair Practices, such as Receiving Gifts or Entertainment

Article 44. (Prohibition on Unfair Practices, such as Receiving Gifts or Entertainment)

Gifts and/or entertainment shall always be given or received based on business judgment in good faith. Officers and employees shall observe the following:

① Officers and/or employees shall not engage in acts of giving or receiving gifts or entertainment of compensation nature in relation to their duties.

② Officers and/or employees shall not present monetary compensation or products, or lend money to the employees of the government, and/or supervisory body, and to specific political party or specific persons thereof, as a reward for handling certain business.

③ Officers and/or employees shall not receive monetary profits, except for lawful price, on condition that services be requested to 3rd parties or obligations exempted.

④ In case gifts or entertainment are offered by individuals or corporations in relation to the company business, officers and/or employees shall first report the case to the Compliance Department and obtain prior approval regarding the receipt of such gifts or entertainment.

⑤ When receiving gifts or entertainment, officers and/or employees shall comply with the company regulation in keeping with the “Anti-bribery Policy relating to Government Officials, Public Employees, Employees of Financial Institutions and Asset Managers.”

Section 7. External Activities

Article 45. (External Activities)
External activities as specified in this standard mean the followings, except those prescribed in Section 9 of this Chapter.

① Acts of engaging in activities by the officers and employees other than those related to the company business.

② In case officers and/or employees have employment or business relations with outsiders (or external institutions), but the company cannot control such relations.

③ All other equivalent activities judged as external activities by the Compliance Officer.

**Article 46. (Prohibition on External Activities)**

① Officers and/or employees shall faithfully perform the company business.

② Officers and/or employees shall not engage in any acts except those external activities allowed according to this standard; provided however, in case the authorized external activities interfere with the fulfillment of the company duties or incur conflict of interest, such activities may be prohibited.

**Article 47. (Approval on External Activities)**

① Officers and/or employees desiring to engage in external activities shall obtain approval from the Department Head, Compliance Officer or Compliance Department of the Regional Headquarters of the company pursuant to the company regulation.

② Prior to approving external activities, the Division or Branch Manager, Compliance Officer or the Representative Director shall examine the following requirements:

1. Whether the provisions of related regulations are violated
2. Effects on the company
3. Potential conflict of interest
4. Experience and ability of officers and/or employees
5. Reliability of relevant company
6. Ownership and management structure of relevant company
7. Relevant company’s business status, financial standing, profitability, profit projections and reputation

**Article 48. (Engaging in External Activities)**
Officers and/or employees shall observe the following principles in respect to carrying out the external activities approved pursuant to Article 54 of this standard.

① External activities shall be carried out outside the company building during the off-duty hours.

② In case monetary benefits are received as compensation for external activities, such benefits shall be reported to the Compliance Officer; and if the benefits are not considered to be lawful compensation, relevant officers and/or employees shall not dispose of such benefits at their own discretion.

③ Officers and/or employees shall keep the principle of confidentiality regarding the company business while engaged in external activities.

Section 8. Principles of Contacting External Institutions

Article 49. (Principle of Contacting Public Media)

① In case the company or officers and/or employees desire to contact public media, prior discussion shall be held with related divisions (Public Relation Division) according to the principle prescribed by this standard, and the results reported to the Compliance Officer for confirmation.

② Upon receipt of a report regarding the contact with the public media by the officers and/or employees, the Compliance Officer carefully consider the following to check whether:

1. Officers and/or employees speak about or describe their specialized fields.
2. Officers and/or employees are fully qualified regarding the theme to be discussed.
3. Any information that might affect market in relation to the company business is included.
4. Information contains a story about a specific customer when the customer has not agreed.
5. There is potential problem because information on the company’s rival companies is included.
6. There is likelihood of legal problems because the company is related, or is likely to be related.
7. Any mention is made about the incumbent or retired officers and/or employees; or, if
a mention is made about the business ability and investment records of the officers
and/or employees, whether such statement is accurate.

8. The company reputation might be negatively affected.

**Article 50. (Lectures and Speeches)**

1. If the company or its officers and/or employees desire to externally hold lectures, make
speeches, provide training or contribute articles regarding financial business including
the provision of investment information in relation to securities trading, they must first
report and submit details, manuscripts and other related items to the Compliance Officer
for confirmation.

2. If officers and/or employees desire to hold lectures, make speeches or engage in other
related activities, they shall hold prior discussion with the Public Relations Division, in
addition to reporting subject matters to the Compliance Officer for confirmation as
required by the provisions of Paragraph ①.

3. Officers and/or employees shall hold lectures, make speeches, provide training or
contribute articles without creating any hindrance to company business, except when
such activities are requested by the company.

**Article 51. (Using Advertisement Media)**

1. The company or officers and/or employees desiring to use advertisement media shall first
report subject matter to the Compliance Officer for confirmation.

2. If officers and/or employees desire to engage in external activities in relation to
advertisement, they shall hold prior discussion with the company or the Public Relations
Department within the regional headquarters of the company, in addition to reporting
subject matters to the Compliance Officer for confirmation as required by the provisions
of Paragraph ①.

3. The company or officers and/or employees shall place an advertisement based on the
principle of protecting investors, business ethics and faithful transactions, and shall make
efforts to establish moral practices relating to the inducement of investment.

4. The company or officers and/or employees shall not put an advertisement falling, or
likely to fall under any of the following types:

1. Advertisement that might run counter to business ethics or the principle of
faithfulness, or damage the company reputation.
2. Advertisement that shows decisive judgment without indicating basis, or voluntary or subjective projections, and statistics, using such terms as the best, initial, minimum and sole, or advertisement which introduces issues.

3. Advertisement that shows items applicable to specific point of time or specific period as the decisive and comprehensive items, making people believe such items as general ones.

4. Advertisement that shows matters disadvantageous to investors in a place difficult to notice, or in small letters.

5. Act of advertising new products when related clauses have not been approved.

6. Advertisement that quotes the superior position of the company subsidiaries or other specific alliance companies as being applicable to the company.

7. Advertisement that, knowing an article has been erroneously published in the media, uses the content of such article without changing, or uses only the advantageous part.

8. Advertisement that contains expressions that violate securities-related laws, or implies tax evasion acts.

**Article 52. (Contact with Press and Broadcasting Media)**

1. In case the company or officers and/or employees desire to contact the press and/or broadcasting media, they shall first report subject matter to the Compliance Officer for confirmation.

2. If officers and/or employees desire to engage in external activities in relation to the press and broadcasting media, they shall hold prior discussion with the company or the Public Relations Division within the regional headquarters of the company, in addition to reporting subject matters to the Compliance Officer for confirmation as required by the provisions of Paragraph ①.

3. The company or officers and/or employees shall observe the following when making contacts with the press and/or broadcasting media:

1. In case the press or broadcasting media desire to interview officers and/or employees, the officers and/or employees’ division or branch shall report the persons to be interviewed and details to the Compliance Officer for confirmation.

2. Officers and/or employees shall discriminate private opinions from those of the company when speaking with the press and/or broadcasting media.
3. Officers and/or employees shall present basis of theme when being interviewed by the press and/or broadcasting media and avoid, as much as possible, making any speeches that might induce negative results.

4. Officers and/or employees shall not present conclusive idea regarding uncertain future and results or conclusive opinions guaranteeing profits, and shall not exaggerate any fact in relation to investment information.

5. Officers and/or employees shall not answer a question based on their own judgment for any items beyond their responsibility.

6. Officers and/or employees shall not, when describing new products under planning and development, talk about specific details about the products that have not been decided yet.

7. Even if officers and/or employees are being interviewed by the press and/or broadcasting media with the anonymity guaranteed, they shall never comment on any information if such information requires confidentiality.

8. Officers and/or employees shall not comment on undecided investment information, such as the current or future value of stocks owned by the company or its alliance companies.

9. Officers and/or employees shall not, contrary to the fact, negatively interpret and comment on the products, personnel and policies of rival companies.

**Article 53. (Contacts with Government or Supervisory Body)**

The company or Officers and/or employees shall observe the following when making contacts with the government or supervisory bodies.

1. In case it becomes necessary for officers and/or employees to contact the government or supervisory bodies in writing, by telephone or through e-mail in relation to important company business, they shall first report the matter to the Compliance Department. In the case of urgent matters, however, they may contact the government or supervisory bodies first and report the results to the Compliance Department after the fact.

2. Copies of the documents regarding the improvement and/or introduction of major systems related to securities business, or important documents related to the establishment or amendment of important regulations, issued by the government or supervisory bodies shall be sent to the division appointed by the Compliance Department, and the original documents shall be systematically managed by the Corporate Service.
③ Officers and/or employees desiring to provide company information or present opinions to the government or supervisory bodies shall obtain prior approval from the Compliance Officer (or from the Compliance Department), except in a case where such act is based on related laws and regulation, requested by the Compliance Officer, or involves simple information or regular reporting and other similar matters.

**Article 54. (Complaint Standard Related to Financial Crime)**

① This regulation seeks to set forth the targets and procedures for the filing of complaints and charges and notification (hereinafter referred to as “complaints, etc.”) in case officers and employees (including those who resigned or retired) commit work-related crimes.

② In this regulation, “financial crime” refers to any of the work-related acts committed by officers and employees in violation of the Securities and Exchange Law, Act on the Aggravated Punishment, etc. of Specified Economic Crimes, and Criminal Law.

③ Company officers and employees discovering any and all financial crimes committed by other officers or employees shall notify the Compliance Officer immediately.

④ In principle, financial crimes committed by officers and employees of the company shall be reported to the authority concerned. When the case is deemed minor considering the degree of willfulness, mistake, or status of voluntary report, however, the complaints, etc. may be dismissed.

⑤ Whether the complaints, etc. can be dismissed as per Clause 4, Article 54 shall be decided based on the following:

1. When an employee is suspected of a financial crime, the case shall be decided by the Branch Manager following deliberations by the Personnel Committee.
2. In case a Branch Manager is suspected of a financial crime, the case shall be decided by the Compliance Officer of the Seoul Branch and the Compliance Officer of the Regional Headquarters concerned.

⑥ In principle, complaints, etc. against officers and employees suspected of financial crimes shall be filed by the Compliance Officer, and those against the Compliance Officer, by the Branch Manager.

⑦ Once the process of filing complaints, etc. is completed, the Compliance Officer shall notify the Branch Manager immediately.

⑧ The Compliance Officer shall record and maintain in writing the point of the suspicion of financial crime, the details of process, the reason of dismissal in case the complaints, etc. are dismissed.

**Chapter 6. Service Rules**
Section 1. Service Rules General

Article 55. (General Principle of Business)

Officers and/or employees shall observe the following general rules to protect customer profits and maintain fair business order.

① Officers and/or employees shall observe the standards and procedures established by the related laws and regulation in relation to customer’s securities trading.

② Officers and/or employees shall fulfill their responsibilities as a good manager for all customers.

③ Officers and/or employees shall appropriately provide customers with all important information related to their securities transactions.

④ Officers and/or employees shall make necessary efforts to prevent the exposure of customer information secured in order to provide service aimed at realizing best profits for customers.

⑤ Officers and/or employees shall not deliver false information to customers, forge or omit important facts, or deceive customers to induce transactions.

⑥ Officers and/or employees shall not use information on customer orders to execute orders related to their own account prior to executing the customer orders; nor can they engage in transactions taking advantage of such orders even after executing customer orders.

Article 56. (Principle of Customer Marketing)

Officers and/or employees shall faithfully observe the following in relation to customer marketing:

① Officers and/or employees shall not engage in any acts that might lead to customer misunderstanding.

② Under no circumstances shall officers and/or employees present fixed yield, guarantee fixed profit for investment, or promise anything.

③ Officers and/or employees shall not present "In-house only" materials, or groundless rumors as the basis of customer marketing.

④ Officers and/or employees shall make sincere efforts so that customers can accurately understand the product nature and the degree of risks.

⑤ Officers and/or employees shall recommend products conforming to customer
requirement and the nature of the customer assets, and make efforts to present reliable information based on which customers can always make correct judgment.

Article 57. (Application of Related Company Regulation, including Risk management Regulation)

① Matters not stipulated in this standard regarding securities transactions executed by the company shall be governed by the provisions of the Risk Management Regulation and other related company regulations.

② Notwithstanding the provisions of Paragraph ①, the Compliance Officer may request for the establishment, amendment or rescission of related company regulations and detailed guidelines in the problems are discovered in any area of the company business. In such case, the Compliance Officer’s opinions shall be reflected unless there are special reasons not to.

Section 2. Trading on Consignment

Article 58. (Checking Customer’s Real Name)

In principle, the verification of a customer’s real name shall be based on a customer’s resident registration card or business registration certificate pursuant to the Presidential Financial and Economic Emergency Order on Real Name Financial Transactions and Guarantee of Secrecy.

Article 59. (Checking Customers Information)

① Officers and/or employees shall, when inducing new customers and to open and manage customer account, obtain sufficient information on customers, such as the customer’s real name, source of funds, investment objectives, investment experience and solvency. In case there is any suspicion that the prospective customer or transactions are related to an act of law violations, officers and/or employees shall immediately report the matter to the Compliance Officer.

② Unless a prior approval is obtained from the customer, the company or officers and/or employees shall not use or expose the customer’s investment information and other financial transaction information acquired during the process of verifying the customer information specified in Paragraph ①,

Article 60. (Management of Clauses and Agreement)

① Prior to entering into an agreement between the company and customers, the company
shall provide sufficient explanations regarding the contents of such agreement. The officers and/or employees of the company shall manage such clauses and agreement under their own responsibility.

② The company may amend relevant agreement signed between the company and customers in case it is necessary due to the amendment of related laws, or for unavoidable reasons. In such case, the amended agreement shall be posted at the branches for 1 month so that customers can fully understand the fact.

**Article 61. (Report and Management of Insider Trading)**

Major insiders of the issuing company found by officers and/or employees to have executed trading involving the stocks issued by the same company shall be punished pursuant to the company regulation.

**Article 62. (Prohibition on Taking Custody of Customer Funds)**

① If it is clearly proven that securities transaction orders executed using the customer funds violate the provisions of Article 188-2 and Article 88-4 of the Law, the company or officers and/or employees shall not take custody of such funds.

② The company or officers and/or employees shall faithfully observe the following principles when taking custody of customer funds. The company or officers and/or employees shall:

1. Faithfully manage customer funds by separating it from their own properties.
2. Not arrange of lend borrowed names or assumed names when taking custody of customer funds.
3. Not advise customers of the matters reported to the government authority regarding the fact that subject transactions are executed with a company not really existing, or otherwise are suspicious.
4. Exercise caution not to take custody of the funds occurring from illegal acts, such as crimes.
5. Take precautionary measures so that the company is not utilized during the act of money laundering to make the funds generated from illegal acts look as those generated from legal activities.
6. Prior to taking custody of customer funds, pay attention to the source of funds and
the customer’s business details.

7. In case it is discovered that funds suspected of having been generated from illegal acts have been received, or customers involved in illegal acts have been induced, report the fact to the Compliance Officer for appropriate action.

8. Not damage company image by neglecting the obligations specified in Item 1 through Item 7, in respect to taking custody of customer funds.

③ If customer’s trading is suspected of being those enumerated in Paragraph ① and Paragraph ②, officers and/or employees shall immediately report the case to the Compliance Officer and take action according to the instruction given by the Compliance Officer.

Article 63. (Prohibition on Accepting Unrealizable Orders)

In case customer’s securities trading order is considered to be an unrealizable order considering the number of the listed or registered stocks of the target listed corporations or the KOSDAQ-registered corporations, average trading volume, the size and the equity distribution of the customer, the company or officers and/or employees shall not refuse to accept such orders.

Article 64. (Prohibition on Voluntary Trading)

Unless orders are received from the customer or its agent, officers and/or employees shall not engage in securities trading using the assets deposited by customers.

Article 65. (Prohibition on Front Running)

① The company or officers and/or employees, when receiving customer’s bids (or offer) expected to seriously affect the market price of securities, shall not buy (or sell) relevant securities for their own account before such customer orders are executed, except in the following cases.

1. The company asset manager did not know the existence of such customer orders, or if it is proven that such transactions were executed without illegally using such trading orders.

2. If it is proven that the company is effectively operating an internal control system that blocks the flow of information on customer orders between the company asset management division and the customer sales division.
② The company or officers and/or employees, when receiving orders from customers expected to seriously affect the securities market price, shall not provide information on orders to 3rd parties prior to executing such customer orders.

Article 66. (Prohibition on Inducing Unfair Investment)

① In case officers and/or employees induce investment based on assumed or estimated fact that might seriously affect customer’s decision making, they shall make such assumption or estimation based on rational basis and supposition, and reveal such fact to customers.

② In case unclear information on specific stocks and/or issuing company is provided to customers, officers and/or employees shall advise customers of such fact, and disclose the source of information (or information provider).

③ Officers and/or employees shall not encourage or recommend customers, who do not desire to engage in margin trading, to engage in such trading, and shall provide sufficient explanations as to the risks involved in case a customer desires to engage in margin trading.

④ The company shall not allow its employees to induce investment from customers unless such employees carry sufficient experience and knowledge in securities trading taking into consideration their service period and career record.

Article 67. (Duty to Notify when Inducing Investment)

① Officers and/or employees shall, when recommending investment in the following cases, inform general customers of the fact.

1. Cases where it places an order for its own account in order to become a defacto counterparty for the trading entrusted by a general customer;

2. Cases where it is participating as an underwriter, in a public offering or such stock-related bond subscription as convertible bond, debenture warrants, exchangeable bonds for an issuing company of the securities concerned or 40 days has not passed since the securities were listed in the Stock Exchange;

3. Cases where it is an affiliate (referring to an affiliate pursuant to the provisions of “the Act on Monopoly Regulation and Fair Trade”) of an issuing company of such securities or it has made one percent or more of equity investment in an issuing company;
4. Cases where it is conducting business in related to market-making, stabilization, tender offer, etc.; or

5. Other cases where it has a special interest in relation to the market price or trading of such securities and stock-related futures etc. regarding other acquisition and merger business etc.

② When investment is induced pursuant to Paragraph ①, officers and/or employees shall fulfill the duty to notify through verbal notification, or by posting information at branches, customer information terminals and private electronic media so that customers can actually and easily understand the contents of notification.

Article 68. (Duty to Notify Risks involved in Day Trading)

① In case a general customer, not corporate investors, opens a new account, officers and/or employees shall deliver a letter specifying that the customer may suffer large amount of damage from the day trading and that such damage shall be reverted to the customer.

② To protect the investor’s assets from the potential loss resulting from day trading, the company shall notify and publicize risks on the company’s Home Page or through sales counters.

Article 69. (Prohibition on Excessive Transactions)

① Officers and/or employees shall not execute customers’ orders excessively and frequently just to acquire brokerage commissions, rather than helping general customers achieve investment targets. What degree of transactions are considered excessive and frequent shall be decided based on the following items:

1. Amount of commissions

2. Customers’ asset standing and investment purposes

3. Appropriateness of inducing individual auction

4. Whether the risk resulting from excessive and/or frequent trading is understood based customer’s investment knowledge or experience.

② The company shall check and determine whether the trading carried out by the salesperson complies with Clause ①, Article 69 and take appropriate action pursuant to the company regulation on excessive transaction.
Article 70. (Prohibition on Providing Help in Unjust Inducement)

① In case the head office sales divisions, such as the Corporate Business Division or Corporate Financing Division request assistance not related to the original sales activities, the officers and/or employees in charge of bonds shall report the matter to the Compliance Officer.

② The Compliance Officer may listen to the opinions of related persons and check materials in relation to reports submitted pursuant to Paragraph ①; and, if serious violations and/or unjust activities are discovered, the Compliance Officer may request punishment against those involved in such acts.

Article 71. (Checking Details of Financial Transactions and Protection of Credit Information)

Unless a customer requests or agrees in writing, officers and/or employees shall not provide or expose information on the customer’s financial transactions to other persons pursuant to Article 4, Laws governing real name financial transaction and confidentiality. However, in case submission of such information requested by court, or required according to laws related to taxation, or required through lawful procedures by public institutions including the financial supervisory body, transaction information may be provided, or the customer is requested to provide, within a minimum range required for the intended use.

Article 72. ( Preferential Processing of Customer Orders)

Officers and/or employees shall not, upon receiving securities trading orders from a customer, engage in their own trading more advantageous than the customer orders prior to executing the customer orders. In case the customer’s orders are in conflict with the company management, appropriate action shall be taken to handle the customer orders first.

Article 73. (Notice on Trading Details)

① In case trading and other transactions are executed based on customer orders pursuant to Article 46 of the Law, the company shall immediately inform the customer regarding the issue, quantity, price and other transaction details.
② The company shall notify trading details and monthly balance covering an account having monthly trading and/or other transactions by mail to the address designated by the customer or through e-mail, or otherwise make such information available to the customer.

③ Notwithstanding the provisions of Paragraph ① and Paragraph ②, notification shall be omitted in case the customer refused to receive such notification.

**Article 74. (Actions Taken in Case of Trading Error)**

① In case any trading error occurs, officers and/or employees in charge of sales shall immediately notify the Department Head concerned and Compliance Officer to seek solutions pursuant to company regulations such as “Error Trade and Trade Amendments Policy.”

② In terms of corrections, officers, and/or employees shall not engage in the following acts:

1. Acts resulting in the company’s trading loss attributed to the request for adjustment of the unit trading price by a customer

2. Acts profiting a specific customer of the company or foreign customer or incurring a loss through the abuse of corrections

③ In case reasons for correction occur due to a trading error, the responsible department shall submit a Correction Request and a Statement as well as documentary evidence to the Compliance Officer for approval.

④ After obtaining approval from the Compliance Officer, the accounting department and sales department shall process the correction request and keep related records as evidence.

**Article 75. (Corporate Business)**

① Officers and/or employees in charge of corporation business shall not engage in the following acts:

1. Act of registering a corporation with law or unsatisfactory credit rating in the list of margin-waived institutions.

3. Act of providing unjust profits through the product-linked dealing, or act of compensation for loss.

4. Illegal return transactions through an inside agreement (Sale of bonds at low prices, entering into a consulting agreement, etc.)

5. Other illegal inside transactions related to business.

② The Compliance Officer may, in relation to Paragraph ①, request submission of materials or conduct a field investigation, and may allow such acts, if necessary.

Section 3. Mutual Fund Stocks and Unit Investment Trust

Article 76. (Prohibition on Unjust Promotions)

① The company shall not make discriminatory sales promotion efforts toward general customers (e.g., provision of discriminatory compensation or incentives to a salesperson or concentrated sales encouragement) for reasons of higher sales compensation rate or recruitment commission rate received by the company compared to other joint investments handled by the branch. Note, however, that this provision does not apply when the sales target is limited to joint investments of a single operating company because it is believed to serve the customer’s interests or when discriminatory sales promotion efforts are made.

② “Joint investments” as used herein refer to investments collected from many and unspecified persons such as beneficiary certificates issued as per the Law on the Business of Operating Indirect Investment Assets or stocks issued by securities companies for investment in securities for purposes of profit distribution to customers based on equity.

Article 77. (Prohibition on the Request for Unjust Trading Agreement)

① The company shall neither directly nor indirectly request the operating company for the allocation of trading agreements related to the trust assets in return for the sale or recruitment of joint investments carried out by the company. Note, however, that this stipulation does not apply when the company requests the operating company for trading agreements in return for sale or recruitment based on a public announcement, i.e., in case there are more than two securities companies to which the operating company presents the best trading condition in the investment (trust) bulletin in advance and it announces in advance that it will select the security company for trading consignment considering its possible contribution to the sale or recruitment.
The company shall not request for higher commissions than those offered to other customers for the trading of the consigned trust assets in return for the sale or recruitment of the joint investments carried out by the company.

Article 78. (Prohibition on Promises that Run Counter to the Substance of the Joint Investment)

1. The company shall not engage in the following acts toward customers in relation to the recruitment and sale of specified joint investments:
   1. Guarantee of an expected rate of return
   2. Definite statement or expression implying an expected rate of return
   3. Assertion or explanation that runs counter to the substance of a performance dividend commodity

Article 79 (Expansion of Foreign Mutual Fund Stock or Foreign Beneficiary Certificate)

1. Only a company reported to the Financial Supervisory Service as a domestic sales agency may sell foreign mutual fund stock or foreign beneficiary certificate. Other sales activities shall be governed by the stipulations of the company regulation.

2. When recommending the acquisition of mutual fund stock or beneficiary certificates to existing or future customers, the company shall provide investment prospectus or summary investment prospectus and shall prepare books and documents on related property for presentation to the shareholders of mutual fund or unit trusts.

3. Each salesperson shall explain the investment purpose, investment strategy, and risks involved in the recommended mutual fund or unit investment trust and inform customers that the mutual fund and unit investment trust are long-term investments in general.

Section 3. Dealing (Securities Management)

Article 80. (Prohibition on Receiving Unjust Conveniences)

The asset manager (including interested parties) shall not receive money from the officers and/or employees of the investment target companies, or shall not receive conveniences such as payment of
expenses, gifts, entertainment, and/or arrangement of travel.

**Article 81 (Derivative Risk Management)**

Position limits of the speculative trading, arbitrage, and hedge trading involving derivatives, and the action to be taken when such limits are exceeded shall be governed by the risk management regulations and detailed guidelines.

**Article 82 (Report on Net Operating Capital Ratio)**

The limit of the issues that might seriously affect the net operating capital ratio shall be specially managed, and the details covering such management shall be reported to the heads of respective departments including Compliance Officer on a regular basis. However, if there is a rapid change in the net operating capital ratio due to special reasons, such change shall immediately be reported.

**Article 83 (Investigation by Compliance Officer)**

① The Compliance Officer may request for the submission of materials and conduct site inspections if deemed necessary in relation to the following items. Relevant divisions shall provide full cooperation in connection with this.

1. Periodic reports submitted regarding major risks facing asset management.
2. Trading details covering the managed asset products, and employees’ personnel records.
3. Status of block stocks owned
4. Status of commodity securities and the securities held by officers and/or employees
5. Unfair trading of commodity stocks
6. Unsound trading for specific customers
7. Unsound trading aimed at realizing closing profits
8. Unsound trading related to M&A
9. Participating in unsound trading, such as price manipulation or insider trading
10. Unsound trading in product bonds aimed at commission discounts
12. Unsound trading in convertible bonds
13. Front Running
14. Protecting profits through the use of matched orders
15. Unsound acts in CP trading and intermediation
16. Whether dealer’s obligations are fulfilled in dealing with registered issues

② In case officers and/or employees in charge of asset management feel doubtful about business procedures and criteria, or whether there is any violations in respect to their performance, they shall first receive authoritative interpretation and approval from the Compliance Officer.

Section 4. OTC Derivative Trading

Article 84 (Business Standard)

① OTC derivative trading shall be based on the transaction method involving single counterparty excluding transactions at foreign trading markets as per the Enforcement Regulation of the Securities and Transaction Law.

② Counterparty shall be limited to those described in the Enforcement Regulation of the Securities and Transaction Law.

③ The total risk amount (i.e., sum of risk amount as decided by the Financial Supervisory Service including the market risk amount involved in OTC derivative trading) of OTC derivative trading shall not exceed 30/100 of the equity capital.

④ In the case of OTC derivative trading linked to credit risk, the risk amount for the counterparty (including interested parties) shall not exceed 5/100 of the equity capital.

⑤ A company that falls short of the requirement for the ratio of net worth to the total capital stipulated by the Securities and Exchange Law shall suspend new OTC derivative trading pending the satisfaction of the requirement and shall only implement businesses related to the settlement of uncompleted transaction or avoidance of risks.

⑥ The company shall submit to the Governor of FSS in advance a OTC Derivatives Product Explanatory Note (excluding those specified in the Enforcement Regulation of the Securities and Exchange Law).

⑦ For each transaction involving an OTC derivative, approval shall be obtained from the resident officer in charge.

⑧ The company shall verify the identity of the counterparty, which shall be notified in writing of the risk involved in OTC derivative trading.
⑨ The company shall report the details of the monthly OTC derivative trading to the Governor of the FSS by the 10th of the following month.

**Article 85 (Risk Management)**

Risk management related to OTC derivative trading shall be governed by the internal risk management regulation of the company.

**Section 5. Equity-linked Warrant**

**Article 86 (Obligation to Submit a Liquidity Providing Quotation)**

When the quotation spread or quotation spread rate based on top priority quotation during the trading period of a regular market exceeds the rate reported to the stock exchange by a listed company dealing with equity-linked warrants (including cases wherein there is no quotation on bid or ask or both), the company shall submit a liquidity providing quotation within 5 minutes except when stipulated otherwise by domestic regulations.

**Article 87 (Method of Submitting Liquidity Providing Quotations)**

① When the company submits a liquidity providing quotation, the quantity shall correspond to more than 10 times the trading quantity unit.

② The company shall immediately submit the quotation to the other price together with the liquidity providing quotation to bid or ask. Note, however, that this stipulation does not apply when the quotation spread rate from the liquidity providing quotation submitted to one party falls within the rate reported to the stock exchange through the submission of the liquidity providing quotation to bid or ask.

**Section 6. International Business**

**Article 88 (Foreigners’ Securities Trading)**

① Officers and/or employees in charge of foreigners’ securities trading shall observe the following requirements pursuant to related laws and regulations.
1. Trading limits per foreigner by issues of public corporations, or acquisition limits by issues.

2. Matters pertaining to the securities trading limits (such as that the listed securities can be traded only at the securities market.)

3. Restriction on using deposited funds

4. Restriction on granting credit

5. Appointment of full-time representative

6. Items to be reported to the Financial Supervisory Commission

② In case any of the items enumerated in the preceding Paragraph is violated, officers and/or employees in charge of foreigners’ securities trading shall immediately report the matter to the Compliance Officer.

Article 89 (Foreign Currency Securities Trading)

① Officers and/or employees in charge of foreign currency securities trading shall observe the following items pursuant to related laws and regulations.

1. Investment target securities

2. Foreign securities companies’ order handling criteria and procedures

3. Criteria and procedure of remitting and/or receiving foreign currency.

4. Criteria and procedure of engaging in domestic over-the-counter (OTC) trading.

5. Criteria and procedure relating to the concentrated deposit of foreign currency securities.

6. Matters pertaining to notice on exercise.

② In case any of the items enumerated in the preceding Paragraph is violated, officers and/or employees in charge of foreign currency securities trading shall immediately report the matter to the Compliance Officer.

Section 7. Funds and Accounting

Article 90 (Financing and Management)

① Officers and/or employees in charge of financing and management shall check the
following in relation to their business, and make efforts to appropriately and effectively manage funds.

1. Whether transaction partners fall, or are likely to fall under the category of non-performing financial institutions.
2. Whether funds are borrowed from other financial institutions under conditions more disadvantageous than ordinary levels.
3. Whether funds are executed in violation of the internal approval regulation.
4. Whether checks are appropriately used and managed.
5. Whether financial transactions with subsidiaries are in violation of Article 9 (Prohibition on mutual contribution), Article 10-2 (Prohibition on providing new guarantees for subsidiaries), and Article 11-2 (Resolution of Board of Directors regarding large insider trading and public disclosure) of the Laws governing monopoly regulation and fair trade.
6. Other matters separately prescribed by the Compliance Officer.

② The Fund Management Division can only transact with the financial institutions approved by the Fund Management Division and Credit Risk Division of the Regional Headquarters and shall keep approval-related documents when starting a new transaction.

③ The Compliance Officer shall, on a periodic basis, check if the company has excessive checkbooks, and if they are appropriately being used and managed.

Article 91 (Investigation by Compliance Officer)

① The Compliance Officer may request for the submission of materials and conduct site inspections if deemed necessary in relation to the following items. Relevant divisions shall provide full cooperation in connection with this.

1. Illegal manipulation of interest rate for financial transactions with subsidiaries
2. Entering subordinated borrowings on books without actual in flow of funds
3. Whether there is a fund transaction of counter performance in relation to brokerage and underwriting business with business partners
4. Other matters separately prescribed by the Compliance Officer

② In case officers and/or employees in charge of fund and accounting feel doubtful about business procedures and criteria, or whether there is any violation in respect to their performance, they shall first receive authoritative interpretation and approval from the
Article 92 (Liquidity Risk)

① The Fund Management Division shall periodically report the long and short-term financing plan and the status of fund management to the management and the risk management committee.

② The Compliance Officer may at any time check the appropriateness of the company’s long and short-term borrowing structure and check whether borrowing is concentrated on a specific source of financing, and may present opinions regarding compliance with the right management regulation in relation to the liquidity risk management and the appropriateness of the said regulation.

Article 93 (Credit Risk)

① The Fund Management Division shall establish criteria for the financial transaction partner, and set up and periodically check the credit line based on the partner’s credit investigation and credit rating.

② The Compliance Officer may regularly examine to see whether the criteria specified in the preceding Paragraph is being examined on a regular basis and whether the credit rating of the business partner is being regularly re-examined, and may present opinions regarding compliance with the right management regulation in relation to the credit risk management and the appropriateness of the said regulation.

Article 94 (Operation Risk)

① The Fund Management Division shall prepare a report on fund movements on a daily basis and submit it to the management, and shall establish criteria with respect to the amount of funds requiring prior control of the Fund Management Division, fund purposes and reporting procedures.

② The Compliance Officer may at any time inspect to determine if timely report is being submitted to the management in case a special matter occurs, or whether the prior control rights of the Fund Management Division are appropriately exercised, and may present opinions regarding compliance with the risk management regulation in relation to the management risk control and the appropriateness of the said regulation.
Article 95 (Market Risk)

① The Fund Management Division shall gather for analysis financial, foreign exchange, stock and other market trends, and effectively set up appropriate measures against market risks through forecasting interest rate on a regular basis.

② The Compliance Officer may at any time examine to determine if the company appropriately reflect the results of the market risk forecasts in the financing and management plans, and may present opinions regarding compliance with the risk management regulation in relation to the market risk management and the appropriateness of the said regulation.

Article 96 (Accounting Principles)

① The company shall faithfully observe corporate accounting principles and the securities company accounting rules.

② Items not specified in the said principles and rules shall be governed by the general practices of accounting. In case there are 2 or more accounting methods for the same item, accounting shall be handled in a way, which promotes healthy financial condition of the company.

③ Matters that can be changed at any time, such as the closing report, and annual report shall be governed by the amended guidelines, and the persons in charge of accounting shall frequently check the amended part of regulations and guidelines for reflection in accounting.

④ Officers and/or employees in charge of accounting shall not process accounting based on voluntary interpretation, except for transactions that are standardized and repeated.

⑤ In case there are changes that might affect accounting, such as the occurrence of new business, change in service details and accounting regulations, related officers and/or employees shall discuss with the Audit Committee, accounting division and other related division prior to applying accounting principles.

⑥ In the case of Paragraph ⑤, if there are any questions, accounting shall be processed based on publicly generalized methods after obtaining opinions from external accounting firms and/or supervisory bodies. Decisions thus made shall immediately be reported to the Compliance Officer.

Article 97 (Disposition of Suspense Payments)
① In case of urgency, or if the account title is unclear or the amount of payment is not fixed, an amount may be paid as suspense payments.

Article 98 (Disposition of Advances)

① In case there are unavoidable reasons in the line of duty, advances may be paid within the disbursement budgets after obtaining approval according to the approval delegation regulation.

② The advances specified in the preceding Paragraph shall, when obligation is fixed, immediately be settled and treated as ordinary account title.

Article 99 (Prohibition on Providing Collateral)

The company shall not provide as collateral, or lend the securities held by the company for customer to 3rd parties. However, if securities are held as collateral against customer’s obligations, the company may provide such securities as collateral within an extent not exceeding the amount of claims after obtaining written consent from the customer. In such case, such intention shall be reported to the Compliance Officer for approval prior to furnishing said securities as collateral.

Article 100. (Reporting)

① Reports shall be classified into a periodical report and a special report. The periodical report means the periodical submission of financial statements and other supplementary statements in accordance with the accounting-related regulations, guidelines and rules established by the Financial Supervisory Service and other related institutions (Hereinafter referred to as "supervisory body"), and the special report means the irregular submission of financial statements and other supplementary statements at the request of the supervisory bodies.

② The Accounting Division shall submit materials by the deadline pursuant to related regulations. If materials cannot be submitted by the deadline for unavoidable reasons, the material submission deadline may be extended if approval is obtained from the material receiving body.

③ Reports shall be submitted according to the methods prescribed by related regulations after obtaining internal approval as prescribed by approval regulation; provided however, if the report is submitted through e-mail, the related hard copies shall be maintained in
files.

④ If deemed necessary, the Compliance Officer may examine such report prior to being submitted.

Section 8. IT (Information Technology)

Article 101. (Trading System Computerization)

① If it is desired to computerize part or whole of the process of receiving, delivering, executing, allocating and settling orders, the officers and/or employees in charge of IT shall carry out prior evaluation to determine if the computer system satisfies all of the following items. If any shortcomings are discovered, appropriate supplementary measures shall be established prior to setting up the computer system. Even after the construction of computer system is completed, the effectiveness and appropriateness of the following items shall be examined on a periodic basis.

1. Safety of computer system
2. Security involving customer or transaction information
3. Appropriateness of the computer capacity
4. Impartiality and accuracy of the trading processed by the computer system.

Article 102. (Information System Development)

① Officers and/or employees in charge of IT shall observe the following procedures prior to developing information systems.

1. Examination of appropriateness
2. Business analysis
3. Design
4. Editing and testing programs
5. Execution

② Prior to developing the following information systems, the General Manager of the IT Division shall report to the Compliance Officer.

1. Development of new products and the development of information system resulting from changed laws
2. Development of information systems based on overall IT environment changes of the company

3. Development of information systems based on financial environment changes

**Article 103. (Information System Operation)**

The General Manager of the IT Division shall faithfully manage the following to ensure effective operation of the information system.

① Matters pertaining to the allocation of work for operators, working hours and service rules.

② Matters pertaining to system operation plan and organization

③ Error management

④ Safety management

⑤ Management of computer hardware and peripheral facilities

⑥ Operator training and management

⑦ Emergency measure management
**Article 104. (Communication Network Operation)**

The General Manager of the IT Division shall establish a communication network operation plan against communication environments, and shall take responsibility for network maintenance and safety.

**Article 105. (Changing Programs)**

Prior to changing programs that might seriously affect customer ledgers and assets, officers and/or employees shall take the following procedures:

1. Request for changes: Requesting division or branch shall prepare a request for change (EFORM) for approval by the General Managers concerned and submission to the IT Division.
2. Changing programs: Since the Seoul Branch does not change programs directly, the person in charge of the Seoul IT Division shall obtain and manage materials related to the following items from the person in charge of Development:
   1. Program changing work
   2. Record of program change details
   3. Verification of change details (UAT) and safekeeping
3. Program test: The UAT outcome of the program test shall be attached to the program change history ledger after being reported to the Compliance Officer.

**Article 106. (Security Management)**

The IT Division shall establish and operate Security Management Regulation covering the system security, integrated terminal security, application security, network security and the management security.

**Article 107. (Security Check)**

The IT Division shall check security in the following cases pursuant to Article 37, Computer Security Guidelines established by the Financial Supervisory Commission, and report results to the Compliance Officer.

1. When installing computer room or networks.
2. When connecting internal networks with external institutions.
③ When regulations and guidelines related to the computer security are established, or amended.

④ When installing computer security systems, such as the encoding programs.

⑤ When commissioning external institutions to perform computer work.

**Article 108. (Computer Error Management)**

The IT Division shall establish computer error classification criteria, maintain computer error diary covering all classified computer errors, and report errors exceeding specific levels (such as errors in orders and/or deposit or withdrawals occurring at 2 or more branches) to the Compliance Officer.

**Article 109. (Electronic Communication)**

Use of electronic communications such as e-mail, chatting room, bulletin boards and web sites is considered as communication regardless of where such communication takes place, and all officers and/or employees of the company are subject to the relevant code of conduct.

**Section 9. Research**

**Article 110. (General Research Principle)**

① The company and person in charge of research shall carry out research work with the due care of a good manager.

② The company and person in charge of research shall not receive unjust proprietary benefits from the interested parties such as the target companies as reward for the research.

③ When quoting data obtained from external sources including the target companies for research, the company shall fully verify their reliability.

**Article 111. (Securing Research Independency)**

① The company shall ensure the independence of the person in charge of research to free
him/her from unjust interference or pressure from corporate finance-related divisions including the acquisition division, corporate business division, and company asset management division.

② The company and person in charge of research may neither notify nor allow corporate finance-related departments and target companies for research to view the research results prior to announcing the research data or providing them to specified persons. Note, however, that this stipulation does not apply to business consultations related to the calculation of the public subscription price for securities market listing and KOSDAQ market registration.

③ Notwithstanding Clause 2, Article 112, consultations with corporate finance-related departments are allowed as deemed necessary for the verification of accuracy of the content of research data through the following means (parts directly related to the evaluation of securities including investment class change or target price change of securities issued by the target companies for research may not be consulted.

i. Data exchange between the Research Department and corporate finance-related departments shall be carried out through the Compliance Monitoring Department (division).

ii. Verbal consultations between the Research Department and corporate finance-related departments shall be carried out in the presence of a staff of the Compliance Monitoring Department, and the content of the conference, recorded and maintained in writing.

④ The company shall separate the departments where the specified officers belong such that the Research Department and corporate finance-related departments are not controlled and managed by the same officer.

Article 112. (Restriction on Target Companies for Research)

① The company shall neither announce nor disclose to specified persons research data on corporations restricted by Clause 1, Article 1-15 of the Regulations on Business Conduct of Securities Company Belonging to the Korea Securities Dealers Association (hereinafter referred to as “Regulations on Business Conduct”).

② When announcing research data on stocks and stock-related debenture issued by corporations subject to Clause 2, Article 1-15 of the Regulations on Business Activities
as well as stock options and equity-linked warrants using such stocks as basic asset or for provision to specified persons, the company shall disclose the details to the users of such data by indicating its relationship with the target corporation for research in the research data.

**Article 113. (Restriction on Security Trading)**

① Before announcing or providing to specified persons the research data, the company and person in charge of research shall neither buy nor sell securities and stock options using the information obtained in the process of research nor allow other persons to use them.

② The person in charge of research shall neither buy nor sell in another person’s name or in his/her own name except for the following: 1) stock issued by a corporation belonging to the industry it is engaged in, warrant, convertible bond (CB), and bond with warrant (BW); 2) exchangeable bond (EB) that uses the stock issued by a corporation belonging to the industry it is engaged in, CB, and BW as the target for exchange, or; 3) individual stock option that uses the stock issued by a corporation belonging to the industry it is engaged in as basic asset and equity-linked warrant. Note, however, that this stipulation does not apply to the disposal of securities acquired before the designation of the person in charge and stock option as well as acquisition and disposal of stocks through the exercise of preemptive right, etc.

③ For securities trading by the Research Department, the internal regulations of Merryl Lynch’s Research Department as described in the Policy & Procedures Manual should be observed.

**Article 114. (Notification of Proprietary Interest of the Person in Charge of Research)**

① The person in charge of research shall disclose any of his/her proprietary interest that may be affected by the purchase or sale of stocks or stock-related bonds recommended to general customers.

② The duty of notification as described in Clause 1, Article 115 shall cover the following items:

1. Name of the person in charge of research
2. Details of securities held as of the day of notification of research data or day of recommendation of the trading (including the type, quantity, acquisition price, award date, quantity, and exercise price in case of stock option)

3. Other matters that need to be disclosed to the customer to prevent the conflict of interest

2 Notification method

The proprietary interest shall be disclosed in a manner that enables its recognition by customers as described below:

1. When recommending the purchase or sale through the notification of research data, the notification shall be placed at the end of the data in easily noticeable print.

2. In case of lecture or exposition for the general public, interview with the media, videoconferencing via electronic communication such as TV or computer, or consulting with individual customers, oral notification or subtitle can be employed.

3. Other methods that can easily be recognized by customers

4 Waiver of Notification Duty

The duty of notification can be waived when the total worth of the securities held by the person in charge of research is not more than KRW3 million. Note, however, that this stipulation does not apply to stock option and equity-linked warrant.

Article 115. (Review of Research Data)

1. The company shall review the following items in advance when announcing research data or providing them to specified persons:

   1. Whether the research data are prepared properly and reasonably vis-à-vis the security-related laws and regulations as well as internal regulations

   2. Whether the data serving as the basis for analysis are accurate and if the logical development leading to value appraisal is appropriate

   3. Whether an expression such as the guarantee of investment result is used to mislead investors

3. The company shall include in the research data the definition of the investment class as well as the trend of investment class and target price change presented to the target corporation for research for the past two years starting from the notification date or the date the data were provided to specified persons. Likewise, the trend of change for the
target price and price of stocks issued by target corporations for research (including the closing prices at the security market and KOSDAQ market) shall be represented graphically. Note, however, that this stipulation does not apply to straightforward analytical data presenting a simple investment opinion such as buy or sell without concrete contents such as the target price or period.

④ The company shall include in the research data information such as the names of the persons in charge participating in the research, their proprietary interests, and source of data in case outside sources are quoted.

Section 10. Employee Management

Article 116. (Limitation on Recruitment of Employees)

① When the company is recruiting the employees, it shall not employ those persons who are related with any act of violation against Article 5 of "Regulation governing the fostering and management of securities specialist" and/or Article 6 of "Regulation on employees of securities company".

② When the company is to employ an experienced person in securities handling businesses, it has to refer to the KSDA as a verification procedure whether or not the concerned person has been related with any act of violation in the past.

③ For the purpose of effective control of verification procedure to check whether or not such experienced employee has been related with the act of violation, as described in above Paragraph ②, the company should prepare and maintain 'Inquiry Ledger for Illegal Act of Experienced Employees' as stipulated by the KSDA.

Chapter 7. Customer Complaint Handling

Article 117. (Grievance Handling Policy)

The company and/or officers and employees should exert sincere efforts to handle and process various grievances and complaints, filed by customers through telephone call, visit or writing (including the posting through Internet) in relation with the securities business, (hereinafter referred to as "civil appeal"), in expeditious and fair manner.
Article 118. (Procedures for Civil Appeal and Dispute Handling)

1. Any business related with the civil appeal and dispute should be processed expeditiously with priority to any other businesses. All civil appeals and disputes should be reported to the Compliance Officer. The processing and resolving measures shall be determined in accordance with the Procedures Related to Civil Appeal and Dispute Handling.

Chapter 8. Internal Control System Management

Section 1. Training on Internal Control

Article 119. (Purpose of Training)

The Compliance Office should carry out the training on the standards of internal control for all officers and employees of the company, to encourage the observance of laws and regulations, sound sales activities and to enhance the consciousness of customer protection.

Article 120. (Training Method)

1. In principle, the Compliance Officer shall carry out the training on overall standards for internal control, including ethical matters, to all officers and employees, at least more than once a year. However, when it is required from the point of view of the Compliance officer, occasional supplemental training can be also implemented.

2. The training method may be in the form of cyber training, collective training, and/or telecommunications training.

3. The Compliance Officer shall preserve and maintain records related to the contents of regular or special training as well as the participants.

Article 121. (Contents of Training)

The contents of training shall be mainly concerned with; matters that have to be familiarized by officers and employees following the revision of major provision in internal control standard, relevant laws and ordinance as well as company regulations, etc., or, matters which the Compliance Officer considers as necessary for the observance of laws and regulations, customer protection and sound sales activities. As for the major violations confirmed in the course of compliance monitoring and regular inspection, additional reinforcement training should be carried
Article 122. (Training on Compliance Officer, etc.)

Those who assume the responsibility of compliance monitoring job should undertake the training for compliance officers, which are being carried out by the Supervisory Commission and the KSDA.

Section 2. Internal Control Standard Violation Handling

Article 123. (Measures on Violation)

If the Compliance Officer finds violation of officer and/or employee as a result of the inspection for observance of laws and regulation, he/she shall take prompt and effective measures to prevent the recurrence of same violation by requesting reprimand of concerned officer and/or employee and improvement of vulnerable point of internal control.

Article 124. (Notice for Violation, etc.)

1. All officers and employees are obliged to make immediate notice of any violation of this standard, relevant laws and ordinances as well as company regulation, to the Compliance Officer, and take prompt and appropriate action upon the request of corrective action.

2. If necessary, the Compliance officer may request self-investigation report from the concerned department, or carry out mandatory investigation based upon the empowered authority.

Article 125. (Report of Correction Result)

After the Compliance Officer takes the necessary measure for the violated matter, the responsible party (person or department) must report to the Compliance Officer regarding the result of the corrective action taken.

Article 126. (Reprimand of Violating Officer · Employee)

The Compliance Officer may, in consideration of the frequency of violation and the seriousness of the violation, etc., request job adjustment and/or reprimand of the person who has committed violation listed in below:
① Person who has violated the regulation specified in this standard
② Person who is involved in direction and concealment, etc.
③ Person who has intentionally neglected report of the violation committed by other person.
④ Others who have obstructed the operation of this standard.

**Article 127. (Filing of Objection)**

① When one is to file an objection against any measure taken by the Compliance officer towards violation of officer and/or employee, he/she has to file the objection in writing with clear reason(s), within 10 days from the date when said measure has been taken.

② All officers and/or employees are not allowed to file any objection to the Compliance Officer against the measure conferred to his/her violation upon the basis of the reason(s) listed in below:

1. Violation committed on the ground that "it is a trade practice or practiced by other people too".
2. Violation committed on the ground that "it is an unnecessary regulation or no one complies with it".
3. Violation committed on the ground that "the feasible is larger than the fine it may accompany with".
4. Violation committed on the ground that "Violator was not self-conscious of his/her violation".

**ADDENDUM**

This Standard shall be enforced from March 30, 2007.
Compliance Certification

The undersigned hereby solemnly pledge that, in the course of performing the assigned job, the undersigned shall observe and comply with the laws and regulations relevant to the securities business, as stipulated in the Company's Internal Control Standards, and to carry out sound asset management to protect the interest of customer, scrupulously comply with followings:

1. The undersigned shall observe this Internal Control Standards and relevant laws and regulations, and carry out the assigned job with due diligence and sincerity.
2. The undersigned shall, as a bona-fide caretaker for entrusted asset of customer, assume the responsibility for all due care.
3. The undersigned shall in no time take part in or overlook any activity that might endanger the management of the Company.

In covenant of aforesaid, if the undersigned commits any breach of this pledge either through violation of the relevant laws and regulations in the course of performing the assigned job, or infringement of the interest of customer or the property of the Company, the undersigned shall undertake any disadvantage incurring thereof in according with the relevant regulation.

Date:

Department: Name:

To: Merrill Lynch International Incorporated Seoul Branch
Examples of Merrill Lynch’s Internal Policies and Procedures

2. ML&Co., Inc. Information Barrier and Confidential Information Policy
4. Chinese Walls and Wall Crossings
5. Guidelines for Business Conduct
6. Copyright violation
7. Employee Trading Policy
8. Outside Interest Policy (Includes Outside Employment, Business Interests and Activities)
9. Personal Account Trading Policy for MLID Seoul Employees
10. Money Laundering Policies and Procedures
11. COMMUNICATIONS RELATED POLICIES REMINDER NOTE
12. Client Complaints
13. Licensing and registration guidelines
14. Record Retention Policy
15. Guideline for Client Information Protection
17. Internal Guidelines on Business Delegation
18. Phone Recording and Tapes Listening Procedures
19. Compliance Reminder on Tape Recording and Use of Mobile Phones
20. MLIDS Scope of FX and OTC FX Derivatives Business and Eligible Counterparties
22. Error Trade and Trade Amendments Policy
23. Error Trade Policy for Futures & Options
24. Surveillance procedures for Detecting Unfair Transactions
25. Arrangement for Surveillance in respect of the Korean Market
26. Prohibition on Front running and Client solicitation – Guidance
27. Disclosing Pending Research
28. Guidance Note regarding Prohibition of Front Running and Prohibition of Securities Trading until 24 hours have passed after research publication
29. Procedures for Trades that Fail to Settle
30. Executing through 3rd Party brokers in Korea
31. Password Control Policy
32. Guidelines and Checklist for FSS requirements of Direct Market Access Systems