

**The original AOI of KIC was prepared in Korean and this is the English translation thereof. As such, please be advised that in the case of any discrepancy between the Korean original and this English translation, the Korean original will prevail.**

**ARTICLES OF INCORPORATION  
OF KOREA INVESTMENT  
CORPORATION**

Adopted on June 30, 2005  
(Approved by the Minister of Strategy and Finance)  
Amended on February 7, 2007  
Amended on April 16, 2008  
Amended on November 16, 2011  
Amended on May 28, 2014  
Amended on February 18, 2016

**CHAPTER 1. GENERAL**

**PROVISIONS ARTICLE 1 (PURPOSE)**

The purpose of this Corporation is to conduct effective management of assets which are entrusted by the Government and the Bank of Korea, etc. and thereby contribute to the development of financial industry.

**ARTICLE 2 (NAME)**

- (1) The Corporation shall be established pursuant to the Korea Investment Corporation Act (the "Act"), and the name of the Corporation shall be "*Hankuk Tooja Gongsu*" (the "Corporation").
- (2) The English name of the Corporation shall be "Korea Investment Corporation (KIC)."

**ARTICLE 3 (OFFICES)**

- (1) The Corporation shall have its principal office in Seoul.
- (2) The Corporation may establish and maintain branches or representative offices at the necessary locations, within or outside Korea.

**ARTICLE 4 (CAPITAL)**

- (1) Capital of the Corporation shall be 1 trillion won and the total amount shall be contributed by the Government.
- (2) The Government shall pay its contribution in cash or in kind, and the time and method of contribution shall be determined by the Minister of Strategy and Finance.
- (3) The Corporation may issue contribution certificates to contributing agencies after the registration of its establishment or payment of contribution for capital increase.

**ARTICLE 5 (AMENDMENT TO ARTICLES OF INCORPORATION)**

If the Corporation intends to amend this Articles of Incorporation, the Corporation shall obtain a resolution of the Steering Committee.

**ARTICLE 6 (MATTERS NOT PROVIDED IN ARTICLES OF INCORPORATION)**

Any matters necessary for conducting the business of the Corporation other than those provided in this Articles of Incorporation shall be determined by the Board of Directors.

**CHAPTER 2. STEERING COMMITTEE**

**ARTICLE 7 (ESTABLISHMENT OF STEERING COMMITTEE, ETC.)**

- (1) Pursuant to the Act and the Enforcement Decree thereof (the "Decree"), the Steering Committee (hereinafter referred to as the "Committee") shall be established within the Corporation to set up a basic policy concerning operation of the Corporation and review management performance, etc.
- (2) Matters regarding the composition, operation of the Committee and the qualifications, term of office of the Civil Members shall be prescribed by the Act and the Decree.

**ARTICLE 8 (ACQUISITION OF COMMITTEE MEMBER STATUS OF THE HEAD OF TRUST INSTITUTIONS)**

- (1) The head of trust institutions provided for in Item 1 of Paragraph (2) of Article 10 of the Act (hereinafter in this Article referred to as the "Head of Trust Institution") shall acquire the Committee member status upon entrusting assets over the amount prescribed by Article 2 of the Decree (hereinafter in this Article referred to as the "Reference Amount") or submission of a commitment letter that it will entrust assets over the Reference Amount to the Corporation.
- (2) The commitment letter prescribed in Paragraph (1) above shall include a commitment that assets will be entrusted when the Corporation makes a request therefor.
- (3) If a Head of Trust Institution does not entrust assets when requested by the Corporation or the total value of entrusted assets becomes below the Reference Amount due to withdrawal, etc., such Head of Trust Institution shall be deprived of its Committee member status from the next date after such events have occurred; provided, however, that any temporary value fluctuation due to result of asset management shall not affect the Committee member status.

**ARTICLE 9 (MATTERS TO BE DELIBERATED AND RESOLVED BY THE COMMITTEE)**

The Committee shall deliberate and resolve the following matters:

1. Amendment to the Articles of Incorporation;
2. Matters pertaining to mid- and long-term investment policies of the Corporation;
3. Matters pertaining to basic policies for the business of the Corporation;
4. Matters pertaining to modification of financial status, such as increase or decrease of capital of the Corporation;
5. Matters pertaining to entrustment of asset to the Corporation;
6. Matters pertaining to appointment and dismissal of the officers;
7. Matters pertaining to approval of budget and account settlement of the Corporation;
8. Matters pertaining to evaluation of management performance of the Corporation;

9. Matters pertaining to inspection of the business of the Corporation pursuant to Paragraph (1) of Article 35 of the Act; and
10. Any other matters prescribed in the Act, the Decree or this Articles of Incorporation as matters to be deliberated or resolved by the Committee.

#### **ARTICLE 10 (CONVENING OF THE COMMITTEE)**

- (1) The chairman of the Committee shall convene the meetings of the Committee and shall preside over such meetings.
- (2) The meetings of the Committee shall be classified into regular meetings and extraordinary meetings.
- (3) Regular meetings shall be held within 2 months after the end of every quarter.
- (4) The chairman of the Committee may convene an extraordinary meeting, if necessary.
- (5) The chairman of the Committee shall convene a meeting without delay, if requested by more than one-third of the members of the Committee.
- (6) The chairman of the Committee shall give a notice of the date, time and agenda of a meeting to each member of the Committee at least three (3) days prior to the date of the meeting; provided, however, that an exception shall be allowed for an emergency.
- (7) A Committee member under Item 1 and Item 3 of Paragraph (2) of Article 10 of the Act may have other public official or officer · employee act on behalf of such member.

#### **ARTICLE 11 (METHOD OF RESOLUTION)**

- (1) The quorum for a meeting of the Committee shall be a majority of all incumbent members and a resolution of the Committee shall be adopted by an affirmative vote of a majority of the members present at the meeting.
- (2) A written resolution may be adopted without convening a meeting if the chairman of the Committee deems it necessary.
- (3) When necessary in deliberating agenda, the Committee may, upon the approval of the chairman, seek opinions of any employee of the Corporation or any outside person.

#### **ARTICLE 12 (RESTRICTION ON EXERCISING VOTING RIGHT)**

In adopting a resolution on any agenda of the Committee, a member who has an interest in the agenda may not exercise his voting right.

#### **ARTICLE 13 (MINUTES)**

The minutes of the Committee meeting shall be prepared with respect to the proceedings of a meeting of the Committee, and the chairman and all members present at the meeting shall affix their names and seals or signatures to the minutes.

#### **ARTICLE 14 (MEMBER COMPENSATION)**

Within the budget of the Corporation, the Corporation may pay compensation to a member who serves to perform the functions of the Committee; provided, however, that the foregoing shall not

apply if a member under Item 1 and Item 3 of Paragraph (2) of Article 10 of the Act or his proxy attends a meeting of the Committee.

## **ARTICLE 15 (OPERATIONAL REGULATIONS)**

Any matters necessary for the operation of the Committee other than those provided in the Act, the Decree or this Articles of Incorporation shall be determined by the chairman of the Committee through a resolution of the Committee.

## **CHAPTER 3. BOARD OF DIRECTORS**

### **ARTICLE 16 (BOARD OF DIRECTORS)**

- (1) The Corporation shall have a Board of Directors that consists of the President and directors.
- (2) The Board of Directors shall resolve the following matters:
  1. The matters to be deliberated and resolved by the Committee under Article 9 of this Articles of Incorporation
  2. Use of emergency fund and carrying forward of budget
  3. Matters pertaining to the adoption, amendment to and repeal of rules of the Corporation
  4. Matters pertaining to the adoption, amendment to Internal Control Standards and appointment, dismissal of Compliance Officer pursuant to Article 26 of the Act
  5. Any other matters the Board of Directors deems necessary.
- (3) The Board of Directors may, if it deems necessary for efficient management of the Corporation, establish sub-committees consisting of officers and employees.

### **ARTICLE 17 (CONVENING AND RESOLUTION OF BOARD OF DIRECTORS)**

- (1) The President of the Corporation shall convene the meetings of the Board of Directors and shall be the chairman of such meetings.
- (2) The quorum of a meeting of the Board of Directors shall be a majority of all incumbent members and a resolution of the Board of Directors shall be adopted by an affirmative vote of a majority of the members present at the meeting.
- (3) The auditor may attend the meetings of the Board of Directors and state his opinion.

### **ARTICLE 18 (RESTRICTION ON EXERCISING VOTING RIGHTS)**

In adopting a resolution on any agenda of the Board of Directors, a member who has an interest in the agenda may not exercise his voting right.

### **ARTICLE 19 (MINUTES)**

The minutes of the meeting of the Board of Directors shall be prepared with respect to the proceedings of a meeting of the Board of Directors, and all members present at the meeting shall affix their names and seals or signatures to the minutes.

### **ARTICLE 20 (OPERATION OF BOARD OF DIRECTORS)**

Any matters necessary for the operation of the Board of Directors shall be determined by the Board of Directors.

#### **CHAPTER 4. OFFICERS AND EMPLOYEES**

##### **ARTICLE 21 (OFFICERS)**

The Corporation shall have, as its officers, one president, four or less directors, and one auditor.

##### **ARTICLE 22 (APPOINTMENT AND DISMISSAL OF OFFICERS)**

- (1) The President of the Corporation shall be appointed and dismissed by the President of the Republic of Korea upon request by the Minister of Strategy and Finance through recommendation of the President Recommendation Committee pursuant to Article 18 of the Act and deliberation by the Committee.
- (2) The directors, except the president, shall be appointed and dismissed by the President of the Corporation through deliberation by the Committee.
- (3) The auditor shall be appointed and dismissed by the Minister of Strategy and Finance through deliberation by the Committee.

##### **ARTICLE 23 (TERM OF OFFICE OF OFFICERS)**

- (1) The term of office of the officers shall be 3 years.
- (2) If a vacancy occurs among the officers, an officer shall be newly appointed and the term of the new officer shall begin from the date of his appointment.

##### **ARTICLE 24 (DUTIES OF OFFICERS)**

- (1) The President shall represent the Corporation and shall preside over the business of the Corporation.
- (2) The directors shall assist the President and the directors shall have the responsibility for certain part of the business of the Corporation as determined by the President.
- (3) If the President is unable to perform his duties due to unavoidable reasons, the Chief Operating Officer (COO) shall act for the President, and if both the President and the COO are unable to perform their duties, other officers or employees shall act for the President in the order determined by the President.
- (4) The auditor shall audit the business and accounting of the Corporation.
- (5) The auditor shall, each year, prepare an audit report that integrates the results of the audits and submit the audit report to the Committee; provided, however, that if any important matter relating to the business or accounting occurs, the auditor shall immediately report such matter to the Board of Directors.
- (6) Officers shall execute their duties with such care as is required of good managers.

##### **ARTICLE 25 (RESTRICTION ON REPRESENTING RIGHT)**

- (1) The President, COO and other officers or employees acting for the President pursuant to

Paragraph (3) of Article 24 of this Articles of Incorporation, shall not represent the Corporation with respect to matters in which their interests are in conflict with the interests of the Corporation.

- (2) The auditor shall represent the Corporation in case of Paragraph (1).

#### **ARTICLE 26 (APPOINTMENT OF REPRESENTATIVES)**

The President may appoint representatives, who are authorized to perform any judicial or extra-judicial activities relating to the business of the Corporation, from among directors or employees of the Corporation.

#### **ARTICLE 27 (REMUNERATION OF DIRECTORS)**

Matters with respect to the remuneration and severance pay of directors shall be determined by the Committee.

#### **ARTICLE 28 (APPOINTMENT AND DISMISSAL OF EMPLOYEES)**

- (1) Employees of the Corporation other than the Compliance Officer under Paragraph (2) of Article 26 (hereinafter in this Article referred to as the "Compliance Officer") shall be appointed and dismissed by the President of the Corporation.
- (2) The Compliance Officer shall be appointed and dismissed by the President of the Corporation through a resolution of the Board of Directors and approval of the Committee.

#### **ARTICLE 29 (REQUEST FOR DISPATCH OF RELATED INSTITUTION'S EMPLOYEES, ETC.)**

- (1) The President of the Corporation may, where deemed necessary for the conduct of business, request a related institution to dispatch employees under its control (hereinafter in this Article referred to as "Dispatched Employees").
- (2) The request under Paragraph (1) shall be submitted by a document stating the number of Dispatched Employees, the period of dispatch and the reasons for dispatch.
- (3) The Dispatched Employees that conduct businesses under Article 30 shall be deemed as the employees of the Corporation.
- (4) Within the budget of the Corporation, the President of the Corporation may pay compensations, travel costs and other expenses to Dispatched Employees.

### **CHAPTER 5.**

#### **BUSINESS ARTICLE 30 (SCOPE OF BUSINESS)**

- (1) The Corporation shall conduct the following businesses:
  1. Management of assets which are entrusted by the trust institutions such as Government, etc;
  2. Survey, research relating to Item 1, and exchange and cooperation with related domestic or overseas institutions; and
  3. Any other incidental business relating to Item 1 and Item 2 as resolved by the Committee.

- (2) The Corporation shall not be involved in any business which may affect the value of assets under Item 1 of Paragraph (1) above, such as provision of collaterals and credit guarantee, etc.

### **ARTICLE 31 (INVESTMENT INSTRUMENT AND MANAGEMENT)**

- (1) The Corporation shall manage the entrusted assets by the following instruments:
  1. Trading of securities as defined under Article 4 of the Financial Investment Services and Capital Markets Act <Amended on April 16, 2008, effective as of February 4, 2009>
  2. Trading of foreign exchanges as defined under Item 11 of Paragraph (1) of Article 3 of the Foreign Exchange Transaction Act;
  3. Transaction of derivatives under Item 17 of Paragraph (1) of Article 3 of the Foreign Exchange Transaction Act;
  4. Deposits at domestic and overseas financial institutions;
  5. Purchase and sale of domestic and overseas real properties; and
  6. Other instruments prescribed under the Decree.
- (2) The Corporation may re-entrust the entrusted assets to domestic or overseas collective investment business entity or discretionary investment business entity under the Financial Investment Services and Capital Markets Act <Amended on April 16, 2008, effective as of February 4, 2009>
- (3) The Corporation shall manage the entrusted assets outside of Korea as denominated in foreign currencies.
- (4) Notwithstanding Paragraph (3) above, the Corporation may manage the entrusted assets as denominated in Korean Won if it is temporarily unavoidable. In such cases, the Corporation shall manage the entrusted assets in a stable and neutral manner such as depositing the entrusted assets in financial institutions or purchasing public bonds, etc.

## **CHAPTER 6. ACCOUNTING**

### **ARTICLE 32 (FISCAL YEAR)**

The fiscal year of the Corporation shall correspond to that of the Government.

### **ARTICLE 33 (ACCOUNTING PRINCIPLE)**

The accounting of the Corporation shall be conducted in such a manner that the performance of management and the financial condition during the relevant accounting period are clearly presented.

### **ARTICLE 34 (SEPARATE ACCOUNTING)**

- (1) The accounting of the Corporation shall be made separately from the accounting of the entrusted assets.
- (2) The accounting of the entrusted assets shall be made separately per each trust institution.

**ARTICLE 35 (BELONGING OF PROFITS FROM ASSET MANAGEMENT AND ASSET MANAGEMENT FEE)**

- (1) The profits from management of entrusted assets shall belong to trust institutions.
- (2) The procedures and method for payment of profits from asset management, and the asset management fee shall be determined through consultation between the trust institutions and the Corporation.

**ARTICLE 36 (BUDGET AND SETTLEMENT OF ACCOUNTS)**

- (1) The Corporation shall prepare a budget of total revenue and total expenditure, and obtain the approval of the Committee every fiscal year; provided, however, that, if the Corporation is unable to obtain the approval prior to the beginning of fiscal year, due to unavoidable reasons, such as natural disasters, etc., the Corporation may operate the budget based on that of the previous fiscal year.
- (2) The budget executed pursuant to the proviso of Paragraph (1) above shall be deemed as executed by the budget that is duly established later.
- (3) The Corporation shall prepare its statement of account settlement, balance sheet and income statement, and obtain approval of the Committee within 3 months after the end of each fiscal year.

**ARTICLE 37 (PREPARATION AND APPROVAL OF SUPPLEMENTARY BUDGET)**

- (1) The Corporation may prepare a supplementary budget if it is necessary to adjust the budget due to the changes in business plan or any other unavoidable reasons that have occurred after the budget has been adopted.
- (2) The procedures for the approval of a supplemental budget shall be in accordance with that of the main budget.

**ARTICLE 38 (EMERGENCY FUND)**

- (1) The Corporation may include an emergency fund in a budget to be applied to unexpected expenditures.
- (2) The use of an emergency fund shall obtain the resolution of the Board of Directors.
- (3) The Corporation shall report the breakdown of expenditures to the Committee after the use of the emergency fund.

**ARTICLE 39 (BONUS AND SEVERANCE PAY)**

The Corporation may pay a bonus to the officers and employees of the Corporation and severance pay to retiring officers and employees.

**ARTICLE 40 (EXPENSES FOR RESEARCH AND OVERSEAS DISPATCH)**

The Corporation may pay research expenses or overseas dispatch expenses to distinguished employees or any other qualified persons.



## **ARTICLE 41 (DISPOSAL OF PROFIT AND LOSS)**

When the Corporation has realized profit as a result of settling the accounts for a fiscal year, it shall dispose of the profit in the following order:

1. Making up any deficit brought forward;
2. Accumulation of an earned surplus reserve of at least 1/10 of the profits, until it reaches an amount equal to half of the capital;
3. Payment to the national treasury;
4. Accumulation of a reserve, other than an earned surplus reserve, pursuant to Paragraph 2.

## **CHAPTER 7. SUPPLEMENTARY PROVISIONS**

### **ARTICLE 42 (METHOD OF PUBLIC DISCLOSURE)**

- (1) Public disclosure pursuant to Article 36 of the Act shall be made within two months after the approval by the Committee of the settlement of accounts. However, any public disclosure relating to the mid- and long-term investment policies under Item 3 of Paragraph (1) of Article 36 of the Act shall be made when determination of or any change in such policies has occurred, and any public disclosure relating to changes in professional fund managers under Item 4 of Paragraph (2) of Article 36 of the Act shall be made when such change has occurred.
- (2) Public disclosures pursuant to Paragraph (1) above shall be made on the Internet and on one or more nation-wide daily newspapers. However, public disclosure of changes in professional asset management personnel shall be made on the Internet.

### **ARTICLE 43 (ADVISERS AND CONSULTANTS)**

- (1) The Corporation may have advisers and consultants if necessary for conducting the business of the Corporation.
- (2) The advisers and consultants shall be appointed by the President of the Corporation upon a resolution by the Board of Directors.
- (3) The appointment and privileges, etc. of the advisers and consultants shall be determined by the Board of Directors.

## **ADDENDA**

### **ARTICLE 1 (EFFECTIVE DATE)**

This Articles of Incorporation shall take effect on the date of establishment of the Corporation.

### **ARTICLE 2 (ACTIVITIES FOR INCORPORATION OF THE CORPORATION)**

- (1) If the Corporation Establishment Committee under Article 2 of the Addenda of the Act has performed any actions for the establishment of the Corporation, such actions shall be deemed performed by the Corporation.
- (2) The expenses for establishment of the Corporation shall be paid by the Corporation.

### **ARTICLE 3 (TRANSITIONAL MEASURES ON FISCAL YEAR)**

The first fiscal year of the Corporation shall be from the date on which the Corporation commences its business until December 31, 2005.

**ARTICLE 4 (TRANSITIONAL MEASURES ON BUSINESS PLAN & BUDGET)**

- (1) The Corporation shall prepare the business plan, budget for the period from the date of its establishment until December 31, 2005, and obtain the approval of the Committee that is held after the Corporation is established.
- (2) Notwithstanding Paragraph (1) above, the Corporation may execute each of the following expenses prior to the approval of the Committee. In this case, the Corporation shall report details to the Committee at the first held meeting.
  1. Necessary expenses in carrying out basic business activities, such as employees' wages and office rent.
  2. Costs related to establishment of the Corporation.

**ARTICLE 5 (PREPARATION AND SIGNING OF ARTICLES OF INCORPORATION)**

For the establishment of the Corporation, this Articles of Incorporation has been prepared pursuant to Paragraph (4) of Article 2 of the Addenda of the Act, and the chairman and members of the Corporation Establishment Committee has affixed their signatures and seals to this Articles of Incorporation.

**ADDENDA**

**ARTICLE 1 (EFFECTIVE DATE)**

This Articles of Incorporation shall take effect on February 7, 2007.

**ADDENDA**

**ARTICLE 1 (EFFECTIVE DATE)**

This Articles of Incorporation shall take effect on February 4, 2009.

**ADDENDA**

**ARTICLE 1 (EFFECTIVE DATE)**

This Articles of Incorporation shall take effect on November 21, 2011.

**ADDENDA**

**ARTICLE 1 (EFFECTIVE DATE)**

This Articles of Incorporation shall take effect on May 28, 2014.

**ADDENDA**

**ARTICLE 1 (EFFECTIVE DATE)**

This Articles of Incorporation shall take effect on February 18, 2016.