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**ENFORCEMENT DECREE OF
KOREA INVESTMENT CORPORATION ACT**

Adopted on June 30, 2005 (Presidential Decree No. 18883)
Partially amended on February 29, 2008 (Presidential Decree No. 20653)
Partially amended on February 29, 2008 (Presidential Decree No. 20740)
Partially amended on July 29, 2008 (Presidential Decree No. 20947)
Partially amended on November 15, 2010 (Presidential Decree No. 20740)
Partially amended on August 6, 2014 (Presidential Decree No. 25532)
Partially amended on November 22, 2016 (Presidential Decree No. 27589)
Partially amended on December 4, 2018 (Presidential Decree No. 29319)

ARTICLE 1 (PURPOSE)

The purpose of this Enforcement Decree is to prescribe the matters delegated by the Korea Investment Corporation Act and matters necessary for the enforcement thereof.

**ARTICLE 2 (SCOPE OF THE TRUST INSTITUTIONS THAT ARE MEMBERS
OF THE STEERING COMMITTEE)**

The “amount prescribed by the Presidential Decree” in Item 1 of Paragraph (2) of Article 10 of the Korea Investment Corporation Act (the “Act”) shall be 1 trillion Won.

ARTICLE 3 (QUALIFICATION REQUIREMENTS FOR CIVIL MEMBERS)

(1) The “international financial organizations or domestic/overseas financial institutions of more than a certain size set forth by the Presidential Decree” in Item 2 of Paragraph (1) of Articles 2 and Paragraph (2) of 16 of the Act shall mean any of the following financial institutions or international financial organizations:

1. Financial Institutions: any of the financial institutions falling under the following categories:
 - (a) Bank of Korea under the Bank of Korea Act;
 - (b) A collective investment business entity under the Financial Investment Services and Capital Markets Act, for which the total assets under management by its collective investment scheme as of the end of the most recent fiscal year shall be 2 trillion Won or more;
 - (c) A bank under the Banking Act, an insurance company under the Insurance Business Act, or an investment trader or investment broker under the Financial Investment Services and Capital Markets Act, of which the total assets (as appearing in its Statement of Financial

Position) as of the most recent fiscal year shall be 2 trillion Won or more; and

- (d) A foreign financial institution equivalent to the institutions under Item 2 and 3 above (entity established pursuant to foreign laws and regulations and engaged in the collective investment business, banking business, insurance business, investment trader business, or investment broker business in the foreign country), for which the total assets under management by its collective investment scheme, or of which the total assets as appearing in its Statement of Financial Position, shall be 2 trillion Won or more as of the most recent fiscal year;
 - (e) Korea Investment Corporation (hereinafter referred to as the “Corporation”)
- (2) “International financial organizations”: any of the international financial organizations falling under the following categories:
- (a) An international financial organization under Items 1 to 7 and Items 9 to 15 of Paragraph (1) of Article 2 of the Act on the Measures for Admission to International Financial Organizations;
 - (b) A green climate fund under the Act on the Managerial Support for Green Climate Fund

ARTICLE 4 (APPOINTMENT, ETC. OF EXPERIENCED PROFESSIONALS)

- (1) If the chairman of the Steering Committee (the “Chairman”) appoints experienced professionals pursuant to Paragraph (6) of Article 12 of the Act, he shall obtain a resolution of the Steering Committee.
- (2) The experienced professionals appointed pursuant to Paragraph (1) above may be paid expenses within the limit of the budget of the Corporation
- (3) Matters not specified herein necessary for appointment of experienced professionals shall be determined by the Chairman through a resolution of the Steering Committee.

ARTICLE 5 (OPERATION OF THE STEERING COMMITTEE)

- (1) A meeting of the Steering Committee under Paragraph (7) of Article 12 of the Act shall be convened by the Chairman in accordance with the provisions of the Articles of Incorporation of the Corporation.
- (2) The Chairman may, by a resolution of the Steering Committee, establish an advisory body for a smooth performance of the duties of the Steering Committee.
- (3) The directors and auditor of the Corporation may attend meetings of the Steering Committee and state their opinions thereat.
- (4) The minutes of the Committee 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.

- (5) The members attending a meeting of the Steering Committee may be paid expenses within the limit of the budget of the Corporation.
- (6) Matters not specified herein necessary for the operation of the Steering Committee shall be determined by the Chairman through a resolution of the Steering Committee.

ARTICLE 6 (MEMBERS OF THE CIVIL MEMBER CANDIDATE NOMINATION COMMITTEE)

- (1) The “organization as determined by the Presidential Decree” in Item 1 of Paragraph (3) of Article 14 of the Act shall mean the Korea Money and Finance Association.
- (2) The “organization as determined by the Presidential Decree” in Item 3 of Paragraph (3) of Article 14 of the Act shall mean the “Korea Federation of Banks”.

ARTICLE 7 (OPERATION OF THE CIVIL MEMBER CANDIDATE NOMINATION COMMITTEE)

- (1) If a Civil Member under Item 2 of Paragraph (2) of Article 10 of the Act (hereinafter in this Article 7 referred to as “Civil Member”) needs to be newly appointed due to expiration of his term of office or otherwise, the Corporation shall promptly compose the Civil Member Candidate Nomination Committee under Paragraph (1) of Article 14 of the Act (hereinafter referred to as the “Nomination Committee”).
- (2) The chairman of the Nomination Committee shall be elected from among its members.
- (3) A resolution of the Nomination Committee shall be adopted by an affirmative vote of a majority of all incumbent members.
- (4) The Nomination Committee shall continue to exist until a Civil Member for whose appointment the Nomination Committee was composed is appointed.
- (5) Matters not specified herein necessary for the operation of the Nomination Committee shall be determined by the chairman of the Steering Committee through a resolution of the Steering Committee.

ARTICLE 8 (COMPOSITION AND OPERATION OF THE PRESIDENT RECOMMENDATION COMMITTEE)

- (1) If the president of the Corporation (hereinafter referred to as “President”) needs to be newly appointed due to expiration of his term of office or otherwise, the Steering Committee shall promptly compose the President Recommendation Committee under Article 18 of the Act (hereinafter referred to as the “Recommendation Committee”).
- (2) The Recommendation Committee shall continue to exist until the President for whose appointment the Recommendation Committee was composed is appointed pursuant to Paragraph (1) of Article 17 of the Act.

- (3) Matters not specified herein or in the Act necessary for operation of the Recommendation Committee shall be determined by the chairman of the Steering Committee through a resolution of the Steering Committee.

ARTICLE 9 (APPOINTMENT OF REPRESENTATIVES)

- (1) If the President has appointed a representative pursuant to Paragraph (1) of Article 25 of the Act, he shall, within three (3) weeks from such appointment, have the following matters registered at the principal office, branches or representative offices where such representative is appointed. The same shall apply in case of a change in any of the registered matters:
 1. The Name, Resident Registration Number and address of the representative; and
 2. The limit, if any, on the authority of the representative.
- (2) The employees who may be appointed to perform judicial activities on behalf of the President pursuant to Paragraph (2) of Article 25 of the Act shall be those with two or more years of experience in duties related to court trials.

ARTICLE 10 (INTERNAL CONTROL STANDARDS)

- (1) The internal control standards under Paragraph (1) of Article 26 of the Act (hereinafter referred to as the “Internal Control Standards”) shall include the following:
 1. Matters pertaining to segregation of duties and organizational structure;
 2. Matters pertaining to the guidelines for managing the risks arising from the management of, or the conduct of business with respect to, the assets entrusted by trust institutions to the Corporation;
 3. Matters pertaining to the procedures to be followed by the officers and/or employees of the Corporation in performing their duties;
 4. Matters pertaining to the building of a system enabling efficient communication of information on management decision-making;
 5. Matters pertaining to the procedures/methods for confirming officers and employees’ compliance with the Internal Control Standards and the measures against the officers and/or employees violating the Internal Control Standards;
 6. Matters pertaining to the procedures or standards for prevention of unjust transactions, including, without limitation, the requirement to report the details of transactions of investment securities, exchange traded derivatives and over-the-counter derivatives of the officers and employees;
 7. Matters pertaining to the procedures for establishment or amendment to the Internal Control Standards;
 8. Matters pertaining to the procedures for appointment and dismissal of the compliance officer (hereinafter referred to as the “Compliance Officer”) under Paragraph (2) of Article 26 of the Act; and
 9. Matters pertaining to the compliance with relevant laws and regulations and the internal guidelines related to the exercise of voting rights with respect to the shares held in the process of asset management.
- (2) The Corporation shall ensure that the Compliance Officer of the Corporation shall perform his duties independently of the officers and employees of the Corporation,

in order to guarantee the independence of the duties of such compliance officer.

- (3) The “Qualifications set forth by the Presidential Decree” in Paragraph (4) of Article 26 of the Act shall mean the requirements for qualification for the Compliance Officers under Article 26 of the Act on Corporate Governance of Financial Companies.

ARTICLE 11 (SPECIAL PROVISIONS ON EARLY TERMINATION OF TRUST WITH RESPECT TO ENTRUSTED ASSETS)

- (1) The “amount set forth by the Presidential Decree” in the proviso of Paragraph (1) of Article 30 of the Act shall be 100 billion Won.
- (2) The “events set forth by the Presidential Decree” in Paragraph (2) of Article 30 of the Act shall mean any of the following:
 1. If the foreign exchange reserves of Korea as of the end of a calendar month decreases by five percent or more from those as of the end of the immediately preceding calendar month, and such situation continues for two consecutive calendar months;
 2. If the sovereign credit rating of Korea is downgraded, by two or more international credit rating agencies prescribed and publicly notified by the Minister of **Economy** and Finance;
 3. If the Corporation commits a material breach of the asset trust contract entered into with the trust institution and fails to remedy such breach within 30 days from the receipt by the Corporation from such institution of a notice requiring said breach to be remedied;
 4. If other material and drastic financial transitions, domestic or international, require early termination of the entrusted assets.

ARTICLE 11-2 (ASSET MANAGEMENT USAGES)

The “Instruments prescribed under the Presidential Decree” in Item 6 of Paragraph (1) of Article 31 of the Act shall mean the instruments not specified in Items 1 to 5 of the same paragraph, and investments in special assets under Item 3 of Article 229 of the Financial Investment Services and Capital Markets Act.

ARTICLE 12 (SUPERVISION)

- (1) The Steering Committee may cause the President of the Corporation to report the financial status, business results, etc. of the Corporation to the Steering Committee on a regular basis.
- (2) The Steering Committee may, pursuant to Paragraph (2) of Article 35 of the Act, entrust the inspection business to an accounting firm with 100 or more certified public accountants.

ARTICLE 13 (COMPOSITION RATIO AND PROFIT RATE OF EACH ASSET CATEGORY)

The “composition ratio and profit rate of each asset category as set forth by the Presidential Decree” in Item 3 of Paragraph (2) of Article 36 of the Act shall mean those of the following:

1. Securities;
2. Deposits held in financial institutions;
3. Real estate; and
4. Other assets.

ARTICLE 14 (SCOPE OF THE EMPLOYEES DEEMED TO BE PUBLIC OFFICIALS IN APPLICATION OF PENAL PROVISIONS)

The “employees as set forth by the Presidential Decree” in Article 39 of the Act shall be employees of the Corporation holding the position of an assistant manager or higher.

ARTICLE 14-2 (TREATMENT OF UNIQUE IDENTIFICATION INFORMATION)

The Minister of **Economy** and Finance and the Corporation, if unavoidable, may handle materials including Resident Registration Number under Item 1 of Article 19 of the Enforcement Decree of the Personal Information Protection Act, in conducting any of the following duties:

1. Duties regarding confirmation of qualification of a Civil Member under Article 11 of the Act
2. Duties regarding confirmation of qualification of an officer under Article 16 of the Act
3. Duties regarding confirmation of disqualification of an officer under Article 22 of the Act

ARTICLE 15 (STANDARDS FOR IMPOSING FINES FOR NEGLIGENCE)

The standards for imposing fines for negligence, in accordance with Paragraph (1) of Article 41 of the Act, are below and indicated with an asterisk. <Amended on December 4, 2018>

ADDENDA

<Presidential Decree No. 18883, December 30, 2005>

This Decree shall enter into force on July 1, 2005.

ADDENDA

(Presidential Decree to Act on Establishment of Financial Services Commission, Etc.)

<Presidential Decree No. 20653, February 29, 2008>

<Omitted since all changes are incorporated in the above>

ADDENDA

(Organization of Ministry of **Economy** and Finance and its Subordinate Agencies)

<Presidential Decree No. 20720, February 29, 2008>

<Omitted since all changes are incorporated in the above>

ADDENDA

(Enforcement Decree of the Financial Investment Services and Capital Markets Act)
<Presidential Decree No. 20947, July 29, 2008>

<Omitted since all changes are incorporated in the above>

ADDENDA

(Enforcement Decree of the Banking Act)
<Presidential Decree No. 22493, November 15, 2010>

<Omitted since all changes are incorporated in the above>

ADDENDA

(Partial Amendment of the Enforcement Decree of the Act on the Management of
Public Institutions to Establish a Legal Basis for the Treatment of Sensitive
Information and Unique Identification Information and others)
<Presidential Decree No. 25532, August 6, 2014>

This Decree shall enter into force on August 7, 2014.

ADDENDA

< Presidential Decree No. 27589, November 22, 2016>

<Omitted since all changes are incorporated in the above>

ADDENDA

< Presidential Decree No. 29319, December 04, 2018>

This Decree shall enter into force on the date of its promulgation.