

# ARTICLES OF INCORPORATION

## CHAPTER I. GENERAL PROVISIONS

### Article 1. Corporate Name

The name of the company shall be \_\_\_\_\_, which shall be written in English as “\_\_\_\_\_” (hereinafter referred to as “the Company”).

### Article 2. Purposes

The purposes of the Company shall include, but not be limited to,:

### Article 3. Location of Head Office and Branches

The Principal Office of the Company will be located in Republic of Korea and branches, suboffices or other business offices shall be established or closed elsewhere as required according to resolutions passed at meetings of the Board of Directors.

### Article 4. Method of Notice

Public notice of the Company shall be given by publication in a daily newspaper of general circulation in the Republic of Korea.

## CHAPTER II. CAPITAL AND SHARES

### Article 5. Number of Authorized and Issued Shares

5.1. The total number of shares which the Company is authorized to issue is \_\_\_\_\_ shares of common stock.

5.2. The number of authorized shares may be increased by resolution of the shareholders.

5.3. The total number of shares issued at the time of incorporation of the Company shall be \_\_\_\_\_ shares.

### Article 6. Class and Par Value of Shares

All shares issued by the Company shall be common stock in registered nominative form, and each share shall have a par value of \_\_\_\_\_ Won.

### Article 7. Share Certificates / Register of Shareholders

7.1. The share certificates of the Company shall be numbered, shall set forth the number of shares represented thereby and the holder's name thereof, and shall be entered into the Register of Shareholders of the Company as soon as they are issued.

7.2. The share certificates of the Company shall be nominative and registered certificates, and shall be in denominations and form as prescribed by the Board of Directors.

7.3 Certificates shall be signed by the Representative Director of the Company certifying the class and number of shares owned by each shareholder in the Company.

7.4 The Company shall maintain a Register of Shareholders in which all the operations effected with the shares shall be registered, within 30 days following the date of execution, indicating the name of the subscriber or previous owner and the assignee or acquirer. The Company, absent judicial resolution to the contrary, shall consider as owner of the shares the persons registered as such in the Register of Shareholders.

## Article 8. Payment of Shares

Payment for subscribed shares shall be made in cash payable to a bank or banks designated by the Company or in kind or in combination of both. Only those shares which have been fully paid up can be issued.

## Article 9. Transfer of Shares

Transfer of shares shall be made by delivery of the appropriate share certificates to the transferee. Transfer of a registered share shall not be binding on the Company until the name and address of the transferee are duly entered in the Register of Shareholders upon application therefor.

## Article 10. Alteration of Entry and Registration of Pledge

10.1. A shareholder desiring an alteration of entry due to transfer of shares by assignment, sale or other similar cause shall submit an application therefor to the Company in the form prescribed by the Company together with the relevant share certificates.

10.2. A shareholder desiring an alteration of entry due to causes other than transfer of shares by assignment, sale or other similar cause, being a cause arising out of bequest or inheritance or other similar cause, shall submit an application therefor to the Company, and evidence of cause, in the form prescribed by the Company together with the relevant share certificates.

10.3. A shareholder requiring registration of a pledge on his shares shall submit an application therefor to the Company in the form prescribed by the Company together with the relevant share certificates.

10.4. Upon receiving the above application, the Company shall examine the documents and enter the transfer into the Register of Shareholders and return to the applicant the effected share certificates concerned, on which the Representative Director of the Company shall have affixed his registered seal for confirmation.

## **Article 11. Reissuance of Share Certificates**

11.1. A shareholder desiring reissuance of a share certificate for reason of partition or amalgamation of shares, or damage or soiling to share certificates, shall submit an application therefor to the Company in the form prescribed by the Company together with the share certificates to be cancelled. However, when the damage or soiling is so extreme that the share certificates are not legible, they shall be deemed as lost, and the following provision shall apply for their replacement.

11.2. A shareholder desiring issue of new share certificates due to loss of the share certificates shall submit to the Company an application in the form prescribed by the Company together with the original or the certified copy of a judgment of nullification with respect to the share certificates lost.

## **Article 12. Fees**

In cases where Articles 10 and 11 apply, fees may be collected from the applicants as prescribed by the Company.

## **Article 13. Report of Address and Seals**

13.1. Shareholders, registered pledgees, and their attorneys shall be reported to the Company with their names, addresses and seals, and changes thereto shall be reported immediately.

13.2. An attorney for a shareholder or registered pledgee shall submit to the Company a certificate of his Power of Attorney. Any change thereof must be reported to the Company by submission of necessary certificate or evidence.

## **Article 14. Suspension of Entry to Register of Shareholders**

14.1. In order to ascertain which persons are entitled to exercise voting rights, receive dividends, or exercise other rights as shareholders or pledgees, the Company shall suspend entry or alteration in the Register of Shareholders during the period from the day following the last

day of each fiscal year to the closing of the ordinary general meeting of shareholders held for such fiscal year.

14.2. This provision may also apply during the period from the date of posting of notice for calling an extraordinary general meeting of shareholders to the date on which such meeting is held.

### **Article 15. Preemptive Rights to New Shares**

Each shareholder shall have a pro-rata preemptive right to subscribe to any additional shares to be issued by the Company in proportion to their shareholding immediately prior to the time such shares are issued.

## **CHAPTER III. GENERAL MEETING OF SHAREHOLDERS**

### **Article 16. Types and Times of General Meetings**

16.1. General meetings of the shareholders of the Company shall be ordinary or extraordinary.

16.2. The ordinary general meeting of shareholders shall be convened within three months following the end of each fiscal period. Extraordinary general meetings of shareholders may be convened at any time in compliance with resolutions of the Board of Directors and other applicable regulations.

### **Article 17. Place and Notice of General Meetings**

17.1. All ordinary and extraordinary general meetings of the shareholders may be held at the Principal Office of the Company or at such other place as may be determined by the Board of Directors, within or outside the Republic of Korea.

17.2. Written notice from the Representative Director, of each general meeting of the shareholders of the Company, stating the date, time and place of the meeting and purposes for which the meeting has been called, shall be delivered by hand or dispatched via registered mail at least three (3) weeks prior to the date set for such meeting; provided that a general meeting shall, notwithstanding that it has been called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by all the shareholders entitled to attend and vote at such meeting.

17.3. The general meeting of shareholders shall not resolve matters other than those stated in the notice of the meeting unless all the shareholders of the Company agree otherwise.

## Article 18. Quorum Requirement and Method of Resolution

18.1. Except as otherwise provided for in the following paragraph of this Article 18 or required by mandatory provisions of the Commercial Code of Korea or by any provision of these Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by a simple majority vote of shares entitled to vote which are present in person or by proxy and such vote shall constitute at least one-fourth(1/4) of the then issued and outstanding shares of the Company.

18.2. The following matters shall require the special resolutions of a general meeting of shareholders which shall be adopted by the affirmative vote of at least two-thirds(2/3) of the shares which are present in person or by proxy and such vote shall constitute at least one-third (1/3) of the then issued and outstanding shares of the Company;

- (1) Amendment to its Articles of Incorporation;
- (2) Transfer of the whole or an important part of the business of the Company or taking over of the whole of the business of any other company;
- (3) Termination of a director and Statutory Auditor;
- (4) Any increase or decrease in its authorized capital stock;
- (5) Reduction of its capital;
- (6) Voluntary dissolution, merger, consolidation and winding-up;

- (7) Any other matters which require a special resolution of the shareholders at a general meeting under the Korean commercial code or as agreed upon by the shareholders.

#### **Article 19. Right to Vote, Voting by Proxy**

19.1. In all matters, each shareholder shall have one vote for each share registered in his name.

19.2. A shareholder may exercise his voting right by proxy, having another person represent him. Any corporation which is a shareholder of the Company may authorize such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorized shall be entitled to exercise the same powers on behalf of that corporation as the corporation could exercise if it were an individual shareholder of the Company. Any such representative must submit documentation acceptable to the Company establishing his power of representation.

#### **Article 20. Presiding Officer of General Meeting**

The Representative Director of the Company shall preside at all general meetings of shareholders. In the event of his absence or failure to serve as Presiding Officer of any general meeting of shareholders, one of the other Directors in accordance with the order of directors fixed by the Board of Director shall take his place.

#### **Article 21. Minutes**

Minutes of the proceedings of general meeting shall be prepared in English and Korean and shall be signed or sealed by the Presiding Officer of the meeting and all Directors present. The minutes shall be kept in the Company's records.

## CHAPTER IV. DIRECTORS AND AUDITORS

### Articles 22. Number, Qualification and Method of Election

22.1. The Company shall have at least one Director (1), and one (1) Statutory Auditor who shall all be nominated and elected at a general meeting of shareholders as prescribed by the Korean laws.

22.2. The Directors and the Statutory Auditor shall not be required to hold any shares of stock in the Company as a condition or qualification for holding office. Nor shall they be disqualified by reason of their being officers, directors, or shareholders of any other company.

### Article 23. Term of Office and Vacancies

23.1. The term of office of a Director shall be three (3) years. That term of office, however, shall be extended until the closing of the general meeting of shareholders convened first following the last fiscal period comprising the incumbent's term of office.

23.2. The Directors shall be eligible for re-election upon the expiration of their terms of office.

23.3. The term of office of the Statutory Auditor shall be three (3) years inclusive of the closing of the ordinary general meeting of shareholders convened for the last settlement of accounts comprising his term of office.

23.4. In the event of any vacancy in the office of Director or Statutory Auditor, the shareholders shall agree upon and elect a replacement. Replacements shall be elected in accordance with Article 22 at a general meeting of shareholders which shall be convened as soon as possible after the vacancy occurs. A substitute Director shall serve the balance of the term of the person being replaced but the Statutory Auditor elected as replacement shall serve a new full term of office.

23.5. If either shareholder wishes to change its nominated directors with or without cause, the other shareholder shall consent to such change, provided, however, that if such change is without cause, the shareholder proposing the dismissal shall indemnify and hold the Company and the other shareholders harmless from any and all damages and other expenses that may arise from such action.

## Article 24. Powers and Duties of Directors

The Board of Directors of the Company shall consist of all the Directors elected at a general meeting of shareholders. Except as otherwise provided herein, or in the Commercial Code of Korea, or in resolutions adopted at general meetings or in any by-laws, the Board of Directors shall decide by resolution all important matters relating to the management of the business of the Company and shall supervise the management of the Company carried out by the Representative Director and the officers of the Company. A Director shall immediately report to the Statutory Auditor when he has found any matter which might likely cause any substantial damage to the Company.

## Article 25. Meetings of Directors, Notice and Place of Meetings

25.1. Meetings of the Board of Directors shall be convened by the Representative Director when he deems the same to be necessary or advisable, or promptly upon the request of any Director in writing.

25.2. Written notice of each meeting of the Board of Directors, setting forth the date, time, place and agenda of the meeting shall be given, via telex or facsimile, to all Directors and Statutory Auditor, at least three (3) weeks prior to the date set for such meeting.

25.3. At the meeting, Directors may act only with respect to matters set forth in the notice, unless all Directors in office otherwise so agree.

25.4. Irrespective of the foregoing Paragraph 2, meetings of the Board of Directors may be held without conforming to such procedure set forth above when written consent thereto has been obtained, prior to the meeting, from all the Directors and the Statutory Auditor.

25.5. The venue of all meetings of the Board of Directors shall be the Registered Office of the Company or such other place as shall be specified by the chairman in convening such meeting.

## Article 26. Representative Director

The Representative Director shall be elected by the Board of Directors from among its members.

The Representative Director shall represent the Company and shall manage the daily affairs of the Company, subject to such policies and directions conferring authority and duties as the Board of Directors may establish.

## **Article 27. Presiding Officer of the Board of Directors and Adoption of Resolutions**

27.1. The Representative Director of the Company shall preside over all meetings of the Board of Directors. In the event of any accident to the Representative Director or if he is unable or unwilling to preside over meeting for any reason, one of the other Directors, according to an order pre-determined by resolution of the Board of Directors, shall preside.

27.2. All resolutions to be adopted at a meeting of the Board of Directors shall require the affirmative vote of a majority of all Directors in office.

## **Article 28. Minutes**

All copies of the minutes of the meetings of the Board of Directors shall be prepared in English and Korean. The Chairman of the meeting, all other Directors present and the Statutory Auditor if at the meeting shall sign such minutes and affix their seals thereon. The minutes shall be kept in the Company's records.

## **Article 29. Committees**

The Directors may from time to time delegate any of their powers to committees consisting of such member (s) of their body or of Officers of the Company as they think fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board of Directors.

## Article 30. Duties of the Statutory Auditor

30.1. The Statutory Auditor shall inspect the performance of the Directors, and may at any time ask the Directors for a report on the operation of the Company or may examine the business and financial conditions of the Company.

30.2. The Statutory Auditor shall examine the agenda and all documents to be submitted by a Director to general meeting of shareholders, and shall present his opinions at meetings of shareholders as to whether or not the documents contain provisions which infringe the applicable statutes or the Articles of Incorporation, or include other matters of undisputable impropriety.

30.3. The Statutory Auditor shall examine the financial statements and other necessary or pertinent documents to be submitted by the Representative Director pursuant to Article 35 of the Articles of Incorporation, and submit the Audit Report to the Board of Directors within four (4) weeks from the date of receipt of such documents.

30.4. The Statutory Auditor may attend and present his opinions at meetings of the Board of Directors, and shall report to the Board of Directors when he deems any Director has infringed or is likely to infringe applicable statutes or the Articles of Incorporation.

30.5. The Statutory Auditor may demand to convene an extraordinary general meeting of shareholders by filing with the board of directors a written application which shall state the object and reasons for the convening of the meeting.

30.6 The Statutory Auditor may not concurrently hold a position of director, manager or employee of the Company or its subsidiary.

30.7 The Statutory Auditor may attend and present his opinion at a general meeting of shareholders deliberating his termination.

30.8 The Statutory Auditor shall maintain a record in respect to his auditing activities.

## Article 31. Election and Duty of Officers

The Officers of the Company shall be a President, and such other Officers as may be from time to time designated by the Board of Directors. All Officers shall be elected or appointed by the Board of Directors and shall hold office at the pleasure of such Board. The Representative Director shall be the President of the Company.

The Officers shall have powers, responsibilities and duties as shall be designated by the Board of Directors and/or may be prescribed by By-laws.

### **Article 32. Remuneration and Severance Pay for the Officers and Directors**

Remuneration of the Officers shall be decided by the Board of Directors. Remuneration for the Directors and severance pay for the Officers and Directors shall be determined in accordance with such resolutions as may be adopted at a shareholders meeting.

## **CHAPTER V. ACCOUNTING**

### **Article 33. Fiscal Period**

The fiscal period of the Company shall begin on the first date of January each year and on the last day of December of that year.

However, the first fiscal period shall begin on the date of incorporation and end on December 31st of that year.

### **Article 34. Accounting System**

34.1. The accounting method employed by the Company and financial statements and reports issued by it shall be in accordance with guidelines agreed by the shareholders provided, however that such accounting method, financial statements and reports shall be consistent with generally accepted accounting principles and applicable Korean law. The Company shall further provide the competent Korean authorities with any documentation required by the relevant mandatory provisions of the Korean Law.

34.2. The books and records of the Company shall be audited at least once a year by an external auditing firm of international standing and reputation, which shall be nominated by the Board of Directors.

34.3. The accounting and statistical records of the Company shall be maintained in Korean as well as English. To alleviate the burden of translation, only major records such as Balance Sheet, Earnings Statement, Business Report and others as determined by the Board of Directors shall be maintained in English.

### **Article 35. Preparing and Compiling Financial Statements**

35.1. The Representative Director/ President shall prepare the following documents, with their supplementary data and submit them to the Statutory Auditor six (6) weeks prior to the date of the general meeting of shareholders after obtaining the approval of the Board of Directors:

- a. A Balance Sheet as of the end of the fiscal year;
- b. A Profit and Loss Statement for the previous fiscal year;
- c. Proposals for the appropriation of the retained earnings or deficits; and
- d. A Business report for the previous fiscal year.

The Statutory Auditor shall submit the Audit Report to the Directors within four (4) weeks from receipt of the aforesaid documents from the Representative Director/ President. The aforesaid documents shall be mailed or faxed to the Directors and shall be placed at the registered office of the Company for inspection by the shareholders for one week prior to presentation of the same to the ordinary general meeting of shareholders for approval thereof.

35.2. The Representative Director shall, when the financial statements referred to above have been approved by the general meeting of shareholders, make public notice of the Balance Sheet without delay.

### **Article 36. Disposition of Profit and Loss**

In calculating the profit or loss of the Company for any fiscal period, the balance remaining from the gross income for such period, after deducting business expenses including depreciation, interest and corporate and other taxes, shall be the profit for such fiscal period, and shall be disposed of in the following order of priority:

- a. Replenishment of any capital deficit carried over from prior years, if any;
- b. Contributions to reserves required by law and such other reserves as may be decided by the general meeting of shareholders; and
- c. Payment of dividends to shareholders, within two (2) months of the date of declaration of such dividends.

### **Article 37. Payment of Dividends**

Dividends shall be paid to the shareholders or the pledgees of the Company who have been duly entered in the Shareholders Register as of the end of each fiscal year.

## **CHAPTER VI. ADDENDA**

### **Article 38. By-laws**

The Company by resolution of a meeting of the Board of Directors may adopt, amend, or repeal By-laws.

### **Article 39. Application of the Commercial Code**

Matters not specifically provided for herein shall be determined in conformity with resolutions adopted at meetings of the Board of Directors, with resolutions adopted at general meetings of shareholders and/or with the relevant provisions of the Korean Commercial Code as the case may be.

### **Article 40. Language of Company Documents**

All notices, agenda, the financial statements, and related documents and reports made or utilized in relation to meetings of shareholders and Board of Directors meetings shall be prepared in the English and Korean languages, unless the shareholders or directors on any specific occasion otherwise so agree.

#### **Article 41. Secrecy**

Every Director, auditor or other collaborator of the Company shall, if required by the Directors, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required to do so by the Directors or by any general meeting or by a court of law, and except so far as may be necessary in order to comply with any provision contained in these Articles.

#### **Article 42. Promoters Information**

The names, and addresses of the promoters of the establishment of the Company are as follows: