

# Guidelines on the Standard and Procedure for Imposing Fees

Effective, February 2014

## Article 1. Purpose

The purpose of these guidelines is to define the standard and procedure for imposing fees to protect the investor's interest pursuant to the Financial Investment Services and Capital Markets Act of Korea ("FSCMA").

## Article 2. Scope of Application

This guideline shall be applied to matters regarding the standards and procedure for imposing fees received by the company from investors, other than those prescribed under the FSCMA, Presidential Decree of the FSCMA, Enforcement Regulations of the FSCMA, FSC Regulation under the FSCMA, FSC Enforcement Rule under the FSCMA and other related regulations ("Related Regulations").

## Article 3. Types of Fees

"Fees" under this guideline refers to remuneration and fees ("Fees") applied to Discretionary Investment Management ("DIM") assets. The type of fees is the following.

1. DIM fees: remuneration provided by the investor to the company in consideration of the company's management of DIM assets.

## Article 4. Standard for Imposing Fees

1. The fees shall be reasonably decided in consideration of the nature of the DIM assets, the level of service required, etc.
2. The company shall not receive additional fees aside from the fees agreed with the investor.

## Article 5. Procedure for Imposing Fees

1. In principle, the fees shall be calculated by multiplying the total net assets by the fee rate agreed with the investor, unless the level and calculation method of DIM fees are required to be calculated differently in the Related Regulations. This shall also be in accordance to the DIM agreement with the investor. Subject to the Related Regulations, performance fees may also be charged if agreed in advance by the investor and if included in the DIM agreement with the investor.
2. In principle, the payment of fees calculated in accordance with Paragraph 1 shall be made by the investor at the request of the company. The details of fees such as payment period or the payment deadline shall be in accordance with the DIM agreement with the investor.

## Article 6. Report

The enactment of these guidelines or amendments hereto shall be reported to the Korea Financial Investment Association.

### Addenda

**Article 1. Effect Date.** These standards shall enter into effect as of February 2014.