

# Code of Ethics and Business Conduct

Department in charge: Legal Compliance Team

Created: Jun. 18, 2018

Revised: Mar. 24, 2021

## Chapter 1. General Provisions

### Article 1 (Purpose)

The purpose of the Code of Ethics and Business Conduct (hereinafter “the Code”) is to protect investors and promote the development of the capital market through the ethical management of Mirae Asset Securities (hereinafter “the Company”).

### Article 2 (Scope of Application)

The Code applies to the Company and its executives and employees (hereinafter “the employees”), and should be observed with respect to current and potential investors.

### Article 3 (Operation of the Code)

In order to protect investors, the Company enacts and operates the Code that includes business treatment principles and practical guidelines, and discloses the Code publicly via appropriate methods, such as the Company's website.

## Chapter 2. Code of Ethics and Business Conduct

### Article 4 (Confirmation of Compliance with the Code)

① The Company may check whether the sales executives and employees (hereinafter “the sales employees”) of financial investment products comply with the Code.

② In the event of a financial accident or an investor's complaint, the Company shall check whether the sales employees of financial investment products comply with the Code.

③ If any illegal or unfair acts are found while checking the compliance of the Code, the Company shall proceed with an investigation and promptly take necessary measures to prevent similar acts from occurring in the future.

#### **Article 5 (Provision of Information in the Sales Process)**

The Company and sales employees selling a financial investment product shall comply with the following clauses to prevent incomplete sales and to ensure that necessary information is sufficiently provided to investors:

1. Make the utmost effort to prevent incomplete sales by providing investors with sufficient selective information on financial investment products and information on important risk factors such as the characteristics of financial investment products, the possibility of losing the principal amount, and disadvantages in case of interim termination of the products.
2. Information provided to investors must be prepared in a way that is easy for investors to understand according to the principles of the following paragraphs:
  - a. It should be described simply and clearly so that it is easy for investors to understand.
  - b. It should be based on objective facts and any information that might be misunderstood by investors should not be stated.
  - c. It shall not contain any content that harms fair competition among peer financial investment companies or distorts facts.
  - d. When promoting products and services through public media as newspapers and broadcasts, the responsibility for such content should be clarified and the content should not mislead investors.
3. If the Company outsources a part of its business to a third party in relation to the services being provided to investors, the Company shall inform the investors of the details of such outsourcing.

#### **Article 6 (Preparation of Contract Documents, etc.)**

- ① The Company and the employees should use standardized terms so that the investors can easily understand the content of the contract, under which the important parts should be clearly marked with symbols, colors, and/or bold and large characters to make them easy to recognize.
- ② When the Company and the employees conclude a contract with an investor, the

contract documents should be delivered to the investor without delay. However, in cases falling under any of the following subparagraphs, contract documents may not be delivered:

1. A basic contract for trading financial investment products, such as setting up a trading account, is concluded and transactions are made continuously and repeatedly under such contract details;

2. The investor expresses in writing that he/she refuses to receive the contract documents; or

3. The investor expresses in writing that he/she intends to receive the contract documents via mail or e-mail, and thereby the contract documents are delivered accordingly.

③ The Company and the employees must include the following items in the contract documents being provided to investors:

1. Detailed criteria for charging fees, such as fee types and rates thereof;
2. When providing a credit to an investor, the detailed interest rate criteria such as the interest rate calculation method, and transaction structure and risk of the credit;
3. How to submit a complaint, etc.;
4. If there is a limit on the liquidity of financial investment products in which the investor invested, the details thereof; and
5. Terms and conditions of contract termination.

## **Article 7 (Principle of Suitability and Appropriateness)**

① When recommending investment to a general investor, the Company and the sales employees of financial investment products shall not proceed with the recommendation in case it is deemed unsuitable for the general investor in light of the general investor's investment purpose, property situation, investment experience etc. Thus, information on the general investor's investment purpose, property situation and investment experience should be gathered through interviews and questions prior to making a recommendation.

② If the Company and the sales employees of financial investment products intend to sell derivatives or other financial investment products falling under any of the subparagraphs of Article 52-2 (1) of the Enforcement Decree of the Capital Markets Act (hereinafter "the Derivatives, etc.") without making any recommendation, information on the general investor's investment purpose, property situation,

investment experience etc. should be gathered through interviews and questions.

③ The Company and the sales employees of financial investment products shall inform the general investor of the following facts if the Derivatives, etc. are deemed unsuitable for the general investor in light of the general investor's investment purpose, property situation, investment experience etc.:

1. The contents of the Derivatives, etc. and the risks associated with the investment; and

2. The fact that the relevant Derivatives, etc. are not appropriate for ordinary investors, considering investment purpose, property situation, investment experience etc.

### **Article 8 (Sales Principles)**

The Company and the sales employees of financial investment products shall not engage in any of the following acts when recommending investment and selling the financial investment products, and shall make every effort to comply with relevant laws and regulations and to maintain sound financial transactions:

1. The act of telling a falsehood;

2. The act of providing conclusive judgment on uncertainties or informing investors of content that may be mistaken for certainty;

3. The act of using real-time conversation methods, such as visits and telephone calls with no request for investment recommendations from investors. However, this excludes a case where investment recommendation is made for securities and over-the-counter derivatives;

4. The act of recommending an investment when it is deemed inappropriate in light of its purpose, property situation, investment experience etc. of an ordinary investor, or forcing the acquisition of other financial investment products against the will of the investor;

5. The act of not fully giving notice of the investment risk involved in financial investment products or understating the investment risk when advertising the investment;

6. The employee's act of selling financial investment products without having sufficient understanding of the risks associated in the relevant financial investment products, or without holding qualification requirements prescribed by relevant laws and regulations.

### **Article 9 (Investment Advertisement)**

- ① The Company and the employees should use standardized terms so that investors can easily understand its investment advertisements.
- ② The Company and the employees shall not harm the fair-trade order or use expressions different from the facts in the investment advertisement and shall make the utmost effort to include content required to foster a sound investment culture.

### **Article 10 (Prevention of Conflict of Interest)**

In the event that a conflict of interest arises or such a situation is expected between the Company and the investor or between the investors, the Company and the employees shall take measures in advance to prevent any problems in investor protection under the internal control standards set by the Company. If it is difficult to reduce the likelihood of the conflict, the fact shall be notified to the investor, and trading or any other transactions should not be carried out further.

### **Article 11 (Notification of Trading Details)**

- ① In the event that a financial investment product is traded, the Company and the employees shall, without delay, notify the type, item, quantity, price, and expenses such as fees of the transaction and other transaction details in accordance with the method prescribed by relevant laws and regulations. However, if the investor does not want to be notified, the notification may be completed by placing it at a branch office or other business offices, or by making the inquiry possible via access to internet website so that it can be viewed by the investor from time to time.
- ② The Company and the employees shall prepare monthly trading details, monthly trading details for accounts with other transactions, profit and loss details, monthly ending balance and status of balance, status of outstanding derivatives contracts as of end of the month, balance of deposits, required amount for consignment guarantee money, etc. in a manner the investor can easily understand, and notify the investor per the method prescribed by relevant laws and regulations.
- ③ The Company must prepare and operate necessary procedures so that investors can raise objections to the accuracy of trading details.

### **Article 12 (Withdrawal/Release, etc.)**

The Company and the employees shall respond to the investor's request for withdrawal/release or transfer of the assets (hereinafter "the Withdrawal") in the account without delay, except for the cases where the Withdrawal is limited by relevant laws and regulations, or if necessary due to the nature of the relevant financial investment product, or to prevent telecommunication financial fraud.

### **Article 13 (Business Processing)**

① As faithful managers exercising due care, the Company and the employees shall faithfully carry out duties to enable fair and accurate business processing of the investor's trading orders, dividend payment and deposit of investor deposit fees, and the investor's exercise of various rights.

② The Company shall be equipped with an appropriate internal control device preventing financial malpractice and take measures without delay to minimize damage to investors in the event of a financial malpractice.

③ Each team/branch must have procedures for preventing financial malpractice and comply with them, such as checking the adequacy of the computer system and creating systems to obtain an internal verifier's approval for job duties having a high probability of malpractice.

### **Article 14 (Retention of Records)**

The Company and the employees shall keep and maintain the following data for the period stipulated by the relevant laws and regulations:

1. A copy of the investor's real name confirmation certificate;
2. Materials related to contract concluded with investor and various risk notices;
3. Periodic reports provided to the investor;
4. Materials related to investment recommendations;
5. Materials on the investor's trading of financial investment products, such as trade order records and trading details, and other transaction-related data;
6. A copy of declaration of investment submitted from the investor in connection with the trading of financial investment products; and
7. Record(s) of the Company's notifications to the investor.

### **Article 15 (Protection of Investor Information)**

① If it is necessary to collect and use personal information related to the sale of

financial investment products, the Company and the employees shall obtain clear consent from the investor, collect and use only the minimum information that meets the purpose, manage it with due care as a faithful manager, and shall not use it for any other purpose.

② When providing the investor's financial transaction information to a third party, the Company and the employees shall notify such facts to the investor unless otherwise stipulated in relevant laws and regulations.

③ The Company and the employees must disclose the handling policy applied to the collection and use of personal information and the provision/sharing of personal information to a third party, and shall notify the investor of the fact that the investor has the right to refuse the provision of personal information to a third party and the disadvantages upon refusal, if any.

#### **Article 16 (Handling of Complaints, etc.)**

① In the event of damage to investors during the sales process, the Company and the sales employees of financial investment products shall make every effort to promptly relieve the damage.

② The Company shall establish and operate a process to promptly and fairly deal with the complaints of investors.

③ The Company shall designate personnel in charge of handling complaints from investors, and have the personnel handle the complaints.

④ The Company shall post the complaint handling procedures at the Company's branch offices and on its website.

⑤ The Company shall monitor any complaints related to the sale of financial investment products from time to time, and if necessary, spread the details of those complaints to the employees so as to prevent similar complaints from occurring.

⑥ In the event of a dispute between the Company and the investor, the Company shall inform the investor through the product terms and conditions of the fact that the investor may request the Company's complaint handling organization for its resolution or apply for dispute mediation to the Financial Supervisory Service, Korea Financial Investment Association and Korea Exchange, etc.

#### **Article 17 (Disclosure of Products)**

The Company and the employees shall comply with the following principles when disclosing the financial investment products on the Company's website:

1. Shall make it simple and clear for investors to understand;
2. Shall state based on objective facts; and
3. Shall not include information that may cause misunderstanding on the part of an investor.

#### **Article 18 (Evaluation and Compensation System Related to Sales)**

① The Company shall prepare an evaluation and compensation system for the sales employees of financial investment products and sales units, so that conflict of interest does not occur between financial investment product sales employees and investors in the course of product sale.

② In preparing the evaluation and compensation system pursuant to Paragraph 1 above, the Company shall fully reflect not only the sales performance, but also the number of incomplete sales, survey results on investor's satisfaction, fidelity of contract-related documents, and the results of sales process appropriateness inspection, and thereby achieve practical differentiation in the evaluation results.

#### **Article 19 (Designation of General Manager in Charge of Consumer Protection)**

① By selecting one of the business executive managers (executive level), the Company shall designate at least one General Manager to be in charge of financial consumer protection with an independent status equivalent to that of a Compliance Officer. However, if it is not appropriate to designate a business executive manager, considering the nature of the business, the Compliance Officer may concurrently serve as the General Manager in charge of financial consumer protection.

② The General Manager in charge of financial consumer protection must not have received any action that exceeds a censure warning or reduction in salary from the Financial Services Commission or Director of the Financial Supervisory Service for the past 5 years in violation of financial related laws.

#### **Article 20 (Duties of General Manager of Consumer Protection)**

The General Manager of financial consumer protection shall report to the CEO without delay if the rights and interests of investors have been infringed or there is a significant risk of infringement, and the CEO must confirm the reported matters



and promptly take all necessary measures.

#### **Article 21 (Reporting the Receipt of Money, Goods and Entertainment, etc.)**

① If the employees received money, goods, or entertainment in excess of a certain amount set by the Company in performing their company duties, they shall, without delay, report such facts to the Company according to procedures set forth in “Internal Control Standards”, “Internal Control Standards Enforcement Rules”, and “Standards of Code of Ethics”.

② The employees shall not request gifts or receive entertainment beyond social norms or other money/goods in performing their company duties.

#### **Article 22 (Trading by Employees)**

① The employees shall ensure that conflict of interest does not occur between investors, the Company or shareholders in relation to his/her trading of financial investment products and shall not engage in any acts that may cause losses to investors, the Company, or shareholders by using their job positions.

② The Company shall establish appropriate standards and procedures to be followed by the employees in order to prevent any unfair activities or conflicts of interest with the investors resulting from employees’ trading of a financial investment product on his/her own account and shall confirm the trading details of the employee’s financial investment products as prescribed by the relevant laws and regulations.

#### **Article 23 (Reporting Illegal Acts, etc.)**

The Company shall prepare and operate procedures to be handled by a dedicated employee who receives reports from investors and employees on any illegal act/misconduct or unfair transactions by the Company and the employees via website/telephone/facsimile etc., and internal regulations to protect whistleblowers.

### **Chapter 3. Miscellaneous**

**Article 24 (Revision and Abolishment)** The Code may be revised or abolished upon approval of Compliance Officer.

**Addendum**

(Effective Date) The Code shall become effective on Jun. 18, 2018.

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