

# CODE OF ETHICS

<Final Date of Proclamation: Jun. 14, 2018>

## CHAPTER I GENERAL PROVISIONS

### Article 1(Purpose)

The purpose of this Code of Ethics (hereinafter referred to as the “Code”) is to define the code of conduct to be observed by the employees of the KEPCO Engineering & Construction Company. Inc.(hereinafter referred to as the “Company”) to prevent corruption and provide a clean and transparent public service environment according to Article 8 of the Act on Anti-Corruption and the Establishment and Operation of the Anti-Corruption and Civil Rights Commission. <Rev. Sep. 28, 2016, Jun. 14, 2018>

### Article 2 (Definition)

The terms used in the Code shall have the following meanings:

1. “Employees” shall refer to all directors (including executives) and staff members (including those with a special career) who are registered on the payroll of the Company. <Rev. Jun. 14, 2018>.
2. “Head of Department” shall mean the chief of each unit organization of the Company to which the relevant employees belong; and the General Manager shall be the Head of Department for the employees, except the director and general manager; the Division Director shall be the head for the general managers; and the president of the Company shall be the head for the division directors in accordance with Article 4 of the Rules for Entrustment and Approval by the Delegated Authority. <Rev. Sep. 28, 2016, Jun. 14, 2018>
3. “A person(s) engaged in a duty” shall refer to an individual (If an employee is in the position of a private person, he/she shall be regarded as an individual), corporation or group of individuals falling under each of the following subparagraphs, other than those related to their own business. <Rev. Jun. 14, 2018.>
  - a. Persons, corporations or groups of individuals who are applying or will definitely apply for civil petitions to the Company. <Rev. Jun. 14, 2018.>;
  - b. Persons, corporations or groups of individuals who are to be supervised, inspected or audited. <Rev. Jun. 14, 2018.>;
  - c. Persons, corporations or groups of individuals who are directly advantaged or disadvantaged by a decision, appraisal, test, correction or adjustment. <Rev. Jun. 14, 2018.>;
  - d. Persons, corporations or groups of individuals who have executed or will definitely execute a contract with the Company. <Rev. Jun. 14, 2018.>;

- e. Persons, corporations or groups of individuals who request the Company to perform a specific action or who are affected monetarily by exercising or omitting the ex officio rights of the employees of the Company. <Rev. Jun. 14, 2018.>;
  - f. Persons, corporations or groups of individuals who are advantaged or disadvantaged by a decision or by the execution of the Company's policy or business. <Rev. Jun. 14, 2018.>;
  - g. Persons, corporations or groups of individuals who are engaged in the Company's business to prevent corruption by order of the president. <Rev. Jun. 14, 2018.>.
4. "Employee engaged in a duty" shall refer to an employee who gains an advantage or is disadvantaged with regard to the performance of his/her duties among those who fall under any of the following:
- a. Those employees who are in a position to receive instructions with regard to the performance of their duties;
  - b. Employees other than those who conduct business pertaining to personnel affairs, budget, audit, awards or personal evaluation;
  - c. Employees who are entrusted with or consigned Company business; and employees who are assigned by the president;
  - d. Employee who is assigned by the president.
5. "General Manager of the Code of Ethics" shall mean the head of the ethical management department. <Rev. Mar. 13, 2014>
6. The "Manager of the Code of Ethics" shall refer to the audit manager, head of ethical business management, manager of financial management, heads of departments under the direct control of the president (manager of future technology research, manager of quality safety environment), and the manager of the business generalization department of the business headquarters (division). <Rev. Mar. 13, 2014, Sep. 28, 2016, Aug. 1, 2017, Jan. 30, 2018, Jun. 14, 2018>
7. "Money and valuables" shall mean any one of the following: <Rev. Sep. 28, 2016>
- a. Profit in terms of property, including money, marketable securities, real property, goods, a hotel voucher, membership, tickets, discount coupons, invitational tickets, admission tickets and right to use real property, etc.<New, Sep. 28, 2016>;
  - b. Entertainment with food, alcoholic beverages, golf etc. or the provision of conveniences such as transportation and lodging. <New, 28 Sep. 2016>;
  - c. Tangible and intangible economic profit including but not limited to waiver of obligation, provision of job or privileges. <New, 28 Sep. 2016>
8. "Subcontractor or supplier" shall mean those companies which have executed an agreement with the Company in areas required by the Company.

### Article 3 (Application)

This Code of Ethics shall apply to all of the Company's employees. <Rev. Jun. 14, 2018.>

#### **Article 4 (Obligations and Responsibilities)**

- ① All of the Company's employees shall fully understand and comply with this Code of Ethics and shall be responsible for any violation of the Code on their part. <Rev. Jun. 14, 2018.>
- ② The Company may request its employees to submit a written oath of integrity and to observe the Code so as to guarantee the establishment of an ethical environment and full compliance with the Code. <Rev. Jun. 14, 2018.>
- ③ The Company manages the "KEPCO E&C Code of Ethics for Engineers" which incorporates the features of professional engineering works and is described in Appendix 1. The relevant employees shall comply with the Code. <Rev. Mar. 13, 2014, Oct. 16, 2014, Mar. 31, 2016, Jun. 14, 2018>
- ④ Whenever Company employees meet with subcontractors or suppliers (including vendors) for business purposes, they shall use the meeting place designated by the Company, and all those who attend such meetings shall sign Form #1 (Pledge of Honor) attached hereto prior to opening the proceedings thereof. The signed Pledge of Honor shall be submitted to the Manager of the Code of Ethics. <New, Oct. 16, 2014, Rev. Jun. 14, 2018.>

## **CHAPTER II FAIR DUTY PERFORMANCE**

#### **Article 5 (No Differential Treatment)**

The Company's employees shall neither accord preferential treatment to nor discriminate against any individual, corporation or group on the basis of regional identity, blood ties, school background, religion, etc. during the performance of their duties. <Rev. Sep. 6, 2013, Sep. 14, 2018>

#### **Article 6 (No Mediation and Solicitation)**

- ① The employees shall neither mediate nor solicit unjustifiable interest for their own purposes or on behalf of others, nor hinder public officials, including employees, in the fair performance of their duties. (Public officials are those defined in Paragraphs A and B, Clause 3, Article 2 of the said Act).
- ② The employees shall not introduce other persons engaged in any Company business to other persons who are involved in the business or to public officials for their own benefit or that of others. <Rev. Sep. 28, 2016, Jun 14, 2018>
- ③ The Employees shall neither engage in nor solicit any of the following acts by persons are not public officials by exercising their authority to perform duties or exercising their de facto influence deprived of their position or duties due to unjustifiable interest for their own purpose or on behalf of others. <New, Jun. 14, 2018>
  1. Intervene so as to influence investment, deposit, rental, donation, support or sponsorship or exercise influence over a specific individual, entity or company. <New, Jun. 14, 2018>:
  2. Intervene in or attempt to influence personnel affairs such as employment, promotion, transfer or disciplinary action. <New, Jun. 14, 2018>
  3. Disclose or leak the business secrets of the Company including information related to bidding, auction, research and

development, testing or patents, etc. <New, Jun. 14, 2018>

4. Intervene in or attempt to exercise influence concerning the decision of a contractor or the execution of a contract. <New, Jun. 14, 2018>

5. Attempt to influence or bring about the sale, exchange, use, occupation or provision of the profits of goods and services to a specific individual, entity or company beyond normal transaction practices. <New, Jun. 14, 2018>

6. Intervene in or exercise influence over decisions pertaining to rewards or awards. <New, Jun. 14, 2018>

7. Attempt to select or exclude a specific individual, entity or company from audit or investigation, manipulate the outcomes of such audit or investigation, or tolerate or turn a blind eye to violations thereof. <New, Jun. 14, 2018>

8. Other acts determined by the President of the Company as being relevant to mediation or solicitation that hinder the fair performance of duties by persons who are not public officials. <New, Jun. 14, 2018>

#### **Article 6-2 (Reporting a Private Contact with a Retired Employee)**

① In the event that an Employee engages in any of the following acts with a retired Employee (i.e. a person who has left the Company within the last two years) involved in a related duty of a related department of the Company, the Employee shall report the facts in writing to the Manager of the Code of Ethics in advance by filling in Form #14 (Preliminary Report on Contact with a Retired Employee) attached hereto. However, such obligation to report is exempted in cases where such contact is allowed by other rules of the Company or social customs. <Rev. Jun. 14, 2018>

1. Playing golf with Retired Employees who are involved in a duty.

2. When an employee accepts entertainment such as eating or drinking paid for by a retired Employee who is engaged in a duty (including payment by the entity, company or sponsor for which the retired Employee is working). <New, Jun. 14, 2018>

3. Travelling with Retired Employees involved in a duty.

4. When an employee engages in such activities as gambling for the purpose of amusement with a retired Employee engaged in a duty. <New, Jun. 14, 2018>

② Employees shall not disclose trade secrets related to a duty to Retired Employees. <Rev. Jun. 14, 2018.>

③ If such report is difficult to make beforehand, notwithstanding Paragraph 1 hereinabove, the report shall be made within five days of the contact with the retired Employee. <New, Jun. 14, 2018>

[New, Oct. 16, 2014] [Title revised, Oct. 16, 2017]

#### **Article 6-3 (Restriction on Sponsorship Requests)**

① The Company's employees shall not request a person engaged in a duty of sponsorship using their position for events supported by the Company such as athletics meets, campaigns to help the needy, affinity group activities, etc. <Rev. Jun. 14, 2018.>

② The types of sponsorship specified in paragraph 1 above shall include the provision of expenses, goods, manpower, services or places required directly or indirectly for such events.

[New, Oct. 16, 2014]

**Article 6-4 (Restriction on Employment Requests)**

The Company's employees shall not request an employee to provide employment of their relatives or other persons. <Rev. Jun. 14, 2018.>

[New, Sep. 21, 2015]

**Article 6-5(Blocking Goods for Solicitation of Visitors)**

The department responsible for visitor control shall block the bringing in of goods that are in appropriate to the ethics of integrity by visitors who enter the Company's premises.

[New, Sep.6, 2017]

**Article 7 (No Request for Personnel Affairs)**

- ① The Company's employees shall not allow other employees to solicit an appointment, promotion or transfer from the Company employee in charge of personnel affairs nor allow attempts to influence him/her illegally. <Rev. Jun. 14, 2018.>
- ② The Company's employees shall not allow other employees to solicit an appointment, promotion or transfer from the Company employee in charge of personnel affairs nor allow attempts to influence him/her illegally. <Rev. Jun. 14, 2018.>

**Article 8 (Avoid Duties of Stake)**

- ① In the event of any of the following, the Employee shall report in writing (or by electronic means) to the Manager of the Code of Ethics in advance by filling in Form #15 (Report on Private Stake) attached hereto. If, however, the Employee is addressing a simple public complaint, such obligation to report shall be exempted. (Rev. Dec. 18, 2014, Sep. 28, 2016, Jun. 14, 2018>
  1. When the Employee is directly engaged in a duty. <Rev. Sep. 28, 2016, Jun. 14, 2018>
  2. When the duty related person is the one within first cousin (i.e. a family relation as defined in Article 767 of the Civil Act) of the Employee. <Rev. Sep. 28, 2016, Jun. 14, 2018>
  3. When the entity or company for which the Employee has worked within the previous two years is directly engaged in a duty. <Rev. Sep. 28, 2016, Jun. 14, 2018>
  4. When the duty related person belongs to an entity or company where the Employee or a member of his/her family (as defined in Article 779 of the Civil Act) is either an employee or an external director. <Rev. Sep. 28, 2016, Jun. 14, 2018>
  5. Those employees who are regarded as not having performed their duties fairly due to their continuous friendly relations with another employee due to school ties, regional identity, or shared religion, or because they joined the Company at the same time <Rev. Dec. 18, 2014, Jun. 14, 2018>
  6. Those employees who have worked in the same department for five years of leaving the Company. <New, Dec. 18, 2014, Rev. Jun. 14, 2018.>
  7. Those employees who are regarded as not having performed their duties fairly due to their continuous friendly relations with another employee who has accorded them an interest directly by performing duties pertaining to the acquisition of a permit or license, the execution of a contract, or a decision on or the implementation of a policy or business within the last 2years. <New, Dec. 18, 2014>

8. When the Employee him/herself or his/her family acts for or on behalf of the person engaged in a duty or provides such person with an advice or consulting service or is hired by the entity or company undertaking the advice or consulting service for the duty. <New, Jun. 14, 2018>
9. When the duty related person belongs an entity or company in which an Employee or members of his/her family owns shares, equity or capital in excess of the rate provided in any of the following paragraphs (hereinafter referred to as “Company of Special Relationship”):
- a) A company in which more than 30/100 of the total number of issued shares is owned by the Employee or a member of his/her family. <New, Jun. 14, 2018>
  - b) A company in which more than 30/100 of the total investment equity is owned by the Employee or a member of his/her family. <New, Jun. 14, 2018>
  - c) A company in which more than 50/100 of the aggregated sum of capital is owned by the Employee or a member of his/her family. <New, Jun. 14, 2018>
10. Those who engage in a monetary transaction in excess of a certain amount. <New, Jun. 14, 2018>
11. Those employees who are regarded as not having performed their duties fairly as decided by the Company. < New, 28 Sep. 2016>
- ② With regard to the stakeholders in relation to the Employee engaged in a duty or his/her conducting duty, if the relevant Employee falls under any of following paragraphs, he/she may apply for a re-assignment of his/her duties in writing to the Manager of the Code of Ethics by filling Form #16 (Application for Re-Assignment of Duties of a Stakeholder) attached hereto. <Rev. Dec. 18, 2014, Jun. 14, 2018>
- ③ Employees may apply for re-assignment of their duties by filling in Form #17 (Application for Re-Assignment of Duties of Employees), even when their private interest or concern is acknowledged in addition to any of paragraph 1 hereinabove with the person engaged in the duties. <Rev. Dec. 18, 2014, Jun. 14, 2018>
- ④ When the Manager of the Code of Ethics who, upon receiving a report according to paragraph 1 above or an application as described in paragraphs 2 or 3 above, considers that the duties of the reporter or applicant will hinder the fair performance of their duties, the Manager may request the head of their department to take any of following actions: <New, Jun. 14, 2018>
1. Temporary suspension of participation in the said duties. <New, Jun. 14, 2018>
  2. Assignment of a substitute or joint performer of the said duties. <New, Jun. 14, 2018>
  3. Re-assignment of the said duties. <New, Jun. 14, 2018>
  4. Transfer <New, Jun. 14, 2018>
- ⑤ Notwithstanding paragraph 4 above, the said Manager may request the relevant employee to continue to perform his/her duties in any of the following cases below, and shall verify and inspect the employee’s fair performance of his/her duties. <New, Jun. 14, 2018>
1. If substituting the employee concerned proves to be extremely difficult. <New, Jun. 14, 2018>
  2. If the need for the Employee concerned to continue to perform his/her duties is greater than the need for substitution for the benefit of the public interest. <New, Jun. 14, 2018>
- ⑥ The Manager of the Code of Ethics shall record and manage any reports made according to paragraph 1 above, any applications filed according to paragraphs 2 and 3 above, any actions taken according to paragraph 4 above, and any verification and inspection undertaken according to paragraph 5 above. <New, Jun. 14, 2018>

- ⑦ Issues pertaining to the reporting of private interests or concerns as defined in paragraphs 1 thru 6 shall be described in detail by the Manager of the Code of Ethics. <New, Jun. 14, 2018>

#### **Article 9 (Reporting the Activities of Employees in the Private Sector)**

- ① Employees shall report all previous activities undertaken in the private sector during the preceding three years before their appointment to their position or the start of their term of service within thirty days of such appointment or commencement of their term. In the event of being appointed as president of the Company, he/she shall submit a report to the Manager of the Code of Ethics by filling in Form #18 (Description of Activities of Employees in the Private Sector).
- ② Each of the following shall be included in the report specified in paragraph 1 above:
1. Name of the entity or company for which the Employees worked and a description on their activities at such entity or company.
  2. Description of the business or profit-making activities managed or operated by the Employees during their term of service with such entity or company.
  3. Other matters as stipulated by the president of the Company.
- ③ The Manager of the Code of Ethics shall keep and manage the said reports submitted according to paragraph 1 above.
- [New, Jun. 14, 2018]

#### **Article 10 (No Profit-Making Activities related to Duties)**

- ① Employees shall not engage in any of the following acts in relation to their duties. If, however, their involvement is allowed by other rules, this rule shall not apply.
1. Acts involving the provision of labor, advice or consultation privately to a person engaged in duties to be paid for by the person.
  2. Acts involving work for or on behalf of another party or the provision of advice, consultation or information to that party, in relation to a duty in which the Company becomes party to a lawsuit or has a direct interest or concern.
  3. Acts involving work for or on behalf of a foreign government, organization, company or entity. However, this shall not apply if the President of the Company allows it.
  4. Acts such as taking another post related to the duties of the Company. However, this shall not apply if the President of the Company allows it.
  5. Acts as deemed by the President to hinder an employee's performance of his/her duties with integrity.
- ② The President shall either suspend an Employee or instruct him/her to desist from an act that is regarded as falling under any of the subparagraphs of paragraph 1 above.
- [New, Jun. 14, 2018]

#### **Article 11 (Restriction on Employment of Family Members)**

- ① The Directors shall not exercise unlawful influence in the employment of their family member(s) by the Company or by organizations owned or invested in by the Company or any of its subsidiaries, sub-subsidiaries or affiliated companies (hereinafter referred to as "subsidiaries") as defined in Article 2 of the Monopoly Regulation and Fair Trade Act.
- ② Staff members responsible for the personnel affairs of the Company (including those with the authority to exercise de

facto influence over such affairs) shall not exercise unlawful influence in the employment of their family member(s) by the Company.

- ③ Staff members responsible for directing, supervising or regulating the Company's subsidiaries shall not exercise unlawful influence in the employment of their family member(s) by its subsidiaries. [New, Jun. 14, 2018]  
[New, Jun. 14, 2018]

#### **Article 12 (Limitation of Execution of a Free Contract)**

- ① The Directors shall not execute a free contract for the supply of goods or services or the execution of construction works (hereinafter referred to as a "Free Contract") with the Company or organizations belonging to the Company or its subsidiaries, and shall not allow members of their family, or companies of special relationship to execute a free contract with the Company or with organizations belonging to the Company or its subsidiaries.
- ② Staff members responsible for the execution of contract shall neither execute free contracts with the Company and nor allow members of their family to execute free contracts with the Company.
- ③ Staff members responsible for directing, supervising and regulating the Company's subsidiaries shall neither execute free contracts with the subsidiaries nor allow members of their family to execute free contracts with such subsidiaries.  
[New, Jun. 14, 2018]

#### **Article 13 (No Budget Use for Other Purpose)**

- ① The Company's employees shall not incur property damages to the Company by using the business expenses assigned to them, including travel expenses or business operating expenses, for any other purposes. <Rev. Jun. 14, 2018.>
- ② The Company's employees shall not use Company credit cards for personal use or for other purposes irrelevant to the Company's business, and they shall observe all the provisions specified in the "Procedures for controlling the use of corporate credit cards." <Rev. Sep. 28, 2016, Jun. 14, 2018>  
[Moved from previous Article 9, Jun. 14, 2018]

#### **Article 14 (No Political Intervention)**

- ① The Company's employees shall not intervene in politics illegally, such as by joining a certain political party or supporters association in violation of the applicable laws and regulations.<Rev. Jun. 14, 2018.>
- ② The Company's employees shall be careful not to allow it to be misunderstood that their legal political activities are also the Company's political activities even though their political activities are legal.<Rev. Jun. 14, 2018.>  
[Moved from previous Article 10, Jun. 14, 2018]

#### **Article 15 (Instructions Hindering Fair Performance of Duties)**

- ① The Company's employees shall not issue their subordinates with any orders or instructions that may hinder their fair performance of their duties, or that violate the applicable laws or regulations, in order to benefit themselves or a third party.<Rev. Jun. 14, 2018.>
- ② In the event that an Employee is instructed by their senior to perform or engage in an act that may violate paragraph 1



above, the Employee concerned shall explain it to the senior according to Form #2 (Explanation of Instructions that May Hinder Fair Performance of Duties) and shall not obey such instruction, or may consult with the Manager of the Code of Ethics on the matter. <Rev. Sep. 6, 2013, Jun. 14, 2018>

- ③ If a superior repeats such unfair same instruction despite the employee's refusal to comply with it as provided paragraph 2 above, the employee concerned shall report the facts to the General Manager immediately.<Rev. Jun. 14, 2018.>
- ④ The General Manager who has been asked to consult with the employee concerned as described in paragraph 2 or 3 above shall review such instruction and report it to the Company president, if such instruction needs to be cancelled or amended. If, however, the superior who has given the unfair instruction cancels or amends it while it is under review, the General Manager may not report it to the president. <Rev. Sep. 6, 2013, Mar. 13, 2014, Jun. 14, 2018>
- ⑤ The Company president shall take the necessary measures, including the cancellation of or amendment to such instruction, upon receiving a report from the General Manager. A superior who repeatedly issues an unfair instruction may be reprimanded in the event that it hinders the employee's fair performance of duty according to paragraph ② above. <Rev. Sep. 6, 2013, Mar. 13, 2014>
- ⑥ The Company's employees shall not be discriminated against nor suffer any disadvantage in the event that they refuse to comply with an unfair instruction as provided in paragraphs 1 and 2 above. . <Rev. Jun. 14, 2018>

[Moved from previous Article 11, Jun. 14, 2018]

#### **Article 16 (Dealing With Unfair Request by a Politician, etc.)**

- ① Employees who are either forced or requested to perform unfair duties by a politician, political party, public official or government shall report the facts thereof to the General Manager of the Code of Ethics. <Rev. Jun. 14, 2018.>
- ② The General Manager who receives a report as provided in paragraph 1 above shall take the proper measures so as to allow the relevant employee to perform his/her duties fairly.<Rev. Jun. 14, 2018.>

[Moved from previous Article 12, Jun. 14, 2018]

## **Chapter III NO UNDUE BENEFIT**

#### **Article 17 (No Influence Peddling)**

- ① The Company's employees shall not accept any undue benefit or allow any other employees to accept such benefit by using their position in the Company.<Rev. Jun. 14, 2018.>
- ② The Company's employees shall not use the Company name or their position in the Company nor allow other employees to use the Company name or their position for their own or another's benefit.<Rev. Jun. 14, 2018.>

[Moved from previous Article 13, Jun. 14, 2018]

#### **Article 18 (Restriction on Employment of Retired Employees)**

- ① Directors and employees whose position in the Company is higher than of section chief or *Juim* are not allowed to be employed by an organization (including a private business) falling under each of the following sub-paragraph for three

years from the day when they retire from the Company. (For those who should register their property according to the Public Service Ethics Act, from the date when such obligation to register is exempted). However, in the case of sub-paragraph 1, which does not correspond to sub-paragraph 2, this shall not apply if such employment is granted by the Public Servant Ethics Committee according to the said Act or another applicable law.

<Rev. Mar. 13, 2014, Oct. 16, 2014, Sep. 28, 2016, Apr. 27, 2017>

1. Organizations that restrict employment according to Article 17 of the Public Service Ethics Act. <New, Apr. 27, 2017>
2. Contractors, subcontractors, suppliers, vendors, test and investigation organizations of nuclear power generation-related design engineering. <New, Apr. 27, 2017>

② Any matters related to the restriction of employment of retired employees of the Company that are not specified herein shall be applied mutatis mutandis in accordance with the Public Servant Ethics Act. <New, Apr. 27, 2017>

[Title revised, Apr. 27, 2017] [Moved from previous Article 14, Jun. 14, 2018]

#### **Article 19 (No Personal Use and Gain of the Objects for Public Use)**

Employees shall not use or earn benefits or revenues from any vehicles, objects or offices provided by the Company for various business purposes, movable assets, real property owned by the Company, or mileage points provided by the Company budget for their personal use without justifiable reason.<Rev. Sep. 28, 2016, Jun. 14, 2018>

[Moved from previous Article 15, Jun. 14, 2018]

#### **Article 20 (No Transaction Using Duty Related Information)**

① Employees shall not engage in transactions of or investment in securities, real estate property, etc. by using closed information obtained in connection with the performance of their duties or allow others to engage in such transactions or investment by providing them with such information.<Rev. Jun. 14, 2018.>

② The term “closed information” provided in the foregoing paragraph 1 refers to information that employees come to acquire during the performance of their duties and that falls under any of the following sub-paragraph:<New, Sep. 28, 2016, Rev. Jun. 14, 2018.>

1. Finance <New, Sep. 28, 2016>
2. Accounting <New, Sep. 28, 2016>
3. Planning <New, Sep. 28, 2016>
4. Research and development <New, Sep. 28, 2016>
5. Public announcements <New, Sep. 28, 2016>

[Moved from previous Article 16, Jun. 14, 2018]

#### **Article 21 (No Request of Labor for Private Purposes)**

Employees shall not be offered or accept private labor by employees related to the duties, nor request or promise to offer private labor by exercising their own rights concerning the performance of duties or by exercising the de facto influence deriving from their position or job. If, however, such offers, requests or promises of labor are permitted under other rules or social customs, this article shall not apply.

<New, Jun. 14, 2018>

**Article 22 (Non-Acceptance of Money and Valuables etc.)**

- ① Employees shall not receive, request or promise money and valuables worth more than KRW1,00,000 per time or KRW3,000,000 per each fiscal year from the same person irrespective of its relation to their duty or for any cause, including donations, support or gifts. <Rev. Sep. 28, 2016, Jun. 14, 2018>
- ② Employees shall not receive, request or promise any money and valuables whose value is less than the amount specified in paragraph 1 above in relation to their duty irrespective of whether they receive anything in return. <Rev. Sep. 28, 2016, Jun. 14, 2018>
- ③ Compensation for delivering a lecture or attending a meeting outside the Company as defined in paragraph 31-2 herein or for receiving money or valuables falling under each of the following sub- paragraphs shall not correspond to the money or valuables which employees are prohibited from receiving or giving as defined in paragraph 1 or 2 above. <Rev.Sep.28,2016., Jan.30, 2018, Jun. 14, 2018>
  1. Money or valuables which are given by the president of the Company to employees or to persons dispatched by other organizations, or which are given by a senior to a subordinate employee for the purpose of conciliation, encouragement or reward. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
  2. Food, congratulatory or condolence money or gifts offered to facilitate the smooth performance of duties or social gatherings or donations not exceeding the value as defined in Appendix 2 hereto. <New, Sep. 28, 2016>
  3. Money or valuables offered by justifiable right, including the redemption of debts by personal transaction (donations are excluded). <New, Sep. 28, 2016>
  4. Money or valuables offered by relatives of employees (Relatives as defined by Article 777 of the Civil Act). <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
  5. Money or valuables offered to employees in distress due to illness, disaster, etc. by persons who are in a continuous and long-term friendly relationship with them according to the rules of the organizations with which the employees are involved, such as an employee mutual aid society, affinity group, school alumni association, hometown alumni association, social gathering, religious group, social group or such like. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
  6. Transportation, lodging, meals, money or valuables that are offered uniformly to employees by the organizers of an official event in relation to the duties of the employees. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
  7. Souvenirs or advertisement/promotional products distributed to unspecified individuals or rewards or commodities given through a competition or lottery draw. <New, Sep. 28, 2016>
  8. Money or valuables that employees are permitted to receive according to social customs or rules. <New, Sep. 28, 2016>
- ④ Notwithstanding sub-paragraph 5 of paragraph 3 above, in the event that an Employee maintains an especially long and continuous acquaintance with the person engaged in the duties, or an Employee related to the duties offers money or valuables to the Employee concerned, he/she shall report it to the Manager of the Code of Ethics by filling in Form #3 (Report on the Receipt of Goods or Money). <New, Sep. 28, 2016, Rev. Jun. 14, 2018>.
- ⑤ Employees shall not allow their spouse or any of their lineal ascendants or descendants to request or receive any money or valuables which employees are prohibited from receiving as provided in paragraph 1 or 2 above (hereinafter referred to as “money or valuables that employees are prohibited from receiving and offering”). <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
- ⑥ Employees shall not allow other employees, their spouse, or lineal ascendants or descendants to offer, promise to offer

or express an intention to offer money or valuables which employees are prohibited from receiving and offering. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>

- ⑦ Employees shall not offer, promise to offer or express an intention to offer any money or valuables to a public official or a politician in relation to their duties on behalf of the Company's interest. However, the cases defined in each subparagraphs of paragraph 3 above shall be excluded. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>

[Title revised. Sep. 28, 2016] [Moved from previous Article 17, Jun. 14, 2018]

#### **Article 23 (Restriction on Receipt of Money or Valuables by a Spouse)**

[Deleted, Sep.28, 2016]

[Moved from previous Article 18, Jun. 14, 2018]

#### **Article 24 (Restriction on Offering Money or Valuables)**

[Deleted, Sep. 28, 2016]

[Moved from previous Article 19, Jun. 14, 2018]

#### **Article 25 (Contract of Integrity)**

- ① Employees shall perform the bidding, negotiations and execution of contracts for purchasing services, goods and construction works of the Company in a fair and transparent manner according to the applicable laws and the Company's rules and regulations. <Rev. Jun. 14, 2018.>
- ② The Employees shall not use their superior position to request money or valuables or make any unlawful demands such as unfair trade conditions, or intervene with the management in the course of bidding, contracting or performing a contract as provided in paragraph 1 above. <Rev. Jun. 14, 2018>.

[Moved from previous Article 20, Jun. 14, 2018]

#### **Article 26 (Standard on the Code of Ethics for Contractors/Suppliers)**

The standard on the code of ethics to be observed by the Company's contractors and suppliers shall be referred to as the Code of Ethics and the employees shall positively lead and assist them in complying with the Code.<Rev. Jun. 14, 2018.>

[Moved from previous Article 21, Jun. 14, 2018]

## **Chapter IV Transparency of Information and Financial Management**

#### **Article 27 (Acquisition and Management of Justifiable and Transparent Information)**

Employees shall obtain all information by fair and justifiable means and record and report it correctly; and they shall not manipulate, lose or destroy it on behalf of a certain individual or group. <Rev. Jun. 14, 2018.>

[Moved from previous Article 22, Jun. 14, 2018]

**Article 28 (Transparent Accounting)**

Employees shall record and manage the accounting record and other financial issues correctly and transparently in accordance with the applicable laws, regulations and generally accepted principles of accounting. <Rev. Jun. 14, 2018.>

[Moved from previous Article 23, Jun. 14, 2018]

**Article 29 (Non Information Disclosure)**

Employees shall not disclose any important information they come to acquire in the course performing their duties to a third party without obtaining the prior approval of the Company. <Rev. Jun. 14, 2018.>

[Moved from previous Article 24, Jun. 14, 2018]

**Article 30 (Announcement of Transparent Information)**

Employees responsible for announcing information shall respond to requests to disclose information about the Company management by the media or public faithfully and honestly according to the applicable laws and the Company rules and regulations in order to secure the transparency of management and establish trustworthy external relationships.

[Moved from previous Article 25, Jun. 14, 2018]

## **CHAPTER V      SOUND ORGANIZATION ENVIRONMENT**

**Article 31 (Declaration of External Lectures and Meetings)**

- ① When employees give a lecture, speech or presentation, or engage in a debate, evaluation, consultation or decision, or contribute an article in return for payment at a seminar, hearing, meeting, teaching or advertisement (hereinafter referred to as “External lectures or meetings”), they shall fill in Form #4 (Declaration of External Lecture or Meeting) attached hereto and submit it for approval by the person entrusted with arbitrary decision via the Department of Ethical Management according to the Rules for Entrusting Arbitrary Decisions. However, if prior declaration is difficult, they shall make a detailed declaration within two days of giving such an external lecture or meeting etc. <Rev. Mar. 31, 2016, Sep. 28, 2016, Sep.6, 2017, Jan.30, 2018., Jun. 14, 2018>
- ② Notwithstanding paragraph 1 above, if the party requesting a lecture or meeting is a state or local government (including its sub-organizations), it shall be exempted from making such declaration. <New, Mar. 31, 2016, New, Sep. 28, 2016, Sep.06, 2017, Jan.30, 2018>.
- ③ In the event that the details or total amount of the reward is unknown in advance when the declaration is made according to paragraph 1 above, the employee concerned shall make the declaration first, and shall supplement the details and amount within five days of receiving notification thereof. <New, Jan. 30, 2018>
- ④ A declaration shall be made for each and every external lecture or meeting, but a declaration en bloc may be made for the same series of lectures or meetings given or held within one month. <Rev. Sep. 21, 2015>.
- ⑤ Holders of the right of arbitrary decision may approve an external lecture or meeting if it is judged that such will not disturb the employee’s duties or lead to disclosure of the Company’s trade secrets. However, such judgment shall be

made based upon the official letter of the organization requesting a lecture or meeting, wherein the lecture fee and date are provided. <Rev. Mar. 13, 2014, Jun. 12, 2014, Sep. 21, 2015, Mar. 31, 2016>.

- ⑥ Holders of the right of arbitrary decision may restrict an employee's presentation of or attendance at an external lecture or meeting if it is judged to disturb the employee's performance of duties. <Rev. Sep. 21, 2015, Mar. 31, 2016, Sep. 28, 2016, Jun. 14, 2018>
- ⑦ Employees may not attend external lectures or meetings for payment more than three times per month, including when such lectures or meetings are held on a public holiday, non-working day or after working hours. If, however, this restriction is exceeded due to an unavoidable reason, it shall be approved by the president of the Company, and the evidence thereof shall be submitted along with the declaration document. <Rev. Sep. 21, 2015, Mar. 31, 2016, Sep. 28, 2016, Jun. 14, 2018>
- ⑧ If an employee gives regular lectures at a college or graduate school, they shall be approved by the president for holding a plural office and shall be limited to three credits per semester. But such lectures permitted by the president for holding a plural office shall not be subject to declaration to the Company. <New, Sep. 21, 2015, Rev. Mar. 31, 2016 and Jan. 30, 2018>.

[Title revised Sep, 21.2016][Title revised Jan, 30.2018] [Moved from previous Article 28, Jun. 14, 2018]

#### **Article 31-2 (Restriction on Acceptance of Rewards for External Lectures or Meetings)**

The rewards that employees are permitted to accept for external lectures or meetings according to Article 31-1 above shall comply with Appendix 3 (Limit on Rewards for External Lectures or Meetings); and parties which invite employees to lectures or meetings shall be notified of the limit on remuneration thereof in advance. If a reward exceeds the limit (hereinafter referred to as "excessive remuneration"), the excess amount shall be returned to the party concerned immediately. <Rev. Jun. 14, 2018.>

[New, Jan. 30, 2018] [Moved from previous Article 26, Jun. 14, 2018]

#### **Article 31-3 (Reporting Excessive Remuneration)**

- ① If any Employee receives an excessive remuneration according to Article 31-2 above, they shall report it to the Manager of the Code of Ethics within two days of the date on which they become aware of the excessive remuneration by filling in Form #19 (Report on Excessive Remuneration for Lectures, Meetings, etc.).
- ② The Department of Ethical Management shall, upon receiving a report according to paragraph 1 above, investigate the facts contained therein and notify the Employee concerned within 7 days of the investigation of the excess amount of remuneration to be returned, after calculating the excess amount thereof.
- ③ Employees who are notified by the said Department according to paragraph 2 above shall return the excess amount of remuneration to the provider of the remuneration; and the Department of Ethical Management shall be informed thereof; however, in the event that a part of the excessive remuneration has already been returned, only the difference between the amount already returned and the said calculation shall be returned.

[New, Jun. 14, 2018]

**Article 32 (Report on Transaction with a Person Engaged in Duties)**

- ① In the event that an Employee, his/her spouse, or a direct ascendant or descendant (only if they share their livelihood) or company of special relationship undertake any of the following with the Employee's own person engaged in the duties or another employee related to the duties (including when free of charge), he/she shall report it to the Manager of the Code of Ethics by filling in Form #5 (Report on Transaction with a Person Engaged in Duties), and shall also report it to the Audit Manager in writing. <Rev. Sep. 28, 2016, Jun. 14, 2018>
1. Acts of borrowing or lending money and dealing with securities. However, this shall not apply to the borrowing of money under the usual terms and conditions from a financial institute as defined in the Clause 1, Article 2 of the Act on Real Name Financial Transactions and the Guarantee of Secrecy and transactions of securities. <New, Jun. 14, 2018>
  2. Acts of dealing in real estate, vehicle, ship, aircraft, construction machinery and other equivalent properties. However, this shall not apply to transactions through public sale, public auction, bidding or lottery (hereinafter referred to as "Public Sale"). <New, Jun. 14, 2018>.
  3. Acts involving the execution of a contract for goods (excluding daily supplies), services or construction works in addition to the transactions set forth in paragraphs 1 and 2 above. However, this shall not apply to the execution of a contract through public sale or the repeated execution of a contract with many and unspecified persons according to common transaction practices. <New, Jun. 14, 2018>
- ② In the event an Employee, his/her spouse, direct ascendant or descendant or company of special relationship is involved in any of the following set forth in paragraph 1 above with the Employee's own person engaged in a duty or other employee engaged in a duty, he/she shall report it to the Manager of the Code of Ethics by filling in Form #5 (Report on Transaction with a Person Engaged in Duties), and shall also report it to the Audit Manager in writing. However, this shall not apply if two years have elapsed since the date of completion of the duty by the person or Employee thus engaged. <Rev. Mar. 13, 2014, Sep. 28, 2016, Jun. 14, 2018>.
- ③ Notwithstanding paragraphs 1 and 2 above, this shall not apply if the person or Employee engaged in a duty is a kinsman as defined in Article 777 of the Civil Act. <New, Jun. 14, 2018>
- ④ If the reports provided in paragraphs 1 and 2 above are difficult to make in advance, the Employee concerned shall report it within five days of completion of the transaction by filling in Form #5 (Report on Transaction with a Person Engaged in Duties). However, in the event that the employee concerned does not perform the transaction directly or that a third party processes the transaction, the employee(s) shall report it within five days of becoming aware of the transaction if it is otherwise difficult to report it in advance. <New, Jun. 14, 2018>
- ⑤ If the Manager of the Code of Ethics and the Audit Manager consider that an act reported by the Employee according to paragraphs 1 and 2 above will hinder the fair performance of his/her duties, the Manager may take action pertaining to the Employee concerned pursuant to paragraphs 4 and 5 of Article 8 hereinabove. <New, Jun. 14, 2018>

[Moved from previous Article 27 on Jun. 14, 2018]

**Article 33 (Sound Culture of Celebration and Condolence)**

- ① Employees shall take the initiative and set a good example so as to establish a sound culture of celebration and condolence. <Rev. Jun. 14, 2018.>
- ② Employees shall not notify the one engaged in a duty of their own event of celebration or condolence. However, they

may do so in any of the following cases:<Rev. Jun. 14, 2018.>

1. Notification of relatives;
2. Notification of employees of an organization for which they are working now or used to work; <Rev. Jun. 14, 2018.>
3. Notification through internal communication networks that can be accessed only by employees as described in paragraph 2 above or notification through a newspaper or broadcasting media.<Rev. Jun. 14, 2018.>
4. Notification of a religious group or the members of a social gathering to which the employee belongs. <Rev. Jun. 14, 2018.>

[Moved from previous Article 28, Jun. 14, 2018]

#### **Article 34 (Restriction on Golf and Gambling)**

- ① Employees shall not play golf with the Employees engaged in a duty. <Rev. Jun. 14, 2018.>
- ② Notwithstanding paragraph 1 above, if employees play golf unavoidably with the one engaged in a duty, they shall submit a declaration to the manager of the code of ethics by filling in Form #6 (Declaration of Playing Golf). In the event that it is not possible to submit the form in advance, it should be submitted on the first working day after the game of golf. <Rev. Sep. 28, 2016., Jun. 14, 2018>
- ③ When employees play golf with their colleagues or those other than the one engaged in a duty, they shall put their real name on the golf course register. <New, Sep. 21, 2015, Rev. Jun. 14, 2018.>
- ④ Employees shall not engage in any act of gambling such as, but not limited to, *ma-jong*, *hwatoo* or cards. <Rev. Jun. 14, 2018.>

[Moved from previous Article 29, Jun. 14, 2018]

#### **Article 35 (Prohibition of Private Organizations)**

Employees shall not form any private organization or faction within the Company on the basis of blood ties, regionalism or school ties, etc. <Rev. Jun. 14, 2018.>

[Moved from previous Article 30, Jun. 14, 2018]

#### **Article 36 (Prohibition of Sexual Assault and Harassment etc.)**

Employees shall not commit sexual assault, sexual harassment, sexual violence, prostitution or any other behavior falling under each of the following sub-paragraphs: <Rev. Sep. 6, 2017, Jun. 14, 2018.>

1. Employees shall not touch or make contact with the body of another employee;
2. Employees shall not tell indecent jokes, make sexual comments, talk about matters of a sexual nature or tell lewd stories, etc.;
3. Employees shall not make sexual comments or evaluate other employees on the basis of their looks;
4. Employees shall not post or show a photos or pictures or an indecent or sexual nature on social media, etc.;
5. Employees shall not force other employees to serve drink or dance at a company meal, outing or get-together, etc.;



6. Employees shall not engage in any behavior intended to cause feelings of sexual humiliation in another employee and shall adhere to social common norms.

[Title revised, Sep. 6, 2017] [Moved from previous Article 31, Jun. 14, 2018]

#### **Article 36-2 (Prohibition of Drink-Driving)**

- ① Employees shall not drink and drive under any circumstances <Rev. Jun. 14, 2018.>
- ② Employees who violate the laws pertaining to drink-driving including the Road Traffic Act shall report the facts to the Audit Department immediately. <Rev. Jun. 14, 2018>
- ③ The Audit Department may take all necessary measures against employees who violate the laws pertaining to drink-driving. <Rev. Jun. 14, 2018>

<New Sep. 6, 2017> [Moved from previous Article 31, Jun. 14, 2018]

## **CHAPTER VI MEASURES AGAINST VIOLATION**

#### **Article 37 (Consultation on Violation)**

- ① In the event that employees are not sure whether they have violated this Code of Ethics in the course of performing their duties, they shall consult with the General Manager of the Code of Ethics about a specific behavior about which they are uncertain prior to engagement and the General Manager shall record the details thereof on Form #7 (Consulting Record Registry) attached hereto. <Rev. Sep. 28, 2016., Jun. 14, 2018>
- ② The General Manager shall provide an office and telephones for this purpose in order for consultations on paragraph 1 above to proceed satisfactorily.
- ③ Regarding employees who voluntarily report such matters, they may be exempted from disciplinary action or received a reduced penalty after considering the intentions of the employee. <Rev. Jun. 14, 2018.>

[Moved from previous Article 32, Jun. 14, 2018]

#### **Article 38 (Reporting and Treatment of Violations)**

- ① Whosoever discovers that an Employee has violated the Code of Ethics may report it to the Manager of the Code of Ethics or the Anti-Corruption and Citizens' Rights Commission. If, however, the violator is the Manager of the Code of Ethics, the report shall be made to the Audit Manager. <Rev. Sep. 6, 2013, Mar. 13, 2014, Jun. 14, 2018>
- ② The Employee or person who reports a violation according to paragraph 1 above shall fill in Form #8 (Report on Violations of the Code of Ethics), and shall include the personal information of the violator and the full details of the violation. <Rev. Sep. 28, 2016, Jun. 14, 2018>
- ③ The Manager of the Code of Ethics shall verify any violations reported according to paragraph 1 above and report them to the General Manager of the Code of Ethics along with any evidence submitted, and shall notify the Audit Office thereof. <Rev. Sep. 6, 2013, Mar. 13, 2014, Jun. 14, 2018>

[Moved from previous Article 33, Jun. 14, 2018]

**Article 39 (Guarantee of Status)**

- ① The manager of the code of ethics or the Audit manager to whom a violation is reported according to Article 38 hereinabove shall guarantee the status of the employee who reports such violation and shall take all necessary measures to ensure that the reporter does not suffer any kind of disadvantage as a result of reporting a violation. <Rev. Mar. 13, 2014, Jun. 14, 2018>
- ② Nevertheless, in cases where an employee who has reported such violation suffers a disadvantage, he or she can request the manager of the code of ethics, the audit manager or the Anti-Corruption & Civil Rights Commission for protection and remediation of the disadvantage. The manager thus requested shall take proper measures to comply with such request. <Rev. Sep. 06, 2013, Mar. 13, 2014, Jun. 14, 2018.>
- ③ In the event that an employee is found to have violated the Code of Ethics as described by the voluntary report according to Article 38 herein, disciplinary action may be exempted or reduced. <Rev. Jun. 14, 2018.>
- ④ Paragraph 1, 2 and 3 above shall apply mutatis mutandis to a consultation or report according to this Code of Ethics.  
[Moved from previous Article 34, Jun. 14, 2018]

**Article 39-2 (Committee for the Inspection and Deliberation of Violations of the Code of Ethics)**

- ① The president of the Company may request the Audit Manager to form the Committee for the Inspection and Deliberation of Violations of the Code of Ethics, if necessary, in order to conduct a fair inspection of violations by employees.<Rev. Jun. 14, 2018.>
- ② The said Committee shall be composed of more than three members.  
[New, Sep. 28, 2016] [Moved from previous Article 34, Jun. 14, 2018]

**Article 40 (Reporting and Treatment of Prohibited Money or Valuables)**

- ① In the event of any of the cases below, the employees concerned shall fill in Form #9 (Declaration of Receipt of Prohibited Money or Valuables) attached hereto and submit it immediately to the manager of the code of ethics. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
  - 1. When employees receive prohibited money or valuables or have been promised such money or valuables. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
  - 2. When employees become aware that their spouse or any of their lineal ascendants or descendants have received prohibited money or valuables or have been promised such money or valuables. <New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
- ② In the event that an employee falls under paragraph 1 above, he or she shall return the money or valuables thus received immediately to the person who has offered them (hereinafter called the "Offerer"), or shall clearly refuse to receive them if someone has promised or expressed an intention to offer them. <Rev. Sep. 28, 2016, Jun. 14, 2018>
- ③ If employees return money or valuables according to paragraph 2 above, they may request the manager of the code of ethics to pay the cost of returning them, by filling in Form #10 (Request for Payment of the Cost of Returning Money or Valuables), and attaching the relevant evidence.<New, Sep. 28, 2016, Rev. Jun. 14, 2018.>
- ④ If the money or valuables to be returned according to paragraph 2 above fall under any of the following sub-paragraphs, they shall be delivered to the Manager of the Code of Ethics. <Rev. Jun. 14, 2018>
  - 1. If they are lost, decayed or spoiled. <New, Sep. 28, 2016>

2. If the identity or address of the offerer is unknown. <New, Sep. 28, 2016>
  3. If they cannot be returned to the offerer for any reason. <New, Sep. 28, 2016>
  - ⑤ When money or valuables are delivered to the said Manager according to paragraph 4 above, they shall be photographed or recorded images and disposed of according to the following sub-paragraph, unless the applicable laws or regulations specify otherwise. <Rev. Sep. 28, 2016, Jun. 14, 2018>
    1. If they are found not to be prohibited money or valuables: They shall be returned to the person who has delivered them.
    2. If they are found to be prohibited money or valuables but are required for a follow-up action including disciplinary action, investigation, audit or inspection: They shall be submitted to the applicable agency as evidence or kept until the follow-up is completed.
    3. Notwithstanding paragraphs 1 and 2 above, if their return, submission or retention is difficult due to loss or decay, etc.: They shall be disposed of with the consent of the person who has delivered them according to Form #11 (Confirmation of Agreement to Disposal of Money or Valuables).<Rev. Jun. 14, 2018.>
    4. In cases other than those specified above, they shall belong to the Company or shall be donated to a social welfare or public organization, or shall be treated according to the standards set by the president.
  - ⑥ The Manager of the Code of Ethics shall record the details of handling of such money or valuables according to paragraph 5 above on Form #12 (Money and Valuables Control Register), and the person(s) who delivered the money or valuables shall be notified of the results of handling thereof according to the said paragraph. <Rev. Sep. 28, 2016, Jun. 14, 2018>
- [Title revised, Sep. 28, 2016] [Moved from previous Article 35, Jun. 14, 2018]

## **CHAPTER VII     SUPPLEMENTARY RULES**

### **Article 41 (Education)**

- ① The General Manager of the Code of Ethics shall establish an annual education plan to ensure that the Company's employees are aware of and observe the Code of Ethics, and shall carry out the education more than once per year according to the plan. <Rev. Sep. 28, 2016., Jun. 14, 2018>
- ② The education shall be provided to new employees by the department responsible for education training upon their recruitment. <New, Sep. 06, 2013>

[Moved from previous Article 36, Jun. 14, 2018]

### **Article 42 (Inspection of Compliance with the Code)**

- ① The Audit Manager shall regularly inspect the employees' performance of and compliance with the Code. <Rev. Mar. 13, 2014, Jun. 14, 2018>
- ② In addition to the regular inspection provided under paragraph 1 above, the Audit Manager may conduct additional inspections from time to time if he/she believes there is a possibility that acts of corruption may be committed, such as during a public holiday or festive season. <Rev. Mar. 13, 2014>
- ③ The Audit Manager shall disclose the type of corruption, amount and disciplinary action taken against Employees who engage in acts of corruption related to the receipt of money or valuables on the Company's portal or website twice per

year according to Form #13 (Status of Employees who Engage in Acts of Corruption), but shall exclude their personal information from such disclosure. <New Sep. 21, 2015, Rev. Sep. 28, 2016, Jun. 14, 2018>

[Moved from previous Article 37, Jun. 14, 2018]

#### **Article 43 (Rewards and Disciplinary Action)**

- ① The Company president may reward employees who comply with the Code of Ethics and contribute to the Company's establishment of ethical management, including a personnel evaluation in favor of such employees. <Rev. Jun. 14, 2018.>
- ② The Company president shall take proper action against employees who violate the Code of Ethics. <Rev. Sep. 6, 2013, Jun. 14, 2018>
- ③ The type of disciplinary action, procedure and effectiveness according to paragraph 2 above shall follow the relevant rules of the Company. However, those who violate the rule on the receipt of prohibited money or valuables shall be reprimanded according to the Company standard on the determination of punishment. Inflicting a disadvantage on an employee who reports a violation of Article 39 shall be subject to an additional punishment. <Rev. Sep. 28, 2016, Jun. 14, 2018>

[Moved from previous Article 38, Jun. 14, 2018]

#### **Article 43-2 (Integrity Mileage System)**

The Company may operate the Integrity Mileage System to promote the employees' integrity activities, and the details thereof shall be described separately. <Rev. Jun. 14, 2018.>

[New, Oct. 16, 2014] [Moved from previous Article 38, Jun. 14, 2018]

#### **Article 44 (Duties of the Manager of the Code of Ethics)**

- ① The manager of the Code of Ethics shall perform following duties:
  1. Operate the code;
  2. Provide employees with education on the code;
  3. Receive and handle matters pertaining to violations of the code and protect employees who report violations of the code.
- ② The General manager of the Code of Ethics shall perform the following duties in addition to those provided in paragraph 1 above. < Rev. Sep.28, 2016>
  1. Plan, establish and operate the ethical management of the Company;
  2. Establish the means of promoting ethical management, and plan and implement programs and activities that promote the practice thereof;
  3. Operate and manage the ethics education of the Company;
  4. Enact and revise the Code. <New, Mar. 13, 2014>
  5. Operate the Code (interpretation and consultation of the Code). <New, Mar. 13, 2014>
  6. Other matters required to operate and enforce the Code. <New, Mar. 13, 2014>
- ③ The Audit Manager shall perform following duties: <Rev. Mar. 13, 2014>
  1. Receive and handle matters pertaining to violations of the code and protect employees who report violations of the code. <Rev. Mar. 13, 2014>

2. Inspect employees' compliance with the Code. <Rev. Mar. 13, 2014>
  3. Handle matters related to disciplinary action against employees who violate the Code. <Rev. Mar. 13, 2014>
- [Moved from previous Article 39, Jun. 14, 2018]

#### **Article 45 (Special Period for Implementing Integrity Ethics)**

The Company shall designate a special period in which to emphasize and implement integrity ethics around September 28 every year in order to strengthen the ethical capability of the Company, intensify the culture of integrity among the employees, and provide integrity-oriented education, commemorative events and campaigns.

[New, Sep. 6, 2017] [Moved from previous Article 40, Jun. 14, 2018]

#### **Article 46 (Operation of the Code of Ethics)**

The General Manager of the Code of Ethics shall improve and develop the contents of the Code continuously so as to cope with organizational developments and environmental changes; and the related operational details and handling procedures may be enacted and implemented separately, if necessary, after obtaining the approval of the person entrusted with arbitrary authority. <Rev,Mar.13,2014>

[Moved from previous Article 40, Sep. 6, 2017] [Moved from previous Article 41, Jun. 14, 2018]

#### **Article 47 (Application Mutatis Mutandis)**

Any matters not specified herein shall be referred to the enforcement decrees of Act on the Prevention of Illegal Solicitation and the Receipt/Offering of Money or Valuables.

[New, Sep. 28, 2016] [Moved from previous Article 41, Sep. 6, 2017] [Moved from previous Article 42, Jun. 14, 2018]

### **APPENDIX (June 28, 2013)**

1. (Date of enforcement) This Code of Ethics shall be enforced from June 28, 2013.
2. (Effect of the Code) This Code of Ethics shall take effect as the "Rule" on defining the basic organization of the Company, and as the policy on enforcing the rights, obligations and duties of the employees.
3. (Interim measures) Any matters in progress prior to the enforcement date of this Code of Ethics shall comply with the previous "Code of Conduct for Ethical Management".
4. (Abolition of other Company rules) The Code of Conduct for Ethical Management shall be abolished from the date on which this Code of Ethics is enforced.

### **APPENDIX (September 6, 2013)**

1. (Date of enforcement) This Code of Ethics shall be enforced from the day of its proclamation.

2. (Interim measures) Any matters still awaiting approval as of the date of enforcement of this Code of Ethics shall be subject to the previous Code.

[New, Sep. 6, 2013]

**APPENDIX (March 13, 2014)**

This Code of Ethics shall be enforced from the date of its proclamation.

[New, Mar. 13, 2014]

**APPENDIX (June 12, 2014)**

1. (Date of enforcement) This Code of Ethics shall be enforced from the date of its proclamation.

2. {Interim measures) Any external lectures or meetings yet to be held but declared before the date of enforcement of this revision shall be subject to the previous Code.

[New, Jun. 12, 2014]

**APPENDIX (October 16, 2014)**

This Code of Ethics shall be enforced from the date of its proclamation.

[New, Oct. 16, 2014]

**APPENDIX (December 18, 2014)**

This Code of Ethics shall be enforced from the date of its proclamation.

[New, Dec. 18, 2014]

**APPENDIX (September 21, 2015)**

This Code of Ethics shall be enforced from the date of its proclamation.

[New, Sep. 21, 2015]

**APPENDIX (Mar.28, 2016)**

1. (Date of enforcement) This Code of Ethics shall be enforced from March 31, 2015.

2. (Interim measures) Any matters still awaiting approval as of the revised date of enforcement of this Code of Ethics, but which were declared before the said day and are yet to be performed, and any external lectures or meetings that were declared after the revised day of enforcement owing to an unavoidable reason but which were performed prior to the revised

day of enforcement shall be subject to the previous Code.

[New, Mar. 31, 2016]

**APPENDIX (Oct. 13, 2016)**

1. (Date of enforcement) This Code of Ethics shall be enforced from September 28, 2016.

2. (Interim measures) Any external lectures or meetings that were declared after the revised day of enforcement owing to an unavoidable reason but which were performed prior to the revised day of enforcement shall be subject to the previous Code.

[New, Sep. 28, 2016]

**APPENDIX (April 27, 2017)**

1. (Date of enforcement) This Code of Ethics shall be enforced from the date of its proclamation.

2. (Interim measures) This provision shall be applied retroactively to employees on the payroll as of the date of its revision.

[New, Apr. 27, 2017]

**APPENDIX (July 27, 2017)**

1. (Date of enforcement) This Code of Ethics shall be enforced from August 1, 2017.

2. (Interim measures) Any matters still awaiting approval as of the revised date of enforcement shall be subject to the previous Code.

[New, Aug. 01, 2017]

**APPENDIX (September 6, 2017)**

This Code shall be enforced from the date of its proclamation

[New, Sep. 06, 2017]

**APPENDIX (January 30, 2018)**

1. (Date of enforcement) This Code of Ethics shall be enforced from the date of its proclamation.

2. (Interim measures) Any matters still awaiting approval as of the revised date of enforcement of this Code of Ethics, but which were declared before the said day and are yet to be performed, and any external lectures or meetings that were declared after the revised day of enforcement owing to an unavoidable reason but which were performed prior to the revised day of enforcement shall be subject to the previous Code.

[New, Jan. 30, 2018]

**APPENDIX (June 14, 2018)**

- 1 (Date of enforcement) This Code shall be enforced on the date of proclamation.
- 2 (Interim measures) Article 9 of the Code shall apply to a director who is appointed or whose term of office commences after the enforcement of this regulation.
- 3 (Interim measures) Article 11 of the Code shall apply in cases in which the Company, other organizations belonging to the Company, or any of its subsidiaries initiates procedures for the appointment of a director or a staff member after this regulation enters into force.
- 4 (Interim measures) Article 32 of the Code shall apply to transactions conducted after this regulation enters into force.  
[New, Jun. 14, 2018]



# Code of Ethics for KEPCO E&C Engineers

## I. Preamble

Article 1(Purpose of the code of ethics)

KEPCO Engineering & Construction Company. Inc. (hereinafter referred to as “KEPCO E&C”) is an engineering company which has achieved highest-level of technical competency in Korea, contributing to major government-led projects for nuclear and thermal power plants. As a valuable asset worth sharing with the public, the technology KEPCO E&C accumulated so far has contributed to improving people’s quality of life and accomplishing sustainable development.

Accordingly, as engineers in charge of and dealing with technology supplying electric power to the nation, KEPCO E&C members are not only responsible for upgrading specialized technologies but also required to exhibit higher standards of honesty and integrity than other engineers. KEPCO E&C engineers must comply with the principles of ethical conduct in performing their services to enable their company to fulfill its social responsibility. KEPCO E&C engineers must adhere to the following code of ethics in performing their work.

## II. Code of Ethics

Article 2 (Top Priority) Engineers shall work with diligence, holding paramount the safety, health, and welfare of the public.

Article 3 (Scope of Work) Engineers shall perform services only in areas of their authority and responsibility.

Article 4 (Reporting Documents) Engineers shall make reports or submit documents in an objective and truthful manner.

Article 5(Faithfulness) Engineers shall perform services for employer or client in accordance with the principles of good faith.

Article 6(Responsibility and Honor) Engineers shall conduct themselves honorably and responsibly to be subject to law and code of ethics.

## III. Rules of Ethical Conduct

Article 7(Judgment on Value) If engineers’ work harms public interest or engineers’ judgment on value is overruled, engineers shall notify their employee or client and such other relevant authority.

Article 8(Permission and Signature) Engineers shall sign and approve engineering documents that have in-depth understanding on engineering field and are in conformity with applicable standards.

Article 9(Condition of Report) Engineers shall provide reports which include all relevant and pertinent information such as date indicating when it was current.

Article 10(Expression of Opinion) Engineers may publicly express opinions on their engineering fields and the engineering field assigned for work in accordance with standard procedures.

Article 11(Disclosure of Interested Parties) Engineers shall reveal interested parties in accordance with company policy when they publicly express opinions on technical matters that are inspired or paid for by the interested parties.

Article 12(Disclosure of Conflict of Interest) Engineers shall disclose all conflicts of interest if conflicts of interest exist and the conflicts appear to influence the quality of their services.

Article 13(Prohibition on Acceptance of Consideration) Engineers shall not accept financial or other valuable consideration, directly or indirectly, from outside agents in connection with the work for which they are responsible.

Article 14(Prohibition on Participation in Decisions) Engineers shall not participate in decisions with respect to services solicited or provided by them or their organization except when they protect or promote public interest in private or public engineering practice.

Article 15(Prohibition on Undue Influence) Engineers shall not solicit or accept a contract from a governmental body for which a principal or officer of their organization serves as a member except when they protect or promote public interest.

Article 16(Authenticity of Qualification) Engineers shall not falsify or exaggerate their or their associates' engineering qualifications.

Article 17(Maintaining Professional Skills) Engineers shall maintain their high level of engineering skills, participating in education courses, professional training and seminars all of which can enhance their expertise.

Article 18(Information Protection) Engineers shall not disclose information concerning business affairs or technical process without prior consent of their company or employer except those stipulated in law or code of ethics.

Article 19(Use of Name) Engineers shall not cooperate in fraudulent or unethical business and permit the use of names of their company, position and employers.

Article 20(Prohibition on Assistance) Engineers shall not aid the unlawful practice of engineering, which violates this code of ethics, by a person or firm.

Article 21(Prohibition on Receipt of Gifts) Engineers shall not give, solicit or receive, either directly or indirectly, any gifts to influence or assumed to influence the award of contract.

#### Additional Provision

1. (Date of Enforcement) This Code of Ethics will be enforced from the date of announcement.

## **Limit on the Value of Meals or Gifts and the Amount for Congratulations or Condolences**

1. Meals (which refers to food, beverages, drinks, refreshments and such like by and between the provider and public officials, etc.): KRW 30,000
2. Amount for congratulations or condolences: Congratulatory or condolence money shall be limited to KRW 50,000. However, the value of a wreath or flowers which replace the money shall be limited to KRW 100,000.
3. Gifts: The value of all goods or such like excluding meals and congratulatory or condolence money specified in clauses 1 and 2 above respectively shall be limited to KRW 50,000. However, the value of agricultural and fishery products as defined in Paragraph 1, Clause 1 of Article 1 of the Agricultural and Marine Products Quality Control Act (hereinafter referred to as “agricultural and fishery products”) and processed agricultural and fishery products as defined in Clause 13, Article 2 of the said Act (which corresponds to products that are processed using more than 50% of the raw materials from agricultural or fishery products; hereinafter referred to as “processed agricultural and fishery products”) shall be limited to KRW 100,000.

### Remarks

- a) The limit of the value described in the main text and the proviso of clauses 1, 2 and 3 above shall be the sum of each item.
- b) In the event that congratulatory or condolence money and a wreath or flowers as described in clause 2 or gifts and agricultural and fishery produce or their processed products in clause 3 above are given at the same time, their amounts shall be summed up. In such a case, the limit of the total value shall be KRW 100,000 but the value of each of the money or products in the aforementioned main text or proviso shall not exceed their individual amounts.
- c) In the event that more than two of a) the meal provided in clause 1, b) the congratulatory or condolence money provided in clause 2 and 3) the gift provided in clause 3 above are given together, their amount shall be summed up. In such a case, the limit of the value shall be applied to the meal, congratulatory or condolence money or gift, whichever is higher, but it shall not exceed the limit defined in clauses 1, 2 and 3 herein.

## **Limit on the Reward for External Lectures or Meetings**

### **1. Limit on the Reward for External Lectures or Meetings**

a) KRW 400,000

b) Notwithstanding the limit specified in paragraph a) above, the limit on the reward for giving a lecture or attending a meeting organized by an international organization, foreign government, university, research institute, academic society or similar foreign agencies shall follow the rules of such organizations as provided above.

### **2. Application**

a) The limit of the reward in paragraph a) above shall be based on the rate per hour for a lecture and the rate per contributed article.

b) The hourly reward limit for a lecture shall be applied to up to one hour, but the total reward cannot be more than 150/100 of the hourly limit regardless of the total number of hours of a lecture.

c) The reward limit provided in clause 1 herein shall include all kinds of money provided to a public official, etc. irrespective of its name, such as the lecture fee, writer's fee, or performance fee paid by the provider of the fee.

d) Notwithstanding the aforementioned paragraphs, the transportation fares and lodging and meal expenses provided by the inviting party within the standard specified in the Rule for Traveling Expenses of the Company shall not be included in the reward specified in clause 1 herein.