

**AGREEMENT  
ON  
BENEFICIARY CERTIFICATE PASSBOOK TRADING**

**§1. Purpose of Savings**

The purpose of beneficiary certificate savings (hereinafter referred to as “the savings”) is to have *ABC Selling Company* (hereinafter referred to as “the Company”) receive savings money from a depositor of the savings (hereinafter referred to as “the depositor”) and use the money to purchase, keep and manage beneficiary certificates in order to provide convenience for the depositor.

**§2. Definitions**

The terms used in this Agreement shall be defined as follows:

1. The term “savings assets” is defined as the sum of the amount deposited by the depositor and the profits generated during the savings period.
2. The term “proceeds” is defined as the number of beneficiary certificates (the principal) times the base price increases, and the method of calculating the base price of beneficiary certificates shall be subject to the corresponding collective investment covenants.
3. The term “distribution of profits” is defined as the amount of money paid to the depositor among the proceeds generated during the investment trust accounting period following the termination and cancellation thereof.
4. The term “repayments” is defined as the sum of the principal to be paid to the depositor and distribution of profits following the termination and cancellation of a trust agreement period.
5. The term “repurchase fees” is defined as the prescribed fees determined by collective investment covenants collected by the Company when the depositor claims repurchase of deposited beneficiary certificates.

**§3. Parties to Savings Contract**

Parties to this savings contract shall be the Company and the depositor.

**§4. Formation of Savings Contract**

- (1) A savings contract shall be in existence when the Company receives an application to

subscribe for a savings product and receives savings money from the depositor, and issues a beneficiary certificate savings passbook (including a certificate of beneficiary certificate savings and a card for transactions; hereinafter referred to as the “savings passbook”).

(2) The depositor shall, when applying to subscribe for a savings product, determine the type and class, etc. of savings.

(3) The savings period shall be reckoned from the date beneficiary certificates were purchased for the first time.

## **§5. Type and Class of Savings**

(1) The target type of savings shall be beneficiary certificates of an investment trust that take effect after the financial investment company in charge of the management of the savings submits a securities report to the governor of the Financial Supervisory Service. However, in the case of private beneficiary certificates, the target type shall be beneficiary certificates whose registration is completed.

(2) Classes of savings are as follows:

1. Random plan: a plan under which the depositor makes deposits without determining the requirement for withdrawal of savings money, savings period, the amount of savings and the target amount of savings; and
2. Target plan: a plan under which the depositor makes deposits after determining the requirement for withdrawal of savings money, savings period, the amount of savings and the target amount of savings.

(3) The content of the target plan in Item 2 of Paragraph (2) are as follows:

1. Deferred savings
  - a. Proceeds withdrawal plan: a plan under which the depositor can, while depositing a fixed amount of money for more than a fixed period of time, withdraw savings assets within the scope of proceeds during the savings period; and
  - b. Fixed amount withdrawal plan: a plan under which the depositor can, while depositing a fixed amount of money for more than a fixed period of time, withdraw a fixed amount of savings assets determined in advance (proceeds shall be withdrawn first) every month during the savings period.
2. Accumulation plan
  - a. Fixed amount accumulation plan: a plan under which the depositor determines more than a fixed period of time (e.g.: three (3) years or longer, five (5) years or longer) as the savings period and makes deposits during the savings period

- after determining the amount of deposits or the number of accounts; and
- b. Free accumulation plan: a plan under which the depositor determines more than a fixed period of time (e.g.: three (3) years or longer, five (5) years or longer) and frequently deposits an unlimited amount of money during the savings period.
3. Target plan: a plan under which the depositor determines the target amount of savings and frequently makes deposits for a fixed period of time.
  4. Adjustment of the savings period, the amount of savings or the target amount of savings: the Company may, upon request from the depositor, extend the savings period or reduce or increase the amount of savings regardless of whether the previously determined savings period has ended or whether the target amount of savings has been reached. However, the Company shall, in the case of matters regarding the savings period, the amount of savings, or the target amount of savings are specifically prescribed in statutes such as the Restriction of Tax Reduction and Exemption Act, etc., comply therewith.
- (4) Details related to Paragraphs (1) through (3) shall be determined upon agreement between the Company and the depositor.

## **§6. Deposit of Savings Money**

- (1) The depositor may pay savings money in cash or immediately negotiable checks/notes, etc. (including remittance of money to an account and book-keeping entry).
- (2) In the case the securities paid as savings money are refused, the payment of the savings money shall be cancelled, and the Company shall return the refused securities to the depositor or the person who requested a remittance of money into an account without taking procedures for the protection of rights of such securities.
- (3) The selling company shall, in managing the savings money it received from the depositor until the depositor purchases beneficiary certificates, fulfill the duty of care of a good manager, and may not transfer such savings money or offer it as security.
- (4) The selling company shall, in the case it uses the savings money in the previous Paragraph, pay fees for using the savings money to the depositor.

## **§7. Delegation of Authority**

The depositor shall delegate any necessary matter for management of saving assets to the Company.

## **§8. Purchase of Beneficiary Certificates, etc.**

- (1) The Company shall purchase and deposit beneficiary certificates pursuant to types and classes designated by the depositor with the saving money paid by the depositor.
- (2) The Company may sell to the depositor or repurchase therefrom beneficiary certificates by an account.
- (3) The Company may, without dividing up one beneficiary certificate, sell the beneficiary certificate within the unit thereof to two (2) or more depositors.

## **§9. Special Treatment of Depositor**

- (1) In the case of target savings with a saving period of one (1) year or longer, the Company shall, when repurchasing beneficiary certificates after the end of the savings period (in the case the savings period is determined to be at least a fixed amount of time or longer, after an elapse of a minimum savings period), exempt the depositor from repurchase fees for the beneficiary certificates. However, in the case the depositor extended the savings period pursuant to [§5(3)4], the Company shall, when repurchasing beneficiary certificates after the end of the previously determined saving period, exempt the depositor from repurchase fees for the beneficiary certificates.
- (2) In the case of deferred savings, the Company shall, when repurchasing beneficiary certificates equivalent to the amount of proceeds during the savings period or repurchasing beneficiary certificates equivalent to the fixed amount of money determined in advance, exempt the depositor from repurchase fees for the beneficiary certificates. However, the Company shall, when repurchasing beneficiary certificates equivalent to all or some of the originally deposited amount of money during the period it receives repurchase fees, receive repurchase fees excluding the amount for the beneficiary certificates it has already repurchased.
- (3) The Company shall use the distribution of profits for purchasing beneficiary certificates of the investment trust concerned unless there is a separate agreement thereon, and, in the case it repurchases the beneficiary certificates, exempt the depositor from repurchase fees.
- (4) When canceling a small scale investment trust pursuant to the conditions in [§23(1)] of the Securities Investment Trust Business Act and Item 1 of [§12] of the Enforcement Decree of the same Act, or the conditions in [§105(1)] of the Indirect Investment and Asset Management Act and [§93(1)2] of the Enforcement Decree of the same Act, or the conditions in [§192(1)] of the Financial Investment Services and Capital Markets Act and Items 3 and 4 of [§223] of the Enforcement Decree of the same Act, the Company shall, when the depositor purchases beneficiary certificates it has been notified by the Company in advance with repayments and deposits the certificates, exempt the depositor from front-end loads, and shall, when repurchasing the beneficiary certificates, exempt the depositor from back-end loads and repurchase fees.

(5) When the depositor resells all of his/her beneficiary certificates and immediately repurchases the beneficiary certificates concerned with the money from the resale in order to settle the amount of taxes among depositors in transferring investment trust beneficiary certificates, the Company shall exempt the depositor from the repurchase fees for the resold beneficiary certificates. In this case, the initial date in reckoning the repurchase fees for the repurchased beneficiary certificates shall be the original date of the purchase of beneficiary certificates.

(6) When the depositor resells all of his/her beneficiary certificates and immediately repurchases the beneficiary certificates concerned with the money from the resale for the purpose of tax filing, the Company shall exempt the depositor from the repurchase fees for the resold beneficiary certificates and the sale fees for the purchased beneficiary certificates not more than twice a year. In this case, the initial date in reckoning the repurchase fees for the repurchased beneficiary certificates shall be the original date of the purchase of beneficiary certificates.

#### **§10. Withdrawal Savings Assets**

(1) The depositor may request the withdrawal of savings assets at any time. However, this provision shall not apply in cases separately determined by collective investment covenants.

(2) The depositor shall, when requesting payment of savings assets using an automatic transfer service, a cash dispenser, an automatic teller machine, a computer and a telephone, etc. (hereinafter referred to as “electronic communication devices”), comply with relevant agreements.

(3) The Company shall pay a part of the depositor's savings assets upon his/her request.

(4) In the case the depositor does request withdrawal of savings assets in spite of the cancellation of the savings contract pursuant to Paragraph (11), the savings period shall be deemed to have continued until a withdrawal request.

(5) In the case the depositor demands beneficiary certificates when he/she withdraws savings assets, the Company shall pay the savings assets unless it has special reasons not to. However, the Company shall repurchase the savings assets less than the minimum amount required for the issuance of beneficiary certificates determined by collective investment covenants and pay the amount in cash.

#### **§11. Cancellation of Savings Contract**

The Company may, in the case that it falls under any of the following Items, cancel a savings contract:

1. The Company has, when the depositor under a fixed amount accumulation plan has

failed to pay a prescribed savings money for six (6) months or longer, requested additional payment of savings money from the depositor within the period of ( )<sup>1)</sup> days or longer, but the depositor has failed to take an appropriate measure within the period; or

2. A trust agreement has been canceled in accordance with the collective investment covenants concerned.

## **§12. Transaction Method, etc.**

(1) The depositor may conduct transactions at a branch office other than the one where he/she opened a savings account or at another financial institution, or through an electronic communication device. However, the place or method, etc. of transaction may be limited in accordance with the contents of transactions.

(2) The depositor shall conduct a transaction based on a passbook issued by the company. However, in cases of deposit without a passbook, automatic transfer or the use of an electronic communication device, etc. the depositor may conduct the transaction without a passbook.

## **§13. Declared Seal, etc.**

(1) The depositor shall, when exercising his/her rights regarding savings assets, use a declared seal (or a signature) and a password. However, the depositor shall, when conducting a transaction according to the conditions in [§12(2)], comply with the stipulations in relevant statutes.

(2) The depositor may change the declared seal or signature and password.

## **§14. Declaration of Accident or Change, etc.**

(1) The depositor shall, when his/her passbook or declared seal has been lost, destroyed, stolen or damaged, declare thereof to the Company without delay.

(2) The depositor shall, in the case the matters declared to the Company such as his/her name, address, or telephone number, etc. have changed, or he/she intends to change his/her seal (or signature) or password, etc., declare thereof to the Company without delay.

(3) The declaration pursuant to Paragraphs (1) and (2) shall be effective from when the Company has received a notification of loss, destruction, theft or change from the customer, and the Company shall not be responsible for any losses incurred before the effectuation of a declaration unless there are causes attributable thereto.

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1) Fourteen (14) days or longer as determined by the financial investment company.

## **§15. Reissuance of Passbook, etc.**

In cases where the depositor declares an accident related to his/her savings passbook or declared seal, etc. pursuant to Paragraphs (1) through (3) of [§14], the Company shall confirm that the person who makes such declaration is the depositor himself/herself, and reissue or change such savings passbook or declared seal.

## **§16. Method of Notice**

(1) The Company shall use the address or the telephone number declared by the depositor to make a notice according to the method agreed on in advance with the depositor.

(2) A notice to a customer shall be effective from the time of delivery. However, when such delivery is, without any reasons attributable to the Company, delayed or fails due to a change in address, absence, or other causes falling under the responsibility of the depositor himself/herself, the point of time to be normally delivered shall be deemed the time of delivery.

## **§17. Limit of Company's Responsibility**

The Company shall, when there are no causes attributable thereto, not be responsible for any loss incurred to the customers due to causes falling under any of the following items:

1. Cases where the Company has paid the savings money or has taken care of it in another way after recognizing, through a comparison by the naked eye, that the seal (or signature) on a withdrawal slip, check, note or on another declaration document is the same as the seal (or signature) which has been declared with considerable care, and the password written on the withdrawal slip, etc. is identical to the declared one;
2. Postponement of or incompetence in affairs (execution of trade, receipt and deposit of money, etc.) as a result of a natural disaster, war, accident, or of a case of *force majeure* equivalent thereto; or
3. Causes attributable to the depositor.

## **§18. Handling of Error**

(1) The Company shall, when it discovers trading content in an application to subscribe for a savings product or a savings passbook is different from facts, immediately correct such content.

(2) The depositor shall, when having completed a trade, confirm without delay that the content thereof is correct, and shall, in the case the trade content is different from facts,

demand the Company to correct such content. In this case, the Company shall accede to such demand.

#### **§19. Amendment of Agreement, etc.**

(1) The Company shall, when intending to amend an agreement, release the content of such amendment at its branch offices, on its Internet website, on the computer portal for online stock trading, and on other electronic communications media similar thereto before the effective date of the agreement.

(2) If the content of the amendment in Paragraph (1) is unfavorable for the depositor, the Company shall notify him/her of such fact ( )<sup>2)</sup> days before the effective date of the agreement subject to the amendment in ways, such as in writing, that were previously agreed with the depositor. However, this provision shall not apply to cases where the content of the agreement prior to the amendment applies to existing depositors or the depositor has explicitly expressed his/her intention that he/she will not receive such notices.

(3) The Company shall, in cases where it gives the notice in Paragraph (2), deliver the following message: “The depositor may cancel the agreement in cases where he/she does not assent to the amendment of the agreement, and shall be deemed to have assented to the agreement in cases where he/she does not express his/her intention to cancel the agreement.”

(4) The depositor shall be deemed to have assented to the amendment in cases where he/she does not express his/her intention to cancel the agreement from the date on which he/she received the notice in Paragraph (3) until the effective date of the agreement subject to the amendment.

(5) The Company shall release or post the Agreement at its branch offices for delivery to the depositor upon request, and post it on its Internet website, on the computer portal for online stock trading, and on other electronic communications media similar thereto for search and download (including screen-printing) by the depositor.

#### **§20. Transfer and Creation of Pledge**

The depositor may transfer savings money and beneficiary certificates or provide them as a pledge with the Company's assent.

#### **§21. Others**

(1) Any matter not prescribed in this Agreement shall, unless otherwise agreed, comply with the provisions prescribed in the relevant statutes; in the case that there are no

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2) Twenty (20) days or longer as determined by the financial investment company.



provisions therein, it shall comply with commercial practices.

(2) The Agreement on Using Electronic Financial Transactions and the Electronic Financial Transaction Act shall have priority over any electronic financial transactions that may fall under the purview of this Agreement.

## **§22. Dispute Mediation**

(1) The depositor shall, should a dispute arise with the Company, request the settlement thereof to the Company's grievance body, or apply to the FSS or the Association for mediation.

(2) In the case a need for an action between the Company and the depositor arises with regard to a dispute that occurred in relation to a trade pursuant to this Agreement, the competent court shall comply with the Civil Procedure Law.