

**AGREEMENT  
ON  
BENEFICIARY CERTIFICATE PASSBOOK TRADING**

*Effective on January 1, 2023*

**§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. Real Name Transactions**

- (1) The depositor shall engage in transactions under its real name.
- (2) The Company shall request submission or presentation of documents for verification of

real names including resident registration card, business registration certificate, etc. or other necessary documents, and the depositor shall comply with such request.

#### **§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.

(2) The Company shall issue a beneficiary certificate savings passbook (including a certificate of beneficiary certificate savings and a card for transactions; hereinafter referred to as the “savings passbook”). Provided, That this provision may not apply in the case of a deposit without a passbook, etc.

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

(4) 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. Provided, That 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 Subparagraph 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 pay fees for using the savings money in the previous Paragraph in accordance with the criteria for fee that was notified to the depositor.

(5) The depositor may check the criteria used to determine the amount of fee he/she will receive from the Company for using the savings money at the Company's branch offices or via its Internet website ( 》 》 》), the computer portal for online trading, and other electronic communications methods similar thereto.

(6) The Company shall calculate the fee for the use of the savings money according to reasonable methods by taking into consideration investment income, deposit insurance premium, supervisory fees, etc. and periodically monitor and reflect changes to factors that have an impact on the calculation of fee for the use of the investor's deposits.

(7) In the event that there are changes to the criteria for fee for the use of the savings money pursuant to Paragraph (6), the depositor can check the changes via methods specified in Paragraph (5). Provided, That in the case where the depositor wishes to be informed of the details of the changes in the criteria that will be unfavorable for them via a predetermined method such as e-mail or mobile phone text messages (SMS, MMS, etc.) prior to the changes in the fees for using the saving money, the Company shall inform them in advance via the method of preference.

(8) In the event that there are changes to the criteria used to determine the amount of fee for the use of the savings money, the Company shall inform the depositor of the details of such changes when notifying them of the trading records pursuant to Subparagraph 2 of [§9(1)].

#### **§7. Delegation of Authority**

The depositor shall delegate all necessary matters for the management of savings 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. Notification of Trade, etc.**

(1) The Company shall, when a trade of a beneficiary certificate is executed, follow the methods specified in the following Subparagraphs when notifying the depositor of the details of the transaction.

1. The Company shall notify the depositor of information on the trade type, issue and item, quantity, price, all expenses including fees, and other details of trading immediately after a trade is executed.
2. In the case where the trading of collective investment securities is executed, the Company shall notify the depositor of the real return on investment after deduction of all expenses incurred by the collective investment scheme, principal and estimated redemption amount, the rates for total remuneration and fee by the end of every month.
3. The Company shall notify the depositor through one of the methods falling under any of the following (in the case of the transactions that are not managed or recorded on account books, limited to item 'a') that have been agreed on in advance between the Company and the depositor. Provided, That in cases when the collective investment securities that the depositor is holding are an exchange-traded fund pursuant to [§234] of the Financial Investment Services and Capital Markets Act, a money market fund, or collective investment securities of a privately placed fund, or when the valuation amount is no more than 100,000 won as of the valuation date (limited to cases when the trading of collective investment securities is executed), or when a depositor does not want to be notified, the notification may be substituted by keeping the information at branch offices for the depositor to confirm on demand or posting on the Internet website to enable confirmation at any time.
  - a. Delivery of notification in writing;
  - b. telephone, telegram, or facsimile;
  - c. E-mail or other electronic communications methods similar thereto;
  - d. Delivery of a letter confirming the trading by using the Korea Securities Depository's computer network for depositors who are settlement system participants of the Korea Securities Depository;
  - e. By internet or a mobile system that enables confirmation at any time; or
  - f. Notification by the Company through a mobile system using text messages or other methods similar thereto.

(2) The Company shall consult with the depositor to determine the method of notification and keep and maintain a record of such information before the depositor begins engaging in trading.

## **§10. Special Treatment for Depositors**

(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. Provided, That in the case the depositor extended the savings period pursuant to Subparagraph 4 of [§5(3)], 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. Provided, That 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 Subparagraph 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 Subparagraph 2 of [§93(1)] of the Enforcement Decree of the same Act, or the conditions in [§192(1)] of the Financial Investment Services and Capital Markets Act (hereinafter referred to as the “Capital Markets Act”) and Subparagraphs 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.

#### **§11. Withdrawal of Savings Assets**

(1) The depositor may request the withdrawal of savings assets at any time. Provided, That 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) In the case where there is a request for a part of the savings assets by the depositor, the Company shall pay it.

(4) In the case the depositor does request withdrawal of savings assets in spite of the cancellation of the savings contract pursuant to [§14], 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. Provided, That 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.

#### **§12. Withdrawal of Subscription**

(1) A depositor, who has subscribed to beneficiary certificates of which subscriptions can be withdrawn pursuant to [§46] of the Act on the Protection of Financial Consumers and relevant regulations, may withdraw his or her intention for subscription within seven (7) days from the date when the contract documents were delivered (or from the date when the contract was signed in the case where the contract documents were not provided).

(2) Upon the exercise of the right to withdraw a subscription by the depositor, the Company shall return the money received from the depositor and pay interest on delayed payment calculated with the rates specified in <Attachment>.

#### **§13. Termination of Illegal Contracts**

(1) In the cases where termination of an illegal contract is allowed under [§47] of the Act

on the Protection of Financial Consumers and relevant regulations, a depositor may demand the termination of a contract within one (1) year since the date when he or she became knowledgeable of violation of the contract within the maximum period of five (5) years from the date when the contract was concluded.

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

The Company may, in the case that it falls under any of the following Subparagraphs, 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.

#### **§15. 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. Provided, That the place or method, etc. of transaction may be limited in accordance with the details of transactions.

(2) The depositor shall conduct a transaction based on a passbook issued by the company. Provided, That 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.

#### **§16. 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. Provided, That the depositor shall, when conducting a transaction according to the conditions in [§15(2)], comply with the stipulations in relevant statutes such as the Capital Markets Act, etc.

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

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

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

(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 from the delay of declaration due to causes attributable to the depositor unless there are causes attributable to the Company.

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

In cases where the depositor declares an accident related to his/her savings passbook or declared seal, etc. pursuant to [§17], 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.

#### **§19. 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. Provided, That when such delivery is, without any reasons attributable to the Company, delayed or fails due to a change in address, etc. 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.

#### **§20. Release from 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 Subparagraphs:

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.

## **§21. Handling of Error**

(1) The Company shall, when it discovers trading content in an application to subscribe for a savings product or a savings account 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.

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

(1) The Company shall, when intending to amend an agreement, release the content of such amendment (including whether the amended provisions apply to the existing customers, the comparison table of old and new provisions, etc.) for the depositor to check at its branch offices, on its Internet website, on the computer portal for online trading, and on other electronic communications media similar thereto ( )<sup>2)</sup> days before the effective date of the agreement. Provided, That under an urgent and inevitable circumstance that it is difficult to provide information as prescribed in this Paragraph, such as in the case of amendment of the agreement due to institutional change following enactment or amendment of the regulations on business conduct of KRX or relevant laws and regulations including the Capital Markets Act, the Company shall post the content of such amendment as set out in this Paragraph before the effective date of the agreement subject to the amendment.

(2) If the content of the amendment in Paragraph (1) is unfavorable or critical to the depositor, the Company shall notify him/her individually of such fact (including the comparison table of old and new provisions) ( )<sup>3)</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. Provided, That 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

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

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

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 from the date on which he/she received the notice until the effective date of the agreement subject to the amendment.”

(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 trading, and on other electronic communications media similar thereto for search and download (including screen-printing) by the depositor.

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

The depositor may transfer savings money and beneficiary certificates or provide them as a pledge (refers to a right of a creditor to hold the collateral until the debtor repay one’s debt and in the case where the creditor does not repay one’s debt, the right to be paid in preference with regard to that collateral) upon the Company's consent.

### **§24. Trading Restrictions**

(1) The Company shall, in the cases where the account is exploited for fraud pursuant to the Special Act on the Prevention of Loss Caused by Telecommunications-based Financial Fraud and Refund for Loss, impose restriction of financial transactions such as opening of an account, etc. on the account holder.

(2) The Company shall, in the cases where financial transactions such as opening of an account, etc. are restricted pursuant to Paragraph (1), notify the account holder of such fact without delay.

### **§25. Compliance with Relevant Laws and Regulations**

The Depositor and the Company shall adhere to the Capital Markets Act, the enforcement decree and enforcement rule of the same Act, the Regulations on Financial Investment Business and its enforcement rule, the Act on the Protection of Financial Consumers and the enforcement decree of the same Act, regulations on business conduct of the Association, regulations on business conduct of the KRX, etc. (hereinafter referred to as the “relevant laws and regulations, etc.”)

## **§26. Dispute Mediation**

The depositor shall, should a dispute arise with the Company, request the settlement thereof to the Company's grievance body, or apply for mediation to the Financial Supervisory Service or the Association.

## **§27. Competent Court**

In the cases where litigation is needed to settle disputes that arise between the Company and depositor in relation to transactions executed in accordance with this Agreement, the competent court shall be determined as prescribed by the Civil Procedure Act.

## **§28. Others**

(1) Any matter not prescribed in this Agreement shall, unless otherwise agreed, comply with the provisions prescribed in relevant laws and regulations, etc.; in the case that there are no provisions therein, it shall comply with commercial practices.

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

<Attachment>

1. The rates “specified in <Attachment>” in [§12(2)] shall be as follows:

(Details are to be specified by companies.)