

# INTERNAL CONTROL STANDARDS ON CHINESE WALLS

## CHAPTER 1 GENERAL PROVISIONS

### 1.1 Purpose

The purpose of these Standards is to set forth the matters necessary for the Seoul Branch of Sumitomo Mitsui Banking Corporation (the “**Bank**”) to properly block the exchange of information prescribed in Article 45 of the Financial Investment Services and Capital Markets Act (the “**FISCMA**”).

### 1.2 Identification and Establishment of Information Subject to Information Exchange Blockade

1. The Bank shall block the exchange of the information falling under any of the following subparagraphs (the “**Subject Information**”) as set forth herein in order to prevent conflicts of interest and protect investors:
  - (1) Material nonpublic information under the FISCMA other than the subparagraphs of Article 174(1) thereof;
  - (2) Information concerning the status of the sale, purchase or ownership of financial investment products by an Investor, which has not been disclosed yet to unspecified people; or
  - (3) Information concerning the composition and management of any collective investment property, property subject to discretionary investment and trust property, which has not been disclosed yet to unspecified people
2. In order to determine whether any information constitutes material nonpublic information under subparagraph (1) of Paragraph 1, the Bank shall prepare the standards for identification of material nonpublic information in consideration of the following matters with respect to an entity relating to its business, including financial investment business:
  - (1) Facts or decisions that cause any material change to the financial structure;
  - (2) Facts or decisions that may cause any material change to the corporate management environment;
  - (3) Facts or decisions that cause a substantial loss or appreciation of property;
  - (4) Facts or decisions that cause any material change to claims and liabilities;
  - (5) Material facts or decisions relating to investment and contribution;
  - (6) Material facts or decisions relating to any change in the profit and loss structure;
  - (7) Decision to change the accounting standards or accounting estimates that will have a material effect on the management, property or an investor’s investment decision;

- (8) Disclosure or announcement of any materials concerning management conditions, etc. as required by the applicable laws or supervisory authorities;
  - (9) Decision to appoint and dismiss any outside directors or auditor;
  - (10) Transaction with the largest shareholder, etc.;
  - (11) Execution or suspension of any tender offer; and
  - (12) Any other matter or decision deemed equivalent to the foregoing based on the Bank's judgment standards, which may have a material effect on an investor's investment decision
3. The information falling under any of the following subparagraphs among the information under subparagraph (2) of Paragraph 1 shall be excluded from the Subject Information:
- (1) Information on the total amount of the electronically registered shares, etc. under subparagraph 4 of Article 2 of the Act on Electronic Registration of Stocks, Bonds, Etc. held by an investor and the total amount thereof by type;
  - (2) Information on the total amount of securities deposited by an investor and the total amount thereof by type;
  - (3) Information on the total amount of debt securities by type;
  - (4) Personal credit information for which the consent to provision has been obtained pursuant to Article 32 of the Credit Information Use and Protection Act or which is subject to a request for transmission pursuant to Article 33-2 thereof; and
  - (5) Any other information that is not likely to cause conflicts of interest and has been approved by the information exchange control manager under Article 1.5.2 (the "**Control Manager**")
4. The information falling under any of the following subparagraphs among the information under subparagraph (3) of Paragraph 1 shall be excluded from the Subject Information:
- (1) Information on the management of real estate (including the rights relating to real estate, such as superficies, easement, leasehold rights, leasehold and pre-sale rights) and special assets (including real estate and any securities issued by a company with the purpose of special asset investment), which is not likely to cause conflicts of interest;
  - (2) Information with respect to which the period set forth in the Internal Control Standards has expired; and
  - (3) Any other information that is not likely to cause conflicts of interest and has been approved by the Control Manager
5. If it is difficult to determine whether any information produced or obtained in the course of business constitutes the Subject Information, an officer or employee shall report the information to the Control Manager, and the Control Manager shall determine whether the information constitutes the Subject

Information. In this case, the relevant officer or employee shall consider the information as the Subject Information until he/she is notified of the result of the Control Manager's judgment.

6. If any portion of the Subject Information is disclosed or is recognized as no longer requiring protection, the manager for each department or type of information designated pursuant to Article 1.4 shall notify such fact to the information exchange control division under Article 1.5.1 (the **"Information Exchange Control Division"**), and the Information Exchange Control Division may decide to release the information from the Subject Information.

### **1.3 Establishment of Units Subject to Information Exchange Blockade**

1. The Bank shall establish and manage the units subject to information exchange blockade in accordance with Article 1.3.2, and may classify the units subject to information exchange blockade and establish such units additionally, if necessary in consideration of the following standards for classification:
  - (1) Type of the Subject Information produced and obtained;
  - (2) Type of financial investment business (including the business permitted for comprehensive financial investment business entities under Article 77-3 of the FISCMA) and additional and incidental business;
  - (3) Specific business characteristics, profit structure and potential conflicts of interest; and
  - (4) Necessity for classification of other units subject to information exchange blockade
2. The Bank shall establish the units subject to information exchange blockade as set forth below:
  - (1) **Treating the Seoul branch as one unit, between SMBC / SMFG affiliates and the Branch**
3. If the Bank deems that there is a potential conflict of interest issue with respect to any particular matter within the same unit subject to information exchange blockade, the Bank may temporarily classify the unit into separate units with respect thereto.

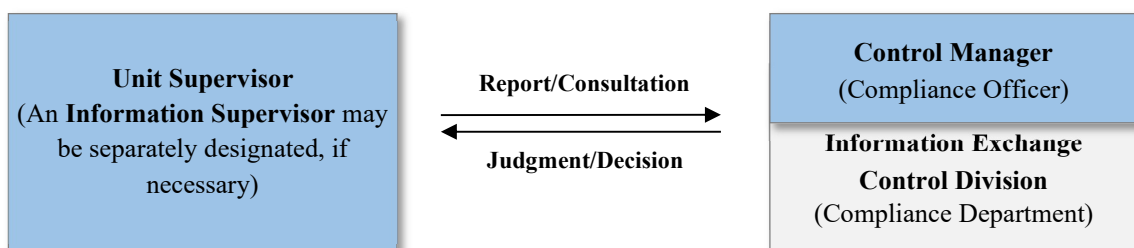
### **1.4 Supervisor relating to Utilization of the Subject Information**

1. The Company shall designate a supervisor for each unit subject to information exchange blockade under Article 1.3 (**"Unit Supervisor"**).
2. The Unit Supervisor shall manage and supervise the officers and employees of the relevant unit to prevent them from utilizing the Subject Information outside the scope of their business or divulging the Subject Information to a third party, including the officers and employees who do not belong to the relevant unit subject to information exchange blockade.

3. If, in the opinion of the Unit Supervisor, there is a possibility that a temporary conflict of interest will occur with respect to any particular matter within the same unit subject to information exchange blockade under Paragraph 1, he/she may separately designate a supervisor responsible for the information relating to the matter (“**Information Supervisor**”) in consultation with the Control Manager.

### 1.5 Establishment and Operation of Information Exchange Control Division

1. The Bank’s Compliance Department, as an organization responsible for information exchange control, shall oversee the appropriateness of information exchange blockade and exceptional exchanges, and supervise the business relating to the information exchange blockade.
2. The Bank shall designate the compliance officer as the Control Manager supervising the Information Exchange Control Division.
3. The Control Manager may delegate a portion of the information exchange control business to the officers and employees of the Information Exchange Control Division, and in this case, the scope and limitation, etc. of the delegation shall be clearly divided.
4. The Bank shall apply stricter compliance obligations in imposing confidentiality, prohibition on unfair use of information, and prohibition of front running, etc. on the officers and employees under Paragraphs 1 through 3.
5. Articles 3.3 and 3.4 of these Internal Control Standards shall apply to the Control Manager *mutatis mutandis* with respect to the business relating to the information exchange blockade.



### 1.6 Officers Permitted to Exchange Information on a Regular Basis

1. The Bank may designate officers permitted to exchange information on a standing basis in order to control the business between the units subject to information exchange blockade, and between a unit subject to information exchange blockade and a unit not designated as such unit (“**Non-subject Unit**”). **The Bank designates the head of the Risk Management Group, a back office, or the Line Management as the officers permitted to exchange information on a standing basis.**

2. The officers under Paragraph 1 shall access the information within the unit subject to information exchange blockade to the extent necessary for their business, and shall comply with the obligations and restrictions determined by the Control Manager, such as confidentiality, prohibition on unfair use of information, and prohibition on front running.
3. Notwithstanding Paragraph 1, the Control Manager may establish and manage the scope of the Subject Information that the officers under Paragraph 1 may access on a standing basis in consideration of the business necessity and the possibility of conflicts of interest.

## **CHAPTER 2 METHODS TO BLOCK INTERNAL INFORMATION EXCHANGE AND EXCEPTIONAL EXCHANGES**

### **2.1 General Principles on Information Exchange Blockade**

1. The Bank shall ensure that the Subject Information will not be shared with any person other than the relevant officers and employees on business.
2. The officers and employees utilizing the Subject Information for their duties shall utilize the information to the extent of performing the relevant duties.
3. An officer or employee retaining the Subject Information shall not divulge the Subject Information to a third party, such as an officer or employee who does not belong to in the relevant unit subject to information exchange blockade, without any justifiable reason.
4. If a person who is not an officer or employee of a unit subject to information exchange blockade accesses the Subject Information irrespective of his/her duties, any officer or employee of the unit shall notify the Information Exchange Control Division of such fact.
5. The officers and employees under Paragraph 4 shall comply with the obligations and restrictions applicable to the officers and employees of the units subject to information exchange blockade to the extent of the information obtained.
6. The Control Manager shall establish a monitoring system to check the compliance with the provisions under Paragraphs 2 through 5 on a regular basis.

### **2.2 Information Exchange Blockade on a Regular Basis**

1. The Bank shall install and operate effective information barriers by employing at least one of the following methods for each unit subject to information exchange blockade under Article 1.3 in consideration of the characteristics and scale of its business, the degree of conflicts of interest, etc.
  - (1) Separation of office space;

- (2) Separation in terms of computer systems, such as restriction on access to information systems;
  - (3) Maintenance of, or restriction on regular records of meetings and communications of the officers and employees between units subject to information exchange blockade, or a unit subject to information exchange blockade and a Non-subject Unit; and
  - (4) Installation and operation of other tangible and intangible information blocking devices that can effectively block information exchange
2. The Bank shall not allow any of its officers and employees to concurrently perform duties between units subject to information exchange blockade, or between a unit subject to information exchange blockade and a Non-subject Unit. Provided, however, that this shall not apply to any case falling under Article 1.6.1 and 2.3.2(3).

### **2.3 Methods for Exceptional Exchange**

1. Upon satisfaction of all of the following requirements, the Bank may permit the exchange of the Subject Information between two units subject to information exchange blockade or between a unit subject to information exchange blockade and a Non-subject Unit:
  - (1) There shall be justifiable reason to access the Subject Information;
  - (2) The prior approval of the relevant Unit Supervisor and the Control Manager (including any comprehensive approval for continuous and repeated exchanges in case where the Subject Information is deemed to be identical) shall have been obtained;
  - (3) The Subject Information to be provided shall be limited to the minimum extent necessary for the business;
  - (4) The officers and employees to whom the Subject Information will be provided shall not use the information for any purpose other than the relevant business;
  - (5) The offices and employees authorized to access the Subject Information pursuant to this Article shall comply with the obligations and restrictions applicable to the officers and employees of the relevant unit subject to information exchange blockade; and
  - (6) The Bank shall prepare records relating to exceptional exchanges of the Subject Information pursuant to this Article and maintain and manage the records for a period at least equal to the minimum retention period for the internal control records set forth in Exhibit 12 of the Financial Investment Business Regulations.
2. The Control Manager may determine the following methods or any other methods equivalent thereto as the specific methods for exceptional exchanges under Paragraph 1:
  - (1) Providing information within a unit subject to information exchange blockade;

- (2) Granting temporary access to the information within a unit subject to information exchange blockade; or
- (3) Including certain officers and employees who need to access the Subject Information in the unit subject to information exchange blockade for a prescribed period

#### **2.4 Exceptional Exchanges for Back Office Business**

1. Notwithstanding Article 2.3, the Bank may permit the officers and employees who perform the following duties, among those of the Non-subject Units, to exchange information on a standing basis with the units subject to information exchange blockade: audit, personnel, accounting, financial, management support, management analysis, product development, computerization (including development and operation), payment, legal, compliance, risk management, research, general affairs, and public relations.
2. The officers and employees under Paragraph 1 shall access the information within the unit subject to information exchange blockade to the extent necessary for their duties, and comply with the obligations and restrictions determined by the Control Manager, such as confidentiality, prohibition on unfair use of information, and prohibition on front running.

### **CHAPTER 3 PREPARATION, MANAGEMENT OF PRODUCTS SUBJECT TO TRADING CAUTION OR RESTRICTION, AND MONITORING, ETC.**

#### **3.1 List of Products Subject to Trading Caution or Trading Restriction**

1. If deemed necessary by the Control Manager for the purpose of preventing conflicts of interest, such as acquisition of any material nonpublic information or any transaction or corporate information equivalent to material nonpublic information, the financial investment products relating to the relevant entity may be designated as the products subject to trading caution or trading restriction.
2. The Control Manager shall monitor sale and purchase transactions involving the financial investment products designated as the products subject to trading caution on a standing basis, and shall take appropriate measures to prevent any conflict of interest between the Company, its officers and employees and customers, or between the Company and its officers and employees.
3. With respect to the financial investment products designated as the products subject to trading restriction, the Control Manager shall ensure that any transaction for the account of the Bank or any of its officers and employees will be restricted.

4. The Control Manager may determine the scope of the officers and employees subject to trading restriction under Paragraph 3 and notify them of the list of the products subject to transaction restriction or require them to refer thereto.

### **3.2 Transactions with Potential Conflicts of Interest**

1. The Bank shall prepare and manage a list for each type of transactions identified as having potential conflicts of interest in connection with its business.
2. The Bank shall prepare countermeasures to minimize conflicts of interest for each type of transactions under Paragraph 1, such as suspending transactions and notifying customers of such fact.<sup>1</sup>

## **CHAPTER 4 BLOCKING EXTERNAL INFORMATION EXCHANGES**

### **4.1 Principles on Information Exchanges with Third Parties, including Affiliates**

1. The Bank shall install and operate information barriers in accordance with Article 2.2 with respect to third parties, such as affiliates (including the Bank's head office; hereinafter, the same shall apply in this Article). Provided, however, that this provision shall not apply to the exchange of any information that is not likely to cause conflicts of interest, such as any information irrelevant to the Subject Information, or any information exchange by a Non-subject Unit.
2. In applying Paragraph 1, the Bank may classify affiliates and other third parties by type based on the risk of conflicts of interest and internal control efficiency, and establish different Internal Control Standards for each type or operate the Internal Control Standards by specifying the scope of third parties with respect to which the Bank installs and operates information barriers.
3. Notwithstanding Paragraph 1, the Bank may provide the Subject Information to a third party, such as affiliates, in any of the following cases:
  - (1) If it provides the information to its affiliate or any other third party, in order to perform its obligation to report or disclose the shares that it holds in accordance with domestic and foreign laws;
  - (2) If it provides the information to any third party entrusted with, or linked to its business for the performing of the entrusted or affiliated business;
  - (3) If it is necessary to comply with its Internal Control Standards and conduct an inspection on the compliance therewith;

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<sup>1</sup> The detailed management procedures concerning conflicts of interest shall be as set forth in the Seoul Branch's Management Procedure Concerning Conflicts of Interest in SMBC.



- (4) If the information is provided for the performance of duties, such as audit, personnel, accounting, financial, management support, management analysis, product development, computerization, payment, legal, compliance, risk management, research, general affairs, and public relations;
  - (5) If it provides the information to conduct the financial investment business or any other related business jointly with a third party, such as affiliates;
  - (6) With respect to any transaction involving derivatives (the “**Relevant Transaction**”) with a customer, if it provides the information relating to the Relevant Transaction to a third party, such as affiliates, in order to avoid risks relating to the Relevant Transaction with the approval of the Control Manager<sup>1</sup>; or
  - (7) If it has any other justifiable business reason and has obtained the approval of the Control Manager, and the potential for conflicts of interest due to information provision is low<sup>2</sup>
- 4. Articles 2.3 and 2.4 shall *apply mutatis mutandis* to the Bank’s exchange of the Subject Information with a third party, such as affiliates.
  - 5. The scope of third parties, such as affiliates, to which the Bank may provide the Subject Information pursuant to Paragraph 3 shall be as set forth in Exhibit 1 (hereinafter, the same shall apply).

#### 4.2 Process for Requesting the Subject Information

- 1. The persons who may request the Bank to provide the Subject Information shall be limited to the officers and employees of the relevant third party, such as affiliates, who belong to the departments listed in Exhibit 1. In addition, if any person satisfying the foregoing requirement receives the Subject Information from the Bank for any of reason set forth in Article 4.1.3, it shall be deemed that a request under this Article has been made.
- 2. A person who intends to request the provision of certain Subject Information pursuant to Paragraph 1 (including any case where a request is deemed to have been made as set forth in the latter part of Paragraph 1; hereinafter, the same shall apply) shall request the provision of the Subject Information only to the extent necessary for the purpose of using the Subject Information (limited to the purposes set forth in Article 4.1.3).
- 3. If the Control Manager determines that there is a conflict of interest, even in case where the provision of the Subject Information has been requested by a person falling under Paragraph 1, the Control Manager may require the person or department providing the Subject Information to take appropriate

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<sup>1</sup> As for the approval from the Control Manager, please refer to Exhibit 3.3 Approval of the Control Manager Prior to Information Exchange.

<sup>2</sup> As for the approval from the Control Manager, please refer to Exhibit 3.3 Approval of the Control Manager Prior to Information Exchange.

measures, such as declining the request for provision or requiring the suspension of provision of the Subject Information.

#### **4.3 Process for Provision of the Subject Information**

1. If an affiliate requests the Bank to provide the Subject Information or the Bank intends to provide the Subject Information to an affiliate based on Paragraphs 4.1.3(6) and 4.1.3(7) hereof, the affiliate or the Bank, as the case may be, shall provide an explanation to the Control Manager in advance on the reason why the provision of the Subject Information is required, and the Control Manager may approve the provision of the Subject Information only if the reason is reasonable and the potential for conflicts of interest due to information provision is deemed low. In this case, the Control Manager shall keep a record on the details of the explanation, and the purpose and reason for approving the provision of the Subject Information.<sup>1</sup>
2. If the Subject Information is requested or provided for any reason falling under Article 4.1.3 hereof (excluding Paragraphs 4.1.3(6) and 4.1.3(7)), the Subject Information may be requested and provided to an affiliate without the prior approval of the Control Manager, subject to compliance with the recordkeeping procedures set forth in Article 5.1 hereof.
3. A person who intends to provide certain Subject Information pursuant to Paragraphs 1 and 2 shall provide the Subject Information only to the extent necessary for the purpose for which the Subject Information is provided (limited to the purposes set forth in Article 4.1.3).
4. If it is unclear whether the information to be provided to an affiliate constitutes the Subject Information or the purpose of providing the Subject Information to an affiliate falls under any of the reasons set forth in Article 4.1.3, the relevant officer or employee shall obtain prior confirmation from the Control Manager by providing an explanation on the reason why the provision of the Subject Information is necessary.

#### **4.4 Confirmation Authority of the Control Manager**

1. If the Control Manager suspects that the Subject Information has been used for any purpose other than the intended purpose of provision, the Control Manager may request the recipient of the Subject Information, the head of the department to which the recipient belongs, and the compliance department of the relevant affiliate to explain the details on the use of the Subject Information .
2. If it is confirmed that the Subject Information has been used for any purpose other than the intended

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<sup>1</sup> As for the approval from the Control Manager, please refer to Exhibit 3.3 Approval of the Control Manager Prior to Information Exchange.

purpose of provision, the Control Manager shall immediately request the department providing the Subject Information to suspend the provision thereof.

3. If it is confirmed that the provision of the Subject Information has resulted in a conflict of interest, the Control Manager shall report or notify the branch manager and the compliance department of the affiliate that has received the information of such fact, and require them to take appropriate measures under the FISCMA and other applicable laws.

#### **4.5 Requirement for Provision and Transmission of Personal Credit Information**

If the Bank obtains the consent from customers to provision of personal credit information pursuant to Article 32(1) of the Credit Information Use and Protection Act, or receives a request for transmission of personal credit information pursuant to Article 33-2(2) thereof, the Bank may provide the information to third parties, such as affiliates.

#### **4.6 Dual Office Holding**

The Bank may allow any officer or employee of a third party, such as affiliates, to serve as its officer or employee concurrently in accordance with the relevant bylaws to the extent permitted by applicable laws, such as the Act on Corporate Governance of Financial Companies.

### **CHAPTER 5 MISCELLANEOUS**

#### **5.1 Maintenance and Periodic Inspection of Records on Information Exchange Blockade**

1. The Control Manager shall keep a record of the following matters in connection with exceptional information exchanges, and the designation of the products subject to trading caution and trading restriction for at least the minimum retention period for the internal control-related materials set forth in Exhibit 12 of the Financial Investment Business regulations:
  - (1) Exceptional information exchanges: The department and name of the recipient of the Subject Information (or any temporarily assigned person) and the relevant approver, the date and time of receipt of the information or the date and time of assignment and termination, the main content of the information exchanged, etc. Provided, however, that if any information of the same content is redundantly exchanged with the same third party, such as affiliates, (for instance, if the same content as a phone conversation is sent via email), the relevant record may be kept in any one of the following manners:
    - ① Telephone/video communication: Recording, videotaping or keeping a record on the

summary of the conversation (date, time, conversation counterparts, main content of the conversation)

- ② Delivery of documents: Keeping a copy of the documents and listing the sender and recipient
  - ③ Facsimile: Keeping a copy of the facsimile and the transmission/receipt information thereof
  - ④ Delivery of email or electronic documents: Saving the email or electronic document
  - ⑤ Information sharing through access to an electronic storage device
    - (a) Electronic storage devices located in Korea: Keeping an access information record and managing a list of the persons with access to the information
    - (b) Electronic storage located abroad: As set forth in the internal regulations for prevention of conflicts of interest of the affiliate managing the electronic storage device. The detailed internal regulations are as set forth in Exhibit 2. In this case, the affiliate to which the Subject Information is provided shall not use the provided information for any purpose other than the purpose for which it was provided in accordance with its internal regulations for prevention of conflicts of interest.
  - ⑥ In-person meeting: Recording the summary of the meeting (date and time, counterparties, and the main content of the conversation). Provided, however, that if the Subject Information is provided in any manner set forth in subparagraphs ① through ⑤, and a record of such provision is maintained, and the Subject Information is provided in an in-person meeting to the extent not exceeding the scope of the provided Subject Information, the obligation to record the summary of the meeting shall not apply to the extent of the scope of the Subject Information already recorded.
- (2) List of products subject to trading caution and trading restriction: Reason for, and date and time of designation and cancellation of designation
2. The Control Manager may require the unit subject to information exchange blockade to keep a record of the matters set forth in each subparagraph of Paragraph 1. Provided, however, that if the Subject Information is provided in any manner set forth in Paragraph 5.1.1(1) ② to ⑥, and a record of such provision is maintained, and the Subject Information is provided in a phone/video communication to the extent not exceeding the scope of the provided Subject Information, the obligation to record the summary of the communication shall not apply to the extent of the scope of the Subject Information already recorded. In addition, if two or more of the listed officers and employees are involved in the same information exchange, only one of the officers and employees subject to the record-keeping obligation may be required to bear the obligation through mutual consultation among themselves. At this time, such intent shall be stated in the relevant record.

3. The Bank shall record and maintain a list of the Unit Supervisors for each unit subject to information exchange blockade and the Information Supervisors, and the officers permitted to exchange information on a standing basis for at least the minimum retention period under Paragraph 1 and submit the list at the request of the supervisory authorities.
4. The Control Manager shall inspect the appropriateness of the records under Paragraph 1 and the maintenance thereof, exceptional information exchanges, designation and cancellation of designation of the products subject to trading caution and trading restriction on a regular basis (semi-annually).<sup>1</sup>  
If the Control Manager discovers through such inspection that the Subject Information has been provided in violation of this standard, the Control Manager shall take the measures set forth in Article 4.4.2 and report the details to the Branch Manager and the head of the relevant department.

## **5.2 Training for Officers and Employees**

1. The Bank shall post these Standards and relevant policies on its internal network, etc. to ensure that its officers and employees will be able to check them.
2. The Bank shall provide training for its officers and employees on a regular basis to ensure that they will be familiar with these Standards and relevant guidelines, including the following:
  - (1) Matters applicable to the officers and employees within the unit subject to information exchange blockade;
  - (2) Matters to be complied with by all officers and employees to block information exchange;
  - (3) Matters concerning administrative sanctions and criminal punishment upon any improper use of the Subject Information; and
  - (4) Other matters deemed necessary by the Control Manager
3. Upon any amendment to these Standards and relevant guidelines, the Bank shall refresh the attention of its officers and employees thereto.

## **5.3 Disclosure of Details on Information Exchange Blockade**

The Bank shall disclose the main contents of its policies relating to the management on conflicts of interest and information exchange blockade under each of the following subparagraphs through its website, etc. (including keeping such information within the Bank for perusal of customers, or providing such information by mail or email at the request of customers, if there is no website);

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<sup>1</sup> As for the regular monitoring, please refer to Exhibit 3.6 Checklist for Regular Inspection on Records of Information Exchange Blockade and Maintenance thereof, Exceptional Information Exchange, Etc.

1. Any information excluded from the Subject Information in accordance with Paragraphs 1.2.3 and 1.2.4;
2. Establishment of the units subject to information exchange blockade under Article 1.3 and the types of the Subject Information for each unit;
3. Standards for designation of the products subject to trading caution and trading restriction under Article 3.1;
4. Types of transactions that are likely to cause conflicts of interest under Article 3.2 and countermeasures therefor; and
5. Main contents of other policies relating to management of conflicts of interest and information exchange blockade

#### **5.4 Internal Control Standards and relations with Other Laws and Regulations, Etc.**

1. These Standards form part of the Bank's Internal Control Standards. These Standards are special provisions of the Bank's Internal Control Standards to the extent relating to the provision of the Subject Information to third parties, such as affiliates, and shall prevail over its Internal Control Standards within the scope not violating the FISCMA and other mandatory laws and regulations.
2. The specific details necessary for the implementation of these Standards in connection with the provision of information to third parties, such as the Bank's affiliates, may be separately determined by the Bank's bylaws, detailed regulations and guidelines, etc. to the extent not conflicting with the FISCMA and other mandatory laws and regulations.
3. Notwithstanding these Standards, if there are any other requirements separately prescribed by the FISCMA, the Act on Real Name Financial Transactions and Confidentiality, the Credit Information Use and Protection Act and other mandatory laws and regulations of Korea in connection with internal or external information exchanges, or other requirements for authorizations or entrustment of businesses separately prescribed for the performance of any individual business for which the provision of the Subject Information is permitted, the requirements prescribed by the relevant laws and regulations shall be satisfied.

#### **SUPPLEMENTARY PROVISIONS**

##### **1. Enforcement Date**

**These Internal Control Standards shall come into force from Feb.19, 2024.**

**These Internal Control Standards shall come into force from Jan.31, 2025.**

**Exhibit 1. Scope of third parties, such as affiliates, to which the Bank may provide the Subject Information** (in connection with Article 4.1.5)

The third parties, such as affiliates, to which the Bank may provide the Subject Information in accordance with Article 4(3) shall refer to the officers and employees of the following organizations who are directly responsible for the business relating to the reasons for which the exceptional changes of the Subject Information are required as set forth in each of the subparagraphs of Article 4(3).

1. SMBC's head office
2. SMFG's affiliates

## **Exhibit 2. Summary of Internal Regulations Relating to Prevention of Conflicts of Interest Applicable to Information Subject to Prohibition on Exchange Saved in Computer Devices Located Abroad**

The regulations relating to the foregoing are specifically cited from Articles 7 and 9 of the Management Rules Concerning Conflicts of Interest in SMBC of the head office of Sumitomo Mitsui Banking Corporation as set forth below, and the Controlling Office takes the responsibility and performs duties with respect thereto under SMBC's conflicts of interest system.

A summary of the regulations is as set forth below.

### 7. Special Rules for Foreign Offices of SMBC Group Company

(1) If any foreign office of an SMBC Group Company (the "Foreign Office") is required under local laws, regulations or other rules, etc., or market practices, to establish a conflict of interest management system that is stricter than the system set forth herein, such Foreign Office shall establish a system, which comply with such local laws, regulations or rules, etc., or market practices applicable thereto, as well as with the Rules.

(2) If the Foreign Office has any trouble in taking measures concerning the management system due to any inconsistency, etc., between the local laws, regulations or other rules, or market practices, and the Rules, such Foreign Office shall report the substance of such laws, regulations or other rules, or market practices to, and consult on the measures therefor with, the COI Controlling Office of SMBC. The Foreign Office of SMBC shall make reports to the Planning Departments Within the Operation Units of SMBC controlling such Foreign Office, as well as to the COI Controlling Office of SMBC.

### 9. Others

Any consultation or report that the SMBC Group Company makes to the COI Controlling Office of SMBC shall be conducted within a scope that does not contravene laws, regulations or other rules, etc. (if in the case of a foreign entity, including any local laws, regulations or other rules applicable to such entity).



**Exhibit 3. Business Procedures for Exceptional Information Exchanges with Third Parties, including Affiliates, with the Approval of the Control Manager** (in connection with Paragraphs 4.1.3.(6) and 4.1.3.(7))

**1. Verify whether exceptional information exchanges with third parties, including affiliates, are applicable**

Upon any trading of derivatives with a customer, in case where any information relating to the trading is provided to a third party, such as affiliates, in order to avoid risks relating thereto (the counterparty to the transaction is a third party, such as the head office or an affiliate, see Exhibit 1)

**2. Procedures necessary with respect to exceptional information exchanges**

No.	Item	Reference
1	Consent to provision of the Subject Information of the information subject	• Exhibit 3.1 Consent to Provision of Financial Transaction Information
2	Covenant not to use the information for any purpose other than the relevant business purpose from the information recipient	• In connection with Paragraph 2.3.1.(4) • Exhibit 3.2 Consent Letter on Non-Disclosure for Customer information
3	Approval of the Control Manager (Compliance Officer) prior to information exchange	• In connection with Paragraphs 4.1.3.(6), 4.1.3. (7). • Exhibit 3.3 Approval of the Control Manager Prior to Information Exchange
4	Notice to customers after information exchange	• Exhibit 3.4 Notice to Customers (mail) Sample
5	Maintenance by the Control Manager of information exchange blockade records	• In connection with Paragraph 5.1.1 • Exhibit 3.5 Check sheet for records on information exchange blockade

**3. Periodic inspection by the Control Manager of information exchange blockade (In connection with Paragraph 5.1.4)**

Conducting an inspection of the appropriateness of records and the maintenance thereof on a semi-annual basis and making a report to the branch manager on the inspection result

※Exhibit 3.6 Checklist for Regular Inspection on Records of Information Exchange Blockade and Maintenance thereof, Exceptional Information Exchange, Etc.

- **Exhibit 3.1 Consent to Provision of Financial Transaction Information**



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- **Exhibit 3.2 Consent Letter on Non-Disclosure for Customer information - from the information recipient**



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확약서\_20240219.6

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- **Exhibit 3.3 Approval of the Control Manager Prior to Information Exchange**



정보 교류 이전의  
승인서\_20240219.6

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- **Exhibit 3.4 Notice to customers after information exchange (example)**

To: Customer

Cc: Compliance Group, Line Management and Relevant Groups

Subject : Confirmation of Information Sharing for customer information

Email : Include the following points. Please do not include specific information regarding the transaction, etc.

1. Client name (official name taken from the company register, etc.)
2. Client address
3. The scope of information that shared (clearly state the scope, criteria, etc. if any limitations exist regarding the sharing of information).
4. The official names of any SMBC overseas/ SMFG affiliates with which the information was shared.
5. The date on which the client's consent was obtained
6. The full name of the client representative giving consent and his/her title

- **Exhibit 3.5 Control Manager's check sheet for maintenance of information exchange blockade records**



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- **Exhibit 3.6 Checklist for Regular Inspection on Records of Information Exchange Blockade and Maintenance thereof, Exceptional Information Exchange, Etc.**



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End