

Main Contents of Internal Control Standards Related to Information Exchange Barriers

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According to Article 45 of the “Capital Market and Financial Investment Business Act” (hereinafter referred to as the “Capital Markets Act”) and Article 50 of the Enforcement Decree of the same Act, the main contents related to the blocking of information exchange stipulated in the Internal Control Standards of Natixis Asia Limited, Seoul Branch are as follows.

Section 1 Information and Areas Subject to Information Barrier

§1. Identification and Establishment of Information Subject to Information Barriers

(1) In order to prevent conflicts of interest and protect investors, the Company shall block the exchange of the following information as prescribed in the Standards:

1. Important undisclosed information under the Act other than the information under [§174(1)] of the Act;
2. Information on investors' sales and ownership of financial investment products that has not been disclosed to unspecified many; and
3. Information on the composition and management of collective investment properties, discretionary investment properties, and trust properties that has not been disclosed to unspecified many.

(2) The Company shall establish criteria to identify important undisclosed information under Paragraph (1) Subparagraph 1 considering the following matters regarding the corporations related to the Company's affairs including the financial investment business:

1. Facts or decisions that cause major changes to the financial structure;
2. Facts or decisions that may cause major changes to the corporate management environment;
3. Facts or decisions that cause massive loss of properties, etc. or increase in value;
4. Facts or decisions that cause major changes to creditor-debtor relationships;
5. Important facts or decisions regarding investments and investment relationships;
6. Important facts or decisions regarding changes in the profit structure;
7. Decisions on the revision of the accounting standards or assumptions with major impact on the management properties and investors' investment decisions;
8. Disclosure or announcement of information on management status, etc. as required by the relevant laws or the supervisory institution;
9. Decisions on the appointment or dismissal of external directors and auditors;
10. Trading with the largest shareholder, etc.;
11. Performance or discontinuation of open purchase; and
12. Other matters or decisions deemed equivalent under the Company's criteria that may have major impact on investors' investment decisions.

(3) The information under Paragraph (1), Subparagraph 2 that fall under the following subparagraphs shall not be subject to the information barrier:

1. Information on the total amount of electronically registered shares, etc. under subparagraph 4 of [§2] of the Act on Electronic Registration of Stocks and Bonds, and the total amount of the electronically registered shares, etc. by type;
2. Information on the total amount of securities deposited by investors, and the total amount of the securities by type;
3. Information on the total amount of debt securities by item;
4. Personal credit information for which a consent on provision has been obtained pursuant to [§32] of the Credit Information Use And Protection Act or a transmission demand has been received pursuant to [§33-2] of the same Act; and
5. Other information without risk of conflicts of interest, approved by the information barrier officer under [§4(2)], etc. (hereinafter referred to as the "information barrier officer, etc.").

(4) The information under Paragraph (1), subparagraph 3 that fall under the following subparagraphs shall not be subject to the information barrier:

1. Information related to real properties (including superficies, easement, lease rights, sales rights, and others) or the management of special assets (including securities issued by the financial investment company for investments in real properties and special assets) that do not pose a risk of conflicts of interest
2. Information past the term prescribed in the internal control standards
3. Other information approved by the information barrier officer, etc. that does not pose a risk of conflicts of interest

(5) In cases where an employee cannot determine whether information produced or obtained in the course of the performance of his/her duties constitutes information subject to information barrier, the employee shall report the matter to the information subject to information barrier, who will assess and determine whether the information constitutes information subject to information barrier. In such cases, the employee shall regard the information as information subject to information barrier until the information subject to information barrier notifies the results.

(6) In the event that information subject to information barrier is disclosed or deemed as not requiring protection as information subject to information barrier for any other reason, the person in charge for the area or information designated pursuant to [§3] shall notify the matter to the information exchange control organization under [§4(1)] (hereinafter referred to as "the information exchange control organization"), which may decided to release the information from information barrier.

§2. Designation of Areas Subject to Information Barrier

(1) The Company shall identify and designate areas subject to information barrier considering the following criteria:

1. The type of information subject to information barrier produced and obtained;
2. The types of the financial investment business (including those businesses allowed for comprehensive financial investment businesses under Article 77-3 of the Act), and concurrent and incidental businesses;
3. Specific characteristics of business, profit structures, and risk of conflicts of interest; and
4. Other needs for designating areas subject to information barrier.

(2) In the event that the Company determines that conflicts of interest may arise regarding specific matters within an area subject to information barrier, the company may temporarily divide the area into separate areas.

§3. Responsibilities Regarding the Use of Information Subject to Information Barrier

- (1) The Company shall designate a person in charge for each area subject to information barrier under Article 45.
- (2) Each person in charge shall supervise and ensure that the executives and employees in the relevant area do not use information subject to information barrier for any purpose other than the performance of their duties, or disclose the information to any employee or third party that are not affiliated with the area subject to information barrier.
- (3) In the event that a person in charge determines that a temporary conflict of interest may arise regarding a specific matter within an area subject to information barrier under Paragraph (1), the person in charge may designate a separate person in charge of the information related to the matter (hereinafter referred to as the “person in charge of specific information”) in consultation with the information barrier officer, etc.

§4. Establishment and Operation of Information Exchange Control Organizations

- (1) The information exchange control organization shall establish an information exchange control organization tasked with blocking information exchange, determine the appropriateness of allowed exchanges, and coordinate all duties regarding information barrier.
- (2) The Company shall designate information barrier officers, etc. coordinating the information exchange control organization (including those under [§4-6(2)] of the Regulations on Financial Investment Business).
- (3) The information barrier officer, etc. may delegate a part of its information barrier duties to executives and employees of the information exchange control organization, in which case the scope of delegation and the limit of responsibility must be clearly defined.
- (4) To the executives and employees under Paragraph (1) to 3 above, the Company shall require stricter compliance with confidentiality, prohibition of use of illegitimate information, or prohibition of front running, etc.
- (5) For the purpose of tasks related to information barrier, [§8] and [§14] of the Internal Control Standards shall apply mutatis mutandis to information barrier officer, etc.

§5. Employees Allowed to Exchange Information

- (1) The Company may appoint executives (refers to executives defined in [§2], Subparagraph 2 of the Act On Corporate Governance of Financial Companies; The same applies hereinafter in this provision) allowed to exchange information, who will be tasked with coordinating works between areas subject to information barrier, and between an area subject to information barrier and an area not designated as an area subject to information barrier (hereinafter referred to as an “area not subject to information barrier”) in accordance with the executives’ positions, duties, or supervisory responsibilities.
- (2) An executive appointed under Paragraph (1) above shall access the information in areas subject to information barrier within the scope required for his/her duties, and comply with other requirements and limitations prescribed by the information barrier officer, etc. including confidentiality, prohibition on the use of illegitimate information, and prohibition of front running.
- (3) Notwithstanding Paragraph (1) above, in consideration of the need to access the information for job performance and the possibility of conflicts of interest, the information subject to information

barrier, etc. may define and manage the scope of information subject to information barrier that an executive under Paragraph (1) above may access at all times.

Section 2. Information Barrier within the Company and Allowed Exchange

§6. General Principle of Information Barrier

- (1) The Company shall ensure that information subject to information barrier is not shared with any person other than the executives and employees related to the tasks.
- (2) All executives and employees using information subject to information barrier for the performance of their duties shall use the information only within the scope required to perform the duties.
- (3) An executive or employee holding any information subject to information barrier may not disclose the information subject to information barrier to any third party, including the executives and employees who are not affiliated with the areas subject to information barrier.
- (4) In the event that any person other than the executives and employees affiliated with the areas subject to information barrier access any information subject to information barrier unrelated to his/her duties, the relevant executive or employee shall promptly notify the matter to the information exchange control organization.
- (5) The executives and employees under paragraph 4 above shall comply with the obligations and restrictions applicable to the executives and employees within the areas subject to information barrier, within the scope of information that they obtained.
- (6) The information barrier officer, etc. shall establish a monitoring system to verify compliance with paragraphs 2 to 5 above on a regular basis.

§7. Permanent Information Barrier

- (1) In consideration of the characteristics and scope of its businesses and the degree of conflicts of interest, the Company shall use one or more of the following methods to establish and operate an effective information barrier for each area subject to information barrier under [§14]:
 1. Separation of work spaces;
 2. Electronic separation, including restriction of access to information systems;
 3. Continued record-keeping or restriction of meetings and communication between areas subject to information barrier and between areas subject to information barrier and areas not subject to information barrier; and/or
 4. Establishment and operation of other tangible and intangible information barriers capable effectively preventing exchange of other information.
- (2) The Company may not allow any executive or employee to concurrently hold positions in different areas subject to information barrier or areas subject to information barrier and area not subject to information barrier. However, the same does not apply to cases falling under [§5(1)] or [§8(2)3].

§8. Methods for Allowed Exchange

- (1) In the event all of the following requirements are satisfied, the Company may allow information exchange between areas subject to information barrier and/or between areas subject to information barrier and areas not subject to information barrier:

1. A legitimate reason for accessing the information subject to information barrier;
2. A prior approval by the persons in charge of the relevant areas and the information barrier officer, etc. (including an umbrella approval of repeated exchange of information subject to information barrier deemed to be identical);
3. The restriction of the provided information subject to information barrier to the minimum scope required for the tasks;
4. The executives and employees that obtained the information subject to information barrier may not use the information for any purpose other than the relevant tasks;
5. The executives and employees granted access to the information subject to information barrier under this provision must comply with the requirements and restrictions applicable to executives and employees in the relevant areas subject to information barrier; and
6. The Company must keep records of allowed exchange of information subject to information barrier under this provision, and retain/maintain the records for at least the minimum retention period for internal control records under Attached Table 12 of the Regulations on Financial Investment Business.

(2) The information barrier officer, etc. may require the following methods or other methods equivalent thereto to be used for allowed exchanges under Paragraph (1) above;

1. Provision of information within the areas subject to information barrier;
2. Granting of temporary access to information within the areas subject to information barrier; and
3. Inclusion of specific executives and employees requiring access to information subject to information barrier in the relevant area subject to information barrier for a limited period.

§9. Allowed Exchange for Back Office Operation

(1) Notwithstanding [§8], the Company may grant permanent permission for information exchange with areas subject to information barrier to executives and employees in areas not subject to information barrier whose responsibility is auditing, human resource management, accounting, finance, management support, management analysis, product development, payment, legal affairs, compliance, and/or risk management, etc.

(2) An executive or employee appointed under Paragraph (1) above shall access the information in areas subject to information barrier within the scope required for his/her duties, and comply with the requirements and limitations prescribed by the information barrier officer, etc. including confidentiality, prohibition on the use of illegitimate information, and prohibition of front running.

Section 3 Creation, Management, and Monitoring of Trading Under Cautionary and Trading Restriction Lists

§10. Trading Under Cautionary and Trading Restriction Lists

(1) In the event that the information barrier officer, etc. deems necessary to prevent conflicts of interest, including the acquisition of important undisclosed information or trading or business information equivalent to important undisclosed information, the financial investment company may include the financial investment products related to the corporation in the trading under cautionary or trading restriction lists.

(2) The information barrier officer, etc. shall monitor trading of financial investment products included in the trading under cautionary list at all times, and prepare appropriate measures to prevent conflicts of interest between the financial investment company, the executives and employees, and the customers, and between the Company and the executives and employees.

(3) The information barrier officer, etc. shall restrict the trading of financial investment products included in the trading restriction list at the financial investment company's expenses or the expenses of any executive or employee.

(4) The information barrier officer, etc. may determine the scope of subject to trading restriction under Paragraph (3) above, and notify the trading restriction list to the executives and employees or allow them to view the list.

§11. Transactions with Risks of Conflicts of Interest

(1) The Company shall identify transactions posing risks of conflicts of interest with regard to its businesses, and prepare and manage a list of specific types of the transactions.

(2) The Company shall prepare measures to minimize conflicts of interest for each type of transaction under Paragraph (1) above, including discontinuation of transactions and notification of the conflicts of interest to customers.

Section 4 Information Barrier Outside the Company

§12. Information Exchange with Affiliates and Other Third Parties

(1) The Company shall establish and operate information barriers pursuant to §7 against third parties including affiliates (for financial investment businesses that are branches or other offices of foreign financial investment businesses under [§16(10)] of the Enforcement Decree of the Act, including the foreign financial investment businesses; the same applies hereinafter in this provision. However, the same does not apply to the exchange of information that does not pose a risk of conflict of interest, including information not related to information subject to information barrier, and the exchange of information in areas not subject to information barrier.

(2) For the purpose of applying Paragraph (1) above, the Company may identify the types of third parties including affiliates based on risks of conflicts of interests and the efficiency of internal control, and establish different internal control standards for each type or manage internal control standards by specifying the scope of third parties against whom the Company establishes and operates information barriers.

(3) Notwithstanding Paragraph (1) above, in any of the following cases, the Company may disclose information subject to information barrier to third parties including affiliates:

1. Provision of information to third parties including affiliates to comply with the reporting and disclosure requirements for shareholding, etc. under the laws of the Republic of Korea and other countries;
2. Provision of information to third parties to which the Company delegated its businesses or with which the financial investment company formed a partnership, for the purpose of the delegated businesses or the partnership;
3. Provision of information for compliance with, or verification of compliance with, the Company's internal control standards;

4. Provision of information for the purpose of handling tasks such as auditing, human resource management, accounting, finance, management support, management analysis, product development, computer, payment, legal affairs, compliance, and/or risk management;
 5. Provision of information required to jointly carry out its financial investment business and other businesses with third parties including affiliates; or
 6. Provision of information for legitimate business-related reasons that does not pose significant risks of conflicts of interest, as approved by the information barrier officer, etc.
- (4) [§8] and [§9] shall apply mutatis mutandis to the exchange of information subject to information barrier between the financial investment company and third parties including affiliates.

§13. Demand for Provision or Transmission of Personal Credit Information

In the event that the Company receives a consent on the provision of personal credit information from a customer pursuant to [§32(1)] of the Act on the Use and Protection of Credit Information, or a demand for the transmission of personal credit information under [§33-2(2)] of the same Act, the Company may disclose the information to third parties including affiliates.

§14. Concurrent Positions

The Company may allow the executives and employees of third parties including affiliates to concurrently hold executive and employee positions at the financial investment company.

Section 5 Miscellaneous

§15. Keeping and Inspection of Information Barrier Records

(1) The information barrier officer, etc. shall maintain the following records regarding the allowed exchange of information and the inclusion in the trading under cautionary and trading restriction lists, for at least the retention periods for internal control data specified in Annexed Table 12 of the Regulations on Financial Investment Business:

1. Allowed exchange of information: The affiliation and names of the persons receiving the information subject to information barrier (or persons temporarily included in the relevant areas), the date of reception or inclusion and the termination thereof, and summaries of information exchanged; and
2. Trading under cautionary and trading restriction lists: reason for, and date of, inclusion in the lists and release therefrom.

(2) The information barrier officer, etc. may have the areas subject to information barrier keep the records in Paragraph (1) above.

(3) The financial investment company shall keep the records of the list of persons in charge of areas subject to information barrier, persons in charge of specific information, and executives and employees allowed to exchange information, and retain them for at least the minimum retention period under Paragraph (1) above.

(4) The information barrier officer, etc. shall review the appropriateness of records kept pursuant to Paragraph (1) above, the allowed exchange of information, and the inclusion in/release from the trading under cautionary and trading restriction lists on a regular basis.

§16. Training of Executives and Employees

(1) The Company shall post the internal control standards regarding information barrier and the relevant policies on the company intranet so that executives and employees can review the standards and policies.

(2) The Company shall require its executives and employees to complete training on a regular basis including the following items, so that they can familiarize themselves with the internal control standards regarding information barrier and the related guidelines:

1. Matters applicable to executives and employees in areas subject to information barrier;
2. Matters that all executives and employees should comply to prevent exchange of information;
3. Administrative sanctions and criminal punishments against illegitimate use of information subject to information barrier; and
4. Other matters deemed necessary by the information barrier officer, etc.

(3) The Company shall promptly notify its executives and employees in case of a revision to the internal control standards on information barrier or other relevant guidelines.

§17. Disclosure of Information Barrier Details

The Company shall disclose the following items regarding its conflicts of interest policies and information barrier policies on its website (including, in the absence of an website, the placement of the policies at the company so that customers can access them, or sending them via email at customers' request):

1. Information excluded from information subject to information barrier under [§1(3) and (4)];
2. Areas subject to information barrier under [§2] and the types of information subject to information barrier in each area;
3. Criteria for inclusion in the trading under cautionary and trading restriction lists under [§10];
4. Types of transactions under [§11] that pose risks of conflicts of interest and measures to address them; and
5. Other key items of the conflicts of interest and information barrier policies.