

Effective May 10, 2018. (A 04-0100 R5)

Practice Standards for Ethics & Compliance

Korea Aerospace Industries, LTD.

Chapter 1 General Rules

1.0 Purpose and Applicability

This rule is proposed to provide the standard for correct decision-making at work and was made on the basis of the regulation for ethics & compliance with laws. The rule shall be applicable to all employees of the company including subsidiaries, branches and corporations.

Chapter 2 Right Attitude of Employees

2.0 Working Attitude

All employees should have an attitude that focus on business and mutual cooperation in order to achieve the maximum performance.

2.1 All employees shall arrive at the working place prior to the work starting time and shall get off after the work end time in a tidy and order manner.

2.2 All employees shall comply with domestic and international laws and company regulations for fair and transparent business.

2.3 All employees shall share meeting topics prior to the start and shall keep specific meeting times, and shall accept and fulfill the meeting results.

2.4 All employees shall not engage in unsound behaviors such as computer games, gambling, personal business, etc. during working hours and shall not use company's assets personally.

2.5 All employees shall protect and save the company's facilities and shall

not use them outside of their duties in addition to damage.

2.6 Employees shall perform their duties faithfully in the designated workplace and shall obtain prior approval from the manager when they get out from the designated area.

2.7 All employees shall perform a complete quality inspection to provide the best value product to the customer, but shall not use defective parts, false test materials and falsification of quality documents that degrade the performance of the product.

3.0 Dress Code

All employees should create a bright and healthy work environment wearing clean clothes and behaving decently.

3.1 All employees shall refrain from wearing colorful, exposed and dirty clothing.

3.2 All employees shall wear company specified clothes according to location and season.

3.3 All employees shall call the name title of honor that company has established.

4.0 Drinking and Smoking

All employees should smoke in designated areas and should refrain from drinking alcohol during working hours.

3.1 Smoking is possible only in designated areas.

3.2 All employees shall refrain from drinking during working hours and

lunch time, except for officially allowed time.

3.3 All employees shall behave professionally after drinking and shall not let drinking affect their work the next day.

5.0 Self-Improvement

All employees shall constantly strive to improve their skills. The education department and managers shall actively support employees to improve their capacity.

3.1 All employees shall improve their ability in a variety of ways such as Camp, Group training, OJT, Study Group etc.

3.2 All employees shall complete the required curriculum set by the company.

3.3 The company recommends healthy group activities, but dangerous sports, illegal gaming, drugs and hazardous material handling are prohibited.

Chapter 3 Justice Duty in the Organization

6.0 Trading Recommendations from Superiors

It is possible for employees or superiors to recommend, but should not force other employees to deal with a particular company. In addition, contracted staff shall not violate the business process regulations.

6.1 If we receive a supplier recommendation to deal with other companies from the employees, we shall report to the manager and evaluate them

according to company process in order to determine whether they are eligible. If those results are ineligible, we shall not deal with them.

6.2 Managers shall assess the business' mind, history and skills of trading partners when evaluating the potential risks.

7.0 Derelictions of duty and Improper Instructions

All employees shall not cause damage such as negligence, neglect, dereliction of duty to the company and shall not even condone dereliction of duty of other employees. In addition, all employees shall not follow improper instructions by superiors.

7.1 All employees shall report any dereliction of duty, corruption acts and serious damage to the company to the compliance department.

7.2 The compliance department shall investigate thoroughly the received information and confirm whether there is a violation. The Compliance Department shall punish the offenders in accordance with the procedure if there is a violation. The company shall fully protect the identity of a reporting employee.

8.0 Extortion of bribes and Entertainment

8.1 All employees shall not acquire improper money, entertainment, unreasonable work orders using their position between employees. If this behavior occurs, it shall be notified to the compliance department using Hot Line Channel.

8.2 All employees shall not offer bribes between employees to get

preferential treatment such as promotion, higher wages and job evaluations.

9.0 Monetary Transactions between Employees

Managers or superiors shall not require the borrowing of money or loan guarantees to subordinate employees.

9.1 Monetary transactions between employees should be avoided because of default. If it is necessary, the transaction results shall be documented.

9.2 It is absolutely forbidden for a higher position staff member to borrow money from a subordinate staff member.

10.0 Allowable range of Gifts between Employees

“Gift” shall mean any goods provided without any expectation of illegal or unfair profits, where as “Bribery” shall mean valuables, profits of other tangible or non-tangible properties provided illegally or improperly.

10.1 All employees shall not receive expensive gifts among colleagues but it should be in the range of social rules of society. You shall politely refuse an expensive gift and shall report it to the compliance department.

10.2 A Subordinate staff member shall not offer Gifts to a superior staff member to get preferential treatment such as promotions, higher wages and job evaluations. However, cheap gifts collected among employees are possible like a special anniversary.

10.3 This provision shall not apply to one of the following

1. A religious organization or a friendly society publicly offers money or

other valuables depending on their constitution.

2. A superior staff member offers money or other valuables to his or her subordinates to promote their morale or to console, encourage or reward them.

11.0 Employment Procedures

The HR department shall follow the requirements below and be trained for transparent and fair employment.

11.1 The HR department shall identify the violations of ethics, compliance and security before hiring employees. If the results are contrary to the relevant provisions of the Company it shall exclude him from employment.

11.2 Potential members of staff shall understand the ethical and compliance rules and make the compliance declaration prior to their employment commencing.

11.3 The HR department shall educate employees of the conditions of the termination of employment, the Criminal prosecution and zero tolerance policy when someone violates the ethical & compliance Regulations.

11.4 If there is a potential conflict between a assessing staff member and a candidate, the assessing staff member shall be excluded from the evaluation and the organization shall maintains records of the result,

11.5 If you know another employee receives preferential treatment or discrimination, you shall report it to the Compliance Department.

The “Conflicts of Interest (conflict parties)” is defined as follows:

1. You and your spouse relative within the relationship on first cousin by blood.
2. An agency or the representative of an agency for which you used to work within the past 2 years.
3. Relationships giving any preferential treatment to a specific person on the grounds of kinship, religion, regional or academic ties.

Chapter 4 Compliance Management between Business Partners

All employees shall conduct our business activities for transparent management and fair competition in accordance with applicable laws (including as the KR illegal appeal Prohibition Act, the US Foreign Corrupt Practices Act, the UK Briber Act, Fair Trade Act and Labor Standard Act, etc.) and regulations of the trading country.

12.0 Prohibitions of Giving and Receiving Unfair Profits and Exceptions

All Employees and Employee Spouses of the Company shall not directly or indirectly provide, receive, suggest, promise and/or approve of money, valuables or others (such as gratuities, bribery, kickbacks, gifts, business courtesies, hospitality, travel expenses, facilitating payments, political contributions or lecture fees etc.) of suspected bribery to or from customers, government officers, clients or other third parties. If you violate the laws and regulations, you cannot receive immunity even if made in accordance with the social practices.

However, this provision shall not apply to one of the following:

1. Money or other articles provided by a lawful claim, such as the payment of debt and the pre-contract.
2. Foods or convenience unavoidably provided within the scope of conventional practices during duties.
3. Foods, transportation, accommodation or souvenirs uniformly provided by a sponsor to all participants in an official event related to duties.
4. Souvenirs or promotional goods distributed to many by unspecified people.
5. Money or other valuables publicly provided to a public official in need who is afflicted with a disease or suffers other kind of disaster
6. Money or other articles provided within the scope of conventional practices. But it shall not be provided or received repeatedly or frequently.
7. Making the payment if major managements risk, their life, liberty or personal safety is threatened, or in unavoidable natural disasters.
8. Within the limits of the law of Korea (Illegal solicitation and bribery prohibit Act.)

The “scope of conventional practices” in ⑥ means should not exceed the laws of Korea, official code of conduct and rules of the trading company. All employees should not give or receive gifts, conveniences, hospitality, travel expenses, festivities and funerals or outside lectures to traders over the limit of the above. An employee who has received money or other valuables shall immediately return the money or other valuables received in excess of the scope. If it is difficult to return them because the name or

address of the offering party is not obvious or if there are other unavoidable reasons for not returning them, the employee concerned shall immediately report such fact to the Compliance Department.

The following is referred to as "money or other valuables"

- Gain on property such as money, marketable securities, real estate, goods, lodging tickets, membership cards, admission tickets, Discount cards, Invitation cards and Free tickets valuables etc.,.
- Cuisine, drink and a golf trip, or a convenience including transportation and an accommodation facility.
- Debt forgiveness, preferential hiring, providing preferential treatment and other tangible and intangible economic benefits.

13.0 Gifts and Bribes

The term "gift" means anything provided without any expectation of illegal or unfair profits which is generally acceptable under the social rules of society.

The term "Bribery" means valuables, profits and other tangible or non-tangible properties provided illegally or improperly in order to gain or maintain business profits. The company prohibits receiving or accepting bribes.

However, this provision shall not apply to one of the following:

1. Gifts or Convenience provided under the social rules of society
2. Money or other valuables Pre-approved for official events of the company within the scope of conventional practices.

3. A model, sculpture, painting, drawing, framed picture, trophy, award, or plaque depicting or associated with a symbol of the company, but goods that cannot personally used.

14.0 Money and Other valuables for Festivities and Funerals

14.1 All employees shall give or take money or other valuables for festivities and funerals within the scope of the social rules of society. An employee who has received excess money shall immediately return the money and shall inform the giver of our policies. If it is difficult to return them, the employee concerned shall immediately report such facts to the Compliance Department.

However, this provision shall allow one of the following case:

1. Money or other valuables given or taken between his/her relatives for festivities and funerals.
2. Money or other valuables for festivities and funerals given to an employee by a religious organization or a friendly society to which he or she belongs, in accordance with its articles of association or regulations.
3. Money or other valuables given for festivities and funerals determined by the company or the company president to promote their morale or to console or encourage them.

14.3 An employee shall not notify a duty-related party of festivities and funerals as the following:

1. Open notification of festivities and funerals through newspapers, broadcasting or Internet notice boards to trading companies.

2. Customer festivities and funerals happening shall not be posted on our bulletin board.

15.0 Travel Expenses

All employees shall not provide/receive excessive travel expense to the customer or duty-related party. In case employees provide/receive travel expenses, the following shall be obeyed.

- 15.1 In an official event related to duties, all employees can provide/receive conveniences like foods, accommodation or transportation within the scope of the social rules of society. If it is out of range of the scope, it shall be subject to prior approval from the manager and compliance department.
- 15.2 All employees shall provide travel expenses by the signing and performance of a contract within reasonable and adequate level and shall report the actual amount spent by those charging the expenses (e.g. to restaurants, hotels or a travel agencies).
- 15.3 Personal trips or family trips without prior approval shall not be paid or accepted.

16.0 Event's Contributions

All employees shall not receive event Contributions from a duty-related party in company events such as sports, outings or festivals.

- 16.1 All employees shall not give notice of the following events because it will be suspected of intent to receive sponsorship.

1. The act openly talking or posting on the boards of the duty-related parties.

2. The act of sending unauthorized event invitations.

16.2 The duty-related party shall not be invited on the department or club events, except for official company events or headquarter unit.

16.3 In the case the events required to attend once of trading companies, A responsible Employee shall obtain prior approval from the compliance department and shall be informed that we do not receive the event's contributions.

16.4 If goods or cash for the events are imported from the trading company, it should be return immediately. When you received only flowers or drinks unavoidably, you should express gratitude and explain the company policy of gift limitations to the provider.

17.0 Hospitality

All employees shall provide and receive food or Convenience under the social rules of society

In an official meeting related to duties, all employees can provide/receive hospitality like food or accommodation within the scope of the social rules of society.

17.1 Except for simple meals that are inevitably carried because of business consultations for a long time, all employees shall not offer/receive excessive hospitality.

17.2 Except for pre-approved official events, department events that may

occur, such as team dinners, club festivals etc. shall not be accompanied by other related companies.

17.3 When employees request hospitality to suppliers he or she is subject to heavy penalties.

17.4 If partners or suppliers are inevitably accompanied, the cost of the events shall be paid by our Company.

17.5 Business hospitality shall not be repeatedly or frequently provided or received even within the scope of the social rules of society.

18.0 Supporting Personnel and Resources

The supporting partners of personnel or resources are illegal without prior approval of the company. Also, the employee should not receive a value corresponding to the support.

18.1 If employees receive support of personnel or resources from partners, it must be reviewed as to whether it is proper support and must be approved according to company regulations.

18.2 The employee who support resources shall not unfairly take the valuables from partners.

19.0 Financial Transactions

Private financial transactions between business partners and employees are prohibited regardless of the any reason.

19.1 Private Financial transactions are prohibited due to interference of fair deals and to not inflict damage to a partner's business.

19.2 If you have an emergency and inevitably have to borrow the money from production locations, you must report immediately the facts to the company and must repay it.

20.0 Facilitating Payments

Facilitating payment is an improper payment made to expedite routine or non-discretionary acts. The Company prohibits such payments as it is considered to be a bribe in most countries.

20.1 If you are faced with a demand for a facilitation payment, ask for legitimate certification and a receipt for proof. If no satisfactory proof is available, refuse to make the payment.

However, you can make the payment if your life, liberty or personal safety, or that of another, is threatened. After payment, you should report the situation of payment to the compliance department.

20.2 The Compliance Department shall investigate the event reported by employees, whether appropriate by law and shall take precaution any actions.

21.0 Charitable Donations

Any political donation in the Company's name is prohibited. As donations to a charity organization may be used as a means to violate criminal laws or Anti-Corruption Acts, All employees shall verify the following:

21.1 Check whether such a charity organization is a lawfully established entity

21.2 Check whether the illegal payment on the political party is not disguised as a donation to a charity.

21.3 Check whether a donation to a charity is used as a route to fund illegal activities like money laundering.

In addition to the above case, if illegal is suspected, you should ask to the compliance department to investigate.

22.0 Outside Lecture

The total amount of a lecture, a presentation (hereinafter referred to as the "outside Lecture etc.") shall provide and receive the total amount of an honorarium within the scope of the social rules of society.

22.1 Especially if a person is a government official or journalist, it shall be paid less than the amount prescribed by the law of Korea' Illegal solicitation and bribery prohibit Act.

22.2 A renowned or professional lecturer shall be provided the appropriate level of an honorarium after investigating the typical market value.

22.3 If you intend to give an outside Lecture during work hours shall be notified to the head of his/her manager. The amount of an honorarium shall be received within the scope of the social rules of society. If you receive an exceeding honorarium then the law's range, you shall report it to the compliance department.

23.0 Contract with a Third Party

All Employees shall adequately deliver the Company's anti-corruption policy and make sure that they fully comply with the policy in a contract entered

into with a third party who is in the deal.

23.1 Employees who are responsible for dealing with contracts shall deliver the Anti-Corruption Acts, Fair Trade Acts and this Regulation to the third party and shall receive a written agreement(Refer to attachment 2) to comply with this provision.

23.2 Employees shall include the terms for termination and damages in the contract in case the Third Party violates this Regulation and/ or anti-corruption related provisions.

23.3 Employees shall include the conditions for auditing the Third Party in case the Third Party provides or is likely to provide improper bribes, etc. to Government Officials or Customers.

"Third Party" shall mean Customers, business counterparts, agents, consultants, partner companies, professional advisors, etc.

24.0 Risk Assessments

24.1 The Compliance Department shall periodically carry out Due Diligences, Risk assessments and improvement activities so that employees can comply with domestic and international laws and this regulation faithfully and shall report the results to the top management.

24.2 Detailed implementation plans are operated by establishing a risk assessment with other special procedures.

25.0 Competitive Bidding for the procurement

All Employees shall observe the company's trade procedures such as pre-

market research, multiple quotes etc. to prevent loss to the company by purchasing a higher price than the market price.

25.1 Purchase tasks shall be made through competitive bidding in accordance with the instructions of the company. Unavoidably, if you cannot have multiple estimates, you shall make deals after an investigation and right price have been identified.

25.2 Even when competitive bidding, a contracting officer shall acquire quotes from various companies in advance in order to prevent the collusion of bidders.

25.3 A contract approval shall be signed by a manager, an evaluator and an approver in accordance with the Delegation & Approval regulation (B-04-00)

25.4 KAI maintains the integrity of the procurement process in bidding, negotiating, and performing contracts for federal agencies. This prohibits the release of source selection information and competitor's bid or proposal information. This also sets restrictions for attempting to obtain such information. The Company is committed to full compliance with the Procurement Integrity Act and applicable laws and regulations.

26.0 Use of Duty-related Information

“Use of duty-related information” is to gain an unfair advantage by making investment in marketable securities, real estate and other financial instruments by using information he or she obtained in the course of performing his or her public duties; nor shall he or she give such

information to any other person in order to help them make such financial transactions or investments. All employees shall maintain the security of Duty-related information. If you make a personal profit using that information, you shall receive a punishment for the offense.

26.1 Prohibition of personal use of undisclosed information: Company Employees, Distributor employees, agents, major shareholders or people associated with the company shall be prohibited from making investments in marketable securities, real estate and other financial instruments by using undisclosed information.

26.2 Returning of short-term trading profits: Company Employees, Distributor employees, agents, major shareholders or people associated with the company shall return profits gained by buying and selling his/her company's shares within 6 months.

Chapter5. Security Management

27.0 Company Information Security

To disclose on the outside or use for personal benefits what information obtained during works is a violation of the laws (Breach of Duty or Trade Secret Protection Act). Information of the company shall be securely ensured and shall be prohibited from being used personally.

All Employees shall not engage in the following:

27.1 Activities of leaking information such as confidential, bidding, technical

of information, goods and intellectual property etc. to the outside without approval.

27.2 Activities of defaming the company's reputation or damaging the company by selling the information learned on the job.

27.3 Activities of damaging the company by purchasing real estate, first using information from the company

All employees shall not arbitrarily leak even minor information because the company has ownership of all the information resources. When exporting the documents, goods, and intellectual property to the outside it shall be approved by the department managers or security departments in advance.

Chapter6. Sideline activity and Private work

28.0 Sideline

Sideline means operating a different business or providing services to create any valuables personally while working in the company. The company forbids employees to work the sideline without the prior approval of the Company as follows:

1. Dual employment (including part-time) to another company, Managing and establishing another company, an employee operating a business on behalf of another person who registered as a family member or another person's name.

2. Activities of lending technology licenses to other companies.

28.1 Sideline activities of employees are prohibited because of the duty to

do the best job and the concern of Business disruptions.

28.2 Sideline for the company's business or enhancement of the image of the company is possible after prior approval of the company.

29.0 Rental Business

All employees shall not privately deal or lend real estate, equipment or money from a duty-related party or third party expected of future transactions. But it is possible for someone other than the duty-related party.

30.0 Transactions for Conflicts of Interest

It is possible for the company to deal with conflicts of interest between parties of employees, but its employees are not able to participate in the contract evaluation and examination process.

30.1 Because Transactions among relatives are likely to cause a preferential If Transactions for Conflicts of Interest happen, the employee shall report to his administrator and shall be excluded from evaluations of the company and shall document all the facts in order to maintain transparency.

30.2 All employees shall conduct business according to principles in spite of improper instructions from colleagues or bosses.

30.3 An improper instruction that is forced to deal with the company for Conflicts of Interest between employees is prohibited.

31.0 Prohibition of Personal Use of Public Property

31.1 An employee shall not export company property without approval and shall not benefit himself by using it as follows:

1. Activities of exporting company products, fixtures and office supplies and of using public-owned vehicles without approval.
2. Activities of personally using goods delivered by suppliers.

31.2 All employees shall use the company's properties only for public purposes. If you need to use it for private purposes, you shall get approval from the department manager (or executive).

31.3 Goods acquired free of charge or remaining goods after usage shall be managed in a list of documents and these things shall be used for the purpose of the public in accordance with the company regulations.

Chapter7. Accounting Management

32.0 Accurate Fair Books and Records

32.1 Company shall make sure that manufacturing cost, welfare or all payments paid gifts, hospitality, travel expenses, Charitable Donations or outside lectures for business partners are accurately accounted in accordance with the International Financial Reporting Standards. You shall treat under the prior authorization from the company if you need to use the expenses more than the cost by the company's regulations or domestic/international laws. In case there are inquiries regarding the legality or propriety of certain actions, you shall submit such inquiries to the Compliance Team.

32.2 In the event that an Employee has knowledge that the limits of money or other valuables prescribed in this regulation have been violated, the employee shall immediately report such information to the compliance department through paper or the Internet.

33.0 Incorrected Accounting

33.1 All employees shall not treat this as an accounting anomaly, such as submitting incorrect receipts or accounting on a different account note.

33.2 Company expenses shall be made with the budget. But in case the budget is inevitably required to exceed the limit, it shall be processed by reporting to company in advance and in accordance with accounting regulations.

34.0 Additional Income

All employees shall not use money or other valuables of additional income for themselves or their department. Any additional revenue shall be treated as the financial accounts of the company.

34.1 Additional income such as recycled goods, papers or steels etc. shall not be use personally or arbitrarily but shall keep accurate accounting.

34.2 All Employees shall comply with the standards of the company when selling or discarding trivial goods.

35.0 Accounting for no receipts

35.1 All expenses shall be submitted to accounting with documented evidence except as permitted by the non-evidence regulations of

company.

35.2 Company expenditures are required to use a credit card or tax bills. All employees shall obtain prior authorization in order to use cash.

35.3 If you have lost your evidence documents, you shall request the once of receipts from the business partner.

36.0 Company funds keeping managements

An employee who lost or has been robbed of company money has committed professional negligence, so the employee is liable for its value. But enough precautionary measures and force majeure circumstances shall be recognized as an exception.

36.1 If you keep company funds, you should avoid contact with outsiders or to perform private business.

36.2 An employee shall note the serial number when keeping checks or securities. If the employee was robbed or lost checks or securities, they shall immediately report the fact to the bank and company managers.

Charter8. Duties and responsibilities of employees

37.0 Duties and Responsibilities

All employees have a duty to comply faithfully and immediately with this Regulation once belonging to the company.

Management and the department manager of the Company shall provide training and consulting to department employees to fully familiarize

themselves with the Regulation, and shall be responsible to take necessary precautionary measures to prevent potential violations.

The Company shall promptly notify the Customer (including as government, trading companies or shareholders) in writing of any violation of the contracts or domestic/foreign laws such as contract execution defects, direct/indirect cost fluctuations, cost accounting changes, billing adjustments, limitation of funds clause, corruption occurs, etc. in order to fulfill the responsibilities and obligations to customers. In addition, if it meets the disclosure requirements as any system change/upgrade, billing adjustments or limitation of funds, it should be disclosed immediately in an appropriate way out of company. All employees should actively cooperate when the audit of customers or Companies need to audit or investigate the suspected events.

38.0 Reporting and Disciplinary Measures on Prohibited Activities

38.1 In the event that Employees of the company have knowledge that domestic and international anti-corruption laws or this regulation have been violated, the employee shall immediately report such information to the compliance department. For reporting purposes, Employees of the company may use direct visits, telephones calls, e-mail or the report places under the company's webpage.

38.2 The compliance department shall investigate thoroughly the received information according to procedures and shall return the results of the investigation to the informer. As well, the company shall guarantee the

confidentiality for the informant and the report details and shall take necessary measures so that the informant may not receive any detrimental treatment due to the report. The company shall especially be careful to not breach the confidentiality and to act on retaliatory measures because of a felony.

38.3 The Company may provide appropriate rewards for the Employees who report cases of violations after evaluating the contents of such report.

39.0 Penalty

39.1 The Company may take internal measures under its employment regulations to employees who violate domestic and international anti-corruption laws or this Regulation in addition to taking dismissal actions and civil/criminal actions, and shall apply the principle of zero tolerance.

39.2 If Employees are fined for violating the anti-corruption laws or this regulation, the Company shall not be liable for such results, nor shall employees be reimbursed for the penalty or any other damages by the company.

39.3 The company shall not claim damages or penalties to employees who refuse to participate in a business opportunity in respect of which they have reasonably judged there to be an unacceptable risk of bribery.

40.0 Educations

All employees of the company shall receive an annual training covering compliance with the code of conduct and shall pledge that they understand their compliance obligations (refer to attachment 1). KAI maintains training materials and records of acknowledgement and proof of completed training in the Koffice website (intranet)

Supplementary Provisions

1.0 Enforcement Date

- 1) The standards shall be established and effective from April 6, 2004.
- 2) The regulations shall be revised and effective from February 1, 2007.
- 3) The regulations shall be revised and effective from December 1, 2011.
- 4) The regulations shall be revised and effective from July 1, 2016.
- 5) This regulation was reviewed and updated as of September 1, 2017.
- 6) This regulation was reviewed and updated as of May 10, 2018.

2.0 Subject of application

The regulations shall be applied not only to all employees of the company but also to business partners who cooperate in the interests of the company.

3.0 An effort to effectiveness

This policy shall be periodically reviewed and updated on an annual basis for consistency with changes in regulatory or legal requirements.

(Attachment 1 for Employees)

Ethics and Compliance Pledge

I will perform all the duties based on the ethics and compliance standards and will be responsible for protecting the interests of the customers, shareholders and partners and pledge to comply with the following provisions for transparent and clear corporate culture.

1. I will do my best to create a corporate culture of trust and communication by performing all the tasks in a fair and transparent manner in accordance with domestic and international laws and company regulations.
2. I will not do and engage in any corruption conduct to protect the interests of customers, shareholders and partners in order to make a fair trading relationship.
3. I will create a transparent company by reporting immediately the facts of corruption when aware of the unfair trade practices and corruption during business.
4. I will faithfully observe the basic principles and will maintain the dignity of an aviation person, and will not do any action in violation of the vision and interests of the company.

I pledge to comply with the provisions of the company and domestic/international laws stated above and to be responsible when I violate these regulations.

Date: _____ Year _____ Month _____ Day

Department _____ Full Name _____

Signature _____

(Attachment 2 for Third party)

Declaration on Business Ethics and Compliance with Laws

Our company pledges to conduct the ethical and legal standard for business and to create mutual benefits through fair and transparent corporate management as follows when dealing with Korea Aerospace industries.

1. Our company complies with national and international anti-bribery Act., fair trade laws and other government laws relating labor.
2. Our company agrees to comply with KAI's "regulations for ethics and compliance of laws" such as Gifts, Dining, Conveniences, Donations, Travel Expenses and Facilitation payments, and to educate its regulations to our employees.
3. Our company shall not provide, suggest, promise or approve, directly or indirectly, of any improper monies or anything of value to any person employed by KAI or any government official during the term of this contract. When violating KAI's regulations and the Anti-bribery Act, Related provisions, Our Company accepts this contract termination, compensation for damages and to be audited by KAI.
4. Our company shall not make any improper deals such as collusions, free competition violations in order to maintain/gain qualifications.
5. Our company shall not make or promise improper any transactions by any government official, a candidate for political office or a political party for the purpose of influencing any act or decision of inducing or rewarding any action.
6. Our company shall comply with all applicable environmental laws, labor laws and accounting laws, and shall accept even any penalties when we violates its laws.
7. Our company shall be denied if asked for any acts of corruption and promptly report to KAI with all pertinent facts any violation, or alleged violation of this clause.

Company: _____

Date: _____

Representative: _____