

GUIDE TO ESTABLISHING A BUSINESS IN KOREA



kotra

Korea Trade-Investment
Promotion Agency

○ This book is intended to help foreigners' understanding of Korea's business establishment procedure. The terms used in this book may differ from the ones used in a legal context, and it is advised to check the relevant laws and regulations when using the information provided in this book for business purposes.

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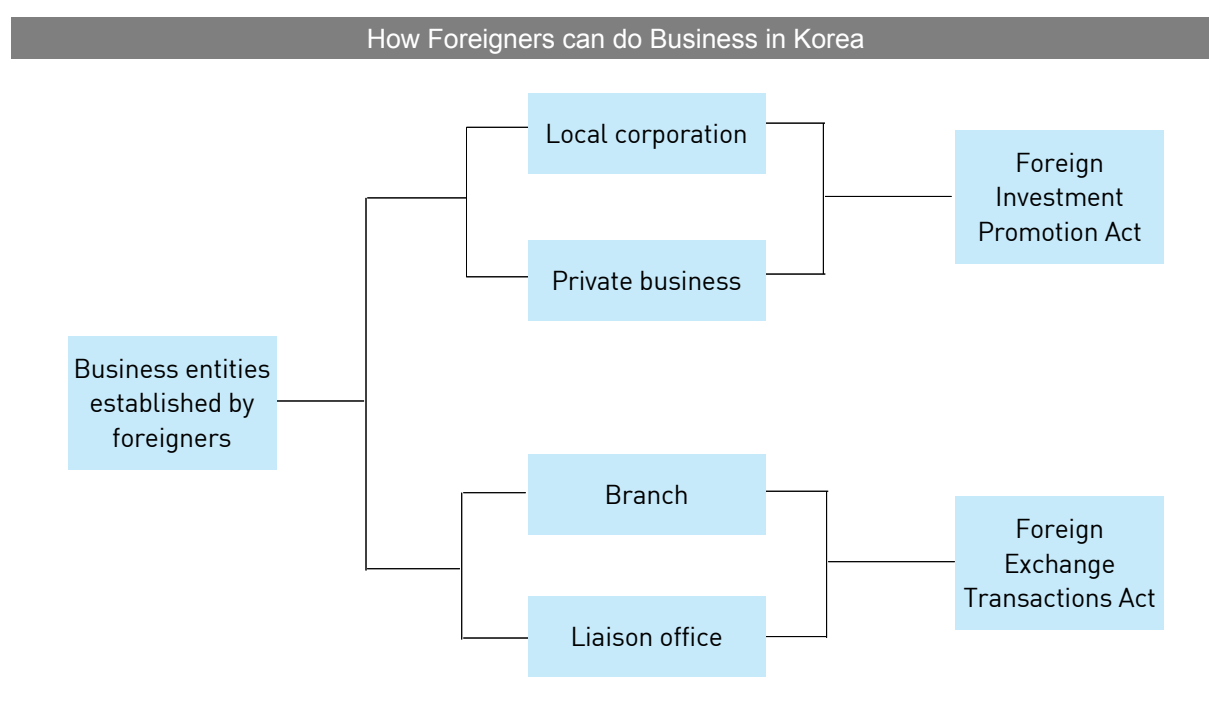
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I Types of Business Entities that Foreigners can Establish

Foreigners can do business in Korea by: (1) establishing a local corporation; (2) opening a private business; (3) opening a branch; and (4) opening a liaison office. The first two methods are mainly governed by the Foreign Investment Promotion Act, and the other two are regulated by the Foreign Exchange Transactions Act. Among the four types of business entities, a liaison office shall not engage in business activities that generate profit in Korea.



※ Foreign corporations cannot be registered as private businesses in Korea.

1. Local Corporation

Provisions of the Foreign Investment Promotion Act and the Commercial Act apply to investments made through local corporations established by a foreigner or a foreign company, and the established corporation shall be treated equally as domestic corporations. However, the investment amount should be KRW 100 million or more.

2. Private Business

Where a foreigner operates his/her private business in Korea with an investment amount of not less than KRW 100 million, the investment is recognized as foreign direct investment. Private businesses are treated equally as local corporations in their business activities. The opening, and temporary and permanent closure of a private business is less complex compared to a local corporation, and their corporate social responsibilities are not as heavy as local corporations. However, private businesses experience limitations in financing and securing manpower since they have a lower credit rating, and therefore private businesses are usually small-sized operations.

In January 2012, the Daegu District Court of Korea ruled that private businesses run by foreigners cannot be recognized as foreign-invested companies. In accordance with such ruling, the Ministry of Justice issues a D-9 visa instead of a D-8 visa to foreigners operating a private business that is not a joint venture with a domestic private business when the invested amount is KRW 300 million or more. In this regard, KRW 300 million or more should be invested if a foreigner intends to operate a private business in Korea.

Private Business vs. Local Corporation

	Private Business	Local Corporation (Stock Company)
General characteristics	1. The owner of the business takes all profits made 2. Simple business establishment procedure 3. Fast decision-making process 4. The owner holds unlimited liability 5. Limited fund sourcing capacities	1. Convenient financing 2. Complicated incorporation procedure 3. The decision-making process takes time 4. Liability is limited to the invested capital 5. Ownership and management can be separated
Size of the entity	Small	Medium or large
Registration	Registration not required	Registration required
Minimum members required	The representative of the business	1 or more promoters
Minimum investment amount	KRW 100 million	KRW 100 million

3. Branch

A foreign company that intends to carry out business activities in Korea should appoint a representative for its local branch, undergo the branch establishment procedure stipulated by the Foreign Exchange Transactions Act, and complete court registration. A branch is recognized as a permanent establishment under the tax laws, and the same tax rate applied to domestic companies shall apply to the profits generated by a branch.

Foreign-Invested Company vs. Domestic Branch of a Foreign Company

	Foreign-Invested Company	Domestic Branch of a Foreign Company
Governing law	Foreign Investment Promotion Act	Foreign Exchange Transactions Act
Corporation type	Domestic corporation	Foreign corporation
Identity	The foreign investor and foreign-invested company are separate entities (independent accounting & settlement).	The head office and branch are a single entity (consolidated accounting & settlement).
Delegated agency to process notifications and grant permits	Invest KOREA, KOTRA's overseas offices (investment KBCs), head office and branches of foreign exchange banks in Korea (notification only)	Branches of foreign exchange banks in Korea (notification), Ministry of Strategy and Finance (business permit for financial businesses, etc.)
Min. (Max.) investment amount	Min.: KRW 100 million Max.: No limitation	No limitation
Corporate tax rate	Tax obligation is applied to all profit generated domestically and overseas. - Up to KRW 200 mil.: 10% - More than KRW 200 mil. and not more than KRW 20 bil.: 20% - More than KRW 20 bil.: 22%	Tax obligation is applied only to domestically sourced income. - Up to KRW 200 mil.: 10% - More than KRW 200 mil. and not more than KRW 20 bil.: 20% - More than KRW 20 bil.: 22% * Branch tax is imposed on the branch of companies from France, Australia, Canada, etc.

KOTRA's Investment KBCs (36 Offices)

※ KBC: Korea Business Center

No.	Region	KBC
1	North America	New York
2		Los Angeles
3		Chicago
4		Dallas
5		Silicon Valley
6		Washington
7		Detroit
8		Vancouver
9		Toronto
10	Europe	Hamburg
11		Munich
12		Frankfurt
13		Paris
14		London
15		Stockholm
16		Copenhagen
17		Amsterdam
18		Brussels
19		Milan
20		Zurich
21		Madrid
22		Vienna
23	Japan	Tokyo
24		Osaka
25		Fukuoka
26		Nagoya
27	Greater China	Beijing
28		Shanghai
29		Guangzhou
30		Qingdao
31		Hong Kong
32		Taipei
33	Australia	Sydney
34		Melbourne
35	Asia	Singapore
36	Middle East/ Africa	Dubai

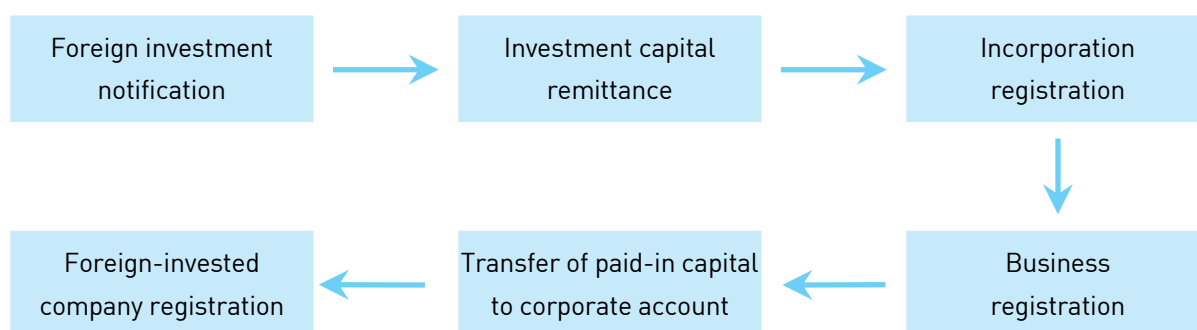
4. Liaison Office

While a branch undertakes sales activities in Korea to generate profit, a liaison office only carries out non-sales functions such as business contacts and market research, etc. on behalf of the head company. Unlike branches, liaison offices do not need court registration, and are given a unique business code number that is equivalent to business registration at a jurisdictional tax office in Korea.

II Procedure for Establishing a Local Corporation

- The procedure for establishing a local corporation can be divided into four steps: ① foreign investment notification; ② incorporation registration (private business registration); ③ business registration (at a jurisdictional tax office); and ④ foreign-invested company registration.
- The procedure is basically identical to the incorporation procedure applied to Korean nationals except for the additional steps of foreign investment notification prior to incorporation registration and foreign-invested company registration after incorporation registration.

1. Flow Chart



2. Foreign Investment Notification

(1) Notifying persons: Foreign investor or his/her proxy

※ A power-of-attorney is required when notification is filed by a proxy.

(2) Where to notify: KOTRA, KOTRA's overseas investment KBCs, designated head office or branches of domestic banks and domestic branches of foreign banks

(3) Required documents:

- Notification form of foreign investment by acquisition of stocks (or contribution) - 2 copies
- Private investor - Document verifying the nationality of the investor (copy of passport)
- Corporate investor - Certificate of incorporation (certificate issued by a foreign administrative agency, such as the Commerce Department)
- A power-of-attorney (when notification is filed by a proxy)

(4) Processing period: On-the-spot

3. Remittance of Foreign Investment Capital

(1) Capital remittance: Investment capital can be remitted to domestic banks from overseas or hand-carried through customs.

☞ When hand-carrying foreign investment capital through customs, file a declaration at the customs office and receive a certificate of declaration of foreign currency.

(2) Remittance account

○ A non-resident account in foreign currency is opened, or a temporary account number issued by the designated foreign exchange bank is used for remitting funds.

○ When using a temporary account number, investment capital can be remitted and received with only the name of the recipient and information on the recipient bank.

Example of a Bank Remittance Note for Investment Capital

Recipient Bank : △ △ Branch of OO Bank

Remitter : Name of foreign investor

Recipient : Name of the company to be established in Korea

Use of Capital : 'Incorporation of OO company' or 'Investment capital'

(3) The remitted foreign investment capital shall be converted into Korean currency and transferred to an account for depositing payment for stocks (securities subscription deposit account).

(4) When this transaction is completed, the bank shall issue a securities subscription deposit certificate, which is required for registration of incorporation.

※ In order to issue a securities subscription deposit certificate, banks may request notarized copies of the articles of incorporation, inaugural meeting minutes, minutes of the board of directors meeting, certificate of stock receipt, etc. Therefore, it is required to check the list of required documents in advance.

4. Incorporation Registration

Refer to the "Procedure for Incorporation Registration" section.

5. Business Registration

Refer to the "Business Registration" section.

6. Transfer of Paid-in Capital to a Corporate Account

Upon completion of incorporation registration and business registration, a company becomes a legal entity and the paid-in capital deposited in a temporary account can be transferred to a corporate account.

※ When transferring paid-in capital to a corporate account, the certified copy of corporate registration, certification of corporate seal impression, corporate seal impression, copy of certificate of business registration, seal to be used for corporate account(s) and the representative director's personal identification document (original copy) are required. It is recommended to check the list of the required documents in advance as they may differ from one bank to another.

7. Foreign-Invested Company Registration

- (1) Where to file registration: The same place where foreign investment notification was filed
- (2) Registration period: Within 30 days of the date on which the object of investment has been paid in full
 - ☞ An application for foreign-invested company registration is filed after receiving the certificate of business registration issued by the jurisdictional tax office.
- (3) Required documents (one copy each):
 - Application form for registration of a foreign-invested enterprise (Refer to appendix)
 - Certified copy of corporate registration (original copy)
 - Copy of certificate of purchase/deposit of foreign currency
 - Shareholder ledger
- (4) Upon submitting an application with the above documents attached, a foreign-invested company registration certificate shall be issued. The certificate is required in the event of the following:
 - Overseas remittance of investment returns or profit
 - ※ The procedure for overseas remittance has been simplified. A Foreign investor may remit investment profit overseas by presenting a copy of the foreign-invested company registration certificate, a certificate of the resolution of the board of directors (dividend payout details should be stated), and a financial statement audited by a certified public accountant.
 - When applying for a D-8 (business investment) visa:
 - ※ Applying for a D-8 visa
 - ① Where to apply: Investment Consulting Center of KOTRA, jurisdictional immigration offices, Korean consulate generals abroad (excluding Chinese nationals)
 - Investment Consulting Center of KOTRA: Change of sojourn status to D-8
 - Immigration offices: Issuance of certificate of confirmation of visa issuance and change of sojourn status
 - ② Required documents: A copy of the certificate of completion of foreign investment notification, certificate of foreign-invested company registration, a certified copy of corporate registration (or copy of certificate of business registration), a dispatch order (or certificate of employment), passport, visa application form, etc.

III Procedure for Incorporation Registration

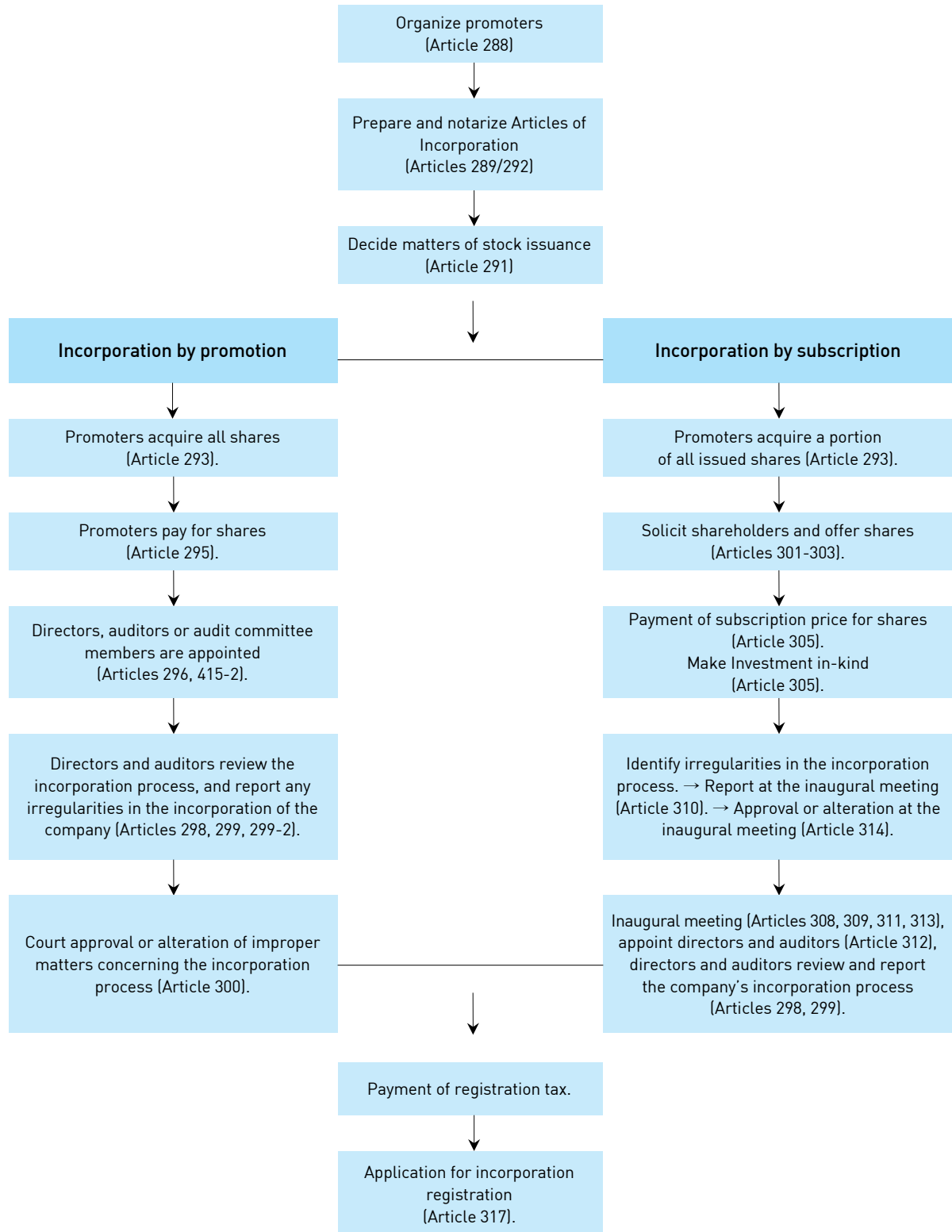
- The types of companies recognized by the Commercial Act are: ① general partnerships; ② limited partnerships; ③ stock companies; ④ limited companies; and ⑤ limited liability companies. The procedure for establishing a stock company under the Commercial Act shall be explained here, since stock companies account for the majority of business entities in Korea.
- Due to the complexity of the incorporation registration process, it is advised to consult a lawyer or legal executive.

1. Methods of Incorporation

- (1) Incorporation by subscription: The promoters acquire only a portion of the stocks issued at the time of incorporation and offer the rest for subscription.
- (2) Incorporation by promotion: The promoters acquire all of the stocks issued at the time of incorporation.

2. Procedure for Incorporation

※ The “Articles” below refer to the Commercial Act.



3. Incorporation Registration

A. Registration period

- (1) Incorporation by subscription: Within two weeks of the last day of the inaugural meeting
- (2) Incorporation by promotion: Within two weeks of the day of completion of inspection of the incorporation process

B. Matters to be decided prior to registration

- (1) Organization of promoters
 - ☐ A stock company requires one or more promoters.
 - ☐ A promoter refers to those who signed or affixed his/her seal on the articles of incorporation (Article 289 of the Commercial Act). Foreigners, including non-residents in Korea, are also eligible to become a promoter.
 - ☐ A promoter should subscribe for shares in writing (at least one share), thereby becoming a shareholder of the newly established business (Article 293 of the Commercial Act).
- (2) Confirmation on whether the same trade name is already registered
 - ☐ When establishing a corporation, it is advised to check if the trade name that the company intends to use is already registered by another business. Registered trade names can be searched on the website of the Supreme Court of Korea (www.iros.go.kr).

C. Documents required for registration of incorporation

(1) List of required documents

Documents to be prepared by the applicant

<ol style="list-style-type: none"> 1. Application form for incorporation registration 2. Articles of incorporation (Notarization by a public notary required. Notarization is exempted where a company with total capital of less than KRW one billion is incorporated by promotion.) 3. Documents certifying subscription to shares 4. Stock subscription agreement (applicable to incorporation by subscription) 5. Written consent to matters concerning issuance of shares 6. Written consent to reduction of the notice period for convocation of the inaugural general meeting (for companies with total capital of less than KRW 1 billion incorporated by subscription) 7. The minutes of the inaugural general meeting (incorporation by subscription) or the meeting minutes of promoters (incorporation by promotion) - Notarization by a public notary required. Notarization is exempted for companies with total capital of less than KRW 1 billion incorporated by promotion. 8. The meeting minutes of the board of directors - Notarization by a public notary required. Notarization is exempted for companies with total capital of less than KRW 1 billion incorporated by promotion. 9. Securities subscription deposit certificate (Can be replaced with a certificate of balance for companies with capital of less than KRW 1 billion incorporated by promotion.) 10. An inspection report by a director, auditor, or the audit committee 11. Certificate of delivery of the pertinent property (applicable to investment-in-kind) 	<ol style="list-style-type: none"> 12. The public notary's report on particulars of abnormal incorporation 13. A written statement by an appraiser 14. A certified copy of the inspector's report 15. Certificate of foreign investment notification 16. Certificate of inauguration acceptance <ol style="list-style-type: none"> ① Korean nationals shall put his/her seal on the certificate, and attach a certificate of the seal and a certified copy of resident registration. ② Foreigners shall attach a notarized original certificate of signature, certificate of address, and a copy of his/her passport. 17. A certificate of registration of seal impression 18. Translations of the required documents (where the required documents including the directors' inauguration acceptance are written in a foreign language) 19. Certificate of payment of registration tax as issued by the district(gu) office having jurisdiction over the area in which the business' headquarters is located. 20. Supreme court revenue stamp. 21. Power of attorney (where an agent files the application) 22. Seal of each director and promoter (including foreigners) 23. Corporate seal 24. Application form for issuance of corporate seal card (after the registration of incorporation) <p>※ The documents in 11, 12, 13, and 14 apply when there are particulars of abnormal incorporation, such as investment in-kind.</p>
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※ Please check the sample of the above documents in the appendix.

Change in the Rules for Reviewing Foreign Public Documents

With the enforcement of the amended Commercial Registration Act on Nov. 21, 2014, the rules for reviewing foreign public documents for incorporation registration or registration of change in incorporation matters have changed.

● Change in the process for reviewing foreign public documents

▣ Rules for reviewing foreign public documents

- Confirmation of authenticity of foreign public documents

Established rule	Method of reviewing foreign public documents	
Before amendment	Discretion of the registration officer	
After amendment	Non-members to the convention*	Confirmation by a consular official as prescribed by Article 30 (1) of the Act on Notarial Acts Done at Overseas Diplomatic and Consular Missions
	Members to the convention*	Verification of Apostille

※ Convention abolishing the requirement of legalization for foreign public documents

Inquiries on the review of foreign public documents: Supreme Court of Korea
(Tel. 82-2-3480-1100)

(2) Documents to be prepared by an investor in a foreign country

- The documents to be prepared differ depending on whether the investor concerned is an individual or a corporation. A foreign investor of Japan and Taiwan shall submit the same documents as a national of the Republic of Korea or a Korean corporation.

Documents to be Prepared by an Individual Investor

Certificate of Inauguration Acceptance	<ul style="list-style-type: none"> - For all individuals to be registered as a director - Korean/Japanese/Taiwanese nationals shall place their seal on the certificate. - Other foreign nationals shall sign the certificate and have it notarized.
Certificate of seal impression Certified copy of resident registration	<ul style="list-style-type: none"> - The documents shall be attached to the power of attorney and certificate of inauguration acceptance. - Korean/Japanese/Taiwanese nationals: A certified copy of resident registration and certificate of seal impression - Other foreign nationals: An original copy of certificate of address, and certificate of signature notarized at the country of residence
Power of attorney	<ul style="list-style-type: none"> - For all investors/ directors whose names are recorded on documents - Korea/Japan/Taiwan: Place seal on the power of attorney. - Other countries: Sign the power of attorney and have it notarized.
Copy of passport	<ul style="list-style-type: none"> - All foreigners

Documents to be Prepared by Corporate Investors

Certification of inauguration acceptance	<ul style="list-style-type: none"> - For all individuals to be registered as a director · Korean/Japanese/Taiwanese nationals shall place their seal on the certificate. · Other foreign nationals shall sign the certificate and have it notarized.
Certificate of personal seal impression Certified copy of resident registration	<ul style="list-style-type: none"> - The documents shall be attached to the power of attorney and certificate of inauguration acceptance. · Korean/Japanese/Taiwanese nationals: A certified copy of resident registration and certificate of seal impression. · Other foreign nationals: An original copy of certificate of address, and certificate of signature notarized at the country of residence.
Certified copy of corporation registration Corporate power of attorney	<ul style="list-style-type: none"> - Corporations of the Republic of Korea and Japan shall put their corporate seal on the power of attorney and attach a copy of a certificate of corporate seal impression and a certified copy of corporation registration. - Other countries: The representative director of a foreign-invested company shall place a proxy signature on the power of attorney to delegate signing rights to the representative director of the company to be established in Korea and have the document notarized. The certificate of corporation should be notarized and attached.
Power of attorney	<ul style="list-style-type: none"> - For all investors/ directors whose names are recorded on documents · Korea/Japan/Taiwan: Place seal on the power of attorney. · Other countries: Sign the power of attorney and have it notarized.
Copy of passport	<ul style="list-style-type: none"> - All foreigners

| Tips (for both individual and corporate investors) |

- **Certification of inauguration acceptance**

A document that certifies that the executives (director, representative director, auditor) of the local corporation to be established in Korea accept their respective position as executive (the address of the local corporation to be established in Korea, the position of the executives, and his/her signature or seal shall be included).

- **Certificate of signature**

A document certifying that the signature placed on the power of attorney or the certification of inauguration acceptance is genuine (i.e. the signature is identical to that on his/her passport).

- **Certificate of address**

A document certifying that the address stated in the certification of inauguration acceptance and other documents is genuine. Only directors (representative directors) are required to prepare the certificate of address.

- Foreigners (with the exception of Japanese/Taiwanese nationals) should receive certification or notarization of the power of attorney, certification of inauguration acceptance, certification of signature, and certification of address from a government agency or notary's office in his/her home country. Those who are inaugurating as an executive (director, auditor, representative director) in a local corporation to be established in Korea should receive notarization from his/her home country. However, in the case that the executive is a foreign resident in Korea, he/she may receive notarization from a law firm in Korea, and the same shall apply to registered foreigners and foreigners with permanent residency in Korea.

- **Power of attorney**

A document certifying that a foreign investor or director to be inaugurated to a domestic corporation in Korea entrusts his/her authority concerning the establishment of his/her business to the applicant for the registration of incorporation (i.e. the representative director or legal proxy). The power of attorney should bear the names of the entruster and the trustee, the entrusted authority, and signature or seal of the entruster. However, in the case of notarization of the minutes of the inaugural general meeting and the minutes of the board of directors' meeting, one copy of each of the following should be submitted additionally: the power of attorney required for notarization, the certificate of seal and certificate of signature.

- The seals of all shareholders and directors (including foreigners) whose names are stated in the documents thus submitted and the corporate seal of the newly established local corporation should be prepared.
- The list of promoters does not have to be identical to that of the directors. The position of the directors in the newly established local corporation may be filled by either Koreans or foreigners.

- **Translations**

Foreign language documents submitted as part of the application for registration should be accompanied by a translated version (The Commercial Registration Processing Rules, Article 2, Paragraph 3). Each translated document should bear the translator's name, address and signature. There are no specific qualification requirements imposed on translators.

D. Stock company establishment expenses

- The expenses required for the establishment of a stock company include local registration tax, local education tax, and registration application fee.

Example of Incorporation Expenses

Local registration tax: 0.4% of the capital. If a company is established in a metropolitan area, the tax rate shall be tripled.	KRW 1,200,000
Local education tax: 20% of the registration tax	KRW 240,000
Revenue stamp	KRW 30,000
Corporate seal purchase	Approx. KRW 30,000
Notarization fee (Part of the documents to be submitted including the articles of incorporation)	Approx. KRW 200,000
Total amount	Approx. KRW 1,700,000

* Based on the assumption that a company with capital of KRW 100 million is incorporated in downtown Seoul (legal expenses not included).

KOTRA's Incorporation Assistance Service

Procedure	Place	Note
1. Consultation	Investment Consulting Center of KOTRA	Consultation on general investment related matters.
2. Confirmation on whether identical trade name is registered	-	Search registered trade names at the Supreme Court website(www.iros.go.kr).
3. Organizing promoters/ subscription to shares	-	The articles of incorporation; a document verifying stock acquisition; stock subscription agreement; written consent on matters concerning the issuance of shares; the minutes of the inaugural general meeting; the minutes of the board of directors' meeting; certification of inauguration acceptance; directors'/auditors' inspection report; translated documents; power of attorney.
4. Payment of registration tax/ education tax	Jurisdictional district (or city) tax office	After reporting the registration tax and submitting the tax report, the applicant shall pay registration tax and education tax at the nearest banking facility.
5. Payment for stocks	Foreign exchange banks/ Seoul branches of foreign banks/ National Agricultural Cooperative	An applicant shall visit one of the banking institutes listed in the left side column and submit the required documents (Articles of incorporation, shareholders' ledger, certificate of stock acquisition, etc.). The bank shall issue a securities subscription deposit certificate bearing the seal of the Chairman of the bank.
6. Document preparation	-	All documents required for registration
7. Notarization	Notary's office	Three notarized copies of the articles of incorporation, minutes of the inaugural general meeting and minutes of the board of directors' meeting
8. Application for registration	Jurisdictional registry office	Submission of application for incorporation registration to the jurisdictional registry office. After registration is completed, a certified copy of corporate registration and certificate of corporate seal impression are issued. ※ Registration of incorporation is completed within 2-3 days of the submission of documents.

4. Simplification of Business Opening Procedure and Special Provisions for Small Business Entities

- Pursuant to the amended Commercial Act which came into effect on May 28, 2009, business opening procedures have been simplified: Small business entities (with capital of less than KRW 1 billion) incorporated by promotion have been exempted from notarization of the articles of incorporation; the convocation procedure of the general shareholders' meeting has been simplified; and the electronic voting system has been introduced to the general shareholders' meeting to enhance the convenience of business activities.

A. Major revisions

- (1) Small business entities incorporated by promotion granted exemption from the requirement to notarize the articles of incorporation (Article 292 of the Commercial Act)
 - To incorporate a company, it was mandatory for all businesses regardless of capital amount and method of incorporation to notarize their articles of incorporation, which caused unnecessary time and expense. However, with the revision, business entities incorporated by promotion with capital of less than KRW 1 billion have been exempted from the requirement to notarize the articles of incorporation if the signature of the promoters or the written name and seal of the promoters are affixed to the articles of incorporation. Exempting small business entities from notarization of the articles of incorporation has expedited the business opening procedure and facilitated investment.
- (2) Simplification of the convocation procedure for the general shareholders' meeting for small corporations (Article 363 of the Commercial Act)
 - For small corporations operated like a family business, the requirement to follow the complicated convocation procedure for the general shareholders' meeting burdened company operations. In this regard, the convocation procedure for the general shareholders' meeting has been simplified. In the case of corporations with total capital of less than KRW 1 billion, the convocation notice period has been reduced to less than 10 days. Also, the convocation procedure may be omitted if all shareholders agree, and a resolution may be passed in writing at the general shareholders' meeting. The simplification of the convocation procedure for the general shareholders' meeting has helped small corporations save time and expense.

- (3) Introduction of the electronic voting system to the general shareholders' meeting (Article 368-4 of the Commercial Act)
- With the advancement of telecommunications technology, it has become possible to hold a general shareholders' meeting through electronic means. However, there was a lack of legislative support for this form of meeting. In this regard, the electronic voting system was introduced so that shareholders can exercise their voting rights through electronic means without being present at the general shareholders' meeting. The electronic voting system has helped save the expense of hosting the general shareholders' meeting, increased the efficiency of the meeting, and promoted the participation of minority shareholders.
- (4) Exemption from the obligation to nominate auditors (Article 409 (4) through (6) of the Commercial Act)
- When incorporating a company, it was mandatory to nominate auditors, which required time and expense. With the amendment, the nomination of auditors became optional for companies with capital of less than KRW 1 billion. If a company chooses not to nominate an auditor, the general shareholders' meeting shall audit directors' performance and monitor the financial status of the company. Also, if a company files an action against a director and vice versa, the company, director or an interested party shall request the court to nominate a person to represent the company. Allowing companies to decide whether to nominate auditors has helped reduce the time and expense for opening a company.

B. Highlights

- (1) Lifting of restrictions on the use of similar trade names
- The amendment allows businesses to use trade names that are similar to existing ones, so long as the name is not already used by an entity operating in the same business sector.
- (2) Abolition of the minimum capital requirement
- With the amendment, the provision stipulating that the total capital of a company shall be no less than KRW 50 million has been deleted.
 - ※ However, the minimum capital requirement for a foreign-invested company under the Foreign Investment Promotion Act shall be KRW 100 million.
- (3) Special provisions for stock companies incorporated by promotion with capital of less than KRW 1 billion
- Exemption from notarization of the articles of incorporation (also applicable to the incorporation of a limited liability company)
 - Exemption from notarization of meeting minutes (The Notary Public Act, Article 66-2)
 - The securities subscription deposit certificate may be replaced with a certificate of deposit balance issued by a financial institute.

(4) Special provisions for stock companies with capital of less than KRW 1 billion

- A resolution may be passed in writing at the general shareholders' meeting.
- The number of directors may be fewer than three.
- A company that has only two directors may abolish the board of directors system.
- If a company has only two directors, each shall represent the company. If a representative director has been designated under the articles of incorporation, the representative director shall represent the company.
- As with a company with only one director, a company with two directors shall also delegate the functions of the board of directors to the general meeting of shareholders or each director (or the representative director).
- In the case of companies with two directors, the following matters shall be decided at the general meeting of shareholders instead of the board of directors' meeting: the approval of transfer of restricted shares; cancellation of stock options; prohibition of directors from holding more than one position; approval of self-dealing by directors; the issuance of new shares, convertible bonds (CBs) or bonds with warrants (BWPs); transfer of reserves to capital; interim dividends.
- In a company with two directors, the right to convene a general meeting of shareholders and the right to execute business (such as the nomination/dismissal of managers or the opening/transfer/closure of a branch) shall belong to each director (or the representative director) instead of the board of directors.
- Exemption from the obligation to nominate auditors
- The nomination of auditors shall be optional. However, the nominated auditors should be registered.

IV Incorporation Notification and Business Registration

1. When Incorporation Notification and Business Registration are Filed Concurrently

※ Normally, incorporation notification and business registration are filed simultaneously, using a single form provided by the tax office.

(1) Where to notify/register: KOTRA (in cases where the jurisdictional tax office is in Seoul) or the tax office with jurisdiction over the company headquarters

(2) Notification/registration period:

- Business registration: Within 20 days of the business commencement date
- Incorporation notification: Within two months of the date on which incorporation registration was filed

☞ In most cases, business registration and incorporation notification are concurrently processed at jurisdictional tax offices.

(3) Required documents:

- Application forms for incorporation notification and business registration (Refer to appendix.)
- Certified copy of corporate registration
- Copy of the articles of incorporation (In the case of investment in kind, a specification of the objects of investment shall be attached.)
- Original copy of detailed statement of shareholders or investors, etc. (with corporate impression seal affixed)
- Copy of business permit, etc. (for businesses requiring permission, approval, or notification)
 - ☞ For businesses subject to pre-notification (such as the banking business, business related to financial investment, and the defense industry)
- Copy of lease contract (if applicable)
 - ※ When a commercial building is partially leased, the floor plan of the leased area should be submitted. (Applicable only when the security deposit is not more than KRW 400 million in Seoul; KRW 300 million in over-concentration control areas in the Seoul metropolitan area; KRW 240 million in metropolitan cities; and KRW 180 million in other areas.)
- Other documents:
 - Notification of designation of a tax agent (where there are no employees in Korea to handle tax-related matters)
 - Copy of certificate of foreign currency purchase/deposit
 - Alien registration card or passport (Where the representative of a company is a foreigner or person with permanent residency. A copy should be submitted after presenting the original copy.)

2. When Business Registration is Filed Prior to Incorporation Notification

- (1) In general, incorporation notification and business registration are filed concurrently.
- (2) Where a foreign investor establishes a company by means of investment-in-kind, business registration should be filed prior to importing the objects of investment-in-kind because a certificate of business registration is required in order to receive value-added tax refund when the capital goods clear customs.
- (3) Required documents:
 - Application form for business registration
 - Certified copy of resident registration of the promoter(s)
 - Copy of lease contract
 - Copy of application form for business permits (if applicable) or business plan
 - ※ When filing an application for business registration, the certified copy of corporate registration shall not be submitted, and all other necessary documents shall be submitted after incorporation is completed.

V Procedure for Private Business Registration

1. Flow Chart



2. Foreign Investment Notification

- (1) Persons required to file the notification: Foreign investor or his/her proxy
 - ※ A power of attorney bearing the investor's signature (notarization not required) is required when notification is filed by a proxy.
- (2) Where to notify: KOTRA, KOTRA's overseas investment KBCs, head office and branches of designated domestic banks, domestic branches of foreign banks
- (3) Method of notification: Notification of foreign investment by acquisition of stocks or contribution should be submitted. (Refer to appendix.)
- (4) Processing period: On-the-spot

3. Remittance of Investment Capital

- Remittance of investment capital generated in Korea is not acknowledged as foreign investment.
- A certificate of foreign currency purchase/deposit will be issued. This certificate is required for business registration and foreign-invested company registration.

4. Business Registration

- (1) Persons required to file registration: Foreign investor or his/her proxy; if a proxy is used, the personal identification of the applicant and the proxy, and the applicant's seal should be presented along with the required documents.
- (2) Where to notify: KOTRA or the tax office with jurisdiction over the business office (if the business office is in Seoul)

(3) Registration period: Within 20 days of the business commencement date

(4) Required documents:

- Application form for business registration (provided by KOTRA or the jurisdictional tax office)
- Copy of business permits (in cases where the concerned business requires permission, approval, or notification)
- Copy of lease contract (if applicable)
 - ※ When a commercial building is partially leased, the floor plan of the leased area should be submitted. (Applicable only when the security deposit is not more than KRW 400 million in Seoul; KRW 300 million in over-concentration control areas in the Seoul metropolitan area; KRW 240 million in metropolitan cities; and KRW 180 million in other areas.)
- Other documents:
 - Notification of designation of a tax agent (when an investor is normally not present in the business establishment or resides in a foreign country for six months or longer)
 - Joint venture agreement (notarization required), if such agreement was made
 - Certificate of completion of foreign investment notification
 - Copy of certificate of foreign currency purchase/deposit
 - Alien registration card or copy of passport (where the company's representative is a non-resident)

5. Foreign-Invested Company Registration

(1) Where to file registration: Institution where the foreign invested company notification was filed, or KOTRA

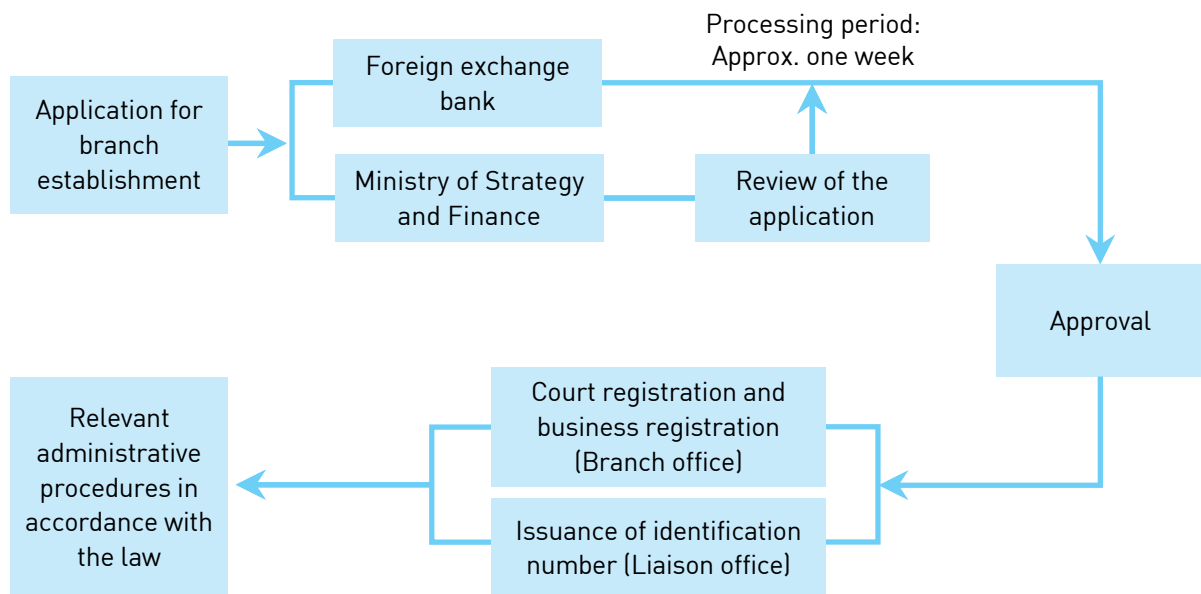
(2) Registration period: Within 30 days of the date of completion of payment for the objects of investment

(3) Required documents:

- Application form for foreign-invested company registration
- Copy of certificate of business registration
- Copy of certificate of foreign currency purchase/deposit
- Power of attorney (where application is filed by a proxy)

VI Procedure for Establishing a Branch in Korea

1. Flow Chart



2. Types of Branches

A. Branch office

A branch office undertakes sales activities in Korea to generate profit.

B. Liaison office

A liaison office does not conduct sales activities to generate profit, but instead carries out non-sales functions such as business contacts, market research, R&D, etc. Liaison offices can carry out quality control, market surveys, advertisements, and other incidental and supportive roles. However, they are limited in their scope of activities, since they are not allowed to sell products directly, or to stock inventory for sale on behalf of the headquarters.

3. Notification of Branch Establishment

A. In principle, a foreign company should report the establishment of a domestic branch to the head of a designated foreign exchange bank.

B. A branch office and a liaison office shall both report the following matters to the Minister of Strategy and Finance:

- (1) Engagement in financial businesses other than banking business, including fund loans, brokering and arranging overseas finance, cards, installment financing, etc.
- (2) Engagement in businesses related to securities and insurance
- (3) Engagement in businesses that are not permitted under the Foreign Investment Promotion Act or other laws

C. Documents to be submitted when filing a notification to a foreign exchange bank:

- (1) Notification form for the establishment of a foreign company's domestic branch
- (2) Articles of incorporation of the head office (notarization required in the country where the head office is located)
 - For a corporation: Articles of incorporation of the head office
 - For a private business: Financial statement audited by a certified public accountant
- (3) Certificate of appointment of the head of a domestic branch, and copy of his/her passport or certified copy of resident registration
- (4) Power of attorney where the establishment of a domestic branch is commissioned to another person (notarization required in the country where the head office is located)
- (5) Certified copy of corporate registration or a business permit (If a copy of the document is submitted, it shall be notarized in the country where the head office is located.)
- (6) Certificate of the resolution of the board of directors (minutes attesting to the resolution to establish a domestic branch in Korea)

4. Registration of Branch Establishment

A. Definition under the Commercial Act

- (1) Under the Commercial Act, 'branches' are collectively referred to as 'business office' (Articles 614–621 of the Commercial Act). The Act stipulates that a business office should be registered where a foreign company carries out sales activities in Korea.
- (2) Under the Foreign Exchange Transactions Act, a liaison office does not conduct sales activities to generate profit, but instead carries out non-sales functions such as exchange of information. Therefore, only branches need to undergo the registration procedure.

B. Registration procedure

- (1) Persons required to file registration: An application for registration shall be filed by the representative of the company in Korea on behalf of such foreign company (Article 23 (3) of the Commercial Registration Act).
- (2) Registration period: Within three weeks of the date on which the business office was established
 - ☞ Reckoned from the date of receiving the 'Notification form for the establishment of a domestic branch of a foreign company' by a foreign exchange bank in Korea.
- (3) Matters to be registered (Article 614 (2), (3) of the Commercial Act):
 - ☐ The same matters to be registered by a branch office of a company incorporated in Korea either of the same kind or of the kind which it most closely resembles
 - ☐ The governing law under which it was incorporated
 - ☐ The name and address of the company's representative in Korea
- (4) Matters to be stated in the application form:
 - ☐ Trade name: Must be written in Korean and the type of company (e.g., partnership, limited partnership, stock company, or limited company) should be stated.
 - ☐ Head office: Trade name of foreign company and location of overseas head office
 - ☐ Business office: Location of business office in Korea
 - ☐ Purpose of registration: Registration of establishment of business office
 - ☐ Reason for registration: Establishment of business office
 - ☐ Name and address of the representative director and the name and address of the representative in Korea
 - ☐ Company establishment date, reason for establishing the business office and the date of business office establishment
 - ☐ Date on which required approval (or permission) was acquired
 - ☐ Amount of registration tax, etc.
 - ☐ Date of application
 - ☐ Proxy's name and address when registration is filed by a proxy
 - ☐ Jurisdictional registry office
- (5) Documents to be attached:
 - ☐ Document verifying the existence of the head office (certification of matters concerning incorporation)
 - Japan: Certified copy of corporate registration
 - Other countries: Certificate of incorporation issued by their respective government office such as the Board of Trade, Foreign Ministry, etc.
 - ☐ Document verifying qualification as a representative in Korea
 - Minutes of the general shareholders' meeting, certificate of resolution of the board of directors, or certificate of appointment

- Articles of incorporation or documents verifying the type of the company
 - ※ The above documents should be certified by the relevant government authority of the foreign company's home country or by its consul stationed in Korea.
- Certificate of address for foreigners
- Certificate of payment of license and registration tax

5. Branch Closure and Retrieval of Liquidated Funds (Article 9-37 of the Foreign Exchange Transactions Regulation)

A. Notification of closure

Where a person who filed a notification of branch establishment pursuant to relevant regulations intends to close the domestic branch, the following documents shall be submitted to the person to which the notification of branch establishment was filed.

- Required documents:
 - Notification form for closure of the domestic branch of a foreign company (Form no.9-11 of the Regulation)
 - Documents verifying the closure (issued by the foreign company's head office)
 - An original copy of the notification form of the establishment of a foreign company's domestic branch

B. Retrieval of liquidated funds

Where the person who filed the notification of closure of a foreign company's domestic branch intends to retrieve the funds from the liquidation of assets he/she has held in Korea, he/she shall submit an application to the head of a designated foreign exchange bank.

- Required documents (one copy each):
 - Notification form of closure of a foreign company's domestic branch
 - Liquidation report audited by a certified public accountant (In the case of liquidation of a liaison office, documents verifying that the funds are from liquidation of domestically owned assets.)
 - Certificate of full payment of tax (issued by the head of the jurisdictional tax office)
 - Specification of funds brought in for operations, retained earnings and other reserves
 - Certificate of bank balance
 - Certified copy of liquidation completion registration

C. Limitation on the amount of retrievable funds

There is no limitation on the amount of retrievable funds, as long as it is within the scope of the residual assets stated on the liquidation report audited by a certified public accountant.

Appendix**Sample of Forms Required for Incorporation and Registration**

1. Application for Incorporation Registration	28
2. Articles of Incorporation	31
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4. Stock Subscription Agreement	46
5. Letter of Consent to Matters of Stock Issuance	48
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9. Inaugural General Meeting Minutes	53
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11. Inspection Report	56
12. Certificate of Inauguration Acceptance	57
13. Shareholder Ledger	58
14. Power of Attorney	59
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16. Foreign Investment by Acquisition of Stocks (or Contribution)	61
17. Registration of a Foreign-Invested Enterprise	62
18. Report of Incorporation & Application for Business Registration	63

Application for Incorporation Registration

Received	On _____, 2010	Processed by	Received by	Checked by	Entered by	Confirmed by	Notice given to the relevant institutions by
	No. _____						

① Purpose of registration	Establishment of a stock company (incorporation by subscription)
② Request for registration	We drew up the articles of incorporation and duly had them notarized, and completed the inaugural general meeting on the ____ day of _____, 20__ after fulfilling the requirement of securities subscription payment, with the promoters not underwriting the total number of the shares of stock issued at the time of the business's establishment. Regarding these matters, we hereby request that the following be registered:
③ Application as headquarters/ branch	1. Application as the headquarters <input type="checkbox"/> 2. Application as a branch <input type="checkbox"/> 3. Application as both the headquarters and branch <input type="checkbox"/>
Matters to be registered	
④ Name of business	○○ Company Ltd.
⑤ Main Office	○○ ○○-dong ○○-gu Seoul
⑥ Method of public notice	Public notices to be carried in the XX Ilbo published in Seoul.
⑦ Price per share	10,000 won
⑧ Total number of shares to be issued	20,000 shares
⑨ Class and number of shares to be issued	5,000 shares of common stock
⑩ Total capital amount	50,000,000 won

Matters to be registered	
⑪ Purpose	1. Housing construction business 1. Construction business using steel bar-reinforced concrete 1. Civil engineering construction business 1. Real estate lease business 1. Any other business ancillary to the foregoing
⑫ Names of the directors and the auditor and their resident registration numbers	Executive Director ○ ○ ○ (-) Executive Director ○ ○ ○ (-) Independent Director ○ ○ ○ (-) Other Non-Standing Director (-) Auditor ○ ○ ○ (-) ※ Foreigners: ○ ○ ○ (DOB: ____), a citizen of ○ ○
⑬ Name and address of the Representative Director	Name: ○ ○ ○ (-) Address:
⑭ Location of the branch	○○, ○○-dong, ○○-gu, ○○-si, Gyeonggi-do (○○ Branch)
⑮ Period of duration or reason for dissolution	N/A (or please note as stated in the articles of incorporation.)
⑯ Others (such as the provision of the in-house regulations concerning the need to obtain the Board of Directors' approval for transfer of shares of stock, or the name and the location of the stock transfer proxy)	N/A (or please note as stated in the articles of incorporation.)

- Notes to the applicant and space for affixing a revenue stamp for registration -

1. Please use another sheet of paper if the space provided on this page is insufficient.
1. Please state "N/A" where applicable.
1. Please affix the revenue stamp provided by the Supreme Court in the amount equal to the registration-related handling fee here.

⑰ The name of the registration office where the application was made / Registration tax and handling fee						
Serial No.	Registration office	Class.	Registration tax	Education tax	Total amount of tax to be paid	Registration application fee
			_____ won (an amount equal to 0.4% of capital stock)	_____ won (an amount equal to 20% of registration tax)	_____ won (registration tax + education tax)	_____ won
Total						
⑱ Tax base amount		_____ won / Capital stock amount: _____ won				
⑲ Documents to be attached						
1. __ copies of the articles of incorporation 1. __ copies of documents verifying stock acquisition 1. __ copies of the stock subscription agreement 1. __ copies of written consent to matters concerning stock issuance 1. __ copies of the (notarized) inaugural general meeting minutes 1. __ copies of the (notarized) board of directors' meeting minutes 1. __ copies of the bank's securities subscription deposit certificate 1. __ copies of the certificate of transfer of assets 1. __ copies of an investigation report by a director, auditor or the audit committee 1. __ copies of the public notary's report on particulars of abnormal incorporation				1. __ copies of a written statement by a certified appraiser 1. __ copies of a report by an inspector 1. __ copies of a certificate of inauguration acceptance (including the seal impression certificate) 1. __ certified copies of resident registration 1. __ copies of the seal report 1. __ copies of the registration tax receipt 1. __ copies of the power of attorney (if applicable) 1. __ copies of the corporate seal card application <Others>		
Date : On the ____ day of ____, 20__ ⑳ Trade name of the applicant's business: Headquarters The name of the Representative Director: _____ (Seal) (Phone: _____) Address: Name of the proxy: _____ (Seal) (Phone: _____) Address: Submitted to the Registration Office of the ____ District Court						

Articles of Incorporation

Chapter I General Provision

Article 1 (Corporate Name)

The name of the Company shall be _____ in Korean and _____ in English (hereinafter referred to as “the Company”).

Article 2 (Purposes)

The purposes of the Company are to conduct the following businesses:

1. Catering
2. Food production and processing
3. Brokerage concerning medical equipment and devices
4. Wholesale/retail of communication with added value and computer peripheral devices
5. Software development
6. Business ancillary to the foregoing 1 through 5.

Article 3 (Head Office and Branches)

- ① The Head office of the Company shall be located in Seoul.
- ② The Company may have branches, business offices, local corporations either in or out of the country as required in accordance with the Board of Directors’ meeting.

Article 4 (Method of Public Notices)

Public notices of the Company shall be given in the ○○○○ Newspaper published in Seoul.

Chapter II Shares and Stock Certificates

Article 5 (Total Number of Shares to be Issued)

The total number of shares of stock to be issued by the Company shall be 80,000 (eighty thousand).

Article 6 (Value per Share)

Each share to be issued by the Company shall have a value of (5,000) won per share.

※ In accordance with Article 329, Paragraph 3 of the Commercial Act, the face value per share should be 100 won or more.

Article 7 (Total Number of Shares to be Issued upon Incorporation)

The number of shares to be issued at the time of the Company's incorporation shall be 20,000 (Twenty Thousand).

Article 8 (Types of Shares and Stock Certificates)

- ① All shares to be issued by the Company shall be registered common shares.
- ② The stock certificates of the Company shall be in the following 8 (eight) denominations: One-stock certificate, five-stock certificate, ten-stock certificate, fifty-stock certificate, one-hundred stock certificate, five-hundred-stock certificate, and one-thousand and ten-thousand-stock certificates, respectively.
- ③ Notwithstanding the foregoing Paragraphs ① and ②, the Company may issue shares with a different denomination by a resolution of the General Meeting of Shareholders.

Article 9 (Subscription Rights)

- ① A shareholder shall have subscription rights concerning new shares issued by the Company in proportion to his/her/its percentage of shares held.
- ② Notwithstanding the foregoing, the Company may allot new shares to those other than the existing shareholders as per the resolution of the General Meeting of Shareholders for the purpose of achieving management-related purposes such as the introduction of new technology and improvement of financial structure, in accordance with Article 418 (Terms of Preemptive Rights, Designation and Public Notice of Record Date for Allotment), Paragraph 2 of the Commercial Act.
- ③ The Board of Directors shall decide how to dispose of odd lots that may arise in the process of new stock allotment or shares of stock that may arise as a result of a shareholder's forfeiture or loss of subscription rights with its resolution.

Article 10 (Capitalization of Surplus Reserves)

The Company may issue new shares following capitalization of all or part of its surplus reserves by a resolution of the Board of Directors. However, resolution of the General Meeting of Shareholders is necessary where there are special reasons such as management-related reasons of the Company.

Article 11 (Issue Price of New Shares)

Concerning the Company's issuance of new shares, their price may be set either partially or wholly at a level equal to, or higher than, the face value of the stock as decided by the Board of Directors.

Article 12 (Record Date of Dividend Payout of New Shares)

Concerning the Company's issuance of new shares on the occasion of a capital increase with/without consideration or stock dividend payment, they shall be deemed to have been issued at the end of the business year preceding the year in which the new shares were issued.

Article 13 (Stock Transfer)

- ① In the event of an application for stock transfer, registration or cancellation of pledge of right, or indication or cancellation of trust assets, the applicant should sign a form provided by the Company and submit it along with the stock certificate. In the event that stocks are acquired for reasons other than transfer, a document stating the reason should also be submitted.
- ② The Company may have a stock transfer agent by a resolution of the Board of Directors, for the purpose of stock transfer, registration or cancellation of pledge of right, indication or cancellation of trust assets, etc.

Article 14 (Transfer of Shares and Requirement for Setting up Against)

- ① The transfer of a share shall be accompanied by the relevant stock certificate unless the Company has not issued a stock certificate.
- ② The transfer of a share shall not be set up against the Company unless the name and the address of the acquirer are not entered on the shareholders' ledger.

Article 15 (Report of Shareholders' Address, Name and Seal/Signature)

- ① A shareholder and registered pledgee (including his/her legal proxy, and the company representative in the case of a company) shall report his/her name, address and seal or signature to the Company.
- ② In the event that the party stated in the foregoing Paragraph ① resides in a foreign country, he/she shall designate a temporary address or a proxy in Korea through which he/she can receive the Company's notices, and report it to the Company.
- ③ A change in the matters stated in the foregoing Paragraphs ① and ② shall also be reported to the Company.

Article 16 (Reissuance of Stock Certificate)

- ① To apply for reissuance of a stock certificate due to split or consolidation of shares, or loss, damage or mutilation of the certificate, the applicant shall sign an application for stock certificate reissuance and submit it together with the relevant stock certificate.
- ② A party who requests the reissuance of a stock certificate due to loss (including cases where the damage or mutilation of a stock certificate is so extreme that the stock

certificate cannot be authenticated) shall attach the original copy or certified copy of court judgment of nullification of the stock certificate to the application for stock certificate reissuance and submit the documents.

Article 17 (Closure of Shareholders Ledger and Record Date)

- ① No change shall be made in the contents of the shareholders' ledger in the period ranging from the day following the end date of each business year through to the end of the day on which the periodical General Meeting of Shareholders concerning the said business is held.
- ② Those listed on the shareholders' ledger as of the end date of a business year shall be the shareholders eligible to exercise their rights at the periodical General Meeting of Shareholders concerning the business year.
- ③ The Company may suspend alterations of the contents of the shareholders' ledger, if required for the convocation of an extraordinary General Meeting of Shareholders or for the determination of those who can exercise their rights as dividend recipients, shareholders or registered pledgees by designating a period not exceeding three (3) months as per the resolution of the Board of Directors. The Company may designate shareholders or pledgees listed on the shareholders' ledger on a specified day as those eligible to exercise their rights.
- ④ Where the Company has designated a specific period or day as prescribed by the foregoing Paragraph ③, the Company shall put up the relevant public notice at least two (2) weeks prior to the beginning of such period or date.

Article 18 (Rules for Managing Stock-Related Matters)

The details and procedures concerning the management of stocks, stock certificates, and stock certificate reissuance fee, etc. shall be determined by the rules for managing stock-related matters adopted by the resolution of the Board of Directors.

Chapter III Corporate Bonds

Article 19 (Issuance of Bonds)

- ① The Company may issue corporate bonds as per the resolution of the Board of Directors.
- ② The types of corporate bonds issued by the Company shall be the following three: ordinary bonds, convertible bonds (CBs), and bonds with warrants (BWPs).

Article 20 (Entrustment of Matters concerning Corporate Bond Offering)

The Company may select a business to entrust matters concerning corporate bond offering as per the resolution of the Board of Directors.

Article 21 (Issuance of CBs)

- ① As prescribed by Article 513 (Issuance of Convertible Bonds) of the Commercial Act, the Company may issue CBs to persons other than existing shareholders of the Company in any of the following cases following a resolution of the Board of Directors:
 1. Issuance by general public offering;
 2. Issuance in order to attract foreign direct investment due to a management-related need under the Foreign Investment Promotion Act;
 3. Issuance to an affiliated business for technological transfer;
 4. Issuance to domestic financial institutions, corporations or individuals for urgent fund supply.
- ② The Board of Directors may determine that the CBs referred to in Paragraph ① may be issued on condition that conversion rights will be attached to only a portion of the CBs.
- ③ The shares to be issued upon conversion shall be registered as common shares. The conversion price, which shall be equal to or more than the face value of the shares, shall be determined by the Board of Directors at the time of issuance of the CBs.
- ④ The conversion period shall be from the day following the issuance date of the CBs to the day immediately preceding the redemption date thereof. However, the conversion period may be adjusted within the above period as per the resolution of the Board of Directors.
- ⑤ For the purpose of any distribution of dividends or interest on shares issued upon conversion, Article 12 (Record Date of Dividend Payout of New Shares) hereof shall apply *mutatis mutandis*.
- ⑥ Any matters concerning the issuance of CBs not covered by the foregoing Paragraphs ① through ⑤ shall be fixed as per the resolution of the Board of Directors.

Article 22 (BW)s)

- ① The Company may issue BWs to persons other than the existing shareholders of the Company to the extent that the total face value of the bonds shall not exceed an amount equal to 4 (four) times the net asset value stated in the most recent balance sheet in any of the following cases:
 1. Issuance by general public offering;
 2. Issuance in order to attract foreign direct investment due to a management-related need under the Foreign Investment Promotion Act;
 3. Issuance to an affiliated business for technological transfer;
 4. Issuance to domestic financial institutions, corporations or individuals for urgent fund supply.
- ② The Board of Directors may determine that the BWs referred to in Paragraph ① may be issued on condition that conversion rights will be attached to only a portion of the CBs.

- ③ The shares to be issued upon the exercise of subscription rights shall be registered common shares. The issue price, which shall be equal to or more than the face value of the shares, shall be determined by the Board of Directors at the time of issuance of the BWs.
- ④ The period for the exercise of subscription rights shall be from the day following the issuance date of the BWs to the day immediately preceding the redemption date thereof. However, the period for the exercise of subscription rights may be adjusted within the above period as per the resolution of the Board of Directors.
- ⑤ For the purpose of any distribution of dividends or interest on shares issued upon the exercise of subscription rights, Article 12 (Record Date of Dividend Payout of New Shares) hereof shall apply mutatis mutandis.
- ⑥ Any matters concerning the issuance of BWs not covered by the foregoing Paragraphs ① through ⑤ shall be fixed as per the resolution of the Board of Directors.

Article 23 (Provisions Applied Mutatis Mutandis to the Issuance of Bonds)

Article 13 (Stock Transfer) and 15 (Report of Shareholders' Address, Name and Seal/Signature) shall apply mutatis mutandis in the case of issuance of bonds.

Chapter IV The General Meeting of Shareholders

Article 24 (Convocation of the General Meeting)

- ① The General meetings of the shareholders of the Company shall be of two types: Ordinary and Extraordinary.
- ② The ordinary General Meeting of Shareholders shall be held within three (3) months of the end of each business year, while the extraordinary General Meeting of Shareholders may be convened at any time when required.

Article 25 (Decision to Convene a General Meeting)

The General Meeting of Shareholders shall be convened by the Representative Director pursuant to a resolution of the Board of Directors unless otherwise stipulated in other regulations.

Article 26 (Notice of Convocation of a General Meeting)

The written notice of the Convocation of a General Meeting of Shareholders stating the date, time, place and agenda thereof shall be sent to all shareholders 10 (ten) days prior to the date set for the General Meeting of Shareholders. The written notice may be replaced by an electronic document with all individual shareholders' consent.

※ As prescribed by Article 363 of the Commercial Act, a company with total assets of less than KRW 1 billion may send a notice to shareholders 10 (ten) days prior to the date set for the General Meeting of Shareholders, hold a General Meeting without a convocation process, and replace a resolution by a General Meeting with a written resolution, if there is a consent of all shareholders.

Article 27 (Place of Convocation)

The General Meeting of Shareholders shall be held in the city where the headquarters is located or at another place close to it if required.

Article 28 (Chair of the General Meeting of Shareholders)

The Representative Director shall serve as the Chair of the General Meeting of Shareholders.

Article 29 (Chairman's Authority to Maintain Order)

- ① The Chairman of the general meeting of shareholders may order persons who intentionally speak or behave in an obstructive manner or who disrupt the proceedings of the meeting to stop or retract a speech or to leave the meeting.
- ② The Chairman of the general meeting of shareholders may also restrict the length and frequency of speeches made by the shareholders if it is deemed necessary for the smooth progress of the General Meeting of Shareholders.

Article 30 (Exercise of Voting Rights)

- ① Each shareholder shall have one (1) voting right for each share he/she owns.
- ② A shareholder may exercise his/her vote through a proxy.
- ③ The proxy holder shall present to the Company documentary evidence (the power of attorney) of his/her authority to act as a proxy prior to the commencement of each General Meeting of Shareholders at which he/she acts as a proxy.
- ④ A shareholder may exercise his/her voting right in writing without being present at a General Meeting. In this case, the Company shall have a written form and the reference data required to help shareholders to exercise their voting rights included in the notice of a forthcoming meeting sent to individual shareholders.
- ⑤ A shareholder intending to exercise his/her voting right in writing as stated in the foregoing Paragraph ④ shall fill in the necessary form and submit it to the Company by the day preceding the day of a General Meeting.
- ⑥ Persons who have a special interest concerning the resolution of a General Meeting cannot exercise their voting rights.

Article 31 (Method of Resolution)

Unless otherwise stipulated in the laws and these Articles of Incorporation, the passage of a resolution shall have the consent of a majority of shareholders present in terms of the voting rights and at least a quarter of the total number of shares of stock issued.

Article 32 (Minutes of a General Meeting of Shareholders)

- ① The Chairman of the General Meeting of Shareholders shall record meeting minutes.
- ② The substance of the proceedings of the General Meeting of Shareholders and the results thereof shall be recorded in the minutes, and shall be preserved at the headquarters of the Company and made available to others, after being affixed with the name and seal impression or signature of the Chairman as well as the Directors present.

Chapter V Directors and the Board of Directors

Article 33 (Number of Directors)

The Company shall have at least 3 (three) Directors.

※ In accordance with Article 383 of the Commercial Act, the number of directors shall be three or more. However, in the case of a company with total capital of less than 1 billion won, the number of directors may be one or two.

Article 34 (Election of Directors)

- ① The Director(s) of the Company shall be elected at the General Meeting of Shareholders.
- ② The election of the director(s) shall require the consent of a majority of shareholders present in terms of the voting rights and at least a quarter of the total number of shares of stock issued.
- ③ In the event that two (2) or more Directors are to be elected, the cumulative voting system provided for in the Commercial Act shall not be applicable.

Article 35 (Terms of Directors)

The term of office of a Director shall be three (3) years; *provided that*, the term of office of a Director shall be extended up to the close of the ordinary General Meeting of Shareholders, if the term expires prior to the General Meeting convened in respect of the last account settlement period.

Article 36 (Election of the Representative Director)

The Company may appoint one or more Representative Directors as per the resolution of the Board of Directors.

Article 37 (Duties of the Representative Director)

The Representative Director shall represent the Company in its business in general and take charge of the general affairs of the Company. When there is more than one Representative Director, it shall be decided as per the resolution of the Board of Directors whether they will represent the Company individually or jointly.

Article 38 (Duties of Directors)

- ① A Director shall assist the Representative Director and carry out the duties assigned to him/her by the Board of Directors.
- ② In the event of the absence or disability of the Representative Director or when the office is vacant, the Directors shall act in his/her place by order of seniority.

Article 39 (Obligation of Directors)

- ① Directors shall carry out their duties in good faith under the relevant laws and the Articles of Incorporation.
- ② Directors shall not disclose to a third party any information pertaining to the Company during and after their service in the Company.

Article 40 (Director's Obligation to Report)

Upon identifying any matter that will clearly inflict a loss or damage to the Company, a director shall immediately report the matter to the Auditor or the General Meeting of Shareholders if there is no Auditor.

Article 41 (Board of Directors)

- ① The Company shall have a Board of Directors to make decisions on matters of importance to the Company.
- ② The Representative Director shall be the chairman of the Board of Directors.
- ③ When convoking a meeting of the Board of Directors, the Representative Director or a director assigned by the Board of Directors shall put up a notice at least 3 (three) days in advance. The procedure may be omitted when unanimously agreed upon by all the directors and the auditor.

Article 42 (Resolution of the Board of Directors)

- ① The passage of a resolution of the Board of Directors shall require the presence of a majority of the Directors and the consent of a majority of those present.
- ② A Director who has a special interest concerning a matter being contemplated by the Board of Directors shall not be allowed to exercise his/her voting right on the matter.

Article 43 (Meeting Minutes of the Board of Directors)

- ① The Company shall keep minutes concerning the meetings of the Board of Directors.
- ② The meeting minutes shall record the agenda and proceedings of a meeting of the Board of Directors, and those against the submitted agenda and the reasons for the objection. The minutes shall be signed by the auditor and directors present at the meeting.

Article 44 (Directors' Remuneration and Severance Allowance)

Remuneration of the Directors shall be fixed by the resolution of the General Meeting of Shareholders.

Chapter VI Auditors

Article 45 (Auditors)

- ① The Company may have one or more Auditors.
- ② The election of an Auditor shall require affirmative votes by a majority of the voting rights of the shareholders present at the meeting and more than a quarter of the total number of stocks issued. However, when a shareholder's total number of shares held exceeds 3 (three) percent of the total number of shares issued with voting rights, such a shareholder shall not exercise the voting rights concerning the portion of shares exceeding 3 (three) percent in the election of an Auditor.

Article 46 (The Term of Auditors)

The term of the auditor(s) shall be effective up to the end of the ordinary General Meeting of Shareholders concerning the last accounting settlement period within the 3 (three) years following his/her inauguration.

Article 47 (Auditors' Duties)

- ① The Auditors shall carry out an inspection of the Company's accounting and other affairs in general.
- ② The Auditors may express their opinion at a meeting of the Board of Directors.
- ③ The Auditors may ask for the convocation of an extraordinary General Meeting of Shareholders, by submitting a document stating the reason for and purpose of the meeting to the Board of Directors.
- ④ The Auditors may ask an affiliate company to submit a business report if required to carry out their duties. In such a case, the affiliate shall comply with the request. The Auditors may check the status of the affiliate's business operation or assets, if the affiliate company fails to comply with such a request in a timely fashion or if the Auditors find it necessary to

check the contents of the report thus submitted.

Article 48 (Audit Minutes)

- ① The Auditors shall draw up audit minutes.
- ② The Auditors shall record the details and results of their inspection activities on the minutes, which shall be signed by the Auditors who performed the inspection.

Article 49 (Remuneration and Severance Allowance of Auditors)

The remuneration and severance allowance of the Auditors shall be determined by a resolution of the General Meeting of Shareholders.

Chapter VII Accounting

Article 50 (Business Year)

The Company's business year shall be from January 1 through December 31 of each year.

Article 51 (Financial Statements and Annual Report)

- ① The Representative Director shall draw up the following documents, supplementary statements and the annual report and obtain the approval of the Board of Directors:
 1. Balance sheet
 2. Income statement
 3. Surplus appropriation statement or deficit disposition statement
- ② The Representative Director shall submit the documents stated in the foregoing Paragraph ① to the Auditors 4 (four) weeks prior to the commencement of the ordinary General Meeting of Shareholders.
- ③ The Auditors shall submit their audit report to the Representative Director within 3 (three) weeks of their receipt of the documents stated in the foregoing Paragraph ①.
- ④ The Representative Director shall keep the documents stated in the foregoing Paragraph ① and the audit report in a proper place at the Headquarters for 5 (five) years, and shall also keep photocopies thereof in a proper place at the branch offices for 3 (three) years from one week before the commencement of the ordinary General Meeting of Shareholders.
- ⑤ The Representative Director shall submit the documents stated in the foregoing Paragraph ① to the ordinary General Meeting of Shareholders for approval and also submit the annual report to the ordinary General Meeting of Shareholders.
- ⑥ After obtaining the General Meeting of Shareholders' approval as stated in the foregoing Paragraph ⑤, the Representative Director shall put the balance sheet, along with an independent Auditor's opinion, on public notice without delay.

Article 52 (Disposal of Retained Earnings)

The Company shall dispose of its retained earnings before appropriations as of the end of each business year for the following:

1. Legal reserve
2. Other statutory reserve
3. Dividends
4. Voluntary reserves
5. Other surplus appropriations

Article 53 (Dividend Payout)

- ① The Company may make its dividend payout in either cash or stock.
- ② The dividend payout stated in the foregoing Paragraph ① shall be made to those shareholders listed on the shareholder ledger or to pledgees registered as of the end of each account settlement period.
- ③ In the case of stock dividends, if the Company has issued several classes of shares, a different class of shares from the class the shareholders currently hold may be allotted by a resolution of the General Meeting of Shareholders.
- ④ The Company may carry out the interim dividend payout in accordance with Article 463-3 (Interim Dividend) of the Commercial Act.
- ⑤ No interest shall accrue concerning the dividend payout.

Article 54 (Elimination of Dividend Rights)

- ① Dividend rights shall be eliminated, if the rights are not exercised for 5 (five) consecutive years.
- ② Upon the expiry of the prescription of dividends stated in the foregoing Paragraph ①, such dividends shall be returned to the Company.

Chapter VIII Others

Article 55 (Corporate Counselor and Advisor)

The Company may have a Corporate Counselor or Advisor as per the resolution of the General Meeting of Shareholders.

Article 56 (Regulations and Rules)

The Company may enact regulations and rules concerning the general operation of the Company's business as per the resolution of the Board of Directors.

Article 57 (Matters not Covered by the Articles of Incorporation)

Any matters not covered by this Articles of Incorporation shall follow the resolution of the General Meeting of Shareholders and the relevant laws, including the Commercial Act.

Additional rules

Article 1 (Date of Enforcement)

This Articles of Incorporation shall take effect on the day of notarization (or on the ___ day of _____, 2017).

※ In the event of incorporation by promotion, it shall take effect from the moment it is sealed or signed by all promoters in accordance with Article 289 (Preparation of Articles of Incorporation, Matters Absolutely Required to be Entered in Articles of Incorporation), Paragraph 1 of the Commercial Act.

Article 2 (Initial Business Year)

The Company's initial business year shall be from the date of incorporation through December 31 of the same year.

Article 3 (Name, Resident Registration Number and Address of the Promoters)

The full name, resident registration number and address of the promoters for the establishment of the company are set forth at the end hereof:

※ This Articles of Incorporation only provides an example of the basic provisions to be included in an Articles of Incorporation. Therefore, matters other than those required to be stated in an Articles of Incorporation as prescribed by Article 289 Paragraph 1 of the Commercial Act may be omitted or included as needed.

※ Article 289 (Preparation of the Articles of Incorporation, Matters Absolutely Required to be Entered in an Articles of Incorporation), Paragraph 1 of the Commercial Act states that: Promoters shall prepare the articles of incorporation and enter the following matters in the articles of incorporation, and each of them shall write his/her name and affix his/her seal, or affix his/her signature.

1. Objectives
2. Trade name
3. Total number of shares to be issued
4. Par value per share where par value shares are issued
5. Total number of shares to be issued at the time of incorporation
6. Location of the head office
7. The name, resident registration number and address of each promoter

For the establishment of ○○○ Company Ltd., the Articles of Incorporations shall be prepared, and all the promoters shall affix their names and seals herein below:

Date: On the ____ day of _____, 20__

Promoter ○ ○ ○ _____ (Signature)

Resident registration number: (-)

Address:

Promoter ○ ○ ○ _____ (Signature)

Resident registration number: (-)

Address:

Promoter ○ ○ ○ _____ (Signature)

Resident registration number: (-)

Address:

※ For those of foreign origin:

Promoter ○ ○ ○ from (country) _____ (Signature)

Date of birth:

Address:

Stock Receipt Certificate	
Name of the company	○○○ Company Ltd.
Number of received shares	_____ Shares
Total amount	The sum of _____ won
Par value per share	The sum of _____ won
<p>To: ○○○ Company Ltd.</p> <p>I, the undersigned, as a promoter of ○○○ Company Ltd., hereby confirm that I have received the above shares.</p> <p>Date: On the ____ day of _____, 20</p> <p>Name: ○○○</p> <p>Address:</p>	

Stock Subscription Agreement

Name of the company	○○○ Company Ltd.
Class and number of shares of stock for subscription	____ shares of registered common stock
Par value per share	The sum of _____ won
Total amount of shares	The sum of _____ won
<p>To: ○○○ Company Ltd.</p> <p>I, the undersigned, hereby offer to subscribe to the shares stated above, accepting your company's Articles of Incorporation and what is stated on this form.</p> <p>Date: On the ____ day of _____, 20____</p> <p>Name: ○ ○ ○</p> <p>Address:</p>	
Notarized date of the Articles of Incorporation & Name of Notary	On the ____ day of _____, 20____ by _____
Purpose	<ol style="list-style-type: none"> 1. 2. 3. 4. Operation of business ancillary to the foregoing

Name of the company	○○○ Company Ltd.
Location of the headquarters	
Total number of shares to be issued by the company	_____ Shares
Par value per share	The sum of _____ won
Class and number of shares to be issued by the company at the time of incorporation	_____ shares of registered common stock
Method of public notice adopted by the company	To be carried in the oo Ilbo published in xxxx, Korea
Promoters' names, resident registration numbers and addresses	Promoter ○ ○ ○ _____ (Signed) Resident registration number: (-) Address: Promoter ○ ○ ○ _____ (Signed) Resident registration number: (-) Address: Promoter ○ ○ ○ _____ (Signed) Resident registration number: (-) Address:
Class and number of shares underwritten by each promoter	○○○: __ shares of registered common stock
Date of payment of shares	On the ____ day of _____, 20__
Place of payment of shares	△△ Bank, ○○○Branch

Letter of Consent to Matters of Stock Issuance

To: ○○○ Company Ltd.

All undersigned promoters consented to the following matters concerning shares to be issued at the time of incorporation:

1. Class and number of shares: ____ shares of registered common stock
2. Issue price of shares: 5,000 won per share
3. Number and amount of shares issued at a price above the face value: N/A

Date: On the ____ day of ____, 20__

Promoter ○ ○ ○

Promoter ○ ○ ○

Promoter ○ ○ ○

Securities Subscription Deposit Certificate

To: the representative of the promoters, ○○○ Company Ltd

Amount: The sum of _____ won (₩ _____)

We hereby certify that we have received the sum stated above as a securities deposit concerning △△ shares (par value per share: _____) issued at the time of the incorporation of your company on the _____ day of _____, 20____ and are safekeeping the said sum.

Date: On the _____ day of _____, 20____

○ ○ Bank

Letter of Consent to a Reduction of the Notice Period for the Inaugural General Meeting

We, the undersigned, as subscribers for the shares of ○○○ Company Ltd. hereby consent to the reduction of the notice period for the convocation of the inaugural general meeting held as follows under the company's articles of incorporation and Article 363 of the Commercial Act, and to the handling of agenda items as in a meeting whose notice of convocation is served within the sufficient notice period.

Hour/Date: 1:00 PM on the ____ day of ____, 20__

Place:

Agenda:

1. Report on matters concerning the company's incorporation
2. Approval of the articles of incorporation
3. Election of directors/auditors
4. Report on the inspection of matters stipulated by the Commercial Act, Article 298
5. Decision on the location of the headquarters

Date: On the ____ day of ____, 20__

Share subscriber ○ ○ ○

Share subscriber ○ ○ ○

Share subscriber ○ ○ ○

Report of Matters Concerning Company Inauguration

We, the undersigned, hereby report matters concerning the inauguration of ○○○ Company Ltd, as its promoters, as follows:

1. We set the purpose of the company as follows:

- 1)
- 2)
- 3)
- 4) Business ancillary to the foregoing

We have also set up a plan for the incorporation of a stock company whose total number of shares to be issued comes to △△△, and whose number of shares issued at the time of the incorporation is △△△ (par value per share: △△ won/ capital stock: △△△).

2. We have appointed ○○○ as the representative of the promoters concerning any matters to be settled by the time the company is established.

3. All the promoters gathered together on the ___ day of _____, 20___ and drew up the Articles of Incorporation. The Articles of Incorporation was notarized on the same date.

4. On the ___ day of _____, 20___, the promoters underwrote △ shares out of the △△ shares issued at the time of the company's incorporation. Concerning the remaining △ shares, we drew up the stock subscription agreement and started the procedure for offering the shares.

5. Prior to the offering of the shares stated in the foregoing 4, all the promoters agreed to the par value per share of △△ won. With ○○○'s subscription for the remaining shares on the ___ day of _____, 20___, the subscription for the total number of shares (△△△ shares) issued at the time of the company's incorporation has been completed.

6. Concerning the subscription for shares stated in the foregoing, the amount was deposited at ○○ Bank, ○○Branch on the ___ day of _____, 20___. The amount shall be kept at the said branch of the bank in the name of the company, as verified by the bank-issued securities subscription deposit certificate.

7. No individual has offered for in-kind investment to the company and the Articles of Incorporation does not stipulate reasons to make an application to the court for the election of an inspector under the Commercial Act, Article 290. Thus, there is no need to follow a procedure in this regard.
8. As the subscription for the total number of shares issued at the time of the company's incorporation and the payment of shares have been completed as stated in the foregoing, we, the promoters of ○○○ Company Ltd, decided to incorporate the company at the earliest possible moment, and thus found it necessary to reduce the notice period stipulated in the relevant law with the unanimous consent of the underwriters/share subscribers concerning the convocation of the inaugural general meeting.

Date: On the ____ day of _____, 20__

○○○ Company Ltd.

Promoter ○○○

Promoter ○○○

Promoter ○○○

Inaugural General Meeting Minutes

The Inaugural General Meeting was held as follows:

Hour/date: _ AM on the ___ day of _____, 20__

Location: 123 OO-dong, OO-gu, OO-si

Total number of shares underwritten/subscribed for: _____ shares

Total number of share subscribers/underwriters: ___ persons

Total number of share subscribers/underwriters present at this meeting: ___ persons

Total number of shares owned by the subscribers/underwriters present at this meeting: ___ shares

The Promoters' Representative, ○○○, reported that the meeting was being held in accordance with the relevant laws, with the presence of a quorum stipulated by the Commercial Act, Article 309. At his/her suggestion regarding the selection of the Chair, the share subscribers/underwriters present unanimously elected the Representative Promoter ○○○ as the temporary Chair of the meeting.

Whereupon, ○○○ accepted the appointment, rose to the podium, announced the commencement of the meeting, and suggested that the following agenda items be deliberated.

Item No.1 of the agenda: Report on matters concerning the company's inauguration

The Promoters' Representative, ○○○, explained the developments leading up to the meeting in detail as stated in the report attached hereto and the share subscribers/underwriters present unanimously approved it.

Item No.2: Approval of the Articles of Incorporation

The temporary Chair read the Articles of Incorporation, added explanations, and asked the share subscribers/underwriters present to express their opinion thereof. The share subscribers/underwriters unanimously approved the Articles of Incorporation.

Item No.3: Election of Directors and Auditors

At the temporary Chair's request, the share subscribers/underwriters present unanimously elected the following persons as the Directors and the Auditor:

Director ○○○

Director ○○○

Auditor ○○○

The three appointees accepted their inauguration as the Directors and the Auditor. Then, the share subscribers/underwriters present unanimously elected the Director as the Chair at the suggestion of the temporary Chair, and he/she accepted the appointment. The newly elected Chair continued to proceed with the meeting.

Item No.4: Report on the investigation under the Commercial Act, Article 313

The Chair explained that the Directors and the Auditor should submit a report after investigating the matters stipulated in the Commercial Act, Article 313. The Chair also explained that Directors and Auditors who served as promoters were not permitted to take part in such investigation, and asked Directors and Auditors who were not included in the list of promoters to investigate and report the matters stipulated in the Commercial Act, Article 313. Then, Auditor ○○○ submitted a report on the investigation as stated in the Attachment hereto. The share subscribers/underwriters present unanimously approved the investigation report after a review.

Item No.5: Location of the headquarters

The Chair explained the plan to establish the headquarters at the following location and the share subscribers/underwriters present unanimously approved the plan.

Location of the headquarters: 123 OO-dong, OO-gu, OO-si

After completing deliberation on the agenda items submitted in the meeting, the Chair announced the closing of the meeting at ____ AM/PM.

In witness whereof, the meeting minutes were drawn up and signed by the Chair and the Directors.

Date: On the ____ day of _____, 20__

○○○ Company Ltd.

Chair/Director ○○○

Director ○○○

Director ○○○

The Board of Directors Meeting Minutes

Hour/date: __ AM on the __ day of ____, 20__

Location: 123 OO-dong, OO-gu, OO-si

The procedure for convocation of the meeting was omitted with the unanimous consent of the Directors under Article 390, Paragraph 3 of the Commercial Act and a meeting of the Board of Directors was held to deliberate the following agenda item.

Total number of Directors in office: ○ persons

Number of Directors present: ○ persons

Total number of Auditors in office: ○ persons

Number of Auditors present: ○ persons

Director ○○○ was elected as the temporary Chair.

Agenda: Election of the Representative Director

Upon the temporary Chair's request for the election of the Representative Director under the Articles of Incorporation, the Directors present elected the following person after a due process of consultation:

Representative Director ○○○

As deliberation of the agenda was completed, the temporary Chair announced the closing of the meeting.

In witness whereof, the meeting minutes were drawn up and signed by the Chair and the Directors present.

Date: On the __ day of ____, 20__

○○○ Company Ltd.

Chairman/Representative Director ○○○

Director ○○○

Auditor ○○○

Inspection Report

To: ○○○ Company Ltd.

As those elected as the company's Directors and the Auditor at the inaugural general meeting held on the ____ day of _____, 20__, we hereby submit our report on the inspection of the following matters stipulated in Article 313 of the Commercial Act.

1. Accuracy of subscription for the total number of shares issued at the time of the company's incorporation.

The total number of shares to be issued by the company shall be △△ shares and the number of shares issued at the time of the company's incorporation comes to △△ shares (par value per share: △△ won). The details of the subscriptions are as follows:

Number of shares underwritten by promoters: △△ shares

- Underwriting was completed on the ____ day of _____, 20__.

Number of shares subscribed for: △△ shares

- Subscription was completed on the ____ day of _____, 20__.

2. Accuracy of payment for subscribed/underwritten shares

Concerning the subscription to ____ shares issued by the company at the time of its incorporation, the amount was deposited at OO Bank, OO Branch on the ____ day of _____, 20__ and is currently being kept by it in the name of the company, as verified by the bank-issued securities subscription deposit certificate.

3. In-kind investment and others

No individual has offered for in-kind investment to the company and the Articles of Incorporation does not stipulate reasons to make an application to the court for the election of an inspector under the Commercial Act, Article 290. Thus, there is no need to follow a procedure in this regard.

Date: On the ____ day of _____, 20__

Inspector ○○○

Certificate of Inauguration Acceptance

To: ○○○ Company Ltd.

I, the undersigned, hereby agree to my inauguration as the _____ of your company.

Date: On the ____ day of _____, 20__

Name:

Address:

Shareholder Ledger

Name of the company: ○○○ Company Ltd.

As of the ____ day of _____, 20__

Shareholder's name	Number of shares owned	Resident registration number	Address and e-mail address
○○○	10,000		
○○○	3,000		
○○○	7,000		
Total number of shares		Par value per share	Capital stock
20,000 shares		5,000 won	100,000,000 won

We hereby certify that the above shareholder ledger is identical to the original shareholder ledger kept at the company headquarters.

Date: On the ____ day of _____, 20__

Representative Director :

○○○ Company Ltd.

1234-1 Seocho-dong, Seocho-gu, Seoul

Power of Attorney

Name of the entrusted:

Address:

I, the undersigned, hereby appoint the abovementioned person to act as my proxy concerning the following matters:

1. Application for registration of the incorporation of ○○○ Company Ltd.
2. Notarization of the registration-related documents, including the Articles of Incorporation, the minutes of the inaugural general meeting, the minutes of the board of directors' meeting, the certificate of inauguration acceptance, etc.
3. Other documents concerning the abovementioned application for registration

This notarized document shall remain valid from _____ until _____.

Date: On the ____ day of ____, 20__

The Entruster

Name:

Address:

Matters to be Confirmed Prior to Incorporation

※ Please note that the following information shall be delivered first for the establishment of a corporation:

1. Name of the corporation: _____ Company Ltd.
2. Address:
3. Purpose of business (This information is required for cross-referencing purposes.):
4. Capital stock at the time of incorporation:
5. Par value per share: _____ won
6. Method of public notice: To be published in one of the business dailies published in Seoul.
7. Accounting settlement day: End of (March/June/September/December)
8. The name, resident registration number and address of the directors (including the representative director) and the auditors (or DOB in the event of a foreigner):
 - Representative Director:
 - Directors:
 - Auditors:
9. Share status: (Number of shares held by the promoters and shareholders/amount/%)
 - Promoter/shareholder: _____ shares/₩ _____ / ____ %
 - Promoter/shareholder: _____ shares/₩ _____ / ____ %
 - Promoter/shareholder: _____ shares/₩ _____ / ____ %
 - Promoter/shareholder: _____ shares/₩ _____ / ____ %

■ Enforcement Rules of the Foreign Investment Promotion Act [Form No.1]

Foreign Investment by Acquisition of Stocks (or Contribution) [] Notification Form [] Application for Authorization

※ Please fill out this entire form except for the black boxes and mark ☐ in [] when applicable.

(Page 1)

Number of Receipt	Date of Receipt	Date of Completion	Term of Completion	Notification: Immediate Authorization: 15 days
-------------------	-----------------	--------------------	--------------------	---

Foreign Investor	① Name		② Nationality		
	③ Address (Phone Number:)				
Foreign-Invested Enterprise (Stock-Issuing Enterprise)	④ Name	(Korean)	⑤ Business Registration No. (Headquarter)		
		(English)			
	⑥ Address	Headquarter (Phone Number:)			
		Factory(Place of Business) (Phone Number:)			
		Location of Investment(only for acquisition of Newly Issued Stock) (Phone Number:)			
	⑦ Business of intent/Present business				
※ Sub-Class of KSIC(Korea Standard Industry Code)					
⑧ Capital (Contribution)		before acquisition(contribution) won	after acquisition(contribution) won		
Information	⑨ Seller of Stocks or Shares (only for acquisition of outstanding stocks)		Name (Phone Number:)		
	⑩ Amount of foreign investment and ratio thereof		Acquisition Price: won(USD), %		
	⑪ Type of Investment	<input type="checkbox"/> Corporation <input type="checkbox"/> Newly issued, <input type="checkbox"/> outstanding <input type="checkbox"/> Establishing Private Enterprise <input type="checkbox"/> Contribution to Non-Profit Corporation		⑫ Purpose of Investment	<input type="checkbox"/> Establishing Factory <input type="checkbox"/> Establishing Place of Business <input type="checkbox"/> Merger or Acquisition
	⑬ Object of Investment	<input type="checkbox"/> Cash, <input type="checkbox"/> Capital Goods, <input type="checkbox"/> Stock, <input type="checkbox"/> Real Estate, <input type="checkbox"/> Bond, <input type="checkbox"/> Industrial Property Rights		Cash Amount	won(USD)
				Capital Goods	won(USD)
				Other	won(USD)
	⑭ Details of Stock or Shares to be Acquired	Type	Par Value per Stock(Share)(B)	Acquisition Price per Stock(Share)(C)	
		Quantity(A)	Total Par Value of All Stocks(A×B)	Total Acquisition Price(A×C)	
	⑮ Basis of Acquisition(only for Article 5, Paragraph 2, Item from 2 to 6, of the Foreign Investment Promotion Act) <input type="checkbox"/> Convertible Bonds, <input type="checkbox"/> Preemptive Rights, <input type="checkbox"/> Bond Issue, <input type="checkbox"/> Dividend, <input type="checkbox"/> Purchase/Inheritance /Bequest/Gift, <input type="checkbox"/> Merger/Comprehensive exchange or transfer of stocks/Division, <input type="checkbox"/> Other()				
⑯ Amount and Percentage of Foreign Investment After Acquisition		Acquisition Price : won(USD)		%	
		Par Value of All Stocks: won			
⑰ Number of Jobs to be Created					

The above notification is made in accordance with the regulations stipulated in [] Article 5, Paragraph 1 and 2 / [] Article 6, Paragraph 2, of the Foreign Investment Promotion Act.

Applicant
(or Power of Attorney)

Year Month Day
(Signature or Seal)
(Phone Number:)

For the Delegated Authority

For the Applicant

Notification No:

[] The above notification is confirmed. [] The above is authorized. (Condition:)

Year Month Day

Ministry of Trade, Industry and Energy(or Delegated Authority)

seal

210mm×297mm(White Paper 80g/ m²)

■ Enforcement Rules of the Foreign Investment Promotion Act [Form No.17]

Registration of a Foreign-Invested Enterprise

[] Registration [] Change of Information

※ Please fill out the entire form except for the black boxes and mark ✓ in [] when applicable.

(page 1)

Receipt Number	Date of Receipt	Date of Completion	Term of Completion	One day
----------------	-----------------	--------------------	--------------------	---------

Foreign Investor	① Name		② Nationality		
	SPC	[] Yes [] No	UPS of SPC	Name (Nationality:)	
Foreign-Invested Enterprise	③ Name		④ Business Registration No.		
	(Korean)				
	(English)				
	(*) SPC [] Yes [] No				
	⑤ Address		(Phone Number: , FAX:)		
	Headquarters				
	Main Factory(Main Place of Business)		(Phone Number: , FAX:)		
	Homepage(website)		E-mail		
	⑥ Type of Business Previously Registered (Authorized)				
	⑦ Capital (Contribution Amount)				
⑧ Amount of Foreign Investment and Ratio Thereof	Acquisition Price : won (*USD)		%		
	Par Value of Stocks: won				
⑨ Number of Regular Workers	Existing number(if previously registered)		Expected number(after registration)		
Change of Information	⑩ Reason(s) for Change of Information (if there is any change)				
	<input type="checkbox"/> Changes of Amount or Percentage of Foreign Investment <input type="checkbox"/> Changes of the Name or Nationality of Foreign Investor <input type="checkbox"/> Changes of the Name or Address or Type of Business <input type="checkbox"/> Changes of Others ※ Change of Information in details				
	⑪ Transfer or Reduction of Stocks or Shares (if applicable)	Transferer (Reducer)	Name		Nationality
		Transferee (if transferee is a foreign national)	Name		Nationality
		Details of Stocks or Shares to be Transferred(Reduced)	Type	Par Value per Stock(B)	Transfer or Reduction Price per Stock (C)
			Quantity(A)	Total Par Value of Stocks(A×B)	Total Amount Transferred or Reduced(A×C)
	⑫ Reasons for Cancellation of Registration (if applicable)				
<input type="checkbox"/> all of the foreign investor's stocks have transferred to domestic investor or reduced <input type="checkbox"/> corporation amalgamated, <input type="checkbox"/> business closure/liquidation, <input type="checkbox"/> others ()					

The above notification is made in accordance with the regulations stipulated in Article 21, Paragraph 1 and 2, of the Foreign Investment Promotion Act.

Applicant
(or Power of Attorney)

Year Month Day
(Signature or Seal)
(Phone Number:)

For the Delegated Authority

210mm×297mm(White paper 80g/m²)

Enforcement Rules of the Value Added Tax Act [Form No.73]

(Front side)

Receipt No.	<input type="checkbox"/> Report of incorporation and application for business registration <input type="checkbox"/> Report of a local place of business (of a foreign-based corporation)	Specified time for processing
		5 days (Time spent on supplementation of the submittal is not included.)

What is stated in your application for the registration of a business will be used as material for realizing the goal of substantially-based taxation and efficient management of registration of a business. Please fill in the information requested below based on the facts and be sure to put your signature or seal where required.

1. Relevant information to be provided by the applicant

Name of the corporation (or organization)		Approved corporation's proper No. (or business registration No. used at the time of business closure)	
Representative		Resident registration No.	-
Location of the place of business (organization)			
Location of the representative office		The representative office's registration No.	
Phone No.	(Place of business) (Cell phone)	E-mail address Do you agree to receive the national tax-related information provided by the National Tax Service?	@ Yes () No ()

2. Status of the corporation

Corporation registration No.	-	Capital stock	won	Period of business engagement	~
Nature of the corporation (Please put "o" where applicable.)					
A domestic corporation				A foreign-based corporation	
Ordinary/profit	Profit/foreign-based	Non-profit	National/local	An organization regarded as a corporation	
				An authorized corporation	Other
				A branch (a local place of business)	A liaison office
				Other	Yes No
					The headquarters' business registration No.
Whether it is Association Corporation		A public-good corporation			Foreign/foreign-based corporation
Yes	No	Applicability	Type of business	Relevant ministry	Existence of contribute assets
		Yes No			Yes No
					Nationality
					Investment ratio

3. Information on the foreign-based corporation and the officer in charge of general operation

Foreign-based corporation				
Headquarters	Name of business	Representative	Date of establishment	Location
Officer in charge of general operation				
Name (Name of business)	Resident registration No. (Business registration No.)	Address (Location of business)	Phone No.	

4. Status of place of business

Type of business										Date of business commencement	
Main type of business	Main line of business	Business classification code	Type of Ancillary business	Ancillary line of business	Classification code for ancillary business						
Place of business		Drawings attached		Lessor of the place of business							
Self-owned	Leased	Yes	No	Name (Corporation name)	Business registration No.	Resident registration No. (Corporation registration No.)	Phone No.				
m ²	m ²										
Lease contract period				(Jeonse) security deposit			Monthly rent (VAT included)				
2010 ~ 2010				won			Won				
Individual consumption tax				Liquor license		VAT-imposed business		Whether it is a business requiring authorization/approval			
Manu- facture	Sales	Place	Amusement	No.	License applied	Yes	No	Report	Registration	Authorization/approval	Others
					Yes No						
Basic financial status as of the day of registration of establishment											
Total assets	Current assets	Fixed assets		Total liabilities		Current liabilities		Fixed liabilities		Number of employees	
won	won	won		won		won		won		persons	

210mm×297mm[Newsprint Paper 54 g/m² (Recycled Paper)]

(Reverse side)

5. Matters to be noted in the application for the registration of a business or for conducting a business

- A. In the event that you allow another person or entity to use your name (or the name of the corporation) in the registration of a business, you should be able to explain the taxes imposed on the business or the tax-related materials. Please note that a default in the payment of an imposed tax may result in measures being taken against you, such as the seizure or auctioning off of your property, notification of the default to financial institutions, and the imposition of restrictions relating to passport issuance or departure from the country.
- B. A domestic corporation should keep the ledger of shareholders (employees) available in a proper place. The ledger shall reflect the as-is situation as it should be submitted at the time of application for the registration of a business and the reporting of corporate tax. The lease of it to others may be subject to the imposition of capital gains tax or gift tax.
- C. The registration of a business may be cancelled if the business fails to start business operation or to report VAT or corporate tax until after the lapse of 6 (six) months with no justifiable reason or relocates its place of business arbitrarily, making it difficult to check whether it is actually engaged in the stipulated business.
- D. In the event of issuance or receipt of a tax invoice without a real transaction, the corporation, its representative or related people involved in such an act may be subject to imprisonment of not more than 3 years or a fine equal to twice the supply price plus the VAT amount under the Punishment of Tax Evaders Act, Article 11-2.
- E. Subscription to, and use of, a credit card, must be done in your own name. The use of a credit card for a purpose other than business-related payment is subject to imprisonment of not more than 3 years or a fine not exceeding 20 million won under the Specialized Credit Financial Business Act, Article 70, Paragraph 2.

In the event of applying for the registration of a business by a proxy, please fill in the following:

Personal information on the proxy	Name	Resident registration No.	
	Address		
	Phone No.	Relationship to the applicant	

- Application ☐ Only for registration of a business
☐ For both registration of a business and the “date of confirmation”
☐ For registration of a business as a person who has received the “date of confirmation (date of confirmation No.:)”

To: the head of the XXX District Tax Office

I, the undersigned, hereby report the establishment of a corporation and a place of a local business and apply for registration of the business and the date of confirmation, as I have checked the conformity between the content of this application and the content of the real business under the Corporate Tax Act, Articles 109 and 111, its Enforcement Decree, Articles 152 through 154, its Enforcement Regulations, Article 82, Paragraph 3, Subparagraph 11, and the Commercial Building Lease Protection Act, Article 5, Paragraph 2.

Date: _____, 2010

Applicant: _____ (Signed or sealed)

The above-stated proxy: _____ (Signed or sealed)

Documents to be submitted	Documents to be submitted at the time of application	Matters to be checked by the official in charge (documents that should be submitted by the applicant if he/she does not agree with the official in charge)
	1. A copy of the Articles of Incorporation 2. A copy of the lease contract (in the event that the place of business is leased) 3. A copy of the drawing(s) concerning the relevant area (in the event of leasing part of a commercial building protected under the Commercial Building Lease Protection Act) 4. A copy of the list of shareholders or investors 5. A copy of the business approval/registration/report certificate (if applicable) or the establishment approval certificate (in the event of a non-profit corporation) 6. A copy of the list of in-kind investment (if applicable) 7. A copy of the letter of explanation about the fund source (in the event of engagement in a restricted wholesale/retail and taxable amusement business – effective from July 2008) 8. A copy of the document concerning registration of the headquarters (in the event of a foreign-based corporation) 9. A copy of the document verifying the content of the business in the domestic place of business (in the event of a foreign-based corporation and when the relevant facts cannot be checked by the relevant official)	A copy of the corporation registration (including a branch)

I, the undersigned, agree that, in connection with the processing of this matter, the official in charge conducts a check of the “matters to be checked by the official in charge” as stated above by means of the system designed for the joint use of administrative information in accordance with the Electronic Government Act, Article 21, Paragraph 1.

The applicant _____ (Signed or sealed)

※ Note: In the event of the lease of a place of business, please make sure that the location of the business in the lease contract conforms to the relevant official record, including the building management register, to be protected by the Commercial Building Lease Protection Act.

(e.g.: Room ○○○○, 2nd Fl., ○○ Building, ○○○○, 00-dong, oo-si)

Guide to Establishing a Business in Korea

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