

Translation

## **DMA Services Terms and Conditions**

*The governing version of this DMA T&C shall be the version in the Korean language. This English translation is for reference purposes only and in the event of any conflict in interpretation between the Korean version and this translation, the Korean version shall control.*

### **Article 1 (Objective)**

This DMA Services Terms and Conditions (this "**DMA T&C**") is designed to clearly define the rights and obligations of a client that intends to use DMA services with Merrill Lynch International, LLC Seoul Branch ("the Company"/ "a Company") and prescribes terms and conditions governing the Direct Market Access ("**DMA**") services.

### **Article 2 (Definition)**

- ① The terms used in this DMA T&C are defined as follows:
  1. "**DMA**" refers to the order delivery method by which a client delivers its orders directly to the securities markets and the derivatives markets (including transactions over multilateral trading facilities ("**MTF**"), collectively, the "**Financial Investment Product Market**") established by the exchange under the Financial Investment Services and Capital Markets Act (the "**Act**") (hereinafter called the "**Exchange**") through the order delivery system of the Company using the Client's own Order Management System ("**OMS**"). The Financial Investment Product Market includes transactions over multilateral trading facilities ("MTF").  
For the avoidance of doubt, DMA does not include a Home Trading System ("HTS"), which refers to an arrangement by which a Client uses an order management system (HTS) provided to the Client by a financial investment company which in turn provides the Client with all trade-related necessary services including the delivery and execution of orders, settlement and account information inquiries, transfer of funds, and market information and news, etc..
  2. "**DMA Order**" refers to a new, correction or cancellation order to buy or sell which is directly placed by a client to the Financial Investment Product Market through DMA.
  3. "**DMA Services**" refers to a non-face-to-face order delivery service provided by the Company itself or through third party electronic equipment and devices including software, hardware and communications devices.
  4. "**Client**" refers to a person or a party who executes a contract with the Company and uses the Company's DMA Services.
- ② Any terms not separately defined in this DMA T&C, it shall have the

meaning ascribed to them as given in the following statutes or regulations of Korea: the Electronic Financial Transactions Act and its Enforcement Decree, the Financial Investment Services and Capital Markets Act and its Enforcement Decree and Enforcement Rule, the Regulation on the Supervision of Electronic Financial Transactions and its Detailed Enforcement Rules, and the Regulations on the Supervision of Financial Investment Business and its Detailed Enforcement Rules and the relevant regulations of the Exchange and MTFs (collectively, "**Relevant Laws and Regulations**").

### **Article 3 (Acceptance of Orders)**

- ① A DMA Order made under this DMA T&C shall be placed by a Client through the Company's DMA Service, and the DMA Order will be accepted through electronic communications and delivered to the Financial Investment Product Market, unless the Company refuses the acceptance of the DMA Order.
- ② The Company may refuse the acceptance of a Client's DMA Order if:
  1. The Client fails to comply this DMA T&C or other agreements on sales and brokerage with the Company;
  2. The Client accesses or uses the Company's or a third party's trading systems in violation of the Relevant Laws and Regulations;
  3. Networks, communications, computer systems, or facilities, trading systems or software programs associated or connected to the foregoing has failed, discontinued or delayed in part or in full;
  4. The Company is not able to provide the DMA Services or to process a Client's DMA Order due to any change in Relevant Laws and Regulations or other force majeure causes including natural disaster; or
  5. The Client's order is in violation of the Relevant Laws and Regulations or fails to fulfill the applicable requirements prescribed in the Relevant Laws and Regulations.
- ③ A Client may place a telephone call or use other electronic communications means including e-mails or IMs to cancel a DMA Order pursuant to the above Paragraph ① before the order is executed in the Financial Investment Product Market. The Client, however, also acknowledges that a request for cancellation may not be processed if the DMA Order is executed through the Financial Investment Product Market after the request was made due to any time difference, etc. without any cause attributable to the Company.

### **Article 4 (Scope of DMA Services)**

- ① The DMA Services provided hereunder shall be as follows:
  1. Execution of a Client's order by ensuring that the Client's order is accepted and then delivered to the Exchange via electronic means

- including software, hardware or other electronic delivery media;
2. Transforming a Client's electronic order into a format that can be executed in the Exchange (including the transformation of a Fix order into a format recognized by the trade execution system of the Exchange);
  3. Acceptance of an algorithmic trading order and transmission of the order to Exchange;
  4. Monitoring services including checking order limits; or
  5. Feeding status information on the acceptance, transmission and execution of orders to a Client's OMS.
- ② The DMA Services shall be available during the following hours:
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|---|
| <ol style="list-style-type: none"><li>1. DMA Services related to stock trading: During trading hours as defined in the KOSPI and KOSDAQ Market Business Regulation; and</li><li>2. DMA Services related to derivatives trading: During trading hours as defined in the Derivatives Market Business Regulation and global trading hours.</li></ol> |
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- ③ The use of DMA Services are subject to the following conditions:
1. The use of DMA Services shall be restricted other than the services hours defined in the preceding Paragraph ②; and
  2. The use of DMA Services shall be restricted if a Client submits quotes for program trades from 10 minutes before the closing of the market to the closing of the market on the last trading day of KOSPI 200 futures trading item or KOSPI 200 option trading item (i.e., the prohibition of submitting a program quote during the closing auction session on the last trading day of the KOSPI 200 futures options).

## **Article 5 (Fees)**

Fees for the DMA Services under this DMA T&C shall be as set forth in the Exhibit hereto.

## **Article 6 (Obligations of Clients)**

- ① A Client that intends to use the DMA Services shall install and maintain stable telecommunications lines and others which are necessary to connect to and use the systems provided by the Company, and shall immediately notify the Company of any system malfunction that may affect DMA trades, such as computer viruses, worms or other malicious codes, and take appropriate corrective measures.
- ② A Client shall provide the Company with information requested by the Company in relation to its provision of DMA Services or for the compliance with Relevant Laws and Regulations.
- ③ A Client shall comply with the Relevant Laws and Regulations, and provide the Company with relevant information upon the Company's request for matters necessary for compliance with the Relevant Laws and Regulations

or at the request of a court, the Exchange, the MTF, relevant regulatory authorities or other government entities.

- ④ A Client shall not use the DMA Services for illegitimate and unlawful purposes including, without limitation, undertaking activities in violation of Relevant Laws and Regulations, performing acts which may have adversary impact on the access to trading systems or settlement systems, or abusing or inappropriately misusing the features of the DMA, etc.
- ⑤ A Client shall use the DMA Services for purposes of securities trading or futures/options trading in the Financial Investment Product Market only and shall not infringe upon the intellectual property rights and other rights of the Company or a third party associated with or related to DMA.
- ⑥ A Client shall be solely liable for the security of information and technologies within the Client's control including the DMA Order, maintenance and management of its settlement authority and IDs used to access systems unless there is a cause attributable to the Company.
- ⑦ A Client's order shall be based on its own investment decisions and on its own account and the Client shall be liable for any loss that may occur or is attributable to its own investment decisions and its own order-related errors or mistakes.
- ⑧ If a Client places a DMA Order using algorithmic software provided by the Company or a third party or its own algorithm software, such software shall comply with the Relevant Laws and Regulations.

#### **Article 7 (Obligations of Company)**

- ① The Company shall provide services which are necessary for the provision of the DMA Services under this DMA T&C.
- ② In providing the DMA Services, the Company shall comply with the Relevant Laws and Regulations.

#### **Article 8 (Order Limits)**

- ① A Company may refuse to accept an order of a Client if the order exceeds either the internally established order limit established by the Company and informed to the Client in advance or the order limit prescribed in the Relevant Laws and Regulations.
- ② The Company may adjust the order limit of a Client if such an adjustment is necessary due to such causes as unexpected sudden changes in the market environment, computational errors or a change in the credit risk of the Client. In such case, the Company shall immediately notify the Client of such adjustment.

#### **Article 9 (Orders)**

- ① A Client that intends to place a DMA Order shall enter all information and data which are required for the placement of orders under Relevant Laws and Regulations.

- ② A Client shall check and confirm the order details including the information and data entered under the preceding Paragraph ① before sending out the DMA Order.
- ③ The Company may intervene to refuse the acceptance of, discontinue or cancel a Client's order if the order exceeds the order limit under Article 8, Paragraph ① or is in violation of Relevant Laws and Regulations. In such case, the Company shall promptly notify the Client of the intervention via relevant means such as systems.
- ④ Trade details shall be notified to the Client immediately if a trade order submitted by a Client has been executed in the Financial Investment Product Markets.

#### **Article 10 (Suspension of Services)**

- ① The Company may suspend the DMA Services at any time if:
  - 1. A Client requests to close the relevant account;
  - 2. Confidential information including the password of a Client is divulged to a third party;
  - 3. A financial incident or fraud is reported or registered with respect to a Client's account;
  - 4. A Client intentionally engages in an act that causes a communications disruption, such as hacking;
  - 5. A Client commits an act to disrupt market order;
  - 6. A Client breaches or violates material terms or conditions of an agreement executed with the Company, including this DMA T&C; or
  - 7. An actual or potential risk that the provision of DMA Services will be disrupted due to other legal issues or computational errors or any other reason.
- ② If the provision of the DMA Services is suspended pursuant to the preceding Paragraph ①, the Company shall promptly notify the Client of the suspension of services.

#### **Article 11 (Confirmation of Trade Information)**

- ① If a Client requests the Company to provide trade information in a written form (excluding electronic documents; hereinafter the same shall apply throughout this Article), the Company shall deliver the written documents containing the trade information within 2 weeks of the Client's request.
- ② If a Client requests the provision of trade information under the preceding Paragraph ①, the Client shall do so in the following manner:

Send the trade information request by mail to the head of Operation Department at Merrill Lynch International LLC Seoul Branch (Postal Code 04520), 29<sup>th</sup> Floor, Seoul Finance Center, 136 Sejongdae-Ro, Jung-Gu Seoul, or via e-mail to [dq.operations.kr\\_all@baml.com](mailto:dq.operations.kr_all@baml.com). If the Client has any questions, please contact the Company by phone (Telephone No.: 822-3707-

0471)

- ③ The Company shall promptly notify a Client if it is not able to provide the requested information due to operational failures of electronic devices or other causes. The period during which the Company is unable to provide trade information due to operational failures of electronic devices or other cause shall not be included in the calculation of the period for the delivery of trade information in writing.

#### **Article 12 (Handling of Failures)**

If services become unavailable due to causes such as natural disasters and IT failure, etc., the Company shall notify the Client thereof as soon as possible, and take necessary measures to ensure normal provision of the services as soon as possible.

#### **Article 13 (Notification of Change in Client Information)**

- ① In case of any change to client information, a Client shall notify the Company of such change immediately.
- ② The Company shall not be liable to any loss caused by or attributable to the failure to fulfill the notification obligation under the preceding Paragraph ①.

#### **Article 14 (Termination of DMA T&C)**

- ① If a Client or the Company intends to terminate the DMA Services, it may enforce the intended termination by giving prior written notice of its intent to the other party.
- ② Unless otherwise set forth in this DMA T&C, neither the Client nor the Company shall be exempted from the obligations and responsibilities incurred during the term of this DMA T&C in accordance with this DMA T&C and Relevant Laws and Regulations after the termination of this DMA T&C.

#### **Article 15 (Responsibilities of Parties)**

- ① The Company shall be liable for damages (excluding indirect and consequential damages) to a Client caused by fraud, willful misconduct or negligence of the Company.
- ② Notwithstanding Paragraph ① above, the Client may be held liable for all or part of any damage incurred by the Client due to any of the following causes:
  1. If the Client lends the access media to a third party, authorized a third party to use the access media, assigned the access media or provided access media as collateral;

2. If the Client leaks, exposes, or neglects its access media even though it knew or could easily have known that a third party could make electronic financial transactions using the Client's access media without authorization;
  3. If a corporate customer (excluding a small business entity under Article 2(2) of the Framework Act on Small and Medium Enterprises) experiences losses and the Company has fulfilled its duty of care reasonably required, such as establishing and strictly observing security procedures to prevent accidents;
  4. If the Client refuses to adopt additional security measures required by the Company for financial transactions in order to enhance security (other than the confirmations under Article 6(1) of the Electronic Financial Transactions Act) without justifiable causes, thereby causing an incident under Article 9(1)3 of the Electronic Financial Transactions Act;
  5. If an incident under Article 9(1)3 of the Electronic Financial Transactions Act occurs due to the Client's conduct falling under any of the following items with respect to the media, means or information used for additional security measures under the preceding Subparagraph 4;
    - A. Acts of divulgence/leakage or negligence; or
    - B. Acts of lending the media/means to a third party, authorizing a third party to use the media/means, assigning the media/means or providing the media/means as collateral.
  6. Force majeure including natural disasters, wars or terrorism or power outage, fire or building damages not attributable to the Company.
- ③ The Company which is notified by the Client of a lost or stolen access media shall compensate the Client for losses caused by the illegitimate use of the access media by a third party on and after the notification.
- ④ Despite the preceding Paragraphs ① and ③, the provisions in other laws and regulations including the Electronic Financial Transactions Act which can be applied in favor of the Client shall prevail over this DMA T&C.
- ⑤ The Client agrees to indemnify and hold the Company harmless from and against all losses, liabilities, obligations, damages, penalties, judgments, claims, causes of action, costs or other payments (including reasonable legal fees and expenses) which may be incurred or suffered by or asserted against the Company resulting from (i) the use of the DMA Services; (ii) the Client's breach of any of its duties or obligations under this DMA T&C; or (iii) the failure to settle any transactions through the Company's system due to the negligence of willful misconduct of the Client or the Client's clearing broker or custodian; or (iv) the Client's failure to deposit margin at the time and as requested by the Company (in the case of future and option agreements).

## **Article 16      (Confidentiality)**

The Client and the Company shall keep confidential any information acquired directly or indirectly, such as the other party's management and IT information, in the course of executing and performing this DMA T&C, except where disclosure is required by Relevant Laws and Regulations or where disclosure to a service provider or its representative (including any provider and operator of electronic equipment, system or platform used by the Company) is required for the provision of services under this DMA T&C.

#### **Article 17 (No Assignment)**

A Client may not transfer or assign this DMA T&C to a third party without the written consent of the Company.

#### **Article 18 (Amendment to DMA T&C)**

- ① If the Company intends to amend this DMA T&C, it shall inform the Client of the intended amendment before the effective date of the amended DMA T&C on the Company's premises, through its website, computer screens used for on-line transactions or other similar electronic communications so that the Clients can check and confirm such amendment.
- ② If an amendment under the preceding Paragraph ① is disadvantageous to a Clients, the Company shall notify the Client in writing or by any other means at least one (1) month before the effective date of the amended DMA T&C; provided, however, that this shall not apply if the terms and conditions before the amendment apply to the existing Client as they are or if the Client explicitly expresses its intention not to receive such notice.
- ③ When notifying a Client in accordance with the preceding Paragraph ③, the Company shall specifically state that "A Client that disagrees with the intended amendment of this DMA T&C may terminate the DMA Services in accordance with the DMA T&C, and that if the Client fails to express its intention to terminate the DMA T&C by the business day immediately before the effective date of the amendment, the Client shall be deemed to have agreed to such amendment".
- ④ If a Client fails to express the intention to terminate this DMA T&C during the period from the date of receiving the notification under the preceding Paragraph ③ to the business day preceding the effective date of the revised DMA T&C, the Client shall be deemed to have agreed to such amendment.
- ⑤ The Company shall inform a Client of this DMA T&C at the Company's premises so that it can confirm this DMA T&C, or post the same on the Company's website, computer screens for on-line transactions, or other similar electronic communications media so that the Client may view and download (including screen print) this DMA T&C, and shall physically deliver this DMA T&C upon their request

#### **Article 19 (Government Law and Jurisdiction)**

This DMA T&C shall be governed by the laws of the Republic of Korea and any dispute or legal proceeding in connection with this DMA T&C shall be subject to the competent court under the Civil Procedure Act.

#### **Article 20 (Reference to Relevant Laws and Regulations)**

- ① Terms and conditions not prescribed in this DMA T&C shall be subject to applicable Relevant Laws and Regulations and the Trading Account Opening Agreement. Generally accepted commercial practices shall also be referred to further for terms and conditions not covered by Relevant Laws and Regulations and Trading Account Opening Agreement.
- ① In the event of any conflict between the Trading Account Opening Agreement and the Terms and Conditions for DMA Services (referring to the General Terms and Conditions for DMA Services provided by the Company or its affiliates) and this DMA T&C, this DMA T&C shall prevail.

#### **Addendum**

This DMA T&C shall take effect as of August 1, 2018.

<Exhibit >

1. The fees under Article 5 shall be as follows.

No separate fee for using the DMA Services; however, it may be considered when determining the commission rate through consultation with the Client.
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2. The information under Article 6, Paragraph ③ shall be as follows.

Identification information to validate a DMA Order from the Client (pre-agreed information including FIX Provider, etc.), daily order limit and contact information including name/phone number/email address of the person in charge in case of an order mistake, etc.
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3. Other Special Terms and Conditions