

# ARTICLES OF INCORPORATION OF KEB HANA BANK

## CHAPTER I . GENERAL PROVISIONS

### <Preface>

The Bank should maximize its value to its customers, shareholders, and employees and commit to being a socially responsible financial company to ensure sustainable growth. Furthermore, the Bank should dedicate itself to the banking industry's development by adopting a sound growth strategy.

### Article 1. (Bank Name)

① This Bank shall be called Hana Eunhaeig (hereinafter referred to as the "Bank") and shall be called "KEB Hana Bank" in English.

### Article 2. (Objective)

① The objective of the Bank is to engage in the following business activities:

1. Banking business pursuant to the Banking Act; and
2. Any and all businesses incidental or related to the foregoing Items 1.

② The Bank may, in accordance with relevant laws and regulations, also engage in businesses other than stipulated in Paragraph ① including trust business and transfer agent service for the transfer of shareholders' names.

### Article 3. (Location of the Head Office and Establishment of Branches)

① The head office of the Bank shall be located in Seoul.

② The Bank may, when necessary, establish, relocate or close branches, agencies, other business places or offices within or outside of Korea.

### Article 4. (Method of Public Notice)

① Public notice by the Bank shall be posted on the Bank's internet homepage (<http://www.kebhana.com>); provided, however, such notice shall be published in the Seoul Shinmun and the Korea Herald in case such notice cannot be posted on the Bank's internet homepage due to IT failure or other unavoidable circumstances.

② Despite the Paragraph ①, public notice of financial statement in accordance with the Article 41 of the Banking Act can be substituted by a public notice on the website of the Korea Federation of Banks

## CHAPTER II . SHARES OF STOCK

### Article 5. (Total Number of Shares to be issued)

The total number of shares to be issued by the Bank shall be two billion (2,000,000,000) shares.

### Article 6. (Par value per Share)

The par value per share of stock issued by the Bank shall be five thousand Won(KRW5,000).

### Article 7. (Types of Shares)

① Shares to be issued by the Bank shall be common shares and shares with different arrangements in registered form.

② Any shares to be issued by the Bank shall be issued pursuant to a resolution of the General Shareholders' Meeting.

③ Shares with different arrangements to be issued by the Bank shall consist of preferred shares regarding dividends, shares without or with restricted voting rights, convertible shares, redeemable shares and shares which combine all or part of a fore mentioned shares.

### Article 8. (Issuance of Non-voting Preferred Class Shares)

① Non-voting Preferred Class Shares (hereinafter "1st Class Shares") to be issued by the Bank shall be

preferred shares without voting rights, and the total number of 1st Class Shares to be issued shall not exceed a quarter (1/4) of the total number of outstanding shares of the Bank including the 2<sup>nd</sup> Class shares stipulated in Article 9.

② The dividends for 1st Class Shares shall be paid preferentially in cash, stocks or other properties pursuant to a ratio decided at the General Shareholders' Meeting at the time of issuance based on the par value; provided that, in the event that preferential dividends are paid in stocks or other properties, the value of such stocks or properties shall be decided by a resolution of the General Shareholders' Meeting at the time of issuance.

③ With regard to distribution of dividends, 1st Class Shares may be either participating or non-participating, or either cumulative or non-cumulative, which shall be decided by a resolution of the General Shareholders' Meeting at the time of the issuance of 1st Class Shares.

④ If there is a resolution not to pay any prescribed dividends on 1st Class Shares, 1st Class Shares shall be deemed to have voting rights from the time of the next following General Shareholders' Meeting until the close of any General Shareholders' Meeting in which a resolution is adopted to distribute preferential dividends on 1st Class Shares.

⑤ Should the Bank proceed with either capital increase with consideration or capital increase without consideration, the types and terms of new shares to be allocated to 1st Class Shares shall be decided by a resolution of the General Shareholders' Meeting.

⑥ The term of 1st Class Shares may be decided by a resolution of the General Shareholders' Meeting at the time of issuance. In this case, the term shall be no less than one (1) year and not exceeding ten (10) years, and upon expiration of such term, 1st Class Shares shall be converted into common shares. Provided, however, that, if during the said term any prescribed dividends are not paid, such term shall be extended until such unpaid dividends are paid. In such case, with regard to any distribution of dividends after the conversion of 1st Class Shares into common shares, the provision of Article 12 shall apply.

#### **Article 9. (Issuance of Non-voting Preferred Redeemable Shares)**

① 2nd Class Shares the Bank shall issue is Non-voting Preferred Redeemable Shares (hereinafter "2nd Class Shares"), and the number of 2nd Class Shares to be issued by the Bank shall not exceed a quarter (1/4) of the total number of outstanding shares of the Bank including the 1<sup>st</sup> Class Shares stipulated in Article 8. .

② The dividends for 2nd Class Shares shall be paid preferentially in cash, stocks or other properties pursuant to a ratio decided at the General Shareholders' Meeting at the time of issuance based on the par value; provided that, in the event that preferential dividends are paid in stocks or other properties, the value of such stocks or properties shall be decided by a resolution of the General Shareholders' Meeting at the time of issuance.

③ With regard to distribution of dividends, 2nd Class Shares may be either participating or non-participating or either cumulative or non-cumulative, which shall be decided by a resolution of the General Shareholders' Meeting at the time of the issuance of 2nd Class Shares.

④ In case that 2nd Class Shares are redeemed, the dividends for 2nd Class Shares shall be paid on a daily basis for the period of time before 2nd Class Shares are redeemed.

⑤ If there is a resolution not to pay any prescribed dividends on 2nd Class Shares, 2nd Class Shares shall be deemed to have voting rights from the time of the next following General Shareholders' Meeting until the close of any General Shareholders' Meeting in which a resolution is adopted to distribute preferential dividends on 2nd Class Shares.

⑥ Should the Bank proceed with either capital increase with consideration or capital increase without consideration, the types and terms of new shares to be allocated to 2nd Class Shares shall be decided by a resolution of the General Shareholders' Meeting.

⑦ The redemption date of 2nd Class Shares shall be decided by a resolution of the General Shareholders' Meeting pursuant to the relevant laws; provided that, the whole or part of 2nd Class Shares may be redeemed before the redemption date.

⑧ In case that 2nd Class Shares are only partially redeemed, such redemption shall be conducted on a pro-rata basis to the number of 2nd Class Shares each shareholder holds, and fractional shares may not be redeemed.

⑨ 2nd Class Shares shall be redeemed within three (3) months from the date when a statement on the disposal of retained earnings is approved at the General Shareholders' Meeting.

⑩ If 2nd Class Shares are not redeemed on the redemption date, such period shall be extended until the redemption is completed.

⑪ The redemption price of 2nd Class Shares shall be determined by a resolution of the General Shareholders' Meeting at the time of issuance, among par value, market price at the time of redemption,

subscription price, and subscription price plus the sum of interest at the fair interest rate to be calculated in consideration of the market interest rate.

**Article 10. (Types of Share Certificates)**

Share certificates to be issued by the Bank shall be in eight denominations, i.e., denominations of; one (1); five (5); ten (10); fifty (50); one hundred (100); five hundred (500); one thousand (1,000); and ten thousand (10,000) shares; provided, however, that the share certificates may be split or consolidated at the request of a shareholder.

**Article 11. (Pre-emptive Rights)**

① Shareholders of the Bank shall have pre-emptive rights with respect to the issuance of new shares in proportion to the number of shares held; provided, however, that in case shareholders waive or lose their pre-emptive rights, or should there be odd-lots included in any new share allotments, disposition of shares shall be decided by a resolution of the General Shareholders' Meeting.

② Notwithstanding the provision of Paragraph ①, the Bank may allocate new shares to persons other than the shareholders by resolution of the General Shareholders' Meeting in the following cases; provided that, in such case, Items 1 through 4 of Article 416 of the Korea Commercial Code have to be noticed to shareholders or announced publicly two (2) weeks prior to the payment date :

1. If the Bank offers or sells new shares pursuant to the relevant laws and regulations;
2. If the Bank allocates new shares with preference to the members of the Employee Stock Ownership Association when offering or selling new shares;
3. If the Bank issues new shares for the issuance of depositary receipts (DR) in accordance with the relevant laws and regulations;
4. If the Bank, due to business necessity, issues new shares to foreigners or Korean residents who meet the requirements provided under the Banking Act and other relevant laws and regulations; or
5. If the Bank issues new shares to the Korean Government or Korea Deposit Insurance Corporation in consideration of their capital investment in the Bank.

③ The total number of shares to be issued under Items 1., 3. or 4. of Paragraph ② above shall not exceed fifty-hundredth (50/100) of the total number of shares issued and outstanding, and the class, number and issue price thereof shall be determined by a resolution of the General Shareholders' Meeting.

**Article 12. (Record Date of Payment of Dividends on New Shares)**

In the case of issuance of new shares by the Bank as a result of capital issuance with consideration, capital issuance without consideration, and stock distribution, in calculating the dividends for new shares, the issuance of new shares shall be deemed as having taken place at the end of the fiscal year immediately preceding the fiscal year in which the new shares are issued.

**Article 13. (Transfer of Shareholders' Names, etc.)**

① In the event of the transfer of shareholders' names, shareholders shall apply for the transfer of shareholders' names by filing an application therefore in the form prescribed by the Bank with seals or authorized signatures, accompanied by share certificates.

② Share-related tasks such as the creation or cancellation of pledges (including the transfer of sub-pledges and pledges thereof), or the registration or cancellation of entrusted assets, shall be governed by Paragraph ① above.

③ The Bank shall register the shareholder's names after handling the procedures with respect to the tasks described in Paragraph ① and/or ② and return the share certificates signed by the President & CEO on the reverse side of the share certificates.

④ The fees for the issuance of share certificates due to loss and defacement of the existing share certificates, the transfer of shareholders' names, creation or cancellation of pledges, or registration or cancellation of entrusted assets shall be charged in accordance with the procedures determined by the Board of Directors.

⑤ The Bank may electronically register shares in the electronic registration system of electronic securities registration institution in lieu of issuing share certificates.

**Article 14. (Report of Shareholders' Names, Addresses, Seals and Authorized Signatures)**

① Shareholders, registered pledgees and an attorney (hereinafter "shareholders") shall report their names and addresses, as well as seals or authorized signatures, to the Bank. Provided, foreigners who customarily use signatures may use signatures in place of seals.

- ② Shareholders domiciled abroad shall submit reports indicating who their notarized proxy is and their designated address in the Republic of Korea.
- ③ Changes in the information provided pursuant to Paragraph ① or ② above shall also be reported to the Bank.
- ④ An attorney for a shareholder shall submit to the Bank a certificate establishing his power of representation.
- ⑤ The Bank shall not be held responsible for any damages or loss caused by shareholders failing to report or submit reports on information pursuant to Paragraphs ① through ④.

**Article 15. (Loss and Defacement of Share Certificate)**

- ① In the event of a loss of share certificate(s), a shareholder shall immediately report to the Bank the number, denomination, amount, and reasons therefor.
- ② In the event of a loss of share certificate(s), a shareholder may apply for issuance of new certificate(s) by filing an application therefor in the form prescribed by the Bank, accompanied by an original or certified copy of a judgment of nullification invalidating the lost certificate(s).
- ③ In case of mutilation or defacement of share certificate(s), the shareholder may require issuance of substitute share certificate(s) accompanied by the submission of the concerned share certificate(s). However, when a mutilation or defacement is too extreme to recognize authentication of share certificate(s), the surrender shall be accompanied by such an explanation or evidence of authenticity as the Bank may require.

**Article 16. (Suspension of Entry in the Register of Shareholders and Record Date)**

- ① The Bank may deem any shareholder whose name appears in the Register of Shareholders on December 31, to be the shareholder who is entitled to exercise rights at the Ordinary General Shareholders' Meeting for such fiscal year, and shall suspend the entry of alterations in the Register of Shareholders during the period between January 1 to January 7 for each fiscal year.
- ② The Bank may, by resolution of the Board of Directors, suspend the alteration of the Register of Shareholders for a certain period not exceeding three (3) months in the event an Extraordinary General Shareholders' Meeting is convened or when the Bank otherwise deems it necessary, or designate the shareholders registered in the Register of Shareholders to exercise their rights on the record date set by a resolution of the Board of Directors. The Company shall give at least two (2) weeks' prior notice thereof.

**CHAPTER III. CORPORATE BONDS**

**Article 17. (Issuance of corporate Bonds)**

- ① The Bank may issue corporate bonds by obtaining approval of the board of directors
- ② Notwithstanding the Paragraph ①, the Board of Directors may delegate to the authority to issue corporate bonds within one year with the scale and type of them determined.

**Article 18. (Issuance of Convertible Bonds)**

- ① Through a resolution of the General Shareholders' Meeting, the Bank may issue convertible bonds to non-shareholders under the condition that the total amount of bonds does not exceed one trillion Won (KRW 1,000,000,000,000), in the following cases:
  1. If convertible bonds are issued through a general public offering;
  2. If the Bank issues convertible bonds under managerial needs to foreigners or Korean residents satisfying the legal requirements stated in the relevant laws, including the Banking Act; or
  3. If convertible bonds are issued overseas under the relevant laws and regulations.
- ② Regarding the convertible bonds referred to in paragraph ①, the General Shareholders' Meeting may issue them on the condition that only a portion of them is converted.
- ③ The shares issued by conversion shall be common or class shares and the conversion price shall be decided at the time of issuance by the General Shareholders' Meeting at par value or at a higher price.
- ④ Request for conversion may take place from three (3) months after the issuance of bonds or if there is any restriction under the relevant law, the date on which such restriction is released, to the date immediately prior to the redemption date. However, the conversion period may be changed by a resolution of the General Shareholders' Meeting within the request period noted above.
- ⑤ With regard to the dividends for the shares issued pursuant to the conversion and the payments of interest for convertible bonds, the provision of Article 12 shall apply.

#### **Article 19. (Issuance of Bonds with Warrants)**

① Through a resolution of the General Shareholders' Meeting, the Bank may issue bonds with warrants to non-shareholders under the condition that the total amount of bonds does not exceed one trillion Won (KRW1,000,000,000,000) in the following cases:

1. If bonds with warrants are issued through a general public offering;
2. If the Bank issues bonds with warrants under managerial needs to foreigners or Korean residents satisfying the legal requirements stated in the relevant laws, including the Banking Act; or
3. If bonds with warrants are issued overseas under the relevant laws and regulations.

② The General Shareholders' Meeting shall determine the amount of money required for the subscription of new shares, on the condition that the amount does not exceed the total face value of the bonds.

③ The shares to be issued upon exercise of the warrants shall be common or class shares and the issuing price shall be decided by the General Shareholders' Meeting at par value or at a higher price at the time of issuance.

④ The warrants may be exercised during the period between three (3) months after the issuance of the bonds with warrants or if there is any restriction under the relevant laws, the date on which such restriction is released and the date immediately prior to the redemption date. However, within the period noted above, the exercise period may be changed by a resolution of the General Shareholders' Meeting.

⑤ With regard to any dividends distributed to the shares issued pursuant to the exercise of warrants, the provisions of Article 12 shall apply.

#### **Article 20. (Issuance of Contingent Convertible Bond with Debt Write-Off Feature)**

① The Bank may issue bonds (herein after referred to as "Contingent Convertible Bond with Debt Write-Off Feature") upon the Board of Directors Meeting's resolution with the condition where obligations like bonds' repayment and payment of interest are exempted if there is an event that the Bank prescribes in advance based on objective and reasonable standards at the time of issuance.

② The Bank may issue the aforementioned bond in accordance with the preceding Paragraph ① within the total face value of fifteen trillion Won (KRW 15,000,000,000,000).

③ The Bank's obligation to pay the principal and interest accrued on Amortizable Contingent Capital Securities shall be fully reduced or exempted in the event that the Bank is designated as an insolvent financial institution pursuant to the Act on Structural Improvement of the Financial Industry

④ In addition to the cases set forth in Paragraph ③ above, the obligation to pay the principal and interest accrued on Amortizable Contingent Capital Securities which constitute Additional Tier 1 capital under the Detailed Regulation on Supervision of Banking Business and which are recognized as a liability for accounting purposes shall be reduced or exempted if the Bank's Common Equity Tier 1 capital ratio falls below 5.125%. Provided, that, in such case, the amount to be reduced or exempted shall be limited to the minimum amount necessary to increase the Bank's Common Equity Tier 1 capital ratio to 5.125%.

#### **Article 21. (Regulations Applicable to Bond Issuance)**

The provisions of Article 13 through 15 shall apply mutatis mutandis to the issuance of bonds.

### **CHAPTER IV. GENERAL MEETINGS OF SHAREHOLDERS**

#### **Article 22. (Time of Convening)**

① There shall be two types of General Meeting of Shareholders of the Bank, i.e., Ordinary General Meeting of Shareholders and Extraordinary General Meeting of Shareholders.

② An Ordinary General Meeting of Shareholders shall be held within three (3) months after the end of each fiscal year, and Extraordinary General Meetings of Shareholders may be convened as deemed necessary.

#### **Article 23. (Person Authorized to Convene Meetings)**

① Except as otherwise prescribed by law or regulations, General Meetings of Shareholders shall be convened by the President pursuant to a resolution of the Board of Directors.

② In the event of the President's absence or disability, the provisions of Article 36, Paragraph ②, shall apply mutatis mutandis.

#### **Article 24. (Notification of Convening)**

In convening General Shareholders' Meetings, a notice which shall state the date, time, place and agenda for the meeting shall be sent by regular mail or, if each shareholder consents, e-mail under the consent of each shareholder two (2) weeks prior to the date set for such meeting. Provided, if there is unanimous agreement from the shareholders, the period of notification can be reduced.

**Article 25. (Chairperson of General Shareholders' Meeting)**

The Chairperson of the Board of Directors shall preside over at a General Shareholders' Meeting. Paragraph 36.② shall be applied in the event of the Chairperson's absence or disability.

**Article 26. (Shareholders' Voting Right)**

Each shareholder shall have one (1) voting right for each share he/she owns.

**Article 27. (The Non-uniform Exercise of Voting Right)**

① In the event a shareholder with more than two (2) voting rights wishes to exercise his/her voting rights in a non-uniform manner, he/she must submit in writing to the Bank the intention and reason for such voting three (3) days prior to the day of the meeting.

② The Bank has the right to reject shareholder's non-uniform exercise of voting rights, except in the cases where the shareholder has been entrusted with shares or holds shares for the benefit of another person.

**Article 28. (Exercise of Voting Right by Proxy)**

① A shareholder may exercise his vote by proxy.

② The proxy specified in Paragraph ① must submit a written document evidencing his authority to act as proxy before the opening of the General Meeting of Shareholders.

**Article 29. (Resolutions of the General Meeting)**

① Unless otherwise provided for by law or regulation, all resolutions of a General Meeting of Shareholders shall be adopted by a majority vote of the shares present, representing at least one-fourth(1/4) of total number of issued and outstanding shares.

② The number of shares without voting rights shall not be included in the total number of shares issued and outstanding referred to in the above Paragraph ①, pursuant to Paragraph ① of Article 371 of the Korea Commercial Code.

**Article 30. (Exercise of Absentee Voting Rights in Writing)**

① In accordance with a resolution of the Board of Directors, shareholders who do not attend the General Meeting of Shareholders shall be able to exercise their voting rights in writing.

② In the event that shareholders exercise voting rights in writing as stipulated in Paragraph ①, the Bank shall attach the forms and reference materials required for such exercise of voting rights to the Letter of Notification of Convening the General Meeting of Shareholders.

③ A shareholder, who intends to exercise his absentee voting right, shall fill out and submit the form referred to in Paragraph ② to the Bank before the start set for the General Shareholders' Meeting.

## CHAPTER V. DIRECTORS AND BOARD OF DIRECTORS

**Article 31. (Number of Directors)**

① The Bank shall have five (5) or more and eleven (11) or less directors.

② The Bank shall have three (3) or more outside directors under the applicable laws and regulations including the Act On Corporate Governance Of Financial Companies, and the number of outside directors shall be a majority of the total number of directors.

**Article 32. (Qualifications for Outside Directors)**

① A person, who possesses intelligence and professionalism in the light of the following qualifications, shall be elected as an outside director:

1. A person who has an experience in business and knowledge about related fields such as finance, economy, management, law, accounting, etc. to meet the requirements for outside director of financial company.

2. A person who conduct the duty of outside director for the benefits of shareholders and financial customers without being caught up with particular relationship for his/her own interest.

3. A person who has a sense of responsibility and ethics to become an outside director.