

## Payment Guarantee Agreement

, 20

**To: Industrial and Commercial Bank, Branch**

Obligor Name: \_\_\_\_\_ (seal)  
 Address: \_\_\_\_\_

The Obligor hereby agrees that the General Terms and Conditions for Credit Transactions shall apply to the payment guarantee transaction with the Bank and agree to be bound by the following provisions.

### Article 1. Terms and Conditions of Transactions

The terms and conditions applicable to credit transactions shall be as follows (in case of several types of transactions, please tick in the ( ) spaces below after receiving explanation by an officer of the Bank).

|                                       |   |                      |  |
|---------------------------------------|---|----------------------|--|
| Payment Guarantee Type (Item)         | ( - )   | Type of Transactions | <input type="checkbox"/> Revolving Loan Transaction  |
| (Maximum) Amount of payment guarantee | _____ KRW (including the principal, the interest and the default interest.)   |                      |  |
| Payment guarantee period              | By _____.   |                      |  |
| Application for payment guarantee     | By an application for payment guarantee as prescribed by the Bank.  |                      |  |
| Time for payment guarantee            | <input type="checkbox"/> To guarantee the whole amount on the commencement date of payment guarantee.<br><input type="checkbox"/> The Bank will confirm the needed amount by referring to the support documents and actuals within ___ year(s) and ___ month(s) from the commencement date of the payment guarantee and provide split guarantee.<br><input type="checkbox"/> To provide the payment guarantee upon the Obligor's application fulfilling a certain requirements. |                      |  |
| Method of payment guarantee           | <input type="checkbox"/> Issuance of payment guarantee<br><input type="checkbox"/> Endorsement of bills<br><input type="checkbox"/> Acceptance of bills<br><input type="checkbox"/> Other methods   |                      |  |
| Payment guarantee Rate                | <input type="checkbox"/> Fixed (select Art. 3(2)1 of the General Terms and Conditions for Credit Transactions)  | ___% per annum       | Default interest rate (Article 3(5) of the General Terms and Conditions for Credit Transactions) |
|                                       | <input type="checkbox"/> Floating (select Art. 3(2)2 of the General Terms and Conditions for Credit Transactions)   | ___% per annum       |  |
|                                       |   |                      | ___% per annum   |

|                                    |   |  |
|------------------------------------|---|--|
| Terms of initial payment guarantee | Time and manner of payment of the guarantee rate                | <input type="checkbox"/> To pay the guarantee rate on the payment guarantee date for a period to the date preceding the expiration of the payment guarantee.<br><input type="checkbox"/> The initial guarantee rate will be paid on the payment guarantee date and thereafter the guarantee rate will be paid every ___ months on the next following date of the final date of calculation of the paid guarantee rate.<br><input type="checkbox"/> Other methods |
|                                    | Calculation of the guarantee rate and the default interest rate | The guarantee rate will be calculated on the basis of 365-day (in case of a leap year, 366-day) year. With respect to delay in payment of the guarantee rate, the amount payable shall be added by the default interest calculated for the number of days delayed.   |

## Article 2 Excessive Guarantee

The Bank may upon request from the Obligor provide a payment guarantee for an amount in excess of the maximum amount or extend the guarantee period upon expiration of such period, as stated in Article 1. In such case, this Agreement shall apply with respect to such additional payment guarantee amount and/or such extended guarantee period.

## Article 3. Reduction, Suspension or Termination

1. The Obligor will not object to the **reduction of the maximum amount** set forth in Article 1, or the **temporary suspension of the payment guarantee or termination of this Agreement** prior to the expiration of the guarantee period set forth in Article 1, with notice from the Bank, if such action is deemed necessary because of changes in financial circumstances or substantial deterioration in credit status of the Obligor, for the protection of the Bank's right or for any other reasonable causes.
2. In case where the reasons under paragraph (1) are solved to allow normal credit transactions, the reduction or the suspension will be cancelled.
3. In case of any reduction of maximum guarantee amount, termination of this Agreement in accordance with the preceding paragraph or expiration of this Agreement, the Obligor will immediately repay to the Bank the portion of the amount exceeding the reduced maximum amount or the aggregate outstanding amount of the guarantee amount as of the date of termination or expiration of the Agreement.

## Article 4. Duties to Perform Principal Obligation

The Obligor will deposit an amount equal to the principal obligation with the Bank prior to the payment date or directly pay such principal obligation when due, in order to ensure that the Bank will not incur any loss in connection with my/our principal obligation guaranteed by the Bank.

## Article 5. Duties to Give a Notice

1. The Obligor will immediately notify the Bank, in the event **the principal obligation is discharged** by reason of **payment in full by the Obligor** or by reason of renewal, set-off, exculpation, commingling, or expiry of statute of limitation, etc.
2. The Obligor will immediately notify the Bank, in the event that the Obligor **receives a demand** from the principal obligee **to discharge the principal obligation** or that there occurs **any event** (such as changes in security for the principal obligation or the maturity date of the principal obligation) **which may affect the Bank's obligations** hereunder.
3. The Obligor will immediately reimburse the Bank for any amount paid by the Bank to satisfy the principal obligation as a result of my/our negligence in notifying the Bank in accordance with Paragraphs (1) and (2) above.

## Article 6. Performance of Guarantee Obligation

The Bank may perform the guarantee obligation without a prior notice to the Obligor and in such amount and manner as provided by the terms of the payment guarantee separately issued under this Agreement, irrespective of whether the principal obligation becomes due and payable. The Bank shall immediately notify the Obligor of the Bank's performance of guarantee obligation.

## Article 7. Special Compensation

- (1) In case where the Obligor fails to perform the principal obligation under Article 4, the Obligor will pay the guarantee rate and the default interest as provided by Article 1 as special compensation for the number of days delayed from the next following date of the relevant payment date to the date preceding performance or the Bank's performance of the guarantee obligation.
- (2) In case where the Obligor delays in giving a notice under Article 5(1), an amount equivalent to the guarantee rate as set by Article 1 shall be paid as special compensation from the next following date of extinguishment of the main obligation to the date of receipt of the notice.

## Article 8. Amount of Reimbursement

The Obligor agrees to immediately reimburse the Bank for any payment made by the Bank in performance of its guarantee obligation, including without limitation, (i) the amount of the guarantee obligation performed by the Bank, (ii) default interest on the amount of the guarantee obligation from the payment date until the reimbursement date at the rate of % p.a. on the basis of the actual number of days elapsed and a year of 365 days and (iii) expenses incurred by the bank in the performance of its guarantee obligation and in the enforcement or protection of the Bank's rights against me/us; provided, the rate of such default interest is subject to changes in accordance with Article 3 of the General Terms and Conditions for Credit Transactions.

## Article 9. Obligation to Maintain Solvency

- (1) The Obligor agrees to maintain the proper financial rate shown in the following for the purpose of maintaining his/her solvency in relation to his/her obligations arising from the transactions. If there is a financial restructuring agreement, such agreement shall be attached to the end of this Agreement and quoted herein.

| Section                | 20 | 20 | 20 | 20 | 20 |
|------------------------|----|----|----|----|----|
| Debt ratio             |    |    |    |    |    |
| Capital Adequacy ratio |    |    |    |    |    |
| ( ) ratio              |    |    |    |    |    |
| ( ) ratio              |    |    |    |    |    |

- (2) When the Obligor wishes to do each of the following activities, the Obligor will discuss thereon with the Bank in advance:
1. Merger, business transfer/acquisition, and sale/lease of material properties;
  2. Investment into fixed assets deviating from the use of the proceeds under this Transaction Agreement;
  3. Provision of a guarantee for a third party's obligations;
  4. Participation in a new business or overseas investment; or
  5. Application for work out or private composition which is likely to cause material change in management.
- (3) The Obligor shall comply with the requests from the Bank which are deemed necessary by the Bank for the administration of this credit transaction:
1. Sale of real property or securities held by the Obligor;
  2. Contribution by majority shareholder; or
  3. Paid-in capital increase or initial public offering.
- (4) The provisions from paragraphs (1) through (3) shall apply only in case where the Obligor and the Bank separately enter into special terms as to each paragraph.

#### Article 10 Submission of Data

- (1) The Obligor will submit each of the following documents requested by the Bank for every period pursuant to Articles 17 and 19 of the General Terms and Conditions for Credit Transactions and other data required for administration of the credit transaction.
1. Quarterly: Certificate of the Value Added Tax Base, Calculation of the Aggregate Balance, Status of the Liabilities, Anticipated Sales per Purchaser and Product.
  2. Semi-Annually: Semi Annual Settlement Report, Certificate of the Value Added Tax Base, Calculation of the Aggregate Balance, Status of the Liabilities, Anticipated Sales per Purchaser and Product
  3. Annually: A certified public accountant's audit report (settled financial statements), consolidated financial statements, copy of company registry, business registration, shareholders' list, articles of incorporation, summary sheet of collection of earned income tax, business plan, estimate financial statements (for 3 years), status of

major transaction parties, copy of various sorts of permits, licenses and technology certificates (KS, ISO and Patent rights), labor dispute confirmation, other manuals of products and reference materials of the same industry.

4. Occasionally upon demand: Calculation of the Aggregate Balance, Status of the Liabilities and Confirmation of Use of the Proceeds, etc.

(2) The Obligor will submit each of the following data the Bank demands in order to understand the status of foreign exchange risk of the Obligor and management thereof for the purpose of rating the credit status of the Obligor.

1. Status of the foreign exchange risk management system and the management regulations
2. Status of procurement of foreign capital and operation thereof
3. Status of transactions of derivatives denominated in foreign currency

**Article 11. Covenant to Provide Blank Promissory Note and to Grant Power of Attorney to Complete the Same**

1. The Obligor agrees to deliver to the Bank a [bank clearable] promissory note complete in all respects except that the amount, the date of issuance and maturity date shall be left blank, executed by me/us and endorsed or guaranteed by the joint and several guarantors.
2. The Obligor agrees that if the Bank deems appropriate, the Bank may complete and collect the above promissory note by inserting the amount and maturity date.

**Article 12. Other Special Covenants**

|  |                |               |
|--|----------------|---------------|
| <p>The Obligor confirms that he/she received the General Terms and Conditions for Credit Transactions (for company), was explained about and understood the main terms and conditions thereof.</p> | <p>Obligor</p> | <p>(seal)</p> |
|--|----------------|---------------|

(\*) Delete if not necessary and affix the seal.