

**Guidelines for the Practice of Ethical
Management Principles**

Office of Ethical Management

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Guidelines for the Practice of Ethical **Management Principles**

Chapter 1 General Provisions

1- 1. Purpose

The purpose of these Guidelines for the Practice of Ethical Management Principles (“Guidelines”) is to set out matters concerning ethics-related decisions and behavioral criteria faced by directors/employees in their service for KT Co., Ltd. (“Company”) and those concerning the whistleblowing of unethical cases.

1- 2. Scope of Application

- These Guidelines shall apply to all current directors/employees of Company.

1-3. Definition of Terms

- Money/valuables, etc. (including the making of such provision), refers to:
 - Any object with property value, such as cash, marketable securities, real estate, articles, hotel vouchers, membership cards, admission tickets, discount vouchers, invitations, the right to use real estate, and the like, etc.;
 - The provision of food, liquor, golf get-togethers, or transportation/lodging; and/or
 - Other tangible/intangible economic gains, such as the waiver of financial obligation, provision of a job opportunity or economic right, etc.
- External whistleblower: Refers to a person reporting an act of an employee of the Company receiving or providing money and/or valuables as an employee of an affiliate or subcontractor. or an outsider other than a director/employee of the Company obligated to conduct such action.
- Internal whistleblower: Refers to an employee of the Company reporting a fact about a dishonest transaction, illegal act, or an act that may do harm to the Company perpetrated by a director/employee of the Company.
- Stakeholder: Refers to any person or organization, either in or out of the Company, such as a supplier, subcontractor, or business partner, whose right, or interest, is affected by an act, or decision, carried out, or made, by a director/employee of the Company concerning the Company’s business. A stakeholder shall not include a customer, or a director/employee of the Company.
- Public official, etc.: Refers to a public official, a director/employee of a public institution, an educational institution, or a press media as stipulated in the Improper Solicitation and Graft Act. A public official is regarded as being included within that of a “customer,” or a “stakeholder,” in Chapters 2 and 5 hereof, respectively.
- Manager: Refers to an employee assigned as the head of a department (or team leader or higher).

1-4. Ethical Decisions & Principles of Conduct

- All directors/employees shall make judgements and engage in acts based on ethical management principles and guidelines for putting them into practice when faced with ethics-related conflicts while conducting business for the Company.

1-5. Responsibilities & Obligations of Directors/Employees

- Directors/Employees shall put top priority on customers while strictly observe relevant laws and criteria.
- Directors/Employees shall make judgments reasonably and objectively from a standpoint of the Company's overall profitability while engaging in acts responsibly.
- Directors/Employees shall do their best to avoid risks harmful to the Company and cope with risks once they have occurred.
- Directors/Employees shall familiarize themselves with, and observe, the ethical management principles and the guidelines so as to put them into practice.
- Directors/Employees shall not be exempt from responsibility under the premise that they were not familiar with the ethical management principles and the guidelines. Where something is not clear from an ethical standpoint, they shall inquire to the Office of Ethical Management and act in accordance with given instruction.
- Directors/Employees shall not use their family members, relatives, or acquaintances, in an attempt to violate these Guidelines.

1-6. Responsibilities & Obligations of Managers

- Managers shall ensure that their employees and relevant stakeholders correctly understand and observe the ethical management principles and the guidelines for putting them into practice.
- Managers shall set an example for their employees to observe ethical management principles and the guidelines for putting them into practice, while conducting fair and sound decisions and acts.
- Managers shall be responsible for the result of a case occurring in their department/team in violation of the ethical management principles and guidelines for putting them into practice.

1-7. Rewards & Measures Taken against Violations

- The Company shall provide adequate payment of compensation for directors/employees, or external stakeholders, who have contributed to the attainment of the purpose of these Guidelines per relevant regulations.
- The Company shall punish directors/employees in violation of these Guidelines per relevant regulations.

1-8. Whistleblowing on Unethical Conduct

- Internal whistleblowing
 - Where an employee/director has either become aware or been offered an opportunity to take part in an unethical act that is against ethical management principles, he/she shall report it to the Office of Ethical

Management.

- The Company shall ensure that the whistleblower stated in the foregoing sentence shall not be subject to any unfair treatment as an employee of the Company and his/her identity shall remain undisclosed.

○ Voluntary whistleblowing

- The Company may reduce punishment of an employee/director who reports his/her own unethical act voluntarily to the Office of Ethical Management, or a manager, in an effort to rectify his/her unethical act.

- A manager who has received such voluntary whistleblowing shall inform the Office of Ethical Management.

- An employee/director who has received money/valuables provided from another director/employee or an external stakeholder concerning a dishonest purpose against his/her wishes shall report it within 3 (three) days to the Clean-365 Center (or a personnel or organizational operation department).

※ The Clean-365 Center is operated to protect directors/employees, who have received money/valuables concerning a dishonest purpose against his/her wishes. Such receipt of money/valuables that is reported shall be used for the Company's social contribution activities.

○ External stakeholder's whistleblowing

- Where an external stakeholder, such as a customer or an employee of an affiliate or subcontractor, etc., has reported an unethical act of a director/employee of the Company, the Company shall process it as per the relevant procedure and inform the whistleblower of the result upon request.

- The Company shall ensure that the identity of the said whistleblower shall not be disclosed.

1-9. Authoritative Interpretation

○ A question about the ethical management principles and the guidelines for putting them into practice shall be put to the Office of Ethical Management and relevant acts shall follow its interpretation.

○ Customarily acceptable level:

- A meal amounting to KRW 30,000 or less provided to conduct business more smoothly or to promote closer relations;

- A gift amounting to KRW 50,000 or less provided to conduct business more smoothly, to promote closer relations, or on a congratulatory/condolatory occasion; and/or

* Marketable securities, including gift certificates, shall not be recognized as a "gift."

- An amount of KRW 50,000 or less paid on a relevant occasion shall be recognized as congratulatory/condolence money.

※ Congratulations/condolence flowers amounting to KRW 100,000 won or less shall be recognized as a "gift." Where congratulatory/condolatory money is accompanied by flowers, the total amount shall not exceed KRW 100,000. (In this instance, congratulatory/condolence money shall not exceed KRW 50,000.)

※ Where two or more of a meal, a gift, and congratulatory/condolence money is provided/received, the total value shall be taken into account to see whether it fits the foregoing regulation, while the value of each item shall not exceed what is stipulated in the foregoing.

1-10. Enforcement

○ These Guidelines shall enter into effect on April 5, 2019.

Chapter 2 Relations with Customers

Category	Prohibited Acts	Degree of Punishment	Remarks
Customer dissatisfaction (Customer deception)	<ul style="list-style-type: none"> - Willful failure to make good on a promise - Willful failure to deal with customer's complaints - Deceiving customers 	Censure-Dismissal	Violation of fiduciary duty
Disclosure of customer information	<ul style="list-style-type: none"> - Careless handling of customer information - Disclosure/unauthorized use of customer information 	Pay cut-Dismissal	<ul style="list-style-type: none"> - Violation of fiduciary duty - Failure to keep customer information safe
<ul style="list-style-type: none"> -Receipt & provision of money/valuables from/to - customer - Encroaching on customer property rights 	<ul style="list-style-type: none"> - Receipt of money/valuables provided dishonestly from a customer; provision of such to a customer 	Pay cut-Dismissal	- Violation of fiduciary duty
	<ul style="list-style-type: none"> - Unauthorized use of a customer's property - Causing loss in a customer's property 	Censure-Dismissal	<ul style="list-style-type: none"> - Violation of fiduciary duty - Violation of duty of integrity

2- 1. Customer Dissatisfaction (Fraudulence)

[Prohibited Acts]

- A willful act to not make good on a promise made to customers
- A willful act to handle customer complaints unfaithfully
- An act of neglecting customer requests or opinions
- An act of deceiving customers when selling goods

[Conduct Guidelines]

- To faithfully implement promises made to customers
- To ask for customer understanding in advance when unable to faithfully implement on promises made
- To politely listen to customer suggestions and complaints and promptly handle complaints
- To not provide customers with false or exaggerated ads
- To strive to acquire professional knowledge in areas you work to be able to provide differentiated value to customers

2-2. Disclosure of Customer Information

[Prohibited Acts]

- An act of unauthorized acquisition, possession, use, or disclosure of customer information
- An act involving the loss or private use of customer information and/or negligence

[Conduct Guidelines]

- To not use customer personal information, including transaction details, and not provide it to a third party unless permitted by law
- To not access the Company computer system for customer information by using another person's name or password dishonestly
- To not collect, possess, pass, or disclose personal information without customer consent and; not to use such information for an unauthorized purpose
- To not provide customer information to a third party through phone, fax, or email, etc., and/or
- To not respond to a request from someone close to you for disclosure of customer information under any circumstances.
- To thoroughly protect customer information so as to avoid loss or unauthorized disclosure
- To conduct adequate protective measures for all customer information as per the laws and Company guidelines and regulations;
- To not leave a document containing customer information unattended for an extended period of time that is displayed on a desk or computer screen;
- To make contractual relationships clear about handling customer information (including the need to destroy customer information upon the end of the relevant business) when providing customer information to an outside business for direct mailing (DM) and goods delivery; and/or
- To not to make unnecessary copies of documents or files containing customer information under strict managerial supervision.

2- 3. Receipt & Provision of Money/Valuables from/to Customer & Encroaching on Customer Property Rights

[Prohibited Acts]

- An act of receipt of money/valuables provided dishonestly from a customer and provision of such to a customer
- An act of unauthorized use of customer property
- An act of causing loss of customer property

[Conduct Guidelines]

- To not receive money/valuables directly or indirectly provided by a customer and not encourage or contrive such acts
- To explain Company ethical management guidelines and politely refuse to accept such an offer
- The foregoing shall not apply to things like money/valuables or a souvenir distributed uniformly to unspecified

people at an official event hosted by a customer.

- To immediately return things provided unawares
- To submit things that have been provided to you against your wishes to the Clean-365 Center within 3 (three) business days where it is difficult to return them
- To not provide money/valuables if the customer is a public official, etc., or his/her spouse as stipulated in the Improper Solicitation and Graft Act.
 - However, provision of a meal, a gift or congratulatory/condolence money shall be allowed if it is intended to conduct Company business more smoothly or to promote closer relations without expecting something in return and provided at a customarily acceptable level, even if falls under the category of “exceptions” as stipulated in the Improper Solicitation and Graft Act; and/or
 - Golf get-together-related matters shall abide by Clause 5-5 [Improper Golf Get-togethers] of Chapter 5 Relations with Stakeholders.
- To not fail to obtain customer prior consent when required to inevitably use customer property in conducting Company operations and not instigate customer property loss.

Chapter 3 Relations with Directors/Employees

Category	Prohibited Acts	Degree of Punishment	Remarks
Embezzlement/misappropriation of Company money	- Private use of Company-earned revenue - Private use of Company-owned corporate card or marketable securities	Pay cut-dismissal	Violation of obligation of integrity
Private use of and destruction of the Company property	- Private use of Company-owned articles - Engaging in private business during work hours - Unauthorized take-out/transfer of Company property	Pay cut-dismissal	Violation of obligation of integrity
	- Destruction of Company property	Censure-ship-dismissal	Violation of accounting rules
Infringement of intellectual property rights	- Disclosure or private use of employee invention-related matters - Unauthorized lease or private use of Company intellectual property rights, such as trademark/patent rights	Pay cut-dismissal	Violation of obligation of integrity
Improper budget execution	- Improper use of budget outside designated purpose - Waste of budget - Liquidating corporate cards/gift certificates	Censure-ship-dismissal	Violation of accounting rules
Disclosure, etc., of confidential information	- Disclose of inside information (e.g. business plan/management information) within/without the Company - Unauthorized provision of information to outside institutions like press media - Violation of security regulations in handling business materials	Pay cut-dismissal	Failure to keep inside information safe
	- Proliferating groundless rumors within/outside the Company	Censure-ship-dismissal	Violation of obligation to respect order within the Company
Distortion of management information	- Submitting false report	Censure-ship-service suspension	Illegal/unjustifiable act in business operation
	- Manipulation of management results (e.g. Reporting false figures in sales)	Censure-ship-dismissal	Illegal/unjustifiable act in business operation
	- Engaging in an act not conducive to the Company to enhance individual/department results	Censure-ship-dismissal	Violation of obligation of integrity
Improper acquisition of shares	- Using insider information for investment in KT shares; provision of such information to outsiders - Holding the Company shares related to	Pay cut-dismissal	Violation of obligation of integrity
Concurrent employment/position	- Maintaining a status of another business's director/employee while serving for the Company - Working for another business without Company approval	Censure-ship-dismissal	Violation of prohibition against dual office holding

Political involvement	<ul style="list-style-type: none"> - Provision of support for a specified party and candidate acting under the guise of the Company position - Provision of Company facility/workers to specific politicians, etc. 	Censure-ship-dismissal	Violation of obligations for maintaining dignity; an act doing damage to the Company's image
Disclosure of whistleblower identity & enforcing penalty/punishment	<ul style="list-style-type: none"> - Effort to identify whistleblowers - Disclosing their identities - Enforcing penalty/punishment 	Censure-ship-dismissal	Violation of obligation of integrity

3- 1. Embezzlement & Misappropriation of Company Money

[Prohibited Acts]

- An act of embezzling Company money (e.g. revenue) or exercising temporary, personal use of such
- An act of using Company corporate card or marketable securities (e.g. gift certificates) for private purposes

[Conduct Guidelines]

- To not use Company money (e.g. revenue) for private purposes, regardless of the amount or reason.
 - To manage Company money (e.g. revenue), using a bankbook registered in the Company's name
 - To immediately enter revenue into the ledger and thoroughly maintain record of expenditures
 - To not falsely request for the Company budget for private purposes
 - To not be involved in the laundering of money earned through unlawful activity
 - To not purchase goods and services for private purposes, using Company corporate card or the Company-owned marketable securities (e.g. gift certificates)
- ※ The following rules shall apply to directors/employees found to have embezzled or misappropriated Company money:
- Such acts shall be regarded as an act intended to do harm to the Company and punished with the utmost of severity within the scope of available measures;
 - The Company shall consider reporting the act to law enforcement authorities for punishment in consideration of the amount involved and the level of loss incurred by the Company; and/or
 - Reduction of punishment shall not apply.

3- 2. Private Use & Destruction of Company Property

[Prohibited Acts]

- An act of using Company goods (or services), fixed assets, vehicles, office furniture, or consumables for private purposes and unauthorizedly removing them from Company grounds
- An act of engaging in private business operations during work hours
- An act of transferring or leasing Company property to a party other than the Company without justified procedure

- A willful act of destruction of Company property

[Conduct Guidelines]

- To use Company property solely for a purpose related to Company business, keeping in mind that private use of Company property is similar to embezzlement.
- To clarify the usage and required quantities of articles used for PR (sales promotion) to be purchased and to ensure that no such articles are used for private purposes
- To submit articles freely acquired as part of a custom of transactions to the Clean-365 Center
- To not use Company PCs to access websites unrelated to Company business
 - To not engage in acts unrelated to Company business, such as chatting, stock transactions, gambling, or distribution of illegal films.
- To use work hours entirely for the Company and to not use work hours for private purposes, such as for hobbies or religious activities
 - To obtain department manager approval first when necessary to use part of work hours for private purposes.
- To strictly abide by relevant procedure when necessary to transfer or lease Company property to a third party
- To use Company property with care

3- 3. Encroachment on Intellectual Property Rights

[Prohibited Acts]

- An act of disclosing the result of an invention related to Company business to a third party or using it for private purposes
- An act of using Company intellectual property rights for private purposes or transferring the relevant right to a third party unauthorizedly

[Conduct Guidelines]

- To immediately report the result of an invention related to Company business to the director of the affiliated organization
 - To ask whether the invention is an employee invention, or not of the department in charge of intellectual property rights, and abide by it's the consequent decision.
- To not use Company intellectual property rights, such as patent, trademark, and/or copy rights, for private purposes, or not transfer them to a third party unauthorizedly
 - To strictly abide by relevant procedure when necessary to transfer or lease Company intellectual property rights to a third party

3- 4. Improper Budget Execution

[Prohibited Acts]

- An act of execution of budget in a way different from the originally-stated purpose without abiding by proper procedure
- An act of accounting processed in a way different from the way budget is actually executed
- An act of non-regular revenue not entered as revenue according to proper procedure
- An act of spending budget in unnecessary items or over-spending of budget
- An act of liquidating corporate cards/marketable securities (e.g. gift certificates)

[Conduct Guidelines]

- To spend budget according to the originally stated purpose and follow relevant guidelines where budget diversion is inevitable
- To enter donation as an item for charity and to not such for dishonest purposes
- To enter non-regular revenues occurring through the sale of office furniture, or compensation for loss as revenue, according to Company-set criteria and procedure
- To strive to execute budget reasonably and efficiently

3- 5. Disclosure, Etc., of Confidential Information

[Prohibited Acts]

- An act of disclosing Company confidential information, such as business plans, management information, etc.
- An act of disclosing materials with content that may do harm to the Company or tarnish its image
- An act of violation of security-related regulations in material management
- An act of proliferating groundless rumors, either in or out of the Company

[Conduct Guidelines]

- To not disclose verbal, written, or electronic materials, etc., related to the Company and its business to a third party, even if there are no separate markings made, bearing in mind that they are of confidential nature (Unauthorized disclosure of such information, such as corporate strategy, business plans, management information, sales strategy, etc., to a third party shall be regarded to be of malicious intent toward the Company.)
- To use Company confidential information solely for approved purposes, and not for private purposes
- To have materials used in Company relations to government institutions or research societies approved by the department manager in advance
- To always consult with the PR department in advance when there is a request for an interview from the press, rather than trying to respond on an individual or departmental basis
- To continue not to disclose Company-related information to a third party or use it for private purposes even following discharge from the Company

- To manage, or share with others, the result of meetings within the necessary scope of Company business and not to discuss any Company-related business, including meeting results with a third party
- To manage all materials in compliance with Company security-related regulations
- To not post Company-related materials on social media or the Internet
- To not proliferate groundless rumors, keeping in mind that they may tarnish the Company's image or do harm to its organizational atmosphere

3- 6. Distortion of Management Information

[Prohibited Acts]

- An act of manipulation of management results and submitting false reports on the said management results to management or relevant parties (departments)
- An act of distortion of information to mislead Company decisions or do harm to the Company otherwise
- An act of destroying or hiding Company major materials (including electronic information) unauthorizedly
- An act of engaging in acts essentially not conducive to the Company so as to promote the appearance of better results

[Conduct Guidelines]

- To record and report all documents and materials, including accounting materials, accurately and clearly, and not arbitrarily change their content
- To faithfully and timely report/share Company decision-related information to/with supervisors and the department manager
- To continue to record and manage all documents and materials (including electronic information) as stipulated within the period designated by the Company
- To regard distortion of management information as an act of severity inflicting harm to the Company and shareholder interests and to report such an act to the Office of Ethical Management

3-7. Improper Acquisition of Shares

[Prohibited Acts]

- An act of using insider information for investment in KT shares and provision of such information to a third party
- An act of holding Company shares related to one's duties

[Conduct Guidelines]

- To not use insider information acquired through one's duties to acquire/sell Company shares related to insider information and not provide such information to a third party
- To not include an unrelated third party in transactions of Company shares and affiliates, who use insider information obtained from a person related to Company business.

- To not allow directors/employees of departments likely to hold rights and interests to hold shares of the businesses in relation to the business of venture development, management of Company-vested businesses and relevant agreements signed between the Company and them
- To have employees dispose of their shares of the equity of unlisted businesses acquired by them when the shares are found to be unrelated with their duties, where there has been a new relation of transactions established between the Company and them, indicating the establishment of duties-related connection
- ※ Use of insider information in share transactions is punishable by law as per Article 174 of the Financial Investment Services and Capital Markets Act (Prohibition on Use of Material Nonpublic Information) with maximum imprisonment of up to 10 (ten) years or a fine up to KRW 500 million.

3-8. Concurrent Employment & Position

[Prohibited Acts]

- An act of maintaining a status of another business's director/employee while serving the Company
- An act of working for another business without Company approval

[Conduct Guidelines]

- To not work as another business's director/employee
 - Prior Company approval must be obtained to do so.
- To not work for another business without Company approval

3-9. Political Involvement

[Prohibited Acts]

- An act of having an individual's political position under the guise of the Company position
- An act of providing of Company organization, fund, workers, and facilities, etc., to specific parties or politicians

[Conduct Guidelines]

- Freely express political views as that of an individual, not on behalf of the Company
- To not provide Company organizations, funds, workers, and facilities, etc., to specific political parties or politicians and to follow designated procedure when leasing facilities for non-political purposes

3-10. Disclosure of Identity & Enforcing Penalty/Punishment

[Prohibited Acts]

- An act designed to identify whistleblowers
- An act of disclosing their identities against their wishes
- An act of enforcing penalty/punishment

[Conduct Guidelines]

- To not engage in any act designed to identify whistleblowers
- To not disclose their identities against their wishes
- To not engage in any act designed to enforce penalty/punishment toward them, concerning their whistleblowing and/or cooperation with investigators

Chapter 4 Relations among Directors/Employees

Category	Prohibited Acts	Degree of Punishment	Remarks
Receipt & provision of money/valuables among directors/employees	- Superiors asking their employees for money/valuables - Offering money/valuables for favors in personnel matters - Coercing for receipt of money/valuables - Provision of allowance to those taking business trips or transferred elsewhere	Pay cut-dismissal	Violation of obligation of integrity
	- Having inferiors do something not related to the Company business - Having inferiors provide guarantee, etc. for a private matter	Censureship-dismissal	Abuse of authority
Unlawful instruction & implementation by superiors	- Giving instruction running afoul of the law or Company regulations/guidelines - Following such instruction whilst aware illegality	Censureship-dismissal	An illegal/unfair act in business operation
Provision of flowers/money on congratulatory/condolatory occasions	- Providing flowers for those promoted/transferred - Providing congratulatory/condolence money that goes beyond customarily acceptable level among directors/employees	pay cut-dismissal	Violation of obligation of integrity
Sexual harassment	- An act causing sexual humiliation/shame (includes surrounding witnesses)	Censureship-dismissal	Prohibition of sexual harassment
Acts of disturbance of organizational order	- Verbal/physical violence - An act encouraging speculation like gambling - Improper money transactions - Partaking in unsound private groups - Conducting willful workplace sabotage	Censureship-service suspension	Violation of obligation of respecting organizational order
	- Conducting willful spreading of groundless rumors or slandering others	Censureship-dismissal	Violation of obligation of respecting organizational order
Improper golf get-togethers among directors/employees	- Having superiors/subordinate organizations arrange a golf get-together for private entertainment - Arranging such a get-together for superiors/those from higher organizations - Spending Company money for golf get-togethers among employees	Pay cut-dismissal	Violation of obligation of integrity
	- Other types of improper golf get-togethers among directors/employees	Censureship-dismissal	Violation of obligation of integrity

4- 1. Receipt & Provision of Money/Valuables among Directors/Employees

[Prohibited Acts]

- An act involving superiors asking their employees for money/valuables
- An act of offering money/valuables for favors in personnel matters
- An act of coercing for receipt of money/valuables among directors/employees
- An act of offering money/valuables for favors in appraisals and checks
- An act involving superiors providing gifts to their employees taking business trips out of the country or transferred elsewhere
- An act involving superiors having their employees do something not related to Company business
- An act involving superiors having inferiors provide a guarantee, etc., for a private matter, such as getting a loan

[Conduct Guidelines]

- To report superiors asking for money/valuables to the Office of Ethical Management
- Not to offer any personal gifts to superiors for favor in personnel affairs, such as promotion or setting annual salary level
- To refuse money/valuables offered privately by an employee and explain Company ethical management in detail
- To submit things that have been provided to you against your wishes to the Clean-365 Center within 3 (three) business days where it is difficult to return them
- To not offer money/valuables, provide convenience in transportation, lodging, or entertainment, or gifts to an employee taking a business trip
- To not to provide money/valuables whatsoever to a superior taking a business trip out of the country or transferred elsewhere
- Where this is the case, a gift offered on a customarily acceptable level may be regarded as an exception.
- To not to have an inferior do something privately or provide daily transportation to and from work
- To not provide a guarantee concerning a private loan among directors/employees
- Where this is the case, providing a guarantee among directors/employees on one occasion, concerning a housing loan from the in-house welfare fund, is regarded as an exception.

4- 2. Unlawful Instruction & Implementation by Superiors

[Prohibited Acts]

- Giving instructions running afoul of the law or Company regulations/guidelines
- Following such instruction whilst aware of their partiality or illegality

[Conduct Guidelines]

- To refuse to follow superiors' unfair instruction and to report such a case, including your being subject to enforced penalty/punishment, to the Office of Ethical Management

4- 3. Provision of Flowers/Money on Congratulatory/Condolatory Occasions

[Prohibited Acts]

- An act of providing flowers (including flower pots) to a director/employee on his/her inauguration, promotion, or transfer elsewhere
- An act of providing an amount of congratulatory/condolence money exceeding a customarily acceptable level to another director/employee

[Conduct Guidelines]

- To not provide another director/employee with congratulatory flowers, keeping in mind that such is similar to offering money/valuables and to submit such flowers received against your wishes to the Clean-365 Center
- Money may be paid to a director/employee on a congratulatory/condolatory occasion based on mutual aid where the amount is within a customarily acceptable level

4- 4. Sexual Harassment

[Prohibited Acts]

- An act of engaging in something that may have another person feel sexually humiliated, disgusted, or intimidated
- An act of giving a sexually intimate look or to engage in an obscene joke or physical contact

[Conduct Guidelines]

- To not engage in an act that may have another person feel sexually humiliated, disgusted, or intimidated and not give a sexually intimate look or to engage in an obscene joke or physical contact
- To not have a person of the opposite sex serve drinks or dance against their wishes during a company outing
- To not make a sexually-related comment about a colleague of the opposite sex
- To refrain from unnecessary physical contact with people of the opposite sex and not to make a comment intended to stress customarily fixed gender roles (i.e. "as you are a woman..." or "because I am a man..." etc.)
- To respect the view of a person of the opposite sex rejecting your sexual advances

4- 5. Acts of Disturbance of Organizational Order

[Prohibited Acts]

- An act of engaging in (intimidation of) verbal/physical violence among colleagues
- An act of engaging in the encouraging speculation, such as gambling to do harm to the overall organizational atmosphere

- An act of engaging in improper money transactions that may cause conflict among directors/employees
- An act involving the partaking in unhealthy private groups that go beyond the building of friendship among employees
- An act of proliferating groundless rumors related to the Company and directors/employees

[Conduct Guidelines]

- To respect others, regarding them all as precious human beings
- To foster an atmosphere in which directors/employees respect each other's way of life and cooperate with each other
- To not engage in animosity or confrontation against colleagues and in behavior that may do harm to a sound organizational atmosphere
- To not engage in gambling that may do harm to positive work relationships
- To not engage in money transactions that may cause conflict among directors/employees
- To not take part in private gatherings within the Company that may lead to the formation of factions, sense of disharmony, or the pursuit of private interests
- To not proliferate groundless rumors related to the Company and directors/employees on/off-line, keeping in mind that they may be viewed as an act doing harm to the Company

4-6. Improper Golf Get-togethers among Directors/Employees

[Prohibited Acts]

- An act of having superiors, or those from subordinate organizations, arrange a golf get-together for private entertainment
- An act of asking employees to arrange a golf get-together for personal entertainment
- An act of arranging such a get-together for superiors and those from higher organizations
- An act of using Company golf membership for a get-together among colleagues
- An act of spending Company money for golf get-togethers among employees that have nothing to do with marketing activities or official Company events

[Conduct Guidelines]

- To not have subordinate organizations arrange a golf get-together for private entertainment
- To not use the Company golf membership or spend Company money for a golf get-together among colleagues
 - Where this is the case, a golf get-together among colleagues arranged in relation to an official event of the Company is accepted as an exception, if it obtains approval from the department manager (or division head) in advance
- To not engage in an inadequate golf get-together among colleagues

- The following shall be regarded as receipt of inadequate money/valuables or embezzlement of Company money: asking a colleague to pay the expense for the get-together; engaging in improper golf betting; and using Company money for such a get-together without obtaining prior approval.

Chapter 5 Relations with Stakeholders

(Here, a “stakeholder” includes a public official, etc., and his/her spouse as stipulated in the Improper Solicitation and Graft Act.)

Category	Prohibited Acts	Degree of Punishment	Remarks
Receipt & Provision of money/valuables from/to stakeholders	<ul style="list-style-type: none"> - Money/valuables provided regardless of what is expected in return - Asking a stakeholder to provide money/valuables directly/indirectly - To not to return or report money/valuables received - Making a point of informing a stakeholder of your congratulatory/condolatory occasion, expecting them to provide congratulatory/condolence money or flowers that exceed customarily acceptable level - Providing (a promise for) money/valuables to inadequate request and money/valuables to a public official, etc. or his/her spouse as stipulated in the Improper Solicitation and Graft Act 	Pay cut-dismissal	Violation of obligation of integrity
	<ul style="list-style-type: none"> - Providing entertainment at a decadent entertainment establishment that is socially criticized 		Violation of obligation of integrity; violation of obligation for maintaining dignity
Solicitation & unlawful demands to stakeholders	<ul style="list-style-type: none"> - Asking a public official, etc. as stipulated in the Improper Solicitation and Graft Act to process a case directly/indirectly in violation of the law - Making a point of informing a stakeholder of a special event of the Company (e.g. a staff night out or an athletic meet) to have them pay the expense - Asking them for asset lease or to provide guarantee for 	Pay cut-dismissal	Violation of obligation of integrity
	<ul style="list-style-type: none"> - Making an additional request beyond what is stated in an agreement 		Censure-ship-dismissal
Private monetary transactions & application of unlawful coercion	<ul style="list-style-type: none"> - Borrowing money from or lending money to a stakeholder - Asking a stakeholder for asset lease or provision of collateral - Having a stakeholder lease your real estate or providing collateral (physical and personal) to them concerning a project carried out by the Company - Purchasing a stakeholder’s property for a price 	Pay cut-dismissal	Violation of obligation of integrity
	<ul style="list-style-type: none"> - Coercing a stakeholder, unjustifiably, using a job position as leverage 		Pay cut-dismissal
Signing an unlawful agreement & provision of Company assets	<ul style="list-style-type: none"> - Giving the counterparty of an agreement special favor, or putting at a disadvantage, without justifiable cause - Signing an agreement for a price not found in the market 	Censure-ship-dismissal	Violation of accounting rules

	<ul style="list-style-type: none"> - Unauthorized provision of the Company-owned facilities, articles, or goods - Provision of special favor (such as precious insider information) to a specific stakeholder - Manipulating sales results in collusion with distributors 	Censure- dismissal	An illegal/unfair act in business operation
Improper golf get-togethers	<ul style="list-style-type: none"> - Having a stakeholder to pay the expense for a golf get-together, to arrange booking, or asking to use his/her golf membership - Paying the expense for a golf get-together, etc., for a public official or his/her spouse as stipulated in the Improper Solicitation and Graft Act - Engaging in a golf get-together with a stakeholder without obtaining prior approval 	Pay cut-dismissal	Violation of obligation of integrity
Negligence of obligation to respect shareholders	<ul style="list-style-type: none"> - Using impolite language to a stakeholder - Making a stakeholder feel sexually humiliated/ashamed 	Censure- dismissal	Violation of obligation for maintaining dignity; an act tarnishing Company prestige; sexual harassment

5- 1. Receipt & Provision of Money/Valuable from/to Stakeholders

[Prohibited Acts]

- An act of receiving (a promise for) money/valuables provided by a stakeholder
- An act of asking a stakeholder to provide money/valuables directly/indirectly
- An act of not return or report money/valuables received
- An act of making a point of informing a stakeholder of your congratulatory/condolatory occasion, expecting them to provide congratulatory/condolence money or flowers that exceeds a customarily acceptable level
- An act of receiving flowers (including flower pots) for an inauguration, promotion, or transfer elsewhere
- An act of providing (a promise for) money/valuables to a public official, etc. or his/her spouse as stipulated in the Improper Solicitation and Graft Act

[Conduct Guidelines]

- To not receive money/valuables provided to you, your family, relatives, or acquaintances, regardless of the amount or what is expected in return
 - The foregoing shall not apply to money/valuables, or a souvenir, distributed uniformly to unspecified people at an official event hosted by a customer.
- To explain Company ethical management guidelines and politely refuse offers for money/valuables
- To submit things that have been provided to you against your wishes to the Clean-365 Center within 3 (three) business days where it is difficult to return
- To provide a meal to a stakeholder at a customarily acceptable level that is recognized as an exception if

necessary for smoother business relations, unless such a meal is conducted regularly

○ To not provide convenience in transportation or lodging to an employee on holiday or a business trip. However, a case stated in the following shall be accepted as an exception if approved by the CEO in advance, where the case is not directly related to Company business and is needed at an overall management level

- A director/employee taking part in a national event (e.g. the Olympics, the World Cup, Expo, etc.) or a seminar or exhibition.

○ To not make a point of informing stakeholders of congratulatory/condolatory occasions and not receive congratulatory/condolence money provided at such an occasions if the amount exceeds a customarily acceptable level

○ To explain Company ethical management guidelines and refuse politely to accept an offer for congratulatory flowers and submit things that have been provided to you against your wishes to the Clean-365 Center within 3 (three) business days

○ To not provide money/valuables to a public official, etc., or his/her spouse as stipulated in the Improper Solicitation and Graft Act

- Where this is the case, a meal, a gift, or congratulatory/condolence money provided at a customarily acceptable level without something expected in return and for smoother business relationship or friendship shall be recognized as an exception, even if it falls under the category of “exceptions” as stipulated in the Improper Solicitation and Graft Act

○ To not provide/receive entertainment at a decadent entertainment establishment (e.g. “room saloon”) that is socially frowned upon

5- 2. Solicitation & Unlawful Demands to Stakeholders

[Prohibited Acts]

○ An act of asking a public official, etc., as stipulated in the Improper Solicitation and Graft Act to process a case directly/indirectly in violation of the law

○ An act of asking a stakeholder to pay the expense for an occasion, such as entertainment or a company outing

○ An act of asking a stakeholder for asset lease or to provide a guarantee for a private loan

○ An act of making an additional request beyond what is stated in an agreement

[Conduct Guidelines]

○ To not to make an directly/indirectly improper request to a public official as stipulated in the Improper Solicitation and Graft Act

○ To not make a point of informing stakeholders of a company outing, expecting them to cover expenses, keeping in mind that such an act will be regarded as receipt of money/valuables

○ To not ask a stakeholder to appear at a special event held on a departmental level or club meeting, unless having obtained prior approval of the director of the affiliated organization, concerning the need to have such a person appear at the event

- Having a stakeholder provide transportation, space, or services for your special event shall be regarded as receiving entertainment, while making a point of informing stakeholders of a special event shall be regarded as

an intention to receive unauthorized support.

- To not ask a stakeholder for asset lease or to provide guarantee for your private loan
- To not make an additional request beyond what is stated in an agreement
- To not waste a stakeholder's resource verbally, etc.
- To not ask a stakeholder to cease transactions with specific businesses without justifiable cause

5- 3. Private Monetary Transactions & Application of Unlawful Acts of Coercion

[Prohibited Acts]

- An act of borrowing money from and lending money to a stakeholder
- An act of asking a stakeholder for asset lease or to provide collateral
- An act of having a stakeholder lease your real estate or providing collateral (physical and/or personal) to him/her, concerning a project conducted by the Company
- Examples of personal collateral: Guarantor for the opening of an agency; a joint surety for surety insurance, etc.
- An act of purchasing a stakeholder's asset for a price noticeably lower than market price
- An act of asking a stakeholder to repay your debt on your behalf
- An act of coercing a stakeholder unjustifiably, using a job position as leverage

[Conduct Guidelines]

- To not engage in private money transactions with a stakeholder, keeping in mind that business impartiality may be lost
- To not ask a stakeholder to provide collateral, while such shall be regarded as receipt of money/valuables
- To not have a stakeholder lease your real estate, and/or not to provide collateral to him/her concerning a project conducted by the Company, keeping in mind that business impartiality may be lost
- To not purchase or lease tangible/intangible assets from a stakeholder at a price noticeably lower than market price, looking for private interest. Where such is the case, the difference between the prices you paid and market price shall be regarded as receipt of money/valuables
- To not ask a stakeholder to pay what is owe in a personal transaction or loan, keeping in mind that such an act shall be regarded as receipt of money/valuables
- To not ask a stakeholder for a private special favor, such as finding a job following discharge from the Company

5-4. Signing of Unlawful Agreement & Provision of Company Assets

[Prohibited Acts]

- An act of rewarding of special favors to the counterparty of an agreement, or putting at a disadvantage, without justifiable cause; signing a double contract, etc.
- An act of purchasing an item at a price higher than market price or making a service contract in such a way, neglecting basic procedures to be followed in a contract
- An act of unauthorized provision of Company workers, equipment, services, or information to another business without obtaining prior approval from management
- An act of rewarding of special favors (e.g. precious inside information) to a specific stakeholder
- An act of manipulating sales results in collusion with distributors to receive support money from the Company based on the results

[Conduct Guidelines]

- To always observe Company guidelines when signing a purchase agreement, etc.
- To include “special provisions for practicing ethical principles” in agreements signed with a stakeholder to observe fair trade practices
- To not unauthorized reward special favors (including the provision of Company assets) to another business regardless of what is expected in return, while such an act shall be regarded as private use of Company assets
- To obtain the department manager approval first if provision of such to another business working with the Company is required

5- 5. Improper Golf Get-togethers

[Prohibited Acts]

- An act of engaging in improper golf betting with a stakeholder and/or having a stakeholder pay golf get-together expenses
- An act of asking a stakeholder to arrange golf booking or to use his/her golf membership
- An act of paying the expense for a golf get-together or providing the Company golf membership for a public official, etc., or his/her spouse as stipulated in the Improper Solicitation and Graft Act
- An act of engaging in a golf get-together with a stakeholder without obtaining prior approval of management

[Conduct Guidelines]

- To not engage in inadequate golf betting with a stakeholder and not engage in an act of receiving favor concerning golf-related expenses, including having a stakeholder to pay golf get-together expenses, keeping in mind that such an act shall be regarded as receipt of money/valuables
- To not pay golf-related expenses for, or to provide Company golf membership to a public official, etc., or his/her spouse as stipulated in the Improper Solicitation and Graft Act
- Spending Company money through the use of a corporate card, as well as a similar payment or provision with a director’s/employee’s own money is prohibited.
- Where this is the case, the Company golf membership may be provided, or the Company money may be spent for a golf get-together and it does not run afoul of the Improper Solicitation and Graft Act: where written

approval is obtained in advance from a relevant director, such as the head of a division, a corps, or an office, and such is required as part of Company management activities, such as marketing or a special event of the Company

5-6. Negligence of Obligation to Respect Shareholders Involved in Construction, Supply, Customer Service, Etc.

[Prohibited Acts]

- An act of using impolite language to a stakeholder
- An act of taking a disrespectful attitude to a stakeholder
- An act of making a stakeholder feel sexually humiliated/ashamed by making an impolite remark about his/her appearance, using obscene language, making physical contact, etc.

[Conduct Guidelines]

- To take a polite attitude when doing business with a stakeholder
- To view a stakeholder on equal footing and in a respectful way
- To not make an impolite remark about a stakeholder's appearance, use obscene language, or make a physical contact, etc., that may make him/her feel sexually humiliated/ashamed while conducting business with him/her, or at an occasion, such as a meal intended to promote closer relations

5-7. Negligence of Responsibility for Country & Local Communities

[Prohibited Acts]

- An act that may do harm to the national economy or run afoul of the sound social order
- An act that may go against the conservation of nature or cause environmental pollution
- An act that may do harm to established social morals and good customs

[Conduct Guidelines]

- To strive to enhance Company market value and provide profit to shareholders on a long-term basis
- To strive to listen to the opinions of locals when conducting projects related to local communities
- To observe environment-related laws and conduct business activities in a way conducive to environmental protection
 - To place priority on environmentally-friendly products when purchasing goods; and/or
 - To take part in environmentally-friendly activities positively, including separate garbage collection and resource recycling.
- To take part in the effort for resource conservation and energy saving made on the national level
- To maintain established social morals and good customs and respect the culture and tradition of local communities

5-8. Safety & Health

[Prohibited Acts]

- An act of running afoul of relevant regulations that may result in casualties

[Conduct Guidelines]

- To observe relevant laws and regulations, strive to prevent safety mishaps, and conduct regular safety checks to prevent industrial disasters
- To observe criteria for industrial disaster prevention and follow the safety/health manager's instruction

Chapter 6 Whistleblowing on Unethical Conduct & Compensation

6- 1. Fundamental Direction

A. Operation of the system of whistleblowing unethical acts, where all directors/employees and external stakeholders take part

- Receiving whistleblowing on unethical acts perpetrated by the Company's directors/employees and relevant external stakeholders

- The anonymity of whistleblower identities shall be maintained. The Company's investigation can be started based on even anonymous whistleblowing if the circumstances are clear and it is feared that the Company has incurred serious loss.

B. The Company shall reward compensation if whistleblowing leads to a noticeable increase in Company earnings or a decrease in loss incurred by the Company.

C. The Company may reduce punishment of an employee/director who whistleblows his/her unethical act voluntarily.

6- 2. Relevant Matters & Procedure of Whistleblowing

A. Matters to be whistleblown

- Directors'/employees' unethical/undignified acts related to their duties and their acts socially criticized and doing harm to the Company image

- Proliferating groundless rumors, thereby doing harm to the Company image or tarnishing the honor of specific directors/employees or impairing the overall organizational image of the Company

- An unreasonable case of management causing loss to the Company; employees' sabotage

- An act of wasting the Company's money through distortion of management information and inadequate budget execution

- Receiving bribe/money/valuables, conducting acts of embezzlement, breaching of trust, or earning unjustifiable profit related to their duties

- Dishonest acts related to promotion/hiring/transfer elsewhere

- Disclosure of corporate secrets and customer-related information

- Violation of internal accounting regulations through forgery/manipulation of accounting information

- Unethical acts perpetrated by relevant external stakeholders

- Other acts running afoul of the Company's ethical management principles

B. Means of Reporting

- Website: ethics.kt.com

- Email: ethics@kt.com

○ ☎: 080-713-6262

○ Postal mail: KT Office of Ethical Management

33 Jong-ro 3-gil, Jongno-gu, Seoul 03155 Korea

※ Upon receiving such reports, managers shall immediately communicate it to the Office of Ethical Management.

C. Whistleblowers

○ All whistleblowing shall be submitted, using the whistleblower's real name. The Company guarantees that the name shall remain confidential.

- The Company may reduce punishment of an employee/director as much as possible if he/she reports his/her unethical act voluntarily.

○ Whistleblowing may be submitted, using an anonym, but shall be based on facts. The Company shall not receive such reports estimated to be false or intended only to do harm to innocent parties.

6- 3. Payment of Compensation to Whistleblowers

A. Matters to be rewarded

○ The Company shall reward whistleblowing whose content is factual, while such whistleblowing shall be made within 1 (one) year of the relevant act and be one that has brought about an increase in profit earned by the Company or a decrease in loss incurred by the Company

B. Criteria for payment of reward

○ Reward paid: Up to KRW 50 million a case

○ Where two or more factors apply to the reason for reward payment, the Company will reward, selecting one with the largest amount

○ Consideration of reward will be stopped if the content of whistleblowing is found to be untrue during the course of investigation.

C. Reward calculation

① Whistleblowing of a director's/employee's receipt of money/valuables: Five times the amount involved

② Whistleblowing that has brought about an increase in profit earned by the Company or a decrease in loss incurred by the Company

Amount of Profit Increase or Loss Decrease	Compensation Amount
Less than KRW one hundred million	5%
KRW one hundred million - Five hundred million	KRW five million + 3% of the portion exceeding KRW one hundred million
KRW five hundred million – One billion	KRW seventeen million + 2% of the portion exceeding KRW five hundred million

More than KRW one billion	KRW twenty-seven million + 1% of the portion exceeding KRW one billion
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- A case with a one-time effect: Based on the entire amount involved
- A case with a long-term effect: Based on an amount occurring in one year

D. Final decision on reward to be made by: Chief of the Office of Ethical Management

E. Cases where reward is not paid

- A case of whistleblowing whose content is found to be untrue or where it is difficult to ascertain the content due to the lack of evidence
- A case previously whistleblown and thus investigation is underway or has been completed by the Office of Ethical Management or an outside institution
- A case already disclosed through a press report or the like
- A case whistleblown anonymously by a third party
- A case whistleblown by an employee of the Office of Ethical Management
- A case whose reward payment is judged to be not proper as a result of relevant deliberation

6-4. Protection of & Compensation Procedure for Whistleblowers

A. Those to be protected

- External/internal whistleblowers; voluntary whistleblowers

※ Protection will not be provided for those whose unethical acts have been spotted by the Company before their voluntary whistleblowing.

B. Confidentiality

- Identity protection

- Whistleblower identities will remain undisclosed without their prior consent.
- The Company shall not allow employees/departments stated in whistleblowing cases as suspects to identify the whistleblowers. (Those making such an attempt shall be punished.)
- Keeping relevant evidence or information safe
- Employees/departments, etc., included in such whistleblowing, as suspects
 - Whistleblowers shall suffer no penalty/punishment whatsoever in promotion or transfer to another department, etc.
 - Where a whistleblower asks to be transferred to another department, the head of the department shall consider it on a priority basis
 - Where a whistleblower fears that he/she may suffer penalty/punishment, he/she may ask the Office of Ethical Management to take a protective step.
 - Where such is the case, the Chief of the Office of Ethical Management shall ask the relevant department

manager to take a protective measure for the whistleblower.

- Where such a request made by the Chief of the Office of Ethical Management is not complied with, the relevant manager shall be punished.

- Where the identity of a whistleblower has been disclosed somehow, the Company shall look into the nature of the case and those involved in the disclosure shall be punished.

○ Limitations of liability

- As for voluntary whistleblowers, the Company may reduce their responsibilities in consideration of the seriousness of their unethical act, their attitude in working for the Company, and how apologetic they feel, etc.

- The Company will consider extenuating circumstances for voluntary whistleblowers of their own cases, concerning money/valuables received by them.

- Those cooperating positively with the investigation will also be subject to consideration of extenuating circumstances, with the following taken into account: the seriousness of their unethical act, their attitude in working for the Company, and how apologetic they feel, etc.

C. Reward paid to whistleblowers

○ The identity of whistleblowers will remain not disclosed in the course of reward payment. Reward will be paid to them directly from the Office of Ethical Management in a way chosen by them.

6-5. Processing

A. Receipt of whistleblowing and ascertainment of fact

○ Whistleblowing division: Office of Ethical Management

- The Company will verify reported information within shortest possible time.

B. Report on cases of whistleblowing and auditing

○ Report on whistleblowing and relevant facts shall be submitted to the Chief of the Office of Ethical Management.

○ Audit will be carried out in consideration of the seriousness of unethical act reported in whistleblowing.

C. Processing of audit results

○ Details of measures to be taken following the audit carried out shall follow the internal audit business processing manual.

D. Closing

○ A case of whistleblowing shall be closed internally if it is judged that the level of unethical act reported in whistleblowing is not severe nature and there is not much expected from the audit conducted as a result of scrutiny of the content of the whistleblowing.