



2016 Jipyong Annual Report Social Responsibility and Sustainability

Ethics for Lawyers

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Jipyong's Ethics Charter

We established Jipyong's Ethics Charter upon its incorporation in 2000. The Ethics Charter has 13 provisions such as duty of good faith toward clients; obligation to notify; provision of legal services within fair and reasonable scope; prohibitions on conflict of interests, representation of both parties; prohibition on pursuit of private interest; and non-discrimination.

According to Article 1 of the Ethics Charter, Jipyong's members have to always understand and comply in good faith with the Attorney-At-Law Act, and general code of ethics such as the Bill of

Ethics of Lawyers, and the applicable regulations, and they are obligated to maintain dignity in daily life as well as work.

On January 22, 2009, Jipyong established the Disciplinary Rules for Professionals in order to secure normative power of the Ethics Charter. Upon enactment in 2016 of the Improper Solicitation and Graft Act, Jipyong established the Ethics Committee Regulation on July 1, 2016, and reorganized the Ethics Committee (chaired by Mr. Ji-Hyung Kim).

The Ethics Committee Regulation specifically sets forth the roles of the Ethics Committee. For fulfillment of the Ethics Charter and performance of ethics by the legal professionals, the Ethics Committee is responsible for the following matters: (i) investigation and handling of any violation of the Attorney-At-Law Act, the Ethics Charter, ethics regulation, and other ethics for legal professionals; (ii) answers to inquiries related to professional ethics of lawyers; (iii) petition for disciplinary action according to the results of investigation on violation and the Disciplinary Rules for Professionals; (iv) ethical education and training for members; and (v) other work necessary to achieve the purpose of the Ethics Committee (Article 4 of the Ethics Committee Regulation). In addition, the Ethics Committee Regulation provides for the whistle-blowing and disciplinary procedures with regard to violation of the ethics rules. The Ethics Committee is composed of seven lawyers including the Managing Partners and three Managing Committee members.

Jipyong Ethics Charter (Excerpt)

4. Jipyong Members shall make best efforts to protect the interests of clients.
 - 4.1. "Best Efforts" mean such efforts to do business in accordance with the applicable laws and regulations, expert knowledge and customary practice, agreement with clients, business process standards designated by Jipyong, and the level deemed by the members to be reasonably necessary or desirable to protect the interest of clients.
 - 4.4. Jipyong Members shall promptly and fully explain the business process and details to the clients, and they shall faithfully respond if any client requests explanation.
5. Activities carried out by Jipyong Members to protect the interests of clients shall not be beyond the scope justifiable under the generally applicable laws and regulations and social justice or professional conscience.
6. Jipyong Members shall perform their authorized duties in good faith, and shall not engage in deception or charge unreasonable fees for the legal services rendered.
8. Jipyong Members shall not betray the client's trust under any circumstances.
 - 8.1. Jipyong Members shall not provide or disclose the information about the client and legal services rendered for the client to a third party under any circumstances, without prior approval from the firm in accordance with the procedures specified by the rules of Jipyong, only if it is unavoidable to protect the legitimate interests of Jipyong and its Members.
 - 8.2. Jipyong Members shall be prudent in speaking and managing their daily activities, the affairs of the firm, and relationships with third parties lest the information about the client and the legal services rendered for the client be disclosed.
9. Jipyong Members shall not use the information they have acquired in the performance of their duties to pursue their private interests, such as investment in securities.
- 10.1. Jipyong shall not discriminate the clients or those who wish to obtain help on the basis of financial ability, social status, and other unreasonable cause.

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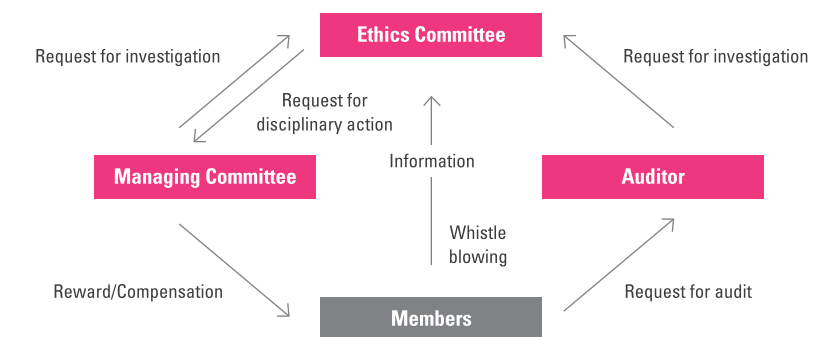
Compliance with Ethics Index

Item	Yes/No
Is there any internal control system for prevention of conflict of interests?	Yes
Is there any internal control system applicable upon detection of illegal conduct?	Yes
Are there any standards, education and training, regulations or guidelines for compliance with the Improper Solicitation and Graft Act?	Yes
Is there any ethics policy for legal professionals on acceptance of cases by ex-public official attorneys and non-legal professionals?	Yes
Is there any internal control system for acceptance of cases by non-legal professionals?	Yes
Is there any internal control system for prevention of excessive acceptance of cases, or acceptance of unethical cases?	Yes

Jipyong has made decisions on cases with ethical issues through discussions between the Managing Committee and team leaders based on the Ethics Charter. For instance, we have internal control systems to prevent conflict of interests, excessive acceptance of cases, or acceptance of unethical cases.

No illegal conduct by any of our Members has been detected so far. However, we have had a case where an associate raised an issue with respect to the manner of performance of legal services requested by the client. To solve the problem, our partners and team leaders held sufficient discussions, which resulted in our withdrawal from the case.

Ethics Control Procedures



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Current Status of Ex-Public Official Professionals

No person who commences legal practice after working as a judge, a prosecutor, a long-term military judicial officer or a public official shall accept cases handled by the state agency in which he/she has worked from the point of time one year before his/her retirement until his/her retirement, such as a court, prosecutors' office, military court, Financial Services Commission, Fair Trade Commission and a police office for one year from the date on which he/she retired from office (Article 31(3) of the Attorney-at-Law Act). In order to comply with this provision, Jipyong excludes any ex-public official lawyer who joined Jipyong after retirement from cases related to the state agency in which he/she had worked from one year before his/her retirement until his/her retirement, for one year from the date of retirement. They are not allowed to include their names on litigation documents and legal opinions, and also cannot be involved substantially in the acceptance or performance of such cases. The table on the right is a list of ex-public official lawyers who are with Jipyong.

Cooperation with non-legal professionals is necessary for comprehensive and practical approach to business process in the relevant area. The table on the right is a list of ex-public official non-legal professionals whom Jipyong recruited to benefit from their expertise and practical experiences.

Ex-Public Official Lawyers

Name	Date of Retirement from Public Office	Date of Joining	Position upon Retirement	Remarks (Office)
Gyeong-Woon Kang	1998-08	2011-03	Judge, Gwangju District Court, Suncheon Branch	Suncheon
Sung-Kook Kang	2015-02	2015-03	Chief Judge, Seoul Northern District Court	Seoul
Ho-Jung Kang	2012-02	2013-12	Prosecutor, Seoul Western District Prosecutors' Office	Busan
Yung-Moon Kim	2015-02	2015-03	Chief Prosecutor, Southern Branch of Daegu District Prosecutors' Office	Seoul
Ji-Hyung Kim	2011-11	2012-12	Justice, Supreme Court of Korea	Seoul
Young-Joo Park	2001-02	2001-02	Judge, Busan District Court	Seoul
Jeong-Soo Park	2015-02	2015-03	Chief Judge, Seoul Southern District Court	Seoul
Bong-Kwan Sa	2016-02	2016-03	Chief Judge, Seoul Central District Court	Seoul
Seung-Ki Shin	2007-08	2012-06	Prosecutor, Busan District Prosecutors' Office	Busan
Kong-Hyun Lee	2011-03	2011-03	Justice, Constitutional Court	Seoul
Sang-Geun Lee	2007-02	2012-06	Judge, Busan High Court	Busan
Hong-Jae Lee	2009-01	2013-04	Chief Prosecutor, Seoul Central District Prosecutors' Office	Seoul
Sehoon Choi	2016-01	2016-02	Chief Prosecutor, Seoul High Public Prosecutor's Office	Seoul
Jae-Chul HAN	2002-02	2011-03	Judge, Court of Kwangyang-si, Suncheon Branch of Gwangju District Court	Suncheon

Ex-Public Official Non-Legal Professionals

Name	Date of Retirement from Public Office	Date of Joining	Position upon Retirement	Remarks (Office)
Yung-Joo Kang	2002-04	2009-09	Member, Monetary Policy Committee, Bank of Korea	Seoul
Dae-Sik Kim	2013-02	2015-03	Head of Contract Management Agency, Defense Acquisition Program Administration	Seoul
Seok-Dong Kim	2013-02	2015-04	Chairman, Financial Services Commission	Seoul
Yong-Chae Seomun	2011-02	2014-07	Director General, Planning & Coordination Dept., Financial Supervisory Service	Seoul
Joon-Gil Lee	2006-11	2015-11	Head of Adhesion Contract Division, Korea Fair Trade Commission	Seoul
Hang-Seok Chang	2007-10	2012-10	Standing Commissioner, Korea Fair Trade Commission	Seoul
Yeon-Soo Jin	2006-12	2012-11	Deputy Director, Market Oversight Bureau, Korea Fair Trade Commission	Seoul

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Future Plans

In 2016, Jipyong separated the Ethics Committee as an entity independent from the Managing Committee because the latter is liable to place profitability before ethics when they collide. Lawyer ethics have become an important issue as the ethics of lawyers in undertaking and handling cases has become a huge social problem. Jipyong plans to establish independent internal control procedures by strengthening the roles and functions of the Ethics Committee, and intends to show that enforcement of lawyer ethics is not only beneficial for the clients, but also is the foundation for sustainability of a law firm.

PLANS FOR ETHICAL PRACTICE BY JIPYONG LAWYERS

By Sang-Jun Kim, Partner



Lawyer ethics have become an important issue as the ethics of lawyers in undertaking and handling cases has become a huge social problem. It has come to a point where law firms need to deliberate and reflect on their social responsibilities from a more objective perspective, rather than seek only profitability.

So far Jipyong has exercised caution in undertaking cases where ethics may be a possible issue. For instance, when a case with potential ethical issue is brought up, it is explained by e-mail to and discussed in advance with the Managing Committee and the heads of each practice group. We hold separate meetings for discussion in case of more important cases.

However, the Managing Committee believes that it is desirable to have a separate body for internal controls because there is always the possibility that profitability may be placed first when it collides with ethics. Against such backdrop, Jipyong reorganized the Ethics Committee in 2016 as an independent entity with new regulations. The roles and functions of the Ethics Committee will continue to be strengthened in the future.