

CODE OF ETHICS

Based on the vision of leading development through creation of future values, Poongsan Corporation (the “Company”) desires to fulfil its social responsibilities by complying with relevant laws and regulations, respecting the order of free competition market, and pursuing the mutual prosperity of all involved through transparent and ethical corporate activities. Thereby, this code of ethics (this “Code”) is enacted as a standard for the behaviors of all officers and employees of the Company and all officers and employees of the Company affirm to comply with this Code.

1. Responsibilities and Obligations of Officers and Employees

1-1 Basic code of ethics

- (1) As proud member of the Company, officers and employees shall display kind manners and professional conducts.
- (2) Through sound judgment and proper conducts based on highest ethical standard, officers and employees shall maintain personal dignity and honor of the Company.
- (3) Officers and employees shall maximize the efficiency by active cooperation and effective communication between personnel and relevant departments.
- (4) Officers and employees shall do their best to prevent an accident through safety management.

1-2 Ethical conducts in work place

- (1) Officers and employees shall fully understand the responsibilities and authorities granted to them in accordance with the policies and regulations of the Company, conduct their given duties diligently, and shall bear responsibilities for the results of actions.
- (2) Officers and employees shall strictly separate professional and personal matters and shall not provide or receive cash, goods, entertainment, or conveniences which may undermine the fairness.

- (3) With respect to the works and personal lives, officers and employees shall not engage in unethical behaviors generally unacceptable in the society.
- (4) Officers and employees shall not publically disclose or disclose to a third party confidential information of the Company, without a prior approval.
- (5) Officers and employees shall protect the assets of the Company and shall not use the assets of the Company for personal benefits.

1-3 Ethical conducts among officers and employees

- (1) Officers and employees shall not provide or receive improper request and shall not provide or receive any benefits related to improper request.
- (2) Loaning money or providing guarantees among officers and employee is prohibited in principle.
- (3) Officers and employees shall respect and treat one another with courtesy, and do their best for happy work life.

2. Ethical Conducts of the Company toward Officers and Employees

- 2-1 The Company shall respect each one of officers and employees, provide fair evaluations based on merits and achievements and provide fair rewards.
- 2-2 The Company shall provide fair opportunities for personal and professional development of officers and employees and shall not discriminate the officers and employees on the basis of sex, education level or regional origin, etc.
- 2-3 The Company shall establish a system necessary for the professional growth of the officers and employees and shall operate and actively support such system.

3. Fair Transactions and Competitions

- 3-1 All transactions of the Company shall be conducted based on free market principle with the guarantee of fair and equitable opportunities for participation, from mutual equal positions.

3-2 The Company shall not force unfair action or exert influence using a superior position in transaction.

3-3 The Company shall establish partnership relations based on trust and cooperation, jointly seek improvement in technology, and pursue mutual development, with its partner businesses.

4. Ethical Conducts toward Customers

4-1 The Company and its officers and employees shall prioritize the customers in all management activities, respects the opinions of the customers and keep the promises with customers.

4-2 The Company and its officers and employees shall do their best for the creation of value for the customers by providing the best products and services satisfying the demands and expectations of the customers.

4-3 The Company and its officers and employees shall protect the profits and safety of the customers and shall not disclose or use for the non-authorized purposes the information related to the customer, without an approval of the customer.

5. Responsibilities and Obligations toward Shareholders

5-1 The Company and its officers and employees shall respect the rights of shareholders and maximize the value for shareholders by achieving profits through efficient management.

5-2 The Company and its officers and employees shall build mutually trusting relationship with the shareholders by providing management information to the shareholders and investors in timely manner, in accordance with relevant laws, regulations, and procedures.

6. Responsibilities toward Country and Society

6-1 The Company shall contribute to the economic development of the country by creating employments through steady growth and by providing quality goods and services.

6-2 As a member of the community, the Company shall perform its social responsibilities by

actively participating in and assisting educational, cultural, welfare programs.

6-3 The Company shall comply with relevant laws and regulations, including those related to environmental protection, prevent pollution by environmentally friendly management, and actively participate in environmental preservation.

Addendum

1. This Code shall be effective as of February 1, 2007.
2. The ethics guideline for officers' and employees' compliance with this Code shall separately be enacted.