

Agreement for Assignment of Beneficial Interest for Security Purposes
(Yangdodambo)

Date : _____, 20____

Creditor &

Assignee The Hongkong and Shanghai Banking Corporation Limited, Branch (Seal)

Address

Debtor _____ (Seal)

Address

Assignor _____ (Seal)

Address

Seal
Verification

- ★ As the act of pledging property as security is an important legal act that may cause a loss of the property, please exercise prudent judgment after first carefully reading the content of this Agreement and “Warnings for Security Provider (Assignor)” on the last page of this Agreement, and

- ★ Please make sure that the Assignor fill out the parts of the form that are in bold-outlined boxes below (Parties, Article 1 and the last part of this Agreement) by hand writing.

The Parties hereto agree to enter into this Agreement as follows:

Article 1 Establishment of Assignment of Beneficial Interest for Security Purposes
(Yangdodambo)

- ① The Assignor has approved the General Terms and Conditions for Credit Transactions(Corporate), assigned the title to the property (hereinafter, the “Assigned Property”) specified in the “Description of the Assigned Property” at the end of this Agreement, and completed delivery of the Assigned Property to the Creditor(hereinafter, the term of “Creditor” shall include any other branch of the Bank located in Korea) in order to secure the indebtedness owed to the Creditor on the terms set forth below (the “Assignment”).

2. Maximum Amount To Be Secured

KRW _____

3. *Yangdodambo* Period

The Creditor has explained that the Assignor may select one of the following three methods of determining the *Yangdodambo* period, and then the Assignor decides to set the *Yangdodambo* period under _____ method.

Specific Date	
	_____, 20____

Automatically Fixed Date	
	<p>The <i>Yangdodambo</i> period under this Agreement shall not be finite but continuing; provided that the Assignor shall be able to fix the <i>Yangdodambo</i> period by written notice to the Creditor after the third anniversary of this Agreement. However, the expiry date of such <i>Yangdodambo</i> period must be later than fourteenth day from receipt of the notice by the Creditor. Otherwise, the expiry date of the <i>Yangdodambo</i> period shall be fourteenth day from the receipt of the notice by the Creditor. If the Assignor has not notified the Creditor of its intention to terminate the <i>Yangdodambo</i> period, the <i>Yangdodambo</i> period under this Agreement shall expire on the fifth anniversary of this Agreement.</p>

Future Fixed Date	
	<p>The <i>Yangdodambo</i> period under this Agreement shall not be finite but continuing; provided that the Assignor shall be able to fix the <i>Yangdodambo</i> period by written notice to the Creditor after the third anniversary of this Agreement. However, the expiry date of such <i>Yangdodambo</i> period must be later than fourteenth day from receipt of the notice by the Creditor. Otherwise, the expiry date of the <i>Yangdodambo</i> period shall be fourteenth day from the receipt of the notice by the Creditor.</p>

Article 2 Possession/ Preservation/ Management of the Assigned Property

- ① The Assignor shall possess, use, preserve and manage the Assigned Property (including the property substituted or added under Article 7, which shall be included in the Assigned Property hereinafter) as an agent of the Creditor and bear the cost relating thereto.

- ② In connection with the preceding paragraph ①, the Assignor shall use, preserve and manage the Assigned Property within the scope of normal use or operation by exercising due care as a prudent manager. In addition, upon receipt of instructions from the Creditor relating to the place of storage, installation, and other method of management, the Assignor shall follow such instructions. If the Assignor desires to change any of the foregoing, it shall obtain prior approval from the Creditor.

Article 3 Insurance Contract

- ① The Assignor shall enter into an insurance contract relating to the Assigned Property with such type and amount as specified by the Creditor to the extent necessary to preserve the Secured Obligations against the Assigned Property, and designate the Creditor as a beneficiary. The Assignor shall grant a pledge over its rights under the insurance contract to the Creditor, deliver the certificate of insurance to the Creditor, and maintain such insurance so long as there are any outstanding Secured Obligations under this Agreement.
- ② If the Assignor enters into any additional insurance contract relating to the Assigned Property other than that specified in the preceding paragraph ①, the Assignor shall promptly notify the Creditor of such additional insurance contract, and if requested by the Creditor for the purpose of preserving the Secured Obligations shall follow the procedures set forth in the preceding paragraph ① with respect to such additional insurance contract.
- ③ If the Creditor purchases or maintains an insurance policy or makes any payments of insurance premiums instead of the Assignor to preserve the Secured Obligations as a result of the Assignor's breach of its obligations under paragraph ① or ② above, the Debtor and the Assignor shall jointly and severally be liable for prompt repayment of such insurance premiums and other costs to the Creditor in accordance with Article 4 of the General Terms and Conditions for Credit Transactions(Corporate).
- ④ Upon receipt of insurance proceeds of the insurance contracts specified in the preceding paragraphs ① through ③, unless there is any reason not to such as provision of other collateral, the Creditor may apply the insurance proceeds to repayment of the Secured Obligations in accordance with Article 12 of the General Terms and Conditions for Credit Transactions(Corporate), even before the maturity of the Secured Obligations.

Article 4 Preservation of the Assigned Property, Etc.

- ① If there is any loss or damage to, or there is risk of loss or damage to, the Assigned Property, the Assignor shall take legal actions for prevention or remedy of such loss or damage, and shall notify the Creditor of such fact.

- ② If any third party asserts a claim against, or there is any legal dispute relating to, the Assigned Property, the Assignor shall take legal actions to preserve the rights relating thereto.

Article 5 Provision of Other Collateral

If the acquisition of the title to the Assigned Property by the Creditor is invalid or is likely to become ineffective due to reasons attributable to the Assignor, the Assignor shall at the request of the Creditor provide other collateral to the Creditor in substitution for the Assigned Property.

Article 6 Preservation of the Value of the Assigned Property

In case of Article 4 ①, the Assignor shall at the request of the Creditor deliver to the Creditor additional property with the value in the amount of such loss or damage.

Article 7 Changes to the Assigned Property

- ① If all or any part of the Assigned Property is replaced with other property or additional property is acquired by the Assignor, the Assignor shall obtain approval from the Creditor, and such other property replacing the Assigned Property and the additional property shall be deemed to have been assigned and delivered to the Creditor under this Agreement without entering into a separate agreement.

- ② Any and all properties manufactured or processed with the Assigned Property, including work-in-process, semi-finished goods, finished goods, byproducts and any other property attached to the Assigned Property shall be deemed to have been assigned and delivered to the Creditor in accordance with this Agreement.

Article 8 Disposition of the Assigned Property

If it is determined that it would be difficult to dispose of the Assigned Property through court proceedings, or that there is a reasonable possibility that the disposition of the Assigned Property through court proceedings would adversely affect the preservation of the Secured Obligations against the Assigned Property, the Creditor may dispose of the Assigned Property in accordance with a generally accepted timing, method, and price, and may apply the sale proceeds to repayment of the Secured Obligations, or may acquire the Assigned Property in exchange for repayment of all or any part of the Secured Obligations. In this case, the Creditor shall notify the Assignor of such disposition or acquisition no later than ten (10) days prior to the disposition or acquisition of the Assigned Property.

Article 9 Conveyance / Disposition of the Assigned Property On Behalf Of the Creditor

- ① If requested by the Creditor for the enforcement of the Assignment, the Assignor shall promptly deliver the Assigned Property to the Creditor or any person designated by the Creditor.

- ② If requested by the Creditor for the enforcement of the Assignment, the Assignor shall dispose of the Assigned Property on behalf of the Creditor, and shall cause the sale proceeds to be paid directly to the Creditor by the purchaser of the Assigned Property.

Article 10 Subrogation

If any claim or right arises against any third parties in connection with insurance proceeds, damages, compensation and otherwise as a result of loss, damage, expropriation, and any other reasons relating to the Assigned Property, the Creditor may apply the proceeds of such claim or right to repayment of the Secured Obligations in accordance with Article 12 of the General Terms and Conditions for Credit Transactions (Corporate), even before the maturity of the Secured Obligations, unless there is any reason not to such as provision of other collateral.

Article 11 Inspection of the Assigned Property

The Creditor may from time to time inspect the current condition of the Assigned Property if necessary to preserve the Secured Obligations, and the Assignor shall cooperate with such inspection.

Article 12 Costs and Expenses

The Debtor and the Assignor shall be jointly and severally liable for any and all costs incurred in connection with the creation, preservation, and enforcement of the Assignment, and the preservation and management of the Assigned Property. If the Creditor makes any payment in their stead, the Assignor shall promptly reimburse the Creditor for the amount of such payment in accordance with Article 4 of the General Terms and Conditions for Credit Transactions (Corporate).

Article 13 Relationship With Other Collateral/ Guarantee Arrangements

- ① If the Assignor has provided a separate collateral or acts as a guarantor in connection with the Secured Obligations specified herein, unless otherwise agreed, such provision of collateral or guaranty shall not be affected by this Agreement, and the obligations relating thereto shall be cumulative and separate from the Assignment under this Agreement.

- ② If the Assignor acts as a joint guarantor simultaneously with its provision of security for the Secured Obligations specified herein at the request of the Creditor to protect it against the possible impairment in the value of the Assigned Property, notwithstanding the preceding paragraph ①, the Assignor shall be released from the other liability to the extent that it has performed all or any part of either of its obligations.

Article 14 Special Terms and Conditions

Assignor (Seal)

- After reviewing the followings, the Assignor fills in, in his own words, the table below at his own intention. (Example 1 : Received. 2 :Acknowledged.)

1. Does the Assignor receive the General Terms and Conditions for Credit Transactions(Corporate) and the copy of this Agreement?	
2. Has the Assignor been told about the material contents of the General Terms and Conditions for Credit Transactions(Corporate) mentioned above and this Agreement?	

Bank Officer	Title:	Name:	(seal)
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Description of Assigned Property

Location		
Name of Warehouse and Place of Storage		
Property	Type	
	Quantity	
	Unit Price	
	Amount	
Insurance	Name of Insurer	
	Type	
	Amount	

Notice to Assignor

What is Assignment of Beneficial Interest For Security Purposes (<i>Yangdodambo</i>)?

- The “Assignment of Beneficial Interest For Security Purposes(*Yangdodambo*)” means a security interest, by which the title to the property assigned for the purpose of securing certain obligations is transferred to the Creditor, and upon the Debtor’s repayment of such obligations at maturity, the title to such assigned property returns to the assignor of such property.

- Therefore, such assignment of beneficial interest in the personal property, such as raw materials, goods, machinery, or equipment, may lead to loss of the assigned property by the assignor due to a third party’s nonperformance of debt obligations.

Scope of Liability by Type of Security Interest

- Specified Obligation Security covers only the debt obligations specified by and between the Debtor and the Creditor, and if such debt obligations are extended, rescheduled or refinanced with another loan, such specified obligation security shall not apply.

- Kun-Security covers debts currently existing, or to be incurred hereafter in connection with any agreement, currently existing, or to be entered into, by and between the Debtor and the Creditor, within the limit of the maximum debt amount, and shall be divided into three types according to the scope of liability as follows:

「Specified Kun-Security」

Specified Kun-Security covers debts arising at any time under the specified agreement (e.g., the terms and conditions for loan transaction dated __ __, 200_), even if the maturity is extended. However, if such debts are rescheduled or refinanced with another loan, this shall not apply.

「Limited Kun-Security 」

Limited Kun-Security covers any and all debts, currently existing or to be incurred hereafter under the agreements, currently existing or to be entered into, relating to certain type of transactions (e.g., overdraft transactions), even if the debts are rescheduled, extended or refinanced with another loan of the same kind. However, if such debts are refinanced with a different kind of loan, this shall not apply.

「Comprehensive Kun-Security 」

This covers an extensive scope of liabilities securing any and all debts currently existing, or to be incurred hereafter (including debts arising under loan transactions and any other types of debt obligations). Therefore, please exercise prudent judgment prior to the selection of this type of security interest.

Assignor as a joint guarantor

If the Assignor simultaneously acts as a joint guarantor, the Bank may conduct compulsory execution against not only raw materials, goods, machinery, and equipment assigned to it, but also any other general property of the Assignor.