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KOREA AIRPORTS CORPORATION ACT

[Enforcement Date: Sep. 10, 2009] [Act No. 9780, Jun. 9, 2009, Other Laws and Regulations Amended]

Ministry of Land, Transport and Maritime Affairs (Aviation Policy Division)

Tel.: 02-2110-8760

Article 1 (Purpose)

The purpose of this Act is to ensure smooth air transportation and to contribute to the development of the national economy and the improvement of the people's welfare by establishing the Korea Airports Corporation to efficiently construct, manage and operate the airports.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 2 (Juristic Personality)

The Korea Airports Corporation (hereinafter referred to as the "Corporation") shall be a juristic person.

Article 3 (Offices)

(1) The location of the Corporation's principal office shall be prescribed by its articles of incorporation.

(2) The Corporation may, when it is necessary to carry out its business, open branch offices by a resolution of the board of directors.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 4 (Capital and Investment)

(1) The Corporation's capital shall be divided into stocks.

(2) The State or local governments may make an investment in kind in the Corporation with their movables or immovable properties necessary for the business of the Corporation, notwithstanding the provisions of the State Properties Act and the Local Finance Act.

(3) The State or local governments may invest the rights to manage airport facilities as referred to in Article 105-2 of the Aviation Act in the Corporation as provided by the Presidential Decree.

(4) Any investment made in the Corporation by the State or local governments in accordance with section (2) or (3) shall be governed by the Act on the Contribution In-kind of State Properties.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 5 (Registration)

(1) The Corporation shall be established by making the registration of its incorporation in the location of its principal office.

(2) Matters necessary for the incorporation registration of the Corporation under section (1), the establishment registration of its branch offices, their transfer and alteration registrations, and other registration of the Corporation shall be prescribed by the Presidential Decree.

(3) The Corporation shall not oppose any third party in respect to any matter that needs to be registered prior to the registration of such matter.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 5-2 (Prohibition of Using Similar Name)

Anyone who is not the Corporation under this Act shall be prohibited from using the name of the Korea Airports Corporation or any name similar thereto.

[This Article Newly Inserted by Act No. 8255, Jan. 19, 2007]

Article 6 Deleted. <By Act No. 9548, Mar. 25, 2009>

Article 7 (Selection and Appointment of Agent)

The president may select and appoint an agent among the Corporation's employees, authorizing him/her to perform all the activities of any trial or non-trial related matters in respect to the Corporation's affairs according to the conditions as prescribed by the articles of incorporation.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 8 (Prohibition on Divulgence of Secrets)

Any executive officer or employee or any person who formerly worked for the Corporation shall be prohibited from divulging or misusing secrets that he/she has learned in the course of performing his/her duties.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 9 (Businesses)

(1) The Corporation shall conduct the following businesses: <Amended by Act No. 9780, Jun. 9, 2009>

1. Management and operation of the airports (excluding Incheon International Airport, and the same shall apply hereinafter), and projects of developing nearby areas needed therefor;

2. Operation and management business of the airport facilities under subsection 8 of Article 2 of the Aviation Act;
3. Projects for newly installing, expanding or upgrading the facilities necessary to handle aircraft, passengers and cargoes and the facilities necessary to operate airports among airport development projects under subsection 10 of Article 2 of the Aviation Act, which are prescribed by the Presidential Decree;
4. Project for installing and operating multipurpose traffic facilities, including terminals for connecting air transportation to land and sea transportation;
5. Survey, research and technology development projects in respect to the projects referred to in subsections 1 through 4;
6. Production, sales and export of the equipment developed in connection with subsection 5;
7. Projects which are incidental to the projects referred to in subsections 1 through 5 and prescribed by the Presidential Decree;
8. Projects for installing soundproof facilities, etc. among the projects for measures to prevent damages caused by noise under Article 107 of the Aviation Act, which is prescribed by the Presidential Decree; and
9. Projects entrusted by the State or any local government in connection with the construction, management and operation of the airports.

(2) The Corporation may invest in any project necessary to efficiently construct, manage and operate the airports within the limit of budgets by a resolution of the board of directors.

(3) The Corporation may take over contracts of projects referred to in subsections 1 through 4 of section (1) from foreign countries.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 10 (Free Lease of National Property)

(1) Where the Minister of Land, Transport and Maritime Affairs deems it necessary for the efficient implementation of the airport development project by the State and the projects applicable to subsections of Article 9 (1) by the Corporation, he/she may lease any national property to the Corporation free of charge or allow the Corporation to use or to make profit from such property, notwithstanding the provisions of the State Properties Act.

(2) The Corporation shall not erect a building or permanent facilities on the national property that is leased, or allowed to be used, or to make a profit under section (1): *Provided*, that a building or permanent facilities may be erected in the case where the relevant national property is to be invested in the Corporation after such facilities are completed.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 11 (Sublease, etc. of National Property)

(1) The Corporation may, where it is necessary for efficiently carrying out the airport development project by the State and the projects referred to in subsections of Article 9 (1) by the Corporation, sublease the national property leased, or allow to use or to make a profit under Article 10.

(2) The Corporation shall, when it intends to sublease any national property in accordance with section (1), obtain approval thereof from the Minister of Land, Transport and Maritime Affairs.

(3) Any person to whom any national property is subleased under section (1) shall be prohibited from leasing it to another person, or allowing another person to use or make profit from it.

(4) Any person to whom national property is subleased under section (1) shall be prohibited from erecting any building or permanent facilities on such national property: *Provided* that a building or permanent facilities may be erected in the case where the relevant national property is to be invested in the Corporation after such facilities are completed.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 12 (Subsidies, etc.)

The Government may subsidize part of the costs required for the projects of the Corporation, extend loans from the financial fund to the Corporation, or assume corporate bonds issued by the Corporation within the limits of the budget.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 13 (Issuance, etc. of Bonds)

(1) The Corporation may issue corporate bonds by a resolution thereon by the board of directors.

(2) The amount of the corporate bonds to be issued shall not exceed four times the aggregate amount of the capital and reserves of the Corporation.

(3) The Government may guarantee the repayment of the principal and interest of the corporate bonds to be issued by the Corporation.

(4) The period of the extinctive prescription of bonds shall be five years for the principal and two years for the interest.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 14 (Borrowing, etc. of Funds)

The Corporation may borrow necessary funds and goods (including borrowing funds and goods from foreign countries) by a resolution thereon by the board of directors.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 15 (Reversion of Passenger Facility Charge of Domestic Passengers)

The **Passenger Facility Charge of domestic** passengers among the service fees collected by the Corporation in accordance with Article 86 (2) of the Aviation Act shall be reverted to the Corporation's revenues.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 16 (Guidance and Supervision)

The Minister of Land, Transport and Maritime Affairs may guide and supervise the Corporation in respect to the matters applicable to the following subsections and affairs related thereto among the affairs of the Corporation to enhance the public nature and public interest in the operation of the airports:

1. Matters concerning the security of the airport facilities and safety of aviation; and
2. Matters concerning convenience and benefit of the airport facility users and their safety.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 17 (Report to National Assembly)

The Corporation shall make a report to the National Assembly on matters concerning its plans, management and operations of its major businesses at least once a year.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 18 Deleted. < By Act No. 9548, Mar. 25, 2009 >

Article 19 (Relations with Other Acts)

Except as provided in this Act and the Act on the Management of Public Institutions, the provisions governing the stock company of the Act on the Improvement of Managerial Structure and Privatization of Public Enterprises and the Commercial Act shall apply to the Corporation: *Provided*, that the provisions of Article 292 of the Commercial Act shall not apply to the Corporation.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

Article 20 (Penal Provisions)

Any person who has violated the provisions of Article 8 shall be punished by imprisonment not exceeding two years or by a fine not exceeding 10 million won.

Article 21 (Fine for Negligence)

(1) Any person who has violated the provisions of Article 5-2 shall be punished by a fine for negligence not exceeding five million won.

(2) The fine for negligence referred to in section (1) shall be imposed and collected by the Minister of Land, Transport and Maritime Affairs.

[This Article Wholly Amended by Act No. 9548, Mar. 25, 2009]

ADDENDA

Article 1 (Enforcement Date)

This Act shall take effect on the day three months after its promulgation. <Proviso Omitted>

Article 2 through 10 Omitted.

Article 11 (Amendment of Other Acts)

(1) through (15) Omitted.

<16> Part of the Korea Airports Corporation Act shall be amended as follows:

The term “subsection 6 of Article 2 of the Aviation Act” in Article 9 (1) 2 shall be changed to “subsection 8 of Article 2 of the Aviation Act”, and the term “subsection 8 of Article 2 of the Aviation Act” in Article 9 (1) 3 shall be changed to “subsection 10 of Article 2 of the Aviation Act”.

<17> through <19> Omitted.

Article 12 Omitted.