

## CODE OF BUSINESS CONDUCT

### A. Glossary of Terms

For the purpose of understanding this Code of Business Conduct, capitalized terms have the following meaning:

Company's Assets	<p>refers to assets belonging to the Company including but not limited to:</p> <p>(i) <u>Physical Assets</u>:</p> <ul style="list-style-type: none"><li>the things you use to perform your services/work including the Company's facilities, furniture, office supplies, computers, tools and equipment;</li><li>all the Company's Products stocks including parts thereto such as filters and spare parts;</li><li>marketing/promotional merchandises bearing Coway's name, logo, names or images of Coway's spokespersons, influencers or ambassadors such as diaries, table calendars, pens, mugs, t-shirts, umbrellas, etc.;</li></ul> <p>(ii) <u>Technology Assets</u>:</p> <ul style="list-style-type: none"><li>IT assets, such as hardware, email, applications, databases, systems, software and internet access;</li></ul> <p>(iii) <u>Financial Assets</u>:</p> <ul style="list-style-type: none"><li>funds, rental and sales proceeds, cash or other monetary assets as well as the Company's credit standing;</li></ul> <p>(iv) <u>Information Assets</u>:</p> <ul style="list-style-type: none"><li>the information that we gather or create as a company such as our confidential information (e.g. trade secrets and business strategic plans) and intellectual property</li></ul>
Company's Products	<p>refers to water purifiers, air purifiers, mattresses, outdoor water filters ('POEs'), bidets, water softeners and includes any other products marketed under the brand name 'Coway'.</p>
Company's Services	<p>refers to maintenance or care services, after sales services and includes any other services in respect of the Company's Products, marketed under the brand name 'Coway'.</p>
Company's Products and/or Services	<p>refers to the Company's Products and/or the Company's Services.</p>

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Competitors	refers to business entities who offer or can offer the same or similar products and/or services as the Company's Products and/or Services to Customers.
Compliance Points	refers to a demerit points system utilised by the Company's Compliance Department whereby Organisation Members who commit violations of the Code or other offences are given demerit points. Managers (hereinafter defined) will also accumulate Compliance Points for violations committed by their downlines.
Customer(s)	refers to Coway's existing and/or prospective customers.
Employees	refers to Coway's employees (whether on a permanent, fixed-term or temporary basis), regardless of position, including Coway Technicians ('CTs'), the Middle Management and Higher Management.
External Stakeholders	refers to Coway's customers and/or vendors/service providers.
Internal Stakeholders	refers to Employees and/or Organisation Members.
Higher Management	refers to Coway's Managing Director ('MD'), Chief Operating Officer ('COO') and Chief Financial Officer ('CFO').
Manager(s)	refers to managers (i.e. HMs/CMs/HTMs) and/or senior managers (i.e. SMs/SCMs/SHMs) and/or general managers (i.e. GMs, GCMs), as the case may be, of the Organisations.
Middle Management	refers to Heads of Division ('HODs'), Senior General Manager and General Managers.
Organisations	refers to Coway's Sales, Cody and Homecare organisations and includes any other future organisation(s) that the Company may form from time to time to cater to the business needs of the Company.
Organisation Members	refers to all Health Planners ('HPs'), Coway Ladies ('Codys'), Service Technicians ('STs'), and Homecare Technicians ('HTs'), and also extends to the Managers.

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Personal Data	refers to any information or data that can identify an individual, e.g. name, age, identity card number, telephone number, email address, IP address, home address, photograph, financial records, credit report and employment records.
Sales Order/Application Form	refers to forms created internally (printed or downloadable online) confirming the sale/rental of the Company's Products and/or Services as purchased by Customers, and containing the terms and conditions applicable thereto.
Three Months Cooling-off Period Policy	refers to the Company's policy in which Customer(s) who terminate their respective rental contract with the Company before the expiry of the Minimum Rental Period or the Rental Period (as defined in the respective Sales Order/Application Form), as the case may be, are prohibited for a three months' period, from entering into another contract on rental terms with the Company.
Workplace	refers to the place where you perform your services/work such as the Company's or the Customers' premises and extends to:  (i) work-related social functions; (ii) work-related conferences or trainings; (iii) work-related travels.

### B. Introduction

#### ❖ What is Coway's Code of Business Conduct?

Our values illustrated in Our Philosophy serve as our compass; while our Code of Business Conduct ("Code") is the road map that helps us stay on course with those values.

#### ❖ Why do we have a Code, and why must we follow it?

How do we become one of the most admired brands in the world? It is not just in the Company's Products and/or Services. It is also in the way we work and in the [integrity](#) of our conducts. Integrity is an essential ingredient to our success.

Sometimes, you might face a situation where the right thing to do is not obvious. That is where our Code can help. It serves as your guide to preserving our reputation and living our values. While the Code cannot answer every question, it can show you where to go for guidance when the answer is not clear.

**When faced with a difficult decision about business conduct, ask yourself:**

- [Is it consistent with our Code?](#)

- Is it lawful?
- Does it benefit the Company as a whole – not just a certain individual or group?
- Would I be comfortable if my actions were made public?

If the answer to **any** of these questions is 'No' or even 'Maybe', it is a signal to stop and get advice from or ask questions to your Manager.

### ❖ Who must follow the Code?

All Organisation Members, regardless of rank.

#### Every HP's/Cody's/ST's/HT's Responsibility

- To fulfil Our Philosophy responsibilities, and maintain and enhance our culture and reputation.
- To help us enforce the Code by speaking up if you think there is a violation of the Code, or if you if you are aware of an activity or behaviour that could lead to a violation. Whether you report anonymously or give your name, you should provide as many details as possible, so the issue can be addressed thoroughly and promptly. In addition, you have a responsibility to cooperate in an investigation.  
\* Our Company does not tolerate retaliation against anyone who raises a concern under this Code or assists with an investigation.  
Any Organisation Member who engages in retaliation will face serious consequences, which could include termination of his/her appointment.

#### Every Manager's Responsibility

- To set an example and act in a manner consistent with the Code.
- To act as a role model, demonstrating ethical behaviour in the performance of your duties.
- To make objective business-related decisions.
- To run through the Code at least once a year with your subordinates.
- To help your subordinates understand the Code and Company policies, and direct them to resources to help them live the Code every day.
- To ensure your subordinates are aware of, and properly trained on, the relevant laws, regulations and Company policies that govern the business activities in which they engage on the Company's behalf.
- To create an environment that fosters and enables ethical behaviour, where your subordinates are comfortable speaking up without fear of retaliation.
- To take seriously any concern raised by a subordinate that compromises the Code, and determine if the issue should be escalated. If so, escalate the matter as soon as possible.
- To take corrective or preventive action when someone violates the Code.
- To fully support any investigation.

### ❖ How do we conduct our business?

#### (i) By Doing What is Right for Each Other

- Respect others in the Workplace
- Contribute to a safe and healthy work environment
- Safeguard the Company's Assets

#### (ii) By Doing What is Right for the Company

- Engage in ethical and fair business practices
- Engage and promote ethical sales and marketing activities
- Do not misuse non-public information, including our Customers' Personal Data

- Do not give or accept improper payments/gifts
- Protect the Company's confidential information and intellectual property
- Avoid conflicts of interest with Competitors

### (iii) By Doing What is Right for our Society

- Comply with laws
- Respect human rights
- Do not promote political or religious interests in the Workplace or in the name of the Company
- Use social media responsibly

**C. So as to do what is right for each other, the Company and our Society, the following is a list of Don'ts that you must avoid:**

### 1. Improper Work Ethics

Severity of Breach	Action(s) Amounting to Breach
<b>(a) Minor Breach</b>	<ul style="list-style-type: none"> <li>(i) Being unresponsive to your superior(s)'s calls or messages for two (2) or more business days consecutively without a valid reason.</li> <li>(ii) Inefficiency/incompetency i.e. poor or unsatisfactory performance resulting in low productivity in the performance of your services/work as contracted.</li> <li>(iii) Ceasing performance of your services/work prior to the requisite contracted time.</li> <li>(iv) Loitering and malingering when required to be on duty, in meetings, trainings and/or any events/activities organised by the Company or your respective Organisation.</li> <li>(v) Being unpunctual or late for duties, meetings, trainings and/or any events/activities organised by the Company or your respective Organisation without valid reason.</li> <li>(vi) Leaving the Workplace when obligated to be there without prior notice or valid reason given to your superior(s)/the Company.</li> <li>(vii) Dressing inappropriately while performing your services/work or at meetings, trainings, and/or any events/activities organised by the Company or the Organisations.</li> <li>(viii) Being rude/disrespectful and/or displaying a bad attitude (verbally, in writing or through conduct) towards Internal Stakeholders or External Stakeholders.</li> <li>(ix) Promoting or selling any products or services other than the Company's Products or the Company's Services to Internal Stakeholders or External Stakeholders at the Workplace.</li> </ul>

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<b>(b) Major Breach</b>	<ul style="list-style-type: none"> <li>(i) Being insubordinate/disobeying instructions of your superior(s)/the Company.</li> <li>(ii) Being absent from the Workplace without prior notice or valid reason given to your superior(s)/the Company.</li> <li>(iii) Being absent from meetings, trainings and/or any events/activities organised by the Company or your respective Organisation requiring your attendance without prior notice or valid reason given to your superior(s)/the Company.</li> <li>(iv) Wilfully refusing to carry out your obligations and/or instructions of your superior(s)/the Company or inciting others to do so.</li> <li>(v) Being grossly inefficient or habitually neglecting your duties which may cause financial and/or reputational damage to the Company.</li> <li>(vi) Sleeping whilst on duty, in meetings, trainings and/or events/activities organised by the Company or your respective Organisation.</li> <li>(vii) Failing to clock in/out at your designated branch, or when required, any other branches or office premises (<i>applicable to Managers only</i>).</li> <li>(viii) Deliberately slowing down work or inciting others to do so.</li> <li>(ix) Engaging in any form of business directly or indirectly in conflict with the Company's business on your own/any third party's platforms during or outside business hours (<i>applicable to Managers only</i>).</li> <li>(x) Pasting, altering or removing any items on notice boards in the Company's premises (including your designated branch) without authority.</li> <li>(xi) Exhibiting notices, memos, handbills or circulating papers, documents or marketing materials not issued/approved by the Company, on/in any platforms.</li> <li>(xii) Falsifying, manipulating or scamming the Company's time clock or time card facilities (i.e. committing time clock or time card fraud) (<i>applicable to Managers only</i>).</li> <li>(xiii) Signing documents/agreements on behalf of the Company without proper authorisation.</li> </ul>
<b>(c) Gross Breach</b>	<ul style="list-style-type: none"> <li>(i) Persistently being insubordinate and/or disobeying instructions of your superior(s)/the Company which may cause financial and/or reputational damage to the Company.</li> <li>(ii) Grossly breaching a material obligation as stated in your contract and/or any other obligations as notified by your superior/the Company from time to time.</li> <li>(iii) Holding unauthorised activities at the Company's premises.</li> <li>(iv) Sabotaging the Company's business by taking business opportunities for your own profit, or interfering with the Company's business deals or business relationships with Customers.</li> </ul>

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	<p>(v) Bringing the good image and reputation of the Company, Internal Stakeholders or External Stakeholders into disrepute.</p> <p>(vi) Making false accusations, fabricated allegations or otherwise complaints against any Internal Stakeholders or External Stakeholders in bad faith.</p> <p>(vii) Being uncontactable and/or not performing your services as contracted, for forty-eight (48) hours consecutively (excluding Saturdays, Sundays and public holidays in the state you are contracted to perform your services/work at).</p> <p>(viii) Being in employment of another company on a permanent basis (dual employment) during the tenure of your contract with the Company (<i>applicable to Managers only</i>).</p>
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### 2. Improper/Illegal Sales Practices

Severity of Breach	Action(s) Amounting to Breach
<b>(a) Minor Breach</b>	<p>(i) Contacting Customers to promote the Company's Products and/or Services at unreasonable hours and refusing to back off even when requested by them.</p> <p>(ii) Spamming Customers' emails by sending promotional materials even after clear indication that they do not wish to receive any updates.</p> <p>(iii) Failing to properly explain and/or demonstrate the Company's Products and/or Services offered or the conditions of sale/rental pertaining thereto to Customers.</p> <p>(iv) Failing to furnish Customers with a copy of the Sales Order/Application Form prior to or at the time of sale.</p> <p>(v) Failing to furnish Customers with a receipt or a copy of the duly signed (by the respective Customer) Sales Order/Application Form after the sale is concluded.</p>
<b>(b) Major Breach</b>	<p>(i) Collecting sales or rental proceeds in respect of the Company's Products and/or Services from Customers without the Company's authorisation.</p> <p>(ii) Failing to comply with the Company's instructions or procedures when issuing temporary receipts (TR) to Customers.</p> <p>(iii) Signing Sales Order/Application Forms or any other forms, notices or documents (physical, on apps or other online platforms) on behalf of External Stakeholders.</p> <p>(iv) Inducing Customers to purchase the Company's Products and/or Services based on a representation that the Customer may purchase at a reduced price by referring prospective customers to you, or participating in any other form of referral selling.</p>

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	<p>(v) Persuading/inciting Customers to terminate their existing rental contracts with the Company before the expiry of the Minimum Rental Period or the Rental Period (as defined in the respective Sales Order/Application Form) as the case may be, and enter into new contracts with a view to gain sales and/or commission.</p> <p>(vi) Persuading/inciting Customers to commit acts in contravention of the Company's sales policies or regulations (such as the Three Months Cooling-off Period Policy) with a view to gain sales and/or commission.</p> <p>(vii) Failing to comply with fundamental requirements and or/guidelines prescribed by the relevant authorities and/or the Company in setting up and/or running a roadshow.</p> <p>(viii) Pestering Customers constantly/excessively for payments (in contravention of the guidelines set by the Company or as prescribed by law).</p> <p>(ix) Using/circulating promotional materials or advertisements not approved by the Company.</p> <p>(x) Offering free gifts not authorised/approved by the Company to Customers.</p> <p>(xi) Wilfully misleading or misrepresenting to Customers on the Company's sales/service policies or service regulations, terms and conditions.</p> <p>(xii) Failing to truthfully identify yourself, the Company or the Company's Products and/or Services to Customers.</p> <p>(xiii) Using false/obsolete testimonials or endorsements in respect of the Company's Products and/or Services to deliberately mislead Customers.</p> <p>(xiv) Making inaccurate verbal or written promises or warranties concerning the Company's Products and/or Services to Customers.</p> <p>(xv) Filling in inaccurate or false information (including information that does not belong to the particular Customer) in the Sales Order/Application Forms (physical, on apps or online platforms) on behalf of Customers.</p> <p>(xvi) Filling in the Sales Order/Application Forms (physical, on apps or online platforms) on behalf of Customers without their prior written consent.</p>
<b>(c) Gross Breach</b>	<p>(i) Selling the Company's Products and/or Services by way of fraudulent means (e.g. misrepresenting to Customers that the Company's Products and/or Services are being sold at a discounted rate, by way of sponsorship or on a promotion that has not been authorised/approved by the Company).</p> <p>(ii) Allowing unauthorised persons to conduct sales or perform services on your behalf.</p> <p>(iii) Making payments, whether in respect of rental/outright sales, on behalf of Customers.</p>



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	<ul style="list-style-type: none"> <li>(iv) Failing to submit payments received from Customers to the Company within three (3) business days (or any other period required by the Company) from the date of receipt of such payments.</li> <li>(v) Failing to comply with the Company's directions or procedures when handling Customers' payments.</li> <li>(vi) Accepting sales from any former or ex Organisation Members.</li> <li>(vii) Conducting sales or advertising for sales in respect of the Company's Products and/or Services on any third party online shopping platforms or social media websites.</li> <li>(viii) Committing scams or fraud on Customers.</li> <li>(ix) Using misleading, deceptive or unfair sales practices which may cause financial and/or reputational damage to the Company.</li> <li>(x) Offering, giving, soliciting or accepting any payments, gifts, bribes, secret commissions, favours or other business courtesies that constitute or could reasonably be perceived as constituting, unfair business inducements or that would violate any laws or regulations or the Company's policies.</li> <li>(xi) Engaging in proxy sales.</li> </ul>
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### 3. Unsafe Work Conduct/Working Environment

Severity of Breach	Action(s) Amounting to Breach
<b>(a) Minor Breach</b>	<ul style="list-style-type: none"> <li>(i) Negligently causing or conducting yourself so as to cause minor accidents/injuries to yourself or other persons including Internal Stakeholders or External Stakeholders.</li> </ul>
<b>(b) Major Breach</b>	<ul style="list-style-type: none"> <li>(i) Negligently causing or conducting yourself so as to cause major accidents/injuries to yourself or other persons including Internal Stakeholders or External Stakeholders.</li> <li>(ii) Deliberately or recklessly causing or conducting yourself so as to cause minor accidents/injuries to yourself or other persons including Internal Stakeholders or External Stakeholders.</li> </ul>
<b>(c) Gross Breach</b>	<ul style="list-style-type: none"> <li>(i) Negligently, deliberately or recklessly causing or conducting yourself so as to cause serious accidents/injuries including death to other persons including Internal Stakeholders or External Stakeholders.</li> <li>(ii) Deliberately or recklessly causing or conducting yourself so as to cause major accidents/injuries to yourself or other persons including Internal Stakeholders or External Stakeholders.</li> </ul>

#### 4. Immoral/illegal activities at or outside the Workplace

Breach	Action(s) Amounting to Breach
<b>(a) Major Breach</b>	<ul style="list-style-type: none"> <li>(i) Engaging in any form of gambling or card-playing (physical or online) whether for money or not at the Workplace.</li> <li>(ii) Making comments or remarks on rumours or speculations about Internal Stakeholders, External Stakeholders or the Company's Products and/or Services, at or outside the Workplace.</li> <li>(iii) Speaking to the media/media representatives on behalf of the Company without the Company's authorisation.</li> <li>(iv) Impersonating/falsely representing to be an Employee to mislead Customers (<i>not applicable to Managers</i>).</li> <li>(v) Making false or malicious accusations about Competitors, i.e. making misleading or false comparisons.</li> <li>(vi) Committing or participating in any immoral acts or having an improper relationship of sexual nature with Internal Stakeholders or External Stakeholders.</li> <li>(vii) Arguing so as to provoke Internal Stakeholders or External Stakeholders.</li> </ul>
<b>(b) Gross Breach</b>	<ul style="list-style-type: none"> <li>(i) Abusing authority or improperly using your position to gain monetary or any other kind of personal benefit from the Organisations or the Company.</li> <li>(ii) Consuming or displaying alcoholic beverages at the office premises during or outside business hours.</li> <li>(iii) Consuming or having in possession illegal drugs or narcotics at or outside the Workplace during or outside business hours.</li> <li>(iv) Committing any immoral or illegal acts which undermine the Company's business or image, or which may cause financial and/or reputational damage to the Company.</li> <li>(v) Committing or engaging in any form of harassment, violence, abuse or assault (e.g. hurling items or provoking) towards, or threatening to harm or injure Internal Stakeholders or External Stakeholders.</li> <li>(vi) Participating in any unlawful strikes or picketing and/or refusing to carry out your contractual obligations while coercing or inciting others to join you in your refusal.</li> <li>(vii) Instigating industrial action among Organisation Members or Employees.</li> <li>(viii) Being convicted and/or imprisoned for any criminal offence by a court of law.</li> <li>(ix) Forging medical certificates or other official documents.</li> <li>(x) Forging the signature of Internal Stakeholders on any agreements to which the Company is a party to or the Company's official documents.</li> </ul>

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	<p>(xi) Forging the signature of Internal Stakeholders on any documents/letters/forms.</p> <p>(xii) Deliberately or negligently misrepresenting facts to obtain employment/contract/promotion or other material or non-material advantage in the Company.</p> <p>(xiii) Failing to disclose any serious infections or contagious diseases (e.g. Hepatitis, Aids and Tuberculosis, Covid-19) to your superior(s)/the Company.</p> <p>(xiv) Producing fake documents or falsifying documents to mislead Internal Stakeholders or External Stakeholders.</p> <p>(xv) Wilfully or negligently misrepresenting or falsifying information contained in the Company's documents to mislead External Stakeholders or the public.</p> <p>(xvi) Falsifying documents for the purpose of claiming reimbursements from the Company.</p> <p>(xvii) Wilfully or negligently misleading External Stakeholders by making commitments or guarantees on behalf of the Company without authorisation.</p> <p>(xviii) Spreading rumours or, making false or malicious statements about Internal Stakeholders or External Stakeholders, or the Company's Products and/or Services at or outside the Workplace.</p>
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### 5. Misuse of the Company's Assets

Severity of Breach	Action(s) Amounting to Breach
<b>(a) Major Breach</b>	<p>(i) Using the Company's name to support or oppose any local or overseas political parties and/or its agenda/activities, directly or indirectly.</p> <p>(ii) Using the Company's name to make offensive, biased or discriminatory remarks about any race, religion, ancestry, sexual orientation, handicap, disability or any other sensitive subject matters.</p> <p>(iii) Using the Company's logo and/or name, trademark, the names or images of the Company's spokespersons, influencers or ambassadors on promotional materials without the Company's approval or authorisation.</p> <p>(iv) Providing services other than the Company's Products and/or Services to Customers or other third parties using the Company's Assets.</p>
<b>(b) Gross Breach</b>	<p>(i) Stealing or attempting to steal the Company's Assets.</p> <p>(ii) Misappropriating the Company's Assets for personal use or for the use of others.</p> <p>(iii) Intentionally or recklessly damaging the Company's Assets.</p>

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	<p>(iv) Removing and/or selling the Company's Assets without authorisation.</p> <p>(v) Misusing the Company's Assets for purposes other than providing services as contracted.</p> <p>(vi) Using the Company's trademarks, brand names, logo, copyrights, product package designs, promotional materials, the names or images of the Company's spokespersons, influencers or ambassadors to sell your own/any other third party's products and/or services.</p> <p>(vii) Using the Company's trademarks, brand names, logo, copyrights, product package designs, promotional materials, the names or images of the Company's spokespersons, influencers or ambassadors to sell the Company's Products and/or Services on your own social media sites or websites without proper authorisation or approval.</p> <p>(viii) Reselling the Company's Products and/or Services at a higher price for personal gain.</p> <p>(ix) Misappropriating or embezzling any funds or any other monetary assets of the Company.</p>
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### 6. Breach of Confidentiality

Severity of Breach	Action(s) Amounting to Breach
<b>(a) Gross Breach</b>	<p>(i) Disclosing trade secrets or confidential records or information concerning the Company to Competitors or any third parties.</p> <p>(ii) Misusing Customers' or Internal Stakeholders' Personal Data.</p> <p>(iii) Disclosing Personal Data of Internal Stakeholders or External Stakeholders to unauthorised persons without consent.</p> <p>(iv) Displaying posters, notices or notes containing Customers' Personal Data (including payments owed or overdue) at the Customer's residence/workplace or any public area or platform (including social media sites).</p> <p>(v) Copying confidential files containing Personal Data of Internal Stakeholders or External Stakeholders from the Company's databases, systems or platforms including but not limited to eTrust System, Service Care App, eMall etc., to personal electronic devices (including printing any files/documents/information and taking photographs of the contents of such files/documents).</p> <p>(vi) Disclosing or attempting to disclose any ongoing internal investigations relating to a complaint or matter to unauthorised persons.</p>

## 7. Conflict of Interest

Severity of Breach	Action(s) Amounting to Breach
<b>(a) Gross Breach</b>	<ul style="list-style-type: none"> <li>(i) Engaging in any activities that compromises, or may compromise any Internal Stakeholder's judgement or ability to act in the best interest of the Company.</li> <li>(ii) Failing to disclose any actual or potential conflict of interest to your superior(s)/the Company immediately upon discovery of the same.</li> <li>(iii) Deliberately withholding or concealing significant information from your respective Organisation or the Company for personal gain or interest.</li> <li>(iv) Soliciting and/or attempting to solicit any Organisation Members or Employees to join a Competitor.</li> <li>(v) Soliciting or holding meetings/discussions with any Competitors.</li> <li>(vi) Sharing with Competitors any proprietary or confidential information of the Company including but not limited to the Company's business strategic plans, budget plans, trade secrets or any other information that may be of use to such Competitors or harmful to the Company, if disclosed.</li> <li>(vii) Posting or sharing any information about Competitors on any platforms.</li> <li>(viii) Selling and/or promoting the Competitors' products or services.</li> <li>(ix) Contacting Customers to sell or promote your own or other third party's products and/or services.</li> <li>(x) Directly or indirectly engaging in any activities that may directly or indirectly bring profit or, commercial or business advantages to Competitors.</li> <li>(xi) Entering into any formal or informal agreements (including oral agreements) with Competitors that could restrain competition.</li> <li>(xii) Engaging in any bid or tender rigging activities.</li> </ul>

## 8. Others

Severity of Breach	Action(s) Amounting to Breach
<b>(a) Minor Breach</b>	<ul style="list-style-type: none"> <li>(i) Inciting or aiding another Organisation Member or an Employee to commit any one of the "Minor Breaches" listed in Items 1 to 7 herein.</li> </ul>
<b>(b) Major Breach</b>	<ul style="list-style-type: none"> <li>(i) Contravening the Company's rules and regulations, policies or operating procedures.</li> <li>(ii) Inciting or aiding another Organisation Member or an Employee to commit any one of the "Major Breaches" listed in Items 1 to 8 herein.</li> </ul>
<b>(c) Gross Breach</b>	<ul style="list-style-type: none"> <li>(i) Persistently contravening the Company's rules and regulations, policies or operating procedures.</li> </ul>

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	<ul style="list-style-type: none"><li>(ii) Contravening the Company's rules and regulations, policies or operating procedures which may cause financial and/or reputational damage to the Company.</li><li>(iii) Contravening any applicable laws or regulations (including the Direct Sales Association of Malaysia's Code of Conduct, anti-bribery and corruption laws, the Personal Data Protection Act, etc.).</li><li>(iv) Inciting or aiding another Organisation Member or an Employee to commit any one of the "Gross Breaches" listed in Items 1 to 8 herein.</li></ul>
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## D. Consequences of Breach

If we become aware of a violation of the Code, we will not hesitate to take immediate action to address the problem and to prevent it from reoccurring. Depending on the severity of the breach i.e. varying from minor to gross as stated above, corrective and preventive steps might include counselling and reprimanding actions, or even termination of your appointment, as set forth below:

### 1. If you are a HP/Cody/ST/HT:

(a) Minor Breach:
<p>We may proceed to:</p> <ol style="list-style-type: none"> <li>issue a written reprimand and impose counselling session(s); and/or</li> <li>impose penalties e.g.: forfeit incentives or remuneration of any kind offered by the Company or the right to participate in any contests/events/trips organised by the Company or any Organisation; and/or</li> <li>impose Compliance Points; and/or</li> <li>impose any other reprimanding action(s) that commensurate with the gravity of the breach, as we deem appropriate.</li> </ol> <p>Notwithstanding the above, in the event –</p> <ol style="list-style-type: none"> <li>your breach(es) is/are not corrected despite three (3) written reprimands being issued;</li> <li>you commit five (5) or more minor breaches <i>[either simultaneously or accumulated over a period of time]</i>; or</li> <li>we opine that your breach(es) result or could potentially result in serious implications to the Company,</li> </ol> <p>we may proceed to terminate your appointment in accordance with the terms of your contract with the Company.</p>
(b) Major Breach:
<p>We may proceed to:</p> <ol style="list-style-type: none"> <li>issue a written reprimand; and/or</li> <li>impose penalties e.g. forfeit incentives or remuneration of any kind offered by the Company or the right to participate in any contests/events/trips organised by the Company or any Organisation; and/or</li> <li>impose Compliance Points; and/or</li> <li>impose any other reprimanding action(s) that commensurate with the gravity of the breach, as we deem appropriate.</li> </ol> <p>Notwithstanding the above, in the event –</p> <ol style="list-style-type: none"> <li>your breach(es) is/are not corrected despite one (1) written reprimand being issued;</li> <li>you commit three (3) or more major breaches <i>[either simultaneously or accumulated over a period of time]</i>; or</li> <li>we opine that your breach(es) result or could potentially result in serious implications to the Company,</li> </ol> <p>we may proceed to terminate your appointment in accordance with the terms of your contract with the Company.</p>
(c) Gross Breach:
<p>We may proceed to:</p> <ol style="list-style-type: none"> <li>terminate your appointment immediately in accordance with the terms of your contract with the Company; and/or</li> </ol>

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| ii. impose any other reprimanding action(s) that commensurate with the gravity of the breach, as we deem appropriate. |
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**2. If you are a Manager:**

<b>(a) Minor Breach:</b>
<p>We may proceed to:</p> <ul style="list-style-type: none"> <li>i. issue a written warning; and/or</li> <li>ii. impose counselling sessions; and/or</li> <li>iii. suspend you without pay for a period not exceeding two (2) weeks; and/or</li> <li>iv. impose Compliance Points; and/or</li> <li>v. take any other action(s) that commensurate with the gravity of the breach, as we deem appropriate.</li> </ul> <p>Notwithstanding the above, in the event –</p> <ul style="list-style-type: none"> <li>(a) your breach(es) is/are not corrected in spite of steps (i) and/or (ii) and/or (iii) and/or (iv) and/or (v) above;</li> <li>(b) you repeatedly commit any minor breach(es); or</li> <li>(c) we opine that your breach(es) result or could potentially result in serious implications to the Company,</li> </ul> <p>you may be subject to more serious reprimanding actions including where applicable, demotion (with reduction of salary and/or any incentives), or termination of your appointment in accordance with the terms of your contract with the Company.</p>
<b>(b) Major Breach:</b>
<p>We may proceed to:</p> <ul style="list-style-type: none"> <li>i. issue a stern written warning; and/or</li> <li>ii. suspend you without pay for a period not exceeding two (2) weeks; and/or</li> <li>iii. impose Compliance Points; and/or</li> <li>iv. take any other action(s) that commensurate with the gravity of the breach, as we deem appropriate.</li> </ul> <p>Notwithstanding the above, in the event –</p> <ul style="list-style-type: none"> <li>(a) your breach(es) is/are not corrected in spite of steps (i) and/or (ii) and/or (iii) and/or (iv) above;</li> <li>(b) you repeatedly commit any major breach(es); or</li> <li>(c) we opine that your breach(es) result or could potentially result in serious implications to the Company,</li> </ul> <p>we may proceed to terminate your appointment in accordance with the terms of your contract with the Company.</p>
<b>(c) Gross Breach:</b>
<p>We may proceed to:</p> <ul style="list-style-type: none"> <li>i. suspend you with half pay for a period not exceeding two (2) weeks for purposes of investigation and further inquiry; and/or</li> <li>ii. where applicable, demote you (with reduction of salary and/or any incentives to commensurate with position); or</li> <li>iii. terminate your appointment in accordance with the terms of your contract with the Company.</li> </ul>



**(d) Persistent Gross Breaches By Immediate Downline(s)**

If you are a Manager and your immediate downlines commit any Gross Breaches, we may proceed to take action as follows:

- i. Second occurrence (same/different downline(s)): issue a first written warning to you;
- ii. Third occurrence (same/different downline(s)): issue a second written warning to you;
- iii. Fourth time and above (same/different downline(s)): demote you (with reduction of salary and/or any incentives to commensurate with position) or terminate your appointment in accordance with the terms of your contract with the Company.

Notwithstanding the aforesaid, we may also take the following action(s) against you:

- (a) impose penalties e.g. forfeit incentives or remuneration of any kind offered by the Company or the right to participate in any contests/events/trips organised by the Company or any Organisation; and/or
- (b) impose Compliance Points; and/or
- (c) take any other action(s) as we deem appropriate.

**E. Enquiries:**

If you need advice or wish to raise a concern, start with your Manager – he or she is in the best position to understand and take appropriate action. If you feel uncomfortable speaking with your Manager, you may contact the following resources:

Matter	Resource	Contact Information
Reporting any violation of the Code	Compliance Department –Guardian of Coway	(i) Guardian of Coway via eTrust System; (ii) <a href="mailto:compliance@coway.com.my">compliance@coway.com.my</a>
Legal questions	Legal Department	<a href="mailto:legal@coway.com.my">legal@coway.com.my</a>
Enquiries on the Code of Business Conduct	Compliance Department	<a href="mailto:compliance@coway.com.my">compliance@coway.com.my</a>

***This Code may from time to time be revised by Coway, as deemed necessary. Coway may use reasonable efforts to bring any significant changes to the Code to your attention.***