

# **Coway's Code of Business Conduct (for Organisation Members)**

Coway (Malaysia) Sdn. Bhd.

## 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> <ul style="list-style-type: none"> <li>i. issue a written reprimand and impose counselling session(s); and/or</li> <li>ii. 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>iii. impose Compliance Points; and/or</li> <li>iv. impose any other reprimanding 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 despite three (3) written reprimands being issued;</li> <li>(b) you commit five (5) or more minor breaches <i>[either simultaneously or accumulated over a period of time]</i>; 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) Major Breach:
<p>We may proceed to:</p> <ul style="list-style-type: none"> <li>i. issue a written reprimand; and/or</li> <li>ii. 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>iii. impose Compliance Points; and/or</li> <li>iv. impose any other reprimanding 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 despite one (1) written reprimand being issued;</li> <li>(b) you commit three (3) or more major breaches <i>[either simultaneously or accumulated over a period of time]</i>; 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>
(c) Gross Breach:
<p>We may proceed to:</p> <ul style="list-style-type: none"> <li>i. terminate your appointment immediately in accordance with the terms of your contract with the Company; and/or</li> </ul>



- |   |
|---|
| ii. impose any other reprimanding action(s) that commensurate with the gravity of the breach, as we deem appropriate. |
|---|

**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.***

# **Business Ethics & Compliance Handbook**

Coway (Malaysia) Sdn. Bhd.

*Version 01.22*

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## 1.0 OUR PHILOSOPHY, MISSION AND VISION

### OUR PHILOSOPHY

#### ***“We Believe in Goodness”***

We believe that the sum of our actions will eventually create a better world to live in.

### OUR MISSION

#### ***“Healthy Environment, Happy People”***

Together as a team, our journey of unearthing new possibilities, new solutions and new beginnings will continue for generations to come. We simply believe that a better world is possible when actions – of any sizes – are taken.

### OUR VISION

#### ***“Best Life Solution Company”***

At Coway, we strive to make the world a better place, a cleaner place and a safer place. Our future generations deserve the best in everything – clean water, fresh air and a pristine environment. This is our vision. Our dream. Our pledge.

## 2.0 MESSAGE FROM THE MANAGING DIRECTOR

At COWAY, we are committed to conducting our day-to-day activities in accordance with the highest ethical standards.

Trust is one of our most valuable assets and at the same time is also one of the most fragile one. Because of one event, happening, story, news, careless comment, action, the trust that we worked so hard to earn and build together will be lost overnight.

Therefore, the way we conduct COWAY business is as important as the product we sell to the market to our beloved customers. COWAY's Business Ethics and Compliance handbook provides us a guidance with the information we need to operate our business responsibly, to make ethical decisions and ultimately to maintain and continue to build trust.

With the launch of this handbook, I urge you to read this handbook and use it as a guidance to your actions because as we move forward, this handbook will make sure that COWAY's values continue to be reflected in each and everyone of you and in our business activities.

Speak up if you have any concerns or witness something wrong, and seek guidance anytime if you are uncertain about the right thing to do. We are proud of everything that we have accomplished and we are humbled to lead COWAY together.

Together, we will continue to make a huge and positive difference.



**Kyle Choi**

Managing Director  
Coway (Malaysia) Sdn. Bhd.

### 3.0 ABOUT THIS HANDBOOK

Business Ethics and Compliance Handbook ("this Handbook") is prepared by the Compliance Department based on the content of the COWAY Code of Business Conduct, Employee Code of Conduct, Employee Handbook and company policies and procedures. This Handbook is applicable to all employees and independent contractors of COWAY (hereinafter referred to as "COWAY Personnel"), including the following:

- Health Planners ("HP")
- Coway Lady(ies) / Service Technicians ("CODY")
- Coway Technicians ("CT")
- Homecare Technicians ("HT")

This Handbook is intended to provide practical guidance in handling business ethics and compliance issues. It also enables COWAY to strengthen the sense of ethics and uphold the highest ethical standards among its employees and independent contractors.

The topics covered in this Handbook are important and all relevant parties are required to read and understand this handbook. Anyone who violates this Handbook may be subject to appropriate disciplinary action and/or consequences up to dismissal from employment or termination of services agreement with COWAY.

We recognise that this Handbook may not address every possible situation that might arise and in that regard, we should use good judgment at all times in all that we do. The following questions may guide your decision making if you face an ethical dilemma:

- Which choice is in compliance with laws and regulations and company policies?
- Which choice is the honest one?
- Is it aligned with our company's core values?
- How will others be affected by your decision?

You are encouraged to always ask for help before you take action.

## **PART A - RESPONSIBILITIES IN RELATION TO BUSINESS CONDUCT AND ETHICS**

### **4.1 OUR RESPONSIBILITIES**

COWAY is committed to complying with all applicable law and regulations in maintaining the highest standards of business conducts and ethics. It is your responsibility to:

- act in accordance with the same compliance standards;
- comply with all the company policies and procedures; and
- ensure the business activities of COWAY are conducted on the basis of high ethical standards and transparency and in compliance with all the relevant rules and regulations.

This Handbook can help you recognise some potential issues in the performance of your daily activities and give us some guidance on how to react in different situations.

You should ask your immediate superiors if you have a question or are unsure on how to deal with a situation that is not covered in this Handbook or you are unsure on how to deal, and/or how to apply COWAY business conduct and ethical standards. The Compliance Department can also be of assistance if your superiors are unable to provide clear guidance.

Each of you have an obligation to report concerns regarding non-compliance with COWAY's Code of Business Conduct and/or other ethical standards.

### **4.2 ADDITIONAL RESPONSIBILITIES APPLICABLE TO SUPERIORS**

If you lead or supervise other COWAY personnel, you are required to demonstrate ethical leadership and set the right tone for your subordinates. In addition to the responsibilities prescribed in **Section 3.1**, you shall, among others:

- lead by example when applying relevant laws and regulations, COWAY's Code of Business Conduct and ethical standards, policies and procedures;
- regularly communicate the importance of ethically sound business practices and discuss the ethical implications of business decisions;
- create and maintain an open environment where the Company's personnel feel comfortable coming forward with questions and concerns;
- train and guide your subordinates and ensure that they comply with all relevant laws and regulations, COWAY's Code of Business Conduct and ethical standards, policies and procedures; and
- be responsible and ensure that compliance concerns in your areas of responsibilities are properly handled and solved, and reported promptly and accurately.



### 4.3 SEEKING GUIDANCE AND REPORTING COMPLIANCE CONCERNS

COWAY recognises the importance of asking questions, seeking help when we need it, and raising potential concerns. We understand that asking questions gives COWAY a chance to avoid problems before they cause harm to COWAY's business, reputation, members and customers.

If you are not sure about anything you read in this Handbook or require clarification on what you have read, you should speak with your superiors or consult the Compliance Department.

Compliance concerns should be reported promptly because the earlier the Company knows about them, the sooner it can investigate and take appropriate action.

#### ***Reporting Compliance Concerns***

If you notice something that is not right, you should raise your concerns to our superior (provided he/she is not involved in the violation) or report to the Compliance Department.

Any compliance concerns can be reported via the following channels:

#### For employees:

- Email to [yourvoice@coway.com.my](mailto:yourvoice@coway.com.my)

#### For organisation members:

- Email to [compliance@coway.com.my](mailto:compliance@coway.com.my) ; or
- Lodge a report through the "Guardian of COWAY" portal available in the eTrust system.

All the reports received by the Human Resource Department and Compliance Department will be handled promptly and discreetly. Rest assured that all reports will be treated confidentially and information will only be shared as necessary for investigation purposes.

#### ***Obligation to Cooperate***

COWAY Personnel must cooperate with any investigations carried out by the Compliance Department and/or Human Resource Department. Cooperation includes answering all questions, providing accurate, truthful, and complete information, preserving relevant evidence, documents and most importantly refraining from interfering with any investigations in any way.

All COWAY Personnel must keep any information related to a report of possible violation or a confidential investigation.

#### ***Failure to Report Violations***

Anyone who is found to have failed to report a violation of COWAY's Code of Business Conduct, Employee Code of Conduct, Employee Handbook and/or Business Ethics & Compliance Handbook, is also a violation of COWAY's rules and regulations which may result in disciplinary actions, including possible dismissal of employment or termination of services agreement.

COWAY is committed to providing a business environment that promotes open communications in relation to business ethics, compliance and other related matters and encourages reporting of violations and raising compliance concerns without any fear of retaliation.

COWAY strictly prohibits any form of retaliation, retribution, or harassment against any COWAY Personnel who in good faith raises issues or asks questions, makes reports, participates in an investigation, refuses to participate in suspected improper or wrongful activities. Additionally, COWAY does not tolerate interference with an investigation.

All allegations of retaliation, retribution or harassment, and interference with an investigation will be investigated, and if applicable, disciplinary action will be taken, including possible dismissal of employment or termination of services agreement.

## PART B – RELATIONSHIP WITH THE COMPANY

### 5.1 SAFETY AND HEALTH IN WORKPLACE

COWAY is dedicated to maintaining a healthy and safe workplace and environment that complies with safety and health laws and regulations for COWAY Personnel, suppliers, visitors and business partners as well as people in the community in which we operate.

All COWAY Personnel should share the responsibility to maintain a healthy and safe environment as a daily priority. You should be aware of the safety procedures applicable to our activities and must avoid any injuries or accidents in our workplace and in the course of work.

*In practice, you should, among others:*

- observe safety rules at the workplace at all times;
- make responsible choices and not take, initiate any unsafe or unnecessary acts while on the job/while performing services;
- never bring illegal drugs or other controlled substances into any COWAY premises and office or be under their influence;
- take care, watch out for each other and help each other to avoid any unsafe behaviour and conditions;
- promptly report any unsafe or unhealthy behaviours, conditions, incidents especially workplace hazards, injuries, broken or missing office equipment, threatening or any violent behaviours;
- know what to do during an emergency and always cooperate during the practice of emergency drills; and
- if a disaster or an industrial accident occurs, give highest priority to human life and respond to the situation swiftly.

**Question:**

Employee A is a new employee who joined the Company two months ago. One day, he found that the emergency door has been obstructed by goods such as inventory and unused office equipment. He immediately reported this to his branch manager. The manager explained that the office lacks space and he therefore resorted to place some goods at the emergency door. The manager also told Employee A not to worry as the likelihood of a fire occurring in the office is very low. What should Employee A do now?

**Answer:**

Employee A should inform the branch manager about his safety concerns. If the branch manager does not listen and take his concern seriously, he should report it to the Human Resource Department.

## 5.2 WORKPLACE ANTI-HARRASSMENT

COWAY is devoted in maintaining a working and business environment in which we treat each other with pride and respect and that is free from harassment. COWAY believes that every COWAY Personnel should be treated with respect regardless of their religion, race, ethnicity, age, nationality, marital status and gender.

Harassment is unwanted behaviour which you find offensive or which makes you feel intimidated or humiliated. It can happen on its own or alongside other forms of discrimination. Unwanted behaviour could be:

- Spoken or written abuse
- Offensive emails
- Tweets or comments on websites and social media
- Images and graffiti
- Physical gestures
- Facial expressions
- Banter.

COWAY will not engage in or tolerate any harassment or any other acts that impair an individual's dignity, including discrimination on the basis of religion, race, ethnicity, sex, age, nationality, marital status and gender.

Behaviour that hinders other COWAY Personnel's work environment or creates an abusive, offensive, disruptive, hostile or threatening working environment is prohibited.

***In practice, you should, among others:***

- be aware and mindful about your comments and actions;
- conduct yourself properly in all dealings with other COWAY Personnel, vendors and customers;
- not endure any form of harassment or exploitation towards any colleagues, suppliers, business partners or anyone else with whom COWAY is doing business with; and
- avoid unwanted verbal and/or physical conduct (sexual or otherwise), any humiliating, degrading and disparaging comments or jokes related to age, skin colour or gender.

***Question:***

Employee A is a female employee working in a branch office. During lunch break, her male colleague made a sexual gesture with his hands when she was having a casual chat with the said colleague. Employee A felt uncomfortable and embarrassed. Her male colleague later explained that it was just a joke. What should Employee A do?

***Answer:***

Her male colleague has committed an offence of sexual harassment. Employee A should report this concern to Human Resource Department.

### 5.3 DIVERSITY AND INCLUSION

COWAY has respect and faith for each human being of all opinions, backgrounds and capabilities. COWAY encourages a comprehensive environment that promotes and supports an individual's creativity, invention, expression and accomplishment.

COWAY believes that diversity of ideas and people will lead to innovation, provide vital insights into customers' expectations and improve COWAY's competitive advantage in the market.

COWAY is committed to treat all COWAY Personnel and applicants for employment fairly regardless of their background and religion. COWAY strives to retain and develop a diverse workforce. COWAY values individuals of diverse backgrounds, ideas, opinions, experiences, methods and promotes this outlook with those companies and personnel with whom we do business with.

***In practice, you should, among others:***

- never make offensive, biased or discriminatory remarks;
- retain, hire or promote based on candidates' qualification, skills, achievements and other qualities; and
- treat each other with respect, dignity and aim to foster an atmosphere of open and honest communication.

## PART C – CORPORATE ASSETS AND INFORMATION

### 6.1 PERSONAL DATA PROTECTION

COWAY recognises the importance of protecting personal data, including but not limited to customers, suppliers, independent contractors and employees and is committed to comply with all relevant laws and regulations.

As a COWAY Personnel, you are required to exercise a high standard of duty of care and integrity in relation to an individual's privacy and confidentiality when collecting and processing personal data, especially sensitive personal data.

*In practice, you should, among others:*

- gather, use and process personal data for legitimate business purposes only;
- ensure any personal information you possess is secured and can be accessed/retrieved only by authorised persons;
- protect the confidentiality and privacy of our customers' and colleagues' personal information by not disclosing such information to anyone, internally and externally, except for customers who have given express consent to COWAY; and
- manage personal data appropriately in accordance with the Company policies and procedures.

**Question:**

Employee A works as a customer service assistant who has the right of access to customer data, while her boyfriend, Person B, is a sales agent of the same Company. Person B was recently pressured by his superior to increase his sales performance. In this regard, Person B requested Employee A to retrieve a list of customer data from the company's system so that he can call the customers for new sales or service contracts. Person B promised he will not leak the data to anyone outside the Company. Should Employee A share the customer data with Person B?

**Answer:**

No. Employee A should not provide the customer data regardless of the circumstances and it is considered a serious misconduct (Breach of Confidentiality). Being an employee hired by the company, Employee A has a fiduciary duty to protect all customer data.

## 6.2 PROTECTION OF COMPANY ASSETS

COWAY Personnel are entrusted with the Company's assets on a daily basis and are responsible for protecting these assets and using them appropriately. Company assets also include other tangible and intangible assets, such as physical property, equipment, funds, vehicles and intellectual property.

All COWAY's assets are for the conduct of its business activities and shall only be used for legitimate business purposes.

***In practice, you should, among others:***

- take reasonable care to prevent damage, loss, theft, demolition or unauthorised use of COWAY's assets;
- make effective use of company assets and avoid wastage;
- safeguard or protect access to COWAY's facilities and prevent unauthorised entry to our facilities;
- safeguard the company's data from modification, unauthorised access, duplication or disclosure, whether accidentally or intentionally;
- return COWAY's devices, information, media, other properties before ending employment or services agreement with COWAY;
- immediately report any incident of damage, loss, theft or misuse of company assets;
- never use company asset for personal financial gain; and
- never sell, transfer or dispose company assets without approval and authorisation from the Company.

## 6.3 CONFIDENTIAL INFORMATION

Confidential information is an important asset of COWAY. Disclosing our confidential information intentionally or accidentally might undermine our business. Therefore, all COWAY employees and independent contractors (COWAY Personnel) have a duty to make every effort to diligently safeguard such confidential information from theft, misuse, infringement, unauthorised disclosure and mishandling.

Confidential information received from third parties are similarly important. When we come across information from a third party in our work, we are required to obtain the necessary consent to use or process it.

***Confidential information includes the following:***

- Employee and business partners list
- Employee Record
- Legal opinion
- Detailed procurement information
- New product and marketing plans
- Trademarks, trade secrets, patents and other intellectual property
- Company's business plans
- Proprietary information like formulas, product features in detail etc.
- Software or technology data
- Non-public financial results of the Company

***In practice, you should, among others:***

- avoid discussing confidential information in public areas, such as elevators, restaurants, planes, whether in person or through mobile phones. Instead, we should discuss confidential information and review confidential documents in private locations;
- never use confidential information for your own personal gain or to benefit anyone outside COWAY;
- never forward emails and other internal communications or documents of the Company to other COWAY Personnels or outside parties; and
- only collect and use confidential information for legitimate business purposes.

***Question:***

Employee A, a marketing executive of the Company, had lunch at a café with her ex-colleague, Person B, whom she has not met for a long time. They had a great chat about their time working together. Out of excitement, Employee A tells Person B about the company's plan on a new product launch, including some sensitive information (e.g. price and product features). Person B promised not to tell anyone about what Employee A has shared. Is that okay?

***Answer:***

Absolutely not. Product and marketing plans are confidential information. Employee A should never disclose such information to unauthorised persons. What Person B has done is a serious offence and subject to disciplinary action, up to termination of employment.



## 6.4 INTELLECTUAL PROPERTY

COWAY's intellectual property is another valuable and important asset. It helps in developing and maintaining the Company's long term revenue stream and competitive advantage. It is also the outcome of all our efforts and forms the foundation of COWAY's business. All COWAY Personnel should appropriately manage and protect our intellectual property at all times.

At the same time, you must respect the intellectual property rights of third parties and avoid infringement and misuse of such rights. Unauthorised use of third parties' intellectual property rights may lead to claims against our Company and you, personally.

### ***Intellectual property includes:***

- Copyrights
- Patents
- Trade secrets
- Trademarks
- Design rights
- Systems and processes
- Customer lists
- Software
- Logos and brand

### ***In practice, you should, among others:***

- immediately report to your superior or Compliance Department if you are aware of any violations of COWAY's intellectual property rights;
- never disclose to anyone outside COWAY any know-how that belongs to COWAY, even unintentionally;
- never intentionally commit any act that may infringe the intellectual property rights of others; and
- appropriately use and manage COWAY's intellectual property in accordance with applicable company policies.

## 6.5 DOCUMENTATION AND RECORDS

The Company's documents and records serve as a basis for managing our business and are important in meeting our obligations to customers, suppliers, business partners, COWAY Personnel and others with whom we do business with. As a result, the Company's documentation and records shall be created and completed accurately, fairly and timely.

Improper alteration of documents and falsifying or making misleading entries in any kind of record is strictly prohibited and may be subject to disciplinary action, up to termination of employment / service.

***Documents and records include, but are not limited to:***

- Financial records
- Sales records and documents (e.g. invoices and sales agreements)
- Service records for customers
- Employees, business partners and supplier records
- Company's contracts and agreements
- Investigation records for misconduct or violations to the Code of Business Conduct
- Customers' complaints

***In practice, you should, among others:***

- ensure all business transactions are supported by appropriate documents;
- never make any entries in our documents or records that intentionally hide or disguise the true nature of the transaction;
- accurately reflect the sales or other commercial terms in any legal documents when dealing with customers, suppliers and business partners;
- never alter any documents, records and contracts unless you are authorised to do so;
- never sign agreements on behalf customers; and
- never forge signatures on any document (including letter and form) for personal benefits.

## PART D – RESPONSIBILITY TO SOCIETY AND STAKEHOLDERS

### 7.1 CONFLICT OF INTEREST

Conflict of interest occurs when an individual's personal interests – family, friendships, financial, or social factors – could compromise our judgment, decisions, or actions in the workplace or business deals. This conflict may cause us to make a biased decision that may not be in the COWAY's best interest. You should always avoid such conflicts of interest.

You should never use your position or capacity within our Company or company assets to pursue personal gains or assist others in profiting at the expense of the Company.

If you have an actual conflict of interest or there is a potential appearance of a conflict of interest, you should declare it to your immediate superior so that appropriate solution can be found.

***Common examples of conflicts of interest include:***

- Your family member works for a competitor or a supplier of COWAY.
- You have a business interest or outside employment that may conflict with COWAY's best interests.
- You are in a personal or romantic relationship with someone who is in your direct or indirect reporting line.
- Sharing economic interests with customers, business partners or competitors of COWAY.
- Hiring or working on hiring one of your close relatives or friends.
- Procuring or giving an instruction to procure goods and services from a company owned or managed by one of your close relatives and friends.

***Conflicts of interest may be avoided by:***

- Clearly and openly distancing ourselves from any decision-making if a close personal contact is involved.
- Promptly and fully disclosing any appearance of a potential conflict of interest.
- Encouraging open and honest communications.
- Not mixing COWAY's business and any business of your family members, close friends or other related parties.
- Not accepting or retaining employment and/or other engagements that could conflict with your role at COWAY.

***Question:***

My brother has recently started working for a company that supplies office equipment and stationery to my company. Should I ask him to stop conducting business with my company?

***Answer:***

Not necessary. Our company does not prohibit conducting business with companies who employ family members. It is important that you immediately disclose that relationship and take necessary actions to prevent any conflict of interest. For example, you should not participate in any decision making process involving the company for which your brother currently works for.

## 7.2 ANTI-BRIBERY AND CORRUPTION

Bribery is a serious misconduct and a violation of anti-corruption laws subject to criminal penalties. COWAY does not tolerate bribery or other corrupt practices in its business dealings. We abide by all applicable anti-corruption laws and regulations. We do not offer, attempt to offer, authorise or promise any sort of bribe to any third parties, whether public or private, either directly or indirectly. Moreover, we do not solicit or accept bribes.

COWAY also does not provide or receive any gifts, entertainment or other benefits unless permitted under applicable laws, internal company policies and only within the limits of generally accepted social standards.

Bribery means directly or indirectly (i.e. through a third party), offering, giving, receiving or soliciting something of value (monetary or non-monetary) in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an establishment. Bribes may include money, gifts, travel or other expenses, hospitality, below-market loans, discounts, favours, business or employment opportunities or any benefit or consideration, direct or indirect.

***In practice, you should, among others:***

- when engaging with third parties, conduct appropriate due diligence to ensure that they demonstrate the same high standards as COWAY concerning anti-bribery and corruption;
- never offer or promise payment or items of value to anyone for the purpose of corruptly influencing their decisions in connection with the supply of goods or services to or from COWAY;
- never allow facilitating payments or the giving of anything of value, regardless of the monetary value, to Government officers for the purpose of receiving any favour in return;
- never accept any monetary gifts of any value; and
- immediately report any suspicious transactions or acts of bribery.

***Question:***

Person A, a sales agent of our company, recently submitted a sales quotation to a prospective corporate customer which plans to purchase a large quantity of products. The procurement officer from the prospective customer called Person B and informed that the price offered by our company is slightly higher than other competitors. However, the officer said that he can persuade his boss to accept the offer if Person A buys him a luxury watch. What should Person A do?

***Answer:***

Solicitation and offer of bribes are both serious criminal offences under the Malaysian Anti-Corruption Commission Act 2009. As a result, Person A must not offer anything of value (monetary or non-monetary) to the procurement officer. Person A should instead explain the reasons for high pricing from anchor of the quality and features of the product.

### 7.3 SAFETY AND QUALITY OF PRODUCTS AND SERVICES

COWAY gains customer trust and confidence through delivery of safe, reliable and high-quality products and services constantly. We do our very best to continue to fulfil these expectations and reliance on us.

We ensure all the products meet safety and quality requirements before we put them into the market. Also, we fully ensure conformity with all applicable regulations and industry standards, especially on product safety.

*In practice, you should, among others:*

- provide adequate accurate information and safety instructions to customers with respect to the use and handling of our products;
- immediately report to your superiors or relevant departments in the event of product defects, complaints, accidents or any potential safety concerns discovered; and
- Measure and record product data properly. We should under no circumstances falsify and conceal product data.

## PART E – THE MARKETPLACE

### 8.1 COMPLIANCE WITH COMPETITION LAWS

COWAY strives to ensure all activities by or on its behalf comply with laws and regulations governing fair competition. The competition law prohibits certain activities that could give a company an unfair business advantage over the competitors. Examples of prohibited unfair competition activities include formal or informal agreements to fix prices, bid rigging, collusions with competitors, exclusive dealings and price discrimination agreement's.

You should consult the Legal Department if you have any questions about the application of competition laws to a particular situation.

***In practice, when dealing with competitors, you should not, among others:***

- enter any formal or informal agreements (including oral agreements) with a competitor that could restrain competition, especially concerning prices, discounts, profits, margins, market share, customers, and suppliers;
- rig bids or tenders;
- discuss or exchange information with a competitor on competitively sensitive information;
- obtain sensitive information about competitors directly and indirectly from competitors; and
- engage in any conversations about competitively sensitive information with competitors.

***In practice, when dealing with customers and suppliers, you should not, among others:***

- attempt to dictate or control customer resales price;
- terminate or refuse to sell to existing customers without a legitimate business justification; and
- require exclusivity from a customer or grant exclusivity to a supplier (exclusive dealing), unless the condition has been approved by the higher management.

***Question:***

Employee A is attending a trade fair and his friend from a competitor brand approaches him. Employee A's friend talks about his employer's plan to lower their product prices in response to the price war due to stiff competition in the market. The friend asked Employee A on how business is going and whether his company will follow suit in a price cutting exercise. How should Employee A respond?

***Answer:***

Employee A should respond in a general, non-specific, using public information only that the Company has shared. He should not discuss any of the Company's price practices with anyone who does not need to know. Employee A should gently remind his friend that they should not discuss company private information to each other.

While we never underestimate our competitor, we should always demonstrate a commitment to integrity and ethics in the marketplace.

## 8.2 FAIR COMPETITION PRACTICES

**EXTERNALLY**, COWAY always strives to outdo our competitors through our excellent service and high quality products but never through illegal and unethical business practices. COWAY does not conduct any activities to derogate the reputation of other companies. COWAY also do not make inappropriate displays of our products which could lead customers to misunderstand the quality and properties of our products.

*In practice, you should not, among others:*

- engage in defamatory acts intended to damage reputation of other companies, including the Company's competitors;
- make use of another company's product identification (e.g. trademark, logo and label) or confusing displays in order to avoid causing confusion between our Company's products or business and another companies' products and business;
- use any expressions that may cause misunderstandings regarding country of origin, quality, contents and other specifications in relation to COWAY's products. We should use accurate and truthful data in our catalogues and product manuals.

**INTERNALLY**, COWAY promotes fair and healthy competition among authorised sales and service agents in the sale of the Company's products and services. Our Company prohibits any illegal and unethical sales practices that may place our colleagues at disadvantage positions.

*In practice, you should not, among others:*

- induce customers to purchase products and/or services through misleading information or unauthorised price cutting;
- make false accusations about your colleagues, especially in the presence of or to customers;
- offer bribes or illegal gratification to customers to close a sale;
- obtain customer data in an unauthorised or illegal manner;
- personally provide any cash and gifts (e.g. jewellery, luxury handbag, travel package and etc.) to customers as a token of appreciation or in exchange for closing a deal.

**Question:**

Person A, a sales agent of the Company, approached his neighbour to sell a water purifier (OMBAK for example). The neighbour told Person A that he has recently placed an order with another sales agent to purchase a water purifier but the product has yet to be installed. Person A immediately offers to pay his neighbour RM100, which is a partial payment (slightly lower than COWAY official stipulated price) for product, in exchange for the neighbour terminating the previous order and placing a new order with him. Is this acceptable?

**Answer:**

No. This is an unethical sales practice prohibited by our company. Person A should respect the effort and time contributed by other sales agent in closing a deal. He should pursue other sales opportunities.

### 8.3 SALES AND MARKETING PRACTICES

COWAY shows pride in our brand and we recognise the importance of fair dealing practices and transparency in our advertising, packaging and the information provided to customers about our products and services.

All COWAY Personnel involved in the selling, advertising, promoting and marketing of COWAY products and services must ensure that our business conduct is always guided by honesty and integrity.

In addition, COWAY prohibits sales of any company products (including parts and filters) and services through third party online shopping platforms (i.e. website or apps) to ensure proper control and monitoring of sales activities.

***In practice, you should, among others:***

- be accurate and truthful when representing the quality, features or availability of our products and services;
- ensure that any comparisons to competitors' products and services must be substantiated with current and factual data;
- never take unfair advantage of anyone including the Company's competitors through misrepresentation of material facts, manipulation, concealment, abuse of privileged information and fraud;
- never exaggerate the benefits or functions of our products and services or promise a customer a level of quality that cannot be delivered;
- conduct promotional activities by only using materials that have been approved by the Company;
- never sell any COWAY products and services through third party online shopping platforms.



## PART F – COMMUNICATING ABOUT OUR COMPANY

### 9.1 SOCIAL MEDIA

All COWAY employees and independent contractors (COWAY Personnels) are responsible for the Company's reputation whether during office hours or otherwise. Our actions may adversely affect COWAY'S reputation, which is detrimental to COWAY's business. In view of this, you should be mindful of what you post on social media in your personal capacity and avoid being seen to be acting on behalf COWAY, or expressing COWAY's official views or opinions. Social media platforms include social networking sites such as Facebook, Twitter and Instagram, blogs, message boards and chatrooms.

Any social media accounts created for COWAY's business purposes must be approved in prior and be in accordance with the Company's policies and procedures.

***When participating in social media, you should, among others:***

- clearly identify your posts as personal and use a personal email address;
- avoid speaking or being seen to be acting on behalf of COWAY when acting in personal capacity; and
- apply and exercise discretion and good judgement when communicating through any social media, acting respectfully and professionally towards others at all times.

***When participating in social media, you should not, among others:***

- speak on behalf of COWAY or express that your opinions are the opinions of COWAY, unless you are specifically authorised to do so;
- engage in communications that might be considered derogatory, defamatory, offensive, harassing, or obscene towards COWAY or COWAY's customers, competitors, business partners etc;
- engage in speculation or rumours about COWAY or any other company including COWAY's competitors;
- open social media accounts in personal capacity that could be interpreted by others as acting on behalf of COWAY (e.g. using COWAY's company name or logo), unless you are authorised to do so;
- disclose COWAY's confidential information or non-public information; and
- create social media accounts for business purposes without proper approval.

**Question:**

When surfing on Facebook, I come across a post uploaded by a customer complaining about an experience he had with our Company. The post has gone viral since yesterday and it attracted many emotional comments made by other social media users. Is that okay to post a comment to correct the customer's misconception?

**Answer:**

Even if your intention is to respond positively, sensitive customer service issues are always best to be handled by those who are designated to respond. Instead of commenting on the post, you should contact your manager or the relevant department so that they may determine whether or how to respond.

## 9.2 PUBLIC COMMUNICATION

COWAY discloses material information concerning the Company to the public through specific limited channels to avoid inappropriate publicity and to ensure that all the relevant stakeholders have equal access to information. Only certain authorised individuals are authorised to make public statements or speak on behalf of COWAY.

All the inquiries from the media, including news, print, television or radio reporters as well as bloggers, should be referred to the relevant departments for response and handling. You should not respond or comment on such inquiries unless you are authorised to do so. Also, you should not provide any information to the media about the Company off the record, confidentially or secretly.

***In practice, you should, among others:***

- avoid speaking to the media on behalf of COWAY unless you are authorised to do so;
- exercise discretion when communicating about COWAY. Never comment on rumours or speculations; and
- never make any commitments or guarantees on behalf of COWAY within or outside the Company without prior authorisation.

***Question:***

I have been contacted by a reporter who requested for information about a rumoured material corporate exercise (e.g. acquisition of a company overseas). I have heard discussions about the deal in the office. Can I tell the reporter what I know?

***Answer:***

No. You must not communicate with the reporter, unless you are authorised to do so. You should let the Company's authorised personnel to address any media inquiries.

## 10.0 GLOSSARY OF TERMS

For the purpose of understanding this Business Ethics & Compliance Handbook, capitalised 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 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> <li></li> </ul>
Company's Products	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'.
Company's Services	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'.
Company's Products and/or Services	refers to the Company's Products and/or the Company's Services.
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.
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.
Higher Management	refers to Coway's Managing Director ('MD'), Chief Operating Officer ('COO') and Chief Financial Officer ('CFO').
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.
Workplace	<p>refers to the place where you perform your job such as the Company's or the Customers' premises and extends to:</p> <ul style="list-style-type: none"> <li>(i) work-related social functions;</li> <li>(ii) work-related conferences or trainings;</li> <li>(iii) work-related travels.</li> </ul>