

# **Code of Ethics**

**SeAH Group**

Dear SeAH executives and employees,

We have continued to grow into a trusted company despite the rapidly changing environment. However, there will be greater changes to the environment, and our society is calling for a high-level of ethical corporate management.

In the past, the emphasis was on high quality products, good services and product differentiation. However, for a company to continue its development, trust and respect from its customers, stakeholders and society are becoming more important than ever.

Therefore, we, SeAH Group, would like to further develop into a world-class corporation by practicing proactive and concrete ethical management.

Ethical management goes beyond the passive meaning of simply complying with legal obligations and eliminating unlawful behavior. It requires each officer and employee to perform their work responsibly on behalf of SeAH by observing the basics and principles and fulfilling social responsibilities, which will lead to growth for not only the company but also our customers, business partners and shareholders.

There is a saying that it takes 20 years to build a reputation, but 5 minutes to destroy it. Ethical management is not a one-time thing, nor is it something that only some officers and employees should do. A culture of ethical management can be firmly established only if we cultivate a high-level of ethical awareness and continuously practice such awareness one by one.

This Code of Ethics Practice Guideline is a guiding principle for value judgment that all SeAH people should know and practice. Let's make SeAH a trusted and dignified company by actively practicing these principles.

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## **The Need for Ethical Management**

## The Need for Ethical Management

Ethical management refers to management that complies with market order and fulfills the rights and obligations as a social entity. In other words, it means management that not only complies with laws and institutions, but also actively fulfills corporate social responsibilities.

Corporate social responsibility can be broadly divided into four categories:



Ultimately, the goal of ethical management is to give trust to all members of society, including customers, shareholders, business partners, employees and local communities, as a reliable company by faithfully fulfilling its responsibilities as a member of society.

Recently, companies have begun to recognize that ethical management is directly related to corporate value, brand image, and its reputation. Now, ethical management is the starting point for generating business profits in the global market going beyond corporate social responsibility, and is recognized as an essential survival strategy.

## **Ethics Charter and Code**

## **Ethics Charter**

SeAH fulfills its corporate social responsibilities through ethical management that adheres to the basics and principles, and creates rich values that enables growth and development for our customers, employees, business partners and shareholders.

<Preamble>

SeAH respects the order of the free market economy that pursues fair and transparent competition based on an ethical corporate culture that adheres to the basics and principles, and complies with all laws and regulations, through which it aims to become a “company that makes the world more beautiful” by creating rich values and growing together with its stakeholders.

## **Code of Ethics**

### Chapter 1 Social Responsibility

SeAH aims to become a corporate citizen trusted by society through transparent management and rational business development.

1. SeAH conducts its business pursuant to market order based on free competition, complies with all laws and regulations of Korea and abroad where it conducts business, and respects the customary business practices thereof.
2. SeAH fulfills its responsibilities and duties as a member of society by contributing to national development through job creation and faithful reporting and payment of taxes.
3. SeAH contributes to social development by guaranteeing and encouraging employees to participate in sound community services, and provides the necessary institutional support.
4. SeAH does not engage in politics and does not directly or indirectly provide or pay illegal donations or expenses.
5. SeAH complies with the laws and regulations related to environmental protection, and strives to prevent wasteful consumption of resources and pollution.

### Chapter 2 Responsibilities to Stakeholders

SeAH puts the value of its customers and shareholders first, and strives to grow together with its business partners.

1. SeAH respects its customers and endeavors to provide products and services that the customers need.
2. SeAH prioritizes protecting the interests of its customers, and shall actively disclose information that customers should, or need to, know.
3. SeAH respects the rights and investment returns of all shareholders and investors, and provides the necessary information in a timely manner.

4. SeAH guarantees its business partners equal opportunity to participate in transactions and to set reasonable transaction terms and conditions, and promotes mutual growth by establishing mutual trust through transparent transactions.
5. SeAH respects the employees of its business partners, and does not engage in any form of unfair conduct using its superior bargaining position.

### Chapter 3 Responsibilities to Executives and Employees

SeAH regards its employees as its most valuable asset and strives to make SeAH a place for self-fulfillment.

1. SeAH provides a working environment where individual creativity can be demonstrated, and provides systematic support for employees to fairly perform their duties.
2. SeAH establishes a system that enables its executives and employees to develop into autonomous and creative talents, and provides equal opportunities.
3. SeAH does not discriminate against employees based on gender, religion, age, educational background, place of origin, disability, etc., and treats employees fairly according to their abilities and achievements.
4. SeAH respects the privacy of employees as much as possible, and creates a safe and comfortable working environment to create a good workplace.
5. SeAH creates a system in which employees can freely express their opinions to management and do not suffer any disadvantages for doing so.

### Chapter 4 Basic Ethics of Executives and Employees

SeAH's executives and employees have the proper values and do not engage in unethical or illegal acts that may be condemned by society in relation to their daily life and duties.

1. SeAH executives and employees fulfill their assigned missions through continuous self-development and fair job performance with pride as SeAH people.
2. SeAH executives and employees strictly separate public and private matters, so they do not receive any form of financial benefit from stakeholders, and do not use business hours or company products for personal use.
3. SeAH executives and employees respect each other, observe basic etiquette necessary for work places, and do not act in any way that would undermine the company's sound work atmosphere.
4. SeAH executives and employees do not create factions based on academic or regional affiliation within the company, and do not engage in monetary transactions amongst executives and employees.
5. SeAH executives and employees do not disclose or utilize the business information of customers or the company that they acquired while performing their duties for personal gain.



## **Addendum**

### Article 1            Enforcement

This Code of Ethics shall enter into force on January 1, 2005.

### Article 2            Practices by Executives and Employees

Specific and detailed standards of conduct related to the implementation of this Code of Ethics shall be in accordance with the Code of Ethics Practice Guidelines for Executives and Employees established by each company.

### Article 3            Interpretation

If there is any doubt about the interpretation of this Code of Ethics or the Code of Ethics Practice Guidelines, or if there is any matter not prescribed therein, the Ethics Management Department or Ethics Management Office of each company shall have the authority to interpret such matters and make decisions.

### Article 4            Relationship with Other Regulations

This Code of Ethics and the Code of Ethics Practice Guidelines shall prevail over other company regulations.

# Code of Ethics Practice Guideline

## Chapter 1 General Provisions

### 1. Purpose

The purpose of this Guideline is to set forth the matters necessary for implementing the Code of the Ethics and the guideline that SeAH executives and employees should observe (hereinafter “You”).

### 2. Definition

- (1) “Duty” means any direct or indirect business that you carry out as a SeAH executive or employee.
- (2) “Stakeholder” means a person or organization having a business relationship with SeAH, and any person or organization inside or outside SeAH whose rights and interests are affected by the acts or decision-making of SeAH executives and employees related to their duties. The giving and receiving (money or valuables) through family members, relatives, acquaintances, etc. shall be deemed as actions of their own.
- (3) “Inevitable circumstances” refer to cases where the refusal was impossible because it was delivered during one’s absence, or where a stubborn refusal of a favor is determined to be rude.
- (4) “Reporter” means all executives and employees who are obligated to file a report in relation to the giving or receipt of money, valuables, entertainment, etc. or becoming aware of such giving or receipt.
- (5) “Ordinary level”
  - 1) Definition: Ordinary level refers to a level that is acceptable by other executives, employees or non-beneficiaries based on sound common sense.
    - (i) The level of which legitimacy is recognized when open to the public
    - (ii) The extent to which the beneficiary can handle business from a fair standpoint without feeling any undue burden.
  - 2) Requirements
    - (i) Reciprocity. Relevant parties should be on an equal footing.
    - (ii) The other party should not have a particular repulsion.
    - (iii) It shall not be frequent, periodic or habitual.
    - (iv) It shall not be in connection with any time or purpose that is critical to the business.
    - (v) It shall not be luxurious or extravagant.
    - (vi) It shall not violate social morals and customs.

### 3. Matters Subject to the Code of Ethics

The types of unethical conduct that are regulated in the course of performing one’s duties are as follows:

- (i) Receipt of benefits (money or other valuables) from stakeholders: money, valuables, entertainment, borrowing, repayment or guarantee of debts, borrowing and lending money and future guarantees, etc.
- (ii) Unfair equity investment in business partners: giving, receiving or investing in listed or non-listed shares, joint investment, joint property acquisition, etc.
- (iii) Lack of transparency in the selection of business partners: Unfair opportunities, unfair trade practices, leakage of information of business partners, etc.
- (iv) Misappropriation of the company assets: Use of tangible and intangible assets for unauthorized purposes, embezzlement and misappropriation of public funds, etc.
- (v) Falsification of documents or figures, and false reporting: Falsification or alteration of documents or figures, false reporting, etc.
- (vi) Others: Neglect of duty, failure to properly manage and supervise, abuse of power, impairment of dignity, etc.

## Chapter 2 Receipt of Benefits (Money or valuables) from Stakeholders

### 1. Basic Principles

- (1) You must not accept any benefit from stakeholders for any reason, and must politely refuse or return any gift.
- (2) If it was inevitable that you receive benefits from stakeholders, such receipt must be reported according to the reporting procedure.
- (3) Your family member shall not receive or request benefits from stakeholders that they believe are provided in relation to work.
- (4) The basic types of benefits are as follows, and include all other acts recognized as bribery by common sense:
  - (i) Money or valuables (including securities and gifts), entertainment and hospitality, convenience etc.
  - (ii) Borrowing (movable and immovable properties), debt repayment or guarantee, loan, etc.
  - (iii) Future guarantees (e.g., promising employment and job placement after retirement, promising execution of contract, etc.)

### 2. Forms of Receipt of Benefits (Money or Valuables) and Code of Ethics

- (1) Direct receipt
  - (i) Where you directly receive money or valuables from a stakeholder.
  - (ii) Where your family member, relative or friend receives money or valuables from a stakeholder on behalf of you and delivers them to you.
- (2) Indirect receipt
  - (i) Where a superior receives money or valuables from a stakeholder and delivers them to his/her subordinate
  - (ii) Where a subordinate receives money or valuables from a stakeholder and delivers them to his/her superior
  - (iii) Where employees in the same position receive money or valuables from a stakeholder and exchange them with each other
- (3) Violation of the Code of Ethics

Any direct or indirect receipt of money or valuables from a stakeholder is considered a violation of the Code of Ethics.

### 3. Receipt of Money or Valuables (Securities, Money and Gifts)

- (1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Gift	Golf driving range or fitness club vouchers, gift cards, tickets, goods or other promotional and discount benefits	Reporting	Limit: KRW 50,000 or less per occasion (Promotional and discount benefits are permitted only when they are available to the general public)
Money or Valuables	Cash, checks and other securities	Prohibited	Prohibited
Congratulatory and Consolatory Money	Congratulatory and consolatory money and goods (wreath, first-birthday ring, etc.)	Intentional request / in excess of limit are prohibited	Congratulatory/condolence money and goods shall not exceed KRW 100,000 in light of social norms.
Payment of Expenses	Requiring stakeholders to pay expenses for entertainment, meals or other personal expenses	Prohibited	To be reimbursed later under inevitable circumstances

(2) Action guidelines in case of receiving gifts

- (i) If a stakeholder gives you a gift, you shall politely refuse or return it. (Promotional and discount benefits are permitted only when they are available to the general public; but if the benefit is intended for you, that shall be considered a gift)
- (ii) If you do not know that a stakeholder has given a gift, or if it is rude to immediately refuse or return it, the following procedure shall be followed:
  - a. If you receive a gift of KRW 50,000 or less, you may keep it after verbally reporting to your supervisor.
  - b. If you receive a gift exceeding KRW 50,000, you shall prepare a “Report on Receipt of Money or Valuables” (see page 73 for the report form) within 3 days, obtain approval from your supervisor, and submit the report to the Ethics Management Department.



- (iii) If it is difficult to determine otherwise, please consult with the Ethics Management Department in advance.
- (3) Action guidelines in case of receiving money or valuables
- (i) If a stakeholder gives you money or valuables, you must not accept it for any reason, and must politely refuse or return it.
  - (ii) You shall report the receipt in the form of “Report on Receipt of Money or valuables” within 3 days, return or wire transfer the money or valuables to the representative of the giver, and submit the relevant deposit slip to the Ethics Management Department.
- (4) Action guidelines in case of receiving congratulatory and consolatory money
- (i) Congratulatory and consolatory money within the general range recognized by social norms need not be reported. The amount of congratulatory and consolatory money recognized by social norms shall not exceed KRW 100,000.
    - a. Congratulatory and consolatory money: Cash payment of up to KRW 100,000 is allowed only for wedding congratulatory money of SeAH officers and employees and their children and condolence money of their immediate family members (including parents of their spouses).
    - b. Congratulatory/condolence goods, wreaths for congratulatory/condolence events and celebration for a promotion, etc. shall not exceed KRW 100,000 (Giving or accepting wreaths related to congratulatory/condolence events, promotion, etc. among affiliates is prohibited).
  - (ii) If the amount of congratulatory/condolence money received from a stakeholder exceeds the range recognized by social norms, or if a prior notice of congratulatory/condolence event is given to a stakeholder that could impose a burden on him/her, it shall be deemed to be intentional, and therefore, you shall not engage in the following acts:
    - a. Deliver or send a notice or invitation to stakeholders (email, mail, fax, etc.);
    - b. Posting on a bulletin board, etc. visible to outside stakeholders; and
    - c. Directly talk about congratulatory/condolence events to stakeholders or openly inform them through your boss, colleagues or subordinates.
- (5) Prohibition on payment of expenses
- (i) You should not call a stakeholder to entertain a client or to pay for a team dinner, or give the stakeholder a receipt for such event and receive money.
  - (ii) If you happen to meet a stakeholder at a place where you are having team dinner or similar event, and the stakeholder first pays for the expense, you must report it to your supervisor, treat it as the company's expense and reimburse the stakeholder.

## 4. Entertainment and Hospitality

## (1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Meal		Not to exceed the limit	Limit: KRW 50,000 or less per person
Decadent entertainment establishments	Room salon, karaoke bars, nightclubs, massage parlors, high-end barbershops, high-end saunas, and other luxury/luxury entertainment venues.	Prohibited	Prohibited
Games	Go-stop, Casino	Prohibited	Prohibited
Sports	Golf, ski	Prohibited	Other than official meetings approved by the company, all entertainment events with stakeholders are prohibited.

## (2) Action guidelines in case of receiving entertainment and hospitality

- (i) You may receive customary business entertainment, such as having a meal to discuss business, with the approval of your supervisor, but only if the amount is reasonable and not prohibited by law or business practice.
- (ii) Even when having a meal to discuss business, if the level of entertainment is determined to exceed the prescribed limit or the entertainment is changed to a type that is prohibited, you shall avoid or refuse it.
- (iii) You must not receive entertainment or hospitality through any sporting event, such as golf outings, skiing, etc. at the expense of any stakeholder, unless such event is held at an official meeting or approved in advance by the company.
- (iv) If you received entertainment or hospitality provided by a stakeholder, you must report it to the Ethics Management Department in the form of "Report on Receipt of Money or Valuables", except for a simple meal not exceeding KRW 50,000 per person.
- (v) If it is difficult for you to distinguish between a general meal for business purposes and entertainment/hospitality, you must consult with the Ethics Management Department in advance, or take such action as you consider most appropriate and report the results to the Ethics Management Department.

## 5. Provision of Convenience

## (1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Business travel support	Transportation (railway/airline/bus ticket or car support, etc.), accommodation (lodging, meals, etc.)	Fair compensation for convenience	Payment of actual expenses for convenience
Personal leave support	Provision of convenience such as transportation, lodging, tour guide, etc. during personal vacation	Prohibited	Prohibited
Office supplies	Support for department relocation expenses and provision of office supplies (wall clock, mirror, tissue, etc.)	Prohibited	KRW 100,000 or less under inevitable circumstances
Sponsorship/support	Sponsorship of department events (money, goods, transportation, etc.), invitation to a stakeholder-sponsored event that is not related to work (seminars in Korea or abroad, etc.)	Prohibited	Unless otherwise approved by the company in advance, an invitation of a stakeholder to an company event or participation in a stakeholder-hosted event is prohibited.

## (2) Action guidelines in case of receiving support for business travel and personal vacation

- (i) You must not request or accept convenience from any stakeholder for any purpose.
- (ii) If you did not pay the fair price for transportation/accommodation provided by a stakeholder, you shall remit the amount to the representative of the stakeholder, and submit a report to the Ethics Management Department after attaching a copy of the deposit slip to the report and obtaining approval from your supervisor.

## (3) Action guidelines in case of receiving office supplies

- (i) You must not accept any support (cash, goods) from a stakeholder in the event of office or department relocation.
- (ii) In case of notifying stakeholders of office or department relocation for business needs, you must state in the notice that providing money or valuables are not allowed so that stakeholders are not burdened by such notice.



- (iii) If it is inevitable to receive office supplies, it shall be limited to small goods (wall clock, flowerpot, mirror, etc.) equivalent to not more than KRW 100,000, and if it exceeds the amount, the goods shall be returned and reported according to the prescribed procedure.
- (4) Action guidelines in case of receiving sponsorship/support
- (i) You must not receive sponsorship of cash, goods, transportation, etc. from stakeholders during company events, such as picnics, athletic events, workshops, etc.
  - (ii) Notifying the event in advance in the following manner shall also be deemed as an intention to receive sponsorship:
    - a. Openly telling stakeholders the matters related to the event so that they feel pressured, or posting on the internal bulletin board, etc. that can be seen by the stakeholders;
    - b. Delivering the event notice to the stakeholders without prior approval of the company;
  - (iii) If it is necessary to invite a stakeholder due to the nature of the event, you shall obtain prior approval from the company, and notify the stakeholder that the company does not receive any support (money or valuables) so that the stakeholder does not feel any pressure for attending the event.
  - (iv) If a stakeholder brings cash or items exceeding KRW100,000, it must be returned to the stakeholder, and if there was no choice but to receive it or the items did not exceed KRW 100,000, the event manager must explain the company's policy to prevent recurrence with a showing of appreciation.
  - (v) If you participate in an event hosted by a stakeholder, such participation must be for business purposes and approved by the company in advance. If you determine that the event has nothing to do with the company's business or the event was changed to a prohibited type of convenience or entertainment, you shall avoid it. If you have inevitably received entertainment or hospitality, you shall pay the fair price for it to the stakeholder and report it to the Ethics Management Department in compliance with the applicable procedure.

6. Borrowing (movable and immovable properties), Debt Repayment or Guarantee, Loan

(1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Borrowing/ Buying low / Selling high	· Leasing, encumbering, free receipt or below market price purchasing of assets of a stakeholder such as movables and real property	Prohibited	Prohibited

	• Selling the assets of SeAH executive or employee at a high price		
Debt repayment	• Settling or repaying personal liabilities such as credit card payments, credit accounts, loans, etc.	Prohibited	Prohibited
Guarantee	• Demanding or offering guarantee for a loan	Prohibited	Prohibited
Loan	• Borrowing or lending money to a stakeholder, or pay or receive interest thereon.	Prohibited	Prohibited

(2) Action guidelines in case of borrowing, “buying low or selling high”

- (i) You shall not lease assets or obtain collateral from any stakeholder for your or your family member’s convenience or profit.
- (ii) Acquiring movable or real property free of charge or purchasing it at a price lower than the normal price and taking substantial profits therefrom are prohibited, and shall be considered as giving and accepting money.
- (iii) Selling your movable property or real property to a stakeholder at a price higher than the normal price and taking substantial profits from such sale is also strictly prohibited, and shall be considered as giving and accepting money.

(3) Action guidelines in case of debt repayment and provision of guarantee for loan

- (i) Payment on behalf of a SeAH executive or employee: Requesting a stakeholder to pay, repay or provide a guarantee for debts (card payments, credits, loans ,etc.) owed by you, your family member or any SeAH employee, or accepting a stakeholder’s proposal of such payment, repayment or guarantee is prohibited.
- (ii) Loan guarantee: Requesting a stakeholder to provide a guarantee for a loan taken out by you, your family member or any SeAH employee (no matter which financial institution provides the loan) or accepting a stakeholder’s proposal of such guarantee is prohibited.

(4) Action guidelines in case of a loan

- (i) You or your family members are prohibited from borrowing or lending money to any stakeholders.
- (ii) The act of lending or borrowing money itself and the payment or receipt of interest thereon for whatever reason shall be deemed as giving or receiving of money.

7. Future Guarantees (promise of employment, promise of execution of contract, etc.)

(1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Promise of employment	Receiving a guarantee for employment after retirement or promise of job placement from a stakeholder	Prohibited	Prohibited
Promise of contract execution	Promising a transaction after retirement	Prohibited	Prohibited

(2) Action guidelines

- (i) Promise of employment and job placement after retirement: You shall neither request a stakeholder to a promise employment after retirement or other similar promises, nor accept such promise from a stakeholder.
- (ii) Promise to execute a contract: You shall neither request a stakeholder to promise any benefits such as entering into a transaction with you after retirement, nor accept such promise from a stakeholder.
- (iii) If a stakeholder provides a guarantee for employment or a promise of entering into a transaction, you must immediately report it to your supervisor and then to the Ethics Management Department.

## Chapter 3 Unfair Equity Investment in Business Partners

### 1. Basic Principles

- (1) You shall never acquire any unjust shares in listed or non-listed securities of a business partner.
- (2) Joint investment or acquisition of joint property with a stakeholder is an unfair act, and the amount equivalent to the beneficial interest in such investment or acquisition shall be deemed to have been received from the stakeholder.
- (3) The basic types of unfair equity investment are as follows, and include all other forms of acquisition of joint property related to stakeholders:
  - (i) Acquisition or investment in listed or non-listed shares
  - (ii) Joint investment in movable/real property or acquisition of joint property

### 2. Forms of Unfair Equity Investment and Code of Ethics

- (1) Direct equity investment
  - (i) Where you directly receive or invest in shares of a stakeholder
  - (ii) Where you jointly invest with a stakeholder to acquire property
- (2) Equity investment through a third party
  - (i) Where you own or invest in the shares of a stakeholder using the name of your family member, relative or friend (borrowed name)
  - (ii) Where you cause or advise your family member, relative or friend to acquire or invest in the shares of a stakeholder.
- (3) Violation of the Code of Ethics

In principle, investing in stocks or jointly acquiring property, either directly or by using a third party's name, shall be deemed a violation of the Code of Ethics. In addition, even if you are not gaining any profit yourself but merely soliciting a third party to invest, it will be deemed as unfair equity investment and a violation of the Code of Ethics if you are able to exercise influence upon the stakeholder.

### 3. Prohibition of Joint Investment and Acquisition of Joint Property

- (1) If you or your family member jointly acquires movable or real property through co-investment with a stakeholder (irrespective of its purpose), you shall be deemed to have received an amount equal to your share in the property from the stakeholder.

- (i) If you acquire assets such as a condo, golf or health club membership, real estate, etc. in the name of a joint holder or a third party, you shall be deemed to have a beneficial interest in all such assets.
- (ii) If you have a joint investment with a stakeholder based on a personal relationship formed prior to the stakeholder having a business relationship with SeAH, you shall report the relevant facts to the Ethics Management Department and dispose of your share.
- (2) It is strictly prohibited to beneficially own a business partner that has a business relationship with SeAH through co-investment with a stakeholder, either directly or through your family.
- (3) Even if you are not engaged in any co-investment, you are strictly prohibited from being listed as a director of a stakeholder, holding any concurrent office in the stakeholder or substantially performing the business of the stakeholder to the effect of influencing the business relationship.

## Chapter 4 Lack of Transparency in the Selection of Business Partners

### 1. Basic Principles

- (1) You shall strictly comply with the Monopoly Regulation and Fair Trade Law when transacting with business partners.
- (2) You shall select the best business partner on the basis of fair and transparent principles. These principles must be complied with not only in large-scale purchase contracts but also in all transactions, including simple service contracts.
- (3) If it is necessary to restrict or adjust the terms and conditions of transactions with a business partner, it shall be in accordance with transparent procedures based on clear and reasonable grounds.
- (4) There shall be no inequality, unfair treatment or unkind trading by using your superior position.
- (5) The basic types of unfair conducts in relation to business partners are as follows, and include all other unfair conducts prescribed by the Monopoly Regulation and Fair Trade Law and the Enforcement Decree thereof;
  - (i) Unfair opportunity
  - (ii) Unfair trade practices
  - (iii) Leakage of information of business partners

### 2. Code of Ethics for Fair Trade

- (1) Persons subject the Code of Ethics related to fair trade
  - (i) Members of the procurement department related to the procurement/service work and persons in charge of the relevant work at the department to which the ordering has been delegated
  - (ii) Persons who are in charge of warehousing (input), inspecting, or paying the purchased items in relation to the procurement/service work
  - (iii) Persons who perform works that directly affect the selection of specific items for purchase, such as research and development
  - (iv) All executive and employees who are otherwise directly or indirectly involved in relevant works

#### (2) Violation of the Code of Ethics

You shall comply with the transaction regulations and fair procedures when transacting with business partners. If you fail to comply with such regulations and procedures and fail to provide an objective explanation, you shall be deemed to have violated the Code of Ethics. In addition, it is a material violation of the Code of Ethics to exercise influence over stakeholders through relevant departments on matters unrelated to your work.

### 3. Unfair Opportunity

#### (1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Refusal to deal	• Refusal to deal or deprivation of opportunity	Prohibited	Prohibited
Restriction on participation	• Establishment of exclusive terms and conditions or trading territories without any reasonable grounds, limitation on transaction counterparties	Prohibited	Prohibited
Discrimination	• Price discrimination, discriminatory application of transaction terms • Granting preferential treatment to certain companies (high unit price, transaction terms)	Prohibited	Prohibited

#### (2) Action guidelines

- (i) Any SeAH executive or employee who is in a position to exert a decisive influence on the selection and evaluation of business partners must not exercise influence to favor or discriminate a specific company.
- (ii) You shall give business partners fair opportunities and conditions according to SeAH's principles and procedures, and shall not engage in any unfair trade practices prohibited under the fair trade laws as well as any other unfair conducts in violation of SeAH's regulations and policies.
- (iii) You shall have a justifiable reason for any inevitable restriction on transactions with business partners, and shall not intentionally engage in any of the following conducts to give an opportunity only to a specific business partner:
  - a. Refusal to deal: Where you refuse to deal with a certain business partner without any specific reason although the business partner does not have any legal issue or particular disqualifications under SeAH's regulations.
  - b. Restriction on participation: Where you select or exclude a certain business partner by

- Setting exclusive transaction terms and conditions on prices, quality, etc.;
  - Limiting trade territories without any justifiable reason; or
  - Limiting transaction counterparties for ambiguous reasons
- c. Discrimination: Where you give favor to or discriminate a specific company by;
- Applying discriminatory supply prices or different quality conditions;
  - Arbitrarily adjusting the transaction volume or setting the priority of transactions; or
  - Protecting an existing business partner, giving preferential treatment to a company in which retirees, etc. are involved, or preferring school or regional ties despite such business partner having made no improvement to SeAH's competitiveness.

(iv) If there is an inevitable reason to restrict transactions with business partners, you shall report the reason to your supervisor and obtain his/her approval according to the prescribed procedures.

#### 4. Unfair Trade Practices

##### (1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Unfair trade	<ul style="list-style-type: none"> <li>• Unilateral adjustment of supply volume, unfair underpricing, unilateral change of contract terms, intentional delay of payment</li> <li>• Overpricing for certain business partners</li> </ul>	Prohibited	Compliance with company regulations if changing the transaction terms is necessary
Unfair support	<ul style="list-style-type: none"> <li>• Unfair financial, manpower and asset support</li> </ul>	Prohibited	Prohibited
Business interference	<ul style="list-style-type: none"> <li>• Unfair use of technology, unfair employment of person from the business partner, interference with transactions with competitors, other forms of business interference</li> </ul>	Prohibited	Prohibited

##### (2) Action guidelines



- (i) You shall maintain your relationship with any business partner based on mutual trust and prosperity. You shall not unilaterally establish a business relationship that only serves SeAH's interest or intentionally disadvantages any business partner and causes damage to the business partner.
- (ii) Any SeAH executive or employee who is in a position to exert a decisive influence on the selection and evaluation of business partners must not exercise influence to favor or discriminate a specific company.
- (iii) You shall give business partners fair opportunities and conditions according to SeAH's principles and procedures, and shall not engage in any unfair trade practices prohibited under the fair trade laws as well as any other unfair conducts in violation of SeAH's regulations and policies.
- (iv) You shall have a justifiable reason for any inevitable change in transaction terms with business partners, and shall not unilaterally cancel transaction terms or intentionally engage in any of the following conducts:
  - a. Unfair trade: When the transaction terms need to be adjusted during the contract term, unilaterally adjusting transaction terms without prior consultation by;
    - Unilaterally demanding a reduction in the supply price;
    - Unilaterally notifying adjustment of supply volume;
    - Unilaterally demanding a change in specific contract terms;
    - Intentionally delaying payment; or
    - Unilaterally discontinuing transactions without a justifiable reason during the contract term
  - b. Unfair support: Unfair support to a specific business partner to provide its competitive edge by;
    - Providing financial or personnel support to a particular business partner without a justifiable reason; or
    - Transferring or leasing SeAH's facilities or assets at a low price or free of charge without a justifiable reason or transparent procedure.
  - c. Business interference: Engaging in any of the following conducts intentionally or without prior consultation with the business partner;
    - Unfairly using a business partner's technology;
    - Intentionally interfering with a business partner's transaction with SeAH's competitor; or
    - Otherwise intentionally interfering with business activities to give disadvantages to the business partner
- (v) If there is an inevitable reason to change transaction terms with a business partner, you shall report the reason to your supervisor and obtain his/her approval according to the prescribed procedures, and if necessary, you shall discuss such changes with the business partner.

5. Leakage of Information of Business Partners

(1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Information leakage	Leakage of information obtained from business partners	Prohibited	Prohibited

(2) Action guidelines

- (i) You shall not disclose to a third party any information of a business partner in connection with the business relationship without the approval of the business partner's representative.
- (ii) In particular, you shall not cause any damages to the business partner, such as harm its business activities or departure of personnel, by disclosing such information to the business partner's competitor.

## Chapter 5 Misappropriation of Company Assets

### 1. Basic Principles

- (1) SeAH's tangible and intangible assets and confidential information are important assets of SeAH and shall be used only for SeAH's business activities and authorized purposes. SeAH executives and employees shall be responsible for preventing loss, misuse or theft of the company's assets.
- (2) SeAH's budget shall be used as public funds for sound corporate activities. Therefore, it shall be used for the prescribed purpose in compliance with SeAH's regulations.

### 2. Forms of Asset Embezzlement/Misappropriation and Code of Ethics

#### (1) Asset embezzlement/misappropriation

- (i) Using SeAH's tangible assets, such as equipment and devices, or removing them from SeAH's premises without permission;
- (ii) Using a corporate credit card, various consumables, etc. in a manner inconsistent with the purpose of use or for personal use;
- (iii) Utilizing SeAH's intangible intellectual assets, which should be protected as confidential information, such as product drawings and information systems, for personal or other person's profit, or leaking such intangible intellectual property without permission.

#### (2) Embezzlement/misappropriation of public funds

- (i) Utilizing SeAH's public funds by withdrawing them without authorization
- (ii) Appropriating SeAH's funds or actually receiving cash with false documentation

#### (3) Violation of the Code of Ethics

All assets of SeAH shall be used in accordance with fair procedures in accordance with express accounting guidelines and information protection regulations, and any failure to comply with such guidelines and to objectively explain the reasons therefor shall in principle be deemed to be a violation of the Code of Ethics. In particular, taking out tangible and intangible assets without permission and using them for profit-making purposes for the officers and employees themselves or other stakeholders, and using SeAH's public funds for personal purposes constitute a material violation of the Code of Ethics.

### 3. Use of Tangible or Intangible Assets for Other Purposes

(1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Embezzlement/ misappropriation of tangible assets	<ul style="list-style-type: none"> <li>• Immovable assets: land, building, facilities, equipment, etc.</li> <li>• Embezzlement or unauthorized use of tangible immovable assets for personal profit-making purposes</li> <li>• Corporate credit card: Embezzlement of public funds, use for personal profit-making purposes</li> </ul>	Prohibited	Prohibited
Misappropriation of intangible assets	<ul style="list-style-type: none"> <li>• Leakage of product drawings, trade secret and information, information systems, etc. for personal profit-making purposes or providing the same to competitors</li> </ul>	Prohibited	Prohibited

(2) Action guidelines

- (i) SeAH's all assets shall be used only for its business activities or authorized purposes
- (ii) In particular, assets such as corporate credit card, vehicles, PCs and various office supplies shall be used only for business purposes, not for personal use.
- (iii) The information and communications system shall be used only for authorized business purposes, and shall not be misused for unsound and commercial purposes. In addition, you shall not leak SeAH's confidential information to a third party by using SeAH's system.
- (iv) You shall not conduct any business or engage in any other person's business for personal gain by using information or knowledge obtained through the use of your position and duties.

4. Embezzlement/misappropriation of public funds

(1) Regulated acts and criteria

Classification	Example	Principle of Conduct	Criteria
Embezzlement/ misappropriation of public funds	<ul style="list-style-type: none"> <li>• Unauthorized withdrawal of the company's public funds, use for private purposes, embezzlement by falsifying books and records, granting of public funds to stakeholders</li> <li>• Payment of expenses based on false receipts (receipts for personal purchases)</li> <li>• Abuse of the company's policy where proof of costs need not be submitted</li> <li>• Adding expenses (such as personal entertainment expenses or other expenses that are inappropriate to be reimbursed) to other accounts</li> </ul>	Prohibited	Prohibited

(2) Action guidelines

- (i) You shall not use public funds for private use.
- (ii) You shall not withdraw the company's public funds to pay for fake expenses by filing false expense reports.

## Chapter 6 Falsification of Documents or Figures and False Reporting

### 1. Basic Principles

- (1) All records and reports of information must be true and accurate.
- (2) Intentional or negligent manipulation or alteration of documents or figures is an obvious unlawful act that may seriously undermine the company's interests by obstructing the decision-making and judgment of superiors or relevant department.

### 2. Action guidelines

- (1) Manipulation or alteration of documents or figures
  - (i) All documents and figures of certain kinds that employees record and submit to the company must be true and accurate.
  - (ii) It shall also be an unlawful act that is punishable if a supervisor instructs the manipulation of a document or figure, or if a subordinate knowingly carries out such instruction despite it being an obvious misconduct.
- (2) False reporting
  - (i) You shall not make false reports to the management or the management organization within the company or to organizations or people outside the company.
  - (ii) You shall not make any misrepresentation when selling products or providing services to customers.
  - (iii) Even if you do not directly make false reports, manipulating information that could mislead the information recipient is also an unlawful act.

## Chapter 7 Other Code of Ethics (Neglect of duty, failure to properly manage and supervise, abuse of power, impairment of dignity, etc.)

### 1. Basic Principles

- (1) You shall exercise due care as a prudent manager in performing duties with respect to your position and title, and shall not cause any reputational damage or inflict any loss on SeAH by breaching this duty.
- (2) You shall, as a SeAH employee, do your best to preserve the dignity of your words and actions and protect SeAH's reputation even in your private life. The basic types of acts that violate the Code of Ethics are as follows:
  - (i) Neglect of duty
  - (ii) Failure to properly manage and supervise
  - (iii) Abuse of power
  - (iv) Impairment of dignity

### 2. Action guidelines

- (1) Neglect of duty: You shall not cause any reputational damage or inflict any loss on SeAH by failing to perform your duties based on your position and title as set forth in the work regulations (or as instructed by your supervisor).
  - (i) You shall faithfully perform the duties assigned to you in accordance with SeAH's policies with a sense of responsibility.
  - (ii) You shall be familiar with and comply with SeAH's regulations and policies relating to your duties.
  - (iii) You shall share information with your supervisor, colleagues and others departments and actively cooperate with them to fulfill your duties.
- (2) Failure to properly manage and supervise: You shall not cause any reputational damage or inflict any loss on SeAH by failing to fulfill your duty of care as a prudent manager responsible for the performance of your duties.
  - (i) You shall be responsible for the outcome of your performance that is expected of someone in your position and title.
  - (ii) You shall predict the risks that may arise when performing your duties and pay attention at all times, and shall be responsible for any problems that may arise.
  - (iii) In particular, if you are a manager, you are obligated to manage and supervise your subordinates.
- (3) Abuse of power: You shall not cause any reputational damage or inflict any loss on SeAH by abusing your position and title to do something that you are not allowed to do in your position and title.

- (i) A supervisor shall not give his/her subordinates any unfair work instructions that are not related to the company or its business purposes.
- (ii) You shall not make any decision at your discretion that violates SeAH's regulations or is beyond the scope of your duties and responsibilities, or make any official promise that you cannot keep.



## Chapter 8 Reporting and Taking Measures for Violation of the Code of Ethics

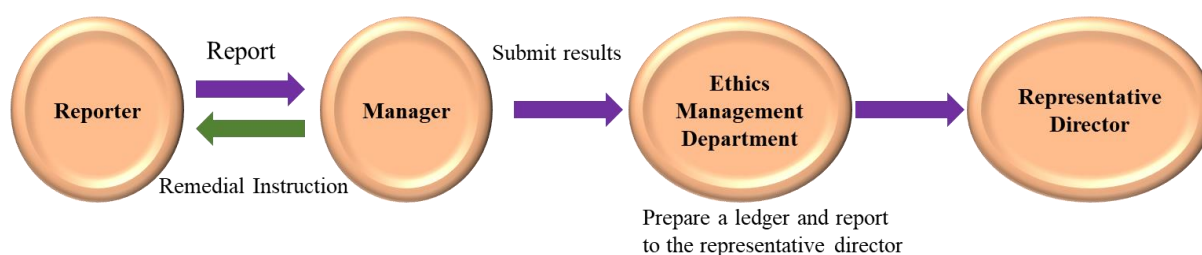
### 1. Action guidelines

- (1) If you have witnessed or became aware of any violation of the Code of Ethics by any other executive or employee in relation to a stakeholder, or if you have inevitably violated the Code of Ethics, you shall immediately report such violation. In particular, if you received money, valuables, entertainment, etc., you shall report it to your supervisor and submit a “Report on Receipt of Money or Valuables” to the Ethics Management Department within 3 business days.
- (2) If you violate this requirement, you shall be deemed as attempting to conceal the violation.
- (3) You shall submit the report and the results of your remedial actions to Ethics Management Department.
- (4) The Ethics Management Department shall prepare a ledger and report it to the representative director.

### 2. Conducts to be reported

- (1) Receipt of money or valuables from stakeholders
- (2) Receipt of a gift exceeding KRW 50,000
- (3) Receipt of entertainment and hospitality exceeding KRW 50,000 per person
- (4) Failure to pay a fair price for convenience such as transportation and lodging, etc. provided by a stakeholder
- (5) Receipt of office supplies exceeding KRW 100,000
- (6) Receipt of a proposal or promise for employment or transaction
- (7) Violation of this Code of Ethics or an Ordinary Level of code of ethics

### 3. Reporting process



### 4. Disciplinary action

- (1) Disciplinary action shall apply to any conduct violating the Code of Ethics in relation to a stakeholder.
- (2) Disciplinary action shall strictly apply to a failure to report the receipt of benefits from a stakeholder according to the reporting process.

- (3) Disciplinary action shall apply to aiding and abetting or conniving other employee's violation of the Code of Ethics even if you are not directly involved
- (4) The degree of disciplinary action shall be determined in consultation with the Ethics Management Department by considering the severity of the relevant conduct in accordance with the procedures under the personnel regulations.

5. Follow-up measures against ethics violators

- (1) If a business partner is listed as being related to misconduct or corruption, SeAH will not allow any transaction with such business partner.
- (2) After an existing contract expires, SeAH does not allow any new transaction to be entered into with a business partner that has employed a former officer or employee of SeAH who has been subject to disciplinary action related to misconduct or corruption. However, if there is an inevitable reason to continue transactions with the business partner, then the representative director's approval shall be required.

[Form]

## Report on Receipt of Money or Valuables (Entertainment)

Person in charge	Team Head	Executive Officer	President

### 1. Recipient

Company Name		Position	
Team (department)		Name	

### 2. Matter to be Reported

Classification	Details
Date and Place	
Received Item (Type, Quantity, Amount)	
Details of Giver (Affiliation, Position, Name, etc.)	
Reason for Receipt (explanation of the situation)	
Reporter's Opinion on How to Handle the Case	
Manager's Instruction	
Confirmation of Case Handling	

[DATE]

Reporter: (seal)

\*Please submit the original form to the Ethics Management Department.

**Appendix**

Self-diagnosis for Ethical Decision Making  
Pledge of Practice for Ethical Management

## **Self-diagnosis for Ethical Decision Making**

This Self-diagnosis for Ethical Decision Making helps SeAH executives and employees comply with laws and regulations and become aware of their ethical responsibility in the course of performing their duties so that any ethical crisis can be prevented.

If you feel an ethical conflict over a decision in the course of your work, ask yourself the following questions:

- (1) Does it comply with the company's Code of Ethics?
- (2) Is there any legal issue?
- (3) Will I feel that the current decision was right with the passing of time?
- (4) Am I justifying the means for the purpose?
- (5) What would happen if this is disclosed to the media?
- (6) Would my children be proud of my actions?
- (7) How would the other person feel about this matter?
- (8) Am I making an unfair request to a stakeholder?
- (9) Am I using time and resources for the company?
- (10) Is it an act that honors the company and me?

Are you still not sure?

Then keep asking questions until you are sure.

## **Pledge of Practice for Ethical Management**

I pledge that in performing my duties, I will be honest to my customers, pursue mutual development through fair trade with business partners, fairly compete with competitors, and fulfill my responsibilities and obligations to shareholders and society in compliance with the following:

1. In performing my duties, I will comply with the Code of Ethics and I will not engage in any unfair trade, misconduct or corruption.
2. I will immediately report to Ethics Management Department if I become aware of any unfair trade, misconduct or corruption of other employees in the course of performing my duties, or if I receive any suggestion of unfair trade or misconduct from a business partner.
3. In the event of any regular or irregular investigation of violations of the Code of Ethics, I will fully cooperate with the company, including submitting relevant materials requested by the company.
4. I will faithfully implement and comply with the above.

I execute this Pledge in two (2) counterparts, one of which shall be kept by me and the other shall be submitted to the company.

[DATE]

Company Name:

Affiliation:

Name: (signature)