

**SIMMTECH**  
**CODE OF CONDUCT**

**SIMMTECH Co., Ltd.**

## CHAPTER 1 GENERAL RULE

Article 1 (Purpose) This regulation is made to set Simmtech(hereinafter referred to as the "company")'s compliance requirements and general management system necessary for running HR policies to protect and respect the basic human rights of the employees through the process of manufacturing the products and services according to the company's social responsibilities and HR policies.

Article 2 (SCOPE) This regulation is applied to not only to the company but also to the 1<sup>st</sup> subcontractors, which they agree with and implement accordingly.

## CHAPTER 2

### CONTENTS OF HR POLICIES ACCORDING TO THE COMPANY'S SOCIAL RESPONSIBILITIES

Article 3 (Freely Chosen Employment)

① Company shall not employ the compulsory employees or bonded workers, contracted workers with termination fixed, or involuntary prison laborers.

② Every labor is voluntary, and workers can retire with a reasonable notice.

③ Company shall not require handover of the government issued ID cards, Passports or work permits as a condition of employment.

④ Workers shall not be requested to pay for recruitment fees at any case.

⑤ Unless there is security issue or special restrictions, company guarantees the workers come and go from/to the company or dormitories during non-working times.

Article 4 (Banning of Child Labor Exploitation)

① Company shall not employ child workers at any stage of production. The term "child" refers to the employee who is under 15 years old(or 14 years old based on the national law), below the age in which the compulsory education is complete, or is under the minimum employment age set by the government.

② As for the learning program of the workplaces, company shall comply with all rules and regulations. Worker under 18 years old shall not perform any hazardous work which can jeopardize their health or safety.

③ Company shall make sure to request the persons who are confirmed of employment of their ID Card submittal and check their ages are above the minimum age for the employment by law before making a contract.

④ In case the workers who are under the minimum age for employment by law are accepted or employed by company, they shall be retracted, informed to their legal guardians, and handed to them. However, if they can an agreement from the legal guardians or employment authorization of Minister of Employment and Labor, company shall consider the continuity of the employment.

⑤ Company shall not use any separate type of contracts with the purposes of internship, field

learning, or any kind of education or training non based on the specific employment contracts. However, probationary periods and the working condition during the period are allowed as exceptional.

#### Article 5 (Working Hours)

Company shall not exceed the maximum working hours set by local law.

#### Article 6 (Wages and Benefits)

① Compensations paid to the workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, legally mandated benefits.

② Workers shall be compensated for overtime at pay rates greater than regular hourly rates.

③ Deductions from wages as a disciplinary measure shall not be permitted, and workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

#### Article 7 (Humane Treatment)

① Company shall clearly define disciplinary policies and procedures and interrelate with the workers being related to this.

② There shall not be any harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor shall be there the threat if any such treatment.

③ Company shall not set any unreasonable limit on the workers for their freedom on the basic needs for living(toilet use, water drinking, medical clinic visit, etc.,).

#### Article 8 (Non-discrimination)

① There shall be no harassment or unlawful discrimination on the workers.

② Company shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

③ Company shall not misuse the results or the workers or potential workers' medical tests or physical exams.

#### Article 9 (Freedom of Association)

① Company shall guarantee an open and direct communication between the workers and the management to share the problems and compensations related to workplaces.

② Workers shall be able to freely communicate with management regarding working conditions without any fear of discrimination, reprisal, intimidation or harassment.

③ Company shall respect the right of all workers to form and join trade unions of their own choosing, and grant the freedom of them joining the labor union, selecting the representative, and

participating in the union councils.

④ Company shall respect the workers' freedom of independent assembly, and not support the funds or control, engage, or intervene the labor union to make it under control.

### CHAPTER 3

#### Management System of Human Resources Policy based on Company's Social Responsibilities

##### Article 10 (Management System)

Company shall construct and manage the system to control the related requirements on this regulation systematically.

##### Article 11 (Identification of the laws and customer's requirements)

① Company shall identify the customer's requirements on the social responsibilities of the company and monitor the related domestic laws for any revisions on a regular basis.

② Personnel in charge of Human Resources department shall monitor revisions of the domestic laws, a legislative administration notice, instructions, an established rule, notices related to the related duties through the government(Ministry of Employment and labor), an union of users(a federation of managers), professional information provider related to HR and labor(Central Economic Company), Advisory Law Firm, Advisory Labor Corporation, or any additional Press releases, and report the relevant information to the HR manager and related management.

③ HR department shall designate the person in charge to monitor the revisions of the related laws through checking Ministry of Employment and Labor([www.moel.go.kr](http://www.moel.go.kr) > Law Info > Recent Revised Laws)and let the person monitor and report so that it can be applied and complied with in the right time.

④ HR department shall designate the person in charge of Audit, let the person receive the company's social responsibilities and customer's requirements from the departments which coordinate with the customers like Sales, CS, QA teams, report and review them, and implement the requirements accordingly.

##### Article 12 (Risk Evaluation and Management)

Company shall set the relevant importance on each risk as a process to comprehend the labor custom risks related to the company management, take the proper procedures, and implement the physical control so that the company shall be able to control the estimated risks and make sure to comply with the regulations on a regular basis.

##### Article 13 (Compliance Management of Suppliers)

Company shall request the suppliers to make a written document for compliance with the requirements related to company's social responsibilities, monitor the actual implementation through the self-evaluation on a regular basis, and, if required, shall be able to request them to submit the relevant materials for direct/indirect audits, improvement establishment and implementation.

##### Article 14 (Responsibility and Authority)

Company shall appoint the HR senior management as the person in charge to guarantee the

implementation of the programs for the systematic management and control of the HR policies in compliance with the company's social responsibilities. The HR management shall monitor the state of affairs and establish and implement the improvement targets at least more than 1 time a year.

② HR team manager shall be responsible for accomplishment of HR policies related the company's social responsibilities, and take the lead of HR personnel's related duties.

③ Training team manager shall operate the annual training scheduling and implementation for the employees to make a well understanding on HR policies and a general HR system based on the company's social responsibilities.

④ Manager of each department shall implement the team training for the members for the social responsibility in place of company.

⑤ The personnel in charge of employment, training, evaluation, compensation in HR shall take the primary responsibility for the implementation of related laws and customer's requirements in compliance with HR policies based on social responsibilities.

⑥ Employees shall be able to understand the relevant HR policy matters based on social responsibilities and suggest opinions on them.

Article 15 (Continuous Improvement)

Company shall stimulate the implementation and improvement of this regulation.

Article 16 (Document Control)

All documents related this regulation shall be kept for 3 years. However, if any document is written for storage responsibility according to domestic labor law, it shall comply with it.

## **CHAPTER 4**

### **Management System of Ethics Policy based on Company's Social Responsibility**

Article 17 (Management System)

Company shall take the social responsibility and also comply with the ethics standard to make a successful business.

Article 18 (Integrity)

Company shall maintain the highest integrity on the relations with all businesses.

② Company shall claim a zero-tolerance policy not to allow all kinds of bribery, corruption, unfair advantage.

③ All businesses shall be made as transparent. Company shall make a correct application on the fiscal report and affair register, and also implement monitoring for anti-bribery compliance.

Article 19 (Banning of Unfair Advantage)

Company shall not promise, suggest, or provide bribery or other costs with any improper and unfair advantage, and shall not allow or receive the provision.

Article 20 (Release of Information)

Company information shall be open according to the laws and general industrial customs regarding labor, environmental safety, environment, management activity. It shall not allow any forged or insufficient record.

Article 21 (Intellectual Property Right)

Intellectual Property Right shall be respected. Transfer of technologies and know-how should be made with a way to protect the intellectual property rights, and company shall protect the customer's information safely.

Company shall identify the customer's intellectual property rights on the stage of procurement, and make non-disclosure agreement on sales contract stage so that customer's information should be safely protected and guarantee the confidentiality.

Article 22 (Fair Trade, Advertisement, Competition)

Company shall take proper actions to comply with the fair trade, advertisement, and competition standards, and to protect the customer's information. Company shall make a fair trade and competition, and ban any collusion with rivalry companies in the same field.

**Additional Rule**

This regulation shall be implemented from 1<sup>st</sup>, February 2019.