
Fair Trade Compliance Program (CP) Operating Regulations **(Paris Croissant Co., Ltd.)**

Chapter 1: General Provisions

Article 1 (Purpose)

1. These Compliance Program Operating Regulations (hereinafter referred to as the "Regulations") of Paris Croissant Co., Ltd. (hereinafter referred to as the "Company") are established to set forth the fundamental standards and procedures that the Company's officers and employees must adhere to in the performance of their duties to ensure compliance with Fair Trade Laws and Regulations. The purpose of these Regulations is to secure transparency and fairness in corporate management and to protect the Company and its officers and employees from violations of law by ensuring compliance with Fair Trade Laws and Regulations and preventing unfair trade practices.
2. All officers and employees of the Company shall familiarize themselves with and comply with these Regulations at all times in connection with the Company's business activities.
3. All regulations relating to the Company's ethical management and co-prosperity cooperation policies, including Fair Trade Laws and Regulations, serve as important guidelines for the operation of the Compliance Program. Therefore, all officers and employees must strictly adhere to them.

Article 2 (Scope of Application)

These Regulations apply to all officers and employees of the Company and to all business activities related to Fair Trade Laws and Regulations. Accordingly, all officers and employees of the Company shall comply with these Regulations.

Article 3 (Definitions of Terms)

The definitions of terms used in these Regulations are as follows:

1. The “Compliance Program (CP)” refers to the internal compliance system and all compliance activities within the Company, which include policies, education, and supervision independently established and operated by the Company to ensure compliance with Fair Trade Laws and Regulations by the Company and its officers and employees.
2. “Fair Trade Laws and Regulations” refer to all laws, enforcement decrees, and other relevant regulations under the jurisdiction of the Korea Fair Trade Commission, including Monopoly Regulation and Fair Trade Act, Fair Transactions in Subcontracting Act, Fair Transactions in Franchise Business Act, and Act on Fair Labeling and Advertising.
3. “Internal CP-Related Regulations, etc.” refers to all internal policies and procedures (regardless of name or format, including guidelines, manuals, etc.) established and implemented by the Company for the efficient operation of the CP, including these Regulations.
4. “Chief Executive Officer (CEO)” refers to the person with the highest authority who represents the Company externally and is vested with decision-making and executive authority over the Company's business operations, such as the Representative Director, Representative Executive Officer, Managing Partner, etc., regardless of the type of company under Article 170 of Commercial Act.
5. The “Highest Decision-Making Body” refers to the Company’s highest internal decision-making organ, excluding the General Meeting of Shareholders, which generally refers to the Board of Directors unless otherwise specified.
6. The “Compliance Officer” refers to the person who has overall responsibility for the operation of the CP.
7. The “Dedicated CP Department” refers to the department that, under the direction and supervision of the Compliance Officer, is responsible for the practical operations related to the CP.

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8. “Officers and Employees” refers to all individuals engaged in the Company’s business under the Company’s supervision, regardless of employment type (including regular, non-regular, contract, and temporary employees), including the CEO.
 9. The “Prior Business Consultation System” refers to the process through which officers and employees seek review by the Compliance Officer and the Dedicated CP Department on business activities to prevent violations of Fair Trade Laws and Regulations in advance.
 10. The “Compliance Council” refers to the advisory and consultative body responsible for the promotion and operation of the Compliance Program, aimed at preventing potential violations of Fair Trade Laws and Regulations by officers and employees in advance.
 11. “Evaluation” refers to all activities to inspect and investigate whether officers and employees are engaged in any violations of the law and whether the CP is being appropriately implemented, through on-site inspections, checklists, CP-related reports, etc.
 12. “Sanction” refers to the disciplinary actions imposed on officers and employees who structurally or repeatedly violate Fair Trade Laws and Regulations, in order to raise awareness of the CP.
 13. “Incentives” refer to benefits provided to officers and employees who are deemed to have made significant contributions to the development of the Company and the protection of customers, affiliates, and partners through exemplary CP implementation.
 14. The “Compliance Handbook” refers to a guideline prepared to help officers and employees understand the CP and internalize awareness of Fair Trade Laws and Regulations compliance. It contains all information related to the operation of the CP, including operational standards, procedures, case studies, etc.

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15. “Document Management” refers to the process of managing the flow of documents generated during the Company's business activities, including their storage, preservation, and disposal.

Chapter 2: Organizational Structure and Allocation of Responsibilities

Section 1: Duties and Authority of the Chief Executive Officer (CEO)

Article 4 (Duties of the Chief Executive Officer)

1. The CEO shall, at least twice a year (once in each half-year period), publicly declare the Company's commitment to implementing the Compliance Program (CP), in order to foster a culture where all officers and employees comply with Fair Trade Laws and Regulations and actively practice the CP. The CEO shall communicate this commitment to officers and employees as needed and announce it externally via the Company's website and other appropriate channels.
2. The CEO shall directly instruct that the commitment to CP implementation be reflected in the organization's business objectives.
3. The CEO shall participate in no fewer than four CP-related activities annually, such as CP promotion campaigns, events, declaration ceremonies, and award ceremonies, to foster a CP culture.
4. The CEO shall grant the Compliance Officer independent authority and responsibility to ensure the efficient and effective operation of the CP, and shall guarantee that the CP remains a top priority in corporate management policy.
5. The CEO shall continuously provide organizational and budgetary support to the Compliance Officer and the Dedicated CP Department to enable effective CP operation and system improvement.

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6. The CEO shall review and approve any enactments or amendments to CP-related internal regulations.
 7. In addition to the responsibilities specified in Paragraphs 1 through 6, the CEO shall faithfully perform any other duties separately prescribed in these Regulations.

Article 5 (Authority of the Chief Executive Officer)

1. The CEO holds the highest decision-making authority concerning the operation of the CP.
2. The CEO may allocate the necessary budget and resources for the establishment and operation of the CP.
3. The CEO may assign roles and responsibilities to officers and employees in relation to CP operation.

Section 2: Compliance Officer

Article 6 (Appointment of the Compliance Officer)

1. The Compliance Officer shall hold at least a middle management position and possess substantial knowledge of Fair Trade Laws and Regulations or have experience and expertise in compliance management, including the operation of the Compliance Program.
2. The Company shall appoint the Compliance Officer through a resolution by the Highest Decision-Making Body. However, if the Company appoints a Compliance Supervisor or Compliance Support Officer through a resolution of the Highest Decision-Making Body, such person may concurrently serve as the Compliance Officer. In this case, the resolution for the appointment of the Compliance Supervisor or Compliance Support Officer must explicitly state that the person shall also serve as the Compliance Officer.

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3. The Compliance Officer shall not serve in departments whose responsibilities may conflict with the independent operation of the CP, such as Sales, Planning, or Procurement.
 4. The CEO shall ensure that the appointment and role of the Compliance Officer are communicated to all officers and employees by various means, including written notifications, electronic documents, or publication on the Company's website.
 5. In the event that the Compliance Officer is unable to perform their duties due to unavoidable circumstances or is removed from office, the head of the Legal Department shall temporarily act as the Compliance Officer until new Compliance Officer is appointed.

Article 7 (Duties and Authority of the Compliance Officer)

1. The Compliance Officer shall perform the following duties and exercise the associated authorities to ensure the effective operation of the CP:
 - A. Overall management of CP operations;
 - B. Establishment of company policies and plans related to the CP, including budgeting and organizational arrangements, and making necessary demands related thereto;
 - C. Enactment, amendment, and management of CP-related internal regulations;
 - D. Conducting CP training for officers and employees, including the CEO;
 - E. Monitoring the status of CP implementation and taking necessary corrective actions;
 - F. Demanding corrective actions for any violations of Fair Trade Laws and Regulations and CP-related internal regulations, and recommending sanctions against violators;
 - G. Reporting regularly or on an ad-hoc basis to the CEO or the Highest Decision-Making Body regarding CP activities and results;

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- H. Managing all documents and records related to CP operation and activities;
 - I. Performing other necessary duties for the effective operation of the CP, as well as any authority deemed necessary by the CEO or the Highest Decision-Making Body.
- 2. The CEO shall grant the Compliance Officer all necessary authority to perform the duties listed in Paragraph 1.
 - 3. The Compliance Officer may, at the Company's expense, seek assistance from external experts in connection with CP operation.
 - 4. The Compliance Officer may delegate part of their duties or authority to the Dedicated CP Department or other relevant entities, as deemed necessary. In such cases, the Compliance Officer must regularly verify whether the delegated tasks are being performed effectively.

Article 8 (Dedicated CP Department)

- 1. To assist the Compliance Officer in the performance of their duties, a Dedicated CP Department (regardless of its name) shall be established directly under the Compliance Officer.
- 2. Under the direction and supervision of the Compliance Officer, the Dedicated CP Department shall perform the following CP-related operational duties:
 - 1. Assisting the Compliance Officer with the tasks outlined in Article 7, Paragraph 1;
 - 2. Performing tasks delegated by the Compliance Officer in accordance with Article 7, Paragraph 4;
 - 3. Reporting and consulting on CP-related matters with the Compliance Officer;
 - 4. Managing amendments and updates to Fair Trade Laws and Regulations and CP-related internal regulations;
 - 5. Establishing and implementing the annual CP training plan;

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6. Acquiring, maintaining, and managing external CP certifications;
 7. Providing legal advisory and support services related to CP operations;
 8. Managing the Compliance Handbook;
 9. Posting CP-related notices and updates on the Company's website;
 10. Conducting risk assessments under Article 16 and effectiveness evaluations under Article 17;
 11. Performing any other tasks necessary for the efficient operation of the CP.

Article 9 (Independence of the Compliance Officer and the Dedicated CP Department)

1. The Company and the CEO shall ensure that the Compliance Officer and the officers and employees of the Dedicated CP Department perform their duties free from any undue instructions or interference, thereby guaranteeing their independence.
2. The Compliance Officer shall have the independent authority to report on all matters relating to the operation of the CP to the CEO and the Highest Decision-Making Body.
3. Matters that the Compliance Officer may report independently to the CEO and the Highest Decision-Making Body pursuant to the preceding paragraph include all issues relating to violations of Fair Trade Laws and Regulations that the Company is obligated to comply with.
4. Officers and employees belonging to the Compliance Officer and the Dedicated CP Department shall not suffer any unjust disadvantage or discrimination as a result of performing their duties as set forth in these Regulations.
5. In the event that officers and employees of the Compliance Officer or the Dedicated CP Department suffer or are at risk of suffering any unjust disadvantage due to the performance of their duties under these Regulations,

the Company and the CEO shall immediately establish and implement effective remedial measures and shall also establish measures to prevent recurrence.

Section 3: Duties of Officers and Employees

Article 10 (Duties of Officers and Employees)

1. All officers and employees of the Company shall fully understand and comply with the Fair Trade Laws and Regulations, the CP-related internal regulations, and the contents of the Compliance Handbook.
2. All officers and employees of the Company shall sign the “Fair Trade Compliance Commitment” using the form attached as [Appendix 1] and submit it to the Dedicated CP Department.
3. In the course of performing their duties, if officers and employees discover, recognize, or suspect any violations of Fair Trade Laws and Regulations or CP-related internal regulations, they shall promptly report such matters to the Compliance Officer, the Dedicated CP Department, or the Legal or Audit Department.
4. Including the CEO, all officers and employees of the Company shall actively participate in CP training conducted by the Compliance Officer or the Dedicated CP Department (including CP training conducted by other departments delegated by these Regulations).
5. The Company shall not issue instructions to its officers and employees to violate Fair Trade Laws and Regulations. If any officer or employee receives such an instruction, they shall immediately refuse to comply and report the matter to the Dedicated CP Department or the Legal Department. The Legal Department, upon receiving such a report, shall immediately notify the Dedicated CP Department.
6. The head of each department shall supervise the compliance status of the officers and employees under their supervision and take appropriate

measures to prevent violations of Fair Trade Laws and Regulations and CP-related internal regulations.

Chapter 3: Operation of the CP

Article 11 (Review of CP Operational Status and Performance)

1. The Compliance Officer shall review the operational status and performance of the Company's CP at least once per quarter and report the findings to the CEO.
2. The CEO shall review the report submitted under the preceding paragraph and take appropriate follow-up measures. The CEO may instruct the Compliance Officer to implement appropriate follow-up measures as needed.
3. The Compliance Officer shall diligently implement the CEO's instructions under the preceding paragraph and report the results of such implementation to the CEO.
4. The Compliance Officer shall disclose or announce matters related to the operation of the CP both internally and externally and shall verify the degree of awareness and communication among the Company's officers and employees.

Article 12 (Compliance Handbook)

1. The Compliance Officer and the Dedicated CP Department shall prepare a Compliance Handbook.
2. The Compliance Handbook shall be prepared in consideration of the Company's size, structure, business, and departmental characteristics, and shall fully reflect the opinions of various stakeholders such as customers, partner companies, and government authorities.
3. The Compliance Handbook shall comprehensively include contents such as an overview of applicable Fair Trade Laws and Regulations, sanction standards, CP-related case studies, judicial precedents, codes of conduct,

frequently asked questions and answers, and self-assessment methods tailored for each division and job function.

4. The Compliance Handbook, as prepared pursuant to Paragraphs 1 through 3, shall be produced and distributed in various media formats to ensure that officers and employees can easily access and utilize it at any time and place.
5. The Compliance Officer and the Dedicated CP Department shall predefine departments with a high likelihood of violating Fair Trade Laws and Regulations and prioritize the distribution of the Compliance Handbook to such departments. In such cases, the Dedicated CP Department shall review and check the utilization status of the Compliance Handbook in the relevant departments at least once per quarter.
6. The Compliance Officer and the Dedicated CP Department shall review the need for revisions to the Compliance Handbook at least once every six months and, if deemed necessary, shall revise it accordingly.
7. For the effective implementation of the preceding paragraph, the Compliance Officer and the Dedicated CP Department shall review, at least once every six months, changes in Fair Trade Laws and Regulations, changes in business environments and related policies, and amendments to the Company's internal regulations.

Article 13 (CP Training)

1. The Compliance Officer and the Dedicated CP Department shall establish and implement an annual CP training plan to ensure that officers and employees comply with Fair Trade Laws and Regulations and proactively identify and address legal risks associated with their respective duties.
2. The training plan under the preceding paragraph shall include the following:
 - A. A plan to conduct CP-related training on a quarterly basis;
 - B. A differentiated training plan for departments with higher risk of CP violations;

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- C. Budget allocation and execution plans for training-related expenses;
 - D. Criteria for selecting CP trainers, considering their professional knowledge, work experience, and expertise in CP;
 - E. Reflection of previous training effectiveness evaluation results, employee feedback (VOC), recent amendments to Fair Trade Laws and Regulations and CP-related internal regulations, and current policy directions;
 - F. A plan for evaluating training effectiveness;
 - G. Supplementary or special training (regardless of its name) for non-completers of training or CP violators;
 - H. Measures to impose disadvantages on non-completers or delayed completers of training.
- 3. All officers and employees subject to the training plan, including the CEO, shall diligently complete the training in accordance with Paragraph 1.
 - 4. The Dedicated CP Department shall check monthly whether there are any officers or employees who have failed to complete the training without just cause or who have violated the CP, and shall conduct at least one supplementary or special training session (regardless of name) annually for such individuals. Additionally, the Dedicated CP Department shall collect feedback on training comprehension from the participants.
 - 5. The Dedicated CP Department may impose disadvantages on non-completers, delayed completers, and CP violators as necessary.

Article 14 (Prior Business Consultation System)

- 1. The Compliance Officer shall establish and operate a Prior Business Consultation System to prevent in advance any conduct by the Company that may constitute a violation of Fair Trade Laws and Regulations.
- 2. Officers and employees shall request prior consultation with the Compliance Officer and the Dedicated CP Department regarding business activities that

may potentially result in violations of Fair Trade Laws and Regulations, such as transactions with third parties, contract execution, and other business operations.

3. The Compliance Officer shall designate individuals capable of reviewing fair trade-related laws and regulations and shall operate the Prior Business Consultation System in such a way as to prevent, at least twice a year, any violation of Fair Trade Laws and Regulations by Company officers and employees.
4. Specific matters regarding the establishment and operation of the Prior Business Consultation System, as well as the types of conduct subject to prior consultation, shall be governed by separate regulations enacted and implemented by the Company.

Article 15 (Compliance Council)

1. The Compliance Officer may operate a Compliance Council consisting of executives or team leaders from each division.
2. The Compliance Officer shall serve as the Chairperson of the Compliance Council, and the head of the Dedicated CP Department shall oversee its day-to-day operations.
3. The members of the Compliance Council shall be responsible for the following:
 - A. **Self-Assessment of CP Operation:** Conducting self-assessments of compliance with Fair Trade Laws and Regulations within their respective divisions/teams, using checklists and other tools distributed by the Dedicated CP Department, and monitoring the utilization status of the Compliance Handbook among employees;
 - B. **Dissemination of CP Operational Matters:** Communicating CP operational policies from the CEO and the Compliance Officer, results of fair trade risk assessments conducted by the Dedicated CP

Department, and other key matters discussed by the Compliance Council to their respective divisions/teams;

C. Deliberation on Other CP Operational Matters: Discussing other CP-related agenda items raised by the Compliance Officer.

4. Members of the Compliance Council may designate working-level employees from their departments/teams as Compliance Liaisons to assist with the responsibilities set forth in the preceding paragraph.
5. The Compliance Council may convene on a regular or ad hoc basis, and its operational standards are as follows:
 - A. **Regular Meetings:** Held semi-annually to discuss CP operational performance, required follow-up actions, and other CP-related matters deemed necessary by the Compliance Officer;
 - B. **Ad Hoc Meetings:** Convened when the Compliance Officer determines that there is an urgent CP-related matter requiring discussion with relevant divisional/team members.
6. The head of the Dedicated CP Department shall prepare meeting minutes for all proceedings of the Compliance Council and retain them in written or electronic form.

Article 16 (Risk Assessment)

1. The Compliance Officer and the Dedicated CP Department shall conduct risk assessments to identify potential Fair Trade Laws and Regulations violation risks that may arise during the course of business operations and to prevent such violations in advance. If necessary, the Compliance Officer and the Dedicated CP Department may delegate or jointly perform the risk assessment with other internal departments not in conflict of interest or with external experts.
2. If the risk level of any identified risk, as determined by the risk assessment under the preceding paragraph, is evaluated at “level 3” or higher, the

Compliance Officer and the Dedicated CP Department shall conduct a root cause analysis and establish and implement risk mitigation measures.

3. Risk assessments shall be conducted on a regular basis at least once per quarter, and may also be conducted on an ad hoc basis as needed.
4. The Compliance Officer and the Dedicated CP Department shall evaluate the appropriateness and effectiveness of the risk mitigation measures implemented and shall continually improve risk assessment criteria and processes accordingly.
5. The Compliance Officer and the Dedicated CP Department shall independently report the results of risk assessments and the measures taken for risk mitigation, as referred to in Paragraph 1, to the CEO.

Article 17 (Effectiveness Assessment)

1. The Compliance Officer and the Dedicated CP Department shall develop effectiveness assessment indicators to ensure the effective operation of the CP.
2. The Compliance Officer and the Dedicated CP Department shall evaluate the effectiveness of CP operation at least twice per year using the indicators developed pursuant to Paragraph 1. However, they may delegate or jointly perform the effectiveness assessment with other internal departments not in conflict of interest or with external experts as necessary.
3. Even when the effectiveness assessment is conducted by personnel other than those from the Compliance Officer and the Dedicated CP Department, all provisions of this Article shall be fully observed.
4. When selecting personnel to conduct the effectiveness assessment as referred to in Paragraph 2, the Compliance Officer and the Dedicated CP Department shall comprehensively consider the following:

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- A. **Qualifications:** Educational background, experience with Fair Trade Laws and Regulations and audit-related tasks, possession of relevant certifications, etc.;
 - B. **Scope of Work:** Personnel not engaged in departments with conflicts of interest.
- 5. The plan for conducting the effectiveness assessment pursuant to Paragraph 2 shall be established as an independent audit item, separate from other regular audit plans of the Company.
 - 6. The plan described in the preceding paragraph shall reflect applicable Fair Trade Laws and Regulations, relevant government policies, results of previous effectiveness assessments, and other pertinent factors.
 - 7. The Compliance Officer and the Dedicated CP Department shall implement corrective actions to address any issues identified through the effectiveness assessment and shall review and incorporate the results and corrective actions into future CP operations.
 - 8. The Compliance Officer and the Dedicated CP Department shall manage records related to the effectiveness assessment independently from other Company audit records.
 - 9. The Compliance Officer shall independently report the results of the effectiveness assessment to the CEO or the Highest Decision-Making Body at least twice per year.

Chapter 4: Internal Whistleblowing System

Article 18 (Internal Whistleblowing System)

- 1. The Company shall establish and operate a whistleblowing system that allows officers and employees to anonymously and freely report any facts or suspicions of violations of Fair Trade Laws and Regulations or other applicable laws and regulations.

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2. The Company may integrate the internal whistleblowing system referred to in the preceding paragraph with other internal whistleblowing systems within the Company. However, even in such cases, the provisions set forth in Paragraphs 3 and onwards of this Article must be strictly observed.
 3. The internal whistleblowing system under Paragraph 1 shall be designed and operated to ensure that officers and employees can utilize it without time or place restrictions.
 4. Individuals handling reports submitted under Paragraph 1 shall not disclose or leak the personal details, identity, or contents of the report to any third party.
 5. Whistleblowers shall not suffer any disadvantage or adverse treatment from the Company as a result of making a report under Paragraph 1. However, this protection shall not apply in cases where the report is found to have been made with malicious intent or for the purpose of defaming others through false information.
 6. The Compliance Officer shall establish and operate an investigative team to investigate the details of reports submitted under Paragraph 1. Provided, however, that the formation of a separate organization is not mandatory as long as the independence, neutrality, objectivity, and anonymity of the investigative team and its investigators are sufficiently ensured; existing relevant organizations, such as the Dedicated CP Department, may be utilized for this purpose.
 7. The investigative team and its investigators may conduct necessary investigations to verify the facts of the reported matters and to determine whether actual legal violations have occurred.
 8. The investigative team shall report the progress and results of its investigations to the Compliance Officer, and the Compliance Officer shall report such progress and results to the Highest Decision-Making Body at least twice annually.

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9. Based on the investigation results reported by the investigative team, if a violation is confirmed, the Compliance Officer may request corrective action for the relevant employee from the Human Resources Department or other related departments. The Compliance Officer shall document the details of the internal report and the corrective actions taken and report them to the CEO or the Highest Decision-Making Body.
 10. The investigative team and the Compliance Officer shall maintain the confidentiality of internal reports and protect whistleblowers.
 11. The Compliance Officer shall utilize the details of internal reports to contribute to CP operations and policy improvements, including CP education, at least twice a year.

Chapter 5: Sanctions and Rewards

Section 1: Sanctions

Article 19 (Principle)

The Company shall, in principle, impose sanctions on officers and employees (hereinafter referred to as "Violators") who breach Fair Trade Laws and Regulations or the Company's internal guidelines related thereto.

Article 20 (Sanction Procedures)

The procedures for imposing sanctions on Violators shall follow the disciplinary procedures stipulated in the Company's "Regulations on Rewards and Punishments."

Article 21 (Types and Standards of Sanctions)

1. The types and standards of sanctions applicable to officers and employees who violate Fair Trade Laws and Regulations or related internal guidelines of the Company shall be as set forth in [Appendix 1].

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2. When any of the grounds specified in each subparagraph of [Appendix 1] arise, the Compliance Officer shall take the following actions against the relevant employee or the head of the relevant department:
 - A. In the case of grounds specified in Item 1 of [Appendix 1]: Conduct a deliberation and resolution on whether to refer the relevant employee to the Disciplinary Committee.
 - B. In the case of grounds specified in Item 2 of [Appendix 1]: Issue a written warning to the relevant employee or the head of the relevant department. Provided, however, that if the same violation results in two or more warnings or cautions, a deliberation and resolution on whether to refer the matter to the Disciplinary Committee shall be conducted.
 3. Where the Compliance Officer decides, pursuant to the preceding paragraph, to refer the matter to the Personnel Committee, the Compliance Officer shall request disciplinary action against the Violator. The Disciplinary Committee shall then determine whether and to what extent disciplinary action shall be taken.
 4. Notwithstanding the provisions of [Appendix 1], the final level of sanctions imposed by the Disciplinary Committee may be increased or reduced after comprehensively considering all relevant circumstances, including the motivation, means, and consequences of the violation, the employee's contribution to the Company, the degree of damage caused by the violation, the employee's attitude of remorse, and the level of social controversy.
 5. If multiple sanctions are applicable for a single violation, the most severe sanction shall apply.
 6. The sanction standards under these Regulations shall, in principle, apply to the primary responsible individual. However, other related parties may also be subject to sanctions based on their degree of involvement or responsibility for the violation.

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7. The Compliance Officer shall implement personnel sanctions and recurrence prevention measures regarding violations of Fair Trade Laws and Regulations and related internal guidelines by Company officers and employees.
 8. Matters concerning sanctions not stipulated in these Regulations shall be governed by the Company's "Regulations on Rewards and Punishments."

Section 2: Rewards

Article 22 (Rewards)

1. The Company may grant rewards, including personnel or financial benefits, to individuals who are recognized as having contributed to compliance with Fair Trade Laws and Regulations and the dissemination of the CP, including the following:
 1. Officers and employees who have made significant contributions to the prevention of Fair Trade Laws and Regulations violations;
 2. Divisions or individuals whose fair trade compliance practices are evaluated as exemplary or outstanding based on the evaluation results stipulated in these Regulations;
 3. Individuals who have faithfully completed Fair Trade Laws and Regulations training and achieved excellent results;
 4. Whistleblowers;
 5. Other individuals deemed to have contributed to Fair Trade Laws and Regulations compliance and the dissemination of the CP.
2. The procedures for rewards under Paragraph 1 shall comply with the Company's "Regulations on Rewards and Punishments."

Chapter 6: Document Management

Article 23 (Principle)

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1. The Dedicated CP Department shall classify and store all documents and records related to CP operations and activities under the direction and control of the Compliance Officer.
 2. Documents related to the Prior Business Consultation System under Article 14, risk assessments under Article 16, and effectiveness evaluations under Article 17 shall be thoroughly prepared and preserved for future use as supporting evidence.
 3. Documents described in Paragraphs 1 and 2 shall be stored and managed separately from other Company documents to ensure clear distinction.
 4. The Dedicated CP Department shall retain the documents described in Paragraphs 1 and 2 for a minimum of three years. Any matters not specified in these Regulations shall be governed by the Company's "Document Management Regulations."

Chapter 7: Miscellaneous

Article 24 (Amendments)

1. The Company shall review the necessity of amending CP-related internal regulations (excluding the Compliance Handbook) at least once every six months, and if deemed necessary as a result of such review, shall amend them accordingly. However, if the Company determines that an amendment is necessary due to changes in the business environment or Fair Trade Laws and Regulations, such amendments may be made as needed at any time.
2. The Compliance Officer and the Dedicated CP Department may collect opinions from officers, employees, and relevant departments regarding the amendments mentioned in the preceding paragraph. All amended regulations shall be distributed to all Company officers and employees, and their understanding shall be facilitated through education, interviews, or other means.

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3. When amending CP-related internal regulations pursuant to Paragraph 1, the approval of the CEO must be obtained.
 4. When enacting or amending new Company rules or manuals, the Company shall review their consistency with these Regulations. In the event of any conflict, the matter shall be resolved through consultation with the Compliance Officer.

Article 25 (Relationship with Other Regulations)

These Regulations shall, in principle, take precedence over other internal Company regulations. However, if these Regulations and other internal regulations of the Company are found to be in clear conflict, the heads of the relevant departments shall consult to determine which shall take precedence. In such cases, the results of such consultation and related matters shall be reported to the CEO or the Highest Decision-Making Body.

Article 26 (Delegation of Authority)

The Compliance Officer may establish and operate separate regulations detailing specific matters necessary for the efficient and smooth operation of the CP under these Regulations. Provided, however, that such separately established regulations shall not conflict with the provisions of these Regulations.

Supplementary Provisions

Article 1 (Effective Date)

These Regulations shall take effect on January 1, 2025.

[Appendix 1] Types and Standards of Sanctions for Violators

(This appendix is established in accordance with Article 21, Paragraph 1 of these Regulations.)

1. Disciplinary Actions of Reprimand or Higher Severity

A. Cases where, due to violations of Fair Trade Laws and Regulations, the Company is subject to corrective measures such as cessation of the conduct (corrective order), cancellation or deletion of contract terms or agreements, public announcement of the corrective order, corrective advertisements, or imposition of surcharges by regulatory authorities.

B. Cases where the Company is criminally prosecuted by the prosecution or other investigative authorities due to violations of Fair Trade Laws and Regulations.

C. Cases where the Company incurs civil liability for damages arising from violations of Fair Trade Laws and Regulations.

D. Cases where the violator continues to engage in violations despite receiving orders for cessation or corrective action from the Compliance Officer regarding violations of Fair Trade Laws and Regulations.

E. Cases where, despite substantial risk of causing significant damage to the Company in the future due to potential violations of Fair Trade Laws and Regulations, the violator proceeds with the business without prior consultation with the Compliance Officer or the Dedicated CP Department.

F. Cases where the violator prepares or submits false materials or documents in response to requests made by the Compliance Officer or the Dedicated CP Department under these Regulations.

G. Cases where the identity, personal information, or other identifying details of whistleblowers or officers and employees of the investigative department involved in the internal whistleblowing system are leaked to third parties other than those responsible for managing the internal whistleblowing system.

2. Caution or Warning

- A. Cases of violating Fair Trade Laws and Regulations or negligent compliance with such laws and regulations, not falling under any of the categories listed in the preceding section.
- B. Cases where the violator arbitrarily delays or negligently submits reports or materials requested by the Compliance Officer or the Dedicated CP Department under these Regulations, or submits materially inaccurate data due to gross negligence or error.
- C. Cases of refusing, obstructing, or avoiding risk or effectiveness assessments conducted pursuant to these Regulations.
- D. Cases of arbitrarily delaying, neglecting, or refusing to implement instructions or corrective actions issued by the Compliance Officer or the Dedicated CP Department under these Regulations.

[Appendix Form 1] Fair Trade Compliance Commitment

Commitment to Practicing Fair Trade Together

As an officer or employee of Paris Croissant Co., Ltd., I hereby pledge to comply with the ethical and compliance standards and the Fair Trade Compliance Program (CP) for fair competition and transparent management, and I solemnly affirm the following:

Pledge

1. I will understand and implement the Company's ethical and compliance standards and take the lead in establishing an ethical and compliance-oriented culture.
2. I will perform my duties fairly and refrain from engaging in improper solicitations, financial transactions, entertainment, or provision/acceptance of conveniences with stakeholders and other parties.
3. I will practice fair trade compliance and recognize it as a core element of the Company's competitiveness.
4. I will refrain from engaging in unfair practices in dealings with partner companies (franchisees, etc.).
5. I will not acquire or use improper information from partner companies or other institutions.
6. I will not provide unjust support in transactions with affiliated companies.
7. I will comply with the Fair Trade Act and other relevant laws and regulations and participate in preventive activities to avoid violations.
8. I will not instruct or condone any acts that violate laws and regulations, and I will promptly report any concerns about potential violations.
9. I will not engage in any unethical conduct, including improper work directives, power harassment, workplace bullying, or sexual harassment.

10. I will act prudently and with discernment to uphold the Company's reputation and honor.

Department:

Name: (Signature)

To: CEO of Paris Croissant Co., Ltd.