

SINGLE BUYER SABAH

CODE OF CONDUCT

DOCUMENT CONTROL

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1.0 INTRODUCTION TO SINGLE BUYER SABAH CODE OF CONDUCT

1.1 At the Single Buyer Sabah of Sabah Electricity (the "Company"), we are committed in performing our functions in a fair and non-discriminatory manner in accordance with the objectives of the Guidelines for Single Buyer Sabah (the "Guidelines").

1.2 Objectives of Single Buyer Sabah

- (a) to minimise the cost of electricity procurement to meet demand as provided in the Guidelines;
- (b) to promote transparency in the procurement of electricity by ensuring that it undertakes its functions in a transparent manner, subject to any constraints imposed by the terms and conditions of Generator Contracts;
- (c) to facilitate competition in the generation sector;
- (d) to assist in instilling confidence in the Electricity Industry by ensuring that it performs its functions in a fair and balanced manner and in compliance with the Guidelines; and
- (e) to facilitate security of electricity supply by proactively reporting any issues it identifies that may adversely affect security of supply to The Commission.

In addition to the Company's Code of Ethics and Sustainable Procurement Code of Conduct, this Code of Conduct outlines the fundamental principles of conduct that the Single Buyer Sabah, the management and employees of Single Buyer Sabah are expected to follow.

1.3 Unless otherwise defined herein, all capitalised words appearing herein will have the meanings ascribed in the Guidelines.

1.4 Definitions

In this Code of Conduct, the following expression shall have the following meanings:

"The Commission" means Energy Commission of Sabah established under Energy Commission of Sabah Enactment 2023;

"Guidelines" means the Guidelines for Single Buyer Sabah and issued by The Commission;

"ICT Security Policy" means the ICT Security Policy and ICT Code of Practice as provided in ICT Circular "*Penguatkuasaan dan pematuhan* ICT Security Policy

BIL.9/2014” dated 2 January 2014 by Sabah Electricity as amended and supplemented from time to time; and

“Management of Single Buyer Sabah” means the management team consisting of Head of Single Buyer Sabah, Heads of Department and Heads of Unit.

2.0 TRANSPARENCY

- 2.1 The Single Buyer Sabah shall perform its functions in a transparent and consistent manner. In doing so but subject to its confidentiality obligations and requirements, the Single Buyer Sabah shall ensure that it publishes information with regards to the performance of its functions and shall reasonably ensure that such information is accurate, concise, understandable and readily accessible to the Participants (as defined in the Guidelines), stakeholders and the customers.
- 2.2 In the spirit of collaboration with the Participants and to the extent provided in the Guidelines, the Single Buyer Sabah shall consult with the Participants at such times that the Single Buyer Sabah considers necessary to assist it in performing its functions.

3.0 COMPETITION

- 3.1 In promoting competition in the generation sector and confidence in the Electricity Industry in Sabah, Malaysia, the Single Buyer Sabah shall perform its functions in a fair and balanced manner.
- 3.2 The Single Buyer Sabah shall deal fairly with business partners, the Participants, competitors and governmental authorities. The Single Buyer Sabah shall not make decisions or act in a manner that unreasonably discriminates against any Participants.
- 3.3 The Single Buyer Sabah shall also ensure that it performs its functions in a manner that is consistent with the principles of the Sabah Grid Code and is also consistent with the requirements of other applicable laws, codes and guidelines.

4.0 INDEPENDENT

- 4.1 The Single Buyer Sabah shall perform its functions independently consistent with the ring-fencing principles as set out in the Guidelines. The Single Buyer Sabah shall ensure that it acts professionally and conducts itself in good faith and with integrity.
- 4.2 The Single Buyer Sabah shall do all things reasonably necessary in identifying circumstances which may give rise to a conflict of interest, lessening of competition or competitive advantage and implement appropriate operational ring-fencing procedures to address the potential conflict of interest, lessening of competition or competitive advantage. Such ring-fencing procedures may include, but are not limited to:
- (a) limitations on the person or persons responsible for management of the Single Buyer Sabah participating in internal meetings or discussions of other divisions and units within the Company concerning tendering for new generation capacity by the Company's generation division;
 - (b) establishing a work area that is separate from the work areas of other divisions and units within the Company that may obtain a competitive advantage from information held by the Single Buyer Sabah with access controls that prevent other divisions or units of the Company from entering into the Single Buyer Sabah's work area;
 - (c) access controls for the Single Buyer Sabah's information technology systems so that other users of information technology systems cannot access information held by the Single Buyer Sabah that may give rise to a conflict of interest, lessening of competition or competitive advantage.

5.0 EMPLOYEE CONDUCT

Employees shall use the following standards as guidelines so that non-compliance with the Company's disciplinary procedures can be avoided.

5.1 Respect for Individuals

Employees shall treat each individual with respect by way of recognising every individual's role, treating each individual with dignity, listening to other individual's ideas and opinions and also recognising each individual's contribution to the Single Buyer Sabah.

5.2 Fitness and Attendance

Employees shall keep themselves physically fit for work and always be punctual.

5.3 Personal Appearance

Personal appearance is a reflection of the image of the Single Buyer Sabah. Therefore, employees must be well groomed and in proper working attire at all times.

5.4 Fraud

Fraud is the use of deception with the intention of obtaining an advantage, avoiding an obligation, or causing loss to another party. Engaging in fraudulent activities is a crime and violates this Code of Conduct.

5.5 Alcohol, Illegal Drugs or Substance

The manufacture, possession, distribution, dispensation, sale or use of alcohol, illegal drugs or other controlled substances by employees on or within the Single Buyer Sabah's premises or property is prohibited, except in the case of individual use of legally obtained prescription drugs.

5.6 Immoral Activities

In ensuring that the image of the Single Buyer Sabah is not tarnished, all employees shall not engage in immoral behavior/activities. Immoral activities shall include sending obscene materials via any electronic media or short messaging system (SMS) through the hand phone or social media.

5.7 Harassment in the Workplace

Abusive, harassing or offensive conduct used or displayed at work or during any business dealings is unacceptable, whether verbal, physical or visual. Harassment behavior would include derogatory comments based on gender, religion, racial or ethnic characteristics and unwelcome sexual advances.

5.8 Criminal Activities

Employees shall not be involved in any form of criminal activities. Such as illegal gambling, the use of weapons and violence at workplace. The Single Buyer Sabah's property, facilities, resources and services shall not be used by employees for purposes of financing or facilitating criminal activities.

6.0 CONFLICT OF INTEREST

Employees are expected to act in the best interest of the Single Buyer Sabah. A conflict of interest arises when an employee faces a choice between what is in his or her personal interest and/or political interest against the interest of the Single Buyer Sabah. The appearance of any improper influence in decision-making in itself may amount to a conflict of interest and therefore must be avoided. Employees should consider how their actions might be perceived by others and avoid acting in ways that may be seen as conflicting with the interests of the Single Buyer Sabah. For the avoidance of doubt, for as long as the employees of Single Buyer Sabah remain an employee of the Company, it is not a conflict of interest for the employees of Single Buyer Sabah to purchase, possess or sell any shares in Tenaga Nasional Berhad (TNB), the Company's parent company, subject always to compliance with applicable laws and internal policies, and provided that such shareholding does not influence, or appear to influence, the employee's independence, decision-making or performance of duties within the Single Buyer Sabah.

6.1 Bribery and Other Improper Payments

Employees of the Single Buyer Sabah shall not, whether directly or indirectly, offer, give, solicit, or accept any gratification including money, privileges, special benefits, gifts or other items of value, or grant or receive any kind of special or favoured

treatment, services for the purposes of inducing, obtaining, retaining or directing any business dealings, except in the situation below:

- (a) Gifts such as merchandise or products, as well as personal services or favors, shall not be accepted unless it is within the bounds of propriety, a normal expression of courtesy or customary under the circumstances and do not have the effect of influencing or inducing the recipient's judgment.
- (b) Participation in business entertainments such as lunches, dinners, theatres, sporting events and the like in the course of work are acceptable if such entertainments foster good business relations, do not become a regular feature and are not lavish.

6.2 Involvement of Employees in the Single Buyer Sabah's Business Dealings

Employees, who have vested interest in business that have dealings with the Single Buyer Sabah, whether directly or indirectly, and/or are involved in any decision-making process regarding the said dealings in the course of their duties, shall declare to the Management of the Single Buyer Sabah and thereafter abstain from any involvement in the business dealings.

6.3 Involvement of Employee's Family in the Single Buyer Sabah's Business Dealings

Employees, whose family has vested interest in businesses that have dealings with the Single Buyer Sabah, whether directly or indirectly, shall declare to the Management of the Single Buyer Sabah and thereafter abstain from any involvement in the business dealings.

The term "family" shall refer to the immediate family members of the employee for instance, the employee's spouse, siblings, parents and children.

6.4 Other Employment

Employees shall not hold other employments or undertake other jobs or freelance work without written consent from the Management of the Single Buyer Sabah.

6.5 Political Activities

Employees who wish to be involved in political activities beyond being an ordinary member, must obtain approval from the Management of the Single Buyer Sabah and use their off-duty time or annual leave entitlement for such purposes.

Prior to accepting any portfolio in any political parties, approval must be obtained from the Management of the Single Buyer Sabah. Employees who wish to stand for State and/or Federal election are required to resign from the Company.

6.6 Other examples

Engaging in outside non-business activity that materially decreases the impartiality, judgment, or effectiveness of employees may also be considered as a conflict of interest.

7.0 BUSINESS RELATIONS

7.1 Corporate Identity (if any)

Employees who intend to use the name, logo and colors of the Company when communicating with customers/ shareholders/ stakeholders or giving presentations to the public audiences, must do so in compliance with the corporate identity manual issued by the corporate communications department of the Company.

Employees shall not:

- Modify the logo of the Company.
- Use other logos, symbols, designs or emblems in place of the logo of the Company.
- Use the logo of the Company for any other purposes except for the business of the Company and/or the Single Buyer Sabah.

7.2 Media and Public Releases Information

Employees should immediately channel inquiries from the media to the authorised persons as per the list issued by corporate communication department of the Company.

7.3 Customer Relations

Employees shall provide superior customer service and treat customers professionally, respectfully, fairly, courteously and responding promptly to their needs.

8.0 PROCUREMENT AND VENDOR RELATIONS

Employees who are involved in the Single Buyer Sabah's procurement activities shall abide by the Company's Sustainable Procurement Code of Conduct including integrity pact. The Company's procurement code of conduct provides guidelines on acceptable business behavior and a secure communication channel to report on any unethical behavior and the implications of non-compliance to the Company's procurement code of conduct.

9.0 SINGLE BUYER SABAH'S DOCUMENTS AND RECORDS

Employees shall ensure that the Single Buyer Sabah's documents and records are maintained and controlled such that they are accurate, up-to-date, legible, readily identifiable and retrievable. Such controls are contained in the quality manual of the Company and the respective divisional quality manuals.

10.0 SAFEGUARDING SINGLE BUYER SABAH'S ASSETS AND RESOURCES

Employees shall use the Single Buyer Sabah's assets and resources with care and ensure its proper maintenance. The Single Buyer Sabah's assets and resources shall include installations, materials, equipment, tools, computers, property, proprietary information and funds.

An inventory of the Single Buyer Sabah's assets must be maintained, updated regularly and kept safe and secure.

Employees must not;

- Reproduce protected materials for personal use.
- Make personal use of any Single Buyer Sabah's asset (including computers and other office resources, equipment, tools and machinery) that creates any additional costs for the Single Buyer Sabah, interferes with work or violates any Single Buyer Sabah's policies.
- Allow Single Buyer Sabah's property to be used for illegal activities.
- Use Single Buyer Sabah's property or information for personal gain.

10.1 **Information Systems**

Every employee is responsible for preventing unauthorised access to the Single Buyer Sabah's information systems. Employees shall not modify, relocate, install, or reconfigure the Single Buyer Sabah's technology except under the guidance of their appropriate IT representatives and are bound by the ICT Security Policy.

10.2 **Intellectual Property**

Every employee of Single Buyer Sabah is prohibited from infringing the intellectual property rights of others.

10.3 **Confidential and Privileged Information**

Save and except for the requirements under the Guidelines, employees are expected to protect the Single Buyer Sabah's and third-party confidential and privileged information from unlawful disclosure, and to ensure that such information is handled properly throughout the organization.

Confidential and privileged information can be used by the Single Buyer Sabah in accordance with the Guidelines and in accordance with the respective power purchase agreements terms and conditions and must be handled discreetly. Assisting third parties to gain access to such information is prohibited. Should any release of such information become necessary, employees are required to consult the relevant authorised personnel/ department and approval of the Head of Single Buyer Sabah obtained and shall not be inconsistent with the terms and conditions of the power purchase agreement or power exchange agreement or any other energy procurement agreement.

Employees shall not misuse privileged information or any form of information based on their knowledge from the job, for personal and third-party gain. Upon retirement, resignation or termination of employment with the Company, any employee with access to confidential information shall not disclose such information to any other person.

For the purpose of this Code of Conduct, Confidential Information shall also consist of the following:

- (a) any commercially sensitive information that is affirmatively designated as Confidential Information by its supplier or owner including, without limitation, trade secrets, equipment specific information (e.g., generator specific data such as heat rates, etc.), and business strategies;

- (b) all information reasonably identified by the Single Buyer Sabah that is objectively commercially valuable and information that has not yet been publicly disclosed.

The following are examples of instances when information is not confidential:

- (a) information which is or becomes public knowledge and public property in any way other than as a result of a breach by the Single Buyer Sabah;
- (b) information which is required to be disclosed by law, by order of court of a competent jurisdiction or by governmental or regulatory authority
- (c) information that is not listed and has not been designated by the supplier or owner as Confidential Information or which is disclosed by the Single Buyer Sabah with the prior written approval of the owner; or
- (d) information that is no longer commercially sensitive because it was made public by posting it on the Single Buyer Sabah Website; or it was legally disclosed by a third party in good faith and without violating a trade secret, a secrecy agreement or employment contract with a non-disclosure clause; or it was made public by a government agency, court or other process of law.

11.0 OCCUPATIONAL SAFETY AND HEALTH

Employees share with the Single Buyer Sabah the responsibility of safety. Employees are urged to create and maintain a safe working environment to prevent workplace injuries and shall use all devices provided for their protection. It is the responsibility of employees to ensure that the protective devices are in good working condition and shall report unsafe equipment and tools, hazardous conditions and accidents.

All employees are responsible for their own safety, the safety of fellow workers and the general public, and shall comply with the Occupational Safety and Health Act, safety rules issued by the Single Buyer Sabah and the requirements of the Company's safety management system. In case of any doubt, employees shall seek clarification from their supervisors before starting work.

12.0 LAWS AND REGULATIONS

Employees are required to fully comply with laws and regulations applicable to the Single Buyer Sabah's business activities. Violations of the Single Buyer Sabah's legal and regulatory requirements should be reported promptly to the supervisor.

This includes compliance with any regulations, codes, guidelines or directions with regards to its functions as may be made or issued by The Commission from time to time.

Employees must:

- Be familiar, understand and comply with the laws, rules and regulations that affect their job.
- Ask for clarification if unsure of the impact of the laws, rules and regulations prior to acting.

13.0 WHISTLE-BLOWERS

- 13.1 A whistle-blower is defined as someone in the Single Buyer Sabah who tells a person of authority in Integrity and Governance Department of the Company about a wrongdoing, misconduct or violation of this Code of Conduct, a law or regulation.

The Company has established a whistle-blowing procedure that provides an anonymous, secure and confidential communication channel for the Single Buyer Sabah employees to raise genuine concerns or report any misconduct or wrong-doings that is happening in the Single Buyer Sabah. For the avoidance of doubt, any genuine concerns or report must be made in accordance with the whistle-blowing procedure of the Company.

- 13.2 Pursuant to paragraph 13.1 of this Code of Conduct, Integrity and Governance Department of the Company, may in good faith, upon its reasonable discretion and after necessary investigation, address any genuine concerns or reports under the disciplinary procedure of the Company.

The Management of the Single Buyer Sabah may grant a waiver of compliance with a specific provision of the Code of Conduct in appropriate cases to avoid unjust or unreasonable results. Any waiver shall be properly disclosed along with an appropriate explanation.

Appendix A
Form of Conflict of Interest Declaration

I, (Name), (NRIC No.) hereby declare:

Save as otherwise disclosed below:

- (i) I have read and understood the Guidelines for Single Buyer Sabah, the Single Buyer Sabah Operations Manual and the Single Buyer Sabah Code of Conduct for Single Buyer Sabah;
- (ii) I am aware the Single Buyer Sabah is a ring -fenced entity under the Electricity Supply Enactment 2024 and the Single Buyer Sabah has a duty to take steps to avoid conflict of interest which may have an effect of reducing competition or provide competitive advantage to any participant in the Single Buyer Sabah market (including other division and unit of Sabah Electricity);
- (iii) I understand and acknowledge in the performance of my duties for the Single Buyer Sabah, I shall take all reasonable steps to avoid and disclose any interest, whether actual, potential, perceived or none, which may conflict with the interests of the Single Buyer Sabah and/or the duty of the Single Buyer Sabah;
- (iv) I understand a failure to avoid or disclose any conflict of interest, whether actual, potential, perceived or none, will result in disciplinary actions against me including suspension and/or termination of my employment;
- (v) I declare I am not currently aware of any matters giving rise of any conflict of interest and undertake to immediately notify my immediate manager and the Head of Single Buyer Sabah any matter giving rise of any conflict of interest which comes to my attention; and
- (vi) I declare I am not a Connected Person with any director or shareholder of Sabah Electricity (" Sabah Electricity ") or any Independent Power Producer ("IPP") or any other energy supplier or any individual having an interest to the business activities of Single Buyer Sabah.

Declarations (if any):

For the purposes of this declaration:

"Connected Person" in relation to Sabah Electricity or IPP or any other energy supplier means:

- (a) a Family Member of a director or shareholder of Sabah Electricity or IPP or any energy supplier;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which a director or shareholder of Sabah Electricity or IPP, or a Family Member of a director or shareholder of Sabah Electricity or IPP, is the sole beneficiary;
- (c) a partner of a director or shareholder of Sabah Electricity or IPP, or a partner of a person connected with that director or shareholder of Sabah Electricity or IPP or any other energy supplier;
- (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a director or shareholder of Sabah Electricity or IPP or any other energy supplier; and
- (e) a person in accordance with whose directions, instructions or wishes a director or shareholder of Sabah Electricity or IPP or any other energy supplier is accustomed or is under an obligation, whether formal or informal, to act.

Note: Employees shall not be considered as a "Connected Person" by virtue of carrying out official duties as an employee of Sabah Electricity.

"Family Member" means the person's relatives as defined by the Malaysian Anti-Corruption Commission Act 2009 (Act 694) in Section 3, the broader definition of 'relatives' depends on the situation that describes a person as close, a personal friendship, and those living in the same house, adoptive family, step family or 'immediate family'.

Name:

Date: