

**SINGLE BUYER CODE OF CONDUCT
(PENINSULAR MALAYSIA)**

DRAFT 20.3.2017

SINGLE BUYER DEPARTMENT
Version 1.0
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1. INTRODUCTION

- 1.1 The Single Buyer is the unit within Tenaga Nasional Berhad who is authorised by the Minister in accordance with Section 22B of the Act to be the “Single Buyer” responsible for the management of procurement of electricity and related services, which includes planning, scheduling, procuring and settlement, in Peninsular Malaysia.
- 1.2 The Energy Commission has pursuant to the Act issued the Single Buyer Rules to govern the operation of the Single Buyer market which includes a statutory duty to ring-fence its operations to ensure the Single Buyer is able to purchase electricity and perform its functions as the Single Buyer in a fair and non-discriminatory manner while promoting competition in the energy generation sector and enhance public confidence in the Electricity Industry.
- 1.3 The objectives of this Code of Conduct are:
- (a) to outline the fundamental principles of conduct that the Single Buyer and the management and employees of Single Buyer are expected to follow;
 - (b) to emphasise the duty to maintain independence and avoid conflicts of interests by the Single Buyer in performing its functions;
 - (c) to promote transparency and market confidence in the operations of the Single Buyer; and
 - (d) to serve as a reference guide for the employees of the Single Buyer.
- 1.4 This Code of Conduct shall be read in conjunction with the Single Buyer Rules and shall apply without derogating from the general principles and requirements as detailed in the Single Buyer Rules.

2. DEFINITIONS

- 2.1 Unless otherwise defined herein, all capitalised words appearing herein shall have the meanings ascribed in the Single Buyer Rules:

Family Member

A person is considered a family member if such person falls within any of the following categories:

- (a) spouse;
- (b) parent;
- (c) child including an adopted child and step-child;
- (d) brother or sister; or
- (e) spouse of the person referred to in paragraphs (c) to (d) above.

ICT

Information and Communications Technology

IPP Independent Power Producer

TNB Tenaga Nasional Berhad

3. TRANSPARENCY

- 3.1 The Single Buyer shall perform its functions in a transparent and consistent manner. In doing so but subject to any confidentiality obligations and requirements, the Single Buyer shall publish information with regards to the performance of its functions in accordance with the Single Buyer Rules and other relevant rules and requirements of the Energy Commission.
- 3.2 The Single Buyer shall take reasonable steps to verify the information to be published and shall reasonably ensure that all information published is accurate, concise, understandable and readily accessible to the relevant Participants, stakeholders and customers.
- 3.3 In the spirit of collaboration with the Participants and to the extent provided in the Single Buyer Rules, the Single Buyer shall consult with the Participants at such times that the Single Buyer considers necessary to assist it in performing its functions

4. COMPETITION

- 4.1 In promoting competition in the generation sector and confidence in the Electricity Industry in Peninsular Malaysia, the Single Buyer shall perform its functions in a fair and balanced manner.
- 4.2 The Single Buyer shall deal fairly with business partners, the Participants, competitors and governmental authorities. The Single Buyer shall not make decisions or act in a manner that is biased and/or unreasonably discriminates against any Participant.

5. INDEPENDENCE

- 5.1 The Single Buyer shall perform its functions independently consistent with the ring-fencing principles as set out in the Single Buyer Rules. The Single Buyer shall ensure that it acts professionally and conducts itself in good faith and with integrity.
- 5.2 The Single Buyer shall implement appropriate operational ring-fencing procedures to address situations which may give rise to potential conflicts of interests, reduce competition or provide competitive advantage to any Participant in the Single Buyer market. Such ring-fencing procedures may include, but are not limited to:
- (a) limitations on employees of the Single Buyer participating in committees, working groups and meetings concerning tendering for new generation capacities and strategic developments of TNB;
 - (b) establishing a work area that is separate from the work areas of other divisions and units within TNB that may obtain a competitive advantage from information held by the Single Buyer with access controls that prevent other divisions or units of TNB

from entering into the Single Buyer's work area; and

- (c) access controls for the Single Buyer's information technology systems so that other users of information technology systems (other than an outsourced information communication and technology service provider) cannot access information held by the Single Buyer that may give rise to a conflict of interest, lessening of competition or competitive advantage.

6. EMPLOYEE CONDUCT

- 6.1 All employees of the Single Buyer are required to comply with the following code of conducts. Violations of the following codes of conduct may result in reprimands, detraction of benefits, demotion, suspension or termination depending on the seriousness of the violations.

Legal actions may be pursued against the employee for cases of corruption, theft, embezzlement or other unlawful behavior.

- 6.2 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. Any kind of discriminatory behavior, harassment or victimisation is strictly prohibited.

Employees should take proper instructions and/or should not abuse its authority but to execute all of their duties with skill and in a timely manner.

- 6.3 Fitness and Attendance

Employees shall keep themselves physically fit for work, be punctual and maintain professionalism.

- 6.4 Personal Appearance

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

- 6.5 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.

- 6.6 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's premises or property is prohibited, except in the case of individual use of legally obtained prescription drugs.

6.7 Immoral Activities

In ensuring that the image of the Single Buyer 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.

6.8 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 sexual advances.

6.9 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's property, facilities, resources and services shall not be used by employees for purposes of financing or facilitating criminal activities.

7. CONFLICTS OF INTEREST

Employees must at all times act in the best interest of the Single Buyer and avoid all conflicts of interests, whether real, potential, apparent or otherwise.

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 and/or the statutory duty of the Single Buyer as a ring-fenced entity under the Electricity Supply Act 1990.

The appearance of any improper influence in decision-making will undermine the independence of the employee 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 and/or the statutory duty of the Single Buyer.

7.1 Bribery and Other Improper Payments

Employees of the Single Buyer 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 situations 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.

7.2 Reducing Competition and Favouring any Participant

Employees of the Single Buyer shall not, whether directly or indirectly, make any decision or take any action which would have an effect of reducing competition in the Single Buyer market or providing competitive advantage to any Participant (including another division or unit of TNB). Such decision or action are against the objectives of the Single Buyer to procure electricity at the least cost and perform its functions in a fair and non-discriminatory manner and against the statutory duty of the Single Buyer as a ringed-fenced entity.

7.3 Involvement of Employees in the Single Buyer's Business Dealings

Employees, who have vested interest in businesses that have dealings with the Single Buyer, 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 and thereafter abstain from any involvement in the business dealings.

7.4 Involvement of Employee's Family Members in the Single Buyer's Business Dealings

Employees, whose Family Member(s) has vested interest in businesses that have dealings with the Single Buyer, whether directly or indirectly, shall declare to the management of the Single Buyer and thereafter abstain from any involvement in the business dealings.

7.5 Other Employment

Employees shall not be employed, engaged or involved in any capacity in any other business or work of whatsoever nature.

7.6 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 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. Employees who wish to stand for State and/or Federal election are required to resign from the Single Buyer.

7.7 Other Examples

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

7.8 Disclosure and Declarations of Conflicts of Interests

Employees shall at the first reasonable opportunity identify, declare and manage conflicts of interests situations in accordance with this Code and Conduct and the applicable standard operating policies and procedures for declarations of conflicts of interests.

All employees are required to declare their adherence with the conflict of interest obligations under this Code of Conduct in a Conflict of Interest Declaration on first employment with the Single Buyer and thereafter once every three (3) years.

8. BUSINESS RELATIONS

8.1 Corporate Identity

Employees in performing his/her duties for the Single Buyer shall use the name, logo and branding of Single Buyer when communicating with customers/ shareholders/ stakeholders or giving presentations to the public audiences.

Employees shall not:

- (a) modify the logo of the Single Buyer;
- (b) use other logos, symbols, designs or emblems in place of the logo of the Single Buyer; or
- (c) use the logo of the Single Buyer for any other purposes except for the business of the Single Buyer.

8.2 Media and Public Releases Information

Employees should immediately channel inquiries from the media to the authorised persons of the Single Buyer.

8.3 Customer Relations

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

9. PROCUREMENT AND VENDOR RELATIONS

Employees who are involved in the Single Buyer's procurement activities shall abide by the applicable procurement policies and procedures. Employees becoming aware of any embezzlement, bribery and other improper behaviours in respect of procurement shall immediately report the non-compliance in accordance with the applicable whistle blowing procedures.

10. SINGLE BUYER'S DOCUMENTS AND RECORDS

Employees shall ensure that the Single Buyer's documents and records are maintained and controlled such that they are accurate, up-to-date, legible, readily identifiable and retrievable in accordance with the applicable quality manuals.

11. SAFEGUARDING SINGLE BUYER'S ASSETS AND RESOURCES

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

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

Employees must not:

- (a) reproduce protected materials for personal use;
- (b) make personal use of any Single Buyer's asset (including computers and other office resources, equipment, tools and machinery) that creates any additional costs for the Single Buyer, interferes with work or violates any Single Buyer's policies;
- (c) allow Single Buyer's property to be used for illegal activities; or
- (d) use Single Buyer's property or information for personal gain.

11.1 Information Systems

Every employee is responsible for preventing unauthorised access to the Single Buyer's information systems. Employees shall not modify, relocate, install, or reconfigure the Single Buyer's technology except under the guidance of representatives from ICT Division of TNB. Employees shall adhere to all applicable ICT Security Policy and ICT Codes of Practice.

11.2 Intellectual Property

Every employee of Single Buyer is prohibited from infringing the intellectual property rights of others. When using the name, trademarks, logos or printed materials of another company, employees must do so in accordance with the applicable law.

11.3 Confidential Information

Employees are required to protect all Confidential Information of the Single Buyer from unlawful disclosure, and to ensure that such information is handled properly throughout the organisation.

Confidential Information of the Single Buyer shall not be used, copied, reproduced, distributed or disclosed for any purpose except for the purpose of carrying out the functions of the Single Buyer in accordance with the Single Buyer Rules. Should any release of such information become necessary, employees are required to consult the relevant authorised personnel/department and obtain the approval of the management of the Single Buyer.

Employees shall not misuse any Confidential 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 consist of the

following:

- (a) any commercially sensitive information that is designated or marked as “Confidential” 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 that is objectively commercially valuable and information that has not yet been publicly disclosed.

Confidential Information does not include:

- (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.
- (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 or marked by the supplier or owner as “Confidential” or which is disclosed by the Single Buyer with the prior written approval of the supplier or owner.
- (d) information that is no longer commercially sensitive because it was made public by posting it on the Single Buyer 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.

12. OCCUPATIONAL SAFETY AND HEALTH

Employees share with the Single Buyer 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 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.

13. LAWS AND REGULATIONS

Employees are required to fully comply with laws and regulations applicable to the Single Buyer's business activities including the Single Buyer Rules and other applicable laws, codes, rules, regulations and guidelines. Violations of the Single Buyer's legal and regulatory requirements should be reported promptly to the supervisor.

Employees must:

- (a) be familiar, understand and comply with the laws, rules and regulations that affect their job.
- (b) ask for clarification if unsure of the impact of the laws, rules and regulations prior to acting.

14. WHISTLE-BLOWERS

A whistle-blower is defined as someone in the Single Buyer who tells a person of authority about a wrong-doing, misconduct or violation of this Code of Conduct, a law or regulation.

Employees of the Single Buyer shall immediately bring to the attention of the Single Buyer and/or relevant authorised person of any non-compliance, wrong-doing, misconduct of any employee in accordance with the applicable whistle blowing procedures adopted by the Single Buyer.

The Single Buyer will ensure the anonymity and provide secure and confidential communication channel for employees to raise genuine concerns or report any misconduct or wrong-doings that is happening in the Single Buyer.

15. WAIVER

The management of the Single Buyer 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.

Where the management of the Single Buyer allows the exercise of discretion in applying the waiver, a written log of each waiver or act of discretion, the circumstances involved, the person authorising such waiver shall be recorded.

16. TRAINING & ASSESSMENT

Employees will abide by the Code of Conduct set forth, as amended from time to time. The Single Buyer shall develop procedures to train the employees on the Code of Conduct and all employees shall receive annual training thereafter as long they remain associated with the Single Buyer.

All employees receiving such training shall sign a compliance certificate to indicate that they have undergone the required training, understood the Code of Conduct and shall to the best of their ability abide to this Code of Conduct.

Employees shall be required to attend periodic reviews carried out by the Single Buyer for purposes of evaluating the level of integrity and compliance with this Code of Conduct.