



MALAYSIA AIRPORTS HOLDING BERHAD CODE OF ETHICS

RULE 1 - USE OF COMPANY'S PROPERTY

No Company's property should ever be used to give any employee or vendor any advantage that might represent a personal benefit. The Company's property is not limited to industrial tools but also includes, for example, know-how, strategic information, technologies, business strategies and development projects

RULE 2 - CLEAR AND FAIR CONTRACTS

The employees engaged in Procurement activities should be honest, fair and impartial in dealings with vendors and, in particular, not discriminate on grounds of race, gender and religion. They must ensure that they take into account the interests of both the company and vendor, with clear and fair contractual terms. MAHB expects vendors to apply principles similar to those laid down in the corporate code of ethics. It reserves the right to conduct audits on vendors to verify this. The vendor's independence and its application of a value system are the best guarantee of clarity and efficiency; in addition to products and services, MAHB also acquires from its vendors their image, values and skills.

RULE 3 - CONFLICTS OF INTEREST

Employees engaged in Procurement activities should avoid any conflict of interests with the Company; as such conflict is likely to adversely affect their business actions or decisions. These situations include having a personal or family interest, whether directly or indirect, in a company doing business with MAHB as vendor or competing with MAHB. In this respect, a compulsory declaration shall be made to detect any such potential situation before it occurs.

RULE 4 - GIFTS AND PERSONAL BENEFITS

It is an offence for employees engaged in Procurement activities to accept any gift or consideration as an inducement or reward for doing or refraining from doing anything or showing favour or disfavour to any person. No person is authorized to derive personal profit or benefit from the procurement of goods or services on behalf of the Company. Employees may accept only small "desk top" gifts such as diaries, pens and calendars or other low value gifts. Employees may accept unsolicited invitations from vendors within the bounds of business relationship where it can be a good opportunity to get to know more about a vendor's business e.g. profitability (scope for price reductions), what influences price, who the main competitors are, etc. but this requires care and experience. In any case, the employee shall ensure that it does not reach a point where impartially may be influenced, or be perceived by others to be influenced more especially during calls for tenders, employee directly or indirectly involved in the tendering process should not accept any invitations and gift from a potential vendor and should not divulge any privileged information with regard to the process.

RULE 5 - CARTEL AND COLLUSION

Company should be vigilant against the operation of cartels and collusion of vendors. A cartel is an arrangement between vendors to fix prices or to share the market between them. The objective is to reduce or eliminate competition. Cartel arrangements are invariably secret. All cartels are unlawful. Alternatively, a vendor may collude with others on tender prices in order to obtain favourable treatment. If the employees have reason to believe that a cartel is operating, inform it to the Head of Procurement Division/Unit for further action deemed necessary.

RULE 6 - FREE COMPETITION

All procurement should be conducted in accordance with the rules of free competition. Inviting competing bids is one of the basic principles of the quest for competitiveness in business. Invitations to tender should be made in accordance with strict rules that enable true competition, which in turn guarantees sound relations between MAHB and its vendors. Various tools and processes should be implemented to ensure that this competition is conducted under fully transparent conditions, such as regular updating of lists of potential vendors, and drafting of technical and commercial specifications that clearly define requirements in terms of results. Long term relationships, cooperation agreements or one-to-one agreements are compatible with the ethical principles of free competition as long as they are initiated in a competitive situation and are governed by specific contracts defining the reciprocal rights and obligations of all parties – particularly the possibility of a periodic call for competing bids and providing for modification over time. The competition process should be allowed to take its normal course and the decision whether or not to purchase from a particular vendor should be made independently.

RULE 7 - BRIBERY AND CORRUPTION

Employees engaged in Procurement activities are required to reject all forms of bribery and corruption. Particular attention should be paid to this during the procurement process. In the event of an attempt to bribe by a vendor, the solicited person must immediately report it to the Head of Procurement Division/Unit. The legal provisions with regard to the bribery in Malaysia are stipulated in Anti-Corruption Act (Act 575)

RULE 8 - EQUAL TREATMENT OF VENDORS

Tender, quotation documents or RFP, whether in printed or electronic form, should be similar for all potential vendors. All companies tendering must always receive the same information. Tender documents must always specify the commercial conditions, the closing date and the bid format required. In their submission, bidders may add to the formalized offer complying with specifications, one or more alternative offers that, in their opinion, improve the response to the specifications set forth in the invitation to tender. The establishment of the list of suppliers invited to tender should be governed by a clear and detailed procedure. Fair competition shall mean that employees engaged in Procurement activities will:

- Select vendors who really have the ability to make a valid response, i.e. those with the necessary skills and production capacity
 - Not limit invitations to tender to companies that are affiliates of the same Company
 - Not select vendors with whom the Company is not prepared to do business
 - Undertake not to disclose to any bidder the list of other bidders, unless this is required by local regulations
- all unsuccessful bidders should be notified once the contract has been awarded

RULE 9 - CONTRACTS

All contractual commitments should be covered by a written document accurately reflecting the outcome of the negotiation and agreements reached, and in line with the contractual terms approved by Company.

RULE 10 - RESPECT AND HONOUR COMMITMENTS

All employees of the Company must respect contractual commitments signed with vendors particular attention should be paid to making available to the vendor all facilities or equipment, supplies, mandatory safety documents, acceptance reports and payments provided for in the contract. Reciprocally, employees should require this same behavior from all vendors and should always inform the appropriate procurement personnel of any facts proving that vendor's commitments could not be met.

RULE 11 - CONFIDENTIALITY

Going beyond actual legal and contractual commitments, ethical principles dictate that no potentially confidential or sensitive information concerning the Company, its vendors and competitors should be disclosed or used without prior authorization from management This confidentiality is taken to include technical information (particularly regarding products currently being developed or launched, etc), financial data, commercial strategies, manuals and professional documents, operating procedures, and vendor-related information. Confidentiality also applies to information provided by tendering companies, and to technical and commercial analysis documents. For ethical reasons, no employee engaged in Procurement activities may disclose to a competing vendor the conditions negotiated with another vendor, without that vendor's knowledge. The application of this rule requires local regulations to be taken into account when these impose specific practices, such as tendering processes with public opening of bids, public auctions, etc. the Procurement personnel in charge and his/her supervisor have access to the commercial part of the bid and should ensure confidentiality for as long as required. Formal contacts with bidders should be handled by the relevant Contracts and Procurement personnel. The only reason for contract with other company employees should be to ensure proper understanding of the technical aspects of a bid.

RULE 12 - IMPLEMENTATION

The management of each subsidiary company is responsible for the implementation and the proper observance of this code of ethics:

- by all Procurement personnel.
- by all employees in other departments who are directly or indirectly involved in the procurement process management is responsible for implementing the Procurement code of ethics and ensuring it is observed at all levels in MAHB.