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# Supplier Code of Business Conduct

**: Version 1.0**

**March 2021**

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We, Melco Resorts & Entertainment Limited and its subsidiaries and affiliates (collectively, “**Melco**” or “**we**” or the “**Company**”), are firmly committed and continuously strive to develop, strengthen and promote the highest standard of integrity and ethical business practices in conducting all our business operations including, our retail trading and contract manufacturing business and in dealing with all our suppliers of products and/or services to the Company (collectively, the “**Suppliers**”). Melco requires all of our Suppliers to adopt and adhere to this Supplier Code of Business Conduct (the “**Code**”) when conducting business with Melco.

This Code contains Melco’s fundamental requirements, principles and guidelines with respect to ethical business conduct, human and labor rights, environmental protection, health and safety, and data protection and privacy, applicable to all of our Suppliers. This Code shall form an integral part of any definitive legal agreement (the “**Supplier Contract**”) between a Supplier and a Melco entity but shall not supersede any other specific provision contained in that agreement. If this Code conflicts with the term of any Supplier Contract, and the term in the Supplier Contract is more restrictive, the Supplier must comply with the more restrictive term of the Supplier Contract.

By implementing this Code, Melco aims to minimize the level of business risk, build closer and affirm the relationships with our Suppliers and safeguard the future supply. Melco values honest and open communication with our Suppliers and believes that transparency is vital to a successful business relationship.

All Suppliers shall be responsible for ensuring compliance of this Code by their respective employees, directors, officers, consultants, advisers, agents or representatives and subcontractors. Suppliers shall promptly notify Melco in the event of any suspected or potential breach of this Code. In the event of non-compliance, Melco expects and requires Suppliers to be committed and engaged in remedying the issues within the schedule set out under the corrective action plan. Melco strives to continuously improve together with Suppliers and help the Suppliers achieve compliance within the provisions of this Code while reserving the right to terminate the relevant Supplier Contract should a Supplier refuses and/or fails to comply with all the requirements set out in this Code.

## **1. COMPLIANCE WITH LAWS AND REGULATIONS**

Suppliers must, in addition to meeting the provisions of this Code, comply with all applicable laws and regulations wherever they and Melco conduct business. These include, among others, laws, and regulations related to corporate governance, competition, product safety, and product liability, occupational health and safety, labor, environment, protection of intellectual property, protection of individual privacy and equality at work. Suppliers shall possess and maintain while engaged and/or conducting business with Melco all required qualifications, registrations, authorizations, permits and licenses to perform their obligations, including, without limitation, in relation to work permits whenever applicable. Suppliers shall also take out and maintain appropriate levels of insurance coverage at all times, as required under the applicable laws and regulations, or as instructed by Melco.

## **2. CONFLICTS OF INTEREST**

All our Suppliers must avoid all conflicts of interests or potential conflicts of interest situations giving rise to the appearance of a conflict of interest during their engagement with Melco. There is a potential

conflict of interests when a Supplier's private interest interferes or appears to interfere in any way with Melco's interests. Suppliers shall promptly disclose to Melco management all instances involving actual or apparent conflicts of interests such as any material transaction or relationship that reasonably could be expected to give rise to such conflict. This includes disclosing personal and financial interests in Melco and their related parties by the Supplier, their representatives, or their immediate family members. The Supplier shall also disclose any employment or managerial position with any firm or corporation which is involved in any manner in the business of any competitor of any Melco group company.

### **3. GENERAL GUIDELINES AND PRINCIPLES**

#### **i. Business Ethics**

##### **a) No Corruption, Bribery, Extortion, Embezzlement, Fraud or Money laundering**

Suppliers shall conduct business with the highest standards of integrity that ethically and morally comply with all applicable laws and regulations and strictly prohibit bribery, extortion, embezzlement, corruption, prevention of fraud and other financial crime (including tax evasion and its facilitation) and/or money laundering in any form that could result in breach of any applicable laws and regulations in all jurisdictions they or their affiliated business or associate provide products or services, directly or indirectly.

Suppliers shall develop an effective mechanism such as a complaint/whistleblower process to identify and promote anonymous reporting of all suspected cases, actual breaches, or concealment of any forbidden act in strict confidentiality and protected from retaliation. Suppliers shall adopt all appropriate and necessary measures to prevent any forms of corruption, bribery, extortion, fraud, embezzlement and money laundering, including but not limited to the following:

- List and disclose to their representatives, employees, sub-contractor and any other relevant parties all forms of bribery, corruption, extortion, embezzlement, fraud and money laundering for clarity and guidance;
- State the complaint/whistleblower mechanism, which shall be available to all internal and external parties;
- Participate in Melco's selected third party confidential and anonymous reporting method whereby employees and stakeholders can ask questions or raise concerns about Supplier conduct and business practices.

Without prejudice to compliance with any other applicable laws and regulations to which they are subject to, including those related to anti-corruption, anti-bribery, anti-money laundering and sanctions, Suppliers shall comply with the provisions of the U.S. Foreign Corrupt Practices Act ("FCPA") (15 U.S.C. §§ 78dd-1, et. seq.), as if Suppliers were U.S. "issuers".

**b) No Improper Advantage**

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted. Suppliers, in any case, shall not offer any of Melco's representatives, directors or employees and/or any local authorities' officers any gifts, entertainment, payments, fees, services, discounts, valued privileges, or other favors where these would improperly benefit and/or influence any Melco's representatives or employees and/or any local authorities' officers.

**c) Disclosure and Privacy of Information**

Suppliers shall effectively safeguard and protect all confidential, proprietary and personal information it handles or receives from any Melco entity, including regarding business activities, structure, financial situation, performance, and/or any other information deemed confidential or otherwise protected from disclosure under applicable laws and regulations. Such information shall only be disclosed in accordance with the terms and conditions specified within any agreed-upon non-disclosure agreement between Supplier and Melco, and within the provisions of all applicable laws and regulations. Suppliers are expected to maintain complete and accurate records to ensure accountability and such records must be retained and destroyed in accordance with applicable laws.

**d) Fair Business, Advertising, and Competition**

Suppliers must adopt standards of fair business practices and must not engage in any unfair or illegal advertising and competitive conduct or trade practice. Suppliers shall not engage in collusive bidding, price-fixing, price discrimination, or other similar abusive tactics in violation of antitrust or any other applicable laws and regulations.

**e) Data and Intellectual Property Protection**

Suppliers shall comply with any applicable data privacy and information security laws and regulations, including whenever they process any information of whatever nature regardless of its recording support (including sound and images) relating to any identified or identifiable natural person ("**Personal Data**").

Suppliers shall respect and not infringe any intellectual property rights from Melco or any third parties, including, without limitation, any registered or unregistered trademarks, designs, character names, domain names, business names, patent rights, inventions, confidential information and trade secret rights, publicity rights, copy and moral rights, rights against unfair competition and any other similar industrial and intellectual property rights.

Suppliers shall promptly notify Melco in the event of any unauthorized release, exploitation or use of Personal Data, trade secrets and/or confidential information ("**Data Incident**") and collaborate with due transparency to mitigate the impact of any Data Incident in compliance with the applicable laws and regulations, including any data protection and privacy laws and regulations.

**f) Transparency and Accountability**

Suppliers shall ensure policies, systems and procedures align with this Code and report on related compliance and performance or provide information as requested. Suppliers shall permit Melco’s authorized representatives to access their facilities and inspect relevant records or information to assess Suppliers’ compliance with the expectations set forth in this Code when rendering services or offering products to Melco.

**ii. Human Rights**

Suppliers shall respect human rights in accordance with any applicable laws and regulations, including, without limitation, local labor and employment laws and the United Nation’s Universal Declaration of Human Rights, and ensure that they are not complicit in any human rights abuses and that workplaces are free of discrimination in any form and harassment, including verbal, physical, visual or sexual discrimination. Suppliers should also respect any applicable laws, regulations, and requirements related to the topics of modern slavery and human trafficking.

**a) Forced and Compulsory Labor**

Suppliers shall respect the freedom of choice of all persons and shall not use any type of forced or compulsory labor, including prison or indentured labor, and shall ensure that employment is voluntary.

Suppliers shall not take possession of money or require employees to surrender any government-issued identification documents or work permits for working assurance.

**b) Child Labor**

Suppliers shall ensure that no child labor is used. A child is any person under the minimum employment age according to the applicable laws and regulations. Suppliers shall not employ any person below the age of fifteen (15) or the applicable minimum legal age for employment, whichever is the highest.

**c) Employment Status**

Suppliers shall ensure that all employees are legally authorized to work and maintain valid work permits under all applicable laws and regulations.

**d) Freedom of Association**

Suppliers must recognize and respect the rights of their employees to associate freely under the applicable laws and regulations.

**e) Working Hours and Rest Days**

Suppliers must comply with all applicable laws and regulations with respect to working hours, rest days and overtime.

**f) Wages and Benefits**

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. Suppliers must inform their employees of their remuneration conditions in a comprehensible manner.

**g) Non-Discrimination**

Suppliers shall not discriminate in hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement, based on race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, pregnancy, marital status, political opinion, disability, union membership of employee's association or any other category protected by law.

**h) Disciplinary Practices**

Suppliers shall not engage in or tolerate the use of corporal punishment, mental or physical coercion, or verbal abuse of employees. Any disciplinary measures must be in compliant with the applicable laws and regulations.

**i) Training**

Suppliers shall ensure that their employees are qualified to perform their work and have appropriate training under the applicable laws and regulations.

**iii. Health and Safety Standards**

Suppliers must comply with all applicable health and safety laws and shall ensure their employees operate in a safe and healthy working environment and limit any exposure to potential safety hazards. Safety training programs and/or appropriate personal protection gear shall be provided when required and/or needed.

**iv. Environment Protection**

Suppliers shall commit to prevent environmental pollution and make continuous improvements in environmental protection, and to establish an environmental policy and management system to ensure compliance with relevant local environmental laws, standards, and regulations and the requirement of this Code, which includes standards related to emissions, discharges, chemical management, waste treatment, and disposal, and usage of resources.

**a) Environmental Permits, Regulations, and Standards**

All required environmental permits and registrations shall be obtained, maintained, and kept current. Suppliers shall ensure that applicable regulatory/ legal requirements and other concerned requirements are taken into account when establishing, implementing, and maintaining their environmental management system.

Chemicals and other materials posing a hazard if released to the environment shall be identified and managed under applicable laws and standards.

**b) Pollution Prevention and Resource Reduction**

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance, and facility processes, materials substitution, conservation, recycling, and re-using materials. Wastewater shall be treated to eliminate the contaminant and achieve regulatory requirements before released to the environment. Toxic waste shall be collected and discarded following law and regulation. Air pollution shall have an appropriate treatment method and managed contaminant residue under applicable law/ regulatory standards before released to the environment.

**4. REQUIREMENTS**

Melco has set out the following requirements and procedures for qualified Suppliers to engage and/or conduct business with Melco:

**i. Supplier Registration**

Suppliers shall confirm the acknowledgment of all the terms and conditions of working in partnership with Melco in writing. The Supplier Master Requisition Form should be completed by the Supplier to confirm the understanding of the requirements and procedures.

**ii. Supplier Contact Person Information**

Suppliers must provide the following contact information to Melco:

- a) Contact person name, position, phone number, email address, and contact address (senior/management level)
- b) Contact person name, position, phone number, email address, and contact address (junior level)
- c) Contact person name, position, phone number, email address, and contact address (emergency contact)

**iii. Purchase Contract/Agreement**

- a) Price Proposal

Suppliers shall specify the product price, the duration of the price offered and the delivery/completion date including its terms to Melco.

- b) Change of Price

Suppliers shall provide products and/or services to Melco in accordance with the provisions, offered price, price duration and delivery/completion date as agreed by both parties in the Contract.

Change of price is subject to the terms and conditions of the Contract. No change of price proposed by Suppliers shall be deemed effective before the receipt of approval in writing from Melco's designated representative.

**iv. Payment Terms**

The Supplier acknowledges and agrees that payments are made by Melco within 45 (forty-five) days from the invoice issuance date and/or in accordance with the terms of the Contract.

a) Standard Payment

Melco has a scheduled payment due to Suppliers based on the following table. If the payment due date is on holiday, the payment must be made one (1) day before the holiday.

Country / Region	Payment Term	Payment Due Date	Example
Macau SAR	45 Days (Standard) 14 Days (EPS)	Payment settled on weekly basis upon complete posting of AP invoices	Payment date: weekly
Philippines/ Hong Kong SAR/ Japan	30 Days	On the 15 <sup>th</sup> of the subsequent month	Delivery date: Jan 1-31 Payment date: Jan 25 Est. check release date Feb 1-15
	30 Days	On the last day of next month	Delivery date: Jan 16-31 Payment date: Feb 10 Est. check release date: Feb 16-28
Cyprus	45 Days	Payment settled on weekly basis upon complete posting of AP invoices	Payment date: weekly



b) Express Payment Scheme (EPS)

Melco has implemented an Express Payment Scheme (currently only applicable in the Macau Special Administrative Region) aiming to offer support to help the local small and medium-sized enterprises (SME) overcome challenges related to cash-flow pressures. Under this scheme, all eligible local SME Suppliers, upon presenting appropriate documentation for payment, shall be paid within 14 days of receipt of deliverables and supported by invoices aligned with purchase orders (POs).

## **5. PRIVILEGED LICENSE**

Supplier acknowledges that Melco, or any of its affiliates or entity part of Melco group are businesses that are subject to and exist because of privileged licenses issued by governmental authorities. If requested to do so by Melco, Supplier shall obtain any license, qualification, clearance or the like which is required of Supplier by any regulatory authority having jurisdiction over Melco, or any of its affiliates or entity part of Melco group. If Supplier fails to satisfy such requirements or if Melco, or any of its affiliates or entity part of Melco group are directed to cease business with Supplier by any such authority, or if Melco shall in good faith determine, in Melco's sole and exclusive judgment, that Supplier or any of its shareholders, representatives, executives, members, directors, managers, employees, officers, agents, designees, sub-contractors, successors or assignees (a) is engaged in, or about to be engaged in, any activity or activities, or (b) was or is involved in any relationship, which could or does jeopardize Melco, or any of its affiliates or entity part of Melco group businesses, licenses, gaming concessions or any related activities that Melco, or any of its affiliates or entity part of Melco group are authorized to conduct, or if any such licenses or gaming concessions are threatened to be, or are, denied, curtailed, suspended or revoked as a result of any activity by Supplier, its shareholders, representatives, executives, members, directors, managers, employees, officers, agents, designees, sub-contractors, successors or assignees, then Melco shall have the right to immediately terminate or not proceed with the business engagement or the Contract with Supplier without any further liability to Melco, or any of its affiliates or entity part of Melco group.

**6. ACKNOWLEDGEMENT OF TERMS**

By signing below, I hereby have accepted and agreed to the terms of this Code and agree to be bound by them and understand that my compliance with the Code of Conduct is required to engage and/or conduct business with Melco.

By and on behalf of:

[Insert Supplier's name or Company name]

[Insert Supplier's registered address]

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_