

COUNTRY SUPPLEMENT:
INDIA



PETRONAS

PETRONAS CODE OF CONDUCT AND BUSINESS ETHICS

The PETRONAS Code of Conduct and Business Ethics Country Supplement: India is a specific reference for use in India. It does not describe all applicable laws or PETRONAS policies, or give full details on any particular law or policy. It does not constitute legal advice. It does not constitute or create a contract of employment. PETRONAS reserves the right to modify, revise, cancel or waive any policy, procedure or condition without notice and without revision of the Code. Moreover, the provisions of the Code may be modified by PETRONAS to adapt them to local laws and conditions.

CONTENTS

COUNTRY SUPPLEMENT: INDIA

PART I : CORE VALUES AND CULTURE

1. Application	3
2. Language	3
3. Serious Pecuniary Indebtedness.....	3
4. Borrowing Money	4
5. Living Beyond Official Emoluments and Legitimate Private Means	4
6. Information Security	5

PART II : DUTIES OF GOOD FAITH, FIDELITY, DILIGENCE AND INTEGRITY

1. Conflict of Interest	6
2. Public Officials.....	6
3. Inventions and Computer Programmes.....	8
4. Political Activities	8

PART III : WORKPLACE CULTURE AND ENVIRONMENT

1. Dress Code	9
2. Sexual Harassment	10
3. Absence Without Leave or Without Reasonable Cause	11
4. Responsibility for Assets, Facilities, Resources and Records.....	11

PART IV : DISCIPLINE, DISCIPLINARY PROCESS AND SANCTIONS

1. Disciplinary Process	12
2. Disciplinary Punishments.....	12
3. Punishing Authority.....	13
4. Appeal Procedure	13

COUNTRY SUPPLEMENT: INDIA

PART I : CORE VALUE AND CULTURE

1. APPLICATION

1.1

This Code of Conduct and Business Ethics Country Supplement is intended to apply to every PETRONAS company in India. For the purposes of Part I Section 1.1 of the CoBE and this Country Supplement, the expression 'employee' would include a workman and a non-workman of PETRONAS, as per the Industrial Disputes Act, 1947.

2. LANGUAGE

2.1

This Country Supplement is prepared in English, Hindi and Marathi languages. In the event of a conflict, the English version will govern.

3. SERIOUS PECUNIARY INDEBTEDNESS

3.1.

For the purpose of this Section, the term "serious pecuniary indebtedness" means the state of an employee's indebtedness which, having regard to the amount of debt incurred by him/her has actually caused financial hardship to him/her.

An employee will be deemed to be in serious pecuniary indebtedness where:-

- a) he/she is a judgment debtor, for as long as the judgment sum remains unsettled; or
- b) he/she is a bankrupt or an insolvent wage earner, for as long as he/she remains as a bankrupt or for as long as any judgment sum against him/her in favour of the official assignee/receiver remains unsatisfied, as the case may be.

3.2.

Serious pecuniary indebtedness from whatever cause will be regarded as necessarily impairing the efficiency and effectiveness of an employee.

3.3.

An employee will avoid habitual indebtedness unless he/she proves that such indebtedness or insolvency is the result of circumstances beyond his/her control and does not result from extravagances or dissipation.

3.4

An employee will be required to disclose the full extent of his/her serious pecuniary indebtedness to PETRONAS at the earliest opportunity when such indebtedness is known to him/her.

3.5

An employee who obtains an annulment of his/her bankruptcy may be treated as having fully restored his/her credit standing.

- c) the aggregate of your debts does not or is not likely to cause you serious pecuniary indebtedness as defined under Section 3.1.

4.2.

You may not borrow from any other person engaged in the business of money lending.

4.3.

You must comply with the limitations on borrowing set out in the Code.

4. BORROWING MONEY

4.1.

You may borrow from banks, insurance companies, co-operative societies or borrowing companies licensed under the Reserve Bank of India Act, 1934 or incur debt through acquiring goods by means of hire purchase agreements or other arrangements, provided that:

- a) such banks, insurance companies, co-operative societies or borrowing companies from which you borrow are not directly or indirectly subject to your official authority;
- b) such borrowings do not lead to public scandal or be subject to construal that you have abused your position for your private advantage; or

5. LIVING BEYOND OFFICIAL EMOLUMENTS AND LEGITIMATE PRIVATE MEANS

5.1

Where in the opinion of PETRONAS an employee is or appears to be:-

- a) maintaining a standard of living which is beyond his/her official emoluments and other legitimate private means, if any; or
- b) in control of or in possession of pecuniary resources or property, movable or immovable, the value of which is disproportionate to, or which could not reasonably be expected to have been acquired by the employee with his/her official emoluments and any legitimate private means.

Subject to the requirements of applicable law, PETRONAS may call upon the employee to explain in writing how he/she is able to maintain the said standard of living or how he/she acquired his/her pecuniary resources or property, and also may be required to make declaration of his/her assets which may include assets belonging to his/her family/household. Such declarations as aforesaid should be made to your Human Resource Department.

5.2.

Failure to make the asset declaration as required under Section 5.1 is viewed by PETRONAS as a lack of commitment on the part of the employee to uphold PETRONAS' policy on maintaining the highest standard of integrity, openness and transparency.

5.3

For the purpose of this Section, "assets" includes property of any description, whether movable or immovable, as may be prescribed by PETRONAS from time to time.

In respect of immovable property, assets include:-

- i. land, including land occupied under temporary occupation licence;
- ii. all types of residence such as houses, flats, apartments and condominiums; and

- iii. building, including a shop or portion of a shop, office space or stall.

In respect of movable property, assets include:-

- i. any form of cash wherever deposited or retained;
- ii. shares, stocks, debentures, bonds or other securities;
- iii. any form of trade, business or commercial licence permits; and
- vi. any other movable property, including all types of motor vehicles, jewellery, club memberships, household furniture and sports equipment.

6. INFORMATION SECURITY

6.1.

You must comply with the PETRONAS Information Security Policy in effect from time to time, which may be obtained from Corporate Information Development Unit.

PART II : DUTIES OF GOOD FAITH, FIDELITY, DILIGENCE AND INTEGRITY

1. CONFLICT OF INTEREST

1.1

For the purposes of Part IIA of the CoBE, a director should inform PETRONAS board about his directorship in other companies, his shareholding (if exceeding 2% of paid up share capital) or interest in other companies, body corporates, association of individuals or firms including any changes therein that may interfere with his ability to perform for PETRONAS. Such intimation is to be made in a form prescribed under the Companies Act, 2013 and rules framed thereunder. The intimation is to be made at PETRONAS board meeting appointing the director or at subsequent board meeting on his becoming aware of any such conflict of interest and also annually.

For purposes of Part IIA Section 3.3 of the CoBE, as stipulated in the Companies Act, 2013, a director having a concern or interest in a contract or arrangement with PETRONAS shall disclose such concern or interest to PETRONAS board at which such contract or arrangement has been placed for discussion or approval.

2. PUBLIC OFFICIALS

2.1.

The expression 'public officials' in Part IIB Section 12 of the CoBE shall include "Public Servant", defined in the Prevention of Corruption Act, 1988, to mean the following:

- "(i) any person in the service or pay of the Government or remunerated by the Government by fees or commission for the performance of any public duty;
- (ii) any person in the service or pay of a local authority;
- (iii) any person in the service or pay of a corporation established by or under a Central, Provincial or State Act, or an authority or a body owned or controlled or aided by the Government or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);
- (iv) any Judge, including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions;

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- (v) any person authorised by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commission appointed by such court;
 - (vi) any arbitrator or other person to whom any cause or matter has been referred for decision or report by court of justice or by a competent public authority;
 - (vii) any person who holds an office by virtue of which he is empowered to prepare, publish, maintain or revise an electoral roll or to conduct an election or part of an election;
 - (viii) any person who holds an office by virtue of which he is authorised or required to perform any public duty;
 - (ix) any person who is the president, secretary or other office-bearer of a registered co- operative society engaged in agriculture, industry, trade or banking, receiving or having received any financial aid from the Central Government or a State Government or from any corporation established by or under a Central, Provincial or State Act, or any authority or body owned or controlled or aided by the Government or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);
 - (x) any person who is a chairman, member or employee of any Service Commission or Board, by whatever name called, or a member of any selection committee appointed by such Commission or Board for the conduct of any examination or making any selection on behalf of such Commission or Board;
 - (xi) any person who is a Vice-Chancellor or member of any governing body, professor, reader, lecturer or any their teacher or employee, by whatever designation called, of any University and any person whose services have been availed of by a University or any other public authority in connection with holding or conducting examinations;
 - (xii) any person who is an office-bearer or an employee of an educational, scientific, social, cultural or other institution, in whatever manner established, receiving or having received any financial assistance from the Central Government or any State Government, or local or other public authority.

Explanation 1.

Persons falling under any of the above sub-clauses are public servants, whether appointed by the Government or not.

Explanation 2.

Wherever the words “public servant” occur, they shall be understood of every person who is in actual possession of the situation of a public servant, whatever legal defect there may be in his right to hold that situation.”

In addition to what is provided in Part IIB Section 12 of the CoBE, you are prohibited from, directly or indirectly, offering, promising or giving any bribe or gratification of any nature or in any form to a “Public Servant”.

3. INVENTIONS AND COMPUTER PROGRAMMES

3.1.

For the purposes of Part IIF Section 21 of the CoBE, contractors and other parties authorised by PETRONAS to undertake assignments creating copyrights therein, will sign necessary documents, as reasonably requested by PETRONAS, agreeing that the work undertaken by them is to be regarded as “work made for hire”.

4. POLITICAL ACTIVITIES

4.1.

For purposes of Part IIG Section 29 of the CoBE, the use of PETRONAS facilities, equipment and resources for any political contributions or campaigns or party functions as set out in Sections 29.4 and 29.5 of CoBE will at all times be subject to the prior approval of PETRONAS board and in compliance with the provisions of the Companies Act, 2013.

PART III: WORKPLACE CULTURE AND ENVIRONMENT

1. DRESS CODE

1.1

All employees should be neatly, appropriately and decently attired during office working hours. Provocative and improper attire is not allowed.

1.2.

Male Employees

- a) All male employees must wear formal trousers and full sleeved shirts. Shirts must be tucked in the trousers.
- b) Male executives are not required to wear neck ties to work except when required to do so for official business meeting and/or functions.
- c) Casual printed shirts, T-shirts, sweatpants, jeans, exercise pants (sport pants), track bottom, all types of shorts, and any spandex or form fitting pants, such as cycling shorts, are not allowed.
- d) Footwear must be appropriate and suitable. Slippers, flat sandals/ slip-ons, loafers, thongs, flip-flops, sport shoes, athletic shoes, sneakers, rubber boots or clogs are not allowed. Exemption is given for those with medical reasons.

1.3.

Female Employees

- a) Female employees will wear attire which is appropriate and suitable for an office-working environment. The length of skirts must not be above the knee.
- b) Female employees are allowed to wear office-appropriate pant/ skirt suits, salwar-kameez and saris. Jeans and shorts are not allowed.
- c) Footwear must be appropriate and suitable. Slippers, flat sandals and sport shoes are not allowed. Exemption to wear flat sandals is given to pregnant employees and for those with medical reasons

1.4.

Uniformed Employees

All uniformed employees must wear their designated uniforms at all times.

1.5.

Other Forms of Attire

Attire, other than those specified above, including the specified types of shoes, may be worn during office hours if it is a requirement of the job and said attire is approved by your Head of Department.

1.6.

Cross-dressing

Cross-dressing is not allowed.

1.7.

Dress Code for Official Functions

Employees must be appropriately attired in accordance with the dress requirements for a particular function. In the absence of any specific requirement, the employee must follow the PETRONAS Dress Code.

1.8.

Hair for Male Employees

Hair should be neat. The length should be above the collar.

For the Purpose of this Section:

“Cross-dressing” means when a male employee dresses or makes himself up as a female or when a female employee dresses or makes herself up as a male.

“Neat and appropriate attire” means decent, suitable, smart and professional attire.

“Provocative or Improper attire” means inappropriate and unsuitable office attire. This includes transparent or body hugging shirts/blouses (except as required for saris)/knitted blouses, low cut collar/necklines, bareback dresses, tight skirts/slacks/pants, high slit skirts/sarongs that reveal the thighs and short skirts.

2. SEXUAL HARASSMENT

The expression ‘sexual harassment’ in Part III Section 5 of the CoBE shall include one or more of the following (as defined under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013) unwelcomed acts or behavior (whether directly or by implication):

- a) physical contact and advances;
- b) a demand or request for sexual favors;
- c) making sexually colored remarks;
- d) showing pornography; or
- e) any other unwelcomed physical, verbal or non-verbal conduct of sexual nature.

2.1.

In case of any sexual harassment of women, the complaints should be directed to the Internal Complaints Committee of PETRONAS and in absence of an Internal Complaints Committee, to the local complaints committee constituted by the district officer in the district concerned. The Internal Complaints Committee would be separately constituted and, for the purposes of this Section, would be the punishing authority as defined in Part IV Section 3.1 of this Country Supplement.

3. ABSENCE WITHOUT LEAVE OR WITHOUT REASONABLE CAUSE

3.1.

An employee who is absent will, at the earliest opportunity, inform the officer of PETRONAS to whom he/she reports of his/her absence and the cause for his/her absence.

3.2.

Where the absence without leave and without reasonable excuse is for more than two (2) consecutive working days in case of non-workman and more than ten (10) consecutive working days in case of a workman, such act will constitute a misconduct and breach of contract with PETRONAS.

3.3.

Subject to applicable laws, where an employee is absent during working days without reasonable excuse, as soon as possible thereafter, a registered letter may be sent by PETRONAS to the employee's last known address requiring him/her to provide explanation for his/her absence. If nothing is heard of him/her or no satisfactory explanation is given by him/her, then PETRONAS will have the right to initiate action by observing legal provisions applicable to his/her category of employment which may include termination of his/her services.

4. RESPONSIBILITY FOR ASSETS, FACILITIES, RESOURCES AND RECORDS

4.1.

For the avoidance of doubt, deduction of employees' salary for any financial loss suffered by PETRONAS as stated in Part IID Section 16.4 of the CoBE shall be subject to the employee's category of employment.

PART IV: DISCIPLINE, DISCIPLINARY PROCESS AND SANCTIONS

1. DISCIPLINARY PROCESS

1.1.

Where the circumstances warrant, PETRONAS may suspend an employee pending the investigation and/or inquiry into alleged acts of misconduct committed by the employee by observing legal provisions applicable to his/her category of employment.

1.2.

If the investigations reveal concrete and cogent evidence in support of the alleged misconduct, PETRONAS may institute disciplinary action against the said employee.

2. DISCIPLINARY PUNISHMENTS

2.1.

The Punishing Authority may after due inquiry impose any of the following punishments against the employee:

- i) written warning;
- ii) suspension without pay for a period to be determined by the Punishing Authority in compliance with the Industrial Employment (Standing Orders) Act, 1946, if applicable;
- iii) withholding the employee's increment for a period to be determined by the Punishing Authority;
- iv) no increment to the employee's salary/wages for a period to be determined by the Punishing Authority;
- v) non-payment of bonus or ex-gratia subject to requirement of the Payment of Bonus Act, 1965;
- vi) downgrading or demoting;
- vii) fine in accordance with the Payment of Wages Act, 1936, the Industrial Employment (Standing Orders) Act, 1946, as applicable;
- viii) any other types of punishment as the Punishing Authority deems fit;
- viii) dismissal in compliance with the Industrial Employment (Standing Orders) Act, 1946, if applicable.

3. PUNISHING AUTHORITY

3.1.

For the purpose of this Part IV, "Punishing Authority" shall refer to the officer (not lower in rank than appointing officer of an employee) of PETRONAS who has been given the authority to mete out punishment against an employee as provided by the Human Resource Management Limits of Authority.

4. APPEAL PROCEDURE

4.1.

An employee who is aggrieved by the decision of a disciplinary action has the right to appeal in writing within thirty (30) days from the date of service or posting of the letter communicating the decision of the Punishing Authority.

4.2.

The Appeal Authority is to consider the grounds of appeal set out in the letter of appeal and is required to conclude whether to dismiss the appeal or to allow the appeal by either:

- a) reversing the finding of guilt; or
- b) reducing the punishment.

4.3.

The Appeal Authority shall consider the appeal on the basis of the written submissions by the aggrieved employee and also after considering the report of the Domestic Inquiry and the grounds for the decision as made by the panel of the Domestic Inquiry.

4.4.

For the purpose of this Section, "Appeal Authority" shall refer to the officer of PETRONAS who has been given the authority to consider and decide on appeal as provided by the Human Resource Management Limits of Authority.

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