



PETRONAS

PETRONAS Code of Conduct and Business Ethics

Country Supplement:
SULTANATE OF OMAN

The PETRONAS Code of Conduct and Business Ethics is a general reference for use in all the countries in which PETRONAS conducts operations. 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.

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A - Variations to the PETRONAS Code of Conduct and Business Ethics

Part I: Core Values and Culture

1. Application

- 1.1** The PETRONAS Code of Conduct and Business Ethics (the “**CoBE**”) as supplemented by this Country Supplement for PETRONAS companies (“**PETRONAS**”) in the Sultanate of Oman (“**Oman**”), or any provision thereof shall form an integral part of your contract of employment. Unless otherwise expressly stated, this Country Supplement is intended to supplement and be read in conjunction with the CoBE and the CoBE Guide. PETRONAS reserves the right to modify, revise, cancel or waive any policy, procedure or condition without notice and without revision of the CoBE. Moreover, the provisions of the CoBE may be modified by PETRONAS to adapt them to local laws and conditions.
- 1.2** For the purposes of Paragraph 1.2 of the CoBE, the CoBE, the Country Supplement and CoBE Guide (collectively “**CoBE Documents**”) are applicable to those employed by PETRONAS in Oman, as well as PETRONAS’ directors, contractors, sub-contractors, consultants, agents, representatives and others performing work or services on behalf of PETRONAS in Oman (collectively “**Covered Person**” or “**Covered Persons**”).
- 1.3** Each Covered Person is expected to read, understand and become familiar with the CoBE Documents and, in particular, to comply with it in the relevant parts. Each Covered Person must also be aware that the CoBE Documents may be periodically revised and/or updated by PETRONAS from time to time, with our without notice to Covered Persons. Accordingly, each Covered Person must routinely check the CoBE Documents for any revisions or updates and maintain compliance with the same.

1.4 Any Covered Person who does not comply with the CoBE Documents is acting outside the scope of his or her employment or authority and will be subject to disciplinary action, up to and including termination subject always to the applicable laws in Oman. Covered Persons will comply with the CoBE Documents in the relevant parts when performing such work or services. Failure by a Covered Person to comply with the principles and standards set out in the CoBE Documents may result in the termination of the non-complying party's relationship with PETRONAS and other adverse consequences subject always to the applicable laws in Oman.

1.5 Paragraph 1.4 of the CoBE shall be deleted and replaced with the following:

"This Code is prepared in English language. In the event of a conflict of interpretation with Arabic language or any other version, the Arabic language version will govern."

1.6 For the avoidance of doubt, in the event of a conflict between the CoBE Documents and your contract of employment, letter of appointment, statement of work or equivalent document, your contract of employment, letter of appointment, statement of work or equivalent document shall prevail.

1.7 In the event that any of the policies in this Country Supplement and the CoBE shall be inconsistent, ambiguous and contradict with one another, the policies of this Country Supplement shall prevail.

2. Definitions

- 2.1** Paragraph 3.4 of the CoBE shall be deleted and replaced with the following:

“For the purposes of this Code, the term “employee” means any person who is in the employment of PETRONAS or is deemed to be in an employment relationship with PETRONAS in accordance with the laws of Oman. Employees are required to comply with this Code. In addition, other persons who are performing work for PETRONAS, but who are not necessarily employees of PETRONAS under the laws of Oman (such as secondees, freelancers and contractors) shall also be required to comply with this Code.”

Part II: Duties of Good Faith, Fidelity, Diligence, and Integrity

Part II G: Conduct Contrary to Duty to Serve Diligently

1. Outside Employment or Business Activities

- 1.1** Paragraph 27.1 of the CoBE shall be deleted and replaced with the following:
- a) "As a PETRONAS employee, you must devote your time and attention to the fulfillment of your employment obligations to PETRONAS.
 - b) Local (i.e. Oman) employees may not take up other employment or gainful activity, whether part-time or full-time, or be involved in any outside business activities, in whatever capacity (including being involved in the management, direction or conduct of another enterprise) without the express written permission of PETRONAS. Such employees shall also be subject to any conditions or restrictions on taking up other employment, gainful activity or outside business activities as may be stipulated in the employees' contract of employment, letter of appointment, statement of work or equivalent document.
 - c) In relation to expatriate (i.e. non-Omani) employees, such an employee is not allowed to work at any other places or with any other employers in Oman on full or part-time basis, including during annual leave or sick leave. If you are already engaged in any other gainful activity or involved, either directly or indirectly, in the management or business activities of any other company or companies, firms, corporations or other business activities in Oman, you should come forward and disclose your activity to PETRONAS through your Head of Department or your Human Resource Department."

2. Public Service, Recreational, Sports, Union and Community Activities

2.1 Paragraph 29.1 of the CoBE shall be deleted and replaced with the following:

“PETRONAS recognises labour unions which have been duly registered in accordance with the laws of Oman, and the role of employees who have been appointed as representatives of such labour unions. Employees who engage in labour union activities must do so strictly in accordance with the laws of Oman.”

3. Political Activities

3.1 Paragraph 29.1 of the CoBE shall be deleted and replaced with the following:

“PETRONAS does not take part in political activities. However, PETRONAS recognises that employees, in their capacity as citizens, may wish to involve themselves in legitimate political activities. While PETRONAS does not wish to discourage employees from doing so, in order that PETRONAS can avoid involvement or identification with any specific political figure, ideology or cause, employees are required to use their off-duty time, or annual leave entitlement, subject to prior approval of such leave application, for such matters and they are not to make any representations that their involvement is on behalf or with the support of PETRONAS.”

3.2 Paragraph 29.2 of the CoBE shall be deleted and replaced with the following:

“Notwithstanding the notification under Paragraph 29.1, in order not to compromise the interests of PETRONAS, employees who wish to stand for elections in Oman are encouraged to resign from PETRONAS, subject to the requirements of applicable law.”

Part III: Workplace Culture and Environment

1. Dress Code

1.1 Paragraph 4 of the CoBE should be read together with the following:

a) **Dress Code**

- Generally, employees must not dress in a manner which undermines public morals or which is contrary to the traditions and customs of Omani society. Clothing should not be revealing or immodest – the body should be covered from the shoulder to below the knee. Clothing should also not feature sensitive or provocative illustrations or words on them.
- Omani employees may wear their national dress with suitable shoes or sandals.
- Expatriate employees may wear conservative, professional Western attire.

b) **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.

c) **Cross-dressing**

Cross-Dressing is not allowed.

d) **Dress Code for Official Functions**

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

2. Absence Without Leave or Without Reasonable Cause

2.1 A new paragraph 12 in Part III is added as follows:

- a) This section applies to employees who are subject to Royal Decree 25/2003 (Oman Labour Law).
- b) 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.
- (c) An employee shall be deemed to have breached his/her contract of employment with PETRONAS, and may be dismissed, if the employee:
 - i. absents himself/herself from work for more than 10 days without reasonable cause during 1 year; or
 - ii. absents himself/herself from work for more than 7 consecutive days without reasonable cause, provided that written notice is given to the employee after 5 days of absence.

Part IV: Disciplinary Process and Sanctions

Part IV of the CoBE shall be read together with the following:

1. Disciplinary Process

1.1 Generally, any alleged misconduct by an employee shall be subject to investigation and a disciplinary process (“**Disciplinary Process**”). The Disciplinary Process shall be carried out in accordance with the following principles:

- efficiency;
- transparency;
- consistency;
- fair treatment.

1.2 The Disciplinary Process shall be subject to the following timeframes:

- a) the employee must be informed of the alleged misconduct within 15 days of the discovery of the alleged misconduct by PETRONAS; and
- (b) disciplinary action must be taken against the employee within 30 days after the misconduct is confirmed.

1.3 The Disciplinary Process shall generally involve the following steps:

- **Step 1:** Upon discovery of a misconduct, PETRONAS shall immediately investigate the employee.
- **Step 2:** The investigation is recorded in writing.
- **Step 3:** The employee shall be invited to a hearing to discuss the investigation.
- **Step 4:** PETRONAS shall attend the hearing with the employee. Persons attending may include the employee's supervisor, HR manager and other relevant persons.
- **Step 5:** At the hearing, the employee shall be given details of the misconduct which is alleged against him/her, and the employee shall be given an opportunity to respond.
- **Step 6:** The minutes of the hearing are recorded in writing. The employee and 2 witnesses shall sign the minutes.
- **Step 7:** PETRONAS shall then decide on the appropriate disciplinary action to take against the employee. Any decision should be in line with internal policies and should not be seen to be arbitrary.
- **Step 8:** The decision on the disciplinary action shall be issued to the employee in writing. A deadline shall be given for the employee to appeal the decision (if any).
- **Step 9:** PETRONAS shall record the action in the employee's file.

The steps outlined above are indicative only and may be revised to suit the particular circumstances of each situation.

1.4 An employee who is subject to the Disciplinary Process may be suspended from work for a period not exceeding 3 months from the date of discovery of the alleged misconduct. During such suspension, PETRONAS may deduct the full gross salary of the employee for the 1st month of suspension, and half of the employee's gross salary for the 2nd and 3rd months of suspension. If the employee is acquitted of the alleged misconduct, any deducted salary must be reimbursed in full to the employee.

2. Disciplinary Action

2.1 Disciplinary action which PETRONAS may take against employees who are found to have committed a misconduct may include, amongst others, the following:

- Issuance of warning letter
- Issuance of a letter of reprimand
- Deduction in salary (not more than 5 days' salary for each violation)
- Termination of employment

In all cases, disciplinary action shall be taken in accordance with the Oman Labour Law.

2.2 In relation to the specific acts of misconduct set out below, and provided that PETRONAS has gathered sufficient evidence, an employee may be terminated by PETRONAS without prior notice and without end-of-service benefits:

- a) If the employee assumes a false identity, or if the employee resorts to forgery to obtain employment;
- b) If the employee commits a mistake which results in a heavy financial loss to PETRONAS provided that the latter should notify the Ministry of Labour of the incident within 3 days from the date of becoming aware of such mistake;
- c) If the employee in spite of being notified in writing does not comply with instructions which are necessary for the safety of workers or the workplace, provided that such instructions shall be written and hanged in a conspicuous place and the contravention of which is likely to cause a grievous damage to the workplace or to the workers;
- d) If the employee absents himself/herself from work for more than 10 days without reasonable cause during 1 year, or for more than 7 consecutive days (provided that such dismissal shall be preceded by a written notice from PETRONAS after his/her absence for 5 days in the first case);
- e) If the employee discloses any secrets relation to the establishment in which the employee works;
- f) If a final judgement is entered against the employee for an offence or felony for breach of honour or trust or for a felony committed in the workplace or during the course of the employee's work;
- g) If the employee is found during the working hours in a state of drunkenness or was under the influence of an intoxication drug or mental stimulus;
- h) If the employee commits an assault on the manager of PETRONAS, or if the employee commits a grievous assault on any of his or her superiors in the course of work, or if the employee assaults one of his or her colleagues in the workplace and a consequence of which the colleague is absent from work for a period exceeding 10 days.

3. Appeal Procedure

- 3.1** An employee who has been terminated may, within 15 days of being notified of the termination, file a grievance with the Ministry of Labour and request annulment of the termination. If the Ministry of Labour is not able to help PETRONAS and the employee reach a settlement within 2 weeks, then the complaint shall be referred to the courts of Oman within a further 2 weeks.

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