



**PETRONAS**

# **PETRONAS**

# **Code of Conduct and Business Ethics**

Country Supplement: **MALAYSIA**

The PETRONAS Code of Conduct and Business Ethics Country Supplement: Malaysia is a specific reference for use in Malaysia. 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

## **A - Variations to the PETRONAS Code of Conduct and Business Ethics (CoBE)**

### **Part I: Core Values and Culture**

1. Application.....	4
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### **Part II: Duties of Good Faith, Fidelity, Diligence and Integrity .....5**

#### **Part II I: Conduct Tending to Jeopardise Duty of Good Faith and Fidelity**

1. Serious Pecuniary Indebtedness.....	5
2. Declaration of Asset by Employee .....	6
3. Borrowing Money .....	9

### **Part III: Workplace Culture and Environment**

1. Absence Without Leave or Without Reasonable Cause .....	10
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### **Part IV: Discipline, Disciplinary Process and Sanctions**

1. Disciplinary Process.....	11
2. Disciplinary Punishments .....	11
3. Punishing Authority .....	12
4. Appeal Procedure.....	12

# Country Supplement:

# Malaysia

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## A - Variations to the PETRONAS Code of Conduct and Business Ethics (CoBE)

### Part I: Core Values and Culture

#### 1. Application

- 1.1** This Country Supplement shall be applicable to all employees of PETRONAS group of companies in Malaysia. Your failure to comply may have severe consequences to PETRONAS and may result in disciplinary action against you, subject to the requirements of applicable law.
  
- 1.2** This Country Supplement shall be effective from 18 January 2023 (“Effective Date”) and shall replace the previous Malaysia Country Supplement. Any misconduct committed before the Effective Date of this Country Supplement will be dealt under the previous Country Supplement in effect at the time of misconduct.
  
- 1.3** This Country Supplement shall be read together with PETRONAS Code of Conduct and Business Ethics Revision 2022 (CoBE 2022). In the event of any inconsistency between the policies in this Country Supplement and CoBE 2022, the policies of this Country Supplement shall prevail.

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

### Part II I: Conduct Tending to Jeopardise Duty of Good Faith and Fidelity

#### 1. Serious Pecuniary Indebtedness

- 1.1** 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 Director General of Insolvency remains unsatisfied, as the case may be.

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

- 1.3** 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.

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**1.4** 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.

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

## **2. Declaration of Asset by Employee**

**2.1** In line with PETRONAS' efforts to prevent corruption, illicit enrichment, abuse of position, conflict of interest, and to ensure highest level of integrity among its employees, PETRONAS can, direct an employee to make an asset declaration.

**2.2** For the purpose of this Section;

- a) "asset declaration" means an employee making a declaration of his/her assets;
- b) "assets" include property of any description, whether movable or immovable, as may be prescribed by PETRONAS from time-to-time; and

In respect of immovable property, assets include:

- i. land, including land occupied under temporary occupation license;
- 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 marketing space.









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## Part III: Workplace Culture and Environment

### 1. Absence Without Leave or Without Reasonable Cause

- 1.1** 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.
- 1.2** Where the absence without leave and without reasonable excuse is for more than two (2) consecutive working days, the employee will be deemed to have breached his/her contract of service with PETRONAS.
- 1.3** Where an employee is absent for more than two (2) consecutive working days without reasonable excuse, as soon as possible thereafter a registered letter will be sent to the employee's last known address requiring him/her to provide explanation for his/her absence. Upon a lapse of seven (7) days after posting of the said registered letter, if nothing is heard of him/her or no satisfactory explanation is given by him/her, then the said employee is deemed to have breached his/her contract of service and in such circumstances PETRONAS will have the right to terminate his/her service. In addition, PETRONAS will be entitled to recover from the former employee concerned all sums due from the employee to PETRONAS.

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## Part IV: Disciplinary Process and Sanctions

### 1. Disciplinary Process

- 1.1** Where the circumstances warrant, PETRONAS may suspend an employee on full or half pay pending the investigation and/or inquiry into alleged acts of misconduct committed by the employee.
- 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

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

- i. a written warning;
- ii. suspension with or without pay for a period to be determined by the Punishing Authority;
- iii. withholding the employee's increment for a period to be determined by the Punishing Authority;
- iv. no increment to the employee's salary for a period to be determined by the Punishing Authority;
- v. non-payment of bonus or exgratia;
- vi. downgrading or demoting the employee;
- vii. any other types of punishment as the Punishing Authority deems fit;
- viii. dismissal.

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### 3. Punishing Authority

For the purpose of this Part IV, "Punishing Authority" shall refer to the officer 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 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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